

From Our Special Correspondent:

Alfred Deakin's letters to the
London Morning Post

— Volume 4 —

1904



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Series editor:
Dianne Heriot

Layout and design:
Matthew Harris

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

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



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

(National Library of Australia, nla.obj-136655990)

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Illustrations

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Portrait of Alfred Deakin seated at his desk, photograph, Elliott & Fry, 190-?, National Library of Australia, nla.obj-136655990

Deakin Ministry, 24 September 1903 to 27 April 1904, photograph, 1903, National Library of Australia, PIC Drawer PIC/20860

Photograph of Watson's Federal Labor Ministry 1904, photographic print, John Oxley Library, State Library of Queensland, 28259

4th Commonwealth Government from 19th August 1904 to 4th July 1905, photograph, Swiss Studios (Melbourne), National Library of Australia, nla.obj-137248591

Introduction to the series

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Notes on the text

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

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

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

The letters are organised chronologically by date of writing. Two dates are provided for each letter, the first being the date of writing, the second that of its publication in the *Morning Post*. Where the date of writing was not printed, or was printed incorrectly in the *Morning Post*, it has been added in square brackets on the basis of the list of published letters in Appendix II of La Nauze's edition.³¹

Endnotes

¹ JA La Nauze in the Introduction to his selected edition of the letters to the *Morning Post*. (A Deakin, *Federated Australia: selections from letters to the Morning Post 1900–1910*, JA La Nauze, ed, Cambridge University Press, Carlton, 1968, p. ix.)

² *Federated Australia*, *ibid.*, p. vii.

³ *Ibid.*, p. viii. See also: JA La Nauze, 'Alfred Deakin and the *Morning Post*', *Historical Studies Australia and New Zealand*, 6(24), May 1955, pp. 361–75, and JA La Nauze, *Alfred Deakin: a biography*, Melbourne University Press, Carlton, 1965, volume 2, pp. 347–61.

- 4 'Banquet to the Colonial Delegates', *The Argus*, 25 May 1887, p. 5.
- 5 Philip Menzell cable to Alfred Deakin, NLA MS 1540/7/8–10.
- 6 E Peacock letter to Alfred Deakin, NLA MS 1540/7/14.
- 7 J Nicol Dunn letter to Alfred Deakin, NLA MS 1540/7/12–13.
- 8 Philip Menzell letter to Alfred Deakin, 10 and 26 May 1901, NLA MS 1540/1/613–16, quoted in J Brett, *The enigmatic Mr Deakin*, Text Publishing, Melbourne, 2017, p. 252.
- 9 Ibid.
- 10 *Federated Australia*, op. cit., p. viii.
- 11 'Alfred Deakin and the *Morning Post*', op. cit., p. 361 and p. 373.
- 12 *Federated Australia*, op. cit., p. viii.
- 13 'Alfred Deakin and the *Morning Post*', op. cit., p. 369.
- 14 Ibid.
- 15 J Nicol Dunn to Alfred Deakin, NLA MS 1540/7/14.
- 16 Brett, op. cit., p. 242.
- 17 Quoted in *Federated Australia*, op. cit., p. x.
- 18 W Murdoch, *Alfred Deakin: a sketch*, Constable & Co. Ltd, Sydney, 1923, p. 252.
- 19 Alfred Deakin to Richard Jebb, 29 May 1907, quoted in *Alfred Deakin: a biography*, op. cit., volume 2, p. 353.
- 20 Alfred Deakin to F Ware, 4 January 1909, NLA MS 1540/7/45–48, quoted *ibid.*, p. 358.
- 21 *Morning Post* editor J Nicol Dunn had at the outset urged Deakin not to put himself 'too much in the background' but, rather, to 'mention [his] own part in affairs as fully as any other body's'. J Nicol Dunn to Alfred Deakin, NLA MS 1540/7/12–13.
- 22 *Federated Australia*, op. cit., p. ix.
- 23 H Tennyson, 'Prorogation', Senate, *Debates*, 22 October 1903, pp. 6436–37.
- 24 *Alfred Deakin: a biography*, op. cit., volume 1, p. 199.
- 25 *Federated Australia*, op. cit., pp. ix–xii; *Alfred Deakin: a biography*, op. cit., volume 2, pp. 360–61.
- 26 *Federated Australia*, op. cit., p. x.
- 27 *Alfred Deakin: a biography*, op. cit., p. 361.
- 28 *Federated Australia*, op. cit., p. xv.
- 29 Ibid., p. xv.
- 30 Ibid., p. xvi.
- 31 Ibid., pp. 295–311.

— 1904 —



Deakin Ministry, 24 September 1903 to 27 April 1904, 1903

Seated (L–R): *Sir George Turner* (Vic), Treasurer; *Alfred Deakin* (Vic), Prime Minister and Minister for External Affairs; *Lord Tennyson* (Governor-General); *Sir William Lyne* (NSW), Minister for Trade and Customs; *Sir John Forrest* (WA), Minister for Home Affairs

Standing (L–R): *Senator James Drake* (Qld), Attorney-General; *Senator Thomas Playford* (SA), Vice-President of Executive Council; *Sir Philip Oakley Fysh* (Tas), Postmaster-General; *Sir Austin Chapman* (NSW), Minister for Defence

(National Library of Australia, PIC Drawer PIC/20860)



Photograph of Watson's Federal Labour Ministry 1904

Seated (L-R): **Henry Higgins** (Vic), Attorney-General; **John Watson** (NSW), Prime Minister and Treasurer; **Baron Northcote**, Governor-General; **William Hughes** (NSW), Minister for External Affairs; **Egerton Batchelor** (SA), Minister for Home Affairs

Standing (L-R): **Andrew Fisher** (Qld), Minister for Trade and Customs; Senator **Andrew Dawson** (Qld), Minister for Defence; Senator **Gregor McGregor** (SA), Vice-President of the Executive Council; **Hugh Mahon** (WA), Postmaster-General

(State Library of Queensland, 28259)



4th Commonwealth Government from 19th August 1904 to 4th July 1905, Swiss Studios (Melbourne)

Seated (L–R): Sir George Turner (Vic), Treasurer; George Reid (NSW), Prime Minister and Minister for External Affairs; Baron Northcote, Governor-General; Allan McLean (Vic), Minister for Trade and Customs; Senator Sir Josiah Symon (SA), Attorney-General

Standing (L–R): Sydney Smith (NSW), Postmaster-General; Dugald Thomson (NSW), Minister for Home Affairs; James McCay (Vic), Minister for Defence; Senator James Drake (Qld), Vice-President of the Executive Council

(National Library of Australia, nla.obj-137248591)

THE NEW COMMONWEALTH.

MR. CHAMBERLAIN'S POLICY.

“IMPERIAL IN EVERY SENSE.”

CRYING WANT OF AUSTRALIA.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jan. 13 [Jan. 5] 1904; Feb. 15 1904.

The invitation to Mr. Chamberlain to visit Australia for the purpose of personally unfolding his policy of preferential trade came to us as a New Year's Day surprise, and created a wide-spread sensation. Some months ago the possibilities of his coming were discussed in the Press, and the late Government was unsuccessfully interrogated on the prospect. Doubtless it was then felt that Mr. Chamberlain, though relieved from the cares of office, had much work to do in his own home before he could be expected to undertake a voyage to the other side of the world. The causes which retain him now were much more potent then. Unless he found himself encouraged by sufficient support in the Mother Country, it would have been idle for him to set out as an envoy to the daughter peoples with whom it was proposed to enter into more intimate commercial relations. It was necessary and proper that the senior partner should be consulted first were it only on the financial ground that his pounds, shillings, and pence interests in itself far surpassed the collective interests of his children. Judging from the reports received here Mr. Chamberlain has made headway enough at headquarters to justify him in turning to the junior members of the firm of John Bull and Co. South Africa has been visited and has acted; Canada had previously granted a substantial preference, and New Zealand has lately followed suit. Australia remains, and from a business point of view we are well worth attention. Until the boom at the Cape we were by far the best customers of British manufacturers in proportion to population. They have lost ground in our markets in recent years, but with a preference could easily regain it. Indeed, they might reasonably hope to extend their business in consequence of the reviving prosperity we are beginning to enjoy with the return of normal seasons on which we are emboldened to rely, as they are being heralded by the present bumper harvest. The invitation extended to Mr. Chamberlain was therefore not without justification on several grounds.

FACTS AND THEORIES.

Mr. Chamberlain's reply, though it might have been looked for, was evidently a great disappointment to the Prime Minister and the ardent supporters of preferential trade. There cannot be the least doubt of the effects of a visit from Mr. Chamberlain on this country generally and on the organisations particularly which are now being founded to promote and popularise his scheme of fiscal reciprocity. Still, it meant something to have drawn from him an explanatory answer, in which he seized the opportunity of defining the real purpose of his policy. Mr. Deakin had referred to it as "Imperial in every sense", because it made for the development of all parts of the Empire and for its stability as a whole. Mr. Chamberlain more tersely and effectively describes it as "the great campaign for the unity of the Empire". In that phrase he put his finger on the central principle in relation to which the policy ought to be judged now, and by which it must be measured when the future sums up the history of our time. He put his case once more as a fulfilment of our duty "to weld together the Empire which is our common heritage". It is this sentiment which provides the momentum of the movement in Australia, and must continue to sustain it if it is to attain success. The business consequences have not been forgotten. The Prime Minister has reiterated on every platform the trade statistics which go to show how profitable the British market is to us, and how our demand for British manufactures can be multiplied. The facts and figures have not fallen on deaf ears, though the statistical aspects of the proposals have been usually ignored, occasionally minimised, or more rarely sought to be explained away by the Opposition Press. The battle as far as it has begun has not been waged on the question of practical advantages to be gained. The artillery of the opponents of the policy has been levelled at the new fiscal theories said to be implied in the proposals, and has been employed mainly in support of the old fiscal theories said to be violated by them. Though the facts ought to have had the best of the theories in this conflict, it cannot be said that as yet they have done more than convince those willing to be convinced. Where the theories suffer most is in their conflict with national sentiment and aims. Mr. Chamberlain's courteous reply to the invitation says in a line or two what would have been most convincing if he had said it in person on our platforms.

FISCAL POLICY.

One excellent reason why our Ministers could not have approached Mr. Chamberlain at an earlier date is to be found in the fact that their appeal to the country was imminent. An invitation at that time would have been interpreted as the summoning of an electioneering ally. If it had been accepted then Mr. Chamberlain would have been accorded a more or less party welcome, and would have had to encounter

something like party opposition. This danger has now passed. The elections are over. There is a large majority of the new Parliament favourable to some form of preference. Moreover, Mr. Chamberlain's visit would have been certain to affect both the substance and the form of any agreement presented to Parliament. Since the proposals are intended to be submitted some time this session, it was in the highest degree desirable that he should be heard before they were tabled, or at all events before they were disposed of by the House, Mr. Chamberlain would have spoken with authority. As author of the scheme, as the statesman who has staked his future and the fortunes of his party on it, and as the dauntless challenger of inherited prejudices hitherto deemed impregnable, he would have been heard with a respect and admiration that must of themselves have ensured success. Our Prime Minister has often described the ex-Colonial Secretary as the one great English statesman who is also a great man of business. Such a reputation would have caused him to be listened to by our mercantile classes with a confidence that they would probably accord to no other orator. He must have appealed on other grounds to different portions of the general public, for in one way or another his past career has opened to him both the hearts and the minds of the great bulk of our people. The unforgiving among the Home Rulers do not forget how much he contributed to the defeat of Mr. Gladstone's famous Bill, the Pro-Boers are still full of resentment of his masterful handling of their clients, and there are some fanatic fiscal theorists who cannot be easily appeased. But all these little factions when added together would have been lost to sight in the immense mass of those who trust and follow Mr. Chamberlain. The confidence of Ministers that he could rely on a unanimous and enthusiastic welcome wherever he appeared in Australia would have been most abundantly verified in the result.

DEBTS OF THE STATES.

Sir George Turner has at last succeeded in arranging for a conference with the State Treasurers, to be held in the first week of February, in order to discuss the transfer and consolidation of their debts, and therefore also the weighty issues that depend on this transaction. No practical step is possible to the end he has in view unless the Ministers who meet him come with their lofty pretensions much more abated than they were when this matter was first broached eighteen months ago. Their idea then was very simple: the Commonwealth was to accept responsibility for as many of the old obligations as the States pleased, and to ask no questions as to their affairs. When they learned from the present Prime Minister, then Attorney-General, that security would be required for the interest and an indemnity for the principal of the debts taken over, coupled with some agreement for the limitation of their future borrowing, they professed to be outraged by such gratuitous interferences with their liberties.

Possibly they were really startled, since it soon became evident that none of them had seriously considered the nature and effect of the provision in the constitution of which they wished to avail themselves. When the Premiers met in Sydney some time afterwards they were more wary, but equally resolved to insist on their absolute independency. They diplomatically sheltered themselves in a strict silence on every other consideration except a repetition of the old demand that they should be relieved of their burdens as far and as fast as possible. The Prime Minister's reply has been an explicit insistence that no action will be taken by his administration until the whole of the conditions of the transfer are settled in such a manner as to ensure relief to the taxpayers. There cannot be any savings effected for them unless there is a limitation of future State borrowings, and this is the one thing that all of their Governments are most persistent in refusing; there will need to be a complete reversal of attitude on their part if anything is to be accomplished next month. So far there are no hints of any transformation of the sort. Probably there will be none until the pinch of necessity brings those concerned to a sense of their dependence on the Federal Treasury. None of the State revenue returns for the half year is notable for either increases or decreases on local estimates, though, as Sir George Turner anticipated, there is a considerable decline in the surplus he distributes. The next half year must show a marked improvement in railway and other receipts. The conference will be useful whatever it does or refuses to do by once more bringing under public notice and Press criticism the set of problems connected with the debts of the States. Each of these is important in itself. The whole taken together is of vast moment to our future development.

FINANCIAL INDEBTEDNESS.

The Commonwealth still remains free from all obligation for loans except that it is liable for the value of the properties taken over from the States with the transferred departments. This sum is as yet undetermined, though it is usually estimated at £10,000,000. It will be paid for by the assumption of existing obligations of the States, and will not, therefore, have any effect on the financial position of Australia as a whole. Our total indebtedness, as has often been explained, is misleading, because it is apt to be contrasted with that of countries whose railways, telegraph lines, and lands are private property. The one circumstance that has to be remarked is that it is still steadily increasing. There again our critics require to be reminded that this is due almost entirely to the expenditure on new railways. In Sydney a large proportion has been spent during the past two years on properties adjoining the chief wharves of the city which Sir John See assures us will soon return more profit than the interest we pay on the capital invested. In this State the drought has been made the excuse for continuing a liberal outlay on public works. Speaking roughly, when the purchase

money for the harbour properties is deducted our disbursement of loan moneys in this State has remained at about the same high level for the last four years. It averages £3,000,000 a year. Omitting New Zealand, the next largest outlay has been that of Western Australia. This does not average half as much as ours, and is enlarged by expenditure out of revenue elsewhere debited to capital. Queensland takes a little over a million a year, which is a small sum having regard to her territory. Victoria, South Australia, and Tasmania, the States more permanently settled, naturally call for less extraneous aid. The fact remains, however, that including all kinds of investments the States of Australia spent little short of £9,000,000 last year. Though this was £600,000 less than in the preceding twelve months it represents an undue advance in liability in these times of proposed retrenchment. Of course, 1902–3 was a bad year for the railways, only the accounts of Western Australia showing a profit, and those for South Australia, adding the Northern Territory lines, showing an insignificant loss. Both these States gained rather than lost by the drought elsewhere. Queensland lost nearly 2¼ per cent. on her railway capital, Tasmania over 2 per cent., Victoria 1¼ per cent., and New South Wales 1 per cent., or an average of nearly 1¼ per cent. for the Commonwealth. We began the quinquennium just closed with railway deficits in Australia amounting to a little over half a million a year. As the drought intensified those rose every season until they trebled that loss in the twelve months just concluded. No doubt the current returns ought to pull it down to the old figure, a sum that we can well afford to pay for the immense indirect benefits conferred by our railways through their development of the interior. But the period is approaching when we must be prepared to meet our earliest loans, besides providing for any fresh necessities. It will find us fairly prosperous, but not as progressive as we ought to be. We cannot live on loans, nor hope to obtain them on favourable terms while their expenditure fails to bring to us an equivalent addition to our settlers or an extension of settlement.

CESSATION OF IMMIGRATION.

The Prime Minister is responsible for having first associated the question of the debts with that of population as a basis for immediate political action. Our debts steadily increase, but our population does not, and in the Prime Minister's judgment the position should be exactly reversed. Possibly it would not be doing him an injustice to sum up his present policy as threefold—more protection against the foreigner so as to secure preferential trade within the Empire, more people settled on our soil as producers to enlarge our exports, and more provision for the limitation of borrowing and for the gradual reduction of our public debts. In pursuance of this plan he lately telegraphed to all the Premiers of the States inviting them to consider the cessation of immigration from the Mother Country and Europe generally during the last dozen

years, though thousands of immigrants from their shores, most desirable in character, continue to seek fresh homes in new lands. Admitting that these new lands are nearer to the old world than we are Mr. Deakin contends that joint action, in which the Commonwealth will gladly share, even if it were only for the better advertisement of our resources in Great Britain, might do something to remedy the existing state of affairs. He asks that the representatives from the States accredited to the conference with Sir George Turner shall be authorised by their Cabinets to exchange views as a helpful preliminary to some adequate action capable of attracting a fair share of the men and women who are leaving the Mother Country to settle elsewhere. He adds a broad hint that he submits this request pending the next conference of State Premiers, who are thus gently reminded that this vital subject has escaped their attention altogether at their past gatherings for the discussion of matters of common interest. But he has no more power to drive them here than he has in respect of the establishment of sinking funds for their debts or the stoppage of their rush to London for fresh loans. It is possible that they may resent his leadership on these questions, though they are national as well as local now, and are likely to become more national and less local as we progress.

WANT OF POPULATION.

Population is the crying want of Australia, and Mr. Deakin does no more than his duty in constantly dwelling on the fact. It is only ignored because our old efforts at assisting immigration were both costly and unsatisfactory, while the Labour members look askance at any proposal of the kind. Still, it is encouraging to find that the Prime Minister's frank appeal met with an instant and favourable response from Western Australia, where vast areas lie idle, much for the plough and more for grazing, while most of all is barren in appearance but possessing many indications of mineral wealth. Queensland naturally followed suit, as well as South Australia. Victoria and Tasmania have tentatively replied. The New South Wales Cabinet has not yet met. Whatever the cause of the delay of the last three it is evident that the Prime Minister is putting his first efforts and personal energy into two proposals not to be found in the Labour platform and not endorsed with any cordiality by the majority of its section in Parliament or out of it. Mr. Watson has already spoken in dubious terms. Mr. Deakin commences, therefore, by an appeal to the Opposition Moderates, some of whom are in favour of both preferential trade and a forward immigration policy, while others are prepared to adopt one of the projects in some form. This step may be merely a balancing of parties to preserve Ministerial independence, but it is generally taken as an augury of an alliance, at all events for a time, between the Ministry and the little knot of men independent of the Labour Section which serves under Mr. Reid's banner, but is not ranked among his unquestioning followers.

THE NEW COMMONWEALTH.

INDIFFERENCE TO POLITICS. ELECTORS WHO DO NOT ELECT. ECONOMIC EXPERIMENTS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jan. 12 1904; Feb. 20 1904.

The Anti-Federalists in this city have at last recovered courage sufficiently to enable them in a public meeting of three hundred persons to carry a motion in favour of an agitation to dissolve the union. It was determined to ask the *Mayor of Sydney* to grant the Town Hall for another gathering at which the first steps could be taken to form an organisation. But seeing that no public man of any note has signified his adherence and that those present at the meeting may be accepted as some evidence of the strength of the movement, the agitation has not yet reached the stage at which even propaganda work is promising. Out of our couple of hundred thousand adults no doubt one could find many thousands more or less disappointed with Federation as we have it. There are the old provincialists who fought the Convention Bill with tenacity from first to last and even in the final referendum rallied in Sydney as many votes against it as were cast in its favour. Mr. *John Haynes* was and is of this way of thinking, and hence the meeting at which he was chief speaker. But the great Anti-Federal army of which he was one of the officers four years ago appears to have abandoned the struggle against the existing union. For all that many of the officers remain as absolute provincialists as he is. When asked if he remembered the words in the preamble to the Commonwealth Act which declare that it establishes an indissoluble union, he replied angrily that what the people had made they could unmake, and if he meant by that merely the power to amend the Constitution in the manner provided he had good warrant for his contention. But as Mr. Haynes's remarks were obviously addressed to New South Wales alone, and consisted of an appeal to its people to sever themselves from Victoria in particular and the sister States in general, he seemed to assume that a power of withdrawal is still retained in each State. Of course, he is in that wholly mistaken. Whatever the people of Australia may be able to accomplish under the terms of the Constitution itself, it is perfectly certain that no group of them in any one State can do anything of themselves except veto one or two classes of amendments affecting their own area and representation.

These powers have been specifically reserved to them. Beyond this the people cannot alter nor omit a single sentence of the statute without the sanction of both a majority of the electors in a majority of the States, and also a majority of the total number going to the poll in all the States. The agitation, therefore, even if it be dignified by that name, is doomed to impotence from the moment of its initiation. The union has at least made us one people for the future in all questions affecting its own maintenance.

THE MAJORITY OF A MINORITY.

It is often said that if the referendum of 1899 had to be taken again the Commonwealth would never be created. The ground for this assertion is that large numbers of those who were then reckoned among its ardent advocates have either cooled in enthusiasm or gone into opposition. This is particularly true of the mercantile classes in Queensland, who have been angered by the prohibition of further importations of *Kanakas*, and generally true of those here and in the remaining States who are now alarmed by the altogether unexpected ascendancy of the Labour section in the Federal Parliament. What is forgotten is that the great mass of that section which was bitterly hostile to the Bill in 1899 because of its checks on democratic legislation has also changed sides. In mere numbers that great mass would suffice to make up for the loss occasioned by the defection of those whom it has intimidated. But it is doubtful if any considerable number of the timid would go as far as to take part in any attempt to dissolve the union. Were they so inclined the recent election must afford them an unmistakable warning. In the first place, it proves that the Labour section is so little feared by the electors that the bulk of them could not be persuaded into recording their votes by any of the easy methods authorised in order to tempt them to exercise the suffrage. In the next place, it shows on analysis that in three out of the six States the dominance of that very section would be much more absolute than it is in the union, where its majorities are largely neutralised by the returns from the remainder. The most striking feature of the late election is that less than half the persons on the roll consented to vote at all. Our Federal Parliament, therefore, represents only the majority of a minority of its constituents. As a matter of arithmetic it is perfectly possible that if even a fair fraction of those who did not vote had gone to the poll every member now returned might have been rejected in favour of some other candidate of the opposite political complexion. If those who did go from sectarian or other irrelevant motives were deducted the record would have been smaller still. Whether Federation is popular or not it is plain from the figures that there is no strong feeling one way or the other. As has often been reiterated in these columns, the prevailing political attitude in Australia is one of indifference. We are governed by an active minority of a minority of the whole people, because

most of our electors do not elect, and those who do are controlled by a relatively small portion of their number with fairly definite aims and an excellent organisation. Sweep away the Commonwealth to-morrow and they would remain indifferent still in the States. Its safety is partly guaranteed by the fact that even those who are disaffected are too indifferent to put their grievances into action.

LAODICEANS IN TEMPER.

The majority that has abstained from voting represents every shade of political feeling save one. It is not aggressively hostile to the Labour platform, as its abstention proves, but it certainly includes an utterly insignificant total of Labour section sympathisers. These poll their full strength always and everywhere, and therefore deserve the successes that attend them. But they are, and will remain, a minority. In Queensland the heaviest polling in any State enabled them to capture nine out of twelve seats, while in Western Australia the smallest polling in any State gave them seven out of eight seats. In both they won by good majorities, and yet, as forty-six out of every hundred electors in Queensland and no less than seventy-four out of every hundred in Western Australia were too indolent to mark a ballot paper, it would have been easily possible, with part only of this absentee army, to defeat all their candidates. The only State at present in which the Labour section shares Ministerial responsibilities with the local Legislature is Queensland. Western Australia and South Australia have Liberal Governments independent of the Labour section, but their majorities will be very insecure unless at the local elections they can beat up more support than either the Federal Ministry or Opposition has been able to command. In New South Wales alone, out of the three remaining States, is the Labour section in direct alliance with the Cabinet, though in Tasmania it is not unfriendly to Mr. Propsting. It has no hold on Victoria, and has made no gains worth speaking of in this State. Still, it is by no means certain that if we were once more severed from the union two out of the three States would not, to some extent at all events, come under the Labour yoke in a short time. Any surprise is possible when New South Wales and Victoria poll only half their electors as they did last month, South Australia less than a third of them, and Western Australia barely a fourth. While these figures remain it is ridiculous to pretend that, except tacitly and by consent, we have majority rule in Australia as a whole. It is equally plain that in the opinion of most of our people they are not being injured by the legislative experiments in which our Parliaments indulge. If they felt pinched they would surely vote. We are not all Radicals, but we are mainly Laodiceans in temper. We have a means of cure once every three years easy and ready to hand. The Labour section, whose spectre strikes so much terror abroad, consists at most of one-third of one-half of our community. It can at any time be annihilated by an approach to anything like unity among the other five-sixths of our electors.

INDUSTRIAL ARBITRATION.

The imminence of the introduction of the Arbitration Bill in the Federal Parliament imparts a special interest to recent experiences of the working of the State Acts, after whose pattern it has been drafted. What precise measure of success has been attained by the New Zealand legislation of the same character has still to be determined.

According to the best testimony the system established by statute has undoubtedly prevented many strikes that would otherwise have taken place for higher wages, and has greatly contributed to the solution of many questions relating to the conditions of Labour, in particular industries that would probably have resulted in strife if they had not been settled judicially. Further, the concessions directed to be made to employers in obedience to decisions in their favour have invariably been loyally carried out by the employers. In most cases they probably had no choice in view of their investments, but in no instance have they found the verdicts drastic enough to drive them out of business. Taking into account this series of successes one is not surprised at the paeans of praise chanted all the world over by admirers of the compulsory settlement industrial disputes on the New Zealand plan. It is too often forgotten that practically the whole of the experience of New Zealand has been gained in what may be termed a rising market. Excellent seasons have followed one another, accompanied by high prices, owing to the special demands for the South African and Australian markets, and as a consequence the colony has flourished exceedingly. In such circumstances employment has been plentiful, money easy, and trade sound. Factors like these have, of course, affected the industrial courts. Speaking broadly, they have had nothing to do in most cases but to decree increases of wages or improvements in the conditions under which they are being earned. At the worst they have only had to refuse to alter existing rates and rules. But it has been pertinently pointed out that no real test of the authority of the court—or of the success of the measures from which it derives its jurisdiction—will be obtained while all its hearings result in verdicts in favour of what may be termed the popular side. Employers having a stake in the country and being compelled to choose between closing their businesses or accepting the court's awards have necessarily chosen the awards. Hence the reign of law has been unbroken by any rebellion or attempt at resistance. Whether or not this halcyon condition of things will continue in opposite circumstances is the question that has not yet been finally answered. It must be answered, and in the affirmative, before the legal enforcement of the judgments of special tribunals appointed to try all industrial disputes can be pronounced a social panacea. The real crux will not come until employees, too poor to be effectively fined and too numerous to be imprisoned, are sought to be compelled to abide by decisions which reduce their wages, or in any other of many possible ways add to their burdens while earning them.

LABOUR TROUBLES.

A foretaste of the obstacles to be surmounted in the event of the orders of an Arbitration Court even seriously disappointing the expectations of numbers of workpeople has already been presented to us in one or two instances. In Western Australia and in New South Wales adverse findings have provoked a storm of abuse against the presiding judge and fervid denunciations of the system that could permit them. Lately a decision in Western Australia affecting the timber trade led to threats of defiance, and, for a short time, to preparations for a strike, though wiser counsels finally prevailed. We are now witnessing in New South Wales the first promise of a similar outbreak, though at this stage it only affects an agreement between masters and men under which, with some difficulty, peace has been maintained for several years. In January, 1901, the coal mine owners fixed their standard selling price at 11s. a ton, which meant on the approved scale 4s. 2d. a ton to the miners for hewing it out of the seam. These figures held good until a year ago, when the price definitely dropped to 10s. a ton. In May last the owners gave notice that they would pay for hewing according to this reduced rate, but on appeal to the Arbitration Court they were instructed that it was not competent for them to give the notice until September. When that month arrived they met again, declared the standard price to be 10s., and followed this by notice that on the 1st of January, 1904, the hewing rate would be decreased by 4d. a ton. This has been done, and already in a hesitating fashion the step legally taken is being contested. To all appearances, if it had been taken in May last it would have at once precipitated a general strike. Already the men in two or three collieries have ceased work, and though they have resumed again it is possible that their sporadic outbreaks may be the stormy petrels of a grave and costly conflict. The board of delegates acting for the miners has insisted on the acceptance of the lower rate pending an appeal to the court next month, and it seems probable at present that this wise course will be adopted. At all events the mandate has been obeyed so far. Disobedience would have meant a blow at the men's own organisation, as well as at the new judicial tribunal which has been established in response to their demands and against the wishes of most of the employers. Men who refuse even to await the judgment of the Arbitration Court would certainly not obey its adverse decision because it was clothed in legal form. The crucial test may come in Australia earlier than in New Zealand.

ECONOMIC QUESTIONS.

Supposing that prudence prevails, the case about to be submitted in Newcastle will involve some very difficult questions for the arbitrators. In reply to the indisputable fact that the price of coal is 1s. a ton lower than it was three years ago and the unavoidable conclusion that the hewing rate should decline in due ratio, the miners intend to allege boldly that the lower rate is solely due to unnecessary internal competition among the coal owners which ought in their opinion to be prohibited. This means in the first place a plea for the establishment of a local coal trust, in itself a novel proposition to proceed from trade unions. In the next place it suggests the adoption of the principle that any decrease in prices caused by an effort on the part of some proprietors to undersell local competitors should not be allowed as a justification for paring down the wages of their employees. A doctrine of this kind, however equitable in appearance, would imply a social revolution before it could be carried out in all the consequences of its general application. In addition to such perplexing theories the court, if it should find it necessary to fix a standard selling price for coal, will have a fresh series of problems to encounter. It accomplished this feat for a single mine six months ago, so that the task in a comparatively simple form did not prove beyond its powers. But what may be safely fixed as a fair price for one mine need not be equally fair, or perhaps at all fair, for another. Again, is the same price to hold good for all mines or for those in one district? Should it apply, and, if so, to what extent, to in-land collieries, which are now to some extent and may hereafter become active rivals of the coast fields? Again, one chief factor in determining the home price is our export trade. Should war break out between Russia and Japan there may be an instantaneous change in values. Another subsidiary but constantly varying factor is that of freights. One consequence of our present bountiful harvest is that these range very much higher now than they did during the drought years, when we had no grain to fill the vessels in our ports with return cargoes. Freights fluctuate. Is the court to construct a sliding-scale which will respond to the operation of all possible influences either in this country or beyond its borders, perhaps in another hemisphere? Very little reflection is needed to show the immense complexity of the apparently plain question as to what ought to be the price for coal, f.o.b., at Newcastle. When that is decided all is not concluded, though comparatively little remains to be done to arrive at an approximate allowance to those who labour in the mine. If, however, the new court is to be plunged into a discussion on the effect of competition between coal owners and to adjudicate on its propriety in relation to their miners' wages we are assuredly on the eve of some startling developments of economic experiment.

THE NEW COMMONWEALTH.

WESTERN PACIFIC ISLANDS.

SOUTH AFRICAN LABOUR.

ATTITUDE OF NEW ZEALAND.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jan. 19 1904; Feb. 25 1904.

The departure of Lord Tennyson affords another landmark in the story of the Commonwealth. He leaves South Australia this week as Governor-General, and though he will touch our soil again a few days later at Perth, he will then be free from all ties of office. It was in Adelaide five years ago that he began his career as the Queen's Representative for the colony of which it is the capital, and it is in the same charming city that he now concludes his term as the King's representative for the Commonwealth. His record in both capacities has been one of unqualified success. Though without previous political experience he adapted himself from the first to our institutions and to the idiosyncrasies of our people. He was one of those whose influence quietly and privately exercised contributed to change his colony into a State of the new Union, while he retained the respect and confidence of the politicians who opposed Federation. There was thus some restraint for selecting him to face the very unpleasant situation created by the reduction of the vote for the Governor-General's extra expenses which led to the sudden retirement of the then Earl of Hopetoun. By the judgment and patience of his Excellency and Lady Tennyson the irritation caused by the untoward incident has been thoroughly healed. The dignity of the position has been amply maintained, none of its hospitalities neglected, and the relation between the Federal Parliament and the chief officer of the Crown has been gradually restored to its normal friendliness. This happy result has been achieved during a period in which the stress of party strife has been severe and the friction necessarily caused by the establishment of Federal supremacy over the States almost unceasing. The accomplishment of the pleasing result is due not simply to what Lord and Lady Tennyson have done but in a great measure to what they have refrained from doing. As a consequence of their policy their intercourse with the Governors and Ministries of the States and with all parties in the Commonwealth has been friendly throughout. The people generally have cordially approved the refined simplicity and domesticity of the life at Government House no less than they have applauded the discretion that

has characterised their Excellencies in their frequent public appearances. Finally, the task of their successors has been greatly simplified by the unremitting tact of Lord and Lady Tennyson, who carry with them to the Mother Country the affectionate remembrances of all who have been brought into contact with them in Sydney or in the other States.

NEW HEBRIDES AND SOLOMON ISLANDS.

The presence in this city of **Captain Rason** and Mr. **Woodford**, the British Residents in the New Hebrides and Solomon groups, has revived our interest in the events proceeding in the Western Pacific. The outlook, it must be confessed, is not encouraging in any direction. A fresh stimulus in the shape of new bounties and additional official support has been given to French settlers in the New Hebrides, one outcome of which has been some alleged instances of aggression on their part to the prejudice of British subjects. This has caused some noise in our newspapers. Captain Rason, while admitting the greater activity displayed by the French, makes light of their supposed trespasses. At the same time he more than hints that the attempt made by the Federal Ministry to counterbalance the activity by inducing Australians to take up land is likely to fail. During the drought immigrants from the mainland could be tempted to the islands, but now that prosperity has arrived with the good seasons there is no such temptation. Indeed, there is some prospect of the return of people from the islands. The Germans are doggedly confronting their difficulties in New Guinea and have considerably extended their commerce in the eastern groups beyond the Solomons, where they appear able to establish a monopoly even under the British flag. British New Guinea, on the other hand, has gained nothing by its transfer to Commonwealth control. It is still nominally under the Colonial Office, but actually its officers take their orders through the Governor-General from the Federal Cabinet. There is no visible growth of settlement or of development of resources, and if the House of Representatives next session should again insist on attempting to prohibit the introduction of alcoholic liquors and refuse to offer investors anything in the shape of a title to land except a lease it is very probable that a regression will be recorded very soon. All that Australia has done has been to find the necessary £20,000 a year to maintain the *status quo* in the territory, while by omitting to make any reduction in its tariff on the products of British New Guinea or of the Solomon and New Hebrides Islands it is effectually preventing the expansion of cultivation on them, without which their trade cannot possibly improve. This of itself appears fatal to their prospects, but when there is added the tardiness and rarity of all communication between this continent and the groups in its neighbourhood, in whose fortunes our people have always exhibited the liveliest interest, it is no wonder that Captain Rason and Mr. Woodford reply in despondent

tones to their newspaper interviewers. The New Hebrides, besides its other burdens, labours under the disadvantage of being a No-Man's-Land in which a trustworthy grant to land cannot be guaranteed to anyone. British subjects, too, suffer always from the restriction in respect of the sale of arms and of liquor, as well as in regard to the obtaining of coloured labour, a restriction from which their French neighbours and competitors are practically exempt. The marvel, therefore, is not that our interests fail to progress but that they are even preserved to us in the face of so many grave disabilities. Our grip on these groups appears to be relaxing everywhere except in the Solomons. We are now threatened with loss of trade and in the end with loss of the islands altogether. Unless the Colonial Office and the Commonwealth can be roused from the torpor into which they are falling the British flag in the Western Pacific will soon flutter half-mast high.

SOUTH AFRICAN LABOUR PROBLEM.

Attention has also been directed once more to those parts of South Africa which were for so many Australians the centre of national hopes and personal anxieties during the many weary months of the late war. This time the apprehensions are of a different complexion and of much less intimate interest. Their expression has come from the colony where more matters of apparently private concern are settled by legislative fiat than is the case anywhere else. Even then it seems that the custody of everyone's business within its borders is insufficient to occupy the attention of the head of the executive of the colony. Possibly it would be more correct to describe Mr. Seddon as reigning head of the administration and legislation of New Zealand, since his personality fills the whole stage of public life to an extent unparalleled even in our separate colonies except when for a time New South Wales meant Sir Henry Parkes or Western Australia Sir John Forrest. Without removing his eye from the new butchers' shops throughout the Mother Country in which his agents will sell the mutton of his constituents to satisfy the appetites of Great Britain at prices that are expected to return better profits to the growers, Mr. Seddon maintains a vigilant watch over the course of events everywhere. He has recently advised a settlement of the Russian and Japanese conflict in the Far East, but the British Empire is his particular care. He has visited South Africa and hopes to make preferential trade arrangements with it. Strongly disapproving of most of the aims of the Afrikaner Bond, he has suddenly taken a course which, making its members his comrades, compels him to keep step with them for a while in one direction. The "White Australia" cry in the Commonwealth was anticipated years ago by a "White New Zealand" policy of extreme rigour. Of course, this did not apply to the Maoris, whose superior qualities are sympathetically recognised even in our Federal laws and highly appreciated in their own land. Applying his local experience to the Transvaal,

Mr. Seddon has nothing to say against the employment of the Kaffirs or other black residents of the country in its mines or on its farms. But when he found its Executive assenting almost unanimously to a scheme for the introduction of Chinese labourers, the fact that he was distant from the scene of action by many thousands of miles of ocean did not deter him from signifying his displeasure in his customary way. Diplomatic methods are foreign to, and probably despised by him as the devices of weak men. Physically of huge build and gifted with stentorian tones, which help to make him master of mass meetings, he has a habit of shouting across the sea as readily as to the most distant heads of a crowd in an open-air gathering. What he thinks in his own domain he thinks aloud, without regard to official reticences or personal susceptibilities, and when he looks abroad his procedure remains the same. Consequently, without warning or preliminary private consultation with those whose co-operation he desired he has just now impetuously conveyed to the world at the top of his voice his unqualified disapproval of the scheme officially endorsed at Johannesburg.

MR. SEDDON UNSUPPORTED.

Mr. Seddon wished to go much further. Mere protests are little to his taste. His masterful spirit would be satisfied with nothing less than the cancellation of the project which aroused his displeasure. Conscious that this could not be accomplished, however, his purpose was to lead all the self-governing dominions within the Empire in a united attack on the scheme. But he soon discovered to his cost that he had failed to take into account their differing policies. Natal, by an overwhelming majority of votes, declared itself in favour of the scheme. Canada refused to join the crusade, though its province of British Columbia, where the "yellow agony" was acute, was heartily in accord with him. It gave Mr. Seddon comparatively little encouragement to find himself supported in Cape Colony only by the very party whose tendencies are absolutely opposed to his own, and by a Premier in most respects his exact antithesis. More than this, Mr. Seddon was most sensitive to the want of an immediate response from Australia, whence he had anticipated a prompt and enthusiastic endorsement of the most extreme Chinese labour condemnation that he could contrive to express. Between Mr. Deakin and himself telegrams passed rapidly, but none of them has yet been communicated to the public, though the general character of the despatches is now fairly well understood in Sydney. Both were entirely antagonistic to the Chinese, though possibly Mr. Seddon as an old digger retains some touch of the special hostility with which Australian miners everywhere resent the appearance of Mongolian rivals on the fields, a prejudice rekindled in the present instance because the intention is to employ them in gold getting on the Rand. What gave pause to the Commonwealth Cabinet was Mr. Seddon's off-hand manner

of inviting his Majesty to refuse his royal assent to a measure approved by his local representative and Consultative Council in one dependency, not on the advice of the Prime Minister and his Secretary of State for the Colonies, but at the instigation of the Administrations of dependencies all of which, except one, were far removed from the country to be directly affected. Mr. Deakin, not unnaturally, hesitated to take part in establishing a constitutional precedent capable of being hereafter cited in justification of other appeals of a similar nature. These might come from South Africa inviting the royal intervention for the defeat of measures passed by the Parliaments of Australia, Canada, or perhaps New Zealand itself. It is no answer that the Ordinance now assailed has a certain national bearing, since that may be equally alleged of every measure of considerable local importance.

IMPERIAL UNITY.

The incident, whatever may be its outcome today, will have an influence wider than Mr. Seddon anticipated, though in a wholly different sphere. Hitherto the self-governing colonies and those directly controlled from Downing Street have expressed their opinions only when they were asked, and then on none but Imperial questions. Exceptions to the last named of these conditions have occurred when the particular issue to be decided has been remitted to those only who were interested in its decision. But in all cases there has been an invitation from Downing Street, and in most of them there has been a limitation of the propositions discussed to those of an unmistakably national character. Now for the first time we have the initiative taken by one dependency whose resolution is sought to be commended to the British Cabinet by a chorus of colonial self-governing comrades. How far ought Mr. Balfour to be expected to recognise them or their views? The attempt to obtain unanimity among them has failed in this instance. The protest when it reaches Mr. Lyttelton will arrive by an indirect route, having been communicated to the colonies directly affected. For the present, therefore, the problem is postponed; but the circumstance that the attempt has been made by New Zealand is in itself an impressive precedent. The fact that a part of the Australasian dominions has communicated direct with the Transvaal in challenge of its local legislation establishes another precedent of still more significance. It would perhaps be hard for Mr. Seddon to deny that he has been moved more by his dislike to the proposed measure anywhere than by his conviction that it will have really Imperial consequences. Cape Colony and Natal have probably a right to be heard as well as the Transvaal, but it can scarcely be maintained that Chinese cheap labour in Johannesburg is likely to affect the wages of workmen in Wellington. Mr. Seddon appears to be inclined to insist that the despatch of our contingents against the Boers has created some special right of veto in us capable of being employed against laws that affect former residents of this country who have

taken up their residence in the conquered territory. That line of argument, however, seems to have been pruned away by the Commonwealth Ministry. What is likely to remain is the implied request for or claim to a new consultative power of some kind exercisable at the instance of any self-governing colony by itself or by any number of its fellows whenever they conceive that their interests or those of the Empire are being impinged on by the action of any one of them or of a Crown Colony. This is not Imperial Federation, but it opens a door to Federal action. When a protest of this kind is deliberately and unanimously adopted by the dependencies it will at once present a fresh set of difficulties to any Cabinet in London. The outlying British might in this way take sides on a party question in a very embarrassing fashion against a Ministry or an Opposition. For instance, what reception would be given at the present moment to an appeal on the part of Canada, Australia, South Africa, and New Zealand for the adoption of Mr. Chamberlain's plan of preferential trade? His speeches have indirectly invited and already received colonial support. Many possibilities equally serious will readily suggest themselves. The disadvantages, dangers, and confusion to be dreaded if colonial interventions in the politics of the Mother Country or of her dependencies become even occasional are also plain to see. Many will fear that such incursions and excursions might militate against advances towards Imperial unity, but on the other hand it is at least probable that they would force the hands of its timid friends and make the pace for its earnest advocates. Such incursions would force what are now academic aspirations into the arena of practical politics. If Mr. Seddon's sudden irruption against the Transvaal labour policy accomplishes this or any such stride towards a better recognition of the mutual responsibilities of all British communities to each other and to the whole nation, his motives and methods in the particular case under discussion will soon be forgotten.

THE NEW COMMONWEALTH.

ARBITRATION IN TRADE DISPUTES.

EFFICACY OF THE REFERENDUM.

REDISTRIBUTION OF SEATS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jan. 26 1904; Mar. 5 1904.

Our new **Governor-General** and Lady Northcote have been installed with due ceremony at Melbourne, where they will remain for some weeks prior to making a stay in Sydney. They have already enjoyed glimpses of Perth and Adelaide, where they landed unofficially on the way to the present seat of government. When they leave us Brisbane and Hobart will expect to be visited, so that probably twelve months will have passed before they can acquire even a bowing acquaintance with the State capitals. These capitals contain nearly half of our citizens, many of whom are quite unfamiliar with the way the other half lives in the interior. These last ought not to be ignored more than circumstances compel, yet to obtain any valuable insight into their experience or to meet and know some of those who win from the soil the gold, wool, wheat, fruit, and dairy products by means of which Australia pays her way abroad would require extended tours. Even such tours would supply but a partial knowledge of the settled districts. There would still remain unexplored the immense tracts as yet unpeopled, and those parts not occupied, of which the nearest country residents themselves know only by hearsay. The future of Australia lies largely in them. Even the more easily-reached coast is unvisited. Lord **Hopetoun** went to his relatives in subtropical Queensland, but Lord **Tennyson** reached his Ultima Thule at Brisbane, where most tourists pause. From Cairns to Thursday Island and thence along the whole coast of the north, following it westward and southward past the Kimberley district and the long stretch of Western Australia by Broome down to Fremantle, we have half of our seaboard, which has hardly ever been seen by any of his Majesty's representatives, even of the States to which those regions belong. It is not likely to be touched by our Governors-General for a long time to come. Our central areas, more difficult of access, have no prospect of being seen officially. The duties of Governors-General lie, where almost the whole of our population is concentrated, in the south-eastern corner of the continent, from Adelaide to Port Jackson. Practically, Sydney and Melbourne absorb the whole time of Governors-General. The territory over

which they rule, including New Guinea, is known as a whole by none of its rulers and by no one of its representatives. This circumstance should not be forgotten in any study of our politics. Our magnificent distances and the contrasts they involve are too often overlooked because they are unrealised even among ourselves.

TACT AND TEMPER.

The Governor-General and Lady Northcote have made an excellent impression on the three capitals already visited, though in two of them they were only able to accept informal hospitalities. Lord Northcote comes commended by his name and by his record, but both he and Lady Northcote have already ingratiated themselves so much by their amiable courtesy that no doubts are entertained as to their success. The office of Viceroy is one whose demands are rarely satisfied, because they are often conflicting. It requires a statesman of capacity to meet its graver emergencies, but it affords him an opportunity of exercising his abilities in a marked way only on rare occasions. The bulk of the Governor-General's work of every day makes its call more on his diplomatic address and judgment since he deals as a rule with local parties and with interests of a public character only in a private and personal way. His very great influence for good exercised in many most necessary and useful ways in this manner would defeat its own ends if it became visible to "the Man in the Street", and often be much circumscribed if it were apparent to those affected. On the other hand, a Governor-General is always in evidence and is often obliged to address large audiences of leading citizens who expect to be interested and informed, though as he is debarred from all discussion of party questions he is bound to make his oratorical bricks as best he can without straw. Not that the public enforces such a rule. On the contrary, the knowledge of its existence lends additional piquancy to any approach the Governor-General may feel free to make to forbidden topics. Both of our preceding Governors-General would have been brought to book by politicians who considered themselves affected by their comments. Mr. Reid on one occasion challenged in Parliament Lord Hopetoun's frank declaration of his agreement with his Ministers on the manner of their offer of troops for South Africa. Beyond the Viceregal responsibilities lie those minor but more vexatious cares which arise on the social side relating to the persons received or not received at Government House, or the precedence allotted among them. Her Excellency's position in such matters is certainly unenviable. But the result of the social activities, burdensome as they always are to the occupants of the high offices and continuous in their demands on tact and temper, are of incalculable service in improving the relations between the Colonial Office, acting for the Imperial Cabinet, and the Parliament and politicians of the Commonwealth. The sincere loyalty of the people to their King is by this means preserved from many frictions and misunderstandings that would otherwise occur.

REDISTRIBUTION OF SEATS.

In Australia it is always the unexpected that happens, and in the present instance this is the more pleasant to the public of New South Wales because its happening was unforeseen by their legislators and is hostile to their pretensions. Owing to a happy conjunction of circumstances and in spite of endless political intrigues our State has taken its place beside South Australia, Victoria, and Western Australia in authorising a redistribution of seats for the representative Chamber, which, as in the two first-named States, means a large reduction in their number and cost. Two Tasmanian Ministries have gallantly attempted the same feat, and Queensland is expected to essay it before the close of its next session. Then the whole of the local Legislatures will have fulfilled the obligation accepted when they agreed to federate. The humour of the event lies in the fact that in our case, as in that of South Australia, nothing was further from the thoughts or desires of the members to be affected than a substantial diminution of their numerical strength. As this could be accomplished only by their own act, though all professed to desire it, the prospect seemed hopeless until very lately. A comic paper hit off the true situation when it depicted the Ministry, Opposition, and Labour section as three jockeys, each pulling his own horse for fear of winning the stakes for which they pretended to compete. Either Sir John See disliked the change as much as the rest or else he very cleverly disguised his intentions. In any case he has now dished the Opposition, many of whose members used the cry for reduction merely as a means of attacking him, and without any wish or hope that their petitions would be complied with. Labour members were frankly hostile, and the electors followed their lead. Under conditions such as these reform appeared impossible, and so it would have been but for the ingenious proposal of the Ministry to remit the question to the country for its direct decision. Great are the virtues of a referendum. When the popular vote approved the proposal this frightened both the supporters and opponents of the Government into accepting the detested measure. Henceforth it is clear that the referendum has its uses, especially in crises when a deadlock between the people and their representatives has been reached. It enables the Legislature to be controlled on matters in which the interests of legislators block the interests of voters. Having cut the Gordian knot that every other effort had failed to untie, the referendum has proved its efficiency as a final resort when all ordinary means of action open to the electors have been tried in vain.

SPECIAL SESSION.

The Government need expect no quarter from the Sydney daily papers, for it receives none in any circumstances. Though in this instance it led the House firmly and well through a most dangerous crisis it has received no word of commendation from its

remorseless antagonists. If the parts had been altered—if the leader of the Opposition had been in office and had dealt with the House in the summary fashion adopted by Sir John See—he would have been placed beside Mr. Irvine among the “strong” politicians of the time. The Premier met a Parliament that as a whole was hostile; the Opposition members favourable to his measure grudged him the honour of passing it, and would have rejoiced to see it thrown aside; the bulk of them were as unwilling to see it made law as were the majority of his own supporters. No more unhappy body of men ever assisted a Bill on its course than those who constituted the Labour section. Could it have been dealt with by ballot it would have been rejected by three or four votes to one. That it was not defeated by a trick or hopelessly maimed in its passage was due mainly to the masterful policy of Sir John See and the loyalty of his colleagues. A special session was summoned, which met last Tuesday, to listen to a curt intimation that, the popular vote having directed a reduction of the number of members of the House from a hundred and twenty-five to ninety by a majority of a hundred and forty-three thousand suffrages, the House was called to give effect to the decision and to transact no other business. There was then submitted one motion that the standing orders be suspended and a second limiting the work to be undertaken. The members of the Opposition strove in vain to allow other questions to be considered and to prolong the situation by prohibiting all-night sittings. They were beaten, and the fatal Bill was introduced the same evening. Next morning at half-past ten it was debated, the second reading being carried on the voices, and the committee stage entered on the same day. The measure emerged unaltered after an all-night sitting, and its third reading was approved without a division. The same afternoon, Thursday, the Legislative Council adopted it at once, and both Chambers were immediately prorogued. Though the malcontents were in a large majority they were garrotted into submission.

BITTER PRESS VENDETTA.

Thus was concluded the shortest, busiest, and one of the most important sessions our State Parliament has ever held. The whip of the referendum, aided by the spur freely applied by Sir John See, fairly forced the Assembly to take the leap. It loses thirty-five of its members, and has placed the redistribution of its new seats in the hands of an impartial commission consisting of a judge and other well-known public servants. We shall still have ninety representatives, as compared with seventy-five in the whole Commonwealth and sixty-eight in Victoria, where there is a somewhat smaller population. On the other hand, our territory is almost four times larger than our neighbour's, and the size of constituencies is a factor not to be ignored. We have therefore little room for complaint. Before the new House is elected another effort is

to be made to establish some form of local government in the great area embracing almost the whole of our State at present unrated and depending wholly on the Public Works Departments for its roads and bridges. If the Government can pass a workable measure for remedying that it will be able to go to the country with many of its past shortcomings well atoned for. In fact, except on the score of past extravagances and the very deliberate fashion in which the Government is retrenching, it would be entitled to claim a renewal of confidence, always supposing that in its next and last session it possesses the same courage and leadership which have been exhibited in that just closed. The Opposition at all events has not shone by comparison. Its many successes at bye-elections have strengthened its ranks but not its policy. This is the more surprising having regard to the good material that it possesses and to the many advantages it has enjoyed. So far it is not clear what is to be gained by the substitution of Mr. Carruthers for Sir John See except the satisfaction of a bitter Press vendetta.

COLLIERS' STRIKE.

As anticipated in these columns a fortnight ago, the coal miners have been unable to preserve discipline in their own ranks under pressure of the reduced hewing rate now in force. Mr. Wise rejoices that four thousand men continue to ply their picks in spite of it, while only four hundred have laid down their tools, putting two small collieries out of work. But this is not the point in the case. The employers' association or its legal advisors blundered in suing the men in the Arbitration Court since the award under which it proceeded against them contained no provision requiring them to give notice before ceasing work. The workmen were liable at common law before another tribunal but not in the Arbitration Court. Those who struck are likely to be prosecuted by the Attorney-General, but the owners themselves decline to take any further steps. They think it better policy to use the incident against the Arbitration Court, citing it to show that while obedience to its decrees is compulsory on the masters it cannot be enforced on those whom they employ. As a fact this has not been demonstrated. All that is proved is that the award was incomplete, and that future awards must specifically fix penalties for men who cease work without giving notice. The precise weakness disclosed in the Arbitration Act is the powerlessness of the employers to recover penalties from a union whose officers and members other than those who rebel remain at work, giving no countenance to the revolt. The miners' lodges have no funds that can be levied, and it is some of these lodges that are recalcitrant. Their federation, which has the funds, has neither committed nor sanctioned any offence. Yet it is on the guarantee believed to be afforded by the collective capital of the unions, and not on the property of the individual miner, that reliance has been placed. The Act depends on the solvency and the obedience

of the unions. It is now seen that it might be possible for a strike to occur in one or more localities without the court being able to deal with the industrial union, some of whose lodges and members may be openly breaking the law. As the whole system is built on the responsibility of industrial unions this breach in the efficiency of the means of making their responsibility real is a serious blow at a vital part. In addition to the many other complications discussed a fortnight since arising out of the substance of the dispute there is now the additional difficulty presented of dealing with some of the members of a union who disobey not merely the orders of the court but the authority of their own organisation. It is easy to see how such an opening for double dealing as is here discovered might be used by unscrupulous men. They could keep their union safe by dividing its forces, really permitting a strike whenever it was undertaken in its interest, while affecting to condemn the strikers and keeping the rest of its members at work. It must be admitted that in the Teralba Collieries nothing of the kind seems to have occurred. All but ten per cent. of the men are still hewing coal. All their officers and leaders are agreed in disavowing their action, and are engaged in the effort to win them back to the two mines now deserted. All their political friends realise the folly of such tactics just as the Federal Parliament is about to be asked to impose compulsory arbitration on all callings whose disputes extend beyond any one State.

DISTASTEFUL AWARDS.

Mr. Wise, as author of our measure confesses that there are conditions in which it can never be possible to enforce distasteful awards on either party to the dispute. An employer may always close his business in preference to obeying them when in his belief they render his investment unremunerative. He argues that some similar door of escape must be always left open for the employee. Possibly an award fixing a rate of pay below what is termed "a living wage" might present an excuse of the kind. In such circumstances the workman must either change his trade or his country or become a burden on the State. The *Attorney-General* contends reasonably enough that both the power of every court and the enforceable authority of an Act must have their limits. Legislation is not omnipotent. The *Attorney-General's* misfortune is that he has to employ this contention in support of a measure to which the most frequent objection is that it travels far beyond the beaten paths of statute law and seeks to accomplish more than can be judiciously essayed with our present legal machinery. Of course, any new scheme must contain defects only to be detected after experience and remedied by its light. The question is whether or not at Teralba it is only a part of the mechanism of arbitration or its principle that has broken down. The four hundred men have been

disloyal to the spirit of the Arbitration Act, they have departed from a local custom having the force of law, they have disowned their allegiance to their own union and its officers, and yet are possibly open to no other punishment than a fine which they cannot or will not pay. The alternative is imprisonment, which the State has not gaols enough to inflict, or if it could inflict the imprisonment it would involve the public in the cost of maintaining the men, and indirectly their families too. Obviously, this incident suggests that much more than an ordinary loophole has been discovered in the Act of which Mr. Wise is so proud, and that before it can be adopted as a precedent for Federal legislation these and other unprecedented contingencies must be effectually provided against. New Zealand, fortunately for its Parliament, has known no such breakdown, though its legislation does not appear to have foreseen or cured the particular difficulty that has suddenly arisen in New South Wales.

THE NEW COMMONWEALTH.

GOSPEL OF IMPERIALISM.

INTOLERABLE POLITICAL POSITION.

THREE EQUAL PARTIES.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Feb. 9 [Feb. 2?] 1904; Mar. 14 1904.

The **Governor-General** has delivered his first public speech under very appropriate auspices. The **Australian Natives' Association**, much stronger in Victoria than in any other State, holds annual demonstrations in Melbourne and other capitals in celebration of the first settlement of the continent. It is attended by both Federal and State Ministers, who often take the opportunity of making important political statements of policy at the luncheon. It therefore affords a recognised platform from which to reach the public. His Excellency had previously expressed his warm appreciation of the reception accorded to himself and Lady Northcote when replying to a number of addresses of welcome presented to him at Government House. He took that opportunity of conveying a message from the King which has been acclaimed by the Press for its grace, tact, and thoughtfulness. Last week the Governor-General, realising the character of his surroundings, and evidently eager to put himself in touch with the younger generation in Australia, took full advantage of the occasion. He referred especially to the friendly societies and their work with a sympathy which he felicitously claimed to be hereditary having regard to the important part played by his father in amending the law infecting such bodies in Great Britain. Having thus placed himself in close touch with his audience, he was enabled to impress on it the manifold advantages of thrift on citizenship as well as on the private fortunes of those wise enough to provide for the future. An Imperial note was not wanting, and was, indeed, reinforced by this establishment of a personal relation between his Excellency and his hearers, who represent very powerful interests throughout the Commonwealth. If his future speeches are as heartily welcomed as this first essay Lord Northcote will enhance the reputation for sound judgment that he has established elsewhere. We are extremely fortunate in the Viceregal selections made for us, a fact which speaks well not only for the Colonial Office but for the trained rulers who are always at its command.

PRIME MINISTER'S SPEECH.

The *Prime Minister*, speaking in his native city to his fellow members of the Australian Natives' Association, had his foot on his own heath in every sense of the word, and may be pardoned, therefore, for surveying the situation. He took full advantage of it: perhaps too much. Up till now he has preserved an unbroken silence since the elections, and seems likely to relapse into the same reserve until the new Parliament meets a month hence to decide the fate of his Ministry. The utterance has therefore much significance, not only because it arose out of the circumstances mentioned, but because of the weighty matters with which it dealt. Its tone in reference to local politics was entirely independent. Neither aggressive nor deprecatory it was that of a man who having made up his mind as to his own course is perfectly prepared to accept its consequences. Beyond that it was a series of surprises. The first part dealt with the broad questions involved in the White Australia policy, with which the Prime Minister claimed to have been identified for many years. It had been challenged as petty and selfish by a passing tourist shipowner, to whom Mr. Deakin replied with much warmth. The one way in which Australia could most strengthen herself and the Empire was, in his judgment, by the multiplication of her citizens of British descent, bred and reared under civilised conditions of education, employment, and self-government. What was best for Australia was best for all our other territories capable of colonisation by white men. Our Empire was British in name, but only to be preserved British in character and in fact by those among its children whose ties of blood or memory bound them to the United Kingdom as their Mother Country. The more Britons the more British that Empire must become, while the faster the influx of alien races the less it could hope to maintain the high traditions of the time when all its people were of one type. In hours of national need there could be no dependence on cheaper workmen who displaced our own kin, on Chinese minors in Johannesburg, Kanaka labourers in the Bundaberg cane fields, or Lascar sailors employed on the boats paid to carry our mails. Then, again, the trade of the Empire belonged first to itself and should be utilised, wherever possible, to bind closer the remotest parts and far-severed settlements of the British Empire. Trade was a source of wealth and development to be shared, as far as conditions permitted, among our own people. Preferential trade was the legitimate condition of a true realisation of national life and Imperial needs. Admitting that the flag already flies over great regions inhabited by coloured races living under our protection and control, Mr. Deakin contended that our duty to them could be best fulfilled by fostering their progress in their own lands and in their own fashion. To blend these fellow subjects with our colonists was to drag us down without really elevating them. Australia on these fundamental grounds guarded herself against them for her own sake, and for the future she ought to take further securities against their entrance by

the immigration of yeomen of her own stock. This was the pith of an ardent appeal to hearers extremely sympathetic with the speaker and with his views. Fresh from the exercise of the powers of an Oriental satrap, Lord Northcote probably listened with some surprise to this particular gospel of Imperialism as propounded at his first appearance in public by his chief adviser.

POLITICAL MYSTERIES.

Mr. Deakin, after touching on the development of the interior by means of the water supply policy with which he was prominently associated in Victoria, concluded by a singularly frank picture of the present state of the Federal Parliament. All our traditions and precedents are based, he said, on a constitutional experience in which two parties, and only two, alternate in office. A majority of members controls both legislation and administration, while the minority amends and criticises until the electors give it, in turn, the larger following and responsibilities of power. In these circumstances Mr. Deakin insisted that the task of Government could not be carried on while there were three parties of practically equal strength. There was no majority available, or Government in the true sense possible. Evidently assuming that the young Australians before him were more skilled in sport than in constitutional principles he invited them to say what kind of cricket could be expected if there were three elevens engaged, one of them playing sometimes for one side, sometimes for the other, and occasionally for itself. The illustration appears to have conveyed to them in a concrete fashion his conviction that the political position is intolerable. In one way or another the three parties must resolve themselves into two. For this he was not only ready but willing, with the one proviso that the terms of any alliance must be made public. There must be no secret compacts. Such a challenge as this to both Mr. Deakin's rivals in Parliament has naturally excited great interest and is being pursued with a fusillade of wondering comment. Mr. Deakin insists that he has neither made overtures to nor received overtures from either the Opposition or the Labour section, and that he knows nothing of any treaty between them. His declared aim is to force the situation, to compel members either to unite or dissolve so as to bring us back to well-established principles of Parliamentary procedure. In the United States or Switzerland the triplicity of parties might paralise legislation, but it could not touch the administration. Here, however, as in the Mother Country, it threatens to disorganise both. By his graphic descriptions the Prime Minister has certainly, in a most conspicuous fashion, belled the cat. Though he spoke but last week the Press and political circles are echoing with conflicting interpretations of his aims. Mr. Deakin is evidently looking over the heads of members to their constituents and appealing to the public at large to exert a direct influence on its representatives. Though he pins his faith to his own policy he fears less for its fate from those who

are to succeed him than he dreads the existing disorganisation of Parliamentary Government. Whatever the new combination may be it will be confronted by a powerful minority able to keep the combination in check. The placid surface of Federal politics has been suddenly ruffled; ripples of rumour and inquiry are running in every direction, and between this time and the meeting of Parliament a month hence the surface cannot be restored to its former condition. For the moment those who profess to fathom political mysteries are looking open-eyed at each other—What does this frankness mean?

ECONOMY THE ORDER OF THE DAY.

At the end of last week the federal Treasurers, assisted by some of their colleagues, met in Melbourne at a conference whose importance has been steadily growing. At first it was to discuss the transference of the State debts, and then the Federal payment to be made for State properties taken over. At this stage the Prime Minister added the question of joint action for the encouragement of immigration, so as to bracket together the two issues relating to the increase of State debts and the stagnation of our population, on which he has been harping for the last year or more. There are indications that these subjects will bring others in their train, and that unless some restraint is exercised we shall have a conference at large whose conclusions may range over very wide fields. Ostensibly it is to be “informal”, though as no such meetings have power to bind anyone it is not clear what this qualification may be taken to imply. The gathering can scarcely be unproductive even if its conclusions are negative, and the facts so far tend to the belief that it must make its mark in an educational way. To begin with, it is being very seriously regarded by the less populous States. Mr. Propsting, Premier of Tasmania, and Mr. Gardiner, Treasurer of Western Australia, have already held a preliminary meeting of their own with Mr. Butler, Treasurer of South Australia. The object of their assembling has not been stated, but already it has leaked out that a State conference is proposed to be held after that summoned by the Commonwealth, at which an attempt is to be made to arrive at an agreement as to future dates for borrowing in order that the clashing which has often been very costly in the past may be avoided for the future. This is one of the very understandings that the Prime Minister has been advocating and is an indispensable condition of any bargain between the Federal Government and the States for taking over the debts of the States. Why this should be sought to be settled afterwards and separately is certainly perplexing. Of course, South Australia under Mr. Jenkins has always been extremely jealous of “State rights”, pushing its claims under this head far beyond what most of its allies are inclined to support. Presiding over an economical community, that Premier is probably not intent on anything more than asserting the freedom of each and every local government to borrow independently of all Federal control.

Tasmania, though in much the same straits to make her Budgets satisfactory and at the moment even more severely pinched, is not looking for loans. Western Australia continues borrowing in a moderate and spending in a cautious way, so that nothing extravagant in design is to be feared from these three States. But by casting their weight into the scale against all Federal control or arrangement other than that fixing the dates of borrowings to come they will leave the door open to their more populous neighbours to plunge whenever opportunity offers. Just now there is no prospect of any fresh splashes. The Queensland Ministry has announced its intention to live soberly within its income, trusting to time and thrift alone to revive its exchequer. Victoria is in no mood to sanction costly undertakings while our own Treasurer, Mr. Waddell, is once more repeating his declaration of adherence to sound principles of finance. Economy is, in point of fact, the order of the day everywhere in Australia. There is a thoroughly healthy resolution to await the natural restoration of our great producing interests accompanying the splendid season we are enjoying. The penitence of some Ministries is only recent, but in all of them there are some guarantees that the professed repentance is at last sincere.

STATE DEBTS.

Quite apart from current financial stress, and also from the jealousies, suspicions, or cabals of politicians, the inherent difficulties before the conference are such as to make it plain beforehand that nothing like a final plan of campaign can be anticipated as the result of its labours. We shall be fortunate, indeed, if it does not end sadly but more wisely informed. The competency of our treasurers, assisted as they are by their chief officers, need not be questioned. None of them, except Sir George Turner, has established a reputation, the field is both new and large, and the contingencies numerous. A group of skilled financiers might be pardoned if they accomplished little when each of them is shackled with political ties and obligations. Then there are the hard facts to face. The total of the public debts of our six States is £228,000,000, of which £203,000,000, having been borrowed before Federation, may be taken over by the Commonwealth. The balance of £25,000,000, borrowed since, one half of it by this State, cannot be transferred without an amendment of the Constitution. In such circumstances that would be very difficult to carry. There is a second alternative in the Constitution by which a pro rata amount per head might be taken over from each State. The highest sum possible would be a little less than £45 per head. It would leave £30,000,000 untransferred, which, when added to the £25,000,000 borrowed since Federation, would make £55,000,000 still continuing due from the States after £174,000,000 had been passed on to the Commonwealth. It is not legally possible to take over all the debts of the States now existing, and if the whole of their debts at Federation were assumed Victoria, South Australia, and

Tasmania would be practically cleared, Western Australia and Queensland would have respectively £3,000,000 and £4,000,000 remaining, while we should still owe £13,500,000. This last would be the most generally acceptable scheme. If the largest proportion per head of the State debts were accepted by the Federation the position would not be materially altered in regard to any of them. Undoubtedly the desirable thing would be to get rid of all direct State liabilities to the creditors by making their treasuries responsible only to the Commonwealth, and enabling it to finance for them in the London market. As on the figures this is impossible we must have the old State stocks selling side by side with any new Commonwealth bonds that may have replaced the bulk of the obligations. At the very outset, therefore, the conference is confronted by this serious obstacle arising out of the Constitution.

ACTUARIAL ADJUSTMENT.

After that is disposed of a new and still more grave series of complications will appear. Population varies in some States, and if the debts are transferred at so much per head any year chosen will give a different distribution. Again, the States have borrowed at varying rates of interest, which would have to be adjusted actuarially so as to accord equal relief to all. Then, as the whole of the debts of some States cannot be transferred, only part of their creditors will receive Commonwealth bonds. The delicate question then arises, who are to be favoured with the better debentures. Beyond this there looms up the larger consideration of the indemnity to be given to the Commonwealth by each State so as to cover the interest on its transferred debts and a sinking fund. As few loans remain carrying more than 4 per cent., while an extra 1 per cent. would have to be imposed for a sinking fund over and above the rate now paid, there would be no immediate saving to the States from any Commonwealth issue. These debts would begin to reduce, no doubt, but that would afford no relief to the hard-pressed treasurers of the present who have to make the bargain. The strongest motive for pushing the transfer that would appeal to them having vanished they retain but one other to urge them on. For seven years more they are entitled to have three-quarters of the Federal customs revenue divided among them. If they could persuade the Federal Parliament to accept the sum which is now returned to them under this provision as devoted in perpetuity to the payment of interest on their debts they would have immensely improved their position. Since this necessarily means that the Commonwealth would have clipped its own wings to precisely the same extent the project cannot be made attractive to that body. But even if the States had the three-fourths of the customs devoted to them they would still be obliged to find further security to a large amount if their total debts up to the time of Federation were transferred. New South Wales would only need £10,000 a year more than her customs, but South Australia would have nearly half

a million and Queensland over £600,000 to make up their interest. It is with these figures before him that Sir George Turner, most prudent of treasurers, is insisting that the gross railway revenues of the States must be brought under his control to supplement the three-fourths of the customs, supposing that to be given up to the States. This addition to it would give him a margin sufficient to make him certain of always receiving from the States more than enough to repay the interest and part of the principal of their debts incurred before Federation. But it is just as impossible to expect the States to surrender control of their railway revenue as it is to expect the Commonwealth to part with three-fourths of its customs receipts for all time. Neither will the States consent to any effective control of their future borrowings, on which the Federal Government is resolute. So far, therefore, all the schemes submitted for a wholesale transfer of the State debts are doomed. The conference meets mainly to discover difficulties and make them public, in order that each side may put its case so as to obtain the support of its own constituents and then remit the whole issue indefinitely to other hands. This may be deemed an inglorious conclusion, but, after all, it marks a necessary stage on the long road by which we must travel before the Commonwealth and the States attain an equilibrium or fixed financial relations. A great deal must happen before that goal is reached.

THE NEW COMMONWEALTH.

LABOUR PARTY'S POWER. THE SECRET OF ITS SUCCESS. TASK OF CABINET MAKING.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Feb. 9 1904; Mar. 19 1904.

Like the bugle call in *Tennyson's* song the *Prime Minister's* Melbourne speech on the unstable condition of Commonwealth politics has sent its "wild echoes flying" on every side, the reverberations as they are borne back to us from distant centres seeming to be multiplying rather than dying. The reasons for this are not far to seek. Though the Prime Minister only said aloud what everyone has been whispering since the elections, he said it as Prime Minister, with emphasis, and at a time when there was no competing local sensation. Hence the remarkable attention his words have received. It is not often that the head of a Government is so explicitly candid in disclosing his embarrassments, but it is still more rare that in discussing his own difficulties he should be at the same time exposing those of his rivals of every State and of the Commonwealth. If Mr. *Reid*, Sir *Josiah Symon*, Mr. *Irvine*, and Mr. *James* were to disclose their secret apprehensions they would be compelled to use the same language. The issue raised by Mr. Deakin's diagnosis is not simply personal but general. Everywhere in Australia the riddle of politics is what to do with the Labour movement. It can neither be cajoled, ignored, nor dissipated, but must be faced.

HOW PERPLEXITIES HAVE ARISEN.

Many of the perplexities of the situation have arisen from short-sighted attempts to evade dealing with the Labour movement's imperturbable growth. Nor need we wonder at this, since its solidity makes it a most indigestible morsel. Mr. *Morgan*, in Queensland, has tried the desperate experiment of swallowing it whole. His courage is to be praised and his success would be inspiring, but the consequences have yet to appear. Secure in his fertile islands Mr. *Seddon* more boldly still has stolen the Labour thunder and usurped its leadership. But it requires very confident Radicalism, coupled with very special local circumstances, to enable this course to obtain the

fair trial it has had in New Zealand. Australia neither seeks nor expects to follow that road. Sir John See may be said to be engaged but not married to Labour in his State, but there is no early prospect of his binding himself to it irrevocably. An access of either prosperity or adversity to his immediate party would soon dissolve the relationship. The support of Mr. Propsting is due more to weakness in Tasmania and to his war with the Legislative Council than to any identity of aims. In the other mainland States Labour is becoming formidable by establishing an “imperium in imperio”, a separate, autonomous, exclusive political organisation privateering under the flags and against the authority of both the regular Ministerial and Opposition Parties. In most senses, indeed, the Labour section is the only real party in Parliament or out of it. Neither the Orange nor the Roman Catholic, the temperance nor the publican factions are able to rule their adherents as firmly in the constituencies or to hold their representatives as closely down to the programme adopted when they enter the House. The Parliamentary cohorts of Labour in the Commonwealth and in all the States mutually assist each other. Hence, though with very few leaders of ability or speakers of note in proportion to their numbers, suffering from defective generalship and no funds, Labour men easily out-march and outmanoeuvre their adversaries. The propaganda and work of organisation go steadily on without intermission from year’s end to year’s end. Labour men are always on a war footing, and can put their full strength into the field at any point required at a moment’s notice. Nothing is neglected, nothing is left to chance.

UNPARDONABLE HERESY.

The real source of the Labour triumphs lies deeper still in the fact that its platform is the Labour creed. This is fought for with proselytising energy, not so much for its particular items as for a social haven towards which these are believed to tend. The officers of the Labour section, like those of other Australian parties, are free from personal corruption, and, indeed, even from temptation, since practically the whole of the work done by and for the party is unpaid. The only rewards it offers are nominations for seats in our Legislatures, all of which are provided with a salary from the public purse. The duty of Labour representatives is never to be absent from a vote or to speak in the House unless necessary, but to agitate and organise outside it unceasingly, to obey the caucus implicitly, and to carry a programme verbatim. In Parliament particularly they are in the grip of a rigid system of rule that leaves them no individual freedom except on side or minor issues. Yet it is not in their members or in their discipline that their chief potency lies; not even in the docility with which their electors pour into the polls, coerced when necessary by a military rigour of control. The secret of the Labour representatives’ strength is to be found in the almost religious fervour, often fired to fanaticism, pervading their ranks, making doubt of

their doctrine a sinful infidelity and its contradiction unpardonable heresy. As the blackleg, abhorred of unionists, is cast out from their camp, so the political blackleg is ostracised by his comrades and his class. Much of the Labour men's programme appeals to class interests, furnishing powerful levers that are constantly and strenuously applied to the masses, but there is also a leaven of less narrow aspirations and more generous hope. The Labour platform pictures of a vague and vast social regeneration to be brought about by the passing of endless Acts of Parliament are often made of humanitarian hues and proportions in order to kindle enthusiasm by means of which recruits are won or veterans stirred to fresh exertions. Without this emotional element the Labour men would be incapable of the sacrifices they make. Time, thought, and work are freely given by those who have nothing else that they can give for the sake of "the cause" of which they are devotees. Secular reasoning cannot evoke a rival flame nor match the heat of those who walk by faith and not by sight. This it is that makes our Labour section the greatest force in politics. This must keep it so until its partisans become disillusioned. It is not only the greatest but it is practically the only force of the kind. Hence its prominence and power in spite of the weakness of its numbers and the blunders continually committed owing to its being governed by ill-informed and often incompetent committees.

HOW LABOUR TRIUMPHS.

What is against the Labour section? Apparently everything except faith and unity. Numbers, knowledge, ability, and wealth are all opposed to its domination. Half our voters do not vote at all, but still the suffrages that are cast give a large majority against Labour. The professions, the classes, the educated, and the propertied are not to be reckoned in the ranks of Labour save in individual instances too few to be worth enumerating. The unfortunate thing is that these are not united, and will not unite for any purpose or, at all events, for any length of time or over any considerable area. The prosperous prefer their pleasures, and what are considered the middle class have their business. They rail at politics, but give little practical aid to politicians of their own colour. They have no particular social aims or beliefs beyond a general dislike of change. Their public efforts, when they make them, are usually fitful and not, as a rule, tactful. They permit the Labour leaders to annex and exploit the almost universal feeling against coloured aliens as permanent residents, so that the White Australia current carries grist to the Labour leaders' mill in the shape of thousands of votes from outside their ranks. Free Importers and Protectionists insist on making the fiscal issue the chief, if not the sole, object of their activity, dividing their strength so as to hand over constituency after constituency to those who are Labour members first and fiscalists second. Their State jealousies come into play, which, together with sectarian animosities, cost many seats at the late Federal poll. Last and least of all

remain the rivalries of leaders—Mr. Reid unwilling to serve under Mr. Deakin or with Sir **William Lyne** and both of them as suspicious of any association with him. Though there are probably five-sixths of the people of the Commonwealth and three-fourths of the people of even its most Radical States outside the Labour organisation, indifference imprisons so many that the internecine conflicts among the rest leave them an angry, divided, undisciplined, and noisy mob. Labour triumphs because it knows its own mind, knows what it wants, and will make sacrifices to get it. Consequently, its minority tyrannises over a majority which, strange to say, lacks the cohesion, earnestness, and power of co-operation that education and training ought to supply. It is driven, except at critical times, like a great herd of bullocks before a handful of resourceful and energetic drovers acting together.

SERVANTS OF THE STATE.

What the non-combatant majority has been unable to accomplish of itself it may be compelled to do by the aggressive attitude of the combative minority. The Labour reply to Mr. Deakin's challenge was given without hesitation at Clontarf last Saturday as far as it related to the Labour programme. Mr. **Watson**, the Labour leader in the Federal House, said frankly that his party was not eager for office. He did not explain that it can only accept it by a union with members outside its own closed ranks, a serious step which would destroy in fact and effect the class exclusiveness that is a chief source of strength to itself and a danger to the community. He confined himself to the declaration that any Ministry receiving the support of Labour must not submit proposals in conflict with the principles to which that section is pledged. **Senator McGregor**, the Labour leader in the Second Chamber, came to the point at once with a defiant declaration that the only thing the section was at present determined on was that the public servants of the States must be brought under the control of the Federal Arbitration Court. As this is the one thing to which Mr. Deakin will never consent the intimation amounts to a declaration of war against the Government. Mr. **Hughes**, the Labour Free Trader, who sits for West Sydney, added that the Labour men were certain of a majority in favour of this amendment. It will be remembered that the Barton Cabinet put its former Arbitration Bill aside rather than agree to this. With the help of Radical members on both sides it is believed that there is a majority in the House in favour of adding the public servants, but, at all events, it seems certain that this will be done in the Senate. Even if by any unforeseen occurrences the Bill were to be manoeuvred through without the amendment the Labour members would at once revenge themselves on Mr. Deakin by joining forces with the Opposition to oust him from power. It may therefore be taken for granted that in consequence of his unyielding attitude towards this proposal the life of his

Administration will be short, and may be terminated in the first weeks of the session about to open. A coalition between Ministry and Opposition could probably escape or survive the storm, but even their united followings might not suffice. Looking further, Mr. *Frazer*, one of the new Labour members, who also spoke at Clontarf, considered the possibility of an early dissolution, expressing unbounded confidence in its consequences as far as they can affect his party. This is mainly bravado. What he does not allow for is the awakening of the country generally, which would be a strong probability if such tactics were pursued. In any case there is the doubling of the voting strength against the Labour men to be reckoned on if a satisfactory coalition can be formed, based on a postponement of the fiscal issue. From the somewhat inconsiderate utterances of the Labour leaders it is evident that there must soon be a grave political crisis in the Commonwealth.

THE STATE OUTLOOK.

With such prospects before us the State outlook derives additional importance. In New South Wales, though we still have two separate organisations in the field against the Ministry and its Labour allies, excellent progress is being made, chiefly owing to our Press and the public-spirited citizens whom it encourages to action. Our Opposition politicians have not shone in Parliament, nor have they risen in public esteem as a body, though their leader and his immediate associates have done good platform work for some time past. Their prospects are improving because those of the present Government have declined. Mr. *Carruthers* is able to point to a gain of sixteen members under his standard since he assumed command—seven from the independents, five from behind Sir John See, one from the Labour Section, and three who had been victorious at bye-elections. He has now fifty-nine branches of his Reform Association, representing ten thousand persons, and expects shortly to establish other branches in the electorates in which it is at present unrepresented. Addressing its annual meeting last week Mr. Carruthers lifted the veil from his plan of campaign a little more decisively than hitherto. He said plainly that while he and his followers faced a weakening Government without fear their chief foe at the coming general election would be the Socialist Labour Party. He proceeded to allege that our State was now practically at a standstill “because of legislation and threatened acts of legislation” which stifled enterprise and arrested the natural progress and development of the country. There could not be a clearer or more straightforward indictment than this on the eve of an appeal to the country. It amounts to a direct challenge to Mr. *McGowan* and his followers to try conclusions at the ballot-box, and there can be little doubt as to the answer. The only uncertainty arises from the almost unconquerable indifference of the electors, a danger which the Opposition

organisations should partly suffice to remove. Mr. Carruthers has a new Parliament to make, and is justifiably confident as to its composition. There will then be only Queensland—one State out of six—in which the Labour section will enjoy a share of Ministerial authority, and there, too, Mr. Morgan will require to face the constituencies before many months are over.

FISCAL STRIFE.

The best stronghold Labour possesses at present is to be found in the Commonwealth Parliament just fresh from the country, where it enjoys a third of the seats owing to the fiscal strife between the regular parties. Every eye is turned thither to study the development of a situation most interesting in itself and full of significance in its implications. Unless some alliance can be brought about between the Free Importers and the Protectionists the Parliament must remain under Labour control. The result of the elections might seem to make the burial of fiscalism a merely formal ceremony were it not for the personal changes that it must involve. Mr. Reid, so long Premier of this State and sole leader of the Opposition, cannot be expected to take office under Mr. Deakin, a younger and less prominent man. He can scarcely join hands with so bitter an antagonist as Sir William Lyne. Neither of them trusts the other. Sir Philip Fysh, Mr. Drake, and Mr. Playford would hardly be likely to find places in any Cabinet Mr. Reid might form. On the other hand, Mr. Deakin and Sir George Turner, with whom he could easily combine since their views, except on the tariff and preferential trade, differ little from his, belong, the first by temperament and the second by training, to another school of thought. They would on these grounds decline to accept him as leader. Sir William McMillan having unfortunately retired there is no Treasurer of experience available who would possess the confidence of Parliament and the country, unless indeed Sir Frederick Holder could be induced to leave the Speaker's chair. The task of Cabinet making will not be simple, but for all that a strong team could be formed, and would be, unless Mr. Reid follows his old State plan of surrounding himself with colleagues who are dependants. This would hardly be tolerated in the Commonwealth. A safe Treasurer is indispensable.

RESOLUTE CHIEF.

There is a third alternative which at present appears to be the most probable of all. The defeat of the Government will be brought about by a Radical rally from both sides of the Chamber to assist the Labour section in making the railway servants of the States subject to the awards of the Federal Arbitration Court in all the conditions of their employment. The leader of these Radicals is Mr. Kingston, and it is he whom the Governor-General must then entrust with the formation of a new

Administration. This would consist of Labour members and Radicals in about equal proportions, unless the narrowness of their majority compels them to increase the number of Ministers chosen from the Independents. In any event it would be in character and composition a Labour Ministry with at most a bare majority in both Chambers under the ablest, most daring, and most resolute chief the party has known in Australia. It is the irony of fate that at the very moment when the highest office in the Commonwealth is coming within his reach as the goal of a stormy and eventful public life of marked consistency and volcanic force Mr. Kingston should be seeking relief at the hot springs of New Zealand from maladies which are undermining his powerful physique. He has never spared himself and rarely denied himself, though the last few years have threatened his life as well as his health. Whether or not his iron will may prove sufficient to enable him to sustain the burdens of office he is at present the most probable aspirant for the third Prime Ministership. His advent would occasion delirious joy and unbounded expectations in the Labour army, but its reign could neither be long nor fruitful. His Cabinet would be as much a cipher as his energies could make it, though it must embrace some men with tempers akin to his own. Sir William Lyne and Mr. **H. B. Higgins**, of Victoria, would occupy the highest offices, Senator McGregor and Mr. Watson representing the Labour section, leaving two other portfolios for Queensland and Western Australia, or Tasmania. The policy of the Cabinet would be extreme and its administration rigorous. As a result the union of Free Importers and Protectionists would ripen rapidly, probably producing an early dissolution and a decisive victory to the combined Opposition. After all, this may prove to be the most direct way of return out of the complexities which surround us into the beaten paths of Constitutional Government.

THE NEW COMMONWEALTH.

TREASURERS' CONFERENCE. ENCOURAGEMENT OF IMMIGRATION. SELF-IMPORTANCE OF STATES.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Feb. 23 [Feb. 16?] 1904; Mar. 31 1904.

The Conference of Treasurers which has just closed in Melbourne has made its mark, and that a deep mark, in our current history. The resolutions which register its partial agreements are, at least, signs of a better appreciation of mutual obligations, though they are thrown quite into the shade by the indications which they supply of probable financial arrangements between the Commonwealth and its States of the very highest importance to our future. In addition to this the mechanism by which these results are being obtained, the gathering of State Ministers itself, quite apart from its fruits, is notable and possibly puzzling to onlookers in the Mother Country. The Constitution of Great Britain has not presented even the possibility of such an assemblage, unless it were of a merely municipal character, since the days of the Heptarchy. Australian States still retain an ample share of autonomous authority over immense areas, enabling them to assume between themselves something of the dignity of third-class Continental peoples. Subordinate local bodies as they are in the Imperial scale, each continues supreme in an extensive sphere of legislation, and consequently meets its neighbours' representatives with a dignity approaching that of a sovereign Power. Behind the delegates who debate are the Executives to which they belong, the Legislatures from which these derive their office, and the electors to whom all are answerable. Only under a Federal system can meetings of the kind indicated take place; and there they can hardly be avoided. The Canadian provinces, though much less powerful than our States, and the South African Colonies, both before and since the war, have found them serviceable. They were regular institutions with us prior to our union, affording a primitive and rudimentary means of arriving at Federal understandings between allied but independent Administrations on matters falling within all their several charters on which joint action was necessary. At that time, as there was no other means of co-operation, the meetings became solemn and sometimes fruitful functions. But as a rule the instability of the Ministries represented and the rapid vicissitudes of public feeling prevented them from accomplishing much.

They paved the way for combined action in a few instances and avoided or removed misunderstandings in many more. They are being continued after Federation both in respect of matters on which the States still remain politically separate and in regard to questions in dispute between the States on the one hand and the Commonwealth on the other. Conferences always flatter the pride of those engaged in them, and often furnish a convenient means of settling or evading awkward issues. They will therefore continue to meet from time to time, facing as best they can the fresh circumstances of each period of national growth, because they spring from the necessities of every Federal association.

RIVAL INTERESTS.

The recent conference was unusual because it consisted only of Treasurers, though two of them happened to be Premiers also. There were also present the *Attorney-General of Victoria* and Mr. *Nanson*, the new honorary Minister of the *James* Cabinet in Western Australia. Their sittings were presided over by Sir *George Turner*, the Federal Treasurer, to whose patience, fairness, and long experience in handling public moneys whatever success has been gained is mainly due. Hitherto the Postmasters-General of the States and occasionally Ministers of Agriculture have met to discuss modes of departmental co-operation, but questions affecting the Treasury are always so grave that invariably they have been left in the hands of the Premiers. In most cases, as heads of their Governments, the Premiers have called and attended the conferences, taking with them their Treasurers or other colleagues if required. In the special circumstances of the present case time was saved and progress ensured by confiding to the Ministers responsible for the State Budgets and to their chief official advisers the discussion of the tangled questions arising out of the adjustment of Federal and State accounts. In other particulars, too, the conference differed essentially from those that met before Federation. Then all delegates met on the same footing and in equal numbers from each State. The proceedings were unbroken by changes of personnel or any alteration, except that sometimes issues arising between two or more States and not affecting the remainder were dealt with only by those concerned. Since the advent of the Commonwealth, when its Ministers take part in conferences there is equality neither of numbers nor of standing. No voting is possible because there is no proportion in the representation. In most matters, too, the State delegates would be found acting in a body in opposition to their Federal colleagues. Hence the State delegates require to sit apart, determining their differences in private and settling their attitude towards their common adversary. This is really a conference of the old type, while the subsequent meeting with the Federal Ministers, though called by the same name, is conducted on other terms and follows another plan. The two parties meet either to agree or to disagree, and there the matter

ends. They are agents of the same principals, but independent of each other. The only motive coercing them into harmony arises from their responsibility to the same electors. If these could all appear at the conference in person there could never be any question except as to what course seemed most to their advantage. That is the only question now, but as it has to be dealt with by two sets of agents these take care to complicate it for their own sakes. Each group of representatives wishes to serve the common constituency in the way that will best serve itself. Each aims at the increase of its own power at the expense of its rival. There would have been no conference last week if the Cabinet of the Commonwealth and the Cabinets of the States were not pitting themselves against one another for popular favour and the power it implies. Sir George Turner opened with a scheme which had for its object the taking over of the State debts so as to ensure safety with economy in all future borrowings, but which at the same time incidentally put the States under the thumb of the Federal Government. The State Treasurers submitted an alternative project by which they would retain their financial freedom, and at the same time clip the wings of the Commonwealth Parliament by burdening its share of the customs receipts for all time to come. Fortunately the necessity of justifying their policies to the people at whose expense and for whose benefit they are proposed drove them at last to a tentative and informal assent to the outline of a practical compromise.

STATE DEBTS.

Briefly stated, the Federal Treasurer's offer was to accept responsibility for all the debts of all the States if, in addition to a general recourse on their Treasuries for the interest due from each of them on their loans and a one per cent. sinking fund for liquidation, they paid to him every week the whole of their gross railway receipts on condition that he should only retain from these receipts any sum required to be added to their share of the customs to make up that interest and sinking fund. The Federal Treasurer's one further demand was that the States should relinquish absolutely all right to borrow except through the Commonwealth, whose Treasurer was to float their loans for them as long as the States provided him with satisfactory security. The State Treasurers' counter-proposal was that the three-fourths of the customs receipts secured to them for the next seven years should be granted in perpetuity, and that the sinking fund reduced to a half per cent., together with the interest on their loans, should be guaranteed to the Commonwealth by State statutes binding their revenue. They insisted on preserving their right to borrow apart from the Federal Treasury as well as through it as long as they provided in such cases for a sinking fund of one per cent. Put into plain English, this meant that if the Commonwealth would endow them for all time with three-fourths of the customs, and rely on legal process to recover from them anything else due from them, they might use the Commonwealth

as their borrowing broker or not, just as they pleased, without recognising any check or paying it for its labour and responsibility. This preposterous proposal was promptly and incontinently rejected, since it asked everything and gave nothing. But either the arguments by which this extravagant request had been supported affected Sir George Turner or else he had come prepared for more moderate terms than those first propounded. Within a few hours after reading the extravagant requirements he submitted another version of his original offer. He was prepared to extend the **Braddon clause** for fifteen years, or if it were fixed at an amount equal to the average, collections for the first five years to allow it to remain until the last current loan capable of redemption shall have fallen due, or, in other words, for nearly fifty years. He insisted on all his other conditions, except that he agreed not to collect the gross railway revenue of a State as long as any deficiency between its share of the customs receipts and the interest and redemption charges for its loans was paid over to him month by month. He persisted in retaining the right to collect it if he should think necessary, and also in demanding a one per cent. sinking fund as well as a total abandonment of all State borrowing except through and to the satisfaction of the Federal Treasurer. Apparently, overcome by the justice and reasonableness of the case against them, the State Treasurers' resistance suddenly collapsed. They did not accept the Federal Treasurer's offer formally or in express terms, but allowed it to be understood that they were convinced of the soundness of the scheme suggested, and were prepared to recommend it to their Cabinets.

THE MONEY MARKET.

It is by no means certain that the compromise will be accepted for some time at all events, so serious an inroad does it make on the self-importance of the States. In effect it alters little. The States had to pay their interest, and recent tests of the Money Market must have impressed on them the necessity of providing sinking funds. This is all that the Commonwealth demands of them except its control of their borrowing for the future both as to times and as to amounts. That is the subjection which the local Legislatures will find it extremely hard to accept, and never will accept unless the pressure of public opinion is irresistible. Whether or not that pressure will be applied at once depends very much on the way in which our Press makes the situation comprehensible to its readers. Up to the present our newspapers have given scant promise of dealing with it adequately. Still, the solid good sense of Sir George Turner's elaborate study of the financial position, backed up by the obviously fair settlement now before the journals, may educate them up to the task of educating the general public. Either now or before long every one will be obliged to make a choice between Commonwealth control or no control of State borrowings. It would seem that a revision of our borrowing methods cannot be indefinitely postponed,

as it promised to be when the **Prime Minister** first forced the question into notice. All things considered the progress made has been astonishingly rapid. It is only a year since the Prime Minister first began to thrust the subject on public attention. This attention was unwillingly given at the outset. But Mr. Deakin hammered at the matter indefatigably, made it an article of Ministerial policy at the elections, and finally, with the assistance of Sir George Turner, got it into practical shape before the country by means of the conference. As the late Victorian loan afforded an object-lesson specially instructive to that State, its citizens are probably alive to the urgency of the reform, and hence doubtless their two representatives in the Federal Cabinet have been conspicuous in pushing it on.

STATE PROPERTIES.

The second problem treated at the conference was one in which the position of the Commonwealth and the States was reversed. It related to the payment to be made for the properties transferred by the States to the Federal Government under the Constitution with the Departments of Customs, Defence, and the Post Office. As their owners are the citizens of the States, and the properties are only transferred from their local to their Federal representatives, remaining in both cases under their control, Commonwealth politicians have naturally been content to allege this fact as a sufficient reason for making the whole transaction a mere book entry. If the properties are to be paid for their owners will take out of one pocket exactly what they put into the other, being credited as citizens of the States and debited as citizens of the Commonwealth, with the same sum. To meet the differences in the values of the properties taken over from the several States it was last year proposed that a balance should be struck, and that the three States whose proportionate contribution in the shape of properties is less than that of their fellows should make up the difference to them, leaving the amount of the claims to debits and credits common to them all to cancel each other. Under this ingenious scheme the citizens of the States as such would pay each other, while as citizens of the Commonwealth they would acquire all the properties for nothing. Naturally the State Treasurers would not consent to this device, by which they kept their debts and lost the assets representing them. They were anxious to shift the debt out of their books into the Federal accounts with the double object of relieving their own and loading their overlord's obligations. At first they even asked for cash, which would have been a most welcome windfall to their struggling Treasuries; but to this demand Sir George Turner promptly gave an unhesitating refusal. The State Treasurers next asked for Commonwealth bonds, to be employed by them for the redemption of the next loans falling due. This was also scouted, on the ground that a very trifling fraction of these particular debts was incurred in connection with the properties, and that by making itself responsible for

finding the money so soon the Federal Government would be placing itself at the mercy of a market which is just now distinctly unfavourable. The question of the properties has, therefore, been once more postponed in the hope that an agreement as to the taking over of the whole of the loans may be arrived at in April. If the great project should fail it is, despite that, apparent that we are approaching a settlement of this vexed question which, minor as it is, appeals to the cupidity of both parties to the bargain.

POPULATION AND DEBT.

The last question submitted to the conference was scarcely second in magnitude to that of the debts, since it related to the encouragement of immigration. It was appropriately introduced by the Prime Minister, who has consistently bracketed it with our loans as one of the two root problems of Australia. Our monetary needs have enabled him to command attention to our public debts, but he has had no support from either Federal or State politicians in his plea for a broad policy of immigration. Mr. Reid has adopted his customary plan of silent irresponsibility, and his lieutenants, as usual, have copied his tactics. The State Treasurers listened to Mr. Deakin with as little indication of their leanings as his Opposition critics. It is thought to be a thorny question on which the Labour members will prove hostile and the constituencies apathetic. Consequently Mr. Deakin has been left to plough a lonely furrow save for some half-hearted or mocking assistance from the Press. The uneasiness of the State Ministers who heard him was probably deepened by the gentle but rather disconcerting candour with which he pointed out that the chief responsibility rested and must rest with them. They control the land, minerals, water supply, and railways by which settlement is determined. Their land and mining laws, their works for water conservation and railway communication govern the attractiveness of the country. Fares for the voyage from the Mother Country were now low enough to enable them by means of free railway passes to place intending settlers on fertile soil as cheaply as they could reach the available lands of Canada, South Africa, or the Argentine. The Federal Government might be able to aid in bringing settlers, and was prepared to do so. The greatest of all our needs is that of supplying accurate information at home to the investing classes, who know next to nothing about us, and to the immigrant classes, who know less of the laws or physical conditions of this continent. Immense areas of fertile and well-watered land are open for selection at nominal prices, in healthy climates, enjoying many of the conveniences of civilisation. Schools and post-offices are to be found at settlers' doors, and railways or water communication within reasonable distances. In some States advances are made on improvements, and in most of them loans are granted at low rates on freehold land, of which there is a good supply in the market owing

to the cutting up of large estates into farms. After alluding to the many methods employed by countries competing with us for desirable immigrants, Mr. Deakin pledged his Government to propose to the Federal Parliament any reasonable scheme which can obtain the support of the States whose object would be to advertise our resources. Apparently he is in advance of his political generation, for the assembled Treasurers vouchsafed him only a simple vote of thanks and remitted the question to their Premiers. From their general utterances it would seem as if only one or two local Ministries are ripe for action. The Treasurers are victims of manifold timidities, as even Federal politicians appear to be, if one may judge by their silence. The Prime Minister's practical motto, "Increase population and decrease public debts" embodies a sound national policy affecting the whole development of Australia; yet, so far, it has received little encouragement, and that cold-blooded.

FEDERATED AUSTRALIA.

“TRIANGULAR SITUATION.” STATE SERVANTS AND ARBITRATION. TREND OF POLITICS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Feb. 23 1904; Apr. 4 1904.

The present year is bound to be political from first to last, and to witness many crises. A great deal must happen before we cease to date from 1904. For the past two months we have been lapped in peace while the Parliamentary temple of Janus remained closed. Next week the alarm will be sounded when the Federal Houses begin a fateful session, nor can the States' political interests be far behind. South Australia alone sleeps the sleep of the satisfied, forecasting no possibilities of change, and languidly awaiting the opening of her Legislature at the normal midwinter time. Everywhere else preparations for early action are already afoot. In Tasmania the Ministry is making another effort to rouse the country, in Victoria a reconstructed Cabinet is preparing to try its fortunes at the ballot box, in New South Wales, Queensland, and Western Australia final sessions are about to be faced which must be followed by dissolutions before December comes. Queensland alone requires to pass a Bill for redistributing the seats in the popular Chamber, all the other mainland States having preceded her in that task. Five out of six of them will have new Legislatures before December, and in four out of the five at least they will be returned by new constituencies. It will be extraordinary if out of this series of upheavals two or three new Ministries and two or three new policies do not emerge. The Federal Government also being already on the verge of doom the upshot of all these changes must be a radical transformation of the Australian political situation as a whole.

REDISTRIBUTION OF SEATS.

The first general election may come in Tasmania, where for some time past the Legislative Council has blocked the way. If Mr. Propsting, its Premier, cannot employ the platform so as to beget a revolt, he and his Assembly must remain powerless to reform either the Constitution or the finances of his State on the lines which have been adopted everywhere on our side of Bass's Straits. Should he receive sufficient

encouragement he must take a strong course which will lead straight to a dissolution, though the popular Chamber is not yet a year old. Unless that happens the first State general election this year will take place in Victoria. There something in the nature of a revolution has to be consummated. An Assembly of ninety-five and a Council of forty-eight members are to be reduced to sixty-eight and thirty-five respectively, and the whole of the public servants are excluded from the suffrage except in the choice of three members of their own, while eight salaried Ministers take the place of ten. By the Redistribution of Seats Act, which comes into operation at the forthcoming poll, forty members must disappear in addition to those who may happen to be displaced by new candidates for the new constituencies. The breakdown in health of Mr. *Irvine* has been accompanied by the breakdown in health of his first lieutenant, Mr. *Shiels*, one of the most able, most experienced, and most eloquent politicians in the States. Their joint withdrawal ushers in a new Ministry containing no personality comparable to either. Mr. *Irvine's* short but brilliant career has marked the return to power of what may be termed the Conservative Party in Victoria, which with two brief intervals of office had been unable to carry an Administration through a general election for the last fifteen years. He swept the country eighteen months ago, however, and would undoubtedly have gained a considerable majority at his next appeal if his medical advisers had not insisted on his taking a six months' rest. Sympathy with his enforced abstention even from professional work has led to a public subscription for him which promises to reach £2,000. His old colleagues continue with Mr. *Bent* as Premier and Treasurer and Sir *Samuel Gillott* as Chief Secretary, but without the prestige that attached to them under their old leaders. Their policy has yet to be announced. The Opposition is so disunited and nerveless under Sir *Alexander Peacock* that it offers little hope of defeating its opponents. In Queensland the *Morgan* Coalition Ministry is passing quietly through recess. Its fate at the hands of the electors will depend for the most part on the fruits of the next and final session, when Mr. *Philp*, after fifteen years on or behind the Treasury benches, will have an opportunity of proving his mettle as leader of the Opposition. The interesting point in this election will be the extent to which the Labour vote will be able to endure the strain of responsibility for the Government and of cooperation with its other followers. Much also depends on a new electoral Bill and possible redistribution of seats as affecting party prospects.

PUBLIC APATHY.

New South Wales, as well as Victoria and Queensland, must witness a general election this year. We are promised a Local Government Bill, but as this item has done duty already in every local programme published during the last quarter of a century its fulfilment is scarcely within the bounds of possibility. What we are looking for is some

practical proof that our Treasurer's excellent doctrines of economy are being put into effect and not reserved for public homilies. Mr. Waddell rejoices in our improving revenue, taking care to add that it is accompanied by decreased expenditure, but the terms of his comparison on this head leave much to be desired. It is true that we are spending less borrowed money, but the general conviction is that the compelling cause is simply our inability to borrow now, except at exorbitant rates, and not because of any resolution on the Premier's part to abstain from increasing our indebtedness. The attitude of his colleagues and himself is more hostile to the proposal to forego all future loans, except those raised through the Commonwealth, for which we are able to furnish its Treasurer with specific security, than is any other State Executive. This straw serves to show how the wind blows at present, and unless pressure is brought to bear on Sir John See from without it is apprehended that no assistance is to be expected from him in respect of the gigantic operation implied in the transfer of the State debts. Then again, he has distinctly hung back from giving any support to the Prime Minister's projects for attracting desirable immigrants of the farming class from the Mother Country. It is true that our agriculture has made giant strides of late. Last year, owing, chiefly to the drought, we were dependent on other States, New Zealand and America, for fodder and grain, while this season we supply our own wants abundantly. From this time forward we shall begin to export. Yet the area under the plough is inconsiderable when contrasted with the extent of country still lying idle and much of it untenanted. Facts like these do not seem to impress themselves on our people, because almost the whole of them are well-to-do and the remainder seek by preference a precarious living in less productive pursuits. The misfortune is that there is no sign that the Opposition is any more alive than the Ministry to our primal needs. Its Press is curiously blind to the meaning of the conference of Treasurers or even its resolutions. Our public, ill-informed and without leaders, remains apathetic, though thousands of its members are at once irritated into mass demonstrations of rowdy ridicule of the egregious Dowie and his pretensions to a divine mission.

FISCAL FIGHT.

The Commonwealth as it stands in 1904 has come into its own sufficiently to qualify for a new departure. Having swiftly traversed the thicket of difficulties which beset its first steps it is arriving within sight of complete independence of the States in respect of the obligations imposed by the Constitution. When these are entirely disposed of it will be their master. It still needs an Inter-State Commission capable of controlling State attempts to interfere with freedom of commerce by means of preferential railway rates, and a High Commissioner who shall take his place in London representing the political, financial, and other interests of Australia at the heart of the Empire. When these are appointed the Federal structure and its operative machinery will be

formally complete. The Federal Structure will then be sufficiently strong to sustain the strain certain to be put on it before the units of which it is composed are wrought into real harmony with each other. The Commonwealth has framed its tariff, and secured a revenue ample for its present requirements. The fiscal fight is over, moderate Protection having been adopted as the national policy. Mr. Reid might perhaps have given this another complexion if he had been allowed to ally himself with the Labour section without at once forfeiting his hold on Sydney and his own seat. He went out of office in this State because the Metropolitan Press forsook him during his Federal changes of front. His loss then has compelled him to do penance in Opposition ever since. The Press has not been powerful enough to make him Prime Minister, but is quite influential enough to defeat and deprive him of his authority in New South Wales if he should dare to renounce the Press creed. It was the Sydney papers which forced Mr. Reid against his judgment to prolong into the late elections the old cry for free imports and to quarrel with the Labour members, without whose aid he would never have been Premier in this State and cannot hope for a majority in the Federal Parliament. Having returned him by these tactics, with only a third of the House behind him, the papers have since been seeking to cajole him into a coalition with the present Ministry, but so far without any success. A union with the Labour section would be much more to his taste were it possible, but for the time being that is not within his reach. Alliance with Mr. Deakin goes against his grain, because it involves an open confession of defeat and at least a considerable curtailment of his leadership in any joint Cabinet. A combination with Mr. Watson would simply renew old ties and give Mr. Reid a disciplined body of auxiliaries with whose aid he would be undisputed master. It is for these reasons that he sits silent beyond the fray, and issues no programme, explains no policy, biding his time and the development of the triangular situation. He is doubtless well advised in his abstentions, for, after all, his is not the most critical position. Even the Labour Section is committed to a definite programme, and is embarrassed by Mr. Deakin's challenge to submit itself to the accepted modes of constitutional government. Oppressed by such difficulties it has done nothing definite, though now preparing for action by calling together the caucus of its adherents. The decisions arrived at, if there are any, have not been communicated to the Press, but it is plain that the dangers of the situation are weighing on its members and coercing them into new considerations.

LABOUR ORGANISATIONS.

As for the Ministry it is driving straight on the rocks. The various branches of the Labour organisations are passing resolutions calling on the Prime Minister to submit his Arbitration Bill without exemptions for either seamen, domestic servants, or State employees, though it is anticipated that to some extent at all events he will

exclude all three classes from the control of the Federal Court. Mr. Deakin, when Attorney- General, was the chief opponent of the attempt to bring the railway staffs of the States within the jurisdiction of the court on constitutional grounds, because its decrees would not be enforceable, and more than all because to allow such an invasion of State administration would be Anti-Federal in every sense of the word. As head of the Government he has deliberately reiterated his conviction that such a step would be in the highest degree unwise and impolitic, and there is not the slightest reason to suppose that he will or can depart from this conviction. The concerted resolutions flowing in on him are so many testimonies that whatever the Labour leaders may wish the party machine is in the hands of extremists who will not suffer them to compromise, if indeed any compromise could be suggested. A deadlock appears inevitable. Ministers on this question are either in a minority in both Chambers or too close to it to be able to survive the reaction when their foes take their revenge. They must fall either by the vote for the inclusion of the public servants or immediately afterwards in consequence of it. Yet it is somewhat difficult to see exactly what results in fact would follow the introduction of a clause allowing the Arbitration Court to determine the wages and conditions of engine- drivers, porters, or signalmen. As they are and always must be employees of one particular State no one has yet explained how they can come under the sway of a court whose jurisdiction only arises when a particular industrial dispute extends beyond any one State. Again, if the arbitrators did make an award on these matters it is hard to see what procedure could be effective in order to coerce the local Legislatures into obeying it unless by methods perilously resembling civil war. As, moreover, the railway employees are notoriously well paid the very grounds of an appeal to a court appear to be wanting. It must therefore appear strange at first sight that an amendment of the kind in question should carry the fortunes of Ministries and parties. To assess its magnitude it has to be studied in several aspects, among which the personal cannot be neglected. The greatest industrial conflict ever witnessed on this side of the world was that of 1890, when through the shipping and shearing strikes the whole of the Eastern States became desperately involved. Even then the Victorian railwaymen talked of leaving their trains, and the whole brunt of the wrath of the defeated strikers fell at last on the Victorian Government, which when the Metropolis was threatened promptly called out the Militia. Mr. Deakin was joint leader of that Government and head of the department responsible for the maintenance of order. The Federal Parliament meets in Melbourne and finds him again resisting a demand whose motive power there lies partly in its attempt to make reprisals against Mr. Irvine for his resolute suppression of the Victorian railway strike when it did come last year. Recollections like these stifle arguments in the Prime Minister's favour among the Labour members, who cannot forget that he has always declared his determination in similar circumstances to repeat his former counter-stroke against coercion.

FEDERAL CONTROL.

The contest for the Federal control of State public servants and social legislation synchronises with the other contest for Federal control of the States generally which has been underlying so much of our politics. The Commonwealth grip on the finances of the local Legislatures through its proposed restriction of their future borrowings has lately driven home the conviction that they are to be reduced to vassalage and to follow the wheels of its triumphal car. The dispute now before us unites these two currents, and divides their several forces into two great camps. In the one are those whose aim is to cripple, crush, and finally absorb the States as independent entities, while those who resist the growth of Federal power under the plea of State rights belong to the other. The men who seek to extend Governmental authority over all spheres of public or private activity are confronted by men who resist encroachments on individual enterprise and seek to limit bureaucratic interference. The Labour Section, as it happens, constitutes the main strength of the parties which aim—the one at centralisation of political power in the Commonwealth and the other at the extension of Governmental authority over private enterprise. On the other hand, the men who rally to the defence of State rights are for the most part keen in upholding individual rights as against bureaucracy. Little more is needed to precipitate the fluid elements of our politics into two well-defined parties remotely resembling those of the United States if the fiscal issue is excluded. The Australian Democrats would be the defenders of local governing powers and private enterprise; their Labour antagonists would be for centralised authority in the Commonwealth and for Parliamentary regulation of all forms of industry. Many American Republicans would be slow to accept any such programme, but the parallel is possible and suggestive in one aspect. At all events, there is a very real and fundamental antithesis of principles wrapped up in the question whether or not State public servants shall or shall not be subject to the awards of the Federal Arbitration Court. It brings to a focus the substantial agreements and divergencies of views now existing, and may therefore prove a test and turning-point in the history of our party groupings. The situation has, so to speak, made itself; it has not been in any way contrived or led up to—the politicians in this instance are the pawns rather than the players. Whether or not it resolves itself so as to clarify their relations to one another and crystallise them into new combinations, it will have served to foreshadow the true trend of Australian politics.

FEDERATED AUSTRALIA.

MATERIAL CONDITIONS.

PROBLEMS AND POLICIES.

NEED OF IMMIGRATION.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Mar. 8 [Mar. 1] 1904; Apr. 15 1904.

No one in Australia can find anything to complain about in our material conditions. The revenue comes in freely and fully, both to Commonwealth and States. The farmers, inveterate grumblers as they are, have here and there some cause for discontent because their late crops are suffering from too continuous rains. But even they will benefit hereafter by the splendid soaking that the subsoil is receiving, while their fields are also found greatly refreshed by their enforced fallowing during the bad years through which we have passed. Now that the drought has gone it seems as if the welcome showers so long in arrears would never cease. From Queensland to Tasmania we hear now and then of minor floods, but on the whole the rich stores of moisture by which we are being visited are being steadily absorbed and retained. Autumn comes full-handed this year with every crop and every fruit in profusion. Prices are low in consequence, but the community benefits, and our huge export trade goes merrily on. Live stock is dear, and our graziers suffer from the embarrassment of riches. The usual growth of spring grass comes knee-deep, or even breast-high, hiding the fast fattening flocks and herds, whose original strength could not have made any impression on such a store of bounty, and whose depleted numbers are lost to sight in over-abundant pasture. This plethora of provender would have exposed us to exceptional risks from bush fires had not the frequency of the midsummer rains kept a fresh undergrowth of green herbage near the ground. We have had but a few conflagrations, and those over small areas. If a hot dry summer had followed so prolific a season we should have had some terrible devastations whenever the enormous masses of dry fodder had caught a spark. Millions of acres might have been wrapped in terrible sheets of flame, unsubduable, fast-flying, and forest-destroying. As it is the skies drop fatness, all living things are well nourished, and propitious weather persistently fosters our pastoral and agricultural interests. Mining, too, is thriving generally, the yield of gold is climbing upward east and west, restoring the confidence of investors. Manufacturing industries taken in the gross are holding their own, and

finance, though not too elastic, is sound. The aftermath of the drought has not yet departed, but is obviously departing, and another good season should liquidate its accrued losses sufficiently to set our landholders free for new enterprises. Looking at her current ventures and prospects Australia has the best possible justification for wearing a smiling face.

MATERIAL AND POLITICAL PROGRESS.

Material progress is measurable much more certainly than political, but in our case the two have been closely linked together from the first, as they always must be in a virgin territory. Indeed, the conquest of the continent and its subjection to human needs is so much the greatest task of the present in this country that it may surprise our onlookers to discover how any distractions have intervened. At first our politics were wholly practical and material. Every State began with a battle for the land between the Crown lessees of large areas for grazing, called "squatters", and the "selectors" of small areas for cultivation seeking to become freeholders. With only subsidiary variations the irresistible tide of settlers succeeded in capturing all the lands suitable, and some unsuitable, for the plough, though the "squatters", backed by the banks, often contrived to "dummy" or to buy large "stations" of the best lands available. The contest between these rivals was necessarily political, and its course is written large across the Statute-book of every colony. It was accompanied by a parallel fight between the miners for gold and the owners of the soil which terminated long ago. The leasing and sale of Crown lands not supplying revenue enough to meet the demands of our Legislatures the question of finance was next forced to the front, and with it the fiscal struggle began, lasting until the Nineties in New South Wales. Taxation became a necessity when the lands and customs together were outstripped. The States before Federation had all of them practically disposed of these primary problems, and, broadly speaking, in much the same fashion. Then under the influence of the Labour vote they began a series of experiments in social legislation, particularly affecting factories, workshops, and employment in the public service, under improved conditions. The temperance organisations, aiming either at local option control or entire prohibition of the liquor traffic, had previously inaugurated State interference by restrictive legislation of another type more or less enforceable, but this novelty was soon cast into the shade by the wider ambition and growing strength of the Labour section. It was then that our politics took a new turn. At this stage came the Federal campaign, supported by many as a possible escape from the Labour yoke, and then the consummation of union.

TWO URGENT QUESTIONS.

Under the Commonwealth there have not been, and cannot be, land, mining, or temperance legislation, and consequently its Parliament begins further on, so to speak, on the same road that its States have already travelled. The task of organising itself and its new departments occupied a large share of the attention of its first Parliament, while the remainder was devoted to the long and barren tariff wrestle which overshadowed the late election. This may now be put out of account, though it has been a potent influence in shaping the second Parliament as well as the first. Taxation is not contemplated, and consequently, setting aside the creation of a High Commissioner in London and an Inter-State Tribunal in Australia, only two sets of urgent questions remain. The first and most commanding are the financial, determining the relation between the States and the central Government and governing the operations of the latter in every sphere. They dictate the conditions under which the expansion of all Federal activities are to take place, and determine the degree to which the demands made on them can be conceded. The second set of questions relate to social legislation, which so far from being evaded by Federation has been pushed into greater prominence. There has been a Federal Labour section from the first, and it is now larger as well as better organised than in any local Legislature. It works under the limitations of the Constitution, but is compensated for that by the immense area over which Federal authority operates. According to the predictions most generally received this Parliament, and its first session just about to open will be devoted to it and its objects. The Arbitration Bill may indirectly displace the factory laws of the States, and though uniform legislation of this kind would be an advantage to all concerned, it will not be favoured by those employers who have now no supervision to undergo except for sanitary purposes. The Navigation Bill is arousing high anticipations among the Seamen and shipowners, who expect by this means to maintain their present command of the coasting trade to their mutual profit. Beyond this appears the possibility of a national scheme of old-age pensions. As it costs us over half a million a year already, there will be little objection in New South Wales if the Federal scheme is on a more economical plan or even ensures better administration. Whether the representatives of States that have not as yet shouldered this heavy burden will be willing to face it is another matter, but in any event these great questions are all on the threshold of the Commonwealth. The two first will indirectly affect our material interests, but the third is wholly financial, and will require to be approached from that standpoint. So far, then, from escaping the Labour platform under Federation we have it now filling most of the political foreground.

BURDEN OF FRESH OBLIGATIONS.

All the States find that they have incurred fresh obligations since the union in connection with their own local affairs. A discovery of their extent does not improve the temper of the politicians saddled with them, but rather throws them into alliance with the Anti-Federalists, still active in every local Legislature. On the other hand, the removal of the fiscal question and other large national issues enables them to concentrate their attention on the material resources solely within their sphere. An illustration of this phase of their development is supplied from Victoria, where the Cabinet and the opposition have just formulated competitive policies, having in view an impending appeal to the country about June next. Their business-like character indicates a distinct advance on the vaporous manifestoes to which we have become accustomed on such occasions. Constitutional differences appear only in the Opposition cry for a repeal of the separate representation accorded to public servants and its erection of adult suffrage into a special place in its programme, while Ministers leave it an open question. Apart from these sectional proposals the policies submitted are plain and practical. Both include closer settlement on the land, which means a power of compulsory purchase of large estates when they are used for grazing, though fit for cultivation. Both recommend a check on borrowing; the Ministry by limiting it to the local market, and the Opposition also demanding a Sinking Fund. Both look forward to a decrease of the income tax, the Opposition adding a repeal of the existing land tax and the substitution of a tax on unimproved values. Both declare for conservation of forests and water, for more irrigation, coupled with encouragement to agriculture and to mining. Both lay stress on economies to be effected, Mr. Bent supplementing this by a reassertion of the necessity for a non-political control of railway management, while Sir Alexander Peacock, for his part, places the permanent enactment of a Shops and Factories Act among his chief projects. The differences between the two parties are perhaps somewhat larger than they appear, but much less than divides both from the Labour Section, which in Victoria, however, no longer holds the balance of power. But the one character common to the two official programmes is their exclusive devotion to matters of immediate utility. They seem addressed to the taxpayers as shareholders by groups of men who desire to be chosen as a board of directors because of their business capacity—not that they always succeed. Mr. Bent's Minister of Mines when he defended the expenditure of £236,000 of public money for the encouragement of mining, of which £91,000 consisted of advances to private persons, certainly reminded us of our own sanguine administrator Mr. O'Sullivan when he declared himself satisfied with repayments and recoveries amounting to less than £20,000 and a total gold yield to the borrowers of £173,000. Nor can he be considered more convincing when one of his contentions in favour of the Ministerial scheme

for the compulsory resumption of land was that it could not be applied in his own constituency. The principles enunciated appear excellent, but the practice under their shelter leaves plenty of room for abuses unless vigilant and independent criticism is consistently brought into play. In New South Wales that is our case precisely. Our Treasurer, Mr. Waddell, is always primed with the soundest doctrines, but owing either to his own want of resolution or the resistance of his colleagues they usually evaporate without producing commensurate results.

CONCERNING THE RAILWAYS.

In this State our Railway Commissioners have done splendid service ever since the days of the late Mr. Eddy, and though their last balance-sheet was naturally the least satisfactory for many years even it presented many encouraging features. In most of the other mainland States the lines pay fairly well, but in Victoria from a variety of reasons the returns have been uncertain and disquieting for a long time. After a number of trials they were placed in the hands of a board of three managers, with a Canadian expert, Mr. Tait, as chairman, some twelve months ago. Of course, the present season has been very favourable, but, even allowing for this, according to a comparison just published between January of this year and the same month in 1903 a remarkable advance has been accomplished. The gross revenue has risen over £66,000 in consequence of the carrying of the grain harvest to the seaboard. So much might be reasonably anticipated. But over and above this the gratifying circumstances elicited are that to earn this increase cost not quite £1,000 more than the smaller income of 1903. Working expenses as compared with the net revenue are nearly 7 per cent. lower. The train mileage is thirty-three thousand miles less, but the revenue is 1s. 9d. per mile more, and of this nearly 1s. 6d. per mile represents an enhanced profit. Such figures as these are the critical tests of management, and they reveal a most welcome transformation. The Minister of Mines pointed out that the railway deficit last year amounted to £352,000, a sum that exactly equalled the total receipts from the State income tax. Let them save the deficit and they could dispense with the tax. It was a very happy and suggestive way of putting the case, going as it does right to the root of many of our financial troubles. Our public properties are in the main good properties, our reproductive investments deserve their name, and our States find them remunerative when they are run on commercial methods under competent financial control. It is not the works but their handling that needs to be remedied. Our leakages come in their administration begotten by excessive tenderness to employees and to customers, both of whom are favoured at the expense of the taxpayer. When properly competent and consistent managers are allowed to protect our State enterprises we find a rapid recovery instead of a deepening dribble into deficits.

SETTLERS WANTED.

The Labour Section persists in exacerbated comments on the *Prime Minister's* proposal to encourage immigration as one means by which our railways may be made to pay. Yet assuredly we want settlers who will become producers of crops requiring to be carried by rail, and when they are once in occupation they will find the same Labour members their best advocates. All reductions of freights and increased wages to employees receive their hearty support, and therefore it is they who are responsible in no small degree for the unremunerative nature of the State enterprises, of which they are the warmest advocates. They help to scatter post-offices, telegraph lines, free schools, and well-paid teachers over the remotest parts of our territory, and assist in the endowment from the Treasury of technical colleges, university scholarships, and mechanics' institutes. A large part of their popularity arises from their generous disposition of the public funds; retrenchments are not to their taste, and for them taxation has no terrors. The intending settler certainly has no cause of complaint against them except that they will not even let him know how liberally he is dealt with when he gets here. His land is given him for nothing or next to nothing, he obtains Government loans on his improvements as he makes them, and cheap advances on the building society plan from the same parental authority when he has secured a freehold. Agricultural Departments study his soils and products. His exports are branded or facilitated. His children are educated for nothing, and in two States he is secured a pension for his old age. Among the many anomalies of Antipodean politics none is more curious than the alarm with which one section of our politicians views the immigrant before he arrives and the unbounded hospitality it displays to him when once he sets foot on our shores. While he is in his old home or on the sea he is watched as if he were an invading enemy, while directly he lands full citizenship is thrust on him accompanied by lavish expenditures of all kinds to enable him to make a home and to rear his family with as many of the privileges and comforts of civilisation as our funds can bestow on them. Another anomaly is that for all that he does not come.

FEDERATED AUSTRALIA.

DIVIDED AUTHORITY. THREE PARTIES AND THREE LEADERS. UNCERTAIN SITUATION.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Mar. 15 [Mar. 8] 1904; Apr. 25 1904.

The opening of the Commonwealth Parliament disclosed one of the most curious political situations that even Australian States, in all their vagaries, have ever looked on. To uninstructed observation the whole spectacle was just as it should be, or at least as it always has been. The *ex-President of the Senate* and the *ex-Speaker of the Representatives* were quietly re-elected. Ministers sat on the Treasury benches, with well-filled rows of supporters behind and beside them. The Opposition was in its place, almost as strong numerically as it was under its old leader. The *Governor-General's* speech was read by his Excellency. Nothing appeared on the surface to indicate that there was the slightest departure from the ordinary conditions of Parliamentary action. The newspaper accounts of the ceremonial and of the customary speeches on the Address in each Chamber made by new members were barren of sensational incidents. There was perhaps a somewhat larger crowd than usual because of the first appearance on such an occasion of Lord Northcote as the representative of his Majesty. He is discreetly discharging the several duties of his office in an unpretentious but businesslike manner, and if not much in the public eye both he and his lady are a good deal in the public mind by reason of their ready adoption of Australian surroundings. Whatever special interest attached to them or to the formalities preserved at the opening of the Federal Parliament, no one can discover from the Sydney "Man in the Street" any special anxiety as to the outcome of the session inaugurated in Melbourne, though its decisions will be binding on us and on all our fellow-citizens in all the States. One of our *new Senators* has just declared that four-fifths of New South Wales is opposed to Federation altogether, because of the failure of its Ministers to assist our farmers during the recent drought and of the neglect to proceed with the Federal capital. Fresh from a contested election, he ought to be acquainted with the views of his chief supporters, and yet if he faithfully represents them what satirist of our system of government could conceive a more

futile attitude in the face of the real position in which our national Parliament is placed at this moment? The drought has gone and the capital is coming, but the questions which press for answer, and are now about to be answered, have no direct relation to either local recriminations or anxieties of this character.

DUTIES AND OPPORTUNITIES.

The Governor-General's speech differed in few respects from those we have had regularly read. It was rather long, more comprehensive than usual, and much wider in range. What may be termed our "foreign" policy was outlined by a series of references to the war in the East, to the mines of the Transvaal, to New Guinea, to the New Hebrides, and to the Gilbert and Ellice Islands. The number of points at which the World beyond the Empire touches us and is touched by us is rapidly on the increase. The opening paragraphs struck an Imperial note of exultation at the gathering strength of the movement or preferential trade displayed at the late elections, closing with hopeful anticipations of Mr. Chamberlain's promised visit to us on its behalf. Then came an important series of references to Mr. Deakin's perpetual preoccupations, the State debts, and our stationary population—the transfer of the State debts pointing to a limitation of future loans, and the stationary population to the necessity for fresh efforts to make our resources known so as to attract immigrants from the Mother Country. The grounds for apprehension revealed by our Birth-rate Commission's report enforce that need. Our communications by mail and by cable, together with the appointment of a High Commissioner in London, are subjects connected indirectly with the Government's proposals for the creation of an Agricultural Bureau, on the model of that in the United States, for the granting of bounties on new crops and the better carriage of perishable products. All these are parts of a consistent policy of internal development combined with external activity—a policy whose prominent features are more people, more settlement on the land, more commerce with the Mother Country, less borrowing, less reliance on town employments, and less apathy in winning our share of the advantages of the Empire. These are the main ideas which at the outset of the speech exhibit in bold relief the chief ideas of the Ministerial policy. None of them taken separately is novel, but their correlation, the emphasis placed on them, and their position of priority over all the particular legislation promised make them the keynotes of the new Parliament. They are evidences of a new spirit, a wider outlook, and a profounder grasp of the duties and opportunities of Australia, whose aim in all its efforts is, in the language of the speech, "to enable the Commonwealth to maintain her great and responsible position in these seas".

THE LABOUR PARTY.

But it is not the key in which the speech is pitched nor the breadth of the programme it discloses that most distinguishes the present situation. It is the presence on the cross benches on both sides of the gangway of Labour members artfully scattered among Ministerialists in the Opposition so as to appear distributed according to their personal predilections and not massed together in one battalion. Apparently they are there to speak and vote as they think fit, but in reality they are not free except on side issues, and are absolutely pledged in writing to an elaborate platform of ultra-Radical legislation and to obedience to the majority of their private caucus meetings. They are neither friends nor foes of the Government; they are not followers of their own leaders outside the articles of their association, but in regard to those articles they are only pawns in the game, moved wherever and whenever needed. Their creed provides for all the measures of any moment likely to arise, and their caucus majority is always ready to decide how their votes shall be cast—in one block on any matter. The Labour members decide the fate of an Administration or of any motion beforehand outside the House, so that while meeting their fellow members on a footing of equality and apparently indistinguishable from them they are always ready for the word of command to act in a body with absolute unanimity. The two official parties are not units in this sense. On the Ministerial side there are more and less Conservative Protectionists, and the Opposition is also separated in the same manner into two wings. Each of these organisations, if they can be dignified by that name, is much less united even on its few prominent proposals than the Labour Section is united on its many principles. In this Parliament Labour is as numerically strong as either of the combatant parties which nominally dispute the crown, while its phalanx under military discipline is a far more effective fighting force than either. In many cases it will prove more effective than the two put together, since with due allowances to its sympathisers outside its ranks it can always command extra votes in its favour. While, therefore, on the surface of the Parliamentary situation everything is normal, the ordinary balance of parties is destroyed by the weight and momentum of a section not visible as such apart, but in reality separate and supreme. If in the House of Commons Mr. Redmond's followers seated on both sides were equal in numbers to those of either Mr. Balfour and Sir H. Campbell-Bannerman its benches might not disclose the revolution that had occurred, but the whole British public could not but be sensible of its significance.

CHANCES OF COALITION.

The situation has been formally recognised. The Speaker was re-elected on the motion of the Prime Minister, seconded by the Leader of the Opposition, and was then supported by Mr. Watson as head of the Labour Section. A motion of condolence on the death of Sir Edward Braddon was sanctioned on the same triple recommendation.

It was apparently an accident that the debate on the Address was not introduced in precisely the same fashion, but as it was only one speaker intervened. The House officially acknowledges three leaders instead of two, and thus introduces a procedure probably unexampled in any British Legislature. The next question is as to what is to be expected from such a novel tripartition of authority. Mr. Deakin alleges that it cannot endure, because the whole of our system of responsible government is based on the existence of two parties and two only. He has just reaffirmed his conviction that majority rule must be restored, and the sooner the better. Mr. Reid and Mr. Watson both agree with him. Each of the leaders realises that a change is coming. The puzzle is how and where it is to arrive. Mr. Reid protests that the responsibility for overtures lies with the Prime Minister, from whom he awaits an offer. Mr. Deakin re-joins that an alliance must arise naturally among those whom the session sees to be voting together. The Ministry having been returned on its programme, intends to go straight on with it, and apparently to reconstruct itself with the aid of those who find themselves able to come under its banner. Mr. Watson adopts the same view. His party is bound to its programme and to nothing else, but will face any new conditions necessary to enable it to carry out that programme. Like Mr. Reid, Mr. Watson is prepared to receive an offer, but is inclined to impose more exacting terms for future legislation. The blending of the Ministerial forces with those of the Opposition appears the more simple means of making a match of it, were it not that the personal antagonism between Mr. Reid and Sir William Lyne has always been acute and remains bitter. It is scarcely conceivable that they can join hands in any circumstances. In addition to the question as to the Prime Ministership, there are many difficulties in the way of such a coalition Cabinet if the present practice of representing all the States is adhered to rigidly. There remain matters of policy, among which there are substantial agreements between Mr. Deakin and Mr. Reid, though it is doubtful if these are yet strong enough to override the personal dissonances.

CRITICISM OF THE MINISTRY.

The debate on the Address opened with an eloquently powerful criticism of the Ministry and its projects from the leader of the Opposition. He struck hard and well, both at its legislation and administration, though he took care that the wounds inflicted were not poisoned, and that as a rule they would not even rankle. He exchanged many compliments with Mr. Deakin as to their individual relations, and was careful to avoid offence even to the Labour section as far as possible. It was not altogether possible, and the total result of his remarks was a widening of the breach between them. Mr. Deakin replied to him briefly and temperately where he replied at all, almost the whole of his long speech being occupied with a didactic exposition of the principles on which his policy was drafted and would be pursued.

His rejoinder was not combative, and barely defensive. If it did anything it helped to put him in a clearer relation to his supporters and to the Labour Party, whose leader tacitly acknowledged this by devoting most of his attention to Mr. Reid, whom he handled cautiously but with obvious personal unfriendliness. Judged by the tone of the debate, the feeling of the leader of the Labour Party is more favourable to the Ministry than to the Opposition, but this must be viewed in the light of the fact that Mr. Watson had to fight hard against the Opposition for his own seat in New South Wales. He bitterly resented the open alliance between Mr. Reid and the Orange lodges, which imperilled him and largely contributed to the Ministerial defeats in this State. Heated charges and counter-charges were exchanged across the floor of the House in a fashion that augurs ill for any chance of the renewal of the old treaty between Mr. Reid and the Labour Party. The personal equation stands in the way of a union between the Labour section and the Opposition in Federal politics.

MINISTERIAL UNCERTAINTIES.

Summing up the debate it seems as if there is only one urgent question, that of the proposed bounty on the production of iron to private companies, on which the two parties of the "outs" are united against the Ministry. On the other hand, Ministerialists are supported by most of the Labour members in seeking preferential trade relations with the Mother Country, in restricting coastal trade to ships paying Australian rates of wages, and in maintaining the exclusion of contract manual labour and of all coloured peoples seeking to become permanent residents or to find employment on our mail steamers. Mr. Reid generally endorsing these exclusions would alter their terms, merely cancelling oversea contracts for white labour and allowing coloured stokers to be on the articles of the vessels we subsidise. Speaking generally, therefore, there is at present more amity manifested between Mr. Deakin and Mr. Watson than exists between either of them and Mr. Reid. But after all there is a crucial issue in which the dominating personality of Mr. Kingston is certain to appear. Ministers are resolute in their determination not to accept any amendment including the public servants of the States among the classes subject to the proposed Arbitration Court. Mr. Watson and his phalanx are equally determined that it shall be inserted at any cost. Mr. Reid will vote with Mr. Deakin, but has publicly intimated that this will only be a personal matter. He has left his followers a free hand, and many of them already pledged, together with others whose chief interest is to overthrow the Government, will join with the Labour caucus. Some Ministerialists will act with Mr. Kingston, and thus enable him to obtain the revenge he has waited for since August last, when he was compelled to retire from the Cabinet on this very issue. There is but little more prospect of the Ministry escaping defeat on this question now than there was in the last House. After its overthrow, with Mr. Reid sitting beside it in the minority and Mr. Watson sent for, all things are possible.

FEDERAL ARBITRATION BILL.

In the meantime, whatever happens there are signs of agreement in the House on some very important matters. The fiscal issue, as the Prime Minister said, is dead and buried for this Parliament. Mr. Reid and Mr. Watson both assented, though Mr. Reid under pressure from his associates preferred to speak of an "armed truce". Mr. Reid and his following are as much pledged to pass a bill creating an Arbitration Court as Ministers are, while Mr. Reid and Mr. Watson have both consented to commend the scheme for attracting immigrants put forward by Mr. Deakin. It is more than doubtful if the Labour members will all follow their leader in this direction. All parties approve the Prime Minister's official warning to the Transvaal against the introduction of Chinese under contract, and on the whole desire the capital site selected, a High Commissioner appointed, and the Western Australian railway survey made. The work of the session is, therefore, already outlined in any event. There will be a pitched battle between the Ministry and Mr. Kingston on the Navigation Bill where it concedes special privileges to Western Australian passenger traffic. Even the Labour Party will be divided on this point, the South Australians heading one section and the Western Australians the other. The party will be solid in its endeavours to confine the development of our iron mines to the States, and in seeking to enlarge to the utmost all the powers exercisable under a Federal Arbitration Bill. Our Teralba strikers on the coalfields have gone back to work at the bidding of their leaders, but their tardy submission comes too late. The Bill will be fought doggedly by the moderate members on both sides of the House, and its passage, though assured, is certain to be stormy.

FEDERATED AUSTRALIA.

RIVAL POLITICAL PARTIES.

RETURNING PROSPERITY.

THE IMMIGRATION QUESTION.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Mar. 22 [Mar. 15] 1904; May 3 1904.

The Federal crisis hangs fire, and not without due cause. A new Parliament, with a considerable number of new members, with us always implies an equal number of maiden speeches. There is little bashfulness among political novices in Australia, and when, as is the case in this instance, many of the Federal representatives just returned for the first time have sat in the State Assemblies for years they are all the more willing to make their bow. The rough-and-tumble training through which all Labour candidates pass during their almost perpetual platform campaigns does not produce polished orators, but self-confident debaters in no way liable to attacks of nerves. They are well equipped with stock arguments set in stock phrases. In New South Wales we have every reason to be satisfied with the manner in which our latest recruits made their debut, Mr. **Lonsdale** among the members who had served their apprenticeship in our Assembly, and Mr. **Kelly**, who takes Sir **William McMillan's** place and shares his opinions, being accorded pride of place. But when all allowance is made for the time occupied in enabling the new Parliament to know itself, the delay in adopting the Address on which no amendment has been or is intended to be moved is not accounted for. The Senate having smaller numbers concluded its task more speedily. The fate of Ministries is not decided in that Chamber. In the House it hangs in suspense. Neither the Opposition nor the Third Party, as the Labour legion is coming to be named by its critics, is able to overthrow the Government without assistance from those outside their ranks. The Ministry is not strong enough to resist a combined assault. It is this situation which prolongs the debate, and invests it with a special interest because of its throng of uncertainties and tangle of chances. No one can foretell what the next day or the next speech may betide.

STATE RIGHTS.

The oration of the week, whether measured by its length or its influence, was that of Mr. *Kingston*. In spite of failing health and physical weakness he spoke for three hours and a half with varying force but indomitable resolution. Sitting in the Ministerial corner he made no secret of the fact that his relation to his old colleagues is one of entire detachment, capable of being precipitated at any moment into active hostility. Most of their programme he views with suspicion not a little of it with express antagonism, and but a modicum with even qualified approbation. He has as little confidence in it as he has in his old colleagues when he comes to contrast their balanced policy of peace and practical compromise with his own passionate democratic aims towards which he is willing to ride roughshod over friend and foe. He left the Cabinet through his insistence on the necessity of enforcing payment to British and foreign seamen at Australian rates of wages if their ships engage in our coastal trade, and of bringing State public servants under the control of a Federal Arbitration Court. On both these issues he is in direct opposition to the *Deakin* Government, and is eager to eject it from office as a penalty for its preferring to part with him rather than agree to those proposals. His attack on the Government on the points named, which might otherwise have led up to a motion of censure from him, was weakened by a development suggestive of many future consequences. The Labour Section steadily resisted union in all the States, because its leaders foresaw in the Federal character of the scheme prepared by the convention a limitation of their endeavours to bring Australia as a whole under the rule of their majority. With the same end in view they are pursuing the same policy of unification now, quite indifferent to the State rights and State autonomy which the Constitution preserves. As far as their objects are really national, their line of advance has contributed to defeat those provincial forces which are Anti-Federal because they seek to restore State supremacy in order to weaken the Central Government. But as far as the Third Party attempts to enforce class aims by this means the Labour onset must eventually abolish the State Legislatures. The contest for and against State rights has hitherto found Labour always against the States.

IRRECONCILABLE DIFFERENCES.

Among the foremost advocates of State autonomy stands Sir *John Forrest*, one of the wariest of our political leaders. Famous for his skilful opportunism he has had to adapt himself to the unexpected conquest of his State by the Labour Section. There are four other representatives of Western Australia in the House besides himself, and every one of them is pledged to the Labour platform. Four out of its six Senators are of the same colour, and the remaining two are much nearer to them than to

Sir John Forrest. He is, therefore, the only Ministerialist and the only independent Federalist out of the eleven. Not an article of their faith is his without qualification, while his whole cast of thought is foreign to them. On one point, and one only, is it possible for him to act with them, and on this he has seized with so much vigour that he remains the leader of the group in both Chambers, despite their irreconcilable differences of opinion. State interests, sometimes masqueraded as State rights, form the point of contact between these opposites. To prohibit the great British steamers from carrying passengers between Western Australia and the rest of the Commonwealth would be a serious blow to the trade of Fremantle, while the absence of railway communication with the eastern States maintains the isolation of Perth and Kalgoorlie. It is on these two local issues that Sir John Forrest has succeeded in carrying off the Labour members from the west. They fight under his flag instead of under that of Mr. Kingston, who is thus brought into immediate conflict with a wing of the Labour Section on which alone he relies for his power to strike down the Ministry. The *Morgan* Coalition Cabinet in Queensland recently rallied all its Federal members, who, with two exceptions, are also "Labourites", in support of its plea for a larger share of the advantages of the mail contracts. It appears possible, therefore, that even the solidarity of the Labour Party may be compelled to yield to local pressure when State interests are involved. It is a short step from these interests to State rights. Mr. Kingston finds his policy of uniform authority over all shipping threatened in his own camp. His attack on Sir John Forrest was hampered by the discovery that in assailing him he was assailing practically the whole of the representatives of Western Australia, all of whom are Labour members. It is no wonder that he is puzzled at so strange an incident, and that the House generally inclines to take time to reflect on its meaning.

NEW SOUTH WALES POLITICS.

New South Wales politics, though not in as critical a condition as those of the Commonwealth, are more interesting, at all events, to the people of this State. Sir *John See* having taken a trip to New Zealand for the benefit of his health Mr. *Wise* has become Acting Premier. In that capacity he has faced the position with energy, and has explained with characteristic eloquence the policy of the Government much more explicitly than his chief would have done. Rumours to the effect that Sir John See's withdrawal is but the prelude to his final retirement are certainly premature, and in all probability unfounded, but they have served to increase the interest with which the speeches of his brilliant Attorney-General have been received by the public. The hold which the Premier has on the House and the country has been won by indefatigable energy, business ability, and strong commonsense in matters of administration. The Acting Premier has been generally credited with supplying the

larger aims and all the eloquence of the Cabinet. Like Mr. Waddell, the Treasurer, he is believed to offer counsels of perfection which the rest of his colleagues cannot or will not accept. However that may be he has contrived to clarify the Ministerial programme to be presented to the country a few months hence. The next session, opening in May, will have as its principal undertaking the discussion of a Local Government Bill. An appeal will afterwards be made to the ninety new constituencies now in process of being mapped out by commissioners. Their provisional plans are some weeks in arrears and even when they are revised and finally adopted there will be new rolls to make up and fresh rights to issue. At all events we are entitled to expect that the result will be a redistribution of seats and a re-enrolment of electors that will enable the mind of the people of this State to be authoritatively expressed. Mr. Wise, who at present leads in the Legislative Council, has intimated that he may himself become a candidate for one of the Assembly constituencies, and if he should be chosen as Premier he would have no alternative. Our Assembly would not allow the head of Government to remain in the nominee Chamber. But though confessedly the finest orator in our State Legislature, and one of our best platform speakers, too, Mr. Wise finds it hard either to win or keep a constituency. His seat is always in peril. His alliance with the Labour Party on the Arbitration Bill and with the Protectionists on preferential trade have put him outside of the pale of the Free Trade organisation and of the sympathies of the employing classes. His ability is undoubted, but his fecundity in ideas alarms the ordinary elector, who considers fertility in expedients a proof of instability. His prospects of heading his colleagues are not favourable, while there remains in the Ministry so great an expert in country interests and in practical politics as Mr. Crick. His vigour of speech and promptitude in action make him a formidable rival despite his recklessness and in spite of the fact that he is a Roman Catholic.

RETURNING PROSPERITY.

Mr. Wise is at one with Mr. Waddell in his aspiration towards better methods of finance. He told a deputation of the unemployed very plainly the other day that the time for lavish loan expenditure had gone by. His colleagues had spent the votes at their command freely during the drought in order to minimise its disastrous effect on employment, but with the return of normal seasons they had resolved to economise on all their expenditure. The condition of the London Money Market conveyed a warning against reliance on any borrowings there in the immediate future that it was impossible to ignore. It says much for the Acting Premier's courage that he spoke thus plainly in the face of the elections, and still more that he has not hesitated to commend the Prime Minister's call for a renewal of immigration. The Crown lands available for settlement in our well-watered coast districts are to be utilised for those

whom the drought has discouraged from again facing the western plains and for any agriculturists who arrive from abroad. It is very necessary that we should keep abreast of the Federal movement since we have still splendid areas enjoying a good rainfall wholly or almost wholly uncultivated though capable of handsomely sustaining a great population. But it was at the mayoral luncheon last Wednesday that, in the presence of Mr. Reid himself, the Acting Premier took his political life in his hands. His hearers rejoiced with him to know that while at this time last year we were still buying farm products, during the past two months we have sent away from Sydney £500,000 worth of wheat and £250,000 worth of dairy produce. Our agriculturists, who last year earned practically nothing, will this year pocket £3,000,000 in this State alone. The swing of the pendulum in Australian seasons could not be more impressively illustrated. When, greatly daring, the Acting Premier went on to contend that owing to the Federal tariff our manufactures had obtained a magnificent stimulus since 1900, he lost the sympathies of many of his hearers. Our exports of boots, wearing apparel, jam, biscuits, and tobacco were trifling in the last twelve months of our State duties, but in two years the exports of boots had doubled, those of jam had trebled, and those of biscuits had nearly quadrupled. In wearing apparel the exports rose from £3,000 to £54,000, and in tobacco they went up from £19 to £112,000. The plant and machinery of our factories advanced by £1,000,000, and are estimated to have further increased by £1,500,000 in 1903. During the last few months trade has been very brisk. At the present time £5,000,000 a year is being spent in wages, producing an output of £25,000,000. No wonder the capital value of rateable property in Sydney rose £5,000,000 in two years and its annual value £400,000. The figures have naturally given great satisfaction everywhere, though many agree with Mr. Reid in his dictum that we owe this splendid growth to the facilities afforded by the freedom of inter-State trade. Mr. Wise wished the figures to be taken as disposing of the objections to an Arbitration Act and the Socialistic proclivities of Parliament, and in this he is certain to be taken to task by and by. The buoyancy of our revenue will no doubt relieve many of the apprehensions that have been expressed by adverse critics, but it requires to be remembered that when we have pointed to the prolific yield of the soil this season and to the effects of the Federal tariff we have explained the transformation without going any further.

THE POPULATION QUESTION.

Should Sir John See and Mr. Wise induce their colleagues to face the country with a policy of economy, land settlement, and encouragement of immigration, they may not be successful. The opposition to them, based on their past and on their relation to the Labour Section in the present, may not secure credit for their promises, but their programme will then approach close enough to that of Mr. Carruthers to enable it to

be adopted. To all appearances the immigration question will receive a prominence that it has not obtained for many years. The Prime Minister's appeal has not been too favourably viewed even by his own supporters in the Federal Parliament. Though all parties have united in his homage to the general project, their adherence has been qualified with such varying exceptions and conditions that any specific proposition would have to thread a labyrinth of obstacles to overcome the difficulties. Yet just at this moment comes a report from the commission appointed to inquire into the decline of the birth rate in New South Wales which has set every newspaper on the continent discussing as best it can a problem whose meaning, for the most part, cannot be discussed in public. The facts are incontestable. A diagram shows that during the past ten years there has been a rapid decline in our birth rate, and that a similar decline is registered in most European countries. The six Australian States and New Zealand are, however, the greatest sinners. A decline during the decennial period is visible even in Ireland and Austria, becoming twice as large in Scotland and four times as large in England. It is still more marked in Tasmania. In Western Australia the decrease is nearly, and in Queensland more than twice as great as in England. In New South Wales the rate has sunk in the ten years thrice as much as in England, while Victoria and South Australia show the worst records of all. Having regard to the circumstances of this new country the figures are astounding. Of course, the birth rate of our least-productive State in spite of the decline continues a little higher than that of France and Ireland, while Queensland and Western Australia stand above Scotland and England, Belgium, or Sweden. Something must be allowed for a smaller marriage rate for the increase of the town population as compared with that of the country and for other minor contributing causes; but after all deductions are made the facts are most disquieting. The commissioners are in favour of agricultural settlement and "a vigorous policy of encouraging immigration". It is well that all possible public means should be used of making known the high wages prevailing in Australia, its cheap food, its free schooling, and its fertile farm lands.

FEDERATED AUSTRALIA.

THE RIVAL PARTIES. POLITICAL UNCERTAINTIES. THE ARBITRATION BILL.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Mar. 28 [Mar. 22] 1904; May 6 1904.

Our Commonwealth party puzzle continues to perplex us. The discussion on the address in reply to the *Governor-General's* Speech has closed without conspicuously clearing anything. Ministers seem to invite their opponents to displace them. The *Prime Minister's* attitude in Melbourne is described as jaunty, while that of his rivals is anxious. Yet the general opinion is that the life of the Government is not worth more than a month's purchase, and that whatever happens afterwards Mr. Deakin's defeat on the Arbitration Bill is assured. This fact may explain the situation, since he is credited with being indifferent to the joys of office, and suspected of looking forward to his escape from it as a positive release. There are many circumstances in his surroundings which make this apparently extravagant theory not wholly incredible. On the other hand, there is nothing in the fact that his resignation is imminent to lift those who are hungering for his heritage into unmixed rejoicing. On the contrary, there are good reasons why the prospect should awaken their apprehensions. Those members who will simply change their positions from one side of the House to the other welcome the change if only for the sake of a change, and are stimulated by the expectation of a party triumph. But to their leaders, to the men who will be saddled with the responsibilities of forming a new Administration propounding a fresh programme, and then facing this divided Parliament the situation is anything but encouraging. According to the present forecasts of those who profess to be initiate the Labour Party and its allies have victory within their grasp.

MR. REID'S POSITION.

Of the three notable speeches of last week the most important was that delivered outside the walls of Parliament by the *leader of the Opposition*. Speaking at North Shore to the local branch of the Women's Liberal League Mr. Reid was more

outspoken than usual. The shadow of the crisis had winnowed away even his jocosity. Instead of bidding for the support of the Labour Section he is gradually edging away from it. The farther he gets the less commendable he finds it. It is a pity that he was not equally candid during the elections instead of wasting the strength of his following on a hopeless fiscal campaign. Then he spoke in terms of admiration of the tactics of Mr. **Watson**, but confined his centre of the Labour proposals to some minor matters and the Labour men's support of the old electoral divisions in preference to those prepared by the commissioners appointed under the Act. Now his principal objections strike both at the existence of a Parliamentary Labour Party and its methods of work. "The party he led was as absolutely as Liberal a party as the Labour Party, and it had this advantage, that it appealed to the workers and employees of the State on absolutely equal terms. He was bound in the course of his public life to find himself opposing every class in the community at different times, and now, he supposed, he was going to fall out with the Labour Party next." There is proof of this to hand when we find him in the course of the same speech explaining that as a third party "the Labour Party could sit quietly by and look on at the working of the Parliamentary machine under conditions which made them absolute masters of its operations, without the responsibility of guiding it and without the responsibility of controlling it, and that was a state of things which was absolutely new to a system of Parliamentary government ... It gave scope for opportunities for secret influences and secret bargainings and secret arrangements which were altogether hateful to the genius of a free constitution governing a free democratic community ... He had used the term Labour Party, but they should always remember that there was all the difference in the world between Labour and the Labour Party". These truisms have slept in Mr. Reid's mind during the whole of his Federal career and during the whole of his State career while he remained our Premier. When after his defeat he led the Opposition to Sir **W. J. Lyne** in Sydney he stoutly opposed Mr. **Wise's** Arbitration Bill, but since he has faced him in Melbourne he has become a convert to the measure, even when enlarged to Commonwealth dimensions. That he should at this stage have satisfied himself of the necessity of reverting to his earlier views before he became Premier, and have publicly confessed the dangers to which we are exposed by the dominance of the Labour Section, encourages the hope that he at last realises where his opportunity is to be found. In this State, and indeed outside it, there is no voice to which the general community will respond as readily as to Mr. Reid's if he has the courage to put himself at the head of an Anti-Labour Party combination. The Protectionists detest and the classes outside New South Wales distrust him, but they cannot expect to find a more able or more versatile general, or one who will be more likely to detach from Mr. **Kingston** and Mr. **Watson** a part of their following.

UNDISPUTED STATE SUPREMACY.

Sir William Lyne has been Mr. Reid's antagonist for so many years and under such differing circumstances that no alliance between them seems conceivable. When Mr. Reid had the Labour members at his beck and call Sir William Lyne stood forth as the champion of the conservative country interest, but after Mr. Reid was deprived of the Labour vote it was Sir William Lyne who, under Labour inspiration, passed the Old Age Pensions Act and Arbitration Act, which marked the period of their undisputed State supremacy. In Federal politics both our leaders have vied with each other, until now in paying court to Mr. Watson. Sir William is warmer than ever in his addresses, perhaps because Mr. Reid gives signs of withdrawing from the competition for favour. In the debate on the Address the speech made by the Minister for Customs was a frank offer of alliance with the Labour Section and an equally explicit rejection of the current proposals for a union of forces between the Ministry and the direct Opposition. This announcement was the necessary complement of his avowed disagreement with his fellow Ministers on the very issue on which they are about to be overthrown. Only in Australian politics would it be possible for the second Minister of a Cabinet to be understood to agree with its opponents on the most vital question in its principal measure on which it went to the country. Mr. Playford, the leader in the Senate, is believed to be unofficially of the same way of thinking, but neither of them seems prepared to sever his connection with his colleagues on this account. Of course, either or both of them may rally at once to the opposite standard when they regain their liberty from Cabinet ties. The defeat which the Government sustained in New South Wales during the elections in no way detracts from Sir William Lyne's ardour. To his mind sectarianism, provincialism, and a bitterly hostile Press explain away the whole of the results. But for these intrusions Protectionists and Preferential Traders pledged to Mr. Deakin would have conquered, or at least divided, honours in the State. That there were extraneous influences at the polls of a very influential character it would be idle to deny, but it is plain that even with Labour support Sir William Lyne cannot hope to repeat in the Federal Legislature the outmanoeuvring of his rival which he accomplished in New South Wales. An Anti-Federalist to the last, on provincial grounds in the main and because of suspicion of the leaders of the movement for union, his way of thinking led him then, and leads him still, since Federation has been achieved, to aim at the centralisation of authority and the subordination of the States by unifying them under the control of the Commonwealth.

SIR JOHN FORREST AND MR. KINGSTON.

The third significant speech of last week came from Sir **John Forrest**, remarkable chiefly for the courage with which he challenged Mr. Kingston and for the occasion of their dispute. South Australia looks coldly on the projected Federal Railway between Port Augusta and Kalgoorlie. Mr. Kingston is pledged to it, but desires to make the connection of Kalgoorlie with the coast at Esperance Bay, at right angles to this trunk line, a condition of its construction. As the Esperance Railway would afford a more direct means of communication to the goldfields from the Eastern States and would to that extent deprive Perth of the trade which it now enjoys, and will continue to enjoy while Fremantle is the only gateway to the sea, there is small prospect of the authorisation of the line by the State Legislature. Whether or not for this cause or because he wishes to exasperate Sir John Forrest the Esperance line has now no more ardent advocate than Mr. Kingston. Their conflict on the floor of the House centred on this railway difference, and was prolonged in a dialogue of acrimonious tone. But their real quarrel lies elsewhere, and possesses a more immediately practical bearing. Mr. Kingston represents Adelaide, where he has always been in close touch with the seamen engaged in the coasting trade. His retirement from the **Barton** Ministry was brought about by its refusal to better their position by attempting to bring British and foreign sailors at once within the jurisdiction of the Arbitration Court. He had given a pledge to his constituents which, whether it had been given with the sanction of the head of the Government or not, he insisted on keeping. When the inclusion of all shipping in the Act was refused, he left the Cabinet in wrath and became its watchful antagonist. The question he had raised was only postponed for the time, and has again revived in the new Navigation Bill now before the Senate. Its operation will in effect be local, since of all the States two only remain disconnected with the rest. Tasmania possesses an excellent steamship service, and lies so near the mainland that her separation is not felt. She can never see her railway system linked with that of the continent. Western Australia could be united by rail but is not, so that until that is done traffic to and from that State is carried on wholly by sea. Her people complain of their isolation, and put the construction of the railway which is to bridge the almost waterless plains of the Great Bight before all other claims. In the meantime, as is natural, they are keenly alive to anything that would jeopardise the number or regularity of the vessels plying from Fremantle to the west and back again. Mr. Kingston's aim has always been to restrict the whole coasting trade of Australia to ships paying our local rates of wages, which are the highest in the world. This would forbid all the mail steamers, British and foreign, and the great ocean lines from carrying cargo or passengers to or from any Australian ports. All the other States except Tasmania having their railway lines to fall back on, the one certain sufferer by this plan would be Western Australia. No wonder, then, that Sir John Forrest as her doughtiest champion entered the lists at once last year against the threatened attack on his State, and has ranged himself ever since against Mr. Kingston.

COASTING TRADE.

The Navigation Bill, as amended by the Deakin Cabinet, drastic as it is, falls far short of the Kingstonian ideal in several particulars. It reserves the whole coasting trade to ships manned and worked on Australian conditions, but it exempts the passenger traffic on mail steamers between Perth and Adelaide until the railway shall have been completed. It also permits the Governor-General in Council to exempt ships calling at any ports on the western or northern shores of the continent between Fremantle and Cape York from all its provisions as to cargo or passengers. In point of fact, therefore, the coasting trade is sought to be reserved only on the eastern and south-eastern coasts. The mail steamers do not now carry cargo, so that their loss will be confined to their passenger traffic east of Adelaide. All British ships may share in the coasting trade everywhere, provided they adopt the same rates of pay as our local steamers, but foreign vessels will require to be licensed, and if subsidised are excluded altogether. This last provision, if approved, will shut out the French and German steamers at once, and to that extent benefit, by increased passenger traffic, the P. and O. and Orient Companies, as well as ships locally registered. Of course, none of the oversea trade is or can be interfered with by the measure. It applies only to the traffic from port to port within the Commonwealth, but in that regard and within those limits it retains many traces of Mr. Kingston's handiwork. But it is not on that account acceptable to him or the local seamen whose interests he ranks so high. It galls him to see that Sir John Forrest has succeeded in retaining untrammelled the mail steamers for the south-western coast and any other steamers for the rest of his State which Ministers may think fit to place outside the Act. These exceptions, when taken together with the barring out of the public servants of the States by the Cabinet from all appeals to the Arbitration Court, are quite sufficient to drive Mr. Kingston into unequivocal opposition.

COMING DEFEAT OF THE MINISTRY.

Except in Tasmania, where the Ministry is challenging the Legislative Council to a duel to the death, there is nothing in State politics to distract the attention of the public from the rapidly ripening crisis in the Federal Parliament. The Arbitration Bill is before the House and the Navigation Bill before the Senate, so that they can be read side by side. Between them they cover the whole area of employment by land or sea under the flag of the Commonwealth. It is true that the Arbitration Court cannot deal with strikes or lockouts until they have spread beyond the borders of a single State, and that the Navigation Bill applies only to a part of our coasting trade. To go further in either measure must imply an invasion of the spheres of the

States, and probably their ultimate industrial subordination. The Commonwealth, only now in its fourth year, is hurrying into the exercise of all its powers. If the Bills outlined in Lord Northcote's speech at the beginning of the month are passed this session we shall see the whole of the possible transfers of authority from the States to the Federation concluded. If our new Parliament which has just assembled legislates with the same expedition as its predecessor for the rest of its term its close will find very little left for any future sessions in the way of constructive legislation. The one problem not likely to have been disposed of is that which underlies and governs all the rest—the financial question. As the State Ministries disclose their intentions it becomes evident that they are recoiling from the settlement into which Federal Ministers are intent to beguile them. They will neither surrender their freedom of borrowing, nor provide the security for their future loans on which Sir **George Turner** insists. For its part in this connection the Commonwealth needs only to stand aside until the pressure of circumstances coerces the local Legislatures into accepting its terms. It can afford to wait; the States cannot. If the same wise policy were pursued in other matters, if there were patience, tact, and a gradual growth of Federal general legislation, many of the knots before us would become easy to untie. It is possible that the imminent defeat of the Ministry and the chaos to follow may lead to this result, but it will be by devious ways, after many strange adventures and party warfare of a severity with which as yet we have been unacquainted in the Commonwealth.

FEDERATED AUSTRALIA.

POSITION OF THE LABOUR SECTION.

POLITICAL LEADERS' TACTICS.

THE ARBITRATION BILL.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Apr. 5 [Mar. 29] 1904; May 17 1904.

The Press plays so large a part in the political life of Australia that it is impossible to trace the current of events without constant references to its part in them. A reader in Great Britain finds in his own newspaper comments founded on a perusal of opinions expressed in our daily journals instead of on a study of our Parliamentary debates or of the statutes which represent their fruits. We are thus seen in Great Britain through the coloured glasses of party journalism, and are only interpreted to ourselves or to other States of the Federation nearer home by the same means. In all the mainland capitals except Sydney and Brisbane there are two daily papers of differing policies out of whose conflict of opinion some gleams of contrast are obtainable. Melbourne, Adelaide, and Perth have, at all events, two points of view presented. Brisbane speaks with one voice through its two organs, but distances are so great in the State as to enable the provincial papers to cut down their sphere of influence to the capital itself, where its newspapers possess between them the one Federal representative who espouses their views. Both our Sydney dailies are of much the same tone as their Brisbane contemporaries, but owing to our railway facilities and larger population they exercise a much wider dominion. Except where Labour doctrines resist them they are masters of our Metropolis and of the State too. The wonder is why, with their ability, enterprise, and capital, their joint policy does not absolutely rule in both. The two Sydney dailies were badly beaten at our last State election, though they retrieved their position at the recent Federal polls. This was due to a programme of Free Trade assisted by local antagonism to the Ministry of which a Victorian is **Prime Minister**. The combination carried all but three of the seats in this State outside those held by the Labour Party. A great share of the success was due to the fact that the journals rallied the Opposition on the broad principles of hostility to the Deakin Cabinet, to Federal legislation and administration, and to Federalism itself in all its existing agencies. This captured sixteen of the twenty-six seats in New South Wales and all three of its Senatorial vacancies. Three of the sixteen are Radical enough in emergencies, and under pressure, to vote with the Labour Section against their usual allies.

TRANSVAAL LABOUR.

Mr. Reid was astute enough to absent himself from the debate on the resolution submitted in both Chambers of the Federal Parliament condemnatory of the introduction of Chinese miners into the Transvaal. When it was carried unanimously in the Senate and by more than ten to one in the House he was in some danger of appearing isolated. A London newspaper afforded him his opportunity of putting his opinions on record by inviting the Prime Minister together with the leaders of the Opposition and of the Labour Party to telegraph their views to England at the journal's expense. Mr. Deakin declined, on the ground that a want of confidence motion having been tabled in the House of Commons it was undesirable for Australian politicians to interfere, but both Mr. Reid and Mr. Watson gave their views without hesitation. The message of Mr. Reid was explicit on the two points at issue. Generally deprecating the interference of Australia in "extrinsic affairs" he claimed a "special right" of protest in this instance because of our "sacrifices" in the war, unaware of, or indifferent to, the fact that both Mr. Deakin and his own first lieutenant, Mr. Dugald Thomson, had expressly repudiated such a plea as unworthy. He was equally unfortunate in basing his objection on "Australian sentiment", though possibly he meant Australian knowledge. Mr. Watson's censure of the proposal, though more frank and still more crudely expressed, was, of course, to the same effect. Mr. Deakin, who refused to pronounce on the project when first mooted in the Transvaal in 1902, was censured by a leading newspaper for changing his mind. Mr. Reid was blamed for "meekly falling into line", while his telegram was styled "the weakest notable composition he has ever had to acknowledge". On the Arbitration Bill Mr. Kingston will personally be debited with malign influences. Some outside control is always assumed. What is wanted evidently is that the newspaper alone shall dictate the deed to be done or refused. While Mr. Reid obeys its admonitions he is all that a leader ought to be—bold, original, high-minded, and eloquent. When he disobeys he is the weak, futile, obsequious creature of someone else.

IMPERIAL FEDERATION.

Mr. Reid's message was neither large-minded nor high-principled. It was merely political and opportunist, but for all that neither personally influenced nor simply tactical. The division in the House on the Chinese scheme—when fifty-four votes were recorded for its condemnation against five—spoke for itself. If all the absentees had been present it is doubtful if the minority would have gained another vote. The unanimity of the Senate told the same tale. Both Chambers expressed the verdict of the whole Commonwealth on coloured labour immigration into Australia. It is but a natural application of that determination to extend it to the

Transvaal, and there cannot be the least doubt that our leaders and representatives have the country heartily with them in their antagonism to the ordinance which Johannesburg demands and applauds. To Mr. Deakin as to our *Daily Telegraph* the constitutional rights of dependencies within the Empire in relation to each other was of more importance than the special issue whether or not Asiatic labour is needed to supplement Kaffir labour in the South African mines. The Prime Minister strongly objected to joining in Mr. Seddon's request for the exercise of the King's veto, and was supported in that all round the House; but he claimed that a long line of precedents in Australia arising out of our relations with New Zealand, Canada, and Cape Colony had justified us in sending a friendly warning in unmistakable terms to our fellow-citizens in the Transvaal. Mr. Ewing, who represents a northern district of this State, strongly supported the Government, while reminding the Labour members who were cheering him that the step they were taking committed them definitely by implication to Imperial Federation by and by. Political ties were being recognised between the self-governing peoples under the Crown—ties which must tend to draw these peoples nearer to it and to each other. Extravagant as are many of the utterances of the advocates of a White Australia, and violent as are the exclusions undertaken in its name, they do not go one whit beyond the wishes or will of the people. Tasmania perhaps apart, every other State in the Union would favour by enormous majorities the most aggressive action proposed to cope with a coloured influx into its territory. It is ridiculous to pretend that the antagonism arises from the Labour Party. Even Tasmania only needs experience to generate the same heat. All classes of the community are at one in this.

MR. REID'S ATTITUDE.

In regard to the Arbitration Bill, which has just been reintroduced by the Prime Minister, Mr. Reid, to the unspeakable disgust of his Press mentors, is found serving under Mr. Watson and Mr. Kingston, and this in face of the fact that there is a considerable body of opinion in this State supporting our newspapers because of the general irritation occasioned by our local Act and Arbitration Court. The feeling in favour of some remedy for strikes is very strong; the words "conciliation and arbitration" have a soothing sound, and the statutory instruction to the arbitrators to decide according to "equity and good conscience" sweeps away the last apprehension of many critics unacquainted with the working of the measure. But when it is found that every employer can be bound by a finding of this new court to increase wages, decrease hours, multiply privileges, and forfeit authority over his employees in other particulars, admiration of the beneficent intentions of the attractive Bill before Parliament becomes lost in the exasperation occasioned by the prospective decisions of its courts. Yet here is Mr. Reid accepting Mr. Kingston's Bill, asking only for minor

amendments, and full of zeal in accepting an experiment that is, according to his own confession, directly opposed to the political principles he has always held. What is to be expected from an Opposition whose leader is satisfied with chanting the praises of the chief Ministerial measure of the session? If our Press desires any one thing more than another it is the defeat of this particular Bill, and yet on this most important proposal the opinions of the Opposition leader in the House are indistinguishable from those of the head of the offending Administration. The political storm signals still flying in Parliament and out of it point to an early defeat of the Deakin Cabinet. But when that occurs Mr. Reid and the best of his party will be found ranked on the losing and not on the winning side. The victory and the spoils of victory will fall to the Labour Party and those Radicals whose programme is even more distasteful to our newspapers than that of Mr. Deakin. All that the newspapers can look forward to is the possibility that misfortune may make political bedfellows of the minority and ultimately allies. But if our papers succeed in this they must take to their bosom the very Ministers, or some of them, whom they have been assailing most bitterly for the last three years. Then they will have to help them to make a majority in the House, a task which they may find beyond their powers. The desperate expedients the newspapers are now forced to consider really reveals the desperate nature of their own position electorally. Great circulations and no serious rivalry find them still unable to impose their policy on the people as a whole in whose name they always claim to speak with an infallible knowledge of popular desires. This most conspicuous of the contradictions in the Commonwealth promotes a continual confusion at home and abroad among all who fail to understand that our chief papers are but partially and intermittently in touch with public opinion here except to the extent that they help to create and then to colour it. They are always "missing the bus", which Mr. Reid rarely does, and cannot afford to do even at their impassioned instigation. He is probably belaboured all the harder because the journals suspect him of joining the majority against them because it is a majority.

"AUSTRALIAN SENTIMENT."

It may be because of Mr. Reid's deplorable preference for his own reading of "Australian sentiment" as contrasted with that of our newspapers, but assuredly something has made them much more tender in their handling of Mr. Deakin. Perhaps they think that as his tenure of office is to be so short they can afford to be sympathetic with him. Their readers may well have marvelled at the headlines characterising his exposition of the Arbitration Bill as "a great speech" until they read in sub-headlines the explanation, "The Government defiant" and "Clear issue with the Labour Party". That is the real reason which has swung the newspapers into line even with a Protectionist. In spite of temptations and in spite of some of

his colleagues Mr. Deakin has fulfilled his promise "to go straight on", though in doing so he has necessarily come directly into collision with Mr. Watson, whom he is supposed to obey, and with the Labour Party, for whose support he is generally depicted as angling. Half his three hours' speech was spent in explaining the measure structurally and as a piece of machinery; the other half was a reiteration with gathering emphasis of his refusal to bring the public servants of the States under the Federal Arbitration Court. At great length and by many citations from judgments of the Supreme Court of the United States Mr. Deakin developed his contention that our Constitution conferred on the Commonwealth no power to control the officers of the States. He insisted further that the principles on which all Federal Governments are framed absolutely forbade such a confusion of functions as must ensue if the departments of the States were made subject to the Federal Parliament, or those of the Federation made subject to the States. Some critics consider this part of Mr. Deakin's address to have been unduly laboured and inordinately elaborated, but our Press is of an exactly opposite way of thinking. Mr. Reid will be loudly acclaimed when he follows in due course after the Easter adjournment, but strain his condemnation as he will, he cannot be expected to surpass the Prime Minister's final dictum that the inclusion of the States' employees would be unconstitutional, inoperative, and unenforceable. "Defiant" was certainly the right word to describe his declaration that even if Federal control were legal he would not be a party to permitting its exercise, but would distinctly prohibit it in his Bill. He has thus most unmistakably burned his boats behind him.

FATE OF THE FEDERAL MINISTRY.

Despite the resolute attitude of our newspapers, and the more cautious commendation of the leader of the Opposition, it is certain that when the Ministry's fate has been staked on the defeat of the Labour amendment there will be a sufficient breakaway of the Federal members from this State to give the Labour Party a majority. Mr. Reid himself must sit with Mr. Deakin, but his whip and half his party will be found on the Labour benches. As leader of the Opposition he has already announced that he cannot speak for it on the ground that it is pledged to its constituents; in spite of the crisis it has his permission to take a free hand. Mr. Deakin has made the issue Ministerial, and will carry with him the whole of his following, save perhaps two or three exceptions. He leaves office rather than consent to invade the self-government of the States. Mr. Reid, on the other hand, stakes nothing, and exercises neither official authority nor personal influence. He wishes the Government to be defeated, and to compass that end risks the autonomy of the States in regard to their employees. Whatever his Press may say now in order to tempt the Ministry to its doom it is very unlikely that the newspapers will exercise

their great influence to prevent the stampede from the Opposition to the Labour side when the hour strikes. They will be content to observe with philosophic resignation that after all the Cabinet has long deserved its fate, though it happened to be right on this particular matter. The State Premiers and their colleagues are in much the same mood. They denounce the proposal to bring their departments under the heel of the Federal Parliament, but take care to do so in terms that will not annoy the Labour Party in their Legislatures. Consequently, though the battle is being fought for their sakes none of them will trouble to lend effective aid or to interpose at this stage of the campaign. The more confused and unsettled Federal politics become, the better chance the local Legislatures have of supplying a favourable comparison. So the Commonwealth Government stands apart, the bulk of its friends and the Moderates of the Opposition voting with it, but receiving no energy or assistance from those for whom it is facing its over-throw, not even from the newspapers which approve its course and would claim to be uttering "Australian sentiments" by denouncing it furiously if it flinched from its faith.

FEDERATED AUSTRALIA.

ABUNDANT HARVEST. RECUPERATIVE POWER OF THE SOIL. THE FINANCIAL SITUATION.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Apr. 5 [Mar. 29] 1904; May 20 1904.

In addition to its religious celebrations Easter is marked in Sydney by the annual show of the Royal Agricultural Society, by races, and by many other events of public interest. This year, in spite of very stormy weather in the Metropolis and exceptionally heavy falls of rain in our northern districts, Easter has been honoured in the customary fashion. Though somewhat discouraged by the showers, great crowds of visitors have poured in from the country and many from the neighbouring States, including among them his Excellency the **Governor-General**, who attended unofficially for the purpose of declaring the agricultural show open. His official reception has been postponed at his request until he arrives with Lady Northcote to make a stay of some months' duration among us. When they do take up their abode here they are sure to achieve the popularity which both have already acquired in Melbourne by their unassuming but insistent devotion to all the duties of their position. The address presented to Lord Northcote by the Agricultural Society fittingly reminded him that we have just escaped from the throes of a prolonged drought which has "decimated our vast herds of cattle and sheep". The society might have truthfully added that the drought has ruined many hundreds of settlers in our western territory, and has temporarily crippled hundreds of formerly wealthy stock owners. The reminder was necessary because no evidences of the losses remain in town, and very soon all of them will have disappeared from the country. The fact that the land has been lying fallow for some seasons has obviously benefited it greatly. Even allowing for the splendid rainfall, the growth of the crops and of the grass has been amazing. Those unfamiliar with the recuperative powers of our soil may well be startled to hear, and will probably remain incapable of realising, that right on the heels of ruin has hurried the bumper harvest year of New South Wales. They would be prepared to find that we had largely exceeded the returns during our recent drought, but might be pardoned for some incredulous surprise when informed that

our wheat production has leaped ten million bushels ahead of the biggest yield ever recorded in the State. Hitherto we have never quite succeeded in supplying our own wants. This year we have a large surplus of seventeen million bushels for export. The Victorian wheat crop is twenty-eight million bushels, more than ten times what it was a year ago. Ours is only one million bushels below that, and would have been higher but for the excess of late rains. Everywhere in Australia a similar transformation has been accomplished, an apparently instantaneous transition from trials and want to ease and overflowing abundance.

FINANCIAL PROGRESS.

It was at the Agricultural Show luncheon that Mr. *Wise*, our Acting Premier, very appropriately undertook a general review of the financial progress of the State in reply to those who contend that it has been little better than a rake's progress since he took office under Sir *William Lyne*. His statement that the expenditure on public works out of loan moneys has never exceeded that authorised under Sir *Henry Parkes* and Sir *William McMillan* in seasons of much less pressure is fair rejoinder as far as it goes. The fact that this retort was made by telegram to London as a defence against the attacks of a newspaper published there does not disguise the circumstance that it was really aimed at the newspapers here because they supported in Sir *Henry Parkes* what they condemn in Sir *John See*. No charges against Australia receive currency in Great Britain which have not been first coined and circulated in Sydney, in many instances for local party purposes. Unaware of this or indifferent to the task of discrimination our critics at a distance not unnaturally proceed to draw inferences that are indefensible and deductions sometimes ridiculous when endeavouring to explain to their public what they suppose to be the meaning of events occurring on this side of the world. Readers of the *Morning Post* do not require to be informed that Australia generally and New South Wales in particular have been unreasonably extravagant in their borrowings. No State has stopped until it has reached the end of its tether. Rich and relatively populous as New South Wales is we have been allowed a larger margin than less favoured colonies, and but for the drought would probably have been welcome borrowers still. Allowing for the drought we have the most unimpeachable assets and magnificent prospects. Our securities are above question. All that has happened in the way of bad financing has been due to the circumstance that our politicians have forced the pace too much and too long. Now the reverses sustained by all country interests have at last rendered the retrenchment so often urged in these columns imperative. The transfer of about two hundred officers of the Public Works Department to other branches of the service, some at lower salaries, and the dismissal of two or three hundred more is the inevitable consequence of

the stoppage of the outlay of loan moneys consistently advocated by the *Morning Post* for the past three years. It is a proper reduction of expenses which should have been begun by degrees and carried out gradually. It might have been accomplished almost insensibly, but is none the less proper because pushed through at once after being unwisely postponed. To regard a judicious saving of £90,000 a year in salaries as a sign of a sudden crisis is absurd. Whatever crisis there was existed a year ago and has now passed. It is the delay in acting and not the act that is censurable. The only sufferers are men who ought to have been paid off either years or months ago. The public is the gainer. The Government is and ought to be condemned for the procrastinating timidity with which it has executed the policy clearly explained by its Treasurer in public several times during the last eighteen months. It has long been foreseen and often promised. The retrenchments are right and reasonable. They give effect to the precise economies demanded by thoughtful observers, and are to be hailed as healthy symptoms of a sounder management of our public affairs.

FALSE SUGGESTIONS.

The misfortune is that for party ends the only newspapers known outside Australia have thought fit to sacrifice all perspective, and therefore some of our reputation for solvency, by statements true in fact but false in suggestion. Extravagance did not begin with the present Ministry, though it is to be hoped that it will end with it. Our immediate trials are most of them due to the drought and not to political causes. There is something but not much to be said for the refusal to abruptly discontinue the outlay of loan moneys while employment was restricted in the country. Extreme as it is in every serious sense our Press is incorruptible, and though no doubt the loss of the free carriage by the railways of its daily parcels, which cost our dailies ten thousand a year, has envenomed their attacks on the See Cabinet, we are unhappily accustomed to excesses of bitterness of the same kind from the journals when no questions affecting the pockets of newspaper proprietors are involved. The Government has been weak, has submitted too often to the Labour caucus, and has neglected the stitch in time which would have saved much afterwards. It stands to Mr. Wise's credit that since he has been Acting Premier much more firmness has been exhibited, and Mr. Waddell's excellent maxims have been more decisively acted on than hitherto. The Attorney-General has spoken out with a frankness and fullness of which, owing to his state of health, Sir John See was not latterly capable. The great shock he has sustained by the sudden death of Lady See, at a time when he was prostrate owing to nervous exhaustion, has temporarily compelled his withdrawal to New Zealand. Whether or not he retains the leadership, and whether or not Mr. Wise succeeds in winning a seat at the coming election, the prospects of the Ministry

are not hopeful. The Opposition under Mr. Carruthers is better organised, in better fighting trim, and has a more powerful Press support than ever. It is likely to gain a number of seats, though it is quite uncertain how far the Labour section will be able to hold its own against both parties or by alliance with the Government. What seems clear is that the electors of all views will favour economy and abstinence from borrowing abroad. Mr. Wise was justified in exulting over the increases in all crops, in employment, in railway revenue, in the income and land tax receipts, in the values of property, and in investments of capital. All are signs of our rapid recovery. But for these results it is not his policy but the splendid season that is responsible. All that we lack to make the outlook entirely reassuring is satisfactory evidence that the people as a whole are awake to their responsibilities and prepared to exercise the franchise in a few months with the lessons of our recent lapses in their minds.

BUOYANT REVENUE.

One interesting feature of Mr. Wise's speech was the authoritative statement he made from Treasury figures showing his Government's borrowings of all kinds and in all forms since Sir William Lyne first formed the Administration now subsisting under Sir John See. The total—£21,000,000—for four and a half years was, as he candidly admitted, "appalling if stated badly and without explanation". But more than a fifth of it was inherited either from Mr. Reid or in taking up previous loans. Besides, £3,500,000 had been invested in the wharf resumptions, a transaction which in a flight of fancy Mr. Wise declared would hereafter prove as profitable as Lord Beaconsfield's purchase of the Suez Canal shares. The Railway Commissioners had asked and had been given £3,350,000 for new rolling stock and other requirements. Mr. O'Sullivan, as Minister for Works, has pursued a forward policy with such impetuosity as to alarm even seasoned politicians, but it appears that after all he has only been spending £1,750,000 annually. This is too much, but it is far below the current belief, and in future he is to spend nothing at all except in the discharge of obligations already incurred. We have part of the resumptions still to pay for and some public works in process of completion for which revenue cannot be fairly charged. Beyond this there is to be no borrowing. We have returned to nominal conditions of finance as well as of rainfall, and are to go steadily on our way in a businesslike manner.

The buoyancy of the revenue promises to make this prudent course possible without any fresh strain on the taxpayer, since last month shows increases on no less than twenty-four out of the twenty-eight heads under which revenue is summarised. The gains are £147,000 for the month, £283,000 for the quarter, and £223,000 for the nine months. Mr. Waddell is now confident that his estimates will be exceeded, and

that he will have more than the £33,000 to spare with which to help to liquidate the losses occasioned to the Treasury during the drought. This year began with a deficit on the previous twelve months of £248,000, but Mr. Waddell has made the whole of that up, and reduced the deficit inherited from the preceding droughty years by £153,000. This means a total gain of £400,000 in nine months. Expenditure has been and is being reduced, so that in the next few months there is reasonable ground for expecting that we shall make a long stride out of our accumulated deficits, which now amount to a little over £1,000,000, and a decisive step towards the diminution of our loan disbursements. The marvellous elasticity of a State which, with season after season of crushing losses on its back, can at the first opportunity spring forward in spite of its burden, steadily lightening it as it goes, is a sufficient answer to jaundiced political antagonists here or financial commentators abroad who embroider the few culled facts with which they are equipped when setting out to pass a hasty judgment on us.

FEDERATED AUSTRALIA.

THE CHOOSING OF THE NEW CAPITAL.

PROBABLE DEADLOCK.

JARRING ELEMENTS.

FROM OUR OWN CORRESPONDENT.

SYDNEY, Apr. 12 1904; May 23 1904.

New South Wales has had and will have to submit to much mockery—some of it tolerant and good-natured, but most of it contemptuous or bitter—because of our urgency in steadily insisting that the site of the future Federal capital shall be selected without delay. Whatever measure of success has attended our efforts has been due to our own exertions, it might almost be said our unaided exertions, for we have had little assistance from any other State and consistent opposition from Victoria. That the Easter vacation was employed both by Ministers and by members in visits to the localities proposed, so as to qualify those gentlemen for making a final choice this season, is the latest reward of the energy with which our representatives and our newspapers have pressed their demands. The **Prime Minister** has never been hostile to the movement, and Sir **John Forrest** since he became Minister for Home Affairs has been diligent in prosecuting inquiries into the merits of the competing districts, but the fact that they have spent many days in the Bombala and Tumut areas, which have been most favoured in Parliament, justifies the expectation that we are about to witness a further advance towards a definite decision. Sir **William Lyne** who, acting in his own fashion, has never allowed the question to sleep, has once more piloted a company of inquiring Federal legislators to Tumut, which happens to be in his own constituency, and to Lyndhurst, the Western central township preferred in Sydney. Excursions of this kind, ridiculed as picnics by unfriendly journals, whatever they may afford in the way of enlightenment to those who engage in them are at least proof that interest is being taken in the choice to be made. But as our hopes have been dashed before they may be proved vain once more, and our tension of feeling will not be removed until the irrevocable fiat of the Federal Parliament has been placed on its statute-book. Our one ambition is that it shall be done quickly.

“THE PICKED SPOT.”

To understand the attitude of our State in this connection it is necessary to remember the circumstances in which we entered Federation. The original Bill drafted by the convention and accepted in the other States was put aside in New South Wales, where the referendum disclosed a majority in its favour below the minimum insisted on in our local Legislature as a condition of its acceptance. Mr. Reid, who voted for the Bill while advising his followers to vote against it, then found that his Premiership was put in peril by obvious approaches to an understanding between the Opposition in his Assembly and the Federalists. He was therefore compelled to find a way of escape from his former line of resistance. He had recourse to a conference of State Premiers at which a few minor changes were made, liberalising the means provided for settling disputes between the two Houses and fixing the site of the capital in New South Wales as a special concession to her position as the Mother State. This propitiatory gift had some effect on the next referendum, at which the amended Constitution was endorsed here and everywhere, but it had not the effect anticipated since it was fettered by two conditions most obnoxious to our Metropolis. The capital was to be in New South Wales, but it must never be within a hundred miles of Sydney, and until it was available Parliament was to meet in Melbourne. In the face of these restrictions it is no wonder that Sydney to the last remained angrily anti-federal, punishing Mr. Reid for abandoning its claims to serve his own political purposes by promptly ejecting him from office. No wonder that, the Commonwealth having been created, the angry regrets and ineradicable ambitions of our Sydney newspapers provoked a persistent demand that the term for which Melbourne must be allowed to enjoy the privilege of possessing the seat of Government should be cut down to the shortest possible period. No wonder that those interested in the portions of the territory in which it is probable that the new city will be situated are sparing no pains to hurry on a selection. The matter promises to be lucrative, conferring on some quarter a very enviable distinction and valuable advertisement in the shape of a certificate from Parliament that it is the picked spot of New South Wales.

POLITICAL TACTICS.

Political tactics have assisted to keep the subject to the front. Sir William Lyne, the first Minister for Home Affairs, was always an Anti-Federalist, and chiefly for provincial reasons. He has been able to boast that he stood out against the proposed union in the interests of New South Wales, and that he resisted to the end the sacrifice of Sydney. It therefore became the cue of Mr. Reid's supporters, for the sake of their chief, to convict him of dilatoriness or indifference in the choice of

a site. In fairness it must be admitted that no real delay has yet occurred. As New South Wales contains an area as large as France and Italy together the examination of all the apparently possible sites to be found within her borders naturally occupied a considerable time. As Mr. **Oliver**, the commissioner who conducted the first inquiry into the most desirable localities, was appointed by the State Ministry it was thought wise in a matter of so much importance to have his opinions checked by a Federal Commission selected from the four Eastern States. This Federal Commission scrutinised the whole of the physical conditions of the places preferred in a fairly thorough fashion. When it had concluded its work the **Barton** Ministry submitted a Bill for the site in which no name was inserted, proposing that the blank should be filled by the two Chambers sitting together. The Senate refusing to run the risk of being outvoted by a House consisting of twice its numbers, it was left to each to make its own choice. The representatives after narrowing the eligible localities to three, Tumut, Lyndhurst, and Bombala, adopted the first, while the Senate by a large majority insisted on the last. Neither being willing to give way to the other, the Deakin Ministry undertook to have the two districts searched for their most attractive spots with a view to making another attempt to arrive at an agreement this session. The surveyors have not yet completed all their work, but a good idea has been obtained of the most promising localities in each neighbourhood. Ministerial and Parliamentary visits having been concluded, everything seems on the surface ready for what ought to be an ultimate determination.

OPENINGS FOR CONTENTION.

In truth we are much farther from a decision than the general public supposes. The Federal Houses chose two different sites, and they have still to be reconciled. But both agreed to two new conditions. One of these, that the locality adopted should be at least fifteen hundred feet above sea level in order to obtain a cool temperature in summer, is not unreasonable. The other condition, that the area should consist of not less than a thousand square miles, is likely to occasion serious difficulties. The Constitution fixes a hundred square miles as the minimum extent of country to be accepted by the Federation, and Sir **John See** has publicly stated that as far as his Government is concerned not an inch more shall be given. Supposing this to be the attitude of the State Legislature, as it probably will be seeing that Mr. **Carruthers** has always taken a very large view of its authority in relation to this particular matter, there is every opportunity for a deadlock on this question. Great stress was laid last year by many speakers, especially in the Senate and generally by Labour members in both Houses, on the advantages of having as much land as possible under Federal control. One object is to permit of that land being farmed by the Commonwealth for its own profit. Another object is to have a variety of experiments in temperance legislation or

in work of a Socialistic character under the immediate observation and control of the Federal Parliament. On the other hand, the State Rights Party in New South Wales wishes to give the Commonwealth as few opportunities as possible for aggrandisement, while the Anti-Socialistic feeling now prevalent here takes the same view in the hope of limiting the new ventures of the Labour section. The Legislatures are at odds and, having regard to the strength of the Labour section in the present Federal Parliament, there is much opening for contention on this simple difference of aims.

THE CLAIMS OF LYNDHURST.

But there are dreams larger and vaguer still cherished by at least a few Federal legislators—dreams covering the acquisition of a sufficient slice of New South Wales to enable these legislators to create what has been described as a “toy State”, in which they can reign supreme. The Constitution draws a distinction between the “seat of Government”, generally spoken of as “the capital”, and the “territory” in which it is to be situated. The whole clause in which it occurs was drafted by the Premiers’ Conference in Melbourne, called to find Mr. Reid a golden bridge by which he might return to the Federal forces. The clause was never subjected to revision and has been described by critics as the most ambiguous in its terms in the whole of the Constitution. One claim made under it has been that the whole of the extensive area in our south-east, “from Kosciusko to the sea”, as Senators phrased it, should be ceded to the Commonwealth, whose capital would then be placed within a large expanse of fertile country lying between New South Wales and Victoria, with a fine port at Twofold Bay giving free communication to the outside world. The port could be connected with the capital by railway, and with the surrounding country would constitute practically a seventh State of the Union independent of and superior to all the rest. It would be supplied with funds for its development by the remainder of Australia. There can scarcely be any expectation among its advocates that such a chimera will be permitted to take shape, but the ambitious tendency of which this is the extreme expression will certainly need to be satisfied to some extent. The idea represents a reaction against the opposite reading of the Constitution, which declares that though the capital area is to cease to be legally a part of New South Wales it must be “in” the State in the sense of being in its possession. This feeling gives strength to the rally in favour of Lyndhurst as against all competitors.

That site is central, removed as far as possible from Victoria to the south and Queensland to the north. It has the great additional recommendation from the Sydney standpoint that its only possible port and source of supplies from overseas would be by way of the wharves of our Metropolis. Our newspapers would have the new city within their immediate sphere of influence. There, if anywhere, it would

be a distinctly New South Wales capital. A great deal may be said for Lyndhurst on other grounds, but the reason why it is supported by the solid vote of all our Federal representatives except the two in the Ministry and their one supporter, Mr. Ewing, is that its choice would stamp the seat of Government with our own stamp by keeping it practically a dependency of our State.

MUCH INTRIGUE.

The Victorians and South Australians, quite alive to the obvious purpose of New South Wales, are almost as united in their endeavour to fix the site near the Murray River. Albury has been frankly advocated by the *Melbourne Age* because it would make the capital Victorian in fact though not in name. This effort, absolutely selfish and less justified than ours, has been defeated, mainly for climatic reasons. Whatever weight is exercised by the movement in the south will be exerted in favour of the neighbourhood of Tumut as the next most convenient situation for Melbourne and Adelaide. The Labour Party, together with the apostles of expansion and those who prefer the coolest and most picturesque locality, favour the Bombala district, remote from Sydney and at present almost inaccessible from Victoria, because separated by more than a hundred miles of very rugged mountainous country, all but unoccupied, and through which, according to Mr. Deakin, no railway is likely to be made for a long time to come. A Federal territory either at Bombala or at Tumut might be extended so as to touch the Victorian borders, and this is reason enough why both should be resolutely resisted by us. Our representatives in the Commonwealth may be in a minority, and therefore subject to defeat there, but we are certain of unanimity in our local Legislature, no matter what State Ministry may be in office. Our representatives will insist on being consulted. Mr. Carruthers, who is a lawyer, seems to claim for us a controlling voice. According to his reading of the Constitution the State consent must be given before any of its domain can be "granted to or acquired by" the Commonwealth. If so it is probable that this consent will not be given readily to the Tumut district, and not at all to Bombala. It is also very likely that anywhere else except at Lyndhurst or some equally central place the area ceded will not be more than one hundred square miles in extent. The prospects of a collision are considerable and of delay much more considerable. Yet no hint of either has yet reached the public here or anywhere else. "The Man in the Street" is allowed to believe, and seems to be positively certain, that as soon as the Federal Houses agree the whole matter is settled. It is more than doubtful if they will agree: but if they do the real struggle will have only then begun, unless indeed, which is very unlikely, the New South Wales Federal representatives are allowed their own way. The agreement of our State Legislature will not be easily obtained in any other event, and if that

agreement is essential an indefinite vista will be opened up. When the site is chosen the rate at which it will be made habitable will have to be defined. This must involve postponements, unless very rudimentary and temporary arrangements are accepted. The whole influence of Melbourne and of the advocates of economy will be employed to retain the Parliament in its present quarters for the longest possible period. To a dispassionate onlooker the heat already engendered by the attempts that have been made to select a capital site can be readily explained by reference to our past history. But the means by which the jarring elements in Federal and State politics are to be brought into harmony so as to admit of an actual beginning of the work of transfer of our Federal Government to its permanent home have yet to be discovered. The incident as a whole possesses, and will possess, the political stage at intervals for some time to come; its development partakes of the nature of a plot, and discloses much intrigue. Its future, rife as it is with manifold contingencies, is likely to be dramatic in its dénouement.

FEDERATED AUSTRALIA.

“FIERCE DEMOCRACY.” THE THREE PARTIES IN THE FIELD. POWER OF THE LABOUR SECTION.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Apr. 19 1904; May 25 1904.

North, south, and west the political horizon is clouded. The east, too, is clouded, if New South Wales be looked at from the centre of the continent. Storm signals are flying over our electorates in every quarter of the compass. A dissolution is well within sight in each of the States with the exception of South Australia, and even in the Federal Parliament just elected an appeal to the country is quite possible before the year is out. In Tasmania the obstinate resistance of the Legislative Council to any readjustment of political power or of the State finances may or may not provoke a trial of strength; but in the four States on the mainland the existing Legislatures must soon cease to be. Their deaths come in the natural order of things. All of them are triennial, and all are closely approaching the end of their term. But for this unavoidable obligation there would not be a general election in any one of them. The present Administrations are not anxious to challenge a popular verdict, and would be certain of rallying a sufficient majority to enable them to postpone the dreaded ordeal. If septennial Parliaments existed in Australia our experience goes to show that as a rule they would live out the full period. Our contests are rarely expensive to those who engage in them, but payment of members exercises a steadying influence in furtherance of the many motives which render members indisposed to face their constituents more often than is prescribed. Now they have no choice: the battle is inevitable. With elections looming before us on every hand it might be supposed that the country was profoundly agitated or at least apprehensive; but such is not the case. Interest in local politics is distinctly flagging, and our citizens will need a great deal of flogging both from the Press and the platform before they are sufficiently stimulated even to record their votes. The “fierce democracy” against whose rising tides we have been continually warned in Australia, whether it moves quickly or slowly, proceeds languidly towards its goal.

“GOING STRAIGHT ON.”

The Federal crisis, evidently undecipherable in Melbourne, is still more problematical when regarded from Sydney through the coloured spectacles supplied to us by our newspapers. That there must be a change of Government has been apparent for some months. Endless speculation has ensued as to whether or not it would be brought about by a reconstruction of the Cabinet following on a coalition between Mr. Deakin and one of the two parties opposed to his policy. Mr. Reid has publicly announced his willingness to receive proposals and his resolution not to make them. Mr. Watson has in effect adopted the same attitude. The consequence has been that the *status quo* has been preserved unbroken, even since Mr. Deakin caught the public ear with the plain intimation that the situation was “impossible” and that Constitutional Government could not be carried on while there were three parties in the House, practically equal in strength and with rival programmes. Having called attention to the true state of the case Mr. Deakin announced his own intention of “going straight on”, and he has kept his word. He is going straight out of office. Apparently nothing has happened to alter the situation since he spoke. He was most emphatic in his insistence that any combination of parties must be made in the open on conditions which should be frankly avowed, and he averred that he would not enter into any other kind of compact.

POLITICAL COMPLICATIONS.

But it does not follow from this that there have been no confidential exchanges of views. Judging from current rumours the High Commissionership has been offered to Mr. Deakin to ensure his withdrawal in the interest of Mr. Reid. Sundry Ministerial attempts seem to have been made to induce Mr. Watson to agree that the question as to whether or not the constitutional power of the Federal Parliament permits it to bring State employees under the sway of its Arbitration Court shall be remitted direct to the High Court and withdrawn for the time being from the Bill now under discussion. That, too, has failed. Nothing, therefore, appears to be possible in the way of coalition. It is accepted as a foregone conclusion that the Labour Party’s amendment will be carried this week, and that then its leader will be entrusted with the task of forming a new Government. Whether or not he will succeed at all, with or without alliances, is now a matter of speculation which the telegraph will have solved for you long before the foregoing anticipations can appear in the *Morning Post*. What the new Opposition will become and under what chief it will be organised are matters of at least as much importance. Federal politics are about to take a new turn absolutely unsuspected when Federation was achieved—a turn the least desired by many of those primarily responsible for its establishment, but for all that it may very possibly furnish the shortest cut out of our present complications.

MR. REID AND MR. WISE.

This will cease to be true if Mr. Reid fulfils his intention of taking the field against Mr. Wise, whose appearance on Federal platforms as an advocate of preferential trade he still resents and makes his justification for attempting reprisals. Mr. Reid certainly owes it to his State allies to help them to the utmost of his ability, because it is due to his bad advice that Sir John See was not allowed to form a coalition with Mr. Carruthers and Mr. Ashton three years ago—a coalition which would have given us a Government altogether independent of the Labour Section ever since. Mr. Reid sacrificed his State allies to his own Federal aims and has nothing to show for it. His policy has so far failed, even in the Federal Parliament, that he has now become anxious to gain for himself in the Commonwealth the very same kind of coalition which he refused to countenance in New South Wales. His friends have lost three years of office in the State, and we have had three years of Labour domination as the result of his interference. Some sense of this, as well as his hostility to the Acting Premier, must have assisted to bring him into the field of local politics, where his oratorical ability and mastery of tactics will be of special value at this juncture. Mr. Reid has the further justification that the defence of the See Ministry is being made by contrast with his own record as Premier of the Ministry that preceded it. The indebtedness he left behind him, the often-censured manner in which he produced his surpluses, and his dependence on the Labour vote in the House during the whole life of his Government, are made the basis of the apologies for similar shortcomings which Mr. Wise is employing with much adroitness. Even he, however, has not the platform mastery of popular audiences nor a fraction of the Press support which enables Mr. Reid to dissipate the indictments of his adversaries and prove to the satisfaction of the mass of his hearers that his was in every respect an impeccable Administration by comparison with that of his successors.

AN OLD PARLIAMENTARY HAND.

In Victoria there is a very similar condition of political affairs: a general election nearly due for a much reduced Legislature, with three parties in the field. The difference is that Mr. Irvine has definitely retired from the Government he formed, though he intends to offer himself as a candidate for his old constituency. Mr. Bent, who succeeds him, represents a type of what is usually called the “practical politician”, known in America even more than here. His career has been filled with vicissitudes, but he has survived them all, has held many offices in his time, and has become at last, partly by native aptitude and partly by experience, an “old Parliamentary hand”.

A greater contrast than that between the Premier whose place he takes and himself it would be hard to discover, for he is as boisterous, unpolished, and hardened as Mr. Irvine was polite, distant, and sensitive. Their policies, nominally the same, have a distinct difference in tone and colour. The stress in the old programme was laid on the economies to be effected; that in the new on the expenditure about to be authorised for local works. Mr. Bent and Mr. Irvine are agreed in their attitude of antagonism to the Labour members and in their determination to restrict members of the public service to the separate representation they now enjoy; but while Mr. Irvine's demeanour exhibited the calmness of resolute conviction, Mr. Bent has already indulged in heated and undignified recrimination.

The Opposition in Victoria really consists of the Labour Section, which, having parted with Mr. [Trenwith](#) and some of its best men, has little to commend it except the number of its representatives and their remarkable organisation of voters. The handful of independent members who claim the title of Opposition, and who are otherwise known as "Progressive Liberals", have lately replaced Sir [Alexander Peacock](#), the former Premier, by Mr. [Donald Mackinnon](#), a young barrister of independent means, whose reputation is that of an upright, thoughtful, well-informed gentleman, a quietly effective debater, and a sober-minded student of public affairs. His platform does not differ greatly from Mr. Bent's, since both put in the foreground the compulsory purchase of large grazing estates for the purpose of reselling them in lots suitable for small cultivators. Where they differ is on the special franchise and representation accorded to public servants, which Mr. Mackinnon denounces but which Mr. Bent upholds for a trial of at least three years. Despite the superior attractions of Mr. Mackinnon's personality, the little group which acknowledges him as its commander cannot at present expect to win or retain office except by alliance with the Labour Section.

The people of Victoria, like those of South Australia, appear to have made up their minds that they will tolerate no Government whose independence and authority are capable of being sapped or subjected to the conditions imposed by the local Labour Leagues. The existing Cabinet, unsatisfactory as it is, has every reason to anticipate a verdict in favour of its retention until a new party can be built up strong enough to reign by the aid of its own battalions. Mr. Mackinnon may get together the nucleus of a new party of Moderates, but this appears to be the utmost he can expect according to the forecasts from Victoria.

THE POSITION OF LABOUR.

Western Australia is likely to fall into line with South Australia and Victoria, the two States with which she has the closest commercial and other relations, though the position has to develop considerably before an equally definite issue will be propounded to the electors. The Labour Section there, hitherto inconsiderable in numbers, is likely to be greatly strengthened by the redistribution of seats lately authorised, and is already indicating that the increase of strength will be accompanied by increased demands. Mr. *Walter James*, the Premier, is a Radical who during the early days of representative government was the favourite, and in an informal way the leader, of the few Labour members who gradually found their way into the Legislature. Since he accepted the cares of office he has tempered the ardour of his advance, though he cannot be accused of more than maturing his old opinions. He has already come into collision with his former allies, and unfortunately for himself has given offence to the extreme temperance reformers and to the organisation of the publicans. Depending for support on the more stable elements with which he was formerly in conflict, his majority must dwindle and he may have to fight hard to retain his own seat. It is impossible from this distance to keep in touch with the political phases of a great gold-producing State so unlike New South Wales. An immense influx of new settlers, mostly miners, has broken in on the quiet growth of the remote community of older date, which was concentrated on a small coast district utterly insignificant in area when marked on the great expanse over which its residents exercised sovereignty. It seems fair to suppose that the Labour vote will be strong on account of the newcomers. But it also appears reasonable to believe that if anybody can resist its onset it will be the party now in power. The changes that are taking place in the personnel of the Administration do not seem to strengthen it, though the late leader of the Opposition is now to be found in its ranks. If the Labour members constitute the fighting Opposition to be encountered in Perth the situation will become a replica of that now existing in two States and not materially differ from our own.

Queensland possesses a coalition in which, though the Labour section is one of the two contracting parties, the policy pursued has been of the ordinary character and colour. In all the other mainland States that section is, or is about to become, the real Opposition, and is ready to accept its responsibilities as such. If it is made master of the Treasury Benches in the Commonwealth Parliament this week it will have reached the zenith of its power, but will have much greater responsibilities than ever before. It cannot remain at that height unless kept there by those outside its comradeship.

FEDERATED AUSTRALIA.

THE LABOUR MINISTRY. MR. WATSON'S POSITION. PARTY MANOEUVRES.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Apr. 26 1904; Jun. 14 1904.

The death of the **Deakin** Ministry has created a sensation throughout the whole Commonwealth. Though long expected, and by many long desired, often foreshadowed by the Prime Minister himself, and watched at every stage by the public and the Press, the shock of the actual event was rather deepened than diminished by this train of preparations, to which it came as a culmination. It was the passing of the first Federal Government, which, in spite of its many vicissitudes and several changes, had established itself in the minds of the people with a prestige due to the circumstances of its birth and to the standing of its individual members in the States from which they came. The First Federal chapter has closed, and at the same instant another chapter has opened under the ominous heading "A Labour Ministry". This of itself is enough to cause men to rub their eyes, and to ask themselves in amazement whether or not the impossible can really happen. It discloses before them a vista of contingencies vaguely alarming, and indeed the more alarming because they are so vague. For the moment, therefore, State interests and elections have sunk almost out of sight, though there are very important events occurring in New South Wales on our own doorsteps. Even the Russo-Japanese War has ceased to absorb conversation on the ferry-boats or in the electric trams. Tens of thousands of estimable citizens in Sydney feel some perfunctory prickings of conscience when they recollect that from one indolence or another they failed to visit the ballot-box in December last. Grave as their dereliction of duty was it need not now disturb them, because even if they had voted it would have been on a false issue and for candidates who would have had no influence in the present emergency. The newspapers persisted in placing the fiscal issue first and the rest nowhere. They triumphed, winning a great victory against Protection even though it was allied with preferential trade within the Empire, but though that victory meant everything in New South Wales it affected nothing outside our borders. The Labour section is condemned here because it supported the **Barton**

Administration on several occasions, as if the Conservative section of the Opposition had not done precisely the same thing, going to Mr. Deakin's rescue more than once in order to defeat the Labour Party when in alliance with Mr. Reid it several times sought the life of the same Ministry. The upshot has been that this week, with Mr. Reid's tacit consent, just such an alliance between the Opposition members, mainly from New South Wales, and Mr. Watson's following by putting Mr. Deakin out has put the leader of the Labour Party in the proud position of *Prime Minister of Australia*. Evidently as tacticians we have a very great deal to learn.

INTOLERABLE SITUATION.

Mr. Deakin, according to Press reports, has gone down "smiling", much to the amazement of both friends and opponents, who have continually called attention even in the House to what they seem to consider an event inexplicable and unprecedented on our political stage. To the onlooker there need be no puzzle. If it were only on the ground of the relief that he was enjoying in anticipation from an intolerable situation to whose outcome he has emphatically directed attention at every opportunity Mr. Deakin had good cause for satisfaction. He led to the country a Cabinet which had just lost its three ablest members and having passed a tariff had ceased to stimulate Protectionist support. It had parted company with the Labour caucus on the very amendment on which it has just resigned, and while fighting the election against Labour members on the one side, it had at the same time to endeavour to resist a strenuous attack from the Opposition on the other. No wonder that the losses of the campaign were chiefly Ministerial, and that when he counted his adherents Mr. Deakin publicly declared his position to be impossible. There were three equal parties in the House, only one of which acknowledged Mr. Deakin's authority. It was necessary to the transaction of Parliamentary business that there should be a union of two of them. Mr. Deakin insisted that such a combination must be made before the public, and on public grounds alone, in order that by its action constitutional practices might be restored. The whole Press, including that of the Opposition, heartily concurred both in Mr. Deakin's diagnosis and in his prescription. The Labour section alone repudiated his reading of the situation, and rejected with annoyance his doctrine that majority rule must be re-established. The Labour men recognised at once that Mr. Deakin had tendered them formal notice to choose between a junction of forces or open hostilities. The tacit though intermittent alliance which obtained between them and the late Prime Minister was being set aside quietly but with decision. Mr. Kingston, their former representative in the Cabinet, having retired about the clause in the Arbitration Bill, the new Prime Minister began by throwing down his gauntlet on the same clause in the measure when he opened the election campaign at Ballarat. He compelled the Labour Party either to pick it

up or leave the lists. The Labour Party has picked it up, and with it the Ministerial responsibility which a few of the Labour leaders and most of their followers crave, but which the cautious among their representatives dread. They fear it the more when they consider that the Prime Minister himself gave the lead which has brought them where they are, selected his own battleground, dictated all the conditions of the combat, and concluded by advising the *Governor-General* to place the seals of office in Mr. Watson's hands.

GOVERNMENT AND OPPOSITION.

Since all seems to have fallen out as he had planned, it is no wonder that Mr. Deakin smiles towards the Labour corner, now compelled to leave its safe retreat and to take its stand in the open. He has equal cause for congratulation when he looks at the men behind him. As has often been explained in the *Morning Post*, there are no parties in the true sense of the term in the Federal Parliament except that of the Labour members, who are indeed more a sect than a party. The Ministerial gathering—for that is all that it can be termed—has been always weaker in its ties than the Opposition. It was a temporary body, and by the time it came into Mr. Deakin's hands was fast falling to pieces. Sir *W. J. Lyne* and Mr. *Playford* in the Cabinet with their sympathisers outside of it were always seeking a closer union with Mr. Watson, while Sir *John Forrest* found among the Victorians a strong body whose inclinations were towards the Opposition, especially towards its sober first lieutenant, Mr. *Dugald Thomson*. There has been no real split in the party despite this divergence, and only two Ministerialists drifted away on the fatal division to the Labour ranks. The Prime Minister may well congratulate himself on having emerged with so little loss. His stragglers will be glad to come back, and two or three others, who would have followed them if the amendment had been made less wide rejoiced to escape the ordeal. All were anxious to go down with him rather than join his adversaries. Nor could his satisfaction have diminished when he looked at the Oppositionists who came to his support. The leader, Mr. Reid, was there, as well as his deputy, Mr. Thomson, with the cream of their associates. The majority, on the other hand, outside of the Labour phalanx was composed of discordant elements. Not more than six of the votes, counting pairs, in addition to the solid twenty-three were given on the merits of the proposal. The extreme strength was perhaps thirty-two, allowing for three votes of the Ministerial thirty-one that would have crossed over if the amendment had related only to the railway service. This reduces Mr. Deakin's strength to twenty-eight, or adding one of the candidates for the Riverina vacancy (both of whom are in favour of the Government proposal) to twenty-nine. Only one member of the House, Mr. *Bruce Smith*, had neither the consistency to pair nor the courage to vote, as he must have done, against the Labour Party. If

he had been present and the division had been wholly free from party motives the numbers would have been about even. The amendment actually put was carried because ten New South Wales members supported it as a vote of want of confidence. Their chief object is understood to have been a desire to make their rally so strong that Mr. Reid might be sent for, though on the division he sat on the other side. They were also encouraged to suppose that they could easily undo the mischief they were doing by reversing their votes when the Bill came up again. This, as Sir *W. McMillan* caustically remarks, they will find no easy task to justify. Despite the majority of nine against him the late Prime Minister had abundant grounds for his obvious satisfaction.

CONSTITUTIONAL QUESTION.

The plain issue put to the House by Mr. Deakin left no doubt in the minds of those who sat with him why he had staked his fate on it. Contending that the amendment was unconstitutional in every aspect, alike on the construction of the Constitution, the implied necessities of any Federation, and the analogy of the American decisions tacitly accepted by the convention when it drafted the Commonwealth Constitution, he declined to rest his case on lists of authorities or legal interpretations. In his opinion there was no power in the Federal Parliament to control employees in the State departments or in the State Legislatures to control Federal officials by determining their salaries, hours, or conditions of employment. But beyond this Mr. Deakin alleged that there ought not to be any such power in either, and could not be without prejudice to the whole Federal superstructure. Its exercise would occasion the destruction of all possibility of harmonious working between the National and State Governments. These dealt freely with their citizens as a whole, who were subject to both in definite particulars, but the employees of each Administration on whom they were dependent for carrying out the several duties and exercising the separate authorities entrusted to the States or the Federation must, as far as they were engaged as officials, be subject only to their immediate employers. Mr. Deakin put it as a plain business maxim, and also as the touchstone of a profound principle which would divide the House into two opposed parties, whose characteristics he defined. With him stood the Federalists, on the same platform on which they fought and carried the Constitution, designedly preserving to the States a complete autonomy within their own sphere. They now determined to maintain it honourably, because it was essential to the fulfilment of the tasks committed to the States as component parts of a real Federation. Over against them rallied the Anti-Federalists, who, as of old, chafed at and denied the guarantees given to the States in the Constitution, desiring to reduce them to mere subordinates of the central Government. The Anti-Federalists had resisted the Federal Constitution because it left too ample a freedom to the States, but

they were now reversing their former reading of its terms, seeking to discover in them a supremacy of the Federal Parliament which they had formerly sought there in vain. It had been refused them by the electors when, as now, they were claiming it in order to reduce the States to vassalage. This revival of the old strife, in which the Labour Party and the ultra-Radicals rallied against the schemes of the convention, stirred the House, and is likely to arouse the country when its full bearing is understood. The misfortune is that our legal representatives are hopelessly divided. Mr. Deakin, Sir John Quick, Mr. Glynn, and Mr. McCay positively upholding the Federal view, Mr. Kingston, Mr. Higgins, and Mr. Groom denying it, and Mr. Isaacs declaring the whole question open. But the community is likely to look deeper, and its thoughtful citizens are capable of doing so. They can remember what they meant as well as what they were told when they adopted the Constitution. Certainly it was never intended that the work specially reserved to the States and carried out by their departments, which were distinctly exempt from transfer to the Commonwealth, should be placed under its control in this surreptitious manner.

THE NEW GOVERNMENT.

The Ministers having placed their resignations in the hands of the Governor-General, Lord Northcote at once sent for Mr. Watson, who accepted the task of forming a new Administration. In the first place, he required to obtain the sanction of his party caucus, which, while endorsing his acceptance of responsibility, at once attempted to impose conditions. Having no professional man among them of sufficient standing to fill the post of Attorney-General, a dispensation was made in favour of the inclusion of Mr. Higgins, K.C., of Victoria, who, without expressly accepting the pledges exacted from all Labour members, has been identified with them and their principles as closely as if he had been formally enrolled. One of their number (Mr. Batchelor, of South Australia) held office under Mr. Kingston for a time, but with this single exception all of them, including Mr. Higgins, are new to office. It is understood that Mr. Watson himself takes the Treasury, where he will find plenty of opportunities for exercising his vigilance on his colleagues, and must at least acquire some estimate of the cost of the schemes to which he and they are committed. It is at this juncture that the loss of Mr. Kingston is irreparable. His long experience as head of State Ministries, and since 1901 as Minister of Trade and Customs, his dominating personality, immense energy and debating force, would have coloured the whole of the policy, and shaped the entire career of a Cabinet in which he would have been without peer or rival. The fact that his name is absent from the list affords an unmistakable proof that his health must be very seriously undermined and that his reappearance is not to be looked for. It leaves the Ministry with but two men who have made their mark in the House, Mr. Watson himself and Mr. Higgins.

Both of them and probably all their colleagues were opponents of the Constitution when it was submitted to the people. The members of the first Federal Government, excepting Sir William Lyne, consisted of the founders of Federation; the second is composed of those who were its foes.

LABOUR PARTY DIFFICULTIES.

Mr. Watson succeeds Mr. Deakin, and inherits more than his difficulties. He leads only a third of the House, an inexperienced Cabinet, and a troublesome caucus in the face of a distrustful public. His reign is sure to be stormy and its end not far off. For the time he may gain a respite owing to the rivalries between the regular parties. The Ministerialists of yesterday assert that they are the direct Opposition, and will probably have Mr. Deakin as their leader. Mr. Reid, of course, resents the prospect of being sent into the corner as head of a third party. He and his supporters have the Opposition benches and rooms and mean to retain the title. They can scarcely be dispossessed by physical force, and contention of any kind on such a question must be unseemly. Mr. Deakin continues to reiterate his dictum that a coalition on public grounds with a published platform is the one means by which a majority can be organised to control legislation and administration in a constitutional manner. He appears to believe that the obstacles in the way relate to policy rather than persons, though while Mr. Reid and himself remain in open antagonism it is hard to guess the grounds of his opinion. Mr. Reid is at present indignant because Mr. Deakin did not advise that he should be sent for, though the general judgment of both Press and public warmly supports the Governor-General's choice as the best possible in the circumstances. Altogether the situation to-day is extremely complicated.

FEDERATED AUSTRALIA.

THE LABOUR SECTION.

THREE PARTY STATUS.

MINORITY RULE.

FROM OUR SYDNEY CORRESPONDENT.

[May 3 1904]; Jul. 8 1904.

Federal politics continue to absorb attention in spite of the stir in our own State and across the border in Victoria. Politics, that is to say, absorb the attention available in Sydney for public affairs, which is always, more or less limited. Just now there are many demands. We have a general election approaching, big with interest to our citizens. A similar condition exists over the Murray and in remote Western Australia, but the one crisis in being overshadows those in prospect. A Labour Ministry presides over the Commonwealth, and in the face of that astonishing fact every other political incident is dwarfed into insignificance. The enthronement of that Ministry is visible, and so is the condition of its continuance. On the right of the *Speaker* in Melbourne sit five Labour representatives, with Mr. *Higgins*, K.C., as their Attorney-General. Directly behind them are massed the twenty men of their solid party, everyone in his place on the back benches. The whole of the Ministerial corner remains empty. The Opposition benches and corner are crammed with the supporters of the late Government and its antagonists wedged in together. At the table in an enforced truce Mr. *Deakin* and Mr. *Reid* sit side by side. The Riverina constituency is being contested by two rival candidates, either of whom will join the forces when returned. Omitting the *Speaker* from the fray, onlookers behold forty-eight voters ranged against twenty-six; the twenty-six being nominally "in power" and actually in office. Such a spectacle discloses the paradox of the situation as if by electric light. The people of Australia looking on have had the utter instability of the situation thrust on them with irresistible force. They have heard Mr. *Deakin* chanting in regular refrain his declarations that constitutional government is impossible with three equal parties in the field. Nobody denied the truth of the statement, but the masses remained unmoved. Recently it ceased to be an explanation and became a demonstration. Everyone seized the true position at a glance. Though it was not new it appeared new and striking. Hitherto the Labour members have sat divided in both corners, thus

concealing their own weakness as well as that of their rivals. The confusion ceased when they drew apart and the regular parties were left together. Then at once the Parliamentary problem appeared as a concrete fact incapable of being overlooked or misunderstood. In its present form the conundrum is—"How can twenty-six outvote forty-eight?"

MR. REID AND MR. DEAKIN.

Why the minority should be allowed to rule the majority is the question to which an answer is being eagerly sought. The fiscal fight has been terminated by consent, and the difficulty of depriving colleagues of their portfolios to make way for new men has been disposed of altogether. Only at the last moment was a *modus vivendi* discovered by which the order of precedence between Mr. Deakin and Mr. Reid was determined when they met on the same side of the House. Even then it was arranged for the day only. Each party claims priority for its own leader because that may imply supremacy in a coming Cabinet. No settlement of this personal and State duel has been or is likely to be arrived at, except under great pressure. Mr. Watson met Parliament with a simple announcement of his acceptance of office, and a request for a three weeks' adjournment to familiarise his colleagues with their departments and prepare a policy for the session. His adversaries in Opposition consented to the proposal, and extended friendly personal greetings to the new Executive. Mr. Deakin was distinctly the more cordial, promising it fair play on behalf of his followers, but at the same time he was the more peremptory in his intimation that his tolerance depended entirely on the proposals submitted. If these were not moderate immediate action might be necessary, but he trusted that the bill of fare would be of so plain and practical a nature that it could receive his support. The Labour programme was well known, but Mr. Deakin inquired how much of it was to be attempted during the present Parliament, and once more repeated his warnings that a coalition was inevitable sooner or later. He made it perfectly clear that it depended solely on the Labour men when they forced it on. Mr. Reid followed in the same strain, insisting that the unhealthy condition of parties had been made worse instead of better by the change of Government. The implication was that much as he disliked the late Ministry, he disliked its successors more. Sir John Forrest was more aggressive in tone than either of the leaders, emphatically expressing his conviction that the Labour Administration, being in a hopeless minority, had no right to the control of affairs, and ought to have been ejected at once, without delay and without apology. It is well known that Mr. Reid shared his opinions, and would have struck his blow on the instant if he could have collected a majority. He found himself powerless without the late Ministry.

THE THREE PARTIES.

It cannot be said that Mr. Reid comported himself with dignity at any stage of the proceedings attending the crisis. He permitted, if he did not encourage, the severance of his party into two divisions, the larger of which, voting against him, supported the Labour amendment that seeks to subordinate the States' servants to the Federal Legislature. When Mr. Watson was sent for Mr. Reid allowed his chagrin because he was not summoned to become painfully manifest, and a week afterwards poured out his woes to the Press in such a manner as to convey invidious reflections on the experience and judgment of the *Governor-General*—reflections which Mr. Deakin was only too willing to rebut and condemn. When the new Ministry took its seat Mr. Reid was prepared to lead an attack on it before it had had an opportunity of even stating its intentions. If he had succeeded then, or if he had been entrusted with his Excellency's commission, he would have had an untrammelled choice of colleagues and of policy, while now, before he can attain his goal he will be compelled to come to terms with the Deakin Opposition. The terms are all important, but the personal element cannot be ignored. With all his drawbacks Mr. Reid represents Sydney as no other man can, and his success will be felt as ours when he at last attains the crown of his ambition. Mr. *Dugald Thomson*, his lieutenant, fills the place formerly occupied by Sir *William McMillan* in the esteem of the mercantile and propertied classes, who do not altogether trust Mr. Reid. They accept him as all other sections of our community do, because he is by far the most able and most versatile speaker we possess. He is a resourceful leader, and an excellent party manager too, so that his combination of gifts makes him indispensable. His constituents expect to see him at the head of a strong Administration, with Mr. Thomson as second representative of this State, aided by Mr. Deakin and Sir *George Turner* from Victoria, Sir *John Forrest* from Western Australia, and Senator Sir *Josiah Symon* from South Australia—a union of Free Traders and Protectionists against the Labour section. Melbourne advices do not agree with this forecast. The *Age* is still endeavouring to bring about a partnership between Mr. Deakin and Mr. Watson, though without apparent authority. The Speaker, Sir Frederick Holder, has admitted that he is prepared to leave the Chair in order to join a real coalition. If Mr. *Kingston's* health continues to exclude him Sir Frederick would undoubtedly be the most influential man from South Australia. One thing alone is certain: that the three party status cannot be maintained. Whatever the particular grouping may be, there must be a new Government of some kind, and that soon.

COURAGEOUS STEP.

Whenever the next Cabinet emerges it is certain to be more firmly established than any that Mr. Reid could have formed if he had received the commission. His party by itself is weaker than that of Mr. Watson, though stronger than Mr. Deakin's since Mr. Kingston and Mr. Higgins have seceded from him. Mr. Reid could only have created a stable Ministry by allying himself with one of the other parties, and unless he had revived his old alliance with the Labour section or had been able to win two leading Victorians, his team would have had a doubtful majority. The policy of the Ministry would have to be evolved out of its personnel. The course followed by the Governor-General on the advice of Mr. Deakin has, according to the ex-Prime Minister, placed the most numerous and by far the most disciplined party where responsibility is attached to power. He has obliged that party either to emasculate its public programme or present it in such a form as to produce a blending of the outstanding segments of the House into a party of defence with a sufficient majority to make it master of the situation. Mr. Reid in office would have had to bid for Labour support or appeal to the Opposition to aid him. The unsatisfactory history of the past would have been reproduced in an aggravated shape now that all fiscal ties have been sundered. The outcome of the complications that must have ensued no one can foretell. The three party strife might have been prolonged indefinitely. Now the Gordian knot has been cut. The Labour caucus is put on its trial, and its two opponents, each weaker than the new Ministry, are coerced into a reconsideration of their relations. The object-lesson exhibited in the House, where a Labour Government without auxiliaries and with half its benches empty is confronted by an array nearly twice as numerous, but sundered by dead issues and personal rivalries, is too remarkable to be ignored. Public opinion set in motion is fast unlocking forces which politicians are bound to obey. In spite of Mr. Reid's angry outcries, it will doubtless be found that the courageous step taken by Lord Northcote has opened the shortest possible road to the establishment of the principles of responsible government. This has been the avowed object of our ablest statesmen in the Commonwealth and in the State.

THE SEE MINISTRY.

In New South Wales an extraordinary revival of energy in the moribund See Ministry has been witnessed since the Premier returned to New Zealand to further recruit his shattered health. There are many opinions as to the consistency and discretion of the Acting Premier and Attorney-General, Mr. Wise, but only one opinion of his energy and ability as a fighting leader. His colleagues have almost vanished out of sight. Mr. O'Sullivan presents himself only to advise economy and Mr. Crick to counsel

moderation. The administration of the departments is more active and the policy of the Cabinet better understood. In a series of fine speeches Mr. Wise has caught public attention and commanded a respectful hearing for some new departures, whose conception is chiefly credited to his ingenuity. He it was who in the teeth of a hostile assembly secured a reduction in the number of its Members by means of a referendum, after which, as he had anticipated, their resistance became futile. He is now striking another blow at the sovereignty of our State Legislature by summoning a convention from all the country districts, to be composed of municipal councillors, the pastures and stock boards, farmers' and settlers' associations, and others who live in the districts to be affected. As an encouragement to come they will be allowed free transit to and from Sydney. The Government measure will be first submitted to them for the purpose of being judged by men of practical experience. When it reaches Parliament, if it ever gets as far, it will be safer from the inroads of city theorists, while it is expected that the delegates on their return to their homes will undertake missionary work in the cause of local self-government. In the United States distrust of the local Legislatures is exhibited in the many restrictions imposed on them in the State Constitutions. The convention now summoned is a milder means of stimulating our Legislature to undertake a long neglected task and at the same time exercising a controlling influence through public opinion on its doings. In this light it is another sign of the times.

FEDERATED AUSTRALIA.

THE COMMONWEALTH AND THE STATES.

CONSTITUTIONAL PRINCIPLES.

WORK OF THE HIGH COURT.

FROM OUR SYDNEY CORRESPONDENT.

[May 10 1904]; Jul. 18 1904.

Sydney is once more the centre. The **Governor-General** and Lady Northcote have arrived, receiving a ceremonious, official, and cordial popular welcome. They have gone for the coming three months into residence at Government House, where they will dispense the same generous but discriminating hospitality that proved successful beyond expectation in Melbourne. We have had representatives of the King who have been too lavish and general just as others have erred with undue exclusiveness, but we have had few who have kept the judicious mean between the two opposite policies as tactfully as have their Excellencies. We had one Governor in this State who added to his income by the cultivation of his ground, and another in more recent years who revived class distinctions in a foolish fashion, but of late we have been exceptionally fortunate. Sir **Harry Rawson** has made hosts of friends and not a single enemy since he came to us with a frank manliness that created for him everywhere a marked personal regard. Sir **Reginald Talbot**, who replaced Sir **George S. Clarke** in Melbourne, represents with Sir **Herbert Chermiside** the military as our own Governor and **Admiral Bedford** the naval branch of the Service. Sir **George Le Hunte** is the only one in Australia whose experience has been solely on the civil side except the Governor-General himself, whose relations with the whole group of State Governors appear to be most satisfactory. His visit to Sydney has been long anticipated, for though he came over to open our agricultural show his formal reception was postponed until Lady Northcote could accompany him. As hostess at Government House, Melbourne, she has achieved a reputation which precedes her here with the happiest auguries. There is not an unpopular State Governor in Australia at present. Sir Harry Rawson is a universal favourite in New South Wales, while our new Governor-General and his lady have won golden opinions during their stay in Victoria.

CONSTITUTIONAL QUESTIONS.

For other reasons, too, Sydney has been the centre of Australia of late despite the meeting of the Commonwealth Parliament in Melbourne and the transient excitement of its Ministerial crisis. Attention was focussed there, it is true, by the appearance of a Labour Ministry, and is still concentrated on its initial acts of administration. The coming coalition to overthrow it was heralded by a speech of a conciliatory character from Mr. Deakin at the Melbourne Lord Mayor's luncheon and by a response from Mr. Reid at a State political meeting in Mosman, one of our North Sydney suburbs. The late Prime Minister is much exercised in forecasting the policy of the new combination, while Mr. Reid is understood to rely more on its personnel. But even in these exciting circumstances this city has almost divided the interest of the thoughtful public owing to the session of the High Court. Not merely was the cause list much the longest it has so far faced, but it embraced matters of the utmost moment to the community as a whole, as well as to litigants. Several of the decisions given have been sensational in effect and in suggestion because of their bearing on the present and future development of the Federal Constitution. In one instance the court is answerable for a new declaration of the law as to powers of attorney that lawyers say must challenge professional attention at home and in other colonies.

The constitutional points raised are naturally of most moment. For the first time in the history of this country its national Parliament has found itself confronted by a definition of the scope of its supremacy, and a warning against any attempt at trespass on the domains preserved to the States of which it is the chief, but not the master. Hitherto the Federal Legislature has proceeded on its way as if in the exercise of an unlimited authority. Though one of its acts was attacked before the Privy Council, and others have been assailed in the Supreme Courts of the States, they have all been upheld. None of them has been impugned as yet before the High Court, but when prescribing the boundaries within which State Legislatures are now confined in consequence of the creation of the Commonwealth its justices have not hesitated to lay down the principle on which the Federal Legislature will be restrained from making aggressions. Guardian and interpreter of the Constitution, the High Court is in a sense the true centre of the system of government created by that Imperial statute. From this court a steady control is about to be exercised on the aberrant legislative bodies whose perturbations are already threatening disruption. When the late Prime Minister, then Attorney-General, staked his office on the passage of the Bill providing for the establishment of the court he did so avowedly because of his conviction that of our Federation it was an essential safeguard which could neither be safely delayed nor dispensed with in favour of any substitute. Its first judgments have justified, though they come too late to save him. They have also at once amply justified his selection of its judges.

PRESTIGE OF COURTS.

Hitherto we have set great store on the several Supreme Courts of the States. We have found them on the whole approved as a rule on appeal to the Privy Council, though not so often of late as some years ago. The judgments of each Supreme Court have always been handled with great respect by its fellows and relied on confidently by suitors. Now there has been a sudden change. The High Court, whether intentionally or not, has badly damaged the prestige of the Supreme Court of this State by promptly reversing the first three of its judgments appealed against, and then dealing in the same way with a decree of its Court of Equity. Such peremptory negating is an absolute novelty. Until now there was no Australian tribunal capable of reviewing our Supreme Courts, and when, after long delays, their judgments were sometimes set aside in London, little notice was taken of the event except by those directly interested in the particular cases. Consequently the public has had its imagination deeply impressed by the fearless celerity and confidence with which our highest court of yesterday has been reduced to a secondary position to-day. The profession on the whole heartily endorses the judgments of the High Court, and has been specially laudatory of the vigour and learning of the Chief Justice, Sir **Samuel Griffith**, the only member of the court not personally known to it. The public was specially interested in one case only, in which our Supreme Court had maintained the right of our Arbitration Court to make an award irrespective of the Early Closing Act passed by our Legislature. The award was held to bind an employer to close his shop even when he was attending to it himself without assistance. The pitiless logic with which the High Court dissected the local judgment and proved it had on three separate grounds, each of them intelligible to plain common sense readers, at once elevated the court as much as it depressed our own tribunal in the estimate of "the Man in the Street". Thus, quite apart from the court's special federal functions, while acting only as a Court of Appeal, the Commonwealth justices established their superiority at the first test. It is already contended that the High Court will soon require at least one other justice, or probably two, thus bringing it up to the full number of five justices proposed in the original Bill, but reduced by Parliament to three on the plea that even they would have next to nothing to do. The three are kept busy already, and will be busier. The High Court has taken its rank and will not be long in acquiring a strength adequate to its responsibilities.

THE STATES AND THEIR SERVANTS.

The late Ministry resigned because its members held that the Federation had no power conferred on it under its constitution to interfere between the States and their public servants. The Prime Minister and some of his colleagues went so far as to say

that if the power were conferred it ought not to be employed at this juncture. Both arguments were based on the judgments of the Supreme Court of the United States, in which Chief Justice **Marshall** declared that the Federal and State Governments could not continue to work together unless each of them was debarred from interference with the officers and agencies of the others. Mr. Deakin's speech on the Arbitration Bill was much extended by a long series of quotations from the American and Canadian judges in which the mutual restriction was defined and explained. His view was supported by Sir **John Quick** and Mr. **Glynn**. The present Attorney-General, Mr. **Higgins**, K.C., combated the contention root and branch, supported in the main by Mr. **Groom**, a Queensland barrister, and by the vote of Mr. **Kingston**, K.C., whose health did not permit him to take part in the discussion. Mr. **Isaacs**, the Victorian K.C., argued that the question was an open one, and, fortified with this support, the majority persisted in striking out the words in the Ministerial clause forbidding the extension of any award of the proposed Arbitration Court to public employees of the States. In two cases, which are likely to be of historic interest and to establish important precedents, the High Court has dealt with two analogous questions affecting the authority of the States over Federal public servants and property.

The Tasmanian Government sought to compel those who were within its borders to pay a stamp tax on the receipts which officers of the Commonwealth are obliged under its Audit Act to give when receiving their salaries monthly. The City of Sydney sought to compel the Federal Government to pay rates on its properties despite a clause in the Constitution which prohibits the Commonwealth and the States from levying any tax on the property of the other. The judgment in that case simply followed the clause, disposing of the plea that a rate was not a tax because it was imposed by a municipality, and of other technical arguments of a strictly legal character. Mr. **Justice Barton** and Mr. **Justice O'Connor** both distinctly emphasised the value of American decisions and their applicability to our circumstances. From a layman's point of view this seems a most unmistakable indication of the trend of the justices' minds in respect of the real issue on which the late Cabinet was defeated. Mr. **Higgins** and other legal experts insist that this need not be assumed, and that the judgments fall far short of the doctrine laid down by Mr. Deakin. For all that, the fact remains that the States have been warned off, not only from their attempt to rate Federal buildings but also from their effort to deduct a trifling percentage from the salaries of the officers who occupy them.

AMERICAN PRECEDENTS.

Sir Samuel Griffith's hand is plainly traceable throughout the elaborate joint judgment of himself and his colleagues in the Tasmanian case in which for the first time the working relation of the Commonwealth Administrations has been judicially expounded. The actual decision was that the Tasmanian Act could not be taken to have intended to tax Federal salaries, but the vital issue whether or not the State Legislature had the power to tax if it chose was argued at great length and occupied almost the whole of the judgment. After declaring that the States and the Commonwealth were each sovereigns over their specified spheres of action the court proceeded to define its attitude towards American precedents. It was not bound by them, but accepted them as interpretations of the United States Constitution, which, when identical provisions had been adopted in our own Constitution, could be confidently applied in their construction here. It must be presumed that the members of our Convention when they copied the language employed in the United States Constitution, did so because they wished to copy the powers or division of powers accepted in that model. With this introduction the High Court quoted a long extract from Chief Justice Marshall's judgment in a case in Maryland delivered nearly a century ago, which newspapers have published in full. Its substance seems to lie in an assertion of the absolute necessity of each Government being master in its own house and over its own servants. Much follows which appears either superfluous or unintelligible to the general reader, because it does not qualify and is indeed intended to strengthen this position. Mr. Higgins admits that its effect is to overrule the *Chief Justice of Victoria*, who had decided that Federal officers were liable to income tax in that State, while Mr. Deakin claims that it endorses by analogy his unqualified assertion that the amendment in the Arbitration Bill is utterly unconstitutional. There, for the present, the matter rests. As far as the public is concerned the total impression is that we have a capable, masterful, and independent High Court, whose members are prepared to take a bold and lofty stand when called on to give their reading of the national charter under which we live.

CLAIMS AND PERPLEXITIES.

The effect of the attitude of the High Court has been at once apparent. The Premier of Victoria has thrown out the suggestion that his Supreme Court need no longer be retained for the hearing of local appeals while litigants have the Federal tribunal available. There were several well-meant endeavours during the recent Ministerial crisis to remit the proposed amendment of the Arbitration Bill directly to the court for its consideration. The late Prime Minister, however, held that the justices could not be asked to pronounce on hypothetical cases. The other day, Mr. *Jenkins*, Premier

of South Australia, committed an act of war because certain Chinamen possessed of permits issued by his State, under which, prior to Federation, they would have been entitled to re-enter his State, were refused admission at Port Darwin by the Commonwealth. He sent his police on board the vessel, who by his instructions seized the men and took them on shore. There they were at once arrested by the Federal officers, and committed to the local gaol as prohibited immigrants. Mr. Jenkins excuses his high-handed act on the ground that his intention was to test the question whether or not the possession of a State permit, coupled with the fact of a return to Australia, does not prove the "domicile" of the Chinese sufficiently to comply with the terms of the Immigration Restriction Act. The Commonwealth view is that unless the men have some property or interest in the country they cannot be said to have been "domiciled" so as to "satisfy an officer" under the statute. The tardy discovery that the permits had been cleverly forged as usual has stifled a pretty quarrel for the time, but the incident points to another of those disputes between the Commonwealth and the States which will continue to knock at the door of the High Court. Western Australia challenges the amount charged to the States for the transferred departments, Tasmania is suing Victoria for retaining certain duties on goods imported into the island and consumed there, Queensland claims that it has not had three-fourths of its customs revenue returned, while all the States unite in demanding that their goods from oversea shall be admitted duty free. Thus the High Court, which came into being only under extreme personal pressure a few months ago, has already become the arbiter to which all parties within the Commonwealth are hastening to bring complaints, claims, and perplexities.

FEDERATED AUSTRALIA.

COALITION PROSPECTS.

CONFUSION OF PARTIES.

FROM OUR SYDNEY CORRESPONDENT.

[May 17 1904]; Jul. 20 1904.

Coalition or no coalition is the question of the day in Federal politics to the exclusion of all other issues. The Labour Cabinet has sat nightly in Melbourne elaborating its policy for the session, while its members have devoted themselves daily to their departments, but in neither of their occupations have they attracted much attention. Public interest is focussed elsewhere because it is realised that the fate of the Ministry, whatever its proposals or acts may be, is not to be determined by them but for them. As Mr. Reid has said all eyes are fastened on Mr. Deakin and himself. It is recognised that they are the sole arbiters of the situation. If they agree on terms a new party will come into existence stronger than that of Labour or any other now existing in Parliament. That it will have to face an angry Labour Opposition and possible obstruction of business is probable. It will need strong men and perhaps drastic means to carry its programme. Above and before all it will need a compact and a sufficient majority. Those who read the Sydney newspapers only would be surprised at these warnings. They are led to believe that there is only one coalition possible, and that once it is attained every difficulty in its way will disappear. It is taken for granted that the programme adopted will be that which our papers advocate, and have always advocated, excepting only that a truce of some kind and for a definite period, will be arranged in the fiscal fight. As it happens every one of these assumptions is erroneous and obviously so to those who acquaint themselves with public opinion in the other States expressed in their newspapers either on the authority of their editors or in reports of interviews with leading men.

CRITICAL POSITION.

It needs no intimate knowledge of the character of the present Federal Houses to perceive that all this pretty prophecy lacks substance and foundation, that the position is critical, and that the coalition proposed, so far from settling all our difficulties, will unsettle more. Its one certain boon will be that it will pave the way

for a return to the methods of Constitutional government as practised in the Mother Country, and this in itself, it must be admitted, is worthy of great sacrifices. But beyond that the coalition will not go far. It cannot give us either the policy or the amount of practical work anticipated, nor will it enjoy the length of life that is taken for granted. The chances are that if a coalition is accomplished it will be incomplete in personnel, more advanced in programme, much less fruitful in results; and possibly shorter in career than its sponsors appear to realise. A dissolution may prove necessary before the air can be sufficiently cleared to allow us to know exactly where we are and how long we shall be in getting to our goal.

FORECASTS USELESS.

At this stage forecasts of the new Ministry or party or programme would be idle, as these will have been made known through the telegraph weeks before these comments can be read in London. The *Melbourne Age* still clings to its fancy for a Deakin–Watson combination with a Liberal–Labour policy. On paper the numbers in the House of Representatives would give it as good a majority as the Reid–Deakin coalition eagerly sought by our Sydney journals. The obstacles to the first lie in the extreme demands of the Labour “ultras” and the rigid exclusiveness of their organisation. The demands might be reduced for a time without any great strain, and the second would be amended too, if Mr. Watson and those of the same temper could have their way. But it is palpably impossible even for the leaders to control their local branches, with whom the selection of candidates rests. Unless these were bound in some way the Liberal members who upheld a Deakin–Watson Government would find themselves confronted in their constituencies at the next general election by their Labour allies as well as by Opposition foes. They would suffer immensely when thus assailed at once on both flanks. For the Labour Party to unite with any other party it must first dissolve. On the other hand, a Reid–Deakin coalition cannot count on securing the full strength of the late Ministerialists, half a dozen of whom, headed by Sir William Lyne, pursue a vendetta against Mr. Reid which no concessions can abate. Its entrance into office would send them in effect into the Labour camp and raise its forces to within six of the new joint party on the Treasury benches. This would still contain more than that number of Radicals who could not be kept in step except by a platform very much resembling that of the late Government which our newspapers have consistently condemned. Mr. Reid himself can adopt it by simply reverting to the old policy he pursued when Premier of this State, but can only carry it by risking the loss of his more Conservative following, and by playing into the hands of the Labour Moderates sitting on the other side of the House. Whatever coalition is formed cannot long content either Sydney or Melbourne. Mr. Watson is feared most, but it is doubtful if Mr. Reid’s legislation will differ much in essence

from that of the present Cabinet. His Administration will be more temperate and judicious because his colleagues will be abler and more experienced. He will proceed more cautiously and competently, but that is the utmost we are entitled to look for in the circumstances.

NEW SOUTH WALES ELECTIONS.

The three State elections fill the air with confused cries and countercries. In New South Wales though no dissolution is yet announced the superior organisation of the Opposition and Reform Parties is already manifest. There are constituencies in which surplus candidates of theirs still persist, but they are diminishing in number. Perturbation and alarm are much more visible in the ranks of the Ministerialists and of the Labour section, whose efforts to adjust the conflicting claims of their candidates, so that they may continue to act together, are by no means so successful. The reduction to be made in the seats available forces old politicians, and sometimes old allies, into the field, against each other, and in such instances the bitterness and heartburning appear to become intensified. The expertness of such adversaries, their familiarity with canvassing tactics, and their knowledge of each other's weak points make the contest much more searching than is usually the case. All of them have fresh territory to face, and many retain only a portion of the constituency with which they have been associated. The result is highly diverting to those who are capable of taking a humorous view of the tearful perplexities and anxious acrobatics of a host of timorous politicians. Their own future, quite apart from that of their party or the country, is an object of such immense concern to them that no considerations of the advantages of rest or retirement, and no possible perspective of the victory of their policies appears able to control their distressful plaints. Ministers themselves are not exempt from these and other apprehensions special to themselves. Mr. **Crick** hastens to New Zealand to consult Sir **John See** as to the conduct of affairs, and especially as to whether or not there is to be another session of Parliament. It is more than suspected that he will also urge his claim to the succession as against that of Mr. **Wise**, should the Premier's health force him to lay down the sceptre. Mr. **O'Sullivan**, until lately the popular idol in the Administration, an unofficial representative of the Labour programme and a most generous dispenser of local expenditure, has had to withdraw from the constituency for which he had announced himself because it had been already marked out for a Labour candidate. The haven he next sought is but little more propitious, seeing that he will have to snatch it from one of his late supporters, and between them the prize may fall to a Reformer. Twenty-six Ministerialists are already selected. The arena is filled with tangles of many kinds. It would require a very long article to depict in anything like detail the clash of personal and party interests at present visible in this State.

WEST AUSTRALIA AND TASMANIA.

From the far away West there float echoes of the campaign which Mr. James is carrying on against the Labour caucus of Western Australia. His mode of action is to take as much of its platform as possible, and then to drive hard against its organisation, because of its endeavour to aggrandise itself and its particular protégés. It is impossible to judge from here what measure of success he will secure. The Legislative Assembly of Tasmania, barely a year old, still revolves in the whirlpool of the financial and constitutional crisis out of which it has been seeking to escape in several directions, but always in vain. The party of reform in that State aims at the popularisation of its Second Chamber and a readjustment of the finances such as has been already achieved in three of the States as the necessary consequence of Federation. It recently achieved a notable triumph in the election of two of its supporters to the Legislative Council. Sir Adye Douglas, the president of that body, its oldest politician, and one of the most universally respected leaders of public opinion, was defeated by an overwhelming majority because of his antagonism to the new order of things. But even after this warning the body to which he had belonged, actuated by the same motive, has by twelve votes to five rejected the Occupancy Tax Bill, though perfectly well aware that the Government proposes to make this the ground for another appeal to the electors. Mr. Propsting and his colleagues can scarcely be blamed for this, though they have not been free from faults in their handling of the measures in dispute between the Chambers. Something like an irreconcilable hostility has been bred out of the difference of the views of their majority in the Assembly from those of the majority in the Legislative Council. The only hope of terminating it or of making a decided step towards its termination is afforded by a dissolution. In this State its small Labour section acts with the Reform Party, but the stubborn element in the Legislative Council defies them both, refusing to relax its grip on its old constitutional privileges or to assist in putting the State finances on a better footing by any scheme that includes further taxation on the landed interest. Its hope is to wear out the patience and energies of the Ministerial forces. Its mistake lies in the union of a reasonable resistance to an imperfect Budget with an unreasonable refusal to recognise the necessity for the reform of the State Constitution required by its restricted scope since it became a member of the Commonwealth.

EX-PREMIER'S INDISCRETION.

Sir Alexander Peacock has emerged from the judicial inquiry into his acceptance of £50 for his party fund and his tender of it to a fellow-member without any reflection on his honesty of purpose. That is the best that can be said of him, unless his resignation of the leadership of the Victorian Opposition a short time back when

he came to realise the folly of which he had been culpable he also accounted to him for righteousness. His reputation, like that of all our leading men, stood too high to permit it to be supposed that he could have been guilty of anything more than an indiscretion. There was no surprise when the judge of the Supreme Court of the State, who was commissioned to investigate all the circumstances of the case, came to that conclusion. The ex-Premier was convicted of ridiculous want of judgment and business method, of defective memory, and general carelessness. The member who refused to accept the £50 as a contribution towards his election expenses from “the Honourable Dr. Montague”, of Canada, “acting on behalf of” the Independent Order of Foresters in that Dominion, who were founding a new life insurance office in Victoria, was commended. Another member who afterwards accepted the money as an advance from Sir Alexander Peacock, out of whose own pocket he believed it to come, was equally free from blame. The serious censure was reserved for Dr. Montague, who, acting for his order “and not merely for himself”, gave the money to the late Premier for the member first mentioned and afterwards dedicated it to the campaign fund of the Ministry. He did this, in the judge’s opinion, in order to affect political actions.

FEDERATED AUSTRALIA.

LABOUR MINISTRY'S POSITION. PROSPECTS OF DISSOLUTION. OPPOSITION DISSENSIONS.

FROM OUR SYDNEY CORRESPONDENT.
[May 24 1904]; Jul. 23 1904.

Chaos has come again, or so it seems, to the ordinary Australian. Though the three parties in Parliament have been discussed in all their relations for months past the critical condition of affairs seems not to have been really visualised. The invincible apathy of our citizens has been proof against all assaults. Nobody has been worried, because everybody's business has been allowed to drift. It was plain to all observers that when the House met a crisis must come, and yet "the Man in the Street" ignored the possibility until the crisis did come. Then he appeared as shocked as if the solid earth had suddenly liquefied under his feet and left him swimming for an unknown shore. The elections last December settled some things for this Parliament with absolute decision. Free Trade was shut out of the arena. A sweeping majority of members was pledged not to touch the tariff either by way of increase or decrease. The Protectionists had asked for fiscal peace and got it. They were by their own consent clapped under hatches for the next three years. Ministers having staked their existence on their refusal to bring State employees under Federal Arbitration Court awards, themselves notified their approaching exile and the entrance into office of the Labour Party unless the Opposition rallied to their defence. These consequences of the popular verdict at the polls were not only patent but obviously inevitable. The situation was explained over and over again in every paper in the Commonwealth. Nothing has happened since that was not foretold. The only unforeseen incidents have been personal, yet now we have the whole community, or at all events its two chief States, as amazed as if what has occurred were due to some miraculous interposition. The debacle now in progress is watched with dismay.

FISCAL QUESTION BURIED.

As the late Ministry marched out with Federal colours flying, Mr. Watson marched in flaunting the banner of the Labour Party, though he could never have captured the citadel without the assistance of a majority of Mr. Reid's followers. The new Opposition, consisting of Free Traders and Protectionists, being stranded together on the Speaker's left, nothing was more natural than that they should at once ask themselves why they need allow a Labour minority to dominate the House. The fiscal issue being dead, nothing remained but their mutual and public performance of its funeral obsequies. These, however, have been interrupted by the excited protests of the rival organisations which had lived on the fray. In Sydney the Free Trade and in Melbourne the Protectionist Leagues insisted that they must be maintained as watchdogs, and that even if the funeral took place it must be in private and without official recognition of any kind. The sacred shibboleths must be preserved, no matter how meaningless they had become. In Parliament no such farce was possible, even to "save the face" of discomfited belligerents. Mr. Reid was prepared to put the Government out whenever it had announced its acceptance of office, but the members who had sat behind the late Ministry were not so ready to forget and forgive the tactics by which he had allowed Mr. Watson to dispossess them. They formally authorised Mr. Deakin to receive overtures from either Mr. Watson or Mr. Reid, and for weeks the newspapers contained daily records of the communications between them. When at last the Labour Caucus decided, as was anticipated, that it would not enter into a coalition with either of its opponents there was little comment. But when Mr. Reid and Mr. Deakin agreed to recommend a joint programme to their respective followers, and if it were accepted to take action to found a new party, the Protectionist minority here and its majority in Victoria relapsed into hysterics of wrath. Naturally they were aided by both the open and secret influences of the Labour Party whose Ministerial life was threatened with immediate extinction. An intensity of public interest and party excitement was generated in and about the proceedings of the Federal Parliament such as has never before been witnessed. Possibly it was equalled in depth by the emotion stirred when the late Ministry fell, but it has already surpassed that in duration and the crisis still continues.

When the House met, Mr. Watson, in a two hours' speech much commended for its explicitness, detailed the Ministerial programme for the session. It was simply that of the late Government, though a slight attempt was evident to differentiate it a little in order to advertise the zeal of a Labour Cabinet in improving our land and naval defence. There was no novelty in the amendments outlined, but there was some novelty in the manifestation of a desire to discount the unfriendly attitude of the State Labour parties in regard to military affairs.

LABOUR MINISTRY'S PROGRAMME.

With the single prominent exception of the State servants control, on which the former Administration was defeated, there was not an article of the programme proposed for the session by Mr. Watson which differed from that in the **Governor-General's** speech delivered before he entered office. Oddly enough it proved to be a replica of a joint programme that Mr. Deakin and Mr. Reid made public the same day. As there was assuredly no collaboration or channel of communication between them, the result shows how clearly the Labour Cabinet recognised the weakness of its position and the absolute necessity for its own safety, of keeping to the path mapped out by its predecessors at all events for this year. It also proved that Mr. Reid had no exception to take to the bulk of his fellow-leader's policy.

Unhappily, preferential trade with the Mother Country is no longer named, but in the face of Mr. Chamberlain's recent forecast that it might not be substituted to the electors of Great Britain at the next general election its absence from a compromise platform designed only for the next two and a half years did not imply an abandonment of reciprocal Australian action. This was clearly set forth in the joint programme, which, however, would still permit Preference by reduction of duties if these were satisfactory to both sections of the Cabinet. It also particularly provided for the acceptance of any statutory Preference accorded by other dependencies. With this one exception Parliament will have before it, as far as this session is concerned, either if Mr. Watson remains or if a coalition displaces him, precisely the same proposals as were submitted when it first met. These may be taken to have been approved by its constituents and by all three parties. Such unanimity has never before been witnessed since Federation, or, indeed, in the States. One assumption based on this discovery is that since Mr. Watson and Mr. Reid have fallen into line with Mr. Deakin nothing remains to be done except for them to unite in carrying out the agreed policy as speedily as possible. If the spectre in the Arbitration Act could be laid this might be so, but with the distinct proposal of Mr. Watson that railway employees of the States and all others whose duties are "industrial" are to be brought under the operation of a Federal Act the old wound remains. It must be reopened and may yet prove fatal to another Ministry.

So far the coalition which was to follow the agreement between Mr. Reid and Mr. Deakin hangs fire. Mr. Reid's party embraces the project most cordially, though it contains the greater part of a platform which the party opposed at the last elections. Its dread and dislike of the Labour Party overcomes all qualms on that score. But Mr. Deakin's followers who were returned in favour of that platform have declined to accept it when coupled with their submission to their greatest antagonist. They

thoroughly distrust Mr. Reid and his leadership, though their own chief recommends its acceptance in return for the adoption of his programme. Their counter demand that Mr. Deakin must be Prime Minister in any combination which they enter is discounted to such a degree by his refusal to accept that or any other office in any new Ministry as to become tantamount to a refusal to unite. Mr. Reid's subsequent offer to stand aside in turn if his party consented is also deprived of significance by the knowledge that his supporters would never consent to any such withdrawal.

OBSTACLES TO A COALITION.

A principal obstacle to the blending of the Opposition arises from the two-fold character of the late Ministerial Party. Some of its members are Labour members in all but name, while others are generally more in sympathy with Mr. Watson's aims than with those of Mr. Reid. These sections are being deliberately exasperated against the coalition by the *Melbourne Age* for Protectionist and provincial reasons, and though they are less than half the party they have been strong enough, when led by Sir *William Lyne*, to prevent its approval. The other branch of the party has been momentarily deterred from action by the utterly unexpected determination of Mr. Deakin to remain a private member. He foretells a disruption of his followers, feels his responsibility to both sections enough to conceive it his duty not to profit by the step which will divide them, and declines to join a Government whether formed with Mr. Reid or Mr. Watson, since in either case it must see old colleagues and supporters driven into direct opposition. His conduct is considered to do more credit to his heart than to his head, to his friendship than to his leadership. Whatever his motives his resolution has immensely complicated the position. It is so rare here for a politician to refuse high office that no one was prepared for a resolution that is styled "Quixotic". What makes it serious is the knowledge that quite enough members may follow the late Prime Minister to keep Mr. Watson in or to substitute Mr. Reid as the third Prime Minister of our second Parliament.

According to Mr. Deakin's explanation to the House he has been consistently resolute in his determination to force events as far and as fast as he could until the present precarious condition of our politics shall be ended. His aim in resigning and then negotiating with both his rivals has been to reduce the three parties to two, one of whom, supported by a majority in the country and in the Legislature, shall govern according to the principles and precedents of responsible government as they are observed in the Mother Country. In his opinion the exercise of executive functions and administration generally is as important as legislation, but none of these powers is legitimately exercisable except by Ministers whose majority is united on broad

principles of policy. His comparative indifference where the majority comes from providing that Parliament is thus reorganised has been a cause of offence to many of Mr. Reid's friends who otherwise sympathise with his aims. Beyond the joint agreement he has advised his party to approve he has said nothing to commit himself absolutely to the Opposition with which he is sitting and willing to co-operate. His attitude has been even more effective on the Labour Party, since it has coerced them into breaking down their hitherto rigid refusal of all alliances with those outside their pale. Radicals in the House are now being openly assured that a simple adherence to the Labour Ministry will secure them its party's support at the next general election. These auxiliaries need sign no pledge, obey no caucus, and adopt no other programme than that put forward in the House, in whose amendment they are to have an equal voice with the party regulars. So marvellous a transformation has not been witnessed in the history of the Labour movement on this side of the world.

LABOUR PARTY'S INCREASING ADVANTAGE.

Of itself it secures a remarkable return to constitutional methods. Ministers will win many votes at once and more as the contagion spreads among members. If they place the energies of their unrivalled organisation at the service of those who possess some hold on their constituencies every one of them will feel himself positive of re-election. Another possibility is that this relaxation of the machine control hitherto rigorously enforced may tell on the party itself, loosening its ties and impairing its effectiveness as an instrument of political warfare. In any circumstances the revolution now afoot promises ultimately to be both beneficial and far-reaching.

Mr. Reid, on the other hand, while showering compliments on Labour members, aimed his attack at their general programme, particularly at their desire for Federal control of all industrial legislation and for the nationalisation of monopolies. In a three hours' speech, declared to be one of his most brilliant efforts, while admitting his indebtedness to them for their aid in carrying out a Radical policy in his own State he warmly attacked their principles and methods, to their obvious resentment and the hilarious delight of his followers. The new Minister of External Affairs, Mr. **Hughes**, an old associate of his in our State Legislature, replied to him with sarcastic acerbity, cheered on by his Labour brethren and by those who are fighting against the Reid-Deakin coalition. The battle has therefore begun in earnest. Mr. Reid has announced his intention of moving a motion of no confidence if Mr. Deakin will not. As Mr. Deakin declines to take office the blow cannot be struck by his hand. Mr. Reid, having lost the Riverina seat which has been regained by Mr. **Chanter**, a member of the Protectionist Party, will depend for his success on the number

he draws from outside his own ranks. Unless he obtains fifteen he cannot defeat Mr. Watson. As far as can be judged, Mr. Deakin could not in any circumstances lead more than eighteen to his rescue. That total would give him at best a majority of eight. After he had become Prime Minister he would probably be entitled to a dissolution, and this would help to steady his men. But he would continue entirely dependent in Parliament on the late Prime Minister and those associated with him. In the Senate he is, and must remain, in a minority, since there too he could only calculate on a portion of Mr. Deakin's small array. Taking all the factors into account, it is difficult to see how a dissolution can be long postponed. But it must be remembered that to be effective against the Labour Party it must apply to both Chambers. Before the Governor-General can grant a double dissolution a measure passed by the House must have been twice rejected or amended by the Senate, the second occasion being at least three months after the first. The Anti-Labour electors would require to be carefully organised and energetically rallied to the poll. This is a work that will also require time if majority rule is to be restored and our triangular duels replaced by constitutional methods of government.

FEDERATED AUSTRALIA.

RIVAL POLITICIANS. PARTY UNCERTAINTIES. THE LABOUR LEGION.

FROM OUR SYDNEY CORRESPONDENT.

May 31 1904; Jul. 26 1904.

The Labour Cabinet is still in possession of the Federal departments, but it has no authority in the House. It remains the Ministry of a minority. Yet it has not lost ground, has gained more avowed supporters, and has not suffered in prestige. There are some few administrative blunders, or what appear to be blunders, placed to its debit, but none of them seems serious. They are so much fewer in number and slighter in gravity than was anticipated, at all events in Sydney, that the Cabinet's shortcomings up to date are accepted as less than normal. Its friends begin to breathe more freely. These are not numerous outside its own class, but they are influential and active, and are aided by quite a considerable number whose liking for the Ministry is born of their dislike of the men who are expected to supplant it. Mr. Reid is a leader who awakens admiration among his followers, and perhaps for that very reason detestation among his foes. His career both in State and in Commonwealth politics has long made him a target for the bitter animosity of two minorities in New South Wales, that of the Protectionists and that of the Roman Catholics. Ten years ago he was the hope of the Labour Party, which saw in him the chieftain under whom it could best establish the beginnings of its regime. Now he is adding its resentment to the old antagonisms by which he is being encountered in his present attack on its leaders. This triple alliance of hostility facing him in his own State will have to be reckoned with at every step of his way. Mr. Reid's Free Trade majority is true to him, but its representatives here are only four seats stronger than the Protectionists and Labour members added together. His majority dominates Sydney and the Sydney Press, and through it sways to his side the great body of local public opinion. Still when Mr. Reid takes office it will be in dependence on the members from other States, and particularly on Victoria, where hitherto he has had but five supporters, and those disposed to be critical. The Labourites when they find themselves in opposition will, therefore, have plenty of sympathisers whenever they make our coming Prime Minister the object of their assaults.

RESPONSIBLE GOVERNMENT.

Responsible government cannot exist while the Ministerial benches are obviously weaker than those of the Opposition. That is the present spectacle confronting members every day, and gradually convincing them of the truth of Mr. Deakin's warning that the position is utterly unstable. Mr. Watson's eyes are turned every moment to the men who face him because it is only by their consent that he can take any step even in the leadership of the House. He can neither adjourn, postpone, nor bring on business except at their pleasure. He announces a policy redrafted to assuage their alarms, and even when defending himself from his open enemies he is hampered by the dread of offending the silent members on whose tolerance he is compelled to rely. This is not a pleasant experience, but it ought to prove salutary to him and to all of his associates who are capable of reflection. That it has not been thrown away is demonstrated by the results of their caucuses. They had previously cast aside the pledge of obedience, without which they have hitherto refused to recognise men of similar views, and had offered immunity from electoral opposition to all members who would rally to their standard in their present extremity. They have now travelled another stage on the road to Canossa when making a tender to Mr. Deakin of the Prime Ministership if he would accept it with two or three seats in the Cabinet and a chief voice in its policy. These are understood to be first proffers, and no doubt do not conclude the concessions that may be agreed to after further negotiations. The Labour leaders will sacrifice a great deal before they surrender office. Its emoluments they probably prize, but the authority and prestige it confers are still more attractive to men who, always finding these arrayed against them, have learned their value by sad experience. The whole party has been proud of its elevation, and will be correspondingly embittered by defeat. Mr. Reid will begin his Administration with storm signals flying from the new Opposition. Mr. Deakin must also face the full tide of exasperation, since it has rested with him throughout and still remains for him to decide the combat. Reduced as his following is, it is sufficient to control the destiny of his rivals. Both have appealed to him as arbiter. His selection may or may not earn him the gratitude of Mr. Reid, but assuredly will let loose on him the vindictive vengeance of the Labour legion. His verdict sends it into exile just as it has begun to appreciate the sweets of power and to realise the dignity attaching to those who exercise it over the whole of Australia.

MR. WATSON AND MR. DEAKIN.

The assumption is that Mr. Deakin must eventually declare for his persistent opponent Mr. Reid rather than for his occasional ally Mr. Watson. This is the New South Wales view of attitude, which seems more trustworthy than usual in this case, because it is to some degree founded on Victorian conditions. The elections in that

State appear to be settled before they are held. Practically the whole of the Press is for the local Government, whose only actual adversaries are the Labour nominees. Their defeat is patent even before the poll is taken. The independent Opposition under Mr. Mackinnon is too minute in numbers to call for notice even if most of its candidates are successful. The Premier, who is deemed somewhat able, is leading his motley forces with much skill and superabundant energy. Mr. Seddon himself is hardly more energetic, audacious, or loquacious than he has shown himself on many platforms. But frequent as his speeches are their burden is one. The choice offered to the country is between Labour rule or the rule of representatives of the rest of the community. No doubt appears to be entertained in Melbourne as to the answer of the ballot-box. The Labour Party will be left in a small minority. Precisely the same question has arisen in Federal politics, and the answer there will be given by the Victorian members. Two or three of them who sit for metropolitan constituencies are bound to recognise the Labour vote as supreme, but the bulk of them, who come from the country districts, will be swayed in exactly the opposite direction. Most farmers are opposed to the Labour platform, and though the miners are much closer to it their independence keeps them from submission to its organisation. In Ballarat and Bendigo Liberals like Mr. Deakin and Sir John Quick will be preferred to men whose claim is based on their being pledged beyond recall to vague propositions of an extreme character. The Melbourne correspondents of our newspapers are therefore on sound ground when they arrive by induction at the conclusion that whatever Mr. Watson's overture may prove to be Mr. Deakin's followers cannot accept it. Just at the time when their State is enthroning a Premier who was rejected with contempt a few years ago, rather than allow the Labour Section to make headway they will not be encouraged to help its Federal representatives to retain the Treasury Benches because Mr. Watson and his colleagues are personally estimable men. The Protectionist State must perforce welcome its bête noire Mr. Reid in preference to any Labour Prime Minister.

PARTY POLEMICS.

In New South Wales Sir John See's return and apparent restoration to health give general satisfaction and renewed hope to his party, though it cannot be said to have suffered during his absence. Mr. Wise has made his mark as Acting Premier, and but for the many cross currents of parochialism and faction would have established an indisputable title to the succession to highest position in this State. Because he put Federation first and Free Trade second he lost the favour of our most influential organisation and journals. Because in alliance with Sir William Lyne he passed Radical legislation with the assistance of the Labour section he parted company with the propertied classes. Yet, while he lost these powerful public agencies, he

gained little by way of compensation from those whom he helped. He is neither a Protectionist nor a Labour member—neither a trusted ally of the first nor more than a friend of the second. Either would sacrifice him for its own ends or adherents. It must be admitted, too, that he has a reputation for inconsistency justified in part at least by the erratic course of his personal relationships and intermittent energies. Like all brilliant men, Mr. Wise disquiets and often alarms the sober, slow-thinking, and mechanically-minded, and in addition to his pardonable flashes of wit he confessedly does lack steady application and persistent continuity of thought. In theory he is ultra-Radical. His chief constructive work is our Arbitration Bill, and its authorship is not at present a title to the confidence of our employers or investors. With very questionable propriety the Chief Justice, Sir **Frederick Darley**, took occasion last week to convey his opinion of that particular statute. He did this deliberately in the course of a judgment in which he was under no obligation to characterise the measure as a whole in order to decide the point presented to him. It was an Act, said he, “in derogation of the common law ... encroaching on the liberty of the subject as regards person and property ... It creates new crimes ... deprives an employer of the conduct of his own business ... Finally, it is an Act productive of the most alarming and deplorable amount of litigation, with its concomitant ill-feeling and ill-will between employers and employees, who are under this Act forced into two hostile camps”. Such an utterance was promptly and properly described by our *Sydney Morning Herald* as a “scathing indictment of the law”. Sir Frederick has been replied to in the same spirit by members of the State Legislature, one of whom has not hesitated to taunt the Chief Justice with the handling his judgments have been receiving from the High Court. Mr. Wise, who suffers from such a condemnation, of course, regrets it. Probably the Chief Justice will regret it also when he finds himself plunged into the turbid waters of party polemics.

SELF-GOVERNING FUNCTIONS.

Whatever may be thought or said of his Arbitration Act Mr. Wise has scored a distinct triumph in the advance we have made towards a practical scheme for introducing local government into this State. This is a personal triumph, too, for it is currently believed that the idea as well as the execution of the project of a conference of country and municipal representative men to discuss the Ministerial proposals were both his own. As a piece of party tactics it was no less successful. Mr. **Carruthers** has been foolish enough to decline to be associated with the conference because he suspected that it had been called together for electioneering ends. No doubt it was; but for all that a gathering of nearly three hundred persons of experience, residents in every quarter of the State who had assembled in this city to discuss a proposed Bill

closely affecting them, was too much fraught with possibilities of public usefulness to be ignored merely because political capital could be made out of it by his rivals. It is pettinesses of this nature which remind us that, faulty as our existing administration is, we have nothing better to expect from those who are eager to supplant it. Mr. Wise presided over the conference with dignity and managed it with dexterity. As the meeting consisted of practical men he was judicious enough to meet them in a strictly practical manner. They did not fall in with his views in several vital matters and were the more authoritative because they were perfectly independent of him and of each other. Whatever his motives in summoning it may have been the assemblage was not a party or even a political conference. The Attorney-General laid before it a well-digested business programme which it went through. There was no disorder, there was comparatively little waste of time, and there was not a notable abuse of the liberty of speech enjoyed. In a very short time having regard to the complexity of the interests affected this almost haphazard body of private citizens discussed and decided a series of momentous questions in a thoroughly satisfactory way. It implies a poor compliment to our newspapers to say that because the conference was summoned by Ministers they poorly reported, inadequately criticised, and minimised its work as much as possible. It implies a high compliment to our community as a whole to note that three hundred of our citizens, most of them unknown to each other and many of them altogether unfamiliar with deliberative proceedings in public on such a scale, should have displayed an excellent aptitude for the impromptu exercise of the self-governing functions demanded by the very scheme which they had under review.

MUNICIPALITIES AND SHIRES.

Our history in this connection is simply lamentable. Local self-government of a kind has existed in Tasmania since 1858, and, in a modern form, in Victoria since 1874, in New Zealand since 1876, in Queensland since 1878, and in South Australia since 1887. It is true that we have possessed a statute allowing for the voluntary incorporation of local bodies since 1867, but in thirty-seven years less than a hundredth part of the State has taken advantage of it. The ninety-nine hundredths found it much more profitable to trust to their representatives in the Legislative Assembly to obtain grants from the Public Works Department out of which their roads and bridges could be made and maintained. Millions of money raised by the sale of lands and from our customs revenue have been spent on them, eked out by loan funds on public buildings throughout the settled areas. We have marvellous highways, splendid bridges, and palatial departmental edifices scattered unevenly over New South Wales, often extravagant in cost and often conceded rather to meet political than physical necessities. That condition of affairs ought not to be

prolonged, and will not be. But it is not to be supposed that the State Treasury can be relieved at once or within any stated period of the burden it has been carrying. If the conference resolutions are accepted the municipalities and shires proposed to be created will be given the land tax, which yields £320,000 a year, supplemented in some cases by land licences and forest royalties in aid of their receipts from the four kinds of rates they will be permitted to impose on their ratepayers. The endowment assured to them may appear lavish, unless it is recollected that as far as shires are concerned the smallest of them will embrace not less than one thousand five hundred square miles, within which there must be a minimum of five thousand inhabitants. In our western area of boundless plains they will be immensely larger, and therefore need still more liberal financing for a long time to come.

FEDERATED AUSTRALIA.

LABOUR PARTY'S PROGRESS.

COALITION NEGOTIATIONS.

MINISTERIALISTS AND MIDDLE.

FROM OUR CORRESPONDENT.
SYDNEY, Jun. 14 [Jun. 7] 1904; Jul. 28 1904.

One of our newspapers, the *Morning Herald*, sagely remarks that on accepting Ministerial office in the Commonwealth our Labour Party passed the Rubicon. By that venture it certainly came into possession of the Capitol, but its fortunes, more precarious than Caesar's were at the same stage, are extremely uncertain, because they are not guided by any single mind. Mr. *Watson*, its Federal leader, is a man of tact, judgment, and patience, whom experience seems to have transformed from a rabid Socialist into an opportunist Socialist of quite a reasonable type. His colleagues immediately surrounding him have advanced by the same road very rapidly of late, both of them being subject to the great and continuous pressure of their new responsibilities. They will soon arrive at much the same standpoint. Their supporters in Parliament, though without equal inducements to possess their souls in patience, are sufficiently loyal to make some sacrifices for the sake of helping the Ministry. But they are already exhibiting evidences of the strain put on them by the slightest departure from their old intransigent tactics. Extremists among them regret a lost freedom and chafe at a new discipline with which they are unfamiliar. Behind these are the central organisations in each State whose chiefs are being appealed to by Mr. *Watson* with the utmost anxiety in order to bring them into line with the more moderate proposals now propounded by his Cabinet. So far they have responded well, but it is much too soon to predict how long they can be kept in the same temper. Behind them again are many local branches, autonomous in each of the Federal and State constituencies throughout Australia. Composed as these are of men of little knowledge of affairs and at the mercy of the Labour papers, most of whose writers are bigoted fanatics, the difficulties of controlling them from Melbourne and Sydney may well be supposed insuperable. The pride they feel in having the highest offices in the Commonwealth occupied by their representatives, and that alone, suffices to restrain them now, but the duration of that sentiment cannot be relied on when it has to gloss over successive surrenders of their pet prejudices.

No alliance with the Deakin Party was feasible, because the abandonment of a large part of the Labour programme and of the restrictive control of their organisation over its representatives was the price demanded. Yet the Watson Cabinet can merely continue on the Treasury benches by persuading its motley following in the Commonwealth to concede a good deal in these directions. Command them it cannot. It can advise and plead with them for patience and self-restraint. It is advising and pleading daily with the utmost earnestness. Their masters, who are thus the masters of the Federal situation, have not yet spoken decisively. The party has passed a Rubicon which for the first time in its history makes it obligatory on its Republican organisation to submit to a dictatorship or forfeit the Administration it has just seized.

THE POSITION OF PARTIES.

After a series of lively discussions in caucus, the old Ministerial Party has declined the overtures made by Mr. Reid and Mr. Watson. Both of them offered to adopt its programme for the present session, after which Mr. Reid left the future open. Mr. Watson went much further since he foreshadowed a Government acquisition of the tobacco monopoly declared to exist over the whole of our States, an adoption of the Canadian law requiring banks to accept and hold national paper in place of 40 per cent. of their gold reserves to be deposited with the Commonwealth, and an early adoption of Federal old age pensions. Mr. Reid offered half the available portfolios and an equality in leadership. Mr. Watson did not go so far, and perhaps could not, insisting on retaining the Prime Ministership since Mr. Deakin would not accept it, and merely promised portfolios in proportion to the number of new allies enrolled under his banner. In both aspects Mr. Reid was more generous than his rival. He asked nothing repugnant in policy and tendered a much larger share of authority in the Cabinet. Yet the personal antagonism to him and to this State was too intense to permit of the acceptance of his terms. Mr. Watson, who also claimed for his caucus a right of negating the nomination of any colleagues proposed by the Deakin Party, found his terms unsatisfactory to them. Their official refusals to combine, however, mean little or nothing. When a motion of want of confidence comes it will be endorsed by Mr. Deakin and about half his late associates. It will be opposed by the remainder. The probability is that Mr. Reid, if his attack be made warily, will succeed by a narrow majority. If he then carries out the terms of the proposed coalition four members of the late Ministerial Party will join him, and the rest of those who voted with them will become their supporters. Should Mr. Watson contrive to defeat the motion there will be a similar separation. Half of them can grant him a longer tenure. Since the one policy on which both wings of the Deakin Party have been able to work together has been Protection, the fact that the tariff cannot be

touched this Parliament makes it hard to see how they can be kept in unison on other issues of quite a different order. The inner meaning of their internal division is little understood on this side of the border. Sydney Protectionists cannot comprehend how any Victorians of the same way of thinking could be induced to join their lifelong enemy, Mr. Reid. Our newspapers, on the other hand, are puzzled to explain why any of them should refuse to acclaim him. Both forget that the old fiscal issue having temporarily disappeared a new issue is now emerging which must necessarily bring about a fresh grouping of forces. That one of our three parties must dissolve before constitutional methods can be restored has been Mr. Deakin's consistent thesis for many months. Possibly when he began to promulgate it he had the best reasons for knowing how his prophecy must be fulfilled.

PARLIAMENTARY PROCEEDINGS.

In the meantime the Labour Ministry does not shine in Parliament. The motion of the present **Minister for Customs** which ejected their predecessors was framed to declare that the whole of the public servants of the States must be placed under the charge of the Federal Arbitration Court. He was victorious on the preliminary question that the words of limitation then in the Bill should be omitted. But as soon as he and his colleagues had become Ministers they dropped their former all-embracing amendment, and on the advice of their **Attorney-General** substituted another including railway employees and State employees generally whose work is industrial, but excluding all others. Of course, they were sharply criticised by Mr. Reid for their change of front, being taunted with making a snobbish distinction between men engaged in manual labour and those whose duties were clerical. Obviously their aim was to keep within the Constitution. On a division some of the Labour members voted against their leaders. They were next confronted with a proposed exemption of all rural employees on farms or vineyards from the operation of the Bill on the ground that their control was both impossible and undesirable. The Prime Minister was injudicious enough to make a heated protest against any such exemption, which exposed him to a prolonged attack from the representatives of country districts. There are other problems in this measure provocative of debate. The reports from Melbourne are that the Ministers have little control in the House, and this is likely to be true since they are inexperienced as leaders and have no consistent majority behind them. In the Senate they have already appointed **two Select Committees** to inquire into cases of friction between Major-General **Hutton** and officers of the forces with whose services he dispensed. The Committee is said to have discovered a sensational tampering with documents. Both are evidences of a friction which has unhappily existed for some time among our military men. Then, again,

great offence is given to Sydney and to the rest of this State by the decision of the Senate to select a site for the Federal seat of Government in the south-eastern corner of New South Wales close to the Victorian border. Labour Senators wish to make this the means of securing proprietorship of an area large enough to enable them to experiment with land nationalisation and industries owned by the Commonwealth. It is true that the Ministers treat the question as open, but they and their direct supporters in the House will vote almost to a man in the same direction. Such a course in this connection more than any other act of theirs will make this State and Sydney as its Metropolis more eager than ever to become the head centre of an agitation against them that will incidentally strengthen the hands of Mr. Reid. Party feeling here is never more bitter than when it is stimulated by provincial and personal antagonisms as it promises to be in this instance.

FEDERAL AND STATE RELATIONS.

As soon as the Rubicon was passed by its Federal section the Labour Party, to its surprise, found that its position was at once affected in the States. Its adherents fought more zealously, because more hopefully, in Victoria, where they gained seven seats in an assembly of reduced numbers, though they made no progress in their attempt on the Legislative Council. The Bent Ministry retained a majority in the Lower House, though in diminished numbers, but the regular Opposition suffered most, so that there, as in the Commonwealth elections last December, the only successes were those of Labour. In Victoria they were achieved as usual chiefly owing to the absence of discipline among their adversaries. No less than seven constituencies were captured by them in the face of a larger number of suffrages cast for the several candidates opposed to them. The whole of their gains are accounted for by this one blunder. The customary Australian inertia was exhibited by the electors, not much more than half of them troubling to visit the poll. The net result is that the separate representation of the public servants in that State, from which so much was expected, does not seem to have enabled the Ministerialists to snatch more seats from the Labour Party than it gave them. The removal of their names from the rolls may have left Mr. Bent one or two extra members over and above the representatives of the service, but certainly has not compensated for the animosity the change has engendered among the employees of the State and their relatives. The service members in both Houses are pledged to the Labour "platform", nor do the effects of the system stop there. The fierceness of the fight in the Federal House on the clause of the Arbitration Bill bringing State servants within its scope was directly due to the resentment provoked by the Victorian experiment in reprisals. The public service is not really weaker politically, but the Labour Sections, both

Federal and State, are stronger in consequence. In Western Australia there are echoes of the same strife. Mr. James, Radical as he is, has openly broken with the Labour organisations that in his early days rejoiced to have him as their champion. He condemns their published programme as being three parts advertisement to one part of practical and possible achievement. They retort in kind. Of the fifty members to be returned it is anticipated that a score will come under their banner. If they succeed to that extent they will be entitled to become the direct Opposition there as they already are in Victoria and may soon be in New South Wales. Inspired by the success of Mr. Watson, and strengthened by co-operation with our Ministry, they are preparing here with much confidence for the election due two or three months hence. Sir John See and Mr. Carruthers are both pledged not to attempt to introduce separate representation for the public service. What the Labour leaders are leaving out of account is the probability that we are about to witness a rally of the general community against their dominance. Federal and State politics alike are beginning to be deflected by a current of opinion adverse to them. When they crossed the Federal Rubicon it was without a suspicion that this act would hasten and strengthen the growing reaction against their rule.

SIR JOHN SEE AND HIS FRIENDS.

Sir John See's retirement has been so often announced and denied that his decision, when it is announced, can cause no surprise. The great obstacle has always been the difficulty of finding a successor whom his party would follow. Mr. Wise has the ability, Mr. Crick the popularity, and Mr. Waddell the confidence which, if combined, would compose an almost ideal chieftain for what was once the Protectionist and is now fast becoming a Liberal-Labour Administration. Mr. Perry alarms nobody and Mr. O'Sullivan everybody, though certainly one of our most able politicians. Most leaders are only believed to be indispensable until they have retired, but in our case the difficulty is real, and if we have a new Premier the Ministerial prospects, none too promising now, will become more overclouded. The Opposition under Mr. Carruthers is directing its fire on two weak points in the Government defence—its dependence on the Labour Section and its past extravagance. In the first he has the sympathy and assistance of Mr. Reid, no mean factors in this city. In the second the defence falls to Mr. Waddell, who, with praiseworthy persistence and fortitude, explains and justifies his Budgets with exemplary patience relieved by touches of unconscious humour. An instance of this humour may be noted in his recent remark that "only one man in every Ministry understood the finances and was capable of answering the statements of mismanagement", by which, of course, he referred to the charges of critics. The direct assumption from this is that a Treasurer

should always be Premier. Mr. Carruthers harps on the fact that last year we spent more loan money than all the other States put together. Mr. Waddell replies that even so he spent less per head of the population than some of his predecessors, while this year he reduced that outlay by one and a half millions and his current expenditure by £400,000. The Leader of the Opposition promptly rejoins that this proves his case and that his warnings were the effective cause of the retrenchment. On the other hand the fact appears to be, as the Treasurer states, that the increase in our disbursements is almost wholly due to legislation in which both parties generally concurred, while the savings made called for by the necessities of the time have been carried out by himself. Be this as it may, we are certainly getting back to sounder methods and judicious economies, but remain in need of more rapid expansion. The first five months of our new Land Act gives us less than six hundred new settlers on unoccupied Crown lands, though six thousand could have been easily provided for—"more people and more production" were cries in our last Federal election which seem for the moment to have been forgotten, though in them confessedly lies the best means of restoring equilibrium to the Treasury and prosperity to the State.

FEDERATED AUSTRALIA.

SIR JOHN SEE'S RETIREMENT.

POLITICAL SURVEY.

THE FEDERAL ARBITRATION BILL.

FROM OUR SPECIAL CORRESPONDENT.

SYDNEY, Jun. 14 1904; Aug. 2 1904.

Sir **John See** retires with the respect of the whole community and no small store of affection from those who have been intimately associated with him. Not yet sixty years of age, his vigorous frame and abundant energy gave promise of a much longer career of public usefulness, and still justify him in his allusion to a possible return to politics at a future date. But this is extremely improbable because, a self-made man, he never spared himself during the time he was building up his large fortune, and has suffered by the death of Lady See, to use his own words, "an unexpected and irreparable loss". A business man first and a politician in the second place, he succeeded rather as a competent man of affairs than as a tactician or a debater. He presided over his Cabinet as if it were a board of directors and led the House more by his readiness, brusquerie, and good fellowship than by real authority. The fact that he represented the same constituency for the whole of the twenty-four years of his public life is in itself a testimony to his popularity. When he resigned yesterday his Ministry lost its most useful member and New South Wales an upright Premier who will not be readily replaced. At the same time his want of perception of the necessities of his position actually induced him to favour one of the weakest of his colleagues as his successor. On the one side of him was Mr. **Crick**, explosive and practical, on the other Mr. **Wise**, eloquent but unstable, engaged in a wrestle for the leadership. Watching both was Mr. **Waddell**, the timid but solid custodian of our finances. Mr. **Wise** and Mr. **Crick** appeared willing to resign rather than accept the other, whereupon Sir John See, with characteristic impetuosity, turned his back on both of them to press the claims of his confidant Mr. **Perry**, whose capacity seems to be limited to the intelligent control of his own department. When this "happy thought" failed he had come to the end of his resources. The resignation which was to have been tendered last Friday was postponed, and the already discouraged Ministerialists were left in uncertainty for a further period of suspense. Finally the Treasurer carried off the

much-coveted prize. Naturally the Opposition made the most of these difficulties and delays in the Cabinet while pushing on most energetically with its own preparations for the coming election.

THE NEW PREMIER.

Mr. Waddell has everything in his favour except the capacity to lead. Thoughtful, careful, and assiduous he is somewhat too cautious, coldblooded, and unassertive for the turbulent House he will require to lead if the new constituencies consent to leave him in power. No Minister is more trusted or has fewer enemies, but on the whole his qualifications for the Premiership are mainly negative. There has been so far an absence of prompt resolution of resourcefulness and what the Americans call "magnetism" in his personality that promises to limit his usefulness. Of course, it is possible that his new position may discover or develop new capacities in him as it did in his two predecessors, Sir William Lyne and Sir John See, but it must be recollected that his circumstances are much less favourable than theirs. The Ministry is out of what little favour it enjoyed with the commercial classes in the city, and has lost ground in the country too. Mr. Crick would have appealed much more potently to the farmers and graziers; Mr. Wise would have kept on better terms with the Labour section and have exercised a much greater platform power. Probably in the Cabinet itself, because less original and independent than Mr. Crick and less variable than Mr. Wise, the new Premier will get on better with his colleagues. In all likelihood he owes his elevation to the support of a majority among them. If less liked than his rivals he is less disliked by them and those immediately associated with him in the House. It is a misfortune for this State that Mr. Wise, our most brilliant, versatile, and polished speaker, should continue so much out of touch with members and constituents. Mr. Crick, too, possesses knowledge of the world, debating power, force of character, and ability that are unhappily discounted by his lack of self-control. He has the virtues of the sportsman and some of his defects. Failing his own intimate Mr. Perry, Sir John See chose Mr. Waddell in preference to these two from the same prudential motives, but with a better appreciation of the needs of the country and of his party. The Ministry has a trying time before it, and unless favoured by exceptional good fortune must find itself in a minority at the polls. Should Mr. Crick adopt an independent attitude he will soon draw to himself a sufficient following to make a dangerous cleavage among the country members. He possesses the energy, daring, and strategic faculty necessary for a formidable Parliamentary guerrilla leader. Should Mr. Wise resist the overtures now being made to him by Mr. Waddell he will be much missed during the campaign just beginning. It will be no easy matter to find a law officer of standing to replace him as Attorney-General. The remainder of the old Government will stay. The outlook for the reconstructed team is at this date anything but encouraging.

QUEENSLAND AND SOUTH AUSTRALIA.

The Queensland Coalition Cabinet of Mr. *Morgan* has been watched with deep interest during its short career because it afforded the first illustration of a formal alliance between the Labour Party and a Ministry in which it had representatives. A similar state of affairs existed informally in South Australia while Mr. *Kingston* was Premier, but both he and the circumstances were exceptional. Mr. *Morgan* is not himself a man of dominant temper or ability, and the political temperature of his State may now be described as normal. He was very fortunate in taking office at the close of a session when Mr. *Philp* was too much discredited to be able to harass him, has enjoyed a long recess, and meets the House with a satisfactory record. His Labour colleague, Mr. *Kidston*, has displayed a good deal of ability as Treasurer, and, with the aid of his colleagues, has contrived to achieve economies amounting to £468,000 already. This sum will be increased to £500,000 by the next financial year. This was the chief task of the Government, and it has been well performed. Yet Ministers have been challenged at once, and perhaps too soon, by the Opposition whenever Parliament met. Mr. *Philp* has been relegated to the background with the object of substituting his late Attorney-General, Sir *Arthur Rutledge*, as Premier of a new Cabinet pledged to the old policy of the "continuous Ministry" of which it will be a resuscitation. The alleged grounds of complaint against Mr. *Morgan* are not substantial. The prerogative of mercy was exercised in a case of child murder with possibly unwise leniency; the appointment to the Legislative Council of a Labour official and sundry sympathisers with the same section can scarcely be condemned in harsh terms, having regard to the present constitution of that body. Not what the Ministry has done but what it proposes to do is the real cause of their indictment. Its members intend to evade the responsibility of reducing the number of members of Parliament by referring the question to a referendum after the recent precedent supplied in our State. For the neglect to act themselves they may be fairly censured. But what their opponents most fear is the Electoral Bill which the Government has promised to introduce, because it will be based on the principle of adult voting and implies a general revision of the present system of compiling the rolls, which permits a plurality of votes to property owners. If this measure were carried the Ministry would certainly increase its majority, and very probably, judging by the last Federal election, the Labour organisations themselves and without allies might capture a majority of seats for the Assembly. The Opposition, therefore, fighting for its life as well as for office, is sparing no pains to defeat Mr. *Morgan* before he can even introduce the dreaded measure. The division will assuredly be close in any event, and even if it leaves him on the Treasury Bench will not leave him really in power. It must precipitate a dissolution on the old franchise and the old rolls.

ROMANCE OF THE ARBITRATION BILLS.

The fortunes of the Federal Arbitration Bill before it came into the hands of its present guardians were rich in the elements of romance. Its author, Mr. Kingston, was driven out of office into exile and a private hospital in consequence of the strain to which it subjected him. It next torpedoed the reconstructed Ministry under Mr. Deakin, and broke his following into fragments. It brought the Labour Section into power, and has materially helped to keep it there for the past fortnight. For the time it divided Mr. Reid's party, forcing its majority to vote against the leader, and now it interposes to keep him from securing a majority of the House by the help of the late Ministerialists. All the Radicals are ardent in its support. When Mr. Watson became its pilot in committee he met with some gratifying successes, defeating those who sought to exclude the State servants from the measure, and also the extremists who wished to bring them all under its provisions, at any rate in name, whether the Constitution permitted or not. Opposition members could not or would not stultify themselves by altering their previous votes in favour of the State employees, since they had been the means of ejecting the late Government on this account. A change of front on this issue would have been too flagrant an offence against consistency, even for the most case-hardened. But directly the first cape of storms was doubled by this means the new Prime Minister's troubles began. Mr. Kingston aimed at expanding the Bill so as to embrace every calling under heaven, leaving it to the High Court afterwards to sift out those which were not "industrial" within the meaning of the Constitution. He resigned because his colleagues in the Barton Administration would not consent to the inclusion of British and foreign seamen on ocean-going vessels. Afterwards, rather than come into open conflict with him, they left its language large enough to include agricultural labourers and rural employees generally. When an amendment exempting them was moved last week Mr. Watson and his followers resisted it angrily, only to be badly beaten by a majority of eight. Even Mr. Kingston, under pressure, had been prepared to omit domestic servants from the classes capable of appealing to the Arbitration Court, but the Labour "ultras" scorned his timidity and insisted that these, too, should be placed on the same footing as factory hands. The Ministers were weak enough to follow this lead, or rather were not strong enough to refuse their followers. Again they were left in a minority—this time of seven votes. In the absence of Mr. Reid the whole Opposition has been led by Mr. Deakin, who is bound to deal gingerly with a measure of which he has become the stepfather. Yet, in spite of his complaisance, the Ministry has twice gone down badly, though it is better equipped for dealing with this Bill than any other measure. Mr. Watson and Mr. Hughes helped to pass our New South Wales Act and have been intimately associated with its practical working. They know their ground, have a united party behind them, and a strong contingent of friends among the Opposition. They have accepted their defeats without a murmur, but not without suffering in prestige by these demonstrations of their weakness.

ANTICIPATED ATTACK ON THE TREASURY BENCHES.

The anticipated attack on the Treasury Benches has not opened, and our newspapers which have been predicting its objective, its date, and the number of votes already promised are driven at last to the expedient of explaining away their premature prophecies as best they can. "Waverings", "vacillations", "regroupings", and "caves" are mysteriously hinted at to cover their want of knowledge of the real situation in Melbourne. Mr. Reid has continued to appear in the State courts and to disappear from the public eye as soon as he emerges from them, without leaving a trace of his presence or a hint of his intentions. Nothing is to be learned in Sydney. The members who talk most to the reporters are those who know least and are least trusted. Those actually informed of the current of events are as reticent as the Japanese were at the beginning of the war, and for the same reasons. The plan of campaign is either unformed or not to be disclosed. The greatest uneasiness is in the Cabinet, which finds itself almost at the end of its tether in the matter of promises of support to its allies and at odds with its immoderate followers in its endeavour to maintain a moderate course in the House. Otherwise the facts of the situation have not changed and are not changing. Mr. Deakin, saying nothing and doing nothing, remains politely obdurate to all advances from the Labour Section. Time for reflection having been left to his party, many of whom have been affected by the *Age* vendetta against Mr. Reid, the pressure of events is steadily drawing those to his side who are representative of country interests. Mr. Reid will be able to rely on those when the decisive division comes if he does not commit the mistake of making a frontal attack or of hurrying his advance too early. He is dependent on Victorians for his majority and must bide their time. The men to whom he looks will not be caught by a trick vote, nor can they be forced to accept his commands. Chafe as he may, that is the condition on which he can take office, and it will remain after he has won it as an effective check on his proceedings.

LABOUR PARTY'S TACTICS.

The Parliamentary struggle in Queensland, the electoral battle in Western Australia, and the approaching contest in this State are all dominated by similar considerations. The Labour Party, now that it is aiming at enforcing its programme itself and officially, instead of through others with whom it chaffers for support, has totally altered its tactics. The change, healthy in every respect, has its alarming features but it takes time for the average citizen to realise all that it means. At present Mr. Watson's proposals seem so mild that they have been received with a sensation akin to relief. These cannot remain mild, nor can his Administration, though it is being conducted with the utmost discretion and a determination to avoid every cause of offence.

But a sense of what they are surrendering is already penetrating the organisations behind them and has provoked some response in aggressive action. The Minister of External Affairs, Mr. Hughes, as chief officer of the Wharf Labourers' Union, is closely associated with the Seamen's Union, which has been accused of inducing thirteen Norwegian sailors to leave their ship and then asking that they should be deported as prohibited immigrants because they were not paid the Australian rate of wage. The facts in this case are still in dispute, but the incident is typical of the dilemma in which Mr. Hughes, an aggressive unionist while out of office, is asked to apply his favourite doctrines when acting as a Minister. He cannot serve both the Commonwealth and the union at the same time and to their joint satisfaction. The classes likely to be seriously affected by the Labour programme directly are seeking to arouse those who will also be ultimately or indirectly affected. The process involved in their education may be slow, but it will soon be sufficiently advanced to permit Mr. Reid to strike his blow. Struck deftly and at an opportune moment it must prove fatal to the Ministry.

FEDERATED AUSTRALIA.

POLITICAL INSTABILITY. GOVERNOR'S INTERVENTION.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Jun. 21 1904; Aug. 4 1904.

This year, as predicted, continues political. Every month has been full of incident, and outside South Australia whose Parliament remains in recess, there is no stability. In Western Australia the **James** Ministry is fighting for its life, and will, according to the latest advices, succeed in saving it, though the new Houses will exhibit the three-party puzzle in full force in one form or another. In Queensland the **Morgan** Government feels its fate still trembling in the balance, and depending on a single vote. It must in any event lead a timorous and ineffectual existence if it rides out this storm. Little if anything can be expected there until a general election clears the air. The new Victorian Parliament meets next week, when Mr. **Bent** will find the Labour Section promoted to the dignity of the direct Opposition benches, the **Mackinnon–Peacock** group retiring to the corner. Overtures made to them to attend the labour caucus have been politely declined. They are far more likely to act with Mr. Bent, contenting themselves with modifying his measures. He will have a corner of his own, very independent in attitude, quite willing to cooperate with Mr. Mackinnon in restraining his irregular outbreaks and inconsistent aims. As for policy there is nothing that Mr. Bent will not accept rather than retire from the leadership, so that the corners, if capable of joint action, have the Legislative Assembly in their own hands. This being the plight of the Ministry, it may congratulate itself on the foolhardiness with which the Labour Opposition, having to replace a feeble chief, has selected his successor from the extremists among its numbers. The new leader Mr. **Prendergast**, though, tempered to some extent by age and experience, has always been one of the aggressive Socialists who are violent in speech and in action. Unless sobered by his responsibilities his tactics will be immoderate and his attacks personal. An Irish Roman Catholic, he will secure a steadfast support from the Home Rulers among the working men which was granted to his predecessor with some reserve. The apparent factors in his favour are energy, ability, and force of will greater than those of his late leader. A forward campaign in Parliament and out of it strenuous proselytising and improved organisation of the Labour Section in this State are

to be looked for among the first-fruits of his reign. It seems doubtful, judging from this distance, whether these will compensate for the setting aside of his more moderate companions, one of whom might have been chosen for his conspicuous post. The Federal precedent supplied by the Labour Party has not been followed by its Victorian branch. In Tasmania chaos maintains its reign. Every measure of the Propsting Ministry is either mutilated out of recognition or summarily rejected by the Legislative Council. All their financial proposals met this fate, and when they essayed constitutional reforms these too were incontinently strangled. A vote of want of confidence has been tabled, and a dissolution is close ahead.

SIR JOHN SEE'S POSITION.

Sir John See passes from the centre of conflict but not from the political arena. He has taken refuge in our nominee council, where his experience and business aptitude ought to make him an useful member should he find himself able to take an active part in its proceedings. Mr. Waddell has completed his Cabinet by the addition of Mr. J. C. Gannon, a successful barrister new to public life and hitherto credited with Opposition sentiments. He enters the Council as Attorney-General beside Mr. Wise, whose office he undertakes, and in face of the late Premier, whose policy he did not approve. His friends entertain sanguine views of his future. The Cabinet otherwise remains intact. Mr. O'Sullivan is transferred from the great spending department, the Public Works, to the Lands Office, where his boldness of conception and energy of administration will find a congenial field. Mr. Bennett and Mr. Fegan, who occupied honorary positions under Sir John See are now favoured with portfolios by Mr. Waddell. No new honoraries having been appointed, the Cabinet is therefore diminished in numbers as well as in strength. It is simply the See Ministry minus its Premier, Attorney-General, and Minister for Lands, two of their positions being taken by understudies of no particular standing, and the third by a novice in public affairs. The comparative weakness of the team is manifest on its face, and its destiny is generally taken to be decided from the hour of its birth. Of the new Premier much may be said which could be urged of few of his rivals. He has a clean record, public and private, a sound sense of our financial embarrassments, a consistent line of policy, and a plodding industry very necessary in the Treasury over which he will continue to preside. An excellent lieutenant and in many respects an excellent chief if surrounded with colleagues of more marked individuality and push, his *vis inertia* will be a debit instead of a credit in his Cabinet as now constituted. None of the Ministers can head a charge. In the coming election they will suffer heavily on this score, and if they take their seats in Opposition will still labour under the same deficiency of motive power and critical force. In other words, Mr. Waddell, a much better brake than whip, will find his merits and virtues sadly out of place in an Administration whose members

though respectable are, except Mr. O'Sullivan, none of them men of ideas, and without excepting him none of them noted for resource or dash under fire. They are not a new Government; but merely the remains of the See Government awaiting a decent interment.

SOME SURPRISES.

The entrance, or rather re-entrance, on the boards of Mr. Waddell and the remnant of his colleagues with redistributed offices is almost the least of the events of interest associated with their advent. The surprises are of quite another order. It now appears that Mr. Wise and Mr. Crick, who in experience and capacity outshone all their late associates and often overshadowed Sir John See himself, were not omitted because of their rivalry, though Mr. Crick certainly and Mr. Wise probably would not have served under any Premier. Each aspired to the crown and would be content with nothing else. Public astonishment is evoked by the allegation that both of them were passed over in consequence of objections raised by the Governor. Such a story would have been scouted as incredible did not an extraordinary utterance of Mr. Crick's indicate his belief in it and his consequent resentment. He "had no word to say against the exalted person who had slighted him", but, "if he (Mr. Crick) was not qualified to hold the highest office he was not qualified to hold any". A "serious step" had been taken in "passing over Mr. Wise and himself". The implications here are plain enough and grave enough to attract more attention than they are visibly obtaining. Nothing else is discussed within doors. Sir John See's reply does little to discount the impression made. He declined to discuss Mr. Crick's outburst of indignation, declaring that only his Excellency and himself knew what took place between them in this regard. Something has to be allowed for Sir John See's state of health, which unfits him for responsibility to some extent, but still it must either be assumed that he is improperly sheltering himself behind the Governor, an untenable supposition, or that Sir Harry Rawson has, as alleged, thought fit to decline to send for the colleague recommended to him by the retiring Premier. Mr. Crick's further announcement at Blayney that "he had with him the policy of the Crick Government", which might come into existence later, points to preparations having been made by him for the assumption of responsibility which could only have been undertaken if he had received at all events from Sir John See, and perhaps from some if not all of the members of the See Cabinet, an assurance that the sceptre was about to pass into his hands. Seventeen years in Parliament, of which five had been spent in office, seemed to Mr. Crick a sufficient guarantee of his fitness to be Premier of New South Wales. Sir Harry Rawson thought otherwise, and either convinced Sir John See that he was justified in refusing to take Mr. Crick as his chief adviser, or that it was better for Sir John to fall back on Mr. Waddell rather than have his nominee ignored and Mr. Carruthers invited to step into his shoes.

POLITICAL OR PERSONAL?

The Governor's objections to Mr. Crick could scarcely be political, and the assumption therefore is that they are personal. If it be true that Sir Harry Rawson holds that personal matters prohibit a politician from presiding over a Cabinet, though not from occupying any other post in it, or even acting as its chief on occasion, he has struck out a line for himself in advance of all other representatives of the Crown whom we have known in Australia. So far all is supposition. It would be unfair to him to criticise his action until it has been proved beyond all doubt to what degree he has taken it on himself to exercise his right of choice of his Premier and on what grounds. Nothing is or can be authoritatively known. It has long been privately understood that this is not the first time he has asserted the authority of his office. It is believed that nominations from the late Ministry were sometimes refused and better appointments insisted on, and on special occasions, it is believed, that executive minutes have been altered in order to avoid his veto. It may be that Mr. Crick and Mr. Wise were the offenders in these cases. Some control was no doubt necessary. The See Cabinet was not a strong body and needed supervision, though this has been so circumspectly maintained that even our legislators remained unaware of the fact. Ministers naturally kept their own counsel. All was done so tactfully and quietly that the popular impression remained undisturbed. We had the most genial of Governors, whose bluff simplicity and kindness made him indifferent to politics, and only anxious to play the part of a kindly figure-head. Such was the general assumption—now rudely removed before the eyes of all observers by the evidences of an apparent intervention peremptory and decisive in character. If taken on political grounds it needs explanation. If taken on personal grounds it still more needs explanation, though much less likely to receive any. A Governor as censor of his possible Premiers is a new conception in any State. The general level of decency is sufficiently high in them to make it clear that if all his Majesty's representatives had been as scrupulous so far as the public are aware only one of the six State Premiers now in office would have been excluded from that distinction. It must always be extremely difficult to draw the line between the private character of public men which merits official recognition and those better passed over in silence. The problem would become still more perplexing if the particular Governor to whom it was presented was himself open to suspicion, or, at all events, a subject of malicious gossip. On the other hand, there is a conscience, whether Nonconformist or not, in the community that would support his Excellency with enthusiasm if it became known that he had refused to accept for his chief adviser a member whose record would not bear examination. Altogether a pretty series of questions has been raised, susceptible of casuistical and other treatment very interesting to the critics but very unpleasant to the politicians thus most inopportunately pilloried and apparently without cause. There

is no evidence available that either Mr. Crick or Mr. Wise has laid himself open to comment in consequence of anything outside the political sphere. The public careers of both have been distinguished and honourable, and as far as is known they need shrink from no investigation of their private lives. But for Mr. Crick's own mysterious remarks no suspicion would have been circulated as to himself. But for his ambiguous reference to Mr. Wise it would never have been deemed possible that he was open to animadversions. Why in these circumstances Sir John See should prefer to be oracularly obscure instead of frankly plain is equally beyond conjecture. The whole suggestion of any intervention by Sir Harry Rawson is superfluous, since the well-known facts of the situation, the wrestle between Mr. Crick and Mr. Wise and the possibility of Mr. Waddell carrying off the prize from both of them, has been debated for some weeks. An attempt has even been made to attribute Mr. Crick's exclusion to sectarian bias in the Cabinet, but until he made his unlucky speech at Blayney there was no hint that any other motives than those of expediency had come into play. The one thing certain is that Mr. Crick and Sir John See between them are responsible for a most unnecessary and inexplicable imbroglio.

THE FEDERAL LABOUR MINISTRY.

Our Federal Labour Ministry is adapting itself to its environment with creditable rapidity. While it continues to make some of the proposals on which it has been accustomed to insist with vehement declamation it does so circumspectly and carefully avoiding the defeats into which it was being led. Last week, after propounding an amazing amendment which would have left it to the Arbitration Court to inflict penalties up to an unlimited amount, Mr. Watson allowed it to be struck out on the voices. Another effort to obtain one scale of fines for employers and another for employees met with a similar fate. A third endeavour to prevent any award of the Arbitration Court being challenged by any appeal to the High Court, even when its finding could be shown to be beyond its powers or in violation of the Act establishing it, was also negatived. A fourth alteration, intended to bring all disputes in a State which seem likely to extend beyond it, was also abandoned. A prolonged battle on the conditions to be imposed on the common rules by whose means awards will be capable of being extended over the continent to employers and employees who have engaged in no dispute and have not been before the tribunal on any grounds resulted in a direction to the court which is to come up for further consideration. A series of clauses has been laid off the table for the purpose of bringing the sailors on all ships carrying goods or passengers from one Australian port to another Australian port under any awards by which the court may fix the rates of pay for sailors engaged on local shipping. The late Government aimed at a similar result in its Navigation Bill, but drew a marked distinction between British and

foreign shipping generally, authorised the British mail steamers to carry passengers to and from Western Australia, and excluded the whole of the western and northern coastal trade from the operation of the measure. These qualifications of the control of the Arbitration judges disappear altogether from the Labour Ministry's scheme, which will be attacked on constitutional and general grounds when it comes before the committee. The West Australian Labour members are understood to be at liberty to vote against the restrictions sought to be imposed on shipping trading with their State, and by their help it is probable that the clauses may be modified. Even if defeated in their endeavours to stretch the Arbitration Bill to the utmost possible point by fresh devices, Mr. Watson means to make it more drastic at every turn than even Mr. Kingston ventured to propose. The apathetic manner in which these invasions of existing rights and conditions are received may reasonably be construed as arising from the general approval with which Australians receive any substitutes of a judicial character for the strikes and lock-outs that the Bill is designed to suppress. It is to be feared that the practical working of the court will disillusionise both those who expect general increases of wages for working men and those who believe that employers will still remain masters of their employees.

FEDERATED AUSTRALIA.

THE CRISIS.

LABOUR-RULED COMMONWEALTH.

FROM OUR CORRESPONDENT.
SYDNEY, Jun. 28 1904; Aug. 9 1904.

At last we have a Federal crisis. Though only a little one, it has attracted a good deal of attention. Long expected, it was quite unlooked for at the particular moment when it occurred, coming suddenly, and probably going in the same fashion. But while here it is being made much of by the newspapers, and not without justification. Such contingencies have been prophesied ever since Mr. *Watson* took office with a minority, and they will continue to confront us in the same erratic fashion until he faces one that will prove fatal. The incident is, therefore, in a general way, prophetic. Besides this, the proposal on which he was defeated has a very definite character, which the public ought to apprehend. Quite apart from its party complexion there is much substance in the question at issue. For the whole of last week a debate proceeded on the clause of the Arbitration Bill authorising the court, if it thought fit, when dealing with a dispute between an organisation of employers and an organisation of employees in any particular industry, to direct the employers to engage their employees in future from among the men belonging to the organisation of employees. This does not mean that the employer would be obliged to take or keep any of them who were incompetent, but it would limit his choice to the members of the organisation until he had exhausted its membership. He could not dismiss any of his men simply because they belonged to the organisation and he could not freely engage the best man offering if he were not on its rolls.

The proposed restriction on their liberty of choice has been strongly resented by employers everywhere, yet in many instances in New Zealand its Arbitration Court has subjected them to similar preferences, and they are now frequently applied for in this State. The more they are known the less they are liked by the employers. On the other hand they mean a great deal to the trade unions since they practically compel workmen to join their ranks in order to obtain the benefit of preferences, which thus increase their revenues, numbers, and prestige. All Federal or State Labour members

belong to the unions, and most of them are, or have been, their officers. It is but natural, therefore, that the whole of their Parliamentary forces should be summoned on behalf of the bodies which have made them what they are and placed them where they are. As trade unionists the chief end of their political being is to multiply trade unions and increase their power to secure for their adherents better pay, shorter hours, and all other possible privileges. It is for those purposes that the Arbitration Bill receives their eager and undivided support.

ARBITRATION BILL AND “ORGANISATIONS”.

Trade unions as such are not recognised by the Arbitration Bill. It is built on “organisations” to which unionists and non-unionists alike are equally entitled to belong, which appear for them before the court, and are bound to give effect to its decrees. These are distinguished into two classes—those of employers and those of employees; individuals cannot move the court. It takes a hundred employees to establish an organisation in their behalf, and though a single employer can be a defendant there must be enough employers to employ a hundred hands before they can become registered as an “organisation”. Awards made as between one organisation of employers and another of employees bind their members, but the Arbitration Court is not confined as ordinary legal tribunals are to the parties to the suit. It can at discretion promulgate an award made in a case between two small organisations as a common rule, which then becomes binding on all employers or employees in any particular industry. Being a Federal court it can only act at all when the dispute has extended to more than one State, but when the dispute has extended across a State border the common rule may control all other persons engaged in that industry in those States, or, as some claim, throughout the whole Commonwealth if the court so directs. Of course, this is an immense and most unusual power. It threatens if exercised to carry consequences far beyond the realm of industry. If in addition preferential employment is ordered by the common rule to be given by all employers in an industry to the members of the organisation of employees in the same industry the employers would be tied hand and foot. The “organisations” of employees will pass under the influence of the trade unions and bring new members into their nets. These are already political machines, and being multiplied under the Arbitration Bill will become more powerful than ever in the constituencies. As “organisations” they will force from the employers whatever concessions are possible industrially, and then as electioneering committees attack them again through the State and Federal Legislatures if they can capture them at the polls.

NATIONALISING INDUSTRIES.

The “nationalisation of industries” is one of the avowed aims of the Labour Socialists, who supply most of the motive power of the party. They are hand in glove with the public servants in several States, and aim at increasing the numbers of State employees in new directions. Private enterprise will be subject in some cases to State competition and elsewhere to enactments passed at the dictates of the organised labour of the Commonwealth. This is the prospect which tempts enthusiastic unionists into tireless efforts to proselytise among the voters and to annex political representation in our Parliaments. The picture of a Labour-ruled Commonwealth, like the vision of a sensuous Paradise to Mohammedan tribes, rouses its believers to daring exploits by their superb self-confidence and self-denial. Naturally, though tardily, appeals on these grounds are at last putting the employers on their guard. The debate of last week has educated our politicians, who, if they see nothing else, begin to realise the new party machinery which industrial organisations will establish for Labour nominees. The clause allowing the Judge, who will be President, and, in fact, the Arbitration Court, to grant preferences, has been fought word by word, assailed and eulogised from every point of view. Heated challenges and some interchanges of personalities have followed one another in rapid succession, until in the last hour of the last day of sitting for the week the divisions came which told the effect of the most protracted struggle and the fiercest yet seen on the Bill. The Ministry was beaten in spite of desperate efforts and persistent appeals.

DECISIVE DEFEAT.

On this division the condition of parties was impressively illustrated. The first amendment moved by one of Mr. Reid’s supporters was urged by him on the committee in a fiery speech in which he denounced for the twentieth time the autocratic exclusiveness of the unions and their tyrannical attacks on working men outside their ranks. The object was to strike out the whole clause enabling the judge to grant preferences to employment to members of employees’ organisations, and would thus have rendered them impossible in any circumstances. Mr. Reid, counting pairs, rallied thirty votes against the clause, including eight of Mr. Deakin’s party, but was defeated by forty-one votes, including those of two members of his own following. The power of giving preferences was thus conferred. Then one of Mr. Deakin’s Victorian supporters brought forward an amendment limiting the exercise of the power to cases in which the judge is satisfied that a majority of the employees affected by the award who have interests in common with the applicants for a preference, whether unionists or not, are in favour of its being granted. The Ministers, rejoicing in their previous majority of eleven, went confidently to the vote, and were

immensely surprised to find themselves with a majority of five against them. Mr. Deakin crossed the floor, taking seven more votes against the Government, and one of Mr. Reid's erring followers returned to his allegiance. Mr. Watson still retained four of Mr. Deakin's and one of Mr. Reid's men, yet he was left in a minority directly the two chiefs joined hands. The defeat was not simply decisive; it was another evidence of the dependence of the Cabinet on those who are under no pledge to maintain it. Probably this had something to do with the Prime Minister's demonstrative chagrin, but he committed a serious error of judgment when announcing that he considered the amendment "of very serious import", because it went "right into the heart of this division of the Bill", and moved that progress be reported. He is to ask his colleagues to consider how far it affects the general purpose of the measure and the possibilities of its reconsideration by members. Mr. Reid, of course, took advantage of the emphasis given by the Ministry to its own defeat, insisting that they were taking the only proper course. He had every reason to be gratified. He was present for the first time that day after an absence of several weeks. The only two members who neither voted nor paired belong to his own party, and one of them at least is certain to approve of the amendment. The vote cannot be reversed, and it is doubtful if it will be qualified. On the other hand, Mr. Deakin and the bulk of his party, though they steadily uphold the Bill as it was accepted by the late Ministry from Mr. Kingston, take every opportunity of modifying it by amendments. Most of his late colleagues go still further in opposition to its provisions on the ground that they have regained their freedom to exercise their own judgments, but Sir William Lyne votes with the Labour section consistently throughout. Slowly but surely the two new parties are developing as members find themselves sitting side by side on divisions where questions of principle are involved. This time their exultation was mutual. Mr. Watson has been beaten as badly half a dozen times since he took charge of the Bill, but up till this had always avoided an advertisement of his own overthrow.

NEW SOUTH WALES.

New South Wales remains characteristically indifferent to its change of Ministry and to the substitution of Mr. Waddell as Premier for his stronger colleagues. Nothing more is known with certainty of the extraordinary circumstances under which they were set aside, but the general assumption is that Mr. Wise was barred by the Governor because of his hasty release of Mr. Friedman and of his connection with other executive acts on which his Excellency was not consulted. These grounds are obviously insufficient, because they apply almost as much to the other members of the Cabinet, including Mr. Waddell, as to the late Attorney-General. It is doubtful if Sir John See really favoured his brilliant second in command, but between them

Mr. Wise has lost the only chance he is ever likely to have of becoming Premier. Mr. Crick, on the other hand, is a very probable head of a Government. Should Mr. Waddell be defeated at the coming elections Mr. Crick will be incomparably the best leader available to the new Opposition and, with the exercise of self-control, one of the astutest leaders of the House. He has had judgment enough to refrain from all but humorous allusions to his recent disappointment since his first reckless outbreak of anger at Blayney. He was barred by the Governor confessedly for personal and not for political reasons. In thus peremptorily refusing to take either Mr. Wise or Mr. Crick for his chief adviser it must be assumed that Sir Harry Rawson had either the recommendation or concurrence of the late Premier. The first contingency appears impossible except, perhaps, as to Mr. Wise, and the second almost impossible so far as Mr. Crick is concerned. Sir John See can scarcely have been daring enough to propose their exclusion, though it is probable that he assented without pressure to the ignoring of Mr. Wise and with pressure to the taboo of Mr. Crick. Even allowing for this, which places the chief burden on the ex-Premier, the Governor has taken on himself an indefinite share of responsibility. Nothing is heard of the matter at present, but it is bound to be discussed in the near future with bitterness as far as it affects several leading politicians and with thoroughness on account of the important constitutional questions involved. It cannot rest where it is when all the facts are known.

THE QUEENSLAND MINISTRY.

Sir Harry Rawson's action will be found in all probability to have had the approval of Sir John See, who will therefore be properly held answerable for the serious departure from all previous constitutional precedents apparently implied in his last act as Premier. The Governor of Queensland has no such shelter for his still more unprecedented behaviour under very different conditions. Mr. Morgan and his Coalition Ministry having survived the motion of want of confidence in them by a single vote promptly asked for a dissolution. To this, according to constitutional precedent, they appear to have been entitled. The present Parliament was elected under Mr. Philp's Premiership, with the Labour Section as Opposition. He was ejected from office by them acting with the independents who had conditionally supported the Philp Ministry. Two years of the three for which the Assembly is elected have expired, and the closeness of both "want of confidence" divisions proves that no Government can keep it together. A dissolution there must be, and that immediately unless an agreement be arrived at for the preliminary passing of a new electoral law. Mr. Philp could not claim it when he was put out last year, but since Sir Herbert Chermiside has refused Mr. Morgan an opportunity of going to the country, it will come to Mr. Philp,

or rather to his party, in whose interest he will be obliged to immolate himself. If Sir Arthur Rutledge becomes the new Premier he will either give Mr. Philp a seat in the Cabinet, or constitute his Cabinet under his advice, and continue it with his support. Sir Arthur was his Attorney-General in the last Cabinet, and Acting Premier during Mr. Philp's absences. It is therefore the defeated Philp Cabinet which will now be revived in order to obtain the dissolution refused to Mr. Morgan, and to which it had no claim six months ago. More than this the result will be either a falling back into the old rut in which the continuous Ministry came to grief, or else a strengthening of the Labour vote in the country, where there will be much sympathy for the treatment meted out to Mr. Morgan and the Moderates who were guiding the Labour Party back into the paths of Constitutional Government. Looked at from here Sir Herbert Chermside's action appears to be unwise even if it is constitutional. At all events it is contrary to the practice followed by Australian Governors generally. It is desirable for every reason that all of them should act on similar principles in similar cases. If each representative of the King is to mark out a line for himself the results are bound to be injurious to themselves and to the high offices they hold. Personal choices are sure to be attributed to partisanship and will surely undermine public confidence where hitherto it has always been unreservedly given.

GOVERNMENT PROGRAMME.

Last night Mr. Waddell announced a programme at Cowra which if it had come from a new Ministry would have met in most respects the immediate requirements of this State. He allowed his exaltation to affect his judgment when announcing that he had a better grasp of our finances than any man living. After three years' experience in the control of the Treasury he has no doubt a more intimate knowledge of its accounts than other politicians, and he has always exhibited an appreciation of sound principles. The complaint is that he did not act on them. As Premier he will now possess an absolute control that he never enjoyed in the late Government. If he survives the general election next month he will doubtless limit our borrowings for new works to a maximum of £1,500,000 a year. Once more we have the promise of a sinking fund for redemption purposes, to which £400,000 a year is to be paid from revenue. This has been done before ineffectually. Henceforward it is to be vested in an independent trust, with power to use the fund for repurchasing State stocks whenever the market is below average rates. Outside financial measures the Government is to manufacture its own locomotives at works under the management of the Railway Commissioners, while steel rails are to be made locally under a contract which will enable private enterprise to establish the iron industry and develop the use of our own raw material. The resumption of large estates for purposes of closer settlement and

the encouragement of intending settlers, by free railway passes and other concessions, occupy their usual place in the catalogue of good intentions. On two questions of the first importance Mr. Waddell was unsatisfactory. All the energy of his party for local government seems to have departed with Mr. Wise, while the references to water conservation and irrigation are of an equally meagre description. The Opposition will, no doubt, be alert enough to fasten on these and other weak points in a statement which affords small opportunity for destructive criticism because it proceeded throughout on well-worn lines and dealt with familiar subjects in the old traditional way. The Ministry is new in nothing except in the name of the Premier and the guarantee that his office gives of the supremacy of the Treasury over its policy and administration.

FEDERATED AUSTRALIA.

ECONOMY OF ADMINISTRATION.

FINANCES OF THE STATES.

AGGRESSIVE TRADE UNIONISM.

FROM OUR CORRESPONDENT.
SYDNEY, Jul. 5 1904; Aug. 15 1904.

The proofs of Commonwealth economy are once more to hand in the official figures for the twelve months made up to June 30. In Adelaide in 1897 the cost of a Federal Parliament and Government, with their necessary new departments, was estimated at £300,000 a year, and excluding the cost of carrying out the particular policy adopted by them the cost of the machinery of the Federation as then defined is still within that amount. We are halfway through the fourth year of Federation, and the total outlay of the central administration continues to be three-quarters of a million less than the one-fourth of its customs revenue to which it is entitled under the Constitution. This sum is practically a Federal surplus, and not for the year alone, since it represents the amount of a fairly certain revenue year after year until the tariff is altered. Of course, it will be eaten into by the expenditure of the Commonwealth, which must grow as it takes over from the States' other departments capable of being federalised, by which their Budgets will be relieved. But for the next six and a half years the Federal Parliament must avoid an increase of its annual expenditure beyond £750,000 until it is able to raise import duties or to impose direct taxation. After that term, entering into its full inheritance, it will rest with the electors of Australia to say what share of the customs receipts, if any, shall be returned to the States. In the meantime the cautious finance of Sir [George Turner](#) has kept the Federal Treasury well supplied with funds, his estimate for this year on a revenue of over £11,000,000 being only £1,300 under the mark. This is assuredly a remarkably accurate anticipation, especially since the drought and other causes of variation in preceding years had to be taken into account.

REVENUES OF THE STATES.

The States are not so happy in their finances nor so close in their estimates. A heavy decline in our last month's takings has put our New South Wales totals on the wrong side of the ledger by £78,000—not a considerable sum when it is remembered that our customs returns are about £370,000 less during the twelve months. The outstanding deficit was reduced by £329,000, while the whole of our current expenses were paid out of revenue. Queensland has a healthy record. Though £95,000 less was received from customs the annual expenditure was brought down by a larger amount. The revenue rose £56,000, and the Philp deficit of £191,000 was paid off with the exception of £25,000. South Australia is marking time, having discharged £200,000 of her indebtedness during the past two years, and closing with only a nominal balance against her. The Tasmanian Treasury continues embarrassed by reason of the prolonged political fight proceeding on the question of new taxation, but the soundness of its position is unchallenged, though the delay in restoring order to the finances is deplorable. Western Australia sees her special tariff decline, as it must, until it disappears, but in spite of that maintains a thoroughly healthy and elastic progress in opening up her interior. After an interval Victoria once more enjoys pride of place among the States. Her revenue has increased by £340,000, though the customs returns are £100,000 below those of the preceding year. The whole of the surplus, and more, is accounted for not only by enlarged receipts from the railways, due to the magnificent harvest carried to the seaboard, but also to the businesslike policy introduced by Mr. Tait and his fellow-commissioners. Our own railways have not such a good tale to tell, though the gross earnings showed an advance and the expenditure a decline. Our Railway Commissioners evidently are satisfied that no new lines are called for at present, and that any construction in the future must be slow and carefully controlled. In South Australia the lines returned full interest on their capital, and in Queensland enhanced their takings by £57,000 during 1903–04. In Western Australia they regularly pay interest and something more. On the whole, therefore, the finances of the States and of the Commonwealth are normal and even hopeful in their general promise. Excellent winter rains are falling in Riverina, where anxiety was beginning to be felt by the farmers, and generally 1904–05 commences its career much more confidently than any of its predecessors in this century.

The event of the week has been the West Australian election, whose chief results are the practical defeat of the James Administration and the triumph of the Labour Section. There was the customary confusion in several constituencies. All are single-seated, but in two or three four candidates stood, and in half a dozen at least there were three competitors. One Minister, Mr. Nanson, owes his return to a minority

vote, but as a rule these contests were unfavourable to his party, which now numbers only nineteen votes against twenty-two Labour members. There are nine other representatives, some of them Opposition, others Independents, in whose hands the fate of the Government lies. Under such conditions Mr. James has properly resolved to summon his party and Parliament without delay and learn his fate. If the nine who are not definitely classified cast in their lot with him he will have a fair working majority, but without them he cannot survive.

WEST AUSTRALIAN LABOUR PARTY.

In the last House there were but seven Labour members, but by the redistribution of seats their strength has trebled, and in most instances their victories have been marked. They become, of course, the direct Opposition, and may reasonably look forward to occupying the Treasury Benches, and that soon if the rest of the House continues divided. Their leader, Mr. **Hastie**, is already protesting in advance against an assumed design of Mr. James to resign before meeting Parliament, and advise the Governor to send for him. It would, he says, be putting the Labour Party in a more difficult position than the Government now occupies, and this he naively denounces as most unfair. Whatever action the Premier may take it must be recognised that a revolution has been accomplished. The days when Sir **John Forrest** reigned supreme appear remote indeed. Here, as everywhere else on the mainland, the Labour Party has come and come to stay. The first result of the arrival of the Labour phalanx in all the States has been the rout of the relatively disorganised and ineffective regular parties which have been contending for power under one name or another. In South Australia Mr. **Jenkins** has at last taken the plunge. His **Attorney-General**, finding his health unequal to the strain, and the **Minister of Public Works** wearying of office, he has consulted with Mr. **Darling**, the leader of the Opposition, as to the terms on which they can blend their supporters so as to present a united front to the local Labour leagues. There is every prospect of this being accomplished by the selection of two Oppositionists, so as to establish a Government which shall be impregnable to attacks from that quarter. In Victoria, if Mr. **Bent** were a man of higher calibre, the same assurance might be given to the country where the aggressiveness of Mr. **Prendergast** and his trade unionist levies occasions alarm. In New South Wales the prospects are uncertain, because our three-party situation threatens to be prolonged for some time to come. Ever since Mr. **Reid's** unhappy intervention while Sir **John See** was reconstructing his Cabinet, by which a coalition was indefinitely postponed, we have been suffering all the consequences of disunion. The Labour Section has grown and is likely to grow under the shelter of the Waddell programme, even if the Cabinet itself is ejected a month hence. Mr. **Carruthers**, as a leader, inspires no enthusiasm, and, indefatigable as his efforts are, gains little ground in public regard.

Mr. **Ashton**, his ablest associate, has accomplished more in the country, but much remains to be done. We are still too far from the height of the contest to estimate the fate of election day, but according to experienced critics the Opposition will require exceptional good fortune to gain a working majority against their combined adversaries.

THE QUEENSLAND MINISTRY.

In Queensland Sir Arthur **Rutledge** is forming his Ministry on a platform differing little from that of Mr. **Morgan** in phrase but probably implying a much less Radical Electoral Bill than would have been presented by the late Government. The misfortune is that Mr. Morgan and his friends are not likely to be drawn towards the men who have displaced them, while, by their continued alliance with the Labour Section, they will be able to force an appeal to the country at any time they desire. They will in all likelihood adopt this course immediately while public sympathy is with them, because of the Governor's refusal to grant them the dissolution to which it is believed they were entitled as a right. The result of a general election, if undertaken at once, is anything but certain. The Morgan Cabinet was not dismissed on any serious grounds prejudicing them in the public eye. In many respects they have done well. Sir Arthur Rutledge is a reputable man, patient, assiduous, and timid, of less force and energy than Mr. Morgan, but possessing the advantages of a long legal training and great experience in administration. His Cabinet will not be stronger than that he has overthrown, and not as strong as that of Mr. Philp, in which he was first lieutenant. His delay in choosing his colleagues is a rather discouraging sign of his own hesitancy and of the personal ambitions in conflict around him. Political affairs in this State seem doomed to misfortune. The problem of the Labour Party is urgent everywhere. Except in Tasmania, where a local struggle between the two Chambers persists without cessation, the problem of all the States is that of the Commonwealth. The Federal Parliament has, however, anticipated the States, because it has placed a Labour Ministry in office and kept it there for more than two months. Of course, the fact that Mr. **Watson** adopted the Arbitration Bill of Mr. **Kingston** is largely responsible for his safety. It is true that he accompanied it with a sheaf of amendments intended to extend its already too extensive sway, but he has been able to quiet his followers by making these exigent demands, and to appease the House by accepting defeat on most of them. Mr. Reid, who is only biding his time for a decisive assault, took the opportunity afforded him by a meeting of the Victorian Farmers' Alliance at Kyneton to explain his intentions. He was at great pains to emphasise the fact that he is acting in the friendliest alliance with Mr. **Deakin**, that the only Parliamentary union possible is one between Free Traders and Protectionists, and that this will be consummated very soon. The coming struggle will

be a development of that in which the House of Representatives is already engaged in connection with the Arbitration Bill. On the one hand he described the true Labour Party as “a majestic mass of humanity through the whole Commonwealth”, contrasting it with spurious political leagues consisting of “a clique, a selfish, formidable organisation which strives to terrorise the workers of Australia into its ranks or drive them into the gutter”. Preference was asked for the trade unionists who, though only one-seventh of the employees in the country, were to receive this boon of favouritism, while the other six-sevenths, like the publican and sinner, must stand afar off. The attacks made in the name of the unions on the Arbitration Court Judges in New Zealand, in New South Wales, and in Western Australia, because their decisions were not in their favour, was pointed to as a further evidence that they were making the Arbitration Bill “a means of carrying out a great political conspiracy in order to aggrandise the political forces of a selfish class combination”. The Watson Ministry ought to be attacked because, however innocuous its sessional programme was just now, “the true inward policy of this Labour Party is first to trample on their own fellow-workers, and when they have driven them into their unions to use the power they got by overturning every principle on which the national life of this country is founded”.

MR. REID’S CHALLENGE TO THE LABOUR PARTY.

A gage of battle was flung down plainly enough in this speech in spite of the rhetorical flourishes with which it is decked. It cannot be long before the House will be compelled to make its choice between the Labour legion and those without its formation who must, in self-defence, resist it together or be destroyed piecemeal. Very opportunely a series of cases before our courts has come up for judgment, throwing a clear and strong light on the lengths to which the trades unions are prepared to go to accomplish their ends. They have exercised no discrimination in their demands. Mr. *Justice Cohen*, who presides over the New South Wales Arbitration Court, has announced that in future the parties to industrial disputes must settle all minor matters themselves. Henceforward his court will only undertake to decide the five most important classes of questions relating to wages, hours, overtime, preference to unionists, and the common rule. He insists that economy of time and economy of costs can only be secured by some such limitation. In another direction the Labour leaders have stopped at nothing in order to attain their ends, as the history of the fight between the shearers’ unions illustrates in a remarkable way. The Australian Workers’ Union, which includes most of the shearers in the Eastern States, was refused registration under the New South Wales Arbitration Act because several of its rules were purely political, one of them binding its members to vote only for approved Labour candidates. While its rules were being amended a so-called

Machine Shearers' Union was established and registered under the patronage and with the assistance of the Pastoralists in order to counteract the influence of the original union which had waged war against them in the great strike ten years ago. Three times did Mr. Macdonell, the secretary of the Australian Workers' Union, set the law in motion in attempts to cancel the registration of the rival body. He failed. Then, with the assistance of the See Ministry he obtained a Select Committee of the Assembly, of which he is a member, to examine into the formation, finances, and books of the Machine Shearers' Union. When its officers refused to answer questions this fourth attack was also repelled. The compliant Government thereon created the members of the Select Committee, of which Mr. Macdonell was chairman, a Royal Commission. It is understood that it was only Sir Harry Rawson's imperative intervention that obliged the See Cabinet, acting through Mr. Wise, to remove Mr. Macdonell and replace him by a District Court Judge. The Machine Shearers' Union representatives, on refusing to reply to the Royal Commission, were fined, and appealed to the Supreme Court, which has now given them a victory for the fifth time. The judgment of the court was couched in the most condemnatory terms. Mr. Justice Owen said that by taking the inquiry from a duly constituted court the party summoned was deprived of a very important safeguard and was further prejudiced by being compelled to disclose his case. The Chief Justice, Sir F. Darley, whose general antagonism to industrial legislation has been already expressed in unjudicial language, added that the defendant had been called on to produce to the Royal Commission papers and documents which were privileged from discovery and production in any court of justice. His final conclusion was "that the Royal Commission was both illegal and unconstitutional, as an unjustifiable attempt to invade private interests, and a usurpation of the court lawfully constituted to deal with the same matter". Public opinion is warmly with the Chief Justice in this case, strongly against the See Government, and more strongly hostile to the union and its methods of employing political agencies to attack its rival. A sixth battle is imminent, for an appeal to the High Court is already under way. It may at a seventh stage reach the Privy Council. Many doubt whether even the Supreme Court of a State can declare any Royal Commission illegal, but all critics concur in the view that the Machine Shearers' Union, whatever its nature and purpose may be, has been tyrannically dealt with. It has been politically assailed by the very Ministry which created an Arbitration Court to hear such cases and determine the rights of the industrial unions at whose instigation it was founded. All this supplies Mr. Reid at a very opportune moment with more ammunition for his forthcoming assault on the Labour Ministry now engaged in trying to pass a Federal Arbitration Act with drastic penalties.

FEDERATED AUSTRALIA.

FIGHTING THE ARBITRATION BILL. LABOUR PARTY COALITIONS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jul. 12 1904; Aug. 18 1904.

The Federal situation as envisaged by the Sydney newspapers seems even more perplexing than it really is, because so much of their presentment of its features is of their own creation. They write as if the survival of the *Watson* Ministry was wilfully and deliberately permitted by Mr. *Reid* and due either to his shortsightedness or weakness. Since Mr. *Deakin* has expressed his willingness to assist to oust the Labour Cabinet they cannot comprehend the delay of the two Oppositions in giving the *coup de grâce*. An entirely opposite view is taken by the *Melbourne Age* which treats Mr. *Reid* as a spent force politically, and ridicules the possibility of his heading a successful attack, while Mr. *Deakin's* willingness to stand aside in his favour is scouted as an inexplicable aberration. The Ministry, in its opinion, is in no danger, except from its own excesses. The Federal Hansard appears to tell a tale of yet another kind, the speeches of members making it plain that though Mr. *Reid* has not the ball at his foot, he is neglecting no opportunity of kicking at it. From his place in the House day by day he seizes every opening for attacking the Ministers, and employs all his powers most vigorously to that end. His eagerness to displace them is not disguised, he searches with shrewd blows every joint in their armour, and has not delivered a fatal stroke only because, though he has several times wounded them sorely, they have managed in one way or another to ward off his stabbings from a vital part. His new ally, Mr. *Deakin*, appears to pursue an entirely different course, with attention riveted on the Arbitration Bill, much more than on the Ministers in charge of it or their fortunes. Every amendment of theirs enlarging the scope of the measure in any direction has been exposed and opposed by him, while Opposition amendments have been pressed home, limiting its operations very considerably. His following is divided, but holds the balance of power, and so evenly that the fate of every division depends on three or four of its uncertain votes. Mr. *Reid* would have long ago launched a direct vote of want of confidence if he could have counted on the smallest majority,

but as that has never yet been within his grasp he has been constrained to adopt amendments in the Bill as his only available means of offence. He has been obliged to confine his strategy to harrying the Labour Party and keeping its leaders in a constant condition of anxiety and apprehension.

THE FIGHT OVER THE ARBITRATION BILL.

What may almost be called the Fabian policy of the late Prime Minister has thus been rendered more effective by the direct frontal attacks delivered with great energy and rapidity by Mr. Reid. The combat is incessant, renewed again and again on every clause of the Bill, and in every form, though the substance of all the conflicts is practically the same. To increase the power and enlarge the jurisdiction of the Arbitration Court, to multiply the means of invoking its aid and the concessions which it can require from employers is the aim of the Labour Ministry. That of the Opposition is naturally antagonistic to each and all of these ambitions. Gradually its heaviest firing has been concentrated on those parts of the Bill which affect the trade unions. These are the sanctuaries most cherished by Labour members because of their close dependence on them, and hence it is on the provisions affecting their status that Mr. Reid has repeated his most impassioned invectives. As champion of the labourers who belong to no unions he has alternately raged loudly and pleaded emotionally for their protection against coercion by the organised forces of the unions, which prove themselves at every turn the inveterate enemies of the men who remain outside their ranks. The preference to employment by which the Arbitration Court is empowered to order employers to concede to unionists as against non-unionists is the precious privilege for which Mr. Watson has wrought with all his strength. He has been badly beaten here by an amendment restricting the granting of this preference to cases in which the court is satisfied that a majority of the employees in the particular district and industry for which the preference was sought (combine non-unionists as well as unionists in the calculation) were in favour of the grant. This severe limitation of possible gains to the unions by arbitration is to be made the subject of a fresh struggle before the Bill leaves committee. A similar question arose in another form last week on the clauses governing the formation of the "organisations" of employers or employees which are necessary for the effective working of the measure. On the employers' side these bodies could be dispensed with in many cases without injury to their interests, but they are essential to the employees, who could not possibly act separately, and must depend even after the court has been established almost as much as at present on combined aims, funds, and actions. Of course, existing unions are most desirous of enhancing their importance by seizing on every power and every privilege proposed in the Bill for the "organisations" which it authorises under conditions to become the sole agents of all employees in each separate industry.

POSITION OF TRADE UNIONS.

Last week's battle, fought more bitterly than any previous contest on the Bill, was to decide whether or not the unions should become the "organisations" or be left outside the measure, subject to the competition of the new unions formed under that name. Mr. Glynn, the South Australian barrister whose legal knowledge and high character have won him a prominent place in the Free Trade Party, came forward with a direct challenge in the shape of an amendment shutting out the unions by requiring that all "organisations" under the Bill must be established after its passing, and capable only of acting for its purposes. Mr. Reid, as usual, put forth all his strength and that of his party in this attempt to disqualify trade unions. His ground was that these were really political leagues in disguise, who, for ulterior purposes, would make use of the status to be conferred on them if they became recognised as "organisations". Finding himself in a minority he then transferred his support to an amendment moved by Mr. McCay. This able Victorian lawyer and Protectionist, who defeated the Government the week before by confining himself strictly to the real matter in dispute, repeated his successful tactics. His proposal was that unions might be registered as "organisations", but should not be authorised to act as such until they had purged their rules of all political aims and protected their funds against attempts to employ them for any such purpose. An exceptionally keen canvass of the House showed that a majority approved this suggestion, and at the same time discovered that another defeat of the unions of this serious character would make it impossible for Mr. Watson to proceed with the Bill. The Labour members, already exasperated by the concessions torn from them, had realised that their losses were due to their leaders having accepted office. Had they been an independent faction as of old they could have played off the Cabinet of the day against the Opposition so as to get the shaping of the Bill into their own hands. Since their chiefs have taken office the party has lost power, and especially the power of employing these tactics. The position of the Government was most critical, but by the welcome and adroit aid of the Radicals, who acknowledge Mr. Deakin as their leader, but prefer Mr. Watson to Mr. Reid, a third amendment was devised allowing unions to become "organisations" so as to apply for awards in particular disputes, or for the application of a "common rule", but denying them the right of asking for a preference for their members unless they eschewed all political ends as Mr. McCay required. It was with great difficulty that this diminution of their ambitions was forced on a special Labour caucus with the Prime Minister in the chair. Even then the Government was in a minority. The sharpest "whipping", the most adroit "pairing" of absentees, and the most anxious "lobbying" left them uncertain up to the last moment. Only an official declaration by Mr. Watson that defeat would drive him to resignation and private warnings that in such an event a dissolution would be sought turned the scale, and then only by a

single vote. The Ministry was saved, but the unions were dealt another severe blow with the enforced consent of the Labour Party and by the support of those who would have sacrificed them but for their prejudice against Mr. Reid. The folly of the newspapers who censure him for not ejecting Mr. Watson without delay needs no further exposure, while the personal antagonism to him is such that it alone saved the Labour Ministry on a vital issue on which they would otherwise have been decisively beaten.

FIERCE HOSTILITY TO MR. REID.

The fiscal feud is hard to heal; but it is not the only feud that Mr. Reid has on hand. A fiery and aggressive speaker, he hits hard at whoever may come in his way. At different times he has struck the unions, the Protectionists, and the Roman Catholics too fiercely for them to forgive him easily, even if all immediate cause of quarrel between them were buried. Their resentment is most violent, much to his mortification, just at this crowning moment of his career, and will only be sufficiently appeased to let him win the Prime Ministership by a narrow majority presently if he plays his cards well. It will persist in venting itself on him at intervals, even after he has won the post for which he has been labouring so long. Then, however, he will be able to disregard it more cavalierly than he dare do now. His compensation is that events in all the States are making in his favour, and by help of the general ground swell thus setting in he might be able to make his port without more disappointments. He has had a great number since he first entered the Federal Parliament, to whose temper and characteristics he has not even yet entirely adapted himself. He does not appreciate the influences affecting men who come from the less populous States. These are at present given over to the Labour Party, with the one exception of Tasmania, where, after a most confused and confusing series of marches and counter-marches, the Propsting Ministry has resigned, and an Evans Administration has been formed less hostile to the Legislative Council and more inclined for compromise on the financial issues which have set the Chambers by the ears. In New South Wales the Ministerialists and Labour members are not agreed on the choice of candidates in some dozen constituencies, so that our Opposition under Mr. Carruthers and Mr. Ashton, which is well advanced with its preparations, may possibly profit by their want of harmony. Mr. Waddell appears to be chiefly preoccupied by the necessity of making his own seat safe. Mr. Wise, though professedly a follower of his, and not himself a candidate for any constituency in the Assembly, is at the head of a compact body of members who, adopting the platform of the *Bulletin*, are making "no borrowing" a prominent plank of their platform. The Premier ridicules the cry, and Mr. Carruthers in a general way agrees

with him, because a fourth party under this banner must be obnoxious to the men who are, or who expect to be, in possession of the Treasury Benches. The Labour Section in this State is not attracted by the proposal to ask for no further loans, nor yet by schemes for local self-government, unless these can be franchised so as to place the management of local affairs and the expenditure of local rates in the hands of the smallest property owners in the new municipalities. Hence the repudiation by Mr. Waddell of those portions of the Ministerial policy which are unpopular with his allies. With his countenance it is possible that the reaction against Labour domination may not be as electorally successful in this State as it might have been, and would have been under better leadership. Seeing that we must raise some £15,000,000 to meet loans falling due within the next six years, financial considerations should have had greater weight.

LABOUR PARTY'S POSITION.

Sir **Herbert Chermiside's** mysterious mistake in sending for Sir **Arthur Rutledge**, instead of granting Mr. **Morgan** the dissolution to which he was constitutionally entitled under our Australian practice, has been remedied by the good sense of Parliament. The Ministerialists, having decided to stand or fall together, possessed a majority of one to begin with, while any new Government formed from the Opposition would not have been able to command a trustworthy support even from the whole of their minority. Sir A. Rutledge was therefore obliged to return his commission to the Governor. Mr. Morgan will now ask for supplies with a view to an immediate appeal to the country, thus obtaining after a little delay the acceptance of the advice tendered by him a fortnight ago. The **Acting Governor of Tasmania** in the extreme South seems to have caught the curious contagion which led Sir H. Chermiside to refuse a dissolution in the Far North, accompanying it by a remarkable homily setting forth what he conceived to be the reasons for his action. The intelligence that a new Governor, Sir **Gerald Strickland**, has been appointed for the Island State will be received with relief, since local substitutes are rarely accorded the same confidence, especially in political crises. In Queensland the Labour Party goes to the country in alliance with Mr. Morgan while in South Australia it is attempting to join forces with the Liberals under Mr. **O'Loughlin**. If Mr. **James's** overtures to the Independents and Opposition are not accepted the Labour Section in Western Australia will have the opportunity of entering into a similar coalition. The Victorian Independents have declined the offer of Mr. **Prendergast** to share their fortunes with him, but are still shy of associating themselves with Mr. **Bent**. In every State on the mainland the Labour members are to the front, and in each the question of the hour is whether they shall be isolated or can enlist auxiliaries from outside their own carefully and rigidly organised battalions. The situation of

each State in this respect is mirrored in the Federal Parliament, just as that of the Commonwealth is visibly reflected in each State. At the present moment Australian politics express one fundamental problem in various phases—is the Labour Party to stand alone, as it has always attempted to do while in Opposition, or on what terms can it secure outside assistance? Mr. Watson drew all his colleagues, with but one exception, from his caucus, but even he retains office only by the votes of members who are outside it whom he has guaranteed against Labour opposition in their constituencies as a consideration for their aid. In this State the positions are reversed, Mr. Waddell having no Labour colleagues in the Cabinet, but obtaining the support of their organisation in return for sundry concessions, legislative and administrative. Queensland sees the Labour Party legitimately sharing the responsibilities of office, while in Victoria, South Australia, and Western Australia it has become the direct Opposition. Thus in the Commonwealth and in five of its six States the Labour Party's position is absolutely the question of the day.

FEDERATED AUSTRALIA.

LABOUR MINISTRY'S TROUBLES. THE DEFENCE OF THE COLONY. POLITICAL INSTABILITY.

FROM OUR CORRESPONDENT
SYDNEY, Jul. 19 1904; Aug. 25 1904.

Winter has merited its name this year. There has been less sunshine and much more cloud and cold, while for the last ten days the weather has surpassed all recent experiences. Gales on the coast have caused the foundering of one steamer and damage to many more, have imprisoned others in local harbours, and scattered the smaller fry to the nearest havens. Inland we have had storms and tempests, rain and then more rain, flooding innumerable creeks, causing the rivers to overflow, and soaking the whole countryside. The next harvest is assured and a splendid season promised. All across Eastern Australia the farmers and graziers are jubilant, for the dry areas are wet and the wet are saturated. Last season's agricultural returns wherever they have come to hand are most encouraging. Following on the heels of the drought and its losses the recovery was expected to prove slow and partial for the first few months. Instead of that it has been rapid and universal. A marvellous lambing season has been accompanied by a leap in all the figures of the live stock in New South Wales. Every rural product shows an increased yield, especially maize. The totals generally already rival those of 1901, before the bad times commenced to crush out the settlers of the interior. Dairy produce, cheese in particular, exhibits a most gratifying increase. A similar tale comes from the other States. Late as was the breaking up of the drought last year's rains gave us produce to the value of many millions sterling. Next year's yield seems assured, and thus the financial prospects of the continent are furnished with the soundest of foundations.

QUESTIONS OF FREIGHT.

Our wheat export, in which this State for the first time begins to take its share, suffers one serious drawback owing to the high charges which the long ocean voyage imposes on shippers from this side. As compared with their principal rivals our farmers have to deduct no less than fivepence to sixpence per bushel from London prices because of the

extra freights. Such a heavy handicap is only capable of partial reduction by improved arrangements on our part. This alone equals a very important preference in favour of the United States, the Argentine, and Russia, and against Australian growers. It says something for their enterprise that in spite of it our wheat crop is larger year after year. The agricultural output for the current season must substantially relieve the remittances on account of interest which require to be made every six months. Our railways in particular and our revenues generally are now guaranteed to keep on the up grade.

LABOUR MINISTRY'S POSITION.

Our Federal Labour Ministry's chickens continue to come home to roost. The Arbitration Bill, on which they came into power, hangs like a dead weight on their every step because of the extreme projects they are tacking on to it. Every week sees some sacrifice of these unwise additions, and at every stage of the committee the bargaining for support becomes more costly. Discontent reigns in their ranks, and open rebellion is beginning to be threatened in the House. Dogged by the Nemesis of their actions during the days of their independence, when they were holding the balance of power, they find themselves with their new responsibilities confronted at every turn by the spectres of their former claims. If either of the other parties in the House had been on the Treasury Benches the Labourites would have renewed those claims haughtily, insistently, and aggressively, but being themselves in office they are obliged to moderate their demands, whittle them down, or explain them away. It is their opponents who are becoming militant and who dictate terms instead of accepting them. A climax has been reached most appropriately on the very issue on which Mr. Kingston left the Barton Cabinet. He had agreed, after a prolonged and painful struggle with his colleagues, to consent to the exclusion of State employees from the measure, but he flatly refused to accept it in any form unless it contained provision for the enforcement of local rates of pay on all British or foreign vessels loading cargo or passengers at any port in the Commonwealth in order to discharge them within its boundaries. It is easy to allow the Arbitration Court to fix the wages of seamen on Australian vessels, but a much more difficult matter to bring in the vessels of the Mother Country and of other nations. Mr. Deakin, as Attorney-General of the first administration, admitted that it could be accomplished in a Navigation Act, and when he became Prime Minister introduced a Bill for that purpose among others. Mr. Watson has laid this aside on the plea that it is not sufficiently drastic, and remitted it to a Royal Commission on which his own followers are well represented. To replace its proposals for the control of our coasting trade in the interest of the Seaman's Union he is asking the House to add a new set of clauses to the Arbitration Bill. Every ship not registered here is to be required to enter into an agreement with its crew to pay them Australian wages while it is engaged in that trade, and not to make any deductions in

consequence of such a payment after the ship resumes its oversea voyage. Mr. Watson seeks to do this in set terms, though Mr. Kingston contended that British and foreign vessels alike would be bound by the decisions of our Arbitration Court without any special reference in the Bill. The present Attorney-General, Mr. Higgins, agrees with his predecessor in that office in holding that they must be specifically subjected to its jurisdiction to be legally bound, but, like Mr. Kingston, maintains that they can be, and ought to be, so bound in the Arbitration Bill.

BITTER EXPERIENCES.

The Labour Cabinet has learned by bitter experience not to pledge itself too lightly to any proposition, no matter how essential its members have formerly declared it to be. The price at which they saved themselves by a single vote the week before having all but brought them to bankruptcy, they took care to announce from the outset that they would stake nothing on their new shipping clauses except their arguments. It was well for them that they thus prepared to mitigate their fall, for since then their unlucky bantling has been riddled from every point of the compass. According to Mr. Deakin, who opened the attack, the foreign tramp, if not the regular foreign trader to our shores, can mock at the official agreement into which he is obliged to enter as security and make it of no effect so soon as he has left the coast. He contended, further, that the clauses which placed British shipping under greater disabilities than foreign were certainly out of place and incomplete as well as nugatory, and that their inclusion will probably lead to the Bill being reserved by the Governor-General, thus suspending the operation of the whole Arbitration Act for many months. According to Mr. Bruce Smith, who speaks from personal knowledge of Australian shipping, the foreign competition, at which the clauses are aimed, is a negligible quantity, the proprietors of the local steamers pocketing large profits under existing conditions, while the men it is intended to benefit are but one thousand five hundred in all, and amply qualified to protect themselves. Mr. Reid declined to examine the particular methods or ends recommended in the Ministerial clauses, but urged their omission either to permit of their Introduction in a separate Bill, or, better still, to allow the Royal Commission on the Navigation Bill to inquire into them as well as into the rest of that measure. Sir John Forrest, on behalf of Western Australia, the State most dependent on the large British and foreign steamers which it is sought to exclude from carrying goods or passengers between Fremantle and the rest of the Commonwealth dealt another damaging blow at the scheme by showing that without any restrictions whatever the local vessels carried 215,000 passengers in 1903 against 7,000 who availed themselves of the higher priced accommodation of the oversea steamers. His facts and figures, conclusive as they appeared, might have been ignored if the Labour members for Perth and Fremantle had not openly espoused his views

and exchanged heated challenges with their associates in the caucus who sit for South Australia. Thus attacked in front, in the rear, and on both flanks Ministers have been spinning out the debate while they tested the temper of the Chamber with proffers of concessions. The Free Trade Minister for External Affairs tendered a further sop to the Protectionists in the shape of an absolute prohibition against subsidised foreign ships engaging in the coasting trade. Mr. Watson alternately threatened and pleaded with his unruly followers while carefully refraining from any utterance that would offend their adversaries. Thus the week closed fruitlessly and ignominiously, the Cabinet with signals of distress flying making despairingly for its three days' respite from the raking fire which they must face again to-day.

EFFECT ON STATE LEGISLATION.

For the first time in the history of the Commonwealth the events occurring in the Federal Parliament are exercising a direct influence on State legislation. The protracted struggle on the Arbitration Bill has supplied Mr. Carruthers and the Opposition which he leads with the necessary guidance to enable them to define their hitherto nebulous views on our own Act. They have long been asking for its amendment, but until the debates and divisions in the Federal House of Representatives taught them the weak places in our present statute, and devised practical means of repairing them, they were content with vague complaints and vaguer remedies. Having now been fortified by example they have plucked up courage to inform the electors what they intend to do if they are returned with a working majority. The Liberal and Reform Association have introduced one condition of their own into the programme, requiring that a voluntary agreement shall have been sought before the parties to an industrial dispute come into court at all. This the court itself could have made a condition precedent. Its power to refuse a hearing to trivial contentions is provided for in Mr. Kingston's Bill. But the main victories of the Federal Opposition are those which the State Opposition are most anxious to graft on our Act. A rule is at present to be had here for the asking, and is freely granted when the parties before the Arbitration Court agree, though hundreds, or perhaps thousands, of workmen unrepresented there are at once made subject to it. In the future, if Mr. Carruthers succeeds, the New South Wales Court will have to be satisfied that a majority of those affected by the rule are desirous of having it authorised in a given area before it can be issued. Frankly recognising that any preference to Unionists imposed on employers by an order of the court enables the officers of a union to exercise a patronage which can be used for political ends, the Federal restriction is to be demanded here. In this case, again, a majority will be necessary, and, what is more to the purpose, a preference will not be granted even at the wish of a majority unless the industrial unions to whom it is conceded are confined by their rules to purely industrial matters.

If Mr. Carruthers can bring our Act into line with the Federal Bill in these respects he will accomplish a really valuable piece of work, but it will come as a great shock to the Labour Party to discover that the Parliament in which they have achieved their most striking success, and in which they have captured the Administration, has tarnished the plan on which their greatest legislative triumph in New South Wales may be remodelled to their detriment. As an indication of the coming cleavage in Australian politics by which, both in the Commonwealth and in the States, a general rally against Labour domination will be organised this incident is worthy of special notice.

THE DEFENCE OF THE COLONY.

The close of Major-General **Hutton's** engagement as the General Officer Commanding our Defence Forces is now nearly approaching and consequently the whole question of our future system of military control has been brought to the front. The last Parliament, at the instance of the Labour members, insisted on cutting down the Defence Estimates by a lump sum, leaving the Minister and the officers advising him to make the retrenchment where they thought advisable. The result is not at all to the satisfaction of the Major-General, who complains in his recent annual memorandum that we are still unable to put a sufficient or efficient force into the field to meet a supposititious invasion. He is short of guns, arms, equipment, and ammunition, while his artillery has been dangerously cut down. The fact ignored is that nevertheless the force as a whole, and it is now a whole, is better furnished in every one of these respects than it was when Federation took place, and the completion of the reorganisation of six separate forces into one is being steadily undertaken. Naturally the General Officer Commanding would have wished to see his work finished earlier, but the ambition of **the Federal Treasurer** has always been to return to the States as much of the revenue to which he is entitled as can be spared from Federal needs. Curiously enough Labour members are now complaining of the economies which they coerced Sir Edmund Barton into carrying out. But the new system introduced at the War Office under **Lord Esher's Committee** having attracted general attention, particularly in its decentralising aims, has been endorsed by the Labour Government. The immense area of Australia and the distances separating its States from one another appear to call for a large endowment of local responsibility. Ministers, therefore, favour the abolition of the office of General Officer Commanding and the substitution of an Inspector-General, whose duties would be to see that the battalions in all the States were being trained on one method and taught to act together as one force. Beyond that the details of discipline and control would be remitted to the State Commandants.

GENERAL HUTTON'S SUCCESSOR.

Brigadier-General Finn, who commands in this State, has been mentioned for the new post, and his nomination has been extremely popular in Sydney. Major-General Hutton, though grateful for the Labourite promise of increased grants, is, of course, totally averse from any alteration of the scheme lately introduced under his auspices, which vested the chief authority in himself and his successors. His relations with Ministers are strained on these and other grounds mainly affecting administration, but with the unpleasant experiences in Canada before our eyes it is hoped that an open rupture may be avoided. The House has been promised a liberal vote for new rifles and equipments generally, and we have reason to hope that Parliament will now take a more generous view of our obligations. It is specially encouraging to note that the enrolment of Australian sailors for service in the Imperial Squadron on this station has proved a most gratifying success. The Navy is as great a favourite in Australia as at home or in any part of the Empire.

POLITICAL INSTABILITY.

The year's events continue to prove the political instability of all our Governments. Not a Minister in Australia, unless those of Victoria be an exception, has a safe seat. Every Legislature that has not just been elected is in danger of a fresh appeal to the country, and even the Federal Parliament, though only six months old, is threatened with an early decease. Next month will witness our own general election, and then that of Queensland; the chaos in Tasmania can scarcely avoid leading to an appeal to the country; while the new coalition in South Australia has not yet found any certain footing. The Western Australian dissolution leaves the James Administration in a minority, and unable to survive unless reorganised on a new basis. Thus in five of the six States an obviously precarious condition obtains. Mr. Bent alone has a working majority and an acceptable policy, though he began badly by a diversion of the greater part of last year's surplus to minor expenditures throughout the State when the whole of it ought to have been applied to a reduction of its indebtedness to its Trust Funds. His strength, like that of Mr. Jenkins in South Australia, is founded on the fact that the Labour Party sit in direct opposition. Mr. James's hopes arise from his expectation that his adversaries are taking the same course, and it is possible that the result of the electoral contest in this State may bring about the same state of parties eventually, though probably not at once in as distinct a shape. Mr. Watson and his following when ejected from office will be entitled to the front Opposition benches and their responsibilities. In future the place of his party in the States or in the Commonwealth will be either in power or in direct Opposition. If this be the case we shall soon find ourselves in a healthier condition politically, we shall have frankly faced the new state of public affairs, and be infinitely more able to deal with it than was possible while the Labour members enjoyed power without responsibility and exercised an undue influence everywhere on national policy.

FEDERATED AUSTRALIA.

THE ARBITRATION BILL. GOVERNMENT AS “KING LOG”.

FROM OUR CORRESPONDENT.
SYDNEY, Jul. 26 1904; Sep. 2 1904.

The passing of the Arbitration Bill through the House promises to herald the disappearance of the Federal Labour Ministry. The first amendment made in the measure put the present Ministers into office and if the last does not put them out it will ring the warning bell for the drop of the curtain. They have lived wholly and solely on its discussion in Parliament. When it is gone they will be thrown on their own resources, which are palpably inadequate, in order to find work for the House. As foster-parents of this Bill they had an easy and congenial part to play. Those who overlooked their dependence on it marvelled at the quietness with which they faced their onerous official duties, because they forgot that their daily political bread was provided for them ready made. Their destitution is now being openly revealed. The constant adjournments of the Senate first called attention to the paucity of their powers. One or two of their predecessors' Bills relating to trade-marks have been perfunctorily played with, but there has been no new Bill provided and no leadership vouchsafed. The Second Chamber has consequently dropped out of the running, in spite of the fact that, according to the doctrines of the Labour Party when in Opposition, both branches of the legislative machine are always to be kept running at high pressure, regularly turning out an abundance of ameliorative measures of all kinds day after day. Other Ministries are expected to keep the Parliamentary table well supplied with fresh dishes, which Labour members are then to be allowed to carve to their liking. Now that the responsibility of making provision has fallen on them they have nothing to offer except the funeral baked meats of the Cabinet they helped to destroy. With the Arbitration Bill in its last stages a paralysis akin to that of the Senate seems to be settling on the House. The fourth day's sitting has been foregone each week for several weeks. Even important motions on the paper have been adjourned from time to time without any attempt to dispose of them. The Government having no stomach for business both Chambers have got out of hand. As seen from without, the Legislature lies like a waterlogged ship, making no visible progress. Indeed, the *Prime Minister* seems anxious to postpone all critical issues,

content to retain office as long as he can by an avoidance of everything capable of alarming the public. He seems preoccupied with efforts behind the scenes to add to his following sufficiently to prolong his reign even if it be only as “King Log”.

NAVIGATION CLAUSES.

The navigation clauses which the Government proposed to insert in the Arbitration Bill have been struck out by a majority of four, including Mr. Fowler, a pledged Labourite, as well as Mr. Groom and Mr. Storrer, two close allies of Mr. Watson. The Ministerial minority was strengthened by one or two votes of Labour members who would probably have joined the Opposition unless it had been clear that the clauses would be defeated. The Cabinet, in point of fact, dreading success more than defeat, was conducting a mock struggle to save its face with its supporters, and made little or no effort to give effect to what its chiefs protested was an essential part of their scheme. The humiliation deservedly attaching to such tactics was a fitting reward for their policy of subterfuge repeatedly adopted during the debates on this Bill. Ministers appear to believe that they are parting with a valuable election cry if they pass it into law and have but one possible compensation in view. If they can turn it into a political recruiting machine in order that industrial organisations clothed with a legal status may be made party committees, extensions of the existing unions, with a coercive authority over non-unionists, they will be more than repaid for the sacrifice. But if the organisations established by the Bill are to be divorced from politics and free from union control, Ministers would rather see the whole measure wrecked. They would then rely on the vague prospects of gain presented by stimulating the working-classes to return more Labour members, pledged to put the Arbitration Court at the service of their party so as to make it a potent electoral agency throughout the Commonwealth.

MR. REID'S VIEW.

Meanwhile, Mr. Reid has not failed to make the most of their dilemmas. According to him the Labour Cabinet has surrendered “the citadel of Trade Unionism” submissively, and consented to accept a mutilated measure rather than stake its position on its principle. Our newspapers very reasonably add that the Bill as it stands would have been repudiated by the Labour men with scorn and derision if they had retained their old attitude as an independent phalanx between rival parties imposing terms on the Administration of the day. This is indisputable. The wisdom of obliging Mr. Watson to accept Ministerial responsibility as well as power has been demonstrated again and again. His Cabinet is discredited because of its failure with

the Bill of greatest import to its followers, whose nature and conditions they most thoroughly understand by practical experience. What, then, are the prospects of their either devising or piloting through Parliament the remaining measures they are to take in hand, for which they have no special qualifications and only a fraction of the propelling energy which their supporters have generated over Mr. Kingston's Bill? Not a Minister except Mr. Watson himself has given any proof of Parliamentary or administrative capacity. The weakness of the men who sit on the benches behind them has been exhibited unmistakably of late, and seems to be realised by themselves, for they have almost deserted the House during the debates. They have really nothing to give except their votes. All the assistance which has been constantly needed to keep the Ministry off the rocks has been derived from the Opposition corner.

NEW SOUTH WALES ELECTIONS.

The most interesting incident in our New South Wales elections has been the formal introduction to the Sydney public of the *Bulletin* policy of "no more borrowing". That paper, whose direct political influence has declined since Federation was accomplished, usually prefers the irresponsible and negative part of a Thersites, which it plays as a rule with a lively wit and without suffering the reprisals which the ancient flouter was apt to receive. Its resumption of serious propaganda has been signalled by a Town Hall meeting, with the brilliantly erratic Mr. Wise as spokesman of its financial gospel. Nor do its practical efforts stop there. More than a score of candidates at the current election have accepted its ticket on this particular matter, and it is to be hoped for the sake of the State that a sufficient number of them may find seats to exercise a restraining influence on both Ministry and Opposition. The self-denying programme is not, however, very likely to be adopted, seeing that the interests of our Assembly, whether presided over by Mr. Waddell or Mr. Carruthers, are sure to make for expenditure in the constituencies. Even a Reform Government, or at least its reconstructed Cabinet in Victoria, insists on spending most of its hard-earned surplus at once instead of saving it. Profitable investments of the public funds can be found in every State, and it is with an eye to these that even sober-minded business men are always disinclined to refuse to sanction fresh disbursement. Borrowing can always be justified for some of the projects submitted, but is never limited to them. "Political" works are smuggled in with those that are meritorious, and the failure of the first to pay interest coupled with the concessions to the public always demanded on those that yield a profit combine to render the system injurious to our credit. The Federal Labour Party has so far adopted the demand for economy, while it must be confessed that the propertied classes, on whom the burden of borrowing ultimately rests, and the newspapers which speak for them have never ventured to take up a decided or even consistent attitude on this question. Only the

extravagance of their opponents is properly condemned. Sufficient for the day has been their motto, the future being left to take care of itself. To this carelessness the present agitation may prove a salutary check. We shall assuredly be better and not worse governed if the purchase of popularity by means of the premature or lavish outlay of loan moneys can be stopped or even diminished. Should this be achieved the praise will be due to the *Bulletin*, without whose vigorous advocacy the policy of self-restraint could scarcely have won a hearing. Mr. Wise tacitly confessed the source of his inspiration when he summed up the substance of his long and able scrutiny of our finances in the *Bulletin*-like admonition that our first duty at present is to “take Australia out of pawn”.

THE BURDEN OF DEBT.

The convincing figures displaying our indebtedness which were employed by Mr. Wise have often been quoted and criticised in the *Morning Post*. In New South Wales we pay two millions and three-quarters sterling as interest annually. The public works built out of loans return a revenue of one million and a half, leaving us a shortage of a million and a quarter to make up out of general receipts. This is a heavy outgoing for our small population, though the wealth of the country enables us to carry it with ease. Our sister States are in much the same predicament. In good seasons they pay their way so readily that there is no sense of the burden they are carrying, which forces itself on attention only in bad years. Mr. Wise's counsels of perfection are few, simple, sufficient, and impracticable. Create local governing bodies, so that the public works within their boundaries may be paid for out of local rates instead of by the whole State. Two millions a year ought to be, and can be, saved by judicious retrenchments, though the Government of which he was a member stopped very far short of this. No calculation was attempted by him to indicate what extra sum was to be raised by the local rates of new municipalities, or what proportion was to be balanced by reduced taxation in consequence of the proposed reduced expenditure. No doubt, as he advises, and as has often been urged, the million and a half received annually from the sale of public lands should be treated as “capital”, and might then be invested in public works when necessary. His late colleagues made no attempt of the kind, but now, by one or two strokes of the legislative pen, we are to obtain our public works outlay without borrowing; that is, so long as the State lands continue to be disposed of at the present rate. Needless to say, the *Bulletin* proposals imply a financial revolution that is not in the least likely to happen. It is more than doubtful whether the country districts will consent to accept local government at the cost of new rates. It is still more doubtful if anything like the savings asked for will be accomplished. Until these two extremely difficult reforms are attained it will be impossible to treat our land receipts as capital, though the present practice

of using them as revenue is admitted on all hands to be indefensible. The problem of the transfer of State debts and consequent reduction of our interest tribute was not grappled with by Mr. Wise, though it is one of the best devices by which the taxpayers might be led to insist on a cessation of borrowing, or at all events of borrowing abroad. Still, in spite of those drawbacks the demonstration in the Town Hall was remarkable, and the movement inaugurated, if judiciously handled, ought to exercise a beneficent influence on Australian financing.

QUEENSLAND QUESTIONS.

Mr. *Morgan's* manifesto to the people of Queensland exhibits a satisfactory recognition of the need for economy in that State. He very properly says that the reformation of its finances surpasses in importance all other questions. Mr. *Philp* may wince when he hears the Premier insist that the policy pursued by the late Government was ruinous in its results, but it evidently did increase the State's interest bill to a million and a half sterling a year. The present *Treasurer* undertakes, notwithstanding the expiration of a special retrenchment Act, which will allow £72,000 a year to be added to the salaries paid to public servants, to make savings enough elsewhere to enable him to continue without having recourse to the fresh taxation for which his predecessor had asked. His Treasurer, as a member of the Labour Party, is against further borrowing. The loan money in hand is to be expended on light railways to agricultural districts, the interest on their cost being debited against the Crown land benefited. Mining districts are to be similarly favoured where the lines are constructed by private enterprise, though when built they are to be controlled and worked by the Government, which will retain a right of purchase. Pastoralists and farmers are to be granted better terms in the outlying areas, while the settlement of white labour is to be specially encouraged in the coast lands suitable for sugar cane. Wealth-producing emigrants are to be attracted by the offer of inducements equal to those advertised by Canada. Generally speaking, therefore, Mr. Morgan's policy is progressive, moderate, and fairly complete. It is certain to receive a friendly hearing in the country, where a strong feeling of sympathy has been created by the attempt to displace him, based on the recent refusal of a dissolution, to which he is held to have been constitutionally entitled. If he succeeds at the polls it will be largely because the public are convinced that he has not been accorded fair play.

OPPOSITION POLICY IN QUEENSLAND.

Sir *Arthur Rutledge's* manifesto differs little from that of the Premier in respect to its practical items, though it will be noticed with some surprise that he makes no direct references to immigration, and that he intends to abandon the Income Tax Act which his Ministry introduced. His finance is distinctly unsatisfactory, since he intends to continue to rely on the receipts from the sale of Crown lands to supply the deficiencies in revenue occasioned by his abandonment of taxation, thus agreeing with Mr. Kidston and following the bad example of New South Wales. He favours private railways and aids to agriculture. The unexpected feature of the Opposition policy is the acceptance of the Government Electoral Bill based on adult franchise after the federal model. In these circumstances it will be hard for the electors to discriminate between the legislation promised by both parties. In the matter of past records Mr. Morgan and his new brooms naturally have the advantage, and so far as financial management is concerned have shown themselves decidedly superior to the men they dispossessed. It is excellent tactics for the leader of the Opposition to put in the foreground as the chief issue of the campaign the choice between, on the one hand, a Ministry supported by the Labour member, and therefore under the arbitrary rule of their Socialistic organisation, and on the other an Opposition united according to the principles of Constitutional government. The apprehension of what Mr. *Airey*, the Labour leader, and his pledged legion may oblige Mr. Morgan and his independents, who are in a minority in the Ministerial Party, to undertake should they together secure a majority of the new assembly will be a very powerful factor in the approaching contest. Indeed, it is the only factor on which Sir Arthur Rutledge can and does rely. In other respects Mr. Morgan and his associates, taken individually, bear favourable comparison with the survivors of the old continuous Ministry, who proved themselves unable to carry on the great traditions of Sir *Thomas McIlwraith* and Sir *Samuel Griffith*. The strong antagonism in Queensland, as elsewhere, to the methods and extreme views of its Labour section may lead to Mr. Morgan's downfall, but, according to the best-informed observers, nothing else will. That fact, and that alone, gives the struggle a special interest to the rest of the Australian States.

FEDERATED AUSTRALIA.

LABOUR CABINET'S PREDICAMENT.

CHOICE OF A CAPITAL.

LOCAL INTERESTS PREDOMINANT.

FROM OUR CORRESPONDENT.
SYDNEY, Aug. 2 1904; Sep. 14 1904.

Where shall the Federal capital of Australia be placed? The national Parliament is making another attempt to settle this vexed question, though in order to do so the Arbitration Bill was put aside for the whole of last week. The Labour Party would have resented the postponement, if it had been suggested by any other Government than their own, as a treason to the great industrial measure on which some months have been expended. They now consent to the delay because their Cabinet is in deadly peril, and needs a breathing space for further "underground engineering". Among all the reverses it has sustained, by far the heaviest has been the amendment which forbade the court to order employers to engage members of a particular industrial organisation in preference to all other persons, unless it was first satisfied that a majority of the qualified employees to be affected so desired. The Cabinet avoided another defeat by the acceptance of an amendment equally disastrous to their hopes, because it excluded all organisations with political objects from obtaining a preference at all. Politically, since the Ministry emerged with one vote to the good in consequence of this enforced concession it is considered to have scored a victory, though in point of fact the alteration accepted is fatal to some of its most cherished schemes of party aggression. These were to have been carried out by means of the industrial organisations about to be formed under the Bill. Besides this the amendment makes it more imperative than ever that Ministers should seek to modify in form, if not in substance, the preliminary condition imposed on the court. They now intend to ask the House to allow that remarkable tribunal to grant the much-coveted preferences to an organisation providing that it substantially represents the industry affected in point of numbers and competency of its members, thus putting the requirement of a majority aside. It is doubtful if a justice of the High Court would be more compliant under this phrase than under that already adopted against the will of the Cabinet, but it makes believe that they have regained their lost advantage.

LABOUR MINISTRY'S PREDICAMENT.

Every nerve is being strained to persuade friendly members to reverse their votes on the plea that the Ministerial compromise affords sufficient protection for non-unionists. Every inducement is being employed to coerce or cajole the doubtful. Mr. **Watson** has burned his boats with the public declaration that he will stake the life of the Government on the acceptance of the substituted clause, but as his supporters admit that they have already secured a majority of at least one there is no particular sacrifice involved. As a force the Labour Cabinet has ceased to exist. Ministers have lived only on sufferance from the first. Their prestige, such as it was, has predeceased them; the power of accomplishing any of their many ambitious projects was borrowed, and is now being recalled. Caught in a trap by the bait of office and unwilling to relinquish it a moment before they are obliged, the latest device of the Cabinet is to endeavour to save part of its prize by sacrificing the rest. Their impotence and certain fate have driven the leading members of the Ministry to the desperate expedient of preparing to throw some of their colleagues overboard in order to make room for stronger men who would bring some following. Mr. **Deakin**, their first hope, has continued adamant in his refusal to join them. Indeed, his Ballarat speech seems to have been the severest indictment of Labour Party methods and aims yet uttered. Sir **William Lyne**, who has rendered the Ministry yeoman service, carries too few votes to make his adhesion in itself a guarantee of safety. Besides, his personal antagonism to Mr. **Reid** has already brought him to their side, where a series of favours bind him for the time without further recompense.

LOOKING AROUND FOR SUPPORT.

Turning their eyes helplessly around the Chamber the Adelaide Labour influence has led Ministers more than once to the hope that Sir **Frederick Holder** might be induced to follow the precedent set by Mr. **Morgan**, in Queensland, by stepping from the Speaker's chair into the Premiership of a Liberal-Labour coalition. Mr. **Watson**, having until lately declined to take second place under anyone except the late Prime Minister, is being pressed to offer the leadership of the new combination to the ex-Premier of South Australia, whose former association with Mr. **Kingston** is held to have stamped him with the hall mark of Radicalism. If the Government were fortunate enough to gain him, one of the most conspicuously able and experienced politicians in the Commonwealth would be placed in command. This would meet the deepest need of the Administration, which is lacking in ability even more than in votes, its present members finding themselves hopelessly crushed by their responsibilities. But terms have still to be settled and time is short. Neither Sir F. W. **Holder** nor Sir W. **Lyne** is likely to take over the sinking ship except on conditions

which would conserve their independence in a party of which the great majority would own another allegiance and be subject to outside control. A combination of the kind might survive for a time, but could hope to accomplish little. Its chief bond of union would be the hatred of Mr. Reid, and after a time it must depend on whatever support it could purchase by concessions to the Protectionists, who dread his coming into power. If Mr. Reid does seize the sceptre his position will be little better in the long run, and unless the threat of a dissolution drives a group of timorous representatives into sulky acquiescence in his reign, it could not be prolonged without sacrifices and humiliations akin to those which have brought Mr. Watson and his colleagues to their knees in three months.

FEDERAL CAPITAL.

The choice of a site for the Federal capital is far from being the simple matter that it might at first sight appear. The varying merits of the half-dozen localities still competing have been established by a series of expert inspections and political visits; but these are after all regarded only as conditions qualifying them to be entered for the race. Speculation by interested persons and jockeying by members anxious to win favour with their constituencies have to be reckoned with in addition to the party, State, and national considerations explained at length in the *Morning Post* of May 23. All of these continue in full operation. Lapse of time has brought about but few changes. The Senate, in the grip of its Labour majority, stands manfully to its guns. The Bill as transmitted to the House requires that the capital territory must be placed somewhere at the extreme south-eastern corner of New South Wales, between Cooma, where our railway line at present ends, and the Victorian border, and must embrace an area of not less than nine hundred square miles. That proposition, differing very slightly from the Senate's decision of last year, is now exposed to four influences, three of them hostile. Members from New South Wales and Queensland prefer Lyndhurst, because it has the most northerly and warmest situation, on high rolling hills in a fine fertile country. The whole of the powerful Sydney influence is cast for this place, because, lying due west of us, it can never have any other outlet than Port Jackson, is as far as possible from other States, and as much as possible dependent on New South Wales. Its chances of success in the House are excellent at present. The next site favoured here is to the south, at Tumut, in Sir William Lyne's constituency, about equidistant from Melbourne and Sydney, where a picturesque series of valleys of easy gradients are surrounded by loftier hills. The climate is very warm in summer, and the water supply excellent.

ELIGIBLE SITES.

Further to the south is Batlow, a higher, cooler, and more inaccessible position, now little discussed because, finding it out of favour, Sir W. J. Lyne has at the last moment suggested in its stead Tooma, at the head of the Upper Murray Valley, abutting on the Victorian border, and closer to Melbourne than Sydney. The land here is said to be rich and the scenery magnificent. Its charms may detach sufficient votes to imperil the Senate's preferred region, situated to the east, on the other side of Mount Kosciusko, where higher altitudes and more exposed plateaux give a much colder climate. The most objectionable feature of the Monaro district from the Sydney point of view is that it possesses a splendid natural harbour at Twofold Bay, and would tend to become entirely independent of New South Wales and its Metropolis. This is precisely what the Senate most desires. Its ambition for the Commonwealth capital is not confined to a mere city plot. It will be content with nothing less than a principality, within which perpetual leasing and other experiments may be practised with impunity at the cost of the States by the members of the Federal Parliament acting beneficently as landlords and overlords, having the control of our whole customs revenue.

The fight for the capital has degenerated into a petty conflict of localities and tactics on the part of their representatives of the type known as "diamond cut diamond". Lyndhurst is within the constituency of Mr. *Sydney Smith*, the Opposition Whip, and its chief party manager. Dalgety and Bombala are represented by his old rival, Mr. *Chapman*, late Minister of Defence, and formerly Whip for the *Barton* Government. Playing against the two on behalf of Tumut and Tooma is Sir William Lyne with a reputation for parliamentary astuteness unexcelled in this State or elsewhere. With three such players the game has been exciting from the very outset.

LOCAL JEALOUSIES.

Mr. Reid, acting for New South Wales, endeavoured to corner Sir William Lyne and Mr. Chapman by compelling them to select one of the several sites named in their districts and renounce the others on the ground that Lyndhurst, being their sole competitor, would otherwise be placed at a disadvantage. His plea was influential enough to cause Ministers to vote with him twice, and on both occasions in vain. Sir William Lyne, Mr. Chapman, and the Southern members, sitting together, beat the leaders of the House without much difficulty. Last year Tumut was chosen by the House, but since then has declined in favour. To redress the balance Sir W. Lyne adroitly introduced Tooma as an eligible spot, though the information in respect to it is meagre. Its proximity attracts a number of Victorians, but the main attraction

it possesses arises from the friendship felt by Labour members for Sir William Lyne, who has steadily voted with them, increased by their animus towards Mr. Chapman for as consistently voting against them. It is lamentable to think that the decision reached on this question may be governed by considerations perfectly foreign to it, and still more lamentable to read the personalities exchanged between Mr. Reid and Sir William Lyne in the heat of the struggle for votes. The Federal Parliament has hitherto remained more free from localism than the State legislatures, but on this occasion it dropped to their level. Whatever the immediate outcome may be there appears to be small prospect of an agreement between the two Chambers, and still less of any consent on the part of New South Wales to any site except Lyndhurst. The Watson Ministry professes impartiality, and as far as circumstances permit refrains from taking part in the fray. The contest in the House is ostensibly led by the three members whose constituents are likely to be affected, and is confined to the rival interests of New South Wales, Victoria, and the Labour Party in the Senate. In such a tangle the most neglected interests appear to be those of the Commonwealth and its future possibilities.

FEDERATED AUSTRALIA.

POLITICAL UNCERTAINTY. RESULTS OF PARTY DIVISIONS.

FROM OUR CORRESPONDENT.
SYDNEY, Aug. 9 1904; Sep. 19 1904.

If Federal politics are pushed from their place it is because they have temporarily lost interest for all but those engaged in them. Ministry and Opposition, like two Armies in the days of Marlborough, remain in camp opposite each other, watching and waiting, but attempting nothing decisive. Meanwhile in this State our triennial attack of general election fever has raged with more intensity than for many years. Queensland is approaching a similar crisis; Tasmania has another new Ministry of new men, and Western Australia is waiting to see Mr. James receive his dismissal. In South Australia, Mr. Jenkins and his Coalition Cabinet hover uneasily on the edge of defeat. Everywhere, even in Melbourne, State politics are of more exciting quality than those of the Commonwealth, though the last-named are just as precarious. Never have they seemed less predictable. It is doubtful if Mr. Watson can strike out the limitation of the power of the Arbitration Court to grant preference of employment to members of organisations of employees over workpeople outside their ranks, though he has staked his life on it. It is doubtful if Mr. Reid can collect a majority to oust the Labour Cabinet if they survive the perils surrounding the last stages of the Arbitration Bill. It is doubtful if Mr. Watson can accomplish anything in the way of legislation should he succeed in capturing a majority of the House. It is even more doubtful if Mr. Reid will have any better fortune should he come into office, seeing that a majority of the Senate, and almost a majority of the House, will be bitterly opposed to him. Everything Federal is uncertain and likely to remain so, but for the moment public interest in its denouement is paralysed because a similar uncertainty as to the immediate future exists in every State except Victoria. In the circumstances the local combats arouse more partisanship, occupy the foreground, and press the national Parliament into the background.

NEW SOUTH WALES ELECTION.

In New South Wales the clamour heralding the election of Saturday surpassed everything of the kind we have known except in connection against Federation. If the amount of energy and noise generated could have been distributed over the whole term of the late Assembly, instead of being concentrated on a frantic finale, the electors would have received much more enlightenment. They could then have assimilated more of the mass of information just poured out on them in a deluge fed from hundreds of platforms and scores of newspapers, or at least have criticised and compared the utterly contradictory statements showered on them by opposing factions. As it is a deliberative judgment has been rendered almost impossible to the ordinary man making a forlorn effort in the midst of a tornado of appeals to arrive at a sound opinion on the issues submitted. The fact that Mr. Carruthers's platform and that of Mr. Waddell closely resembled each other, and that even the Labour section put off its graver proposals for an undefined period to lend them a general assent added to our perplexity. The crowd of citizens generally indifferent to all but the sporting side of party warfare, who make up their minds very little before they are on the way to the polling booth, were little able to discriminate. The real bone of contention was whether the Labourites could be trusted or not. Could they be kept in check by the minority remaining true to the present Ministers, which rallied to their banner less from love for them than because of their hostility to the Opposition? Mr. Carruthers, on the other hand, challenged the tactics and platform of Labour and the Administration with which its members have been associated ever since it came into office. The charges of extravagance and blundering brought against the Cabinet daily by our Sydney newspapers for months past have acquired great weight by force of repetition. It would be difficult to decide whether these or its alliance with the Labour section has had most influence on its fortunes, but on the whole the last-named appears to have constituted the gravamen of the case against them. It is this aspect of the struggle that has most occupied our neighbours and given our election an Australian significance to eager onlookers all over the continent.

LABOUR PARTY FIGHTING AGAINST ODDS.

In measuring results, the superiority in funds, Press power, and organisation possessed by the Liberal and Reform League must not be forgotten. The Labour members, it is true, had their constituencies, as always, well in hand, but the reduction of the number of seats having altered the boundaries, their advantage was less marked than usual. The Opposition was almost equal to them in discipline and far in advance of the Ministerialists. Then, in addition, must be reckoned the powerful Protestant vote cast against the Government right through the State. Eighty seats out of the

ninety were contested by recognised Orange nominees. The Roman Catholic vote, unfortunately equally partisan, is much weaker except in particular localities. The odds in all these respects were against the Ministry. None of the leaders of either party has risen more than a little out of the ruck, though those sitting on the Opposition benches are distinctly abler, more numerous, and more industrious. On every visible ground therefore the omens were unfavourable to the party in power. The fact that from the first it has been obliged to confine itself to the defensive made this obvious. The Premier himself and Mr. O'Sullivan, his first lieutenant, were both fiercely attacked in their constituencies. Mr. Waddell had to face a brother Protectionist, while the Minister of Lands found himself in a still worse plight by his own action. Not venturing to face his former country seat as extended under the new Act, he at first offered himself for a constituency which his Labour allies had marked for their own. Not even for him would they consent to stand aside. Withdrawing in some discomfiture from this he went to Belmore, where Alderman Fitzgerald, a supporter of his Government and a co-religionist, had already been long in the field, confronted by a member of the Liberal and Reform League. With what appeared to be rash confidence Mr. O'Sullivan staked his all on an appeal to his party's divided vote. Mr. McGowen, the leader of the Labour section, was faced in his stronghold at Redfern, while other Sydney suburbs which his followers had treated as their special preserves were invaded by Opposition fighting men. Could Mr. Carruthers have excluded a few unauthorised candidates claiming to carry his flag and some independents acknowledging no allegiance, his Army would have presented an unbroken battle array.

LIBERAL LEAGUE VICTORIES.

The Sydney newspapers, having foretold for months that the Ministry would be ejected by a victorious Opposition capable of defeating both Mr. Waddell and his Labour allies, are now compelled to proclaim the fulfilment of their prophecies. Unfortunately the figures only partially confirm them. Ministers have gone, of course; their weakness has been patent from the first day they came into office. To that extent the Liberal and Reform League triumphs, but there the victory ends. Mr. Carruthers will inherit their places, but his majority will be narrow, and his opportunities for effective legislation limited. The Labour section, as usual, has benefited most by the shock of parties, and must now take in New South Wales, as it has recently taken in Western Australia, in South Australia, and in Victoria, the post of direct Opposition which it has held in Queensland for some time past. In every State on the mainland Labour members occupy the same position of importance with its rights of succession. Should Mr. Watson be overthrown in the Commonwealth Parliament at an early day, Australia as a geographical whole, which of course does not include Tasmania, will exhibit in each of its six Legislatures exact replicas of the same situation. Gradually, as if in obedience

to an irresistible influence exercised over the whole of its vast area, the deepest conflict in policy which exists among us is swallowing up all minor differences and forcing the electors to take one side or other of the true dividing line. In this, as in other respects, but in this case quite unexpectedly, Federation has made for unity. Four years ago there was little likeness to be discovered between the rival programmes of parties in the five States. Local issues had so large a share of attention that it would have been difficult to employ the same name in any two of them to indicate the parties which most resembled each other. In all the Labour section was a disturbing element, but in none of them had it attained to the dignity of either of the two chief places. To-day local and other questions are disappearing; all the States have been forced into line with one another and with the Federal Houses. The cleavage promises to widen as well as deepen. If it does, the sporadic third parties still clinging to existence here and there will be crushed out and the constitutional condition will be reestablished in our Legislatures, which will be divided by party lines on a uniform principle throughout the Commonwealth.

EVOLUTION OF PARTIES.

Here, as in the United States, two dominant organisations will confront each other both in the States and in the Federal arena. This clarification of our turbid political stream must be beneficial. Either the Labour section will need to recast its programme and revise its methods, or be condemned to remain permanently in Opposition. On the other hand, the absorption of its minor factions, which have contributed so much to confuse our elections, will enable the party of order to exert its full strength—as soon as it can find capable leaders. New South Wales, after the energies expended on its electors in the recent campaign, remains much of the same political opinion as before. The Cabinet is dismissed because it has lost public confidence and Mr. Carruthers is to be given his chance, though without any particular enthusiasm for him or his platform. The Labour section has extended its authority because its organisation, supported by class feeling, was strong enough to resist the attacks of the local mediocrities who are often chosen as candidates against its own equally commonplace working men. It holds several seats because the division of the electors into several camps enabled it to carry in its man by a minority vote. These gains will not be prevented until its opponents are much better disciplined. All the leaders of the three old parties were returned in spite of the new constituents added to the old with whom they were familiar. The Premier, Mr. Crick, and Mr. McGowen proved impregnable. Mr. O'Sullivan's return for Belmore was almost brilliant enough to merit his own dithyrambic description of it. But one Minister, and he the weakest, was rejected. The Opposition was deprived of Mr. Brunker, a veteran whose public career was practically finished, and of Mr. Garland, one of the ablest of its later recruits from the Bar, but otherwise neither party has either conspicuous successes or

failures. The influence of our metropolitan Press is exhibited in the choice of Sydney and suburbs, where twenty-five Liberal and Reform candidates were selected against six Labour, two Ministerialists, and one Independent. The Protectionist feeling in the country districts is accountable for the seats retained by Mr. Waddell's followers. Curiously enough, the great majority of the Labour members won country seats, even in pastoral and agricultural areas as well as in the coal mining centres. Extreme as they are considered they are but temporisers in the eyes of the Socialists strictly so-called, who, dissatisfied with the comparative moderation of the Labourites, ran three candidates of their own in the metropolis to advocate what is sometimes called there a "continental" or thoroughgoing Socialist platform. The electors polled in those constituencies numbered over 15,000; the avowed Socialists among them totalled one hundred. These figures define the situation very fairly. There is no footing among our ultras in Australia for anything beyond experimental State Socialism such as we at present practise.

PARTIES IN NEW SOUTH WALES.

A rough estimate of the voting shows that considerably more than two-thirds of the suffrages were cast against the Labour Party. It would have been hopelessly beaten but for the division among those outside its ranks. In New South Wales as in Victoria it only needs to be isolated to become powerless. If Mr. Carruthers can count on half the House to give him steady support he will be fortunate. With the casual aid of four or five Independents and of a few members who are reckoned Ministerialists he may be able to survive, for on the whole the disposition will be to endure his yoke rather than that of the Labour section or run the risk of another dissolution. He will be confronted, probably at an early date, by the Labour members sitting on the Opposition benches with Mr. O'Sullivan and one or two other warm sympathisers of theirs acting as allies. In these circumstances a readjustment should be brought about. Though a formal coalition need hardly be anticipated the representatives who do not enter the Labour caucus can scarcely avoid acting together against their common antagonist. The possibilities of a reconstruction of the Waddell Cabinet on the basis of an alliance between the late Ministerialists, Labourites, and the Independents are being canvassed, but the elements are too diverse to permit of a combination so curious as that would be. The Liberal and Reform members, with judicious handling and a clear policy, may be built into a strong party, but much will depend on the leadership they obtain. The antagonist most to be feared is Mr. Crick, who if he were to devote himself steadily to his Parliamentary duties has all the knowledge, capacity, and popularity to make him a most dangerous guerrilla leader, or, if the Labourites submitted, a powerful head of the Opposition. Only a very sanguine onlooker would envy the new Government the tasks that await them in the Legislature or in the departments, especially the Treasury.

FEDERATED AUSTRALIA.

LABOUR CABINET'S FALL. ARBITRATION AND TARIFFS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Aug. 15 1904; Sep. 30 1904.

Our first Labour Ministry has fallen. The fatal Arbitration Bill has found another and congenial victim. Not long ago the Queensland section of the Labour Party under Mr. Dawson walked into the departments in that State for a few hours, only to be walked out of them whenever they faced the Assembly. The Darglish Ministry, just formed in Western Australia, does not seem likely to retain office longer than is necessary for the majority opposed to it to settle personal differences. Mr. Watson's record of three and a half months is likely to be the Labour Party's longest reign for some time to come. Mr. Watson owed his success to some of his bitterest opponents and his defeat to the men he displaced. Coming into power by putting an amendment into Clause 4 of the Arbitration Bill, he is going out because he could not put out an amendment placed against his will in Clause 48. His Ministerial life began and ended on a measure which has already driven Mr. Kingston out of Mr. Barton's Administration, and which overthrew the Deakin Cabinet, though it has not yet emerged from the Chamber in which it was introduced. The Senate, with practically a Labour majority in control, greedily awaits its appearance in order to make it an engine for the destruction of Mr. Reid. At present it is just possible that the Bill may be the means of dissolving our nine months old House and plunging us into chaos. The divisions taken on it seem to have severed the late Ministerial or Protectionist Party, ten of its members appearing to have fallen in behind the Labour leaders almost as steadily as their own sworn adherents. The chapter of accidents associated with this Bill has not by any means closed. Mr. Kingston drafted and Mr. Deakin twice introduced it; Mr. Watson passed it through committee; while Mr. Reid may be saddled with the recommittals promised by his predecessors; after which it will go to the Senate. No one knows in what shape it will thence be returned. Labour politicians have lived, are living, and will continue to live, on this particular piece of legislation which lifted their chieftains to the highest positions in the Commonwealth and enabled them to remain there for three months of the session despite all efforts to dislodge them. It is becoming impossible to separate the Labour Party from this pet legislative panacea with which its fortunes rise and fall.

TRADE UNIONISTS' SWEEPING DEMANDS.

The kernel of the Arbitration Bill for trade unionists lies in its gift of power to the Industrial Court, enabling it to compel employers to pass over all non-unionists until the lists of union men looking for employment are exhausted. This provision is, therefore, to business men the most objectionable of all the novel powers capable of being exercised over their businesses by the Federal tribunal. Hours of work and rates of pay when fixed are at least general in their operation. They leave the employer free to select his own individual employees where he will. He can, if the Kingston Bill passes, continue to choose them and dismiss them at his pleasure; but he is obliged whenever he has vacancies to take the unemployed unionists first without regard to the qualifications of those offering who do not belong to the unions. The possibilities attaching to a distribution of patronage thus opened to the officers of the unions and the additional opportunities which would be enjoyed within their ranks would greatly assist, of course, to popularise them, enlarge their numbers, and increase their authority. Proportionately they would diminish the independence of employers and the chances of work to non-unionists. Hence the fierceness of the battle. The Bill, it is true, does not recognise trade unions as such. They are the creations of State laws, and subject only to them. It creates what are termed "organisations" corresponding with our "industrial unions" in New South Wales. These may be: the trade unions themselves, altered only in name, and without additional members; or the unions with non-unionists included; or a third alternative may be composed wholly of those who do not belong to any trade unions. Their constitution is left to those affected, but, when formed, Federal "organisations" must be open to all and are safeguarded at every turn against monopoly or exclusiveness of any kind. For all that, trade unions are confident that they will be able to control them because their societies are already in existence and well equipped for action, while outside the unions individual employees are relatively helpless and unlikely even to seek to combine against them. Mr. Watson confesses that the preference capable of being accorded to members of organisations by the court is the great prize for which he and his following are fighting. As it is, unionists, whenever they become strong enough, expel non-unionists by refusing to work with them. If they can now also secure first call on all the employment available in particular industries for unionists only their grip on them will be immensely tightened. Without this call they declare the measure is worthless. With it, the employers' associations protest that interferences in their businesses will become intolerable. The preference proposals being thus recognised as the key of the position, it is on them that the principal onsets have been made from the very earliest stages of the Bill, and it is because of his failure to retain this citadel that Mr. Watson has appealed to the [Governor-General](#).

MR. REID'S POSITION.

It is not anticipated in Sydney that Lord Northcote will depart from the precedent established when he allowed the Labour Party, though only numbering one-third of the House, to take the helm. It has been left in a minority on a precisely similar vote to that which ejected Mr. Deakin in a Chamber only nine months old. The majority against it is chiefly composed of Mr. Reid and his party, who have not yet been entrusted with the control of affairs. The ordinary rule of exhausting Parliament before sanctioning an appeal to the country, when applied to a three-party situation, seems to require that Mr. Reid should be first tried and found wanting. Mr. Watson loses the dissolution to which he might have had a strong claim if he had selected his Cabinet out of all those who supported the vote that brought him into power, and thus proceeded on a two-party basis. Instead of this, he constructed it wholly out of his own section. Opinion in New South Wales is almost unanimous that Mr. Reid would be harshly treated if he were passed by this time, though it is quite agreed that he had no grievance because he was ignored when Mr. Watson came in. His recent tactics are freely criticised, and the consuming eagerness of his ambition to become Prime Minister at any cost mocked at by opponents, but, on the other hand, it is recognised that he possesses very exceptional qualifications for the post at this particular juncture. He took office as Premier in this State without a working majority. For some time his political life hung by a thread, but by degrees he built up a majority which made him master of the situation for years. By versatility, astuteness, readiness, and audacity he dominated his party to such a degree that he became its dictator. His fall was due to his trimming and balancing before the great national movement towards Federation, which he had neither the strength to control nor the courage to resist. Since his entrance into Federal politics he has preserved a provincialism of attitude and strategy which failed dismally when applied in an Australian Parliament. His tactics have made him undisputed master of more than two-thirds of the representatives of this State, but have left him with only half-hearted followers from beyond our borders. He owes his victory of last week to the votes of some fourteen Protectionists, led by Mr. Deakin. With their aid he just contrived to beat Mr. Watson by one vote more than the narrowest possible majority. One of the voters being *Chairman of Committees* he commences his term with but a single vote to the good when his other supporter is in the chair. It is still more than doubtful if on a direct vote of want of confidence he could have won at all.

WAR WITH THE LABOUR PARTY.

Mr. Reid, not a whit daunted by any forebodings, but jauntily and with the unaffected happiness of self-complacency, has taken up his task as light-heartedly as if assured of the smoothest of passages into recess and many triumphs afterwards. New South Wales in general, and Sydney in particular, are lending him their most loyal sympathies, the members from his own State who share his views rallying to him under this impulse with devoted allegiance, while his Protectionist allies draw nearer to him the further they recoil from the “machine politics” denounced by Mr. Deakin both in the House and in his constituency. In an elaborate and well-studied interview—the practical equivalent of an address to the electors of Australia—Mr. Reid has already made his first bow as prospective leader of the new Government. In polite terms, but without any attempt at disguise, he has declared war against the Labour Party on a series of grounds. Its members were perverting the Arbitration Court from its purpose of securing industrial peace in order that they might entrench unionists “in a citadel of privilege and monopoly against their fellow-workers”. Their Caucus, Cabinet and Caucus Executive “outraged the system of government under which we live”. Their “cast-iron and despotic methods” of organisation must be confronted by determined counter organisation—“not only within the walls of Parliament but throughout the whole of the Australian States”. Beyond a general allusion to the extremes to which they push their measures he made no reference to their programme nor any of its articles. The whole tenour of his carefully-phrased utterance conveyed in an unmistakable manner the warning that he conceives his policy to be one of action from the outset. He draws his sword and flings away the scabbard. The question is—Can he force on the country the issue he has in mind with sufficient clearness to obtain a distinct response at the ballot-box? The attempt to inaugurate a coalition in which Mr. Deakin joined him some time ago was frustrated by the personal hostility provoked by Mr. Reid, fostered by the alarm of the Protectionists at the prospect of his leadership. The files of the Melbourne *Age* prove that neither the animus nor the alarm has decreased. On the contrary, every endeavour is being made to prevent him from forming a Cabinet or from receiving Protectionist support. The wing of the party, headed by Sir [William Lyne](#), is openly seeking an alliance with the Labour Caucus for the coming elections if dissolution be granted. Failing that, a persistent agitation is being promoted to persuade the Labour leaders to arrange with their official organisations for the inclusion of Protection as a plank in their programme. If either of these objects be achieved, the clear cut choice intended to be submitted to the people between Labour principles and methods, and those of constitutional authority would be again obscured by the intrusion of fiscal antagonisms. A majority of the Protectionist members, acting with Mr. Deakin

against the Labour Party, has just voted Mr. Watson out of office. It remains to be seen if Sir William Lyne, backed by the Melbourne *Age*, can return the compliment at an early date by ousting Mr. Reid, though he has accepted fiscal peace for this Parliament. His first offence is that he is Mr. Reid, and the second that he blocks the way for any increase of the existing tariff.

CABINET-MAKING POSSIBILITIES.

A great deal depends on the colleagues whom the new Prime Minister is able to secure. On his own side he has an embarrassment of riches, but at the same time complete freedom of action. He can choose whom he pleases and is not likely to be challenged on that account. Mr. **Dugald Thomson**, his first lieutenant, has every title to retain that position. A mercantile man of much experience, he possesses the entire confidence of his class. Character and consistency have made him appreciated even by his opponents, while his solid ability in debate has won him the ear of the House. A safe man in a department and a judicious counsellor in Cabinet, he is deficient in nothing except that complete mastery of the whole chapter of political surprises and devices possessed by Mr. **Sydney Smith**, the expert Whip of the Opposition, whose name is being freely mentioned as a third representative from this State. Should he be given a portfolio a new departure in Commonwealth Cabinet-making will be taken. Sir Edmund Barton commenced with a Ministry whose members had all been State Premiers—one Premier from every State of the Union except Queensland, where Mr. **Philp** decided to retain that office. Mr. Deakin continued that distribution, preserving the same numbers for each State except for New South Wales, which parted with an honorary Minister. Like Victoria, it retained two Ministers, each of the other States having one. When Mr. Watson came in he reduced Victoria's representation in the Cabinet to one member, and omitted Tasmania, giving Queensland and South Australia two each. Mr. Reid is likely to adopt a further innovation, and with good reason. Of the thirty-eight members whose support puts him into power, no fewer than thirty-two are returned by constituencies in New South Wales and Victoria, the other four States contributing only six votes between them. In such circumstances it is thought probable that the two States to which he owes his position will each receive three seats in the Cabinet. Sir **Josiah Symon**, of South Australia, the Opposition leader in the Senate, can scarcely be passed over, and Tasmania may call for recognition. This would pass by Queensland and Western Australia altogether. It would leave those two great States without a Minister, and make an entire divergence from the procedure adopted by the first Federal Ministry.

SIR W. LYNE'S GROUP.

The greatest danger confronting Mr. Reid in his task of Cabinet-making is presented by Victoria, where a section of the Protectionists is in open revolt against the new Government. Half its members are Labourites in sympathy, but are distinguished by their freedom from written pledges. The rest are governed by a less ardent attachment to Mr. Watson, but are equally adverse to Mr. Reid. Sir William Lyne, their leader in fact, though not yet formally elected to the post, is prepared for any risks or enterprises that may overthrow his former rival in New South Wales, though he has only a single representative from this State to assist him. The group could do little were it not rallied and inspirited by the *Melbourne Age*, which proposes to aid it to occupy the same position as that enjoyed by Mr. Watson in the first Parliament, when, with his compact third party, he held the balance of power. The members of the group are to grant their support either to Mr. Reid or Mr. Watson—to which of them concedes the highest tariff—though as there is no likelihood of any offer from Mr. Reid the whole of their influence is being directed towards securing the best terms possible from the Labour Caucus. The first obstacle to this policy is presented by Mr. Deakin, who refuses to make any compact with the Labour “Machine”, and at the same time declines office with Mr. Reid on the ground that he can best serve his party as a private member. Sir **George Turner**, just recovering from a serious illness, and disinclined to accept responsibility, is the only man whose inclusion in the Cabinet would be generally approved by Victoria and her Protectionists. This partnership would be of immense service to Mr. Reid in every way. Failing him, another ex-Premier of the State, who is a whole-souled Protectionist, Mr. **Allan McLean**, would probably be available, though the junction of the two would be still more advantageous to the Cabinet. Two other Protectionists must be chosen, but they would be of less importance. If Mr. Reid cannot obtain a strong Victorian contingent his Ministry will be doomed at once, and even if he does obtain it his course will be by no means clear in that State. Alliance of some kind there is sure to be between Mr. Watson and Sir William Lyne. If this should lead to the fiscal union of their followers the dissolution of the Federal Parliament now pressed for by the Labour Ministry will not be long delayed. The reign of fiscal peace will be over before it has well begun.

FEDERATED AUSTRALIA.

FREE TRADE AND PROTECTION.

THE RIVAL PARTIES.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Aug. 23 1904; Oct. 5 1904.

Mr. Reid is Prime Minister of Australia, attaining office in circumstances that are sure to tax his great powers as a strategist and as a moulder of public opinion from the platform. The points in his favour are that he commences with New South Wales, its Labourites excepted, standing solidly behind him, together with a majority of the Victorian representatives, headed by Mr. McLean and Sir George Turner. He just holds his own in Tasmania, but there is a majority of members in every other State opposed to him. Indeed, in the House where his fate will be determined he has but one supporter from Queensland, one from Western Australia, and one from South Australia, while Tasmania sends him only a majority of one to aid them. Studying the situation provincially one finds that the States are sundered, from a population point of view, into large and small, New South Wales and Victoria facing the other four, in which the Labour Party is strongest. Outside its ranks five Victorians, two Queenslanders, two New South Welshmen, and one Tasmanian act as Labour allies. Mr. Kingston, if his health ever permits his return to active politics, would be the one South Australian to join them. Without these auxiliaries the Labour Caucus would be powerless in the House except for obstruction, and naturally, therefore, every effort is being made by Mr. Watson to keep them at his side. Conferences in Melbourne have led to a formal engagement that Liberals who continue with the Labourites shall not be opposed by their organisations when the general election comes. This will introduce into the Commonwealth the practice adopted in our own State when Mr. Reid went to the country in favour of a land tax, having the full strength of the Labour Party behind him. It has been revived in Queensland in the election now proceeding, where the Premier, Mr. Morgan, is appealing to the constituencies with a mixed following under the same conditions. A movement is on foot in Sydney to allow of its re-establishment during the currency of our newly-elected State Assembly, in which parties are so nearly balanced that the Labour leaders cherish hopes of playing a large part in its proceedings. Everywhere the Labour Caucus under pressure of circumstances is being obliged to review the methods by which it has climbed within reach of power. It reforms only when and where it must.

THE FISCAL DOCTRINE.

Commonwealth Labour members include the most experienced, and therefore the most moderate, of their party. Replying to criticisms as to their change of front they are retorting bitterly on Mr. Deakin that it is but a few months since he was negotiating with them for a formal public alliance. When challenged in the House he frankly admitted it, naming as his two conditions the breaking down of their rigid organisation and the striking out of the extreme articles in their programme. He had elsewhere demanded their adoption of Protection in their official policy. Though his efforts led to nothing definite at the time, they seem not to have been fruitless since. Not a day had passed after their defeat when they commenced to review their restrictions. Before they bade good-bye to their departments they met the members outside their caucus who had voted with them on the fatal amendment in order to concert measures for a closer union. Victorian influences are so strongly Protectionist that they seem to be swaying even the fiercest Labour Free Traders into a complacent mood of partial acquiescence in the fiscal doctrine which they have hitherto condemned. Their loss of power owing to Mr. Reid's generalship has evoked a hatred of the man which threatens to extend to his chief principle. Unless the impulse is merely due to the heat of the moment their resentment, if it spreads, may become an extremely powerful factor in Federal politics. The Labour Party, if united to the Protectionists, would supply sufficient votes to carry every State except New South Wales and perhaps Tasmania. The sole questions would be whether or not the Radical Protectionists such as are now aiding Sir William Lyne and Mr. Isaacs, of Victoria, would be influential enough to carry men of the type of Sir George Turner and Mr. Deakin with them for the sake of a more efficient tariff. The *Melbourne Age*, while the most potent agency promoting this development of the Labour platform, is on all questions except the fiscal question adverse to their pretensions. The task of bringing such differing forces into line is no doubt formidable, but success is not impossible, and should it accrue Mr. Reid's hold on the House would soon disappear. The simple prospect of the combination is begetting disquietude among his followers before he has either announced his policy or, except formally, met the House. Among all the rocks by which his voyage will be beset this is the most serious and the most sudden in its emergence.

AUTHORITY OF THE SENATE.

Beyond the House, master of the fate of all Ministerial proposals, stands the Senate with its almost equal authority over the finances and its perfectly equal authority over other legislation. Here the position of the new Government is critical in the extreme. Nineteen Senators make a majority when the whole thirty-six are present,

which is not often the case. There are fourteen pledged Labour Senators and two others whose loyalty is unquestioned. This gives them a regular majority in what may be reckoned an ordinary attendance. There are three other Senators whose opinions are radical enough to keep them usually on the same side. This makes a majority on every question on which the Labourites and their allies are agreed among themselves. Gloomy as is the outlook for Mr. Reid's legislation in both Chambers, the fact that he is to all intents in a minority in the Senate renders any success of his that might follow a dissolution of much less value to him or to those whom he would lead. The Constitution provides that the **Governor-General** may grant a dissolution of both Houses if a deadlock has been reached between them on any piece of legislation of sufficient importance to justify such a course. All that is needed is that the representatives should twice demand their Bill, and the Senate, after an interval of three months and in another session, a second time refuse to agree to it. The electors at a double dissolution would have it in their power to return the whole of this Parliament afresh and would presumably give the victorious party a majority in both Chambers. It may be taken for granted that this will be Mr. Reid's objective. He has formed his Ministry precisely on the lines agreed on with Mr. Deakin three months ago, one of the conditions being that any dissolution prior to the expiration of the House in December 1906, shall be taken on other issues than that of Free Trade and Protection. In view of this it may also be assumed that the dissolution, if he can control it, will take place well before that date. By so doing he will as far as he can, isolate the Labourites and their immediate allies in the Opposition, forcing them to fight for their seats in both Chambers at the same time. His plan of campaign must soon be obvious to them, and will be countered as quickly as possible by those threatened. Mr. Watson will wish for a dissolution this year, and for the House only. Mr. Reid will fight for time and for a dispute between the Houses. The best hope he has will be the unwillingness of those whose seats are doubtful to be put to the test of the ballot-box any earlier than they can help. The men recently chosen as Senators for six years will be particularly shy of provoking a contest which will put them in danger personally. It is just possible, therefore, that out of this danger to them he may "pluck his flower safety", but it is not probable.

COMPOSITION OF THE CABINET.

The personnel of the Cabinet becomes an even more controlling factor in such a state of affairs than is usually the case. The smaller its majority the greater the dependence of a Ministry on its wits. As in the present instance, Mr. Reid begins with practically no majority in the House and a minority in the Senate. The strain on his leadership must be more severe than it has been even on Mr. Watson, who had always behind him the well-drilled phalanx of the Labour leagues. His trials arose from the necessity

under which he worked of conciliating enough of the Radical Protectionists to tide him over the amendments in the Arbitration Bill. Beyond that he did nothing, attempted to do nothing, and could do nothing except pass one non-party measure—the Capital Sites Bill—on which all members voted as they pleased. Mr. Reid begins with two parties in his Cabinet and in each Chamber, who must be kept in touch with him and with each other day by day under all the assaults and surprises his ingenious opponents can contrive in order to introduce discord between them. No politician known to us is better qualified for just that particular kind of arduous undertaking. Address and finesse in our Legislatures are but loosely exhibited, resembling the qualities which bear those names in society about as much as our inter-State epistles of the blunderbuss order approach what is known as diplomacy in Europe. In an Australian and perhaps in an American sense our new Prime Minister can claim to possess their local political equivalents as a rule, though not invariably. He has a much less debonnaire side when hard pressed, and is only too ready for a rough-and-tumble with the unmannerly when it seems to him to be called for by the occasion. This ambidextrous adaptability makes him a notable fighting force. He is always an excellent stage-manager and effective speaker, never above his audience in the House or on the platform, appealing solely to familiar ideas and prejudices, but touching all the current commonplaces required with the skill of a rhetorician accustomed to win verdicts from the average jurymen of the courts. Mr. Reid will not be too particular what tactics he employs, and having a great repertory of ingenious devices will be a host in himself, as, indeed, he will need to be in the campaign commencing on September 7.

LEVEL-HEADEDNESS.

The remaining Ministers will all be able to give a good account of themselves in their departments and in the Chambers. Mr. McLean, who, owing to Sir George Turner's frail health, takes a co-equal position in the Cabinet, is an ex-Victorian Premier of force and ability. Like his chief, Mr. Reid, the Attorney-General, Sir **Josiah Symon**, and Mr. **Dugald Thomson**, he is of Scottish extraction. Sir George Turner and Mr. **Sydney Smith** are Australian-born, Mr. **Drake** an English, and Mr. **McCay** a North of Ireland representative on the Executive. With one half of it Scottish and the other half plentifully endowed with caution, the general characteristic of the Government may be best described as "level-headedness". Mr. McLean, Sir George Turner, and Mr. Thomson have much in common. Probably no three men in the House possess so much practical sense and business ability. It is not an exaggeration to say that every portfolio has a more capable holder than it enjoyed in the Watson Ministry, and that in almost every instance each new Minister is conspicuously superior to

his predecessor. The surprises of the Cabinet formation were the omission of Sir **John Forrest**, excluded because he is the only representative from Western Australia not belonging to the Labour Caucus, and of Tasmania, because the most eligible Senator being a Free Trader his appointment even as an honorary Minister would have destroyed the equality promised to the Protectionists. It was on that ground that Mr. Drake was selected and Queensland substituted. Every Minister has held office in a State, though in Mr. McCay's case only for a very short time, three of them having been Premiers. All of them are reputed to be excellent debaters, and should be able to present a strong front to their assailants in the House. With Sir William Lyne, Mr. Isaacs, K.C., Mr. Watson, and Mr. **Hughes** in Opposition, backed by the smaller fry of the Labour Party who have been muzzled for the past three months, the auguries agree in warning them that they must expect to fight every inch of the way into the recess, for which they will strive with all their might. It may be reached only by the physical exhaustion of mischievous adversaries; that is, if the Ministerial supporters prove willing and able to endure the tasks that this will involve in a House so evenly balanced. Few men here, or perhaps anywhere, would face such a prospect with the insouciant demeanour of Mr. Reid. His prime necessities are plain. Time is necessary to allow of the two parties behind him settling down to their new relation, and also to permit of some joint organisation of the electorates comparable to that of the Labour Party, which is always maintained on a war footing and ready for instantaneous action. Time to unite and to organise must be gained, though if the coalition against Mr. Reid can find an opening no time will be granted him.

COALITION NECESSARY TO STABILITY.

Truth to tell, Mr. **Carruthers** is in little better plight than his late leader, Mr. Reid. In spite of all the beating of drums with which the results of our recent elections were acclaimed in Sydney, it is now admitted on all hands that a stable Administration cannot be assured to our State without a coalition of some kind. If Mr. **Waddell** will not accept a portfolio from those who are about to eject him from the Premiership, it can only be by winning over some of his followers and annexing most of the independents that a working majority can be got together under the Liberal and Reform banner which is supposed to have been carried to a triumphant victory at the polls. Mr. Waddell meets Parliament to-day, will provide his Excellency with the customary speech, and obtain supplies before retiring in deliberate fashion from the Treasury. Mr. **Crick** announces himself a freelance, prepared to give the Government fair play, while manifesting unconcealed contempt for his late colleague the Premier. But even with this encouragement no one can envy Mr. Carruthers the crown he

is about to wear. The Labour members in direct Opposition retain considerable power. Across our northern border their coalition with Mr. Morgan promises to be kept in power. Sir **Arthur Rutledge** appears too weak and Mr. **Philp** too maladroit to command confidence in the country. Unless there are many surprises at the ballot-box the present Ministry will continue its reign. In South Australia a similar combination is being attempted. The difficulty there lies in the absence of a leader of sufficient impressiveness and influence to weld the discontented Liberals and Labour men together. Mr. **Jenkins** makes up in suppleness and cuteness what he lacks in distinction, and those opposed to him will need to play their game well to dispossess him or keep him at bay when he seeks to return. In Western Australia the one Labour Ministry in the Commonwealth is now in being. In Tasmania, where Labour has only a slight foothold, what seems to be a nondescript Government, under Mr. **Evans**, with a colourless policy, is endeavouring to lift the load of its finances by means of a batch of patchwork proposals. Nowhere except in Victoria has the Labour Party been forced into the open and beaten, but a similar attempt is about to be made in this State and may be essayed in the Commonwealth. Mr. Reid's inaugural address as Prime Minister is a direct challenge to them and to their principles.

FEDERATED AUSTRALIA.

LABOUR PARTY TACTICS. ELECTION IN QUEENSLAND.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Aug. 30 1904; Oct. 8 1904.

The spectacle presented last Tuesday by our new Assembly, now reduced to ninety members must have closely resembled that exhibited in the Federal House of Representatives when Mr. **Watson** first took his seat as Prime Minister. Mr. **Waddell** and his colleagues had a minority close behind them and empty back benches, while the Opposition sat in serried rows and the Labour members crowded the cross benches, hopelessly outnumbering the nominal leaders of the House. By a series of postponements and other devices Mr. **Watson**, in Melbourne, clung desperately to office for nearly four months and fought bitterly against inevitable defeat when his hour came. Mr. **Waddell** in Sydney has behaved with much better grace. The Governor's Speech consisted of but a few sentences pointing to the necessity of obtaining Supply before his advisers tendered their resignations. Mr. **Carruthers** was then to be sent for and an adjournment was to be obtained, while the new Ministers submitted themselves to their constituents and prepared for the session which was about to open. Thus decently and in order the Liberal and Reform Party would have been allowed to assume responsibility in the ordinary course, with the consent of its predecessors, had not the Labourites seized on the opportunity afforded them of stirring up strife in an attempt to set the regular parties by the ears. The re-election of the **Speaker**, who is a supporter of Mr. **Carruthers**, was interrupted by an unseasonable brawl provoked by a Ministerialist on the plea that the Premier had not been consulted prior to the nomination. Again, when Mr. **Waddell** had explained the procedure to be followed by the Government, which was accepted though not approved by Mr. **Carruthers**, the Leader of the Labour section, Mr. **McGowen**, sprang to his feet to complain of such conduct as unconstitutional. This attempt to impede progress then failed, but it was renewed the next day in a more formal fashion when Mr. **McGowen** launched a declaration of Labour policy in the form of an amendment to the Address in reply. Strategically his demonstration served to advertise the growing ambitions of his caucus, its consciousness of increased strength, and its determination to adopt in advance an attitude of uncompromising hostility

towards Mr. Carruthers or any Administration of which he may be the leader. It was also a warning to the Ministerialists and Independents who were hesitating whether to cast their lot with the new Premier, or to bide their time for a future coalition with Mr. McGowen.

MR. MCGOWEN'S PROPOSALS.

Mr. McGowen's formal motion alleged that the uncertainty as to the personnel and policy of the next Government was an impediment to the immediate granting of Supply. A mere negative of this general nature would have served as an excuse for wasting time, but those who devised the scheme of which it was a part knew that it would do no more, and took their measures accordingly. To force the hands of their fellow members, embarrass the coming Cabinet, and forestall its programme an ingenious addendum had been prepared for and approved by the Labour Caucus. It alleged that "No Administration will be satisfactory to this House which will not introduce measures providing for (a) the resumption of land for closer settlement at the owner's valuation for taxation purposes plus ten per cent.; (b) the cessation of Crown lands sales; (c) the amalgamation of the savings banks and the advances to settlers departments; (d) water conservation and irrigation". This is not the Labour platform, but only a small part of it which has the support of most members for one or more of its articles. Proposals for closer settlement and water conservation are the common property of all political parties. The cessation of land sales, which has been often demanded, was introduced in order that the perpetual leasing system might be advertised. In New Zealand the fixity of the land valuations on which the rent is assessed under this system has occasioned much adverse criticism, but the plan still possesses fascination, particularly for town dwellers, who believe that with regular revaluations this tenure might be made nearly as attractive to the settler as freehold and more profitable to the landlord State. Hence its inclusion in the amendment. A junction of the savings banks and Advances to Settlers department is sought as a stepping-stone to the State banks, for which impecunious speculative people are always clamouring. But popular as these topics always are to the uninformed, it was the present situation and its problems that provided the Labour members with most of the material for the long speeches with which they prolonged the sitting from Thursday afternoon until four o'clock on Friday morning. Mr. McGowen's amendment was then handsomely beaten by fifty-three to twenty-six, the minority consisting of Labour members assisted by three Independents who wished to curry favour with them. The majority represented the full strength of the Liberal and Reform Party with its Independent sympathisers, on whom the incoming Government must rely.

THE "BULLETIN" POLICY.

While the Labour section indulged in its demonstration in the Assembly, Mr. Wise, as political spokesman of the *Bulletin* policy of no more borrowing, conducted a parallel advance of much the same character in the council. He, too, moved an amendment evidently drafted with a fore-knowledge of Mr. McGowen's, probably by the same hand and complementary to it in a general way. Mr. Wise seems to raise no objection to the selling of Crown lands providing that the proceeds are treated as capital instead of being simply poured into our ordinary accounts. His declaration sought to add a rider to the Address in reply stating "That this House respectfully informs the Governor that no Administration will be satisfactory to the people of this State which will not (1) set apart all the revenue derived from the sale and lease of Crown lands for expenditure on public works; (2) cease borrowing on the security of the State except for the renewal of current obligations; (3) pass into law a measure establishing real local government throughout the State". Mr. Wise's first demand would, of course, be satisfied if the rents from Crown lands were applied as he desires after sales have ceased. But his second and third demands find no echo from the Labour Caucus. Some of its members are returned as supporters of the *Bulletin* policy and some are pledged to assist the establishment of local government, though with conditions as to the franchise which are unlikely to be adopted, but as a party the Labour members view both projects with suspicion. Mr. Wise, who disclaimed all pretensions to leadership, would probably find about a third of the Assembly in favour of the cessation of State borrowing. In his own Chamber he is much weaker. His policy amendment was caustically criticised by Mr. Want, K.C., on the ground that the late Administration, of which Mr. Wise was second in command, had certainly adopted a course which rendered further borrowing impossible in any circumstances for some time to come. It was coldly received and eventually withdrawn after a short debate. Mr. Wise was quite right in associating the three questions of the disposal of our receipts from the sale of land, the floating of new loans abroad, and the introduction of local self-government. These are component parts of our financial policy, which must be shaped in relation to them. His own scheme, however ideal, having been produced irresponsibly, was not and will not be seriously considered, and as it professed only to be a declaration of faith, it was summarily dismissed in one sitting.

MR. CARRUTHERS'S FIRST CABINET.

After the Supply Bill for two months had been passed Mr. Waddell at once waited on his Excellency the Governor to resign his trust, and within half an hour Mr. Carruthers was engaged in the construction of his first Cabinet. A Sydney solicitor in practice, though barely middle-aged, he has a career of twenty years in active Parliamentary life behind him. One of Sir Henry Parkes's pupils, he held office under him for two and a half years. He was in effect Mr. Reid's first lieutenant for five years, and still preserves a somewhat similar relation to him. A man of small stature with a strong voice, he is credited with much tactical ability. Born and educated in New South Wales, he has lived his life within its borders. He was one of the ten representatives from this State to the National Convention which drafted the Constitution of the Commonwealth. A ready, fluent, copious, and withal cautious debater, he succeeds equally well on the hustings or in the House, where he has always received an attentive bearing. When the See Ministry was formed in 1901 he was willing to have joined it with two of his friends, but Mr. Reid intervened for the sake of his own Federal ambitions, and with fatal results to his State allies. It is now clear that such a coalition would have been independent of the Labour Party, less extravagant and less reckless than the late Cabinet proved. If it had lacked Mr. Wise, it would have been saved Mr. O'Sullivan, Mr. Waddell would not have had his portfolio, and the whole political history of this State would have taken another direction. Mr. Carruthers to-day will require to pursue the very same course that he would have followed then, though compelled to begin with a team taken from his own direct supporters. The intervening three years have multiplied his difficulties. He has much more financial leeway to make up, due to the ravages of the late drought, intensified by the lavishness with which the Legislature has been allowed to disburse our revenue, though it was swollen immensely by the introduction of the Commonwealth tariff. He has also a certain amount of legislation to revise or undo, and he has not a working majority from his own party that can enable him to accomplish such an undertaking. The situation in this respect also repeats that of 1901, except that it is now Mr. Carruthers who as Premier is looking for allies among the followers of Sir John See, while then it was Sir John who as Premier held out open arms to Mr. Carruthers. The Labour Section has thriven in the interim here, as elsewhere, on the disputes between the two regular parties. These continue so bitter that in New South Wales, South Australia, Western Australia, and in the Commonwealth we still remain at the mercy of the caucus, as if our politicians could noting any circumstances combine against the increasing encroachments of their common antagonist.

THE QUEENSLAND ELECTION.

The general election in Queensland puts an end once and for all to the "Continuous Ministry". Founded by the two strongest statesmen of the State, Sir **Samuel Griffith** and Sir **Thomas McIlwraith**, it pursued under those leaders a policy of order and development which established its reputation to such an extent as to give it the entire confidence of the public. The Government, with practically no Opposition worthy of the name to keep it in check, gradually drifted into apathy and out of favour. After its founders had left the arena it was constituted and reconstituted chiefly on personal grounds. At last Mr. **Philp**, one of its juniors, came to the Premiership, because, in the lack of really capable men, his personal amiability had felt him popular in the House. His financing, unexpectedly and unprecedentedly affected by the drought, was as feeble and extravagant as that of our own Ministry in this State in the same stress of circumstances. Misfortunes soured him, his colleagues were of little or no assistance, and the Parliament which he entered three years ago with a majority of thirteen saw him deposed from his leadership. Mr. **Morgan** stepped out of the Speaker's Chair to head a coalition of Moderates with the Labour section somewhat sobered by its adverse experiences. Personal intrigues during the recess ate away the majority with which he came into office. Members of the late "Continuous Ministry" had no taste for becoming a continuous Opposition, and consequently, in the old familiar fashion, set to work to shuffle the old handful of court cards. Sir Arthur **Rutledge**, who as Attorney-General and second in command shared all the responsibilities of the defunct Philp Cabinet, replaced his late chief as nominal leader of the party. Mr. Morgan was hurriedly and injudiciously attacked directly the House met, only escaping defeat by a single vote. The **Governor** most unwisely, and, it is generally believed, without constitutional precedent, refused him a dissolution. But even in the last House it was not possible for Sir Arthur Rutledge to piece together an Administration of any kind that could hope to carry on for a week. He had to abandon the attempt. Mr. Morgan obtained the dissolution for which he had previously asked in vain. Sir Herbert Chermiside's action assisted to arouse public sympathy with him, and Mr. Morgan faced the electors with as much confidence as his adversaries did with well-founded apprehensions. From the very commencement there was no doubt how the tide was running. Of the eighteen seats uncontested only two fell to the Opposition. At the polls they were annihilated.

POSITION OF PARTIES.

The position of parties to-day in Queensland is unparalleled in its history. Out of seventy-two seats the pledged Labour members, having gained a dozen, now number thirty-five, or nearly half the House. Mr. Morgan and his followers, who are in alliance with them on a reasonable programme adopted by both for this Parliament, come next in strength with twenty-one. The Rutledge-Philp party has lost its leader, Sir Arthur Rutledge, three of his old colleagues, and sixteen other constituencies. There are now only fifteen or sixteen of them left on the Opposition benches confronting a coalition of fifty-six. Twelve years ago the proportions were reversed. But for want of leadership, courage, and resource the powerful party which then represented all the best interests of this great and prosperous State could never have been brought so low. They cannot even explain their losses by the plurality of candidates on their behalf, for the Ministerialists suffered from that cause much more severely. The men who after helping to put Mr. Morgan in power seized the first opportunity of trying to put him out have with one exception disappeared from the Assembly. No doubt Sir Arthur Rutledge is right when he consoles himself with the comment that the very completeness of the Ministerial victory creates a new peril. There is not always safety in numbers, especially when members remain distinctly divided into two forces, temporarily fighting under the same banner. Before long the battle will be renewed with a fresh grouping. The caucus will not be content with half a loaf when the whole loaf is within its reach. At present it has less than half of the portfolios, and has not put forward a fraction of its real programme. The further Labour advances the greater the number of those now following Mr. Morgan who will lag behind. If the full strength of his personal contingent joined the remnant of the Opposition the joint party would have only a majority of two against his Labour supporters. Such a wholesale stampede is not even within sight at present, but the numbers show with absolute clearness that in Queensland the caucus of pledged members has become dominant. The polling throughout the State last Week was heavy, and may be taken to represent the deliberate judgment of its people. All the more patent is it that the power of the Labour Party there has increased, is increasing, and ought to be diminished.

FEDERATED AUSTRALIA.

SOCIALISM IN VICTORIA. POSITION OF THE LABOUR PARTY. THE FISCAL QUESTION.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Sep. 5 1904; Oct. 14 1904.

Australia, having regard to its population, is more lavishly endowed with constitutional machinery than any other country in the world. This is no accident, nor does it prove of itself any special taste on the part of our people for multiplying Governments. The immensity of the area of the country could not be controlled from any present centre, and in order to be supervised it demands a variety of separate localised agencies. For all that its unity is continually discovering itself, and of late most impressively by the indiscriminateness with which a political cyclone has swept across its bulk, operating in the same fashion over the whole of its enormous surface in spite of distances and diversities of circumstance. The results have already been more marked in 1904 than they were in 1899, when State Ministries were toppled over like ninepins by a similar storm. Of our seven Legislatures and their seven Executives to-day none preserves the same relation as existed in 1903. No fewer than six Ministries have fallen since last January, and another has been forced to face an untimely dissolution. Our oldest Legislature now is that of South Australia, but the coalition between Mr. Jenkins and the Conservative Opposition which aspires to lead it has had a troubled existence of but a few weeks. The next oldest Legislature is that of Tasmania, where the *Evans* Ministry is facing the House for the first time. Victoria has in one sense the longest lived Administration, since several of the members of the *Bent* Cabinet held office under Mr. *Irvine*, but in its new form it has only lately succeeded at the polls and is still in its first session. The *Morgan* Ministry, though not yet a year in being, appears quite antique by comparison with its neighbours and will hold a commanding position in the assembly which was elected a fortnight since, and which meets in a few days. In New South Wales and in Western Australia both Legislature and Ministry are brand new. The Commonwealth Parliament, though only chosen ten months ago, has seen two Cabinets disappear since April and is about to confront the third, headed by Mr. *Reid*. In point of fact, the one Premier in

Australia who has held office since before 1903 is Mr. **Jenkins**, and he presides over a different team. The whole face of our politics has been transformed in a few months. New Legislatures, new Ministers, and new measures are now making their bows in the Union and in all the States.

THE ISSUE OF THE HOUR.

More than this, there is no assurance that the 1904 cyclone has yet completed its work of destruction. Mr. Reid has yet to receive his baptism of fire, and in any case must meet a Labour Opposition which with its Protectionist allies is strong in voting power. Mr. **Daglish**, the Labour Premier of Western Australia, having outlined a moderate programme after the manner of Mr. **Watson**, has provoked a revolt in his own camp, which even if suppressed leaves him entirely dependent on outside support. Mr. Evans in Hobart has submitted what he terms a "non-inquisitorial ability tax" Bill to the Tasmanian House, a measure of which he barely carried the second reading. The expectation is that he will be defeated in committee and that a dissolution must follow. In South Australia the life of the Government hangs on a thread. Mr. Jenkins, stimulated by the example of Mr. Irvine, endeavoured to follow his Anti-Socialistic lead, only to find his reconstructed Cabinet deserted by some Radicals who have preferred to countenance the Labour Opposition. He has put himself therefore in precisely the same danger as Mr. Reid of being baffled or overthrown by their conjoint efforts. Four of our Cabinets and three of our Legislatures are at present on the verge of further transformations, the outcome of which would be extremely hard to foretell. The only three Premiers and Parliaments safe in their seats are those of Victoria, Queensland, and less surely New South Wales, the last two Legislatures having passed through their general elections within the last few days. Their position is fairly assured, but in point of policy they are far asunder. Mr. **Carruthers** and Mr. Bent guard the Treasury Benches as avowed opponents of the Labour Party, which in New South Wales and Victoria has assumed the functions of a direct Opposition. The Independent members in these States will act, as a rule, with the Governments, and may become absorbed among their supporters. In Queensland the Morgan Independents have associated with them in the Cabinet two members of the Labour Party, which in that State has long constituted the Opposition to Mr. **Philp**. He is stranded with a small fraction of his old party, and must remain in outer darkness until the Labourites outstrip their "Independent" Premier, Mr. Morgan, and those who under his lead have agreed to accept him and his programme. The question in the Commonwealth and in the three mainland States, in which the situation is precarious, is whether or not they will follow the example of New South Wales and Victoria on the one hand or of Queensland on the other. Will the Liberals unite with or against the Labour Party? That is the issue of the hour in each case.

SOCIALISTIC PROPOSALS.

Mr. Reid realises the crucial issue of the coming Federal campaign with the clearness of an old strategist, and has already begun to appeal to the public to realise it with him. What is called "Show Week" in Melbourne, because the annual agricultural show of the State has been held, bringing some thousands of country residents to the city, furnished Mr. Reid with opportunities of which he took full advantage. The Women's National League and the Farmers' Association meetings, like the great show luncheon, supplied him with occasions for enunciating in his own forcible way the underlying principles of his policy. He warned the women's organisation against introducing social distinctions, the farmers against limiting their membership to men engaged in a particular occupation, and the general public who attended the show against relying on isolated efforts to cope with the well-drilled organisation of the Labour Party. His anxiety is, as he explained, to rally the moderates of all opinions—Free Traders or Protectionists, Liberals or Conservatives—against the advocates of extreme Socialism. He admitted that Labour members were sometimes moderate men, but he insisted that, whatever their personal tendencies might be, they were driven to extremes by the forces behind them, such as are being generated in Victoria by Mr. Tom Mann, formerly of London. According to this authority the accumulation of wealth will some day come to be regarded as a disease, and ought now to be treated with a view to its cure. One of the treatments favoured is to extend the sphere of Government action and employment to the exclusion of private enterprise with the unavowed object of bringing all citizens to a dead level of opportunity and influence. The Prime Minister submitted as an alternative his own ideals, which provided for the full use of all national powers to advance the welfare of the community, but, subject to the paramount purpose, to leave the individual energies and powers of its units as free as possible. The equality aimed at by Mr. Tom Mann would be "absolutely destructive of every sound principle of human nature and progress, to say nothing of national prosperity". The antithesis which Mr. Reid presents is real. The country has to make its choice between the more or less Socialistic proposals before them. It is asked to trust either Mr. Reid or Mr. Watson, and the determination lies with those who are followers of neither. Whoever can enlist most of the Independents, who in the Commonwealth are the Liberal Protectionists, will have a majority of the House. The tug-of-war is being conducted in that party—whose chief strength is in Victoria and whose leading paper is the *Age*. The Reid Government includes Sir George Turner, a member of the first and second Federal Ministries, while Mr. Watson, the head of the third Ministry, has the aid of Sir George's old colleague Sir William Lyne. The fate of the fourth Government now in office will be decided by the action of the members and supporters of the Barton and Deakin Administrations.

THE FISCAL QUESTION.

Sir William Lyne came into power in this State by the help of the Labour Party when it had at last lost faith in Mr. Reid, and it continued to sustain him until he laid down his Premiership to become a Federal Minister. It was natural, therefore, that while Mr. Watson was Prime Minister he should return the compliment, and that all the more heartily because by so doing he was paying off old scores against Mr. Reid. With Mr. *Chanter*, who represents the constituency adjoining his own, he fought his hardest for the Labour Ministry at all the meetings of the Protectionists and in the House. After its fall Sir William continued the fight, but in a less prominent position. The Radicals acting with him included Mr. *Isaacs*, K.C., a former Attorney-General of Victoria, whose large legal experience and political ability led to his selection as chairman of those friends of Sir William Lyne who were either strongly adverse to Mr. Reid or prepared to take advantage of the hostile sentiment towards him. They would not have ventured to adopt this line of conduct had they not been inspired to do so by the *Melbourne Age*, which having adopted one of its opponents, Mr. Bent, in State politics would have lost its party distinctiveness and authority if it had also accepted its bitter opponent, Mr. Reid, as its leader in Federal politics. Unable to approve of Mr. Watson's platform the *Age* has resorted to the expedient of recounting all the losses sustained by Victorian industries through the reductions made in the State duties they enjoyed until the Commonwealth tariff was passed. The Deakin Ministry submitted to the electors a policy of fiscal peace and preferential trade with the Mother Country which was explained to mean that the existing tariff must remain as it was for the present Parliament, except where it might be necessary to amend it so as to grant preferences to the United Kingdom. It is now contended that as Mr. Reid opposed fiscal peace and was defeated those who declared for peace are free from all obligations to their constituents to observe any truce. It is also argued that the fiscal peace promised was merely in respect of a wholesale revision of the tariff, and did not preclude the reconsideration in Parliament of any particular interests proved to be injuriously affected. By these ingenious interpretations of election pledges it is sought to revive the fiscal question which had been declared buried for this Parliament. The intention is to justify Protectionists in now allying themselves with the Labour Opposition against Mr. Reid, provided they can obtain promises of assistance from Mr. Watson and his following. Meetings of the dozen Liberals under Mr. Isaacs and of the Labour Party are now in progress, at which a pretentious joint programme is being elaborated. The one article of it on which everything depends is the proposal as to Protection. If those concerned agree on this Mr. Reid must look to his laurels, and the Victorian Protectionists who aid him will have to fight for their lives.

PERSONAL INTERESTS.

The recurrence of fiscalism at this juncture bids fair to prevent a straightforward development of the real situation in Federal politics. It is being hampered in the same way, but to a minor degree, in each State, where every possible device is being exhausted by Labour sympathisers to prevent the isolation of their party which is the necessary preliminary to its defeat. In South Australia the Jenkins Government will be assailed as soon as the personal ambitious among the Independents now acting under Mr. Peake can be reconciled sufficiently to permit of an alliance with the Labour section. There is no particular cause of complaint against the Cabinet, which has been thrifty and cautious, and on the whole businesslike in its work. If it cannot be considered distinguished for statesmanship it at least supplies a better Board of Directors than its opponents can possibly get together. In Western Australia the position is reversed, for here the Labour Ministers, all of them new to office, will continue their reign no longer than is requisite for the James Opposition to unite with the Independents who helped the present Premier, Mr. Daglish, to give the late Ministry its quietus. Personal interests are as intrusive in Perth as in Adelaide, but in Perth the clear line of demarcation between the Labour organisations and the rest of the community appears more likely to be distinctly drawn. In our own State Mr. Carruthers' selections for his Cabinet are approved as generally as could be expected, having regard to the circumstances in which the Liberal and Reform Party regains office after an exile of five years. Besides the Premier the only experienced members are Mr. Hogue and Mr. Lee, who were colleagues of his in the Reid Ministry while it lived by the votes of the Labour section, to fall as soon as they were withdrawn. Of the rest all are men of promise and standing, Mr. Ashton, the Minister of Lands, being the one of whom most is expected because of his high character and broad views. Every one of the Ministers is Australian born if the term be taken to cover Fiji as part of Australasia. Six of the eight are qualified lawyers, though only three practise that profession, while almost all are either young or in the prime of life.

UNPREDICTABLE FUTURE.

Mr. Carruthers's policy, as announced last night, is plain, drab, and palpably tentative. Administrative economy comes first. Ministers reduce their own salaries by £1,800, leaving £10,000 for eight of them, in order to begin at the top of the tree and at the same time prepare at the bottom by prohibiting fresh appointments to the public service, for the next twelve months at all events. Borrowing though not renounced, is to be reduced to a maximum of £750,000 a year instead of the £1,500,000 to which the late Treasurer proposed to limit himself. On the financial side, therefore, the programme is thoroughly sound and sensible. The era of

extravagance is closed, and cautious retrenchment is to be the order of the day. With an overdraft of over half a million inherited from his predecessors Mr. Carruthers begins his treasurership with the definite aim of clearing it off as soon as he can. The promise of a splendid season encourages the hope that this will not take long. The general legislation foreshadowed is practical in character, but can scarcely be achieved in the short session available before Christmas. The real crux will be the strength of the Ministerial majority. Mr. Carruthers must be satisfied that it is too narrow, because he admits having sought to induce Mr. Waddell to join him, though, failing to secure the leader, he has not attempted to approach any of his followers. Mr. Waddell's estimate is that the present Premier has not a majority without him, and that Mr. Carruthers's tenure is therefore very insecure. Whether or not he will have time enough to effectively launch his policy is therefore still in doubt. But if he cannot carry it on it is extremely unlikely that anyone else can. A combination between the Labour Section and the Independents, after the Queensland pattern, could not command a working majority. The choice seems to be between Mr. Carruthers and another dissolution, a circumstance that makes more strongly in his favour than anything else could. Bearing in mind the equally unpredictable future in the Commonwealth, in Western and South Australia, and in Tasmania, it is obviously much too soon to say that the political cyclone of 1904 has even yet left Australia at peace with normal conditions in her several Legislatures.

FEDERATED AUSTRALIA.

PREMIER'S DIFFICULT POSITION.

THE OPPOSITION COMPACT.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Sep. 13 1904; Oct. 22 1904.

The Commonwealth is certainly very unfortunate in its politics. Two Ministries have been tried in vain since March, and now the third is to be refused its opportunity. All present indications point to a dissolution next month, and an election before December. The existing Parliament will not by that time have seen even the first anniversary of its birthday. It came into existence with three equal parties, one Free Trade, another Protectionist, and the third Labour. A union between the bulk of the Free Traders and the Labourites put out our Protectionist Ministry. Next a union between the bulk of the Protectionists and the Free Traders put out a Labour Ministry. Now the balance of the Protectionists and the Labour Party is seeking to compel the Free Trade and Protectionist coalition to go to the country. This would be a by no means unmixed evil if the issue to be submitted to the electors could be made precise and clear. Of this there is no prospect: first, because the vastness of the area of Australia defeats all efforts at political integration. Each State, half isolated, continues to view Federal policies from its own particular angle, and to decide on them in accordance with its own local leanings. The consequence is a confusion of programmes and of persons before the electors. This promises a new Parliament, still divided into three parties and incapable of Constitutional Government except by means of the junction of two of them, or rather, of the whole of one party with a section of the other. The Protectionists as a party have practically disappeared. One half of them, under Mr. Deakin, supports Mr. Reid. The other half, under Mr. Isaacs, supports Mr. Watson. But the peculiarity is that each half maintains its separate identity, acting with its partner under a treaty defining and delimiting their joint and several responsibilities. The two halves may conceivably net together on fiscal questions, but apparently the division between them will soon be driven deeper under the pressure of a general election, in which they will fight each other face to face.

LABOUR QUESTION THE DIVIDING LINE.

The real dividing line in the contest will be between the Labour Party, plus its Protectionist allies, and an Anti-Labour Party. That, at all events, ought to be, and presumably will be, the cardinal feature of the struggle in New South Wales. Unfortunately in Victoria it will be obscured by a cross contest between Protectionists aiming at an immediate revision of the tariff and Protectionists who resist revision either because they consider the battle against the Labour Machine more important or because they believe the attempt to be premature. In Queensland, Western Australia, and South Australia the Labour Party will receive assistance from the Radicals, who are acting with them in the local legislatures, and to some extent the same situation may be repeated in Tasmania. The issue will not be clear. In only one State of the Union, and that our own, will the crux of the position be realised sufficiently to permit of a distinct decision on it at the ballot box. Even here the Protectionist Revisionists will count for something, though not for much, at the polls. In the other five States, or certainly in four of them, the verdict of the constituencies will be deflected from it, and may be rendered of no effect in consequence of their eager pursuit of local side issues. The Prime Minister is not answerable for this condition of affairs except where the provincial feeling or partisan hostilities, which he has never hesitated to use for his immediate ends, are turning on him. It is specially unlucky for him that he should now be dependent to a large degree on Victorian allies for his majority. The bitterness with which he has at every turn assailed that Protectionist centre has, if possible, increased the personal antagonism to him because of his fiscal opinions. Keen resentment is being employed in that State against him and all who venture to countenance his reign. His whole career is ransacked and his every unwise utterance unearthed. The object is to render his Anti-Labour appeal nugatory by making the opposition platform simply Anti-Reid. Any discussion on the immediate business to be undertaken in the present twice-interrupted session has dwindled and almost passed out of hearing because of the fierceness with which these two slogans are being raised to catch the ear of the country. Mr. Reid's sessional proposals are of the mildest. The Arbitration Bill and the Budget—together with a few colourless measures—are to occupy members until Christmas. All the more important questions affecting the transfer of State debts, the encouragement of our export trade, and the appointment of a High Commissioner, are, if he can have his way, to be subjects of conference with the State Governments during the coming recess. But every reference to his period has been received with mocking shouts of laughter from the Labour benches, whose occupants have not the least intention of permitting the Ministry to reach that happy haven.

LABOURITES WANT SPEEDY DISSOLUTION.

It is their interest to go to the poll now, before it has had time to strengthen itself and while the feeling of sympathy with the ejected Labour Cabinet is keen. The Labour organisations, always ready for active service, are in absolute fighting trim in New South Wales, Queensland, and Western Australia, where the State elections are just over, and their friends are flushed with victory. Organisation on the Government side except in this State there is really none. There are many minor leagues and associations elsewhere, but they are either of a class character or are attached to defeated local parties. A better opportunity for snatching a majority of the suffrages of Australia for Labour there could not be, and its leaders are not likely to neglect it. More than this, they perfectly well foresee the risk they run of a double dissolution next year unless a general election is rushed without delay. They need their Senate strength as much as the Senators who compose it need to avoid a special visit to their constituents. To strike at once, to strike hard and straight at Mr. Reid, is the strategic aim of the Labour commanders.

An electrical condition of the atmosphere was evident directly the new Ministry met Parliament. When the Leader of the Opposition moved the adjournment of the debate in order to allow himself time to consider Mr. Reid's statement of the Government policy he was opposed by members of his own party and subjected to the humiliation of walking out of the Chamber while they divided against his own motion. Again, when the House, which sits all day on Fridays, assembled after lunch Sir *William Lyne* took advantage of the neglect of members to occupy their places in order to secure a count out. Many were in the building, but as no attention has hitherto been paid to the presence of a quorum for the first few moments of the sitting they were caught unawares. Mr. *Watson*, though apparently no party to the trick, has not hesitated to take advantage of it as another evidence of the inability of the Government to control the business of the Legislature. Mr. Reid, much annoyed at being caught napping, vented his spleen in a newspaper interview on Mr. Isaacs, who had attacked him because three years ago he expressed the opinion that we could only hope to see manufacturing industries established when our population shall have increased to such an extent as to create a class whose necessities will oblige them to accept the low wages paid in the Old World. According to Mr. Isaacs, the Prime Minister desired this condition of affairs, while he insists, and with reason, that he deplored the prospect.

REID–ISAACS DUEL.

The duel between them was waged with unnecessary vindictiveness. Mr. Reid went on to say that the discussion of his policy was arranged for the benefit of the Opposition, and if they accept the responsibility for its unexpected closure he will not consent to its being revived. Unless the collapse is admitted to have been accidental he intends to proceed with the Arbitration Bill amendments of the late Ministry, most of which are of a formal character and therefore recommended for adoption. Mr. Watson, who by virtue of his alliance with the Protectionist Revisionists, is now leader of the whole Opposition, declines to ask for any renewal of the debate. He is now consulting with Mr. Isaacs, who accepts the post of first lieutenant, whether they shall not at once launch their motion of want of confidence. They can hardly hope to carry it, but will at least prove that Mr. Reid's majority of two has not increased as was anticipated, and that it is idle for him to attempt to carry on with so narrow a margin. The only possible result of such an onset would be a dissolution. The solitary obstacle to that desperate remedy arises from the unwillingness of members with unsafe seats to hurry an ordeal not necessarily due for other two years. But as these are a minority, and are unable to put forward in public this merely personal appeal for delay, they will have to brace themselves for the sacrifice in the interests of their cause. There is no other reason why the Opposition should hesitate. If they were to miss this chance they might not be able to stop Mr. Reid before the session closes. Once in recess anything might happen, and with so astute a strategist much would be certain to happen improving his own and injuring his opponents' chances. Like *General Kuropatkin*, he will be only too happy if he can retreat with sufficient rapidity to get into his winter quarters behind entrenchments which will allow him breathing space. The Prime Minister will fight none but rearguard actions until then, though unless Mr. Watson is blind to his opportunities he will force the Ministry to the country at the earliest possible moment.

The event which has elevated Mr. Watson to the leadership of a joint Opposition is the formal conclusion of an alliance between the Labour Party and twelve Tariff Revisionists headed by Mr. Isaacs. This important partnership is based on a formal treaty of twenty-two articles which has been published for general information. It includes a programme for this and for the next Parliament, embracing in a general way ten familiar items, including old-age pensions, all of them being referred to indefinitely.

PROGRAMME OF THE OPPOSITION.

There is no novel item. The Watson proposal obliging the banks to accept State paper for £8,000,000 of their gold reserve disappears, the tobacco monopoly is to be investigated by a Royal Commission, and the report of the Navigation Commission is to be expedited. Two difficult problems are thus gently disposed of for the present. The Arbitration Bill is to be proceeded with as nearly as possible in its original form, which means that the restrictive amendments heretofore made in it will be struck out if the members permit. So much might have been expected, but even the three points on which the Protectionists are most agitated are also touched in the vaguest manner. Every member is to be free to follow his own course on the vital question whether the iron bonus is to take the form of a subsidy to State Governments, if any of them will undertake the business, or to private enterprise; preferential trade relations with the Mother Country are "to be discussed" at an early date; finally, tariff revision is to be postponed until next session, another Royal Commission being meantime appointed to inquire into the necessity for reopening the fiscal question, on whose recommendations members are left perfectly free to vote. On the face of the agreement the Protectionists have gained nothing whatever. It is believed that Mr. Reid himself is not opposed to the appointment of a commission on the tariff. Last week he consented to another on old-age pensions, so that we appear in a fair way to have four of these bodies in addition to several select committees sitting at the same time. In each case the aim is to postpone awkward subjects in the hope that something may turn up in the interval. Such expedients discover the weakness of both Government and Opposition, between whose platforms there is a comparatively narrow space. Presumably the Opposition hopes for much more unanimity in consequence of its treaty than it has yet arrived at or is able to put in black and white. That the banking levy is abandoned and the nationalisation of the tobacco trade postponed pending an examination of the facts are the only concessions made by Mr. Watson. Mr. Isaacs's surrenders can only be guessed at from the general way in which the measures affecting our local industries are outlined. Apparently they amount to no more than Mr. Watson's, but no doubt the expectation is that the Labour members will now co-operate in raising duties, while in return the tariff revisionists will make the Arbitration and Navigation Bills as extreme as the Caucus desires. The bargain, if so executed, would not be unfair from a party point of view, but it could scarcely be set out in plain terms without alarming the Moderates and painfully exhibiting the extent of individual retreats or advances.

PREMIER'S POSITION PRACTICALLY UNTENABLE.

What both parties sought as the end of their alliance appears in the plainest manner from the very construction of their treaty. First comes the, to them, all-important matter of the electoral arrangements euphemistically termed the "conditions of alliance". These are that while each party is to retain its separate identity a Joint Committee is to name the candidates for contested seats on whom the combined strength of both parties is thereon to be concentrated. This was the true aim of the whole movement. It is significantly accorded the chief place in the document which it occupied in the eyes of those who drew it up. After this compact for the polls and in subsidiary fashion comes the legislative programme to which they intimate their adherence. This was not the end they had in view. The alliance itself was the achievement pursued; the policy to be adopted was nothing more than a means to that end, though set out in elaborate detail for the benefit of the public. The results of the alliance must be grave from a Ministerial standpoint. The twenty-four Labour members who constitute the direct Opposition are raised by the addition of twelve tariff revisionists to a full strength of thirty-six representatives out of a House of seventy-five. Fourteen Labour Senators have obtained the aid of three Tariff Revisionists, bringing their total up to seventeen Senators out of thirty-six. Another two votes in each Chamber would give them an absolute majority in Parliament. They have at least that number of close sympathisers in the Senate, and possibly waverers may be discovered in the House when the Protectionist pressure is applied in its full strength to the Victorians by the *Melbourne Age*. Mr. Reid's position was perilous enough to begin with, since he had to look for any increase of his bare majority to recruits from the Opposition corner who were in sympathy with the Protectionists clustering in the Ministerial corner. With the twelve votes among whom he hoped to find converts rallied resolutely against him as foes his situation is more than critical. It is all but untenable. He confessed as much when first addressing the House. There is no escape from a dissolution if the Opposition are determined to obstruct business. Apparently it is so determined, and with good tactical reason. The Prime Minister has not as solid a party behind him as Mr. Watson; his Free Trade followers range from Conservative to Radical, and his Protectionist allies include a similar scale of variations. To keep these motley parties together in harmony with each other and within themselves is a feat of skill which even Mr. Reid must view with undisguised apprehension. The buoyancy with which he accepted the long-coveted prize of his ambition, the sparkling effervescence of his speech concerning the future, and his cheery confidence in his star have not deserted him, but are all already lessened, sobered, and chilled. Donning his fighting array, hardening his heart, and baring his arm he is putting away his former sanguine hopes of a prosperous season of fruitful work and addressing himself to the arduous toils of an uncertain war.

FEDERATED AUSTRALIA.

POSITION OF THE LABOUR PARTY.

INSECURITY OF LIBERAL SEATS.

PREFERENTIAL TARIFFS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Sep. 27 [Sep. 20] 1904; Nov. 12 1904.

Federal politics at present evoke almost as much excitement as a test cricket or football match, and, pace Mr. Kipling, no higher praise of their attractions could be uttered in Australia. Mr. Reid, wiser by the experience of his two predecessors, whose Cabinets consisted solely of members of their own parties, constructed his on the coalition principle, felicitating himself, "good easy man", on widening his base by this astute expedient sufficiently to escape their fate. But he had not allowed for the fact that his adversaries could better his example, and had indeed begun to unite forces against him before the ink was dry on his commission from the Governor-General. He had captured the Treasury Benches by a majority of two, but appears to have lost half that majority immediately he took his seat on them. No sooner was he in possession than an erratic Tasmanian, Mr. Norman Cameron, warned him that thereafter he was to be reckoned an independent. The other half of his majority consisted of the Chairman of Committees, whose vote, of course, is only available in the House. Bearing these figures in mind, when Mr. Reid declared his Ministerial policy it was with so close an eye on the sessional programme of the two prior Ministries already dismissed by this Parliament that his proposals became indistinguishable from theirs. Yet all his concessions brought him no converts from among those Protectionists who have always supported Mr. Watson rather than himself. The worst of it is that he has nowhere else to look for aid, since all the rest of the Opposition consists of Labour members. With Mr. Cameron hostile his supporters in the House exactly equal those of his opponents. The Speaker will find thirty-seven votes ranged on each side. Even if Mr. Cameron stands fast Mr. Reid will only rally his original thirty-eight followers. In any event, while Mr. Watson has thirty six on his side of the Chamber he can make the transaction of business depend on his pleasure. The Labour members may be almost said to live in Parliament, so constant is their attendance. Not one of them attempts to earn his livelihood outside, some being independent and the rest content with their salaries. The business

and professional men who follow the Ministry cannot vie with such regularity of attendance. In the present condition of parties the Government has not a single vote to spare. What more stimulating uncertainty could the inveterate sensation-seeker demand? No wonder that State politicians, particularly those in opposition, grow envious. They cannot hope to change their condition until they awaken their public to a sense of their own merits or, what is usually a simpler task, convince them of the demerits of those whom they desire to displace. How can they hope to keep the attention of their constituents in the States while Mr. Reid and Mr. Watson are wrestling on the very edge of the precipice that overhangs a Federal dissolution?

PARTY LEADERS.

Behind the two Federal commanders-in-chief those who aspire to lead or have led parties are also contributing their full share of excitement. It seems as if Mr. Deakin aims at retirement for a term, since he breaks silence rarely, and then only to beat off attacks or to employ his dialectic against the methods and procedure of the Labour Party, whose animosity is consequently more and more exacerbated against him. While he withdraws from the main current of conflict those Liberals who have practically renounced his leadership, nominally to set up for themselves under Mr. Isaacs and Sir William Lyne, but in effect to enrol themselves as followers of Mr. Watson, have commenced a chapter of adventures of which the conclusion has still to be written. Half of them embrace the current platform of the Labour Leagues with minor reservations, shrinking, however, from the sacrifice of self-respect demanded of them in signing a written pledge of adherence. This would submit them blindly to the dictates of a majority of any caucus of Labour members which felt called on at any time to adopt a fresh line of action. These Liberals are Labour members but not caucus members. Their constituents having authorised them to vote the Labour platform—though excusing them from parting with all their independence—they are unable to vote against its pledged supporters, while they profess to be seeking to give effect to it. They were responsible for the reign, such as it was, of Mr. Watson as Prime Minister, and after his defeat for his appointment to the leadership of the joint Opposition. How long they will be able to maintain their anomalous attitude by such proofs of personal loyalty no one can prognosticate. Most of them entered the House in spite of the Labour Party and over the heads of its officially approved candidates. Their one anxiety now is to avoid another fight with these Labour candidates at the coming election. The Anti-Labour League movement, which they were able to use last year to some extent, will no longer be available for them, and unless they can replace this missing element by aid derived from the ranks of the full-fledged Labour electors their seats will become very unsafe. They still decline to make their candidatures conditional to receiving the nomination of the local political Labour Councils in

their constituencies, and no wonder. To do so would mean that they must agree to retire from public life without a contest unless they are chosen as Labour candidates by the little knots of interested persons who compose those bodies and direct their tactics. Some of these councillors having helped to build up their branches of the Labour organisation with a view to their own ultimate acceptance of its nomination are sure to set aside even the most ardent sympathisers with their objects while they themselves are left outside the fold Parliamentary. On the principle that a door must either be open or shut it seems plain that all Liberals adopting the Labour platform must ultimately decide either to be inside or outside its membership. If they receive no mercy from Mr. Watson's legions they will certainly obtain none from Mr. Reid's, and it will only be in exceptional constituencies that they can hope to sustain the shock of both adversaries at once.

THE ISAACS-LYNE PARTY.

The other half of the Liberal allies who are not so closely identified with the Labour platform occupy much the same position as their companions, though they have reached it by a different road. With Mr. Isaacs of Victoria personal ambition is probably the chief motive for his breaking away. So far he has had no recognition in Federal politics except what he has won while a private member by his high legal standing and marked ability in debate. Having supported all three of our past Ministries he has now broken decisively with that of Mr. Reid, though in doing so he has separated himself at the same time from Sir [George Turner](#), whose Attorney-General he was in Victoria for more than five years, and from Mr. [McLean](#), who acted for a time as their colleague in the same Cabinet. The country district he represents borders on the Murray, and includes a large mining vote on which he can rely in his new departure. The fact that he was born there and that its people are proud of his career, quite apart from his views, will assist greatly to make his seat safe against any challenge. On the other side of the great river and in this State his fellow seceder, Sir William Lyne, has allowed his bitter hatred of Mr. Reid to lead him into a path which it will be very difficult for him to keep without disaster. While the Labour section in New South Wales supported Mr. Reid during his Premiership, Sir William Lyne as leader of the Opposition fought them both with the help of our Conservative forces. When the Labour members by their votes put him in Mr. Reid's place he cemented an alliance with them which, added to the suffrages of his Protectionist farmers, has enabled him to secure re-election for Hume at both Federal elections. It is doubtful whether even his remarkable energy and popularity will suffice to keep the farmers' votes now that he is marching under Mr. Watson's banner. His next-door neighbour to the west, Mr. [Chanter](#), is in an even worse case. Loyalty to Sir William Lyne, enhanced by staunch devotion to Protection, can scarcely save him from defeat at

the hands of Mr. **Blackwood**, who twice came within an ace of beating him in the two fiercely-contested elections of December and May last. Their South Australian comrade Sir **Langdon Bonython**, after a great deal of painful indecision, has cast in his lot with them. As he is proprietor of the *Adelaide Advertiser*, one of the leading Protectionist papers of Australia, his adherence will give the seceders a standing in that State which Mr. **Kingston's** prestige alone can scarcely afford. This ex-Minister would have been a powerful factor in our history if his health had not broken down at the critical moment when Mr. Watson took office. He would at least have been second in command in that Administration, which with his strong hand at the helm would have enjoyed a more distinguished, a more arduous, and perhaps an even more brief career than it achieved without him. It is not too much to say that the course of Australian politics, whatever it was, would have been very different if Mr. Kingston, instead of having to be content with lending his name to the Radical secessionists, had led them sword in hand, according to his custom, neither giving nor taking quarter.

PARTY AIMS.

Whatever the fortunes of its individual members may be the Isaacs–Lyne combination under the shadow of Mr. Kingston's name is certain to play a very prominent part in the political developments now afoot. The members have behind them the two most influential Protectionist newspapers in Australia. Not that the *Melbourne Age* endorses the policy of the Labour Party, but that it cherishes the hope of forcing the caucus to adopt its fiscal doctrine for the Commonwealth, trusting to repay it with the least possible concessions to its immediate programme. The proposed compact which it is sedulously fostering is surrounded by difficulties that are making the extra-Parliamentary negotiations of the last few weeks prolific in unexpected incidents. The Free Trade Labour members, having used their freedom outside the party platform and recommended themselves to their constituents on that understanding, have found it impossible to consent to go over at once to the Protectionist camp. The consequence is that neither the party as a whole nor the men who compose it have formally completed the bargain asked for by Mr. Isaacs. In addition to this, the Protectionists among the Labour members, like the seceding Liberals, have to find a means of creeping through their hustings promises that they would preserve fiscal peace during the currency of this Parliament. Mr. Isaacs and one or two others who had no contest last year gave merely a tacit approval to the party policy on this point, but the remainder, unfortunately for themselves, were explicit. Yet, unless they can recant on this question, they have no pretext for attacking Mr. Reid. It is true that he and his half of the Cabinet opposed preferential trade with the Mother Country, but so did half the Labour Cabinet, while its Protectionist head announced that he would attempt nothing in that direction until an offer has been

received from the Imperial Government. The most sanguine cannot contend that this is likely to happen soon. Here, therefore, and also on the Iron Bounty Bill, which is left an open question, the members of the present coalition adopt precisely the same line as those of the late coalition, whose Prime Minister, Mr. Watson, is about to attack them for doing so. Perhaps he may try to explain that he will not assail them on this score as Labour leader but only as an individual Protectionist, though the insuperable difficulty remains that he cannot attack Mr. Reid on any fiscal issue except by commending the proposal for a revision of the tariff next session against which he and the rest of the Protectionists pledged themselves last December. He will, no doubt, divert attention as much as possible from this self-contradiction by attacking Mr. Reid and his policy on the ground that they are Anti-Labour. His direct followers will be satisfied with this manoeuvre. The coalition against them is the most dangerous movement from their point of view that could possibly be undertaken, and they would act wisely if they made any sacrifices in their power to nip it in the bud.

MR. ISAACS AND FISCAL REFORM.

Mr. Isaacs's campaign is much harder to understand or to justify. His one excuse for opposing the present Prime Minister is that he will not undertake to amend the tariff, though the Labour Party, with whom Mr. Isaacs is acting and whose leader is now his leader, remains as a party perfectly free from obligation to undertake that task. Backed up by the *Age* and relying on his constituency, he is in no mood for half measures. He began by offering to join the attack on Mr. Reid providing that the Labour caucus put Protection into its official programme thus committing itself as a whole to a revision of the Tariff and to definite proposals for Preferential Trade, only allowing its members to vote as they thought fit on the Iron Bounty Bill. He continues willing to join, though Protection has not been added to the Labour platform, though the Free Traders associated with Mr. Watson give no promise of altering their votes, and though he has no undertaking from them respecting preferential trade. The freedom already claimed and exercised by some Labourites on the Iron Bounty Bill remains as it would have remained apart from these negotiations. Mr. Isaacs has obtained nothing in the way of policy, and it has just transpired that he has obtained nothing in the shape of a guarantee that his followers will be protected from electoral reprisals organised by the Labour Party outside Parliament. The Political Labour Council of Victoria has formally notified Mr. Watson that it opposes his alliance with Mr. Isaacs and Sir William Lyne, and will not recognise it as in any way binding on its branches, several of which have quite independently given the same intimation. It is understood that the Political Labour Councils in this and other States are of the same mind, though possibly Queensland and South Australia may be exceptions. All, therefore, that the seceding Liberals have gained is the support of Mr. Watson and most of the Labour members behind him for their candidatures. What this is worth remains to be seen.

SPLIT IN THE LABOUR PARTY.

The extraordinary spectacle of Labour members of Parliament fighting from the platform against the Labour Leagues who operate in the districts now represented by Liberal seceders and claim the seats as their own, if it really take form and substance, cannot but be productive of bad blood and imply a severe strain on their organisation as a whole. The party discipline until now has been perfect. There have been rebellions in local branches and duels between rival candidates. The party caucuses, State and Federal, have often been the scenes of angry strife. Mr. Watson himself has had of late, while presiding over the Federal caucus, to listen to a great many unpleasant comments on the feebleness of his career as Prime Minister. But none of these intestine wrangles have allowed their echoes to escape the walls of the rooms in which they hold their secret sessions. Rent by personal and sectional dissensions as some of its meetings have been they and the party as a whole have always turned a united front to their foes and to the outside world. In New South Wales from time to time several of its ablest men in the State Legislature have asserted their independence by breaking away from the party altogether. Sometimes they have been re-elected, and occasionally survive two or three contests, but they continue to be marked men fought at every poll, and sooner or later every one of them is ejected from Parliament. The lesson thus drastically given has been learned. Anything is now endured to avoid the ostracism which follows expulsion from the caucus and the political execution that comes in due course. Now, for the first time, the almost unanimous verdict of its Federal Parliamentary caucus, led by its chief, the late Prime Minister, and by his recent colleagues in office, has been publicly set aside by the Political Labour Council of Victoria, which represents the majority of the party in that State outside Parliament. It is in close touch with the Labour members in the State Legislature, and with the Labour papers which guide as well as advocate its policy. Mr. Watson cannot coerce, and may not be able to cajole it. When Greek meets Greek in this fashion, we may anticipate a tug of war in that State at the coming election such as Australia has not witnessed since the Labour Party first began to be.

FEDERATED AUSTRALIA.

REID MINISTRY AND MR. WATSON.

PERSONAL ATTACKS.

STATE ASSEMBLIES IN SESSION.

FROM OUR OWN CORRESPONDENT.

SYDNEY, Sep. 27 1904; Nov. 16 1904.

The fate of the Reid Ministry still hangs in the balance, and is likely to remain in suspense for a little. The Labour Opposition and the Government, through their leaders, have placed their contrasted doctrines before the public. Mr. Watson was by common consent described as tame and ineffective. Mr. Reid was virile and effective, not contenting himself with a defence of his Cabinet but attacking his opponents and their policy with dashing promptitude. The damaging consequences of his onslaught and the failure of Mr. Watson to impress his hearers may have had a stimulating influence on Mr. Hughes, the late Minister for External Affairs, who ranked in the Cabinet next to the Prime Minister, but to all appearances his reply to Mr. Reid had been generally mapped out beforehand by arrangement with his chief. It suits the Labour Party to keep in the lead a Moderate like Mr. Watson, whose temperament is amiable and whose tendencies are opportunist. He speaks for them in a placable and gentle manner, which helps to divert antagonism and to allay suspicion. He is the natural representative of their rural members, who have to satisfy the small farmers and thoughtful miners that their programme is sensible and practical. But he cannot be, and is not representative of, the driving power in the party which is directly derived from the aggressive proletariat of the towns and from workmen in conflict with employers. The fiery Socialists, whose gospel stirs the masses to hopes of higher wages, shorter hours, easier burdens, and generous gifts at the public expense, have to be kept in good humour by strong diet and more appetising prospects of personal advantages to be acquired by political means. Mr. Watson paid tribute to them by devoting a large portion of his speech in moving his vote of want of confidence to an exposition of the need for an economic revolution and the possibility of accomplishing it quietly, "one step at a time". The transformation he desires, though thorough, is to be accomplished by regular stages and by methods that, while offending nobody, are to relieve a grateful public from the inenbus of all monopolies,

the profits of which will be generally shared, instead of being illegitimately pocketed by the few. It was with placid sentimentalisms of this kind that Mr. Watson justified his hostile attitude towards Mr. Reid, striking him with a feather and threatening him in dulcet tones which only occasionally grew a little shrill.

SOCIALIST SPOKESMEN.

Mr. Hughes's selection as second fiddle was evidently made in order that he might supply Mr. Watson's deficiencies for the benefits of the extreme section of the party, and use language which would have been entirely inconsistent with the official decorum and moderation of his discreet superior. The Socialist doctrine having been stated by him with sufficient fullness, the next need was to draw attention from its careful promulgation by carrying the war into the enemy's camp. This Mr. Hughes sought to accomplish in familiar fashion by a series of personal attacks on Ministerialists, varied by impish travesties of their opinions and careers. The gusto with which he discharged this congenial duty was somewhat marred by extravagances, particularly when he assailed Mr. Reid for having directed the prosecution of the employer of six expert potters alleged to have been surreptitiously brought into Sydney under contract. Unlike the six hatters of famous memory, who were detained before entering until their services were proved to be necessary to the business, nothing was done to these potters, but the summons to the employer, declared to be impending, was loudly ridiculed. The facts were next day shown to be that Mr. Hughes himself, and no one else, had ordered the prosecution for which he rated his successor. Beyond the fact that Mr. Reid had been verbally informed of this and other directions given before he took office he knew nothing of the circumstances of the case. He had simply allowed all his predecessors' minutes to remain unaltered. A discovery of this kind discounted the whole of the ex-Minister's speech, but could not restore the discussion to its proper channel. Mr. Crouch, one of the Victorian Protectionists who has joined the Labour alliance, repeated some old charges against Mr. Reid's financing when Treasurer of this State, and vehemently condemned him for encouraging the Orange crusade against Catholic candidates. Sundry of the Prime Minister's followers at once rushed into the breach to defend his State Budgets and to retort on Mr. Hughes for his own alleged appeals to sectarian prejudices. The week closed after a long exposition and defence of State Socialism by Mr. Spence, the active organiser of the Shearers' Union, amid other recriminations akin to those introduced by the first lieutenant of the Labour Party. Most of these attacks related to the past politics of New South Wales. No second Minister rose, and though Sir John Forrest vigorously taunted Mr. Isaacs and his associates in the new alliance with having deserted their leader and their principles as Protectionists there was no reply.

The discontent of the thoroughgoing Labour members, who are unwilling to accept any alliance or to amend either their platform or procedure to accommodate possible allies, was expressed by Mr. Fowler on behalf of the handful of Labour "stalwarts" who are with him in refusing all concessions to the unpledged. Mr. Watson, replying to him outside the House, has again declared for the treaty to which Mr. Isaacs and Sir William Lyne are parties. The branches of the Political Labour League in Victoria, to whom he has appealed against the adverse decision of their Central Executive, are, for the most part, taking his side, but that body itself remains inexorable. While this uncertainty exists as to the future action of the local organisations the debate in the House flags, but it is anticipated that the combat will not now be left to the direct supporters and opponents of the Ministry. The corners will commence to open fire, and probably on each other, the duel between the severed wings of the Protectionist Party being looked for with special interest.

MR. REID AGAINST THE CAUCUS.

Mr. Reid first challenged the Opposition leader, as well he might, because he had said not one word of his important alliance with the Liberals, to which he looks for a majority, and not one word of the proposed tariff revision, without which those who have joined him will be unable to justify their secession from their party. Mr. Hughes, who followed him, also passed these taunts by in significant silence. From this it may be inferred that though the Labour members rely on the alliance for votes they do not rely on it to awaken enthusiasm in their own ranks. With regard to his personal antagonism to the exclusion of coloured labour from our mail steamers and of men under contract, without respect to their nationality, and his desire to reduce the tariff to a merely revenue basis, the Prime Minister went on to admit that on these issues the electors had decided against him, adding that he loyally accepted their verdict and adopted the same attitude towards preferential trade relations with the Mother Country as his predecessors. But he had fought, and would always fight, the Labour Caucus while it persisted in its daring attempts to seize employment for unionists in priority to non-unionists, while it paid lecturers and maintained newspapers to preach the destruction of private industry, while its outside organisations controlled members of Parliament, and its methods crushed out individual liberty. It was on this note of defiance that Mr. Reid concluded his telling response to Mr. Watson. He laid down unmistakably the dividing line between the two parties on which they will go to the country. Of course, the patent obstacle to this straightforward line of action is the sudden intrusion of the tariff revision proposal by the Isaacs-Lyne combination. In this connection the Prime Minister proved by quotations from the Protectionist Ministers, members, and the Press that the policy unanimously submitted to the country by them was fiscal peace during the currency of the present Parliament, and

denounced any repudiation of it as an outrageous breach of public faith. To his bold arraignment there has so far been no reply. Mr. Spence, as a Labour agitator, devoted himself to a general disquisition on the blessings of Socialism, whose creed apparently satisfies the shearers of our western country. But this has been the extent of the support given to Mr. Watson's opening. No speaker has really taken up Mr. Reid's gauntlet on that question or has sought to excuse the project of tearing up the existing schedule of customs duties during the very Parliament returned to preserve it from disturbance. The net result of the debate was therefore in favour of the Ministry. It may not have altered a single vote, but its influence on public opinion is already manifest. The drift, so far as it can be detected, is directly adverse to the Labour Caucus.

LOCAL RIVALRIES.

Three State Legislatures have now commenced their first session in earnest. In Queensland the **Morgan** Ministry, with its overwhelming majority, faces Mr. **Philp**, once more elected to the leadership of his party, whose numbers are now smaller than those of the State Labour Party when they were crushed by the first great coalition of the now defunct "Continuous Ministry". It is comforting to notice that Mr. Morgan has not lost his head in consequence of his remarkable triumph. The Speaker, Mr. **Cowley**, though one of the boldest opponents of the Labour Party and most able advocates of the employment of Kanakas on sugar plantations, was re-elected, and the former **Chairman of Committees** was accorded the same compliment. The programme of business for the session is short and non-contentious, the language of the Premier practical and conciliatory, and the outlook for the Parliament very hopeful. Mr. Morgan seems to realise that it will not be wise for him to sever his connection with the Moderates, among whom he has always been numbered, merely because he has now the whole of the Labour members sitting behind him, constituting in themselves very nearly half the House. After a time, with adult franchise and new electoral districts, they will be dependent on him no more. A time must come when he will cry halt, and they will not obey his command. He does well, therefore, to prepare for that natural development by looking beyond the present to the hour when in order to preserve the State from extravagances he will require to enlist every man who remains outside the caucus to fight its demands. In Western Australia Mr. **Daglish**, the new Labour Premier, meets his assembly with a programme radical enough to be sure, but far short of what the "advanced" members of his caucus crave. He thinks, and with good reason, that if he can assimilate the suffrage of the Legislative Council to that of the Assembly, which is already chosen by the adult vote, he will have achieved a memorable victory for the Labour Party. Though his ultras deny it, this is no matter of speculation. In our Federal Parliament the Senate is so elected. All the Westralians returned last year were Labourites, so

that the Chamber has already almost a majority bound to the caucus. Some of his supporters are offended because he temporises with a House which they desire to see abolished at once. Mr. Daghish is more practical. If he can capture the local Legislative Council for the Labour Party by this device he can conquer the Assembly as well. Then in what will their mastery be lessened because they have to pass their measures through two Chambers instead of one? In other directions his proposed reforms are equally drastic, though less violent than some of his ardent outside organisers of victory desire. Probably his most tactful exploit has been the transfer of Mr. **Walter James**, the late Premier and Leader of the Opposition, to the post of Agent-General. Men of his energy and ability are rare in Australia, and very rare in the great western State. The Labour Premier, with an astuteness that Mr. Watson might envy, has thus at one stroke disposed of his most dangerous rival, and made an appointment whose excellence men of all opinions confess without demur. The forces of the Opposition are much enfeebled by the loss of Mr. James. Those of its members of more conservative views who contemplated his early restoration to power by their means and on their terms will now be left lamenting that they ever assisted the Labour Party to drive him from the Treasury Benches.

NEW SOUTH WALES AND MR. CRICK.

In New South Wales Mr. **Carruthers** has also made his bow to the new Assembly with a programme as brief and simple as Mr. Morgan's in Queensland, while a quite unforeseen accident has relieved him of his most able critic just as opportunely as if he had devised his capture with the cleverness of the Premier of Western Australia. Among Mr. **Crick's** qualifications and disqualifications for the leadership of the Opposition to which he aspired, and for which he had the best claim, must be reckoned the unexpectedness of his actions. Even his intimates dare not foretell the line he will take on the most ordinary occasions. In many instances his surprises have been due to superior insight, and in others to sheer whimsicality or caprice. But in either case he follows them up with equally unpredictable outbreaks, and also with dogged determination. His last escapade, by which he retires from the front rank, seems to have been perfectly casual, and may be only a temporary episode. The House having refused to reappoint its former Chairman of Committees chiefly because he was a Labour member, the ensuing contest for the vacant place led to an unseemly wrangle, in which, as usual, Mr. Crick took an active part. He went so far as to challenge the **Speaker's** ruling, and rallied thirty-three members behind him for the purpose against forty who successfully upheld the official dictum apparently on very good grounds. The prize, then, lay between Mr. **O'Sullivan**, the late colleague of Mr. Crick, and Mr. **McFarlane**, a Ministerialist, until it became evident that the latter would win, when Mr. Crick suddenly consenting to be nominated himself

was immediately elected by fifty-three votes to fifteen. The humorous feature of the choice was that he became nominated by virtue of the very ruling of the Speaker against which he had divided the House earlier in the same sitting. His selection is thoroughly justifiable. So far as knowledge of constitutional practice is concerned Mr. Crick has the reputation of being one of the best authorities in Parliament, and if he does not permit his native spasms of reckless eccentricity to intervene while he retains office may make the best chairman possible. Whether his acceptance of it is in jest or earnest, or his legal knowledge and ready interpretation of the practice of the House will be seriously and steadily used, or how long he will consent to discharge official duties no one who knows him would venture to guess. Should he exercise self-control he can undoubtedly control the committee without difficulty. With his removal Mr. Carruthers sees no rival of his own calibre left in opposition; but none the less he is proceeding with cautious circumspection so as to afford no opening for the attack which the Labour Party are eager to press home before he has time to consolidate his supporters. The Premier very properly puts the restoration of the finances in the first place, and proposes to devote most of his attention and of the session to them. But he is careful not to offend even Protectionist sentiment, promising to consider local tenders for the construction of the engines required for our railways if the manufacturers will submit reasonable prices. Our diminution of public expenditure has had a depressing effect on employment, though now that the season is advancing the country districts are absorbing shearers and farm hands. Ministers are devoting themselves to their departments, and when these are well in hand we shall probably hear more of the retrenchment and economy promised at the recent polls.

FEDERATED AUSTRALIA.

INFLUENCE OF GOVERNORS.

TRADE IN NEW SOUTH WALES.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Oct. 4 1904; Nov. 24 1904.

The **Governor-General** and Lady Northcote have concluded their first sojourn in New South Wales under the happiest conditions. They are now as well known in our capital as in that of Victoria, and have also put themselves into personal relation with many parts of the interior of the State. Lord Northcote has had no easy path to tread since he first entered the Commonwealth less than a year ago. Three Prime Ministers have tendered him advice already, and a fourth may be soon at his side, but as he appears to have secured the respect of all of them and the confidence of the general public to boot, he is well equipped for any further trials the future may have in store for him. Her Ladyship has conquered Sydney society no less completely by her graciousness and generous sympathies, manifested without respect to sets or cliques. Both take with them to South Australia the good wishes of citizens generally, whose attachment to our own **Governor** and Lady Rawson has been and is unfeigned. The part Sir Harry Rawson played in our recent change of Ministry was perhaps more accurately gauged by the public at large than by the politicians, who attributed to him a very active share in the mysterious negotiations which placed Mr. **Waddell** in the Premiership over the head of more able but less amiable colleagues. Whether or not he intervened, as supposed, the conviction is that he acted from a sense of duty and without regard to personal predilections. This secures him against either suspicion or reproach in any case. His popularity remains quite unaffected. Sir **Herbert Chermiside** has announced his resignation, which has been anticipated for some time. This permits the State to give effect to the retrenchment which not only has been contemplated but was some time since informally approved by the Queensland Legislative Assembly. Mr. **Morgan** gracefully expressed the appreciation of the Cabinet at the considerate course taken by his Excellency, whose term of appointment has not yet expired. A movement to reduce the salaries and allowances of State Governors seems to be spreading from north to south. It will be a distinct loss to us to miss the able and tactful men whom as a rule we have been fortunate enough to receive from the Colonial Office, for we can hardly expect Governors of

the same calibre and experience under the altered conditions proposed. Possibly if the effect is to minimise the friction between State Governors and the Governor-General, whose functions have not been distinctly defined up to the present, the loss may have its compensations. One consequence may be a relative increase in the supremacy of the Governor-General, and through him of the Commonwealth over which he reigns as Viceroy.

GOOD RAINFALL.

Mr. Carruthers is taking our Legislative Assembly as quietly as possible, avoiding every disturbance with scrupulous care. It would seem that he is anxious to propitiate his Radical followers, for he has already committed himself to the acceptance of unimproved land values as the basis of rating for the new shires and optionally for the new boroughs he hopes to establish by his promised Bill. Going further he has expressed his sympathy with the single tax principles of Mr. Henry George, to which some Labour members and Free Importers have decided leanings. This will make it hard for representatives of that way of thinking to launch a vote of want of confidence against him. Quietness reigns for the moment. Mr. Crick continues Chairman of Committees, Waddell remains quiescent in the Opposition corner, while Mr. McGowen, though professedly willing to lead the Labour garrison in desperate sallies from the direct Opposition benches, has made no demonstration. He has not even taken steps to give effect to his recent threats that he would issue a challenge to Ministers at the earliest opportunity. Meanwhile welcome spring rain has been falling of incalculable value to a large agricultural area in the north-east, where the crops were languishing for want of moisture. A fine harvest is now assured over the greater part of our grain-growing region, while pastoral prospects are brighter. We have four million extra sheep this year, making thirty million altogether, and though this is still only half the number possessed in New South Wales in 1891 a buoyant market for wool promises us an extra £1,000,000 from the clip of this year over the receipts of 1903. We have not yet been able to discover any method of inoculating rabbits with a fatal disease which would not be dangerous to stock or settlers, but fresh researches are being pursued to that end. There are those who contend that instead of being dealt with as vermin the little rodents can be made payable property, and that it would be a mistake to destroy them for the sake of sheep in poor country. The immense flocks formerly grazed on great stretches of leased land are being subdivided among small graziers more easily able to keep the rabbits under. There are now less than a dozen run-holders in this State, carrying more than a hundred thousand sheep. Besides, the gratifying increase in both the weight and quality of the fleeces makes up to some extent for the diminished number of sheep. If our graziers would concentrate their energies on improving the breed of their sheep

and on making the back country drought-proof by a carefully-considered scheme of water conservation this most lucrative primary industry would be safeguarded against the disasters by which its marvellous progress has hitherto been interrupted in bad seasons. These vicissitudes occur in every State, but are most felt in New South Wales because of the extent to which wool-growing has always been carried on within our borders. With our farmers and graziers prospering, not as they now do, subject to sudden and serious reverses, but regularly, so as to provide a minimum annual export, we should soon see a permanent revival of trade and finance on a fixed basis of returns which could be generally counted on.

CAPITAL AND LABOUR.

Agriculturists have so far escaped the Arbitration Court in this State. The pastoralists supporting a Machine Shearers' Union have had a prolonged struggle with the original Australian Workers' Union, which has so far gone in their favour. It is the proprietors of our coal mines who are at present in the throes of an endeavour to bring the cost of hewing coal down in proportion to the fall in price which they have to confront. An agreement affecting our northern collieries which terminated in 1893 made the selling price of coal as declared each September the measure of the hewing rate to be paid for the following year. Challenged first by the owners and afterwards by the miners, this agreement has been held to be still binding on both. In compliance with it a notification that the price of coal has been lowered from 10s. to 9s. a ton has been duly given. As a fact coal has actually been shipped at a lower figure. The miners who have been receiving 3s. 10d. a ton for hewing will continue to be paid on that scale until the 1st of January, after which the rate will be 3s. 6d. They have, therefore, three months to consider the situation, but judging by experience it is questionable if they will consent to forego the 4d. a ton of which they have been given notice. Their delegate board not long ago agreed with the northern associated proprietors on the terms of an industrial agreement which had been elaborated slowly and in detail after prolonged discussion between them. The lodges of miners having deliberately refused to ratify the action of their executive the twelve months' negotiation came to naught. The wage-earners themselves unfortunately have little or no knowledge of the varied circumstances affecting prices in Newcastle, from which port it may be noted that the export of coal for the last twelve months shows a distinct decline. Consequently they are not open to reasonable proposals even when these are recommended by their own representatives. They urge, and perhaps with some reason, that the mine owners compete against each other in foreign ports so as to lower the prices paid, and indeed their association, though it uses that name, does not include the largest collieries which employ the most men. Want of organisation among the owners is a drawback, but it is not to be supposed that a strike by their

employees can do anything to solve it. The price at which genuine sales are made is 9s. or less now, and while that is the fact proprietors cannot afford to pay as much for hewing as if they were getting 10s. a ton. The miners are obstinate, and strife seems near. Nor is theirs the only dispute unsettled. Our State Arbitration Court is crowded with cases set down for hearing. Mr. Justice Cohen and his colleagues make every effort to overtake their work, and have already refused to take minor disputes, but they are getting further and further into arrears. No wonder that the annual meeting of the Employers' Federation has allowed its members to vent their indignation on the Act as it stands, and demanded its amendment by the present Ministry. Preference to unionists is being granted almost for the asking, while the officers of the unions had to be sued to prevent them from turning those bodies into close corporations by refusing applications for membership or rejecting them systematically on the plea of incompetence.

RAILWAY ECONOMY.

For the first time for many years New South Wales is taking lessons in economy, particularly in railway management, from Victoria. It was Mr. Eddy who first brought our State lines into a thoroughly businesslike method of working, setting an example to the rest of Australia which abundantly justified his policy by the very satisfactory returns secured. Since his death we, too, have taken the primrose path to continuous deficits from which our southern neighbours have been delivered by the expert handling of commissioners, Mr. Tait, a Canadian by training, being chairman, aided by two colleagues of colonial experience. For the past fourteen years the Victorian railway system has failed to earn sufficient revenue to pay the interest which the taxpayers have had to meet annually on the loan moneys spent on its construction. This year the lines have paid the whole of the interest after providing for working expenses. They do not yield interest on the capital sums formerly advanced out of the general revenue for special works, nor on the value of the Crown lands used by them free of charge, nor on the annual deficits met out of the Treasury in most years since the Crown commenced to build railways. These are not reckoned, and it is considered a great achievement to make the railways pay their way and interest on loans without requiring a fresh levy on the State Treasury. Their circumstances are much like ours. New South Wales and Victoria have each of them about £42,000,000 invested in railways, and last year's deficit in Victoria, like this year's deficit in New South Wales, amounted to £300,000. For the twelve months concluded on the 30th of June the sister State has that much the advantage of us. In the "boom" times her receipts were much larger annually than they are even now, and while the earnings went behind badly repairs and renewals were also being neglected. These have had to be made up of late. Over £160,000 has been laid out on these belated needs of the permanent

way during the past two years, and the increments of which the employees were deprived in the bad times have now been restored to them. These extra outlays would, if added to the tiny surplus of £500 lately declared, bring it up to more than a quarter of a million, and by fair computation it may be put down at that amount. As it is, in spite of these inherited debits the Victorian Treasurer shows a net surplus in the year's accounts generally in that State of half a million sterling. Figures like these make our Premier's mouth water, and it is considered certain that among his forthcoming reforms those in the railway accounts will have a prominent place.

THE FEDERAL ASSEMBLY.

The Federal House of Representatives is taking the vote of want of confidence moved by Mr. **Watson** in an extremely leisurely way. Of course, the chief cause of its dilatoriness arises from the belief that an immediate dissolution is all but a certainty. There is no desire among members to antedate it, while there is a real need for them to explain their positions to the country. Consequently we have had another week of long orations from the Opposition so little directed to the House that few members have remained to hear them, and taking so wide a range that a stranger entering the chamber might not suspect for a time that they were intended to contain reasons why Mr. **Reid** should be removed from office. No inconsiderable share of the sittings has been wasted on personal explanations which the **Speaker** has allowed to embrace a great variety of matters in debate. Quite a considerable share of them has been devoted to reminiscences of past politics in the States, particularly our own. Mr. Reid's long career has been microscopically examined and his speeches reperused in order to unearth all the charges that have ever been brought against him and all the unpleasant things he has said against the members who sit beside or behind him. It cannot be contended that these parts of Hansard furnish edifying reading or advance the business of the House, but they are much relished by the juniors, who find in them the pabulum for repetition by free translation on the platforms on which they will shortly be appearing. Fortunately, there have been intervals in which the debate has been revived in a strenuous manner by well-directed argumentative assaults. The extraordinary thing is that every one of them has been made from the Ministerial side, and that it is the Opposition, nominally the attacking party, that is being put on the defensive. Mr. Reid's followers have been staunch, as was anticipated, but the zest of the conflict has been most enjoyed when it was waged between the Protectionists who now face each other from the corners. The battle began with a sarcastic fighting speech of the Minister for Customs, Mr. **McLean**, who justified his choice as leader of his wing of the Cabinet by a biting indictment of the members of his own party, whom he branded as seceders. Sir **William Lyne's** reply consisted in part of an echo of Mr. **Watson's** plea for Socialism, and in part of an echo of Mr. **Hughes's** diatribes

against the Prime Minister, for whom he cherishes a mortal antipathy. He referred to his old Protectionist associates obliquely, spending most of his energies on a denunciation of their Free Trade allies. Then he himself was dealt with remorselessly by Mr. Ewing, the member for Richmond in this State, where he has occupied a leading place among the Protectionists for many years. He was gallantly supported by Mr. McCay, the Minister for Defence, Sir John Quick, and Mr. McColl, all of them Protectionists, in his censures of the Labour Party. But every one of them reserved his most telling shots for the seceders, who so far have failed to make any effective response to the bombardment. A civil war is always the bitterest, and though up to the present the decencies of debate are being observed by the Protectionists on both sides it is uncertain how long they will be preserved under the strain of the breaking of old relations and the treading of new paths in opposite directions.

DIVISION AMONG PROTECTIONISM.

The general situation is being rapidly transformed. The Protectionist Party runs no risk of disappearing, though it is split into three fragments. A first section, the officials headed by Mr. Deakin, supports the Government on the ground that the fiscal issue has been sunk advisedly for this parliament and that the real obstacle to true progress lies in the Labour Caucus and its extreme programme. A second section, acknowledging Mr. Isaacs, K.C., as its chief, and Sir William Lyne as first lieutenant, considers Mr. Reid the enemy to be dreaded and condemns his policy as reactionary. This section proclaims its alliance with the Labour Party under Mr. Watson, whom it accepts as leader. Finally, there is a section of the Labour Party itself pledged, subject to the prior claims of its own special platform, to some degree of Protection, and lately enlarged by the addition of several members elected as Free Traders who have renounced their faith out of resentment against Mr. Reid. The last two sections together outnumber the official remnant of the old party, but, what is much more important, dominate the Opposition as a whole, which is thus fast becoming committed to a Protectionist policy. Mr. Reid, on the other hand, in order to retain the support of those who have coalesced with him, has had to announce his consent to the appointment of an independent commission of inquiry into the tariff. Mr. Deakin, acting in concert and speaking in his presence at Ballarat, intimated his intention of pushing on at once with the preferential trade proposals he submitted to the country last December. Ministerialists to this extent are also moving in the direction desired by the Protectionists, whose cause, though apparently suffering from the division in their ranks, is, on the other hand, largely upheld by members of both the Ministerialists and the Opposition. The influence on the country of these extraordinary divagations in the House promises to afford some very curious developments if the general election now imminent is held this year.

FEDERATED AUSTRALIA.

QUESTIONS OF FINANCE.

THE RIVAL POLITICAL PARTIES.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Oct. 10 1904; Nov. 29 1904.

Australian Legislatures, being numerous and small, supply occasionally some extraordinary exhibitions of tactics or conduct which must appear quite indefensible to those whose knowledge of Parliamentary proceedings is derived from the House of Commons. The sudden candidature and election of Mr. **Crick** the other day to the post of Chairman of Committees in the New South Wales Assembly is an instance in point. Again, more than once lately disputed clauses in a Bill before the Victorian Legislative Council on which the numbers for and against were exactly even have been carried in the absence of the Chairman by the promptitude with which the Minister in charge moved one of his chief opponents into the Chair and thus deprived the Opposition of the vote which would have led to a tie. But all recent performances of the kind have been overshadowed in the want of confidence debate now dragging its slow length along in the Federal House of Representatives. According to the Melbourne newspapers the speech and vote of one member (Mr. **Cameron**, of Tasmania) constituted the cause of the crisis. The speech seems to have been delivered under spectacular conditions rivalling those of sensational drama and to have been carefully staged. The speaker was keenly conscious of his opportunities, all of which were studiously arranged with an eye to effect. His temporary importance arose because Mr. **Reid** won the Prime Ministership by a majority of only two. Mr. Cameron, one of the number, was believed to be very disappointed because of his omission from the Cabinet immediately afterwards. Should he vote against the Government the forecast was that the division would be even, and thus demonstrate the impossibility of any Ministry controlling the present House. This meant that Mr. Cameron was master of the situation, holding the Ministry, to use his own phrase, "in the hollow of his hand", because he had it in his power to send himself and his colleagues to the country forthwith. Grasping these possibilities directly, Mr. **Watson** moved his motion. He proceeded to wrap himself in ostentatious silence, to express disapproval of both parties, and to meditate apart, though in the public eye, on what his duty to Australia demanded of him. For a fortnight he remained impenetrable,

glorying in his eminence, and then at a fixed hour last Thursday, before a Chamber full of members and galleries crammed with visitors, took his stand in the very centre of the House directly facing the Speaker and the clerks. On both sides of him sat lines of members to whom dissolution meant the possible or probable banishment, and while mercilessly enjoying their enforced silence he censured them to his heart's content in short but stinging sentences of reprobation.

MR. CAMERON AGAINST ALL COMERS.

Mr. Cameron represents unpopular opinion because he opposes the "White Australia" ideal generally accepted by all parties; angrily Anti-Socialist, he gives no quarter to the Labour Party; a convinced Free Trader, he spares no opportunity of gibing at Protection, while personal feeling appears to be the mainspring of his unconcealed antipathy to Mr. Reid. At war with all sections, a law unto himself, exulting in conflict, and an unflinching fighter for his own hand, he evidently felt last week that the opportunity of his political lifetime had come, and he used it for all that it was worth, principally for paying off old scores. He dealt in order and, as the Scots say, "faithfully" with his associates. The Labour Party had "murdered" the Deakin Ministry while weeping hypocritical tears over its corpse. Then in its greed for office, instead of putting Mr. Reid into power for the moment while it consolidated the forces against him, it had been trapped owing to its own folly. Mr. Reid, after blustering on the hustings against restrictive legislation, had abandoned the whole of his own opinions, adopting a colourless policy in order that he might form a mixed Government whose one aim was to struggle on until the recess. But for the fact that the Labour Party, being organised and at present flushed with its State victories, would sweep the polls when confronted by the unorganised combination against it on the Ministerial Benches, Mr. Cameron declared that he would have precipitated a dissolution at once by voting with Mr. Watson. With that prospect in view he preferred for the sake of the country to vote against him, though in no way supporting Mr. Reid, and reserving to himself perfect freedom of action in the future. Before this ultimatum an almost equally cavalier tone towards the Prime Minister had been adopted by the Protectionists sitting behind him who have taken part in the debate. Their professions of loyalty are not to him nor even to the Cabinet, but to their own leader and their own policy, a minor part of which has been adopted by Mr. Reid. Assuming that there are no defections this week when the division is taken, he will retain his majority of two and no more. He must look thereafter to a heterogeneous body without any unity except that derived from antagonism to the Caucus and its programme to sustain the attacks of the Labour Party, whose numbers usually will be in excess of those which he can command and whose solidarity leaves nothing to be desired. The Opposition alliance as a whole is, or professes to be, of the

same sanguine temper as Mr. Cameron in assessing its prospects, and may seize any chance of forcing an appeal to the country. The Protectionist allies under Mr. Isaacs are eager to challenge Mr. Reid and those of their own way of thinking who march with him to a trial of strength on the fiscal issue. They have captured the indifferents in the Labour Party and neutralised the energies of its Free Traders, so that with the help of Mr. Deakin's following they can lay down a course for the Prime Minister. If he can survive these obvious dangers and the chapter of accidents of the next three months he will merit the leisure of a vacation and its opportunities of refurbishing his already much dented armour. What will happen when he meets the House next year no political seer can venture to prophesy.

QUESTIONS OF FINANCE.

When the Federal tangle has been adjusted it will be found that the State Ministries, finding their position assured, will begin to revive between the Commonwealth and themselves the financial questions which have already occupied two formal conferences and provoked no small amount of animosity. Sir George Turner ought to be able to submit his fourth Budget next week. With his customary consideration he some time ago forwarded to the State Treasurers his estimate of the amount they may expect to receive during the present financial year. These intimations were extremely unwelcome in most instances, and particularly in Queensland, where Mr. Kidston, the Labour Treasurer, has possessed from the outset a clearer view of the consequences likely to result to the States from Federal finance than most of his colleagues. His own State is specially unfortunate, because it alone finds itself in receipt of less than a fourth of what its customs revenue was even after it had been greatly reduced under Mr. Kidston's tariff from what they were prior to Federation. Whether, as he contends, each State is entitled to a fourth of its import and excise duties, or whether, as the Commonwealth law officers advise, the allotment is of a quarter of the total takings between all the States, will eventually come before the High Court. Some months ago Mr. Kidston did not hesitate to say that as soon as possible a fixed proportion of the customs collected in each State must be guaranteed to its Treasury by an amendment of the Constitution. Far from underestimating what such an amendment must involve he went on to say that its passing "might shake Australia to its foundation". "The result", he added significantly, "meant either the permanent independent government of the States or unification." Last week he returned to the subject in the course of his financial statement to the Assembly in Brisbane with the unhesitating assertion that the existing financial outlook for the States is radically bad. "The Federal Government is", he said, "tempted to extravagance because it lacks the healthy check of having to provide for excessive expenditure by imposing taxation, while the State Government is likely to be brought into such a position of dependence as must necessarily be the death of all real sense of responsibility".

THE STATES AND CENTRAL TAXATION.

This plain speaking ought to promote closer and more continuous attention to the matter than it has yet received. The State Treasurers concerned have hitherto made no real advance towards a settlement with the Commonwealth. Next year the period for which accounts have to be kept of the trade between the States will close. Thereafter they must rely on per capita returns of the collections, which will yield less to New South Wales and Western Australia when the consumption of dutiable goods has been above the average. Five years after that the three-fourths of the custom revenue now paid back to the States in which it is obtained will lapse into the Federal revenue unless the Commonwealth Parliament consents to forego the whole or part of it. The terms on which this concession will be made have yet to be determined and are not likely to be easy. The States are pinched now, though, in addition to the three-fourths which for the time is theirs by right, they now receive any unexpended balance that the Federal Treasurer does not use out of his fourth. They owe these annual extras to acts of grace alone, though their Ministries have from the first uplifted their voices in protest against any diminution of the gift. Last year Queensland obtained £95,000 less than in the previous twelve months, and this year she expects a further decrease of £70,000, making a decline in two years of £165,000, of which over £150,000 would have been a surplus to their credit if the Federal refunds had been maintained at the same level as in 1902–3. The figures speak for themselves. Mr. Carruthers in this State, Mr. Bent in Victoria, and Mr. Butler in South Australia have severally repeated the wail, though none of them has given a hint of the steps they propose to take to stop the leak. The Barton and Deakin Ministries were prepared to dedicate a large share of the customs to the States in perpetuity as payment of the interest on their debts on condition that they borrowed only through the Commonwealth and subject to its approval. Sir George Turner, who was Treasurer in both Cabinets, will probably maintain this requirement still, though it becomes more severe as time goes on. The Morgan Ministry is not prejudicing its position, because no fresh loans are foreshadowed in its Budget. In this State Mr. Carruthers intends to limit himself to our own market, where he hopes to raise £1,000,000 annually for public works. His borrowing in London is to be confined to redemption purposes, for which he will need £2,400,000 soon and £25,000,000 during the next ten years. It is amazing that with totals like these before them, with the provisions of the Federal Constitution full in view and the attitude of many members of the Commonwealth Parliament frankly avowed, our State Treasurers continue blind to the perils which were lately described by Mr. Kidston, and to which the *Morning Post* has repeatedly invited attention during the past four years.

BIG FIGURES IN NEW SOUTH WALES.

Mr. Carruthers's financial statement had many merits, for it was frank, businesslike, and clear. Its most striking feature to the public, especially in the neighbouring States, is the amplitude of our transactions. Nowhere else can one million four hundred thousand people show an income of £11,500,000, and certainly nowhere else, even in Australia, do they spend it as generously. We have railways, water boards, and harbour trusts, whose earnings go to swell our receipts, and whose expenses appear on the debit side of our public accounts, but omitting these altogether we find ourselves disbursing £4,750,000 for the general purposes of government. What these are allowed to embrace may be judged from the one item of old-age pensions and charities, the latter being, of course, liberally supported by private bequests and donations as well. Bearing this in mind, and remembering the relatively marked prosperity of our industrial classes, it is startling to observe that over £1,000,000, or nearly one-fourth, of the gross outlay of our State Government comes under these heads. Again, it may be asked: in what civilised country is such a huge proportion of the public expenditure devoted to humanitarian ends? In the case of our old-age pensions it should be noted that the total has been cut down to some extent, and also that the whole of this burden is borne by the general taxpayer without assistance from any other source. Very reasonably the Premier remarked that if we are to continue our public benefactions to this extent the people must be prepared for adequate taxation. It is not as if we commenced our philanthropic campaign free from all business obligations. On the contrary, we owe altogether £82,000,000, and at our present rate of expenditure shall go on adding to this huge sum by floating fresh loans here or at home in order to improve our ports or communications or other departments. Rich and prosperous as New South Wales is and enormous as are our undeveloped resources, it is no light matter for a community as small as ours to have to find £3,000,000 for interest every twelve months. Moreover, our lands are not being settled nor our mines opened with a rapidity corresponding to that with which we continue running into debt. We are incontestably going too fast, even at Mr. Carruthers's reduced rate of speed. His plan of placing the whole of our public debt under a commission and of establishing a substantial sinking fund, augmented annually by two-thirds of the revenue received from the sale of our lands, is excellent, and ought when executed to improve our credit abroad substantially. At the same time nothing can restore it so thoroughly or so satisfactorily as a cessation of all borrowing whatever pending an agreement with the Commonwealth on the whole question of Australia's debts and a strict limitation on their further growth. We shall do much better than we have done if Mr. Carruthers's scheme obtains the force of

law; but even then shall not be doing as well as we can do without undue sacrifice, and ought to do promptly and vigorously of our own accord. If we persist in remaining remiss we shall by-and-by be compelled to take the course dictated by the Federal Government on less favourable terms and in a much more undignified manner.

MR. CARRUTHERS'S BALANCE-SHEET.

It would not be fair to judge Mr. Carruthers's future finance by his first Budget, seeing that a quarter of the year had elapsed before he delivered it, and that he begins with many inherited obligations. Of the £2,000,000 of loan money to be expended during the present twelve months all but £300,000 is due to his predecessors, a large part of it in payment for properties resumed on Sydney water frontages, which ought to turn out a profitable investment. He gets £133,000 less from the Commonwealth this year. Statutory increments for public servants, with other obligations, have to be encountered, and an accrued deficit of over half a million provided for by degrees. To meet these fresh demands very little new taxation is proposed, harbour trust dues, quayage charges, and stamp duties will be raised, and the reductions made on the estates of deceased persons allowed only when less than £30,000 is involved. The Treasurer's main reliance is on gradual economies in the departments, refusing to make additional appointments and savings in connection with filling up higher offices as they fall vacant. His estimate is that by these means in three years he will bring our pay-sheets down by £150,000 a year. He hopes to conclude the present twelve months with a surplus of £83,000, and to apply it in wiping off part of the floating debt created by our accumulated deficits. This will be a satisfactory result if it be obtained, for it has to be remembered that Mr. Waddell during his last period had begun the work, which the present Premier is now continuing, of cutting down expenses wherever possible. With experience Mr. Carruthers may have bolder schemes to submit, but he cannot be censured for walking warily until he feels himself qualified for heroic measures. He has at once taken the right path of reasonable retrenchment, which followed consistently for a few budgets, ought to place our Treasurer in the comfortable position to which our splendid opportunities justly entitle him so long as common prudence is exercised.

FEDERATED AUSTRALIA.

SEPARATE STATE INTERESTS.
IMPENDING CONFERENCES.
QUESTIONS OF ECONOMY.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Oct. 18 1904; Dec. 3 1904.

Mr. Reid has emerged victorious from his first duel with the Opposition. Numerically his forces are no stronger, for he began his Ministerial life with only two more votes than his adversaries and he continues it with precisely the same majority. In every other respect his position has improved. The honours of debate remain with his supporters. Their moral is better and their sense of unity deepened. This has been attained in a curious manner by a reversal of the ordinary and expected course of discussion on a vote of want of confidence. Mr. Watson led the Opposition into this trap by the negative nature of his speech in opening the contest. Mr. Reid seizing the opportunity thus afforded touched very lightly on his own defence, but took the offensive, employing all his varied oratorical powers of attack to their full capacity. When the Ministerial Protectionists came into action it was to prolong the cannonade of the Labour Party and by an easy transition to turn their fire on the Isaacs section now sheltering under its wing. Thus to the very last the character of the debate was the same. It was the Opposition that was put on its trial. Of course Mr. Reid's past was torn to tatters by every Opposition speaker. All the speeches were loaded, and often overloaded, with extracts from our State Hansard designed to demonstrate Mr. Reid's many changes of front during the period in which he was a prominent figure in New South Wales politics. These criticisms rarely disturbed his good humour, for he was tactician enough to see that the ammunition expended on his ancient record was wasted as far as the present encounter was concerned. He is Prime Minister now not because he is Mr. Reid but because he is the only possible leader under whom enough of the opponents of the Labour Party can be united in this Parliament. The fact that he is Mr. Reid will begin to mean a very great deal as soon as he is able to get to the business that ought to have been before the House long since. His remarkable resourcefulness, tact, and ability can then find their appropriate field under conditions that will demand them all. Whatever Mr. Reid's past has been is for the time a matter of indifference. The Opposition has traversed

it to its heart's content, but its diatribes fell flat from the first. While it was fruitlessly abusing Mr. Reid his followers were hitting the Labour programme and organisation and its alliance with the Protectionist seceders with telling effect. When the vote was taken the assailants had been beaten off, and they retired considerably damaged. They had not forfeited votes, but they had lost prestige.

LABOUR MEMBERS AND A DISSOLUTION.

The Labour members individually dreaded a victory far more than a defeat, for it implied a dissolution, or, in other words, the expense of a contest and the loss of six weeks' income for all of those who could get back. Though, added together, these items would not amount in their case on the average to more than £60 or £70; that sum is large to them, while in a few instances there was a certainty and in more a chance of defeat. Not until the Government majority was assured did they become loud in their cries for an appeal to the country. Their chief discouragement at present has come from the realisation of how near they have been to attaining their avowed end and how near they can always come to gaining it. The Labour members have parted with no adherent, and can be relied on at any moment to show a full muster for a hostile vote. On the other hand, the Ministry is in no such comfortable position, for it can only rally its supporters on special occasions. During the greater part of this session the alliance is likely to be in a majority and always able at a moment's notice to harry the Government with improvised assaults. Its most militant members are publicly boasting of the successes they expect to achieve by these means, and certainly no one will envy Mr. Reid the unwinking vigilance called for if he is to avoid the ambushes about to be prepared for him. The late debate finished heavily with long speeches from Mr. Isaacs and Mr. Deakin in exposition of their respective attitudes to the Government and to each other; but when Mr. Watson made his final reply it was plain that he had realized, though too late, the mistake he had made in his opening. He began in gallant style, and if he could have sustained the pace and retained the heat throughout he would have kept his party in the state of belligerent excitement to which at first he succeeded in lashing them. But his reply was soon on the defensive, and though he laboured to be caustic with the critics of Socialism he soon drifted into apologetics, which even some dashes of abuse could not galvanise into impressiveness. A sophistical attempt to excuse his first lieutenant, Mr. Hughes, for making the false charge against Mr. Reid of having authorised a prosecution in the case of the six potters which Mr. Hughes himself had directed before he left office produced a scene of general confusion and destroyed the effect of Mr. Watson's attempted invective. The vote was taken quietly, but a few moments after an unseemly wrangle arose because the charge of the Iron Bounty Bill, which Mr. Watson proposed to entrust to Sir William Lyne, is being transferred by Mr. Reid to Mr. Chapman, lately

Minister of Defence in the Deakin Cabinet, like Sir William Lyne a Protectionist representative from New South Wales, but like his former leader a supporter of the present Government. The angry brawl resulted in nothing except that it proved the ill-temper of the defeated Labourites and their allies. It is hard to say whether or not they are more rejoiced at escaping a dissolution than they are galled at seeing Mr. Reid in power, or more aggravated at losing office than at witnessing his triumph. Mr. Watson summed up the situation in a sentence when he bitterly protested that the Prime Minister had deliberately thrown himself across their path and adopted a policy whose central aim was the defeat of the Labour Party. Clearly that is Mr. Reid's intention, and if he could pin down the electorates to that issue alone Mr. Watson would receive a lesson that would be very valuable to him, though undoubtedly painful for his followers.

THE RIGHTS OF THE STATES.

A new departure in Federal affairs has been initiated by the meeting recently attended officially by Mr. Reid as Prime Minister and the Carruthers Cabinet, at which some subjects of common interest, such as the appointment of a High Commissioner, were amicably discussed in private. While the Barton Government was in power friendly relations existed with the Ministry of Sir John See on personal grounds, but its official communications were often less cordial. The Queensland and South Australian Ministries were the one covertly and the other openly antagonistic to the first Federal Ministry, Mr. Philp because he detested its policy and Mr. Jenkins because he resented its supremacy. The Victorian and West Australian Ministries were as a rule indifferent, and generally the attitude of all the State Executives, like that of their Legislatures, was suspicious and watchful of the newcomers. These sentiments are still in play, and will become active immediately an opportunity of expressing them is presented. The friendly chat just held here in Sydney is merely an interlude. Mr. Reid and Mr. Carruthers considered the course to be followed in this State in dealing with the Act fixing the site of the Federal capital at Dalgety. Whatever they may have decided it will not be easy to induce its acceptance by either our Council or our Assembly. New South Wales, as far as it has an opinion, agrees with Sydney in desiring that the capital of Australia should be placed further from Victoria and in direct dependence on our harbour for its oversea communication. Our Ministers share that feeling and can scarcely be expected to subordinate it to the formal request of the Prime Minister for their endorsement of a decision of the House of Representatives against which Mr. Reid himself, while leader of the Opposition, supported by almost every New South Wales man, always spoke and voted. Whatever the outcome of the meeting on this or any other point, the noteworthy incident is that it has been held and will help to set a precedent. Conferences between members

of the Commonwealth Government and the Ministries of the States have been held and are in contemplation now, since none of the matters which they have from time to time discussed together at prior meetings have been disposed of yet. The properties transferred to the Federation have not been paid for, nor has the method of payment been agreed on, though these are practical and pressing obligations. The continuance in some form of the **Braddon Clause**, which assures to the States a return of three-fourths of their customs revenue, is far from being agreed on by the Commonwealth, while the taking over of the debts of the States has been postponed until the terms on which they shall borrow abroad can be arranged. Other problems are arising and will arise if the changes in the offices of State Governors and Agents-General now proposed are put into effect, though the standing and salary of the King's representatives in the States in no way come under the scrutiny of Federal Ministers. At present there is nothing to show that the conferences about to be held will be any more fruitful than those which have preceded them. The interests of the States and those of the Federation are opposite, and except, perhaps, as to the payment for public properties, of which the control has passed from the States to the Federation, there is nothing to compel them to strike a bargain. In New South Wales the feeling towards the Federation is kindly because Mr. Reid is Prime Minister and Mr. Carruthers is an old colleague of his, but for all that our Ministers will not be pardoned if they sacrifice a hairsbreadth of any of the rights or privileges of our State.

THE WATER QUESTION.

Conferences do not always harmonise the differences between States, as witness the agreement between Sir John See, Mr. **Irvine**, and Mr. Jenkins as Premiers last time they met in Sydney, when they fixed exactly the proportions of the waters of the River Murray to which New South Wales, Victoria, and South Australia respectively were to be entitled. The bargain made was, of course, subject to the sanction of the Legislatures, and its prospects may be judged from the fact that it was never even submitted to any one of them. Since then each State has proceeded in its own way, New South Wales to promise and postpone, Victoria to divert more water, and South Australia to declaim indignantly against such unneighbourly conduct. There is no more talk of a conference on this matter. But £1,000 has been placed by Mr. Jenkins on his estimates as a preliminary advance towards the expenses of an application to the High Court to determine how far riparian law can be invoked to prohibit by injunction the up-stream States from taking the flow which the down-stream State requires or may require. Three eminent counsel have been retained—Senator Sir **Josiah Symon**, the present Attorney-General of the Commonwealth; Mr. Isaac Isaacs, K.C., of Victoria; and Mr. **Glynn**, M.P., a South Australian barrister who has made a special study of the question. Our interests are identical with those of Victoria, and

presumably we shall be represented in the court, if not parties to the suit. This, if it ever reaches the High Court, will prove one of the most novel, complex, and in its results far-reaching actions ever argued in Australia. Just now the welcome and timely rains have put our pastoralists and farmers in great good humour. We have a "record" area under wheat, one hundred and twenty thousand acres ahead of any previous twelve months. With such prospects before us all plans for water conservation are pushed aside by the majority of those concerned, and therefore by the politicians who try to keep their favour. Nothing is being done by the Legislature to give effect to the excellent schemes we have had prepared, some of them for years. Only a minority of land-owners are to-day any better equipped for dry seasons than they were three years ago. In Queensland Mr. *Morgan*, acting apparently on the advice of his Agent-General, is preparing for an advertising campaign in the Mother Country to secure for his great and fertile territory some of the settlers now flowing into Canada. There, too, we are supine, content to take the population that drifts our way without guidance or encouragement or aid.

MR. CARRUTHERS'S BUDGET.

On further examination Mr. Carruthers's Budget has declined in public esteem. The Labour leader, Mr. *McGowen*, speaking as Leader of the Opposition, denounced it as well as he could considering how little it departed from the finance which his party lately defended, while Mr. Waddell could only challenge it on some details. Feeble criticism such as theirs has proved its most effective condemnation with the general public. It is patent that the reform actually undertaken by the Ministry is only a little one. That the savings promised are estimates—some of them sanguine—and that the whole scheme of the Premier foreshadows but a dilatory departure from the broad way which he declared was leading to destruction. The Sydney Press is unanimous in its expressions of disappointment. The People's Reform League has openly censured Mr. Carruthers by resolution because, with all his experience, he has not outlined a mature scheme of economy. The taxation he proposes, trifling as it is, has produced the customary protest from those who will be called on to pay it in wharfage rates and quayage dues. An ill-advised retort of the Premier, in which he insisted that he was not pledged to any "wild-cat retrenchment", has caught the ear of the business community, which has none but harsh comments for the inadequacy of his proposals. Ministers apparently have fallen short of what their own supporters were ready to approve. The public servants may rejoice to know that they are left untouched, though a grading scheme just issued by the Public Service Commissioner cuts up their increments into very fine morsels, and recent returns show some of them to be in the enjoyment of sundry gratuities, travelling expenses, and allowances not distinctly discoverable in the estimates for the year and likely to be lopped

away. Of course, Sir John See has nothing but condemnation for his successor's policy, though the Premier answered him sufficiently when he rejoined that the whole of his proposed outlay will be £674,000 less than it was in the last full year of his predecessor, and his loan expenditure lower by nearly £3,000,000. When it is recognised that, in spite of this cutting down and though we have been relieved of the whole cost of our Post Office, Customs, and Defence Departments, our annual State disbursements are still £2,000,000 more than they were prior to Federation the public discontent is fully justified. The Legislature is not likely to tell its new Treasurer to take his Budget back, but the pressure will probably force him to reconsider his scheme and to made additional savings besides those which he has announced. There is some hope that at last the people of New South Wales are resolved not only to talk economy but to insist on having it here and now. The competition of the Argentine in the Mother Country and in South Africa is warning both the New Zealanders and the Australians that our staple exports can be undersold by the huge consignments made from the virgin soil of South America. Our manufacturers find that the existing tariff is not answering their expectations nor that of the artisan classes, with whom employment is scarce. Of the northern collieries of this State no less than thirteen have temporarily closed down until the heavy rate paid under the old agreement recently declared to be in force by the Arbitration Court is lowered in proportion to the decline in export prices. Only twenty per cent. of the men in that district are now working full time. Taken singly, or even taken collectively, these adverse circumstances are not serious, but they are symptomatic and impress on the thoughtful the necessity of taking in sail. When the Premier's Budget was first delivered it was welcomed as a satisfactory instalment of financial reform. The Legislature and the Civil Service were satisfied, but the public on reflection is by no means satisfied, and it says so. After all, as the public pays, it has the best right to call the tune, and it is calling most emphatically for more economy.

FEDERATED AUSTRALIA.

SIR GEORGE TURNER'S BUDGET. FINANCIAL PROSPECTS. COMMONWEALTH INDEPENDENCE.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Oct. 25 1904; Dec. 9 1904.

Sir **George Turner** has now delivered himself for the fourth time of a sevenfold Budget built out of the transactions joint and several of the Commonwealth and its six States. His assiduity in ransacking the smallest recesses of their accounts in obedience to the proverbial admonition prescribing the care of the pence was patent once more. Indeed, the undisguised gusto of his pursuit of details rather distracted attention from the comprehensiveness of his statements and the thoroughness with which he had examined the whole situation in its large aspects. His pride in minutiae, prosaic passion for accuracy, and timorous avoidance of prophecy are often taken to imply an absence of grasp, and hence his real mastery of the entire subject handled is appreciated by experts alone. There is nothing for the crowd, nothing for the ordinary members listening, nor for the jaded reporters in the gallery, to whom a speech all facts and figures, slipshod in delivery and commonplace in style, possesses no charms, nor does it possess them for anyone else. Sir George offers no relief, no light and shade, no humours, epigrams, flights of fancy or rhetoric—nothing out of which to make headlines or “sensations”. The public dubs his Budgets dull, and dull they are to those for whom the trimmings are more than the garment, or who prefer ear-tickling irrelevancies to a sober, solemn, trustworthy summary of our national accounts. Arranged without art Sir George Turner's exposition of his carefully-elaborated figures, compressed into the briefest compass in Hansard, is shapeless, and remains unattractive except to those true disciples to whom the substance is everything and the form nothing. Never was there a drearier or more painstaking treasurer; but then we have never been able to unearth one more reliable, reasonable, and sound. His personality will disappear from the debate about to begin because it is nowhere conspicuous in his utterances, and, in fact, is nowhere visible in them except in the excellent qualities of the work which they discover. He will be lost to sight, but his accounts and deductions will be accepted without hesitation or question by one and all.

THE "NORMAL YEAR".

Just what a "normal" Australian year of finance is nobody exactly knows. At all events, never since we set up national housekeeping on the 1st of January, 1901, have we had a twelve months which could be so denominated. First, our accounts were clogged by the arrears of old State methods and the effects of our somewhat extravagant anticipatory rejoicings at the accomplishment of Federation, which swelled our bills inordinately. Immediately after the drought came to its culmination, carrying disaster into every State Treasury and disorganising all their returns. At the beginning our merchants, at all events in this State, were loaded up with goods imported before the Federal Tariff became law, but most of them sold afterwards. Since then the result of its Protectionist duties has been to encourage local production, particularly in New South Wales, so as to decrease our customs receipts from imports. Responding to these pacts from various directions the Federal receipts have shrunk and expanded alternately, and in parts in an unprecedented fashion. With four years' records before us we are still obliged to enter on careful calculations before we can assess what normal conditions would mean to our Treasury. The Constitution itself makes the Commonwealth subject to different obligations at different times. It maintained the State tariffs in existence against goods imported into one State before the Commonwealth duties were imposed if transported to another State during two years after that date. The West Australians enjoy an extra tariff whose duties diminish by one-fifth annually, but will not disappear altogether for another two years. In 1906 the "book-keeping period" will come to an end. Until then the accounts of imports and exports between the States require to be kept so that the duties are credited to the State in which the goods are consumed. After that all collections will be retained by the importing State and all disbursements may be charged *per capita* throughout the whole of Australia. Five years later, in 1911, the fixed term for which three-fourths of the customs revenue collected has to be returned to the States will reach its close. What will happen then cannot yet be foreseen. Up to the present the important consideration is that we have not witnessed either for the tariff, the Post Office, the defences, or the States in their relation to the Commonwealth what can be fairly described as a normal year. In every instance and under every head there are exceptions, alterations, and qualifications to be made before any comparison can be properly carried out. No wonder that our finances, like our legislation, are full of pitfalls for the unwary, and that critics here as well as abroad are continually falling into them when they venture on generalisations or interpretations of the apparently similar returns made periodically under similar headings on different dates grouped under the same names. The aid of a cautious, slow-moving, infinitely patient mind like that of Sir George Turner becomes in these strange circumstances invaluable to all inquirers into our actual position. Here they feel that we have an authority who can guide us through the mazes of figures

which reflect the ever-changing conditions of the new union and its States in their financial relations. By the light of Sir George's impartial investigations we may in large measure discern the normal through the abnormal and find a firm foothold for the discriminating conclusions he draws from a close examination of all the facts before him, collected with care from every available source.

WAYS AND MEANS.

The first feature of Sir George Turner's present Budget is its illustration of the financial independence of the Commonwealth. Briefly put, it began under State tariffs with a gross income in round numbers of £10,500,000, rose under its own tariff to nearly £11,900,000, and now stands at rather less than £11,500,000. Of this total, however, the Commonwealth is but the collector for the States of three-fourths of the receipts from customs and excise, which it holds, so to speak, in trust for them. Its real revenue under its own control consists of one-fourth of the customs and excise duties, plus the earnings of the Post and Telegraph Department, which now reach £2,500,000 a year, thus slightly surpassing its share of the customs. These, with sundries, place about £4,750,000 annually at the disposal of the national Parliament. But out of this comes the cost of the transferred departments of the States now under the control of the Federation, which absorb over £3,600,000 of its gross income. The balance is spent by the Commonwealth itself, £300,000 of it in carrying on the Federal Government electorally, legislatively, and administratively. Its other charges are incurred in order to give effect to the policy adopted by its representatives when undertaking the control of New Guinea, the construction of public works, the encouragement of sugar growing by white labour, or the equipment of our military forces. For these purposes more than half a million a year is needed. Altogether our Parliament will spend this year £825,000 on itself and its policy, a sum which still leaves it £600,000 in hand available without having any resort to taxation. The Federation sits very much at its ease for the present, but this is chiefly because it is not yet paying interest on the value of the transferred properties—a burden which it must accept before long. The surplus that it now enjoys will then have disappeared, and it must begin to consider its ways and means in earnest.

COMING DIFFICULTIES.

Broadly speaking, the Commonwealth still stands "on velvet", but cannot expect to remain on that very comfortable footing. As local industries expand the customs will deal with smaller imports of dutiable goods, and therefore show decreasing receipts. Liberally as we are spending on an increased Navy on this station, on new rifles and

armaments, we are merely making up for the neglect of past years, and must look forward to greater rather than to smaller demands of this nature in the future. As the sugar industry grows our heavy import duties will yield less and less, while as the white cultivation of cane extends our bounty, which takes the form of a rebate, must become more and more. We have still quarantine and lighthouses to take over. A diminishing revenue and an increasing expenditure must go hand in hand for some time before we reach what can fairly be entitled a normal year. Meanwhile, measured by population, Federation is cheap. Before it was fully launched it cost us thirteen pence per head; now it costs eighteen pence; and presently it may grow to twenty pence. The expense of its constitutional and judicial machinery, its Parliament and High Courts, is, of course, excessive if they are looked on merely as additions to our already too-liberal outlay on State Legislatures and Supreme Courts, of which they were intended to supply the place in national affairs. But when the economies that they have made possible in the States are completed by reluctant local Legislatures it will be found that the new burden placed on our taxpayers is considerably less than it appears. To-day at eighteen pence per head it is decidedly cheap. The most ambitious schemes are to come. What we shall become liable for when we have built the Federal capital and the Trans-Australian Railway from Adelaide or, more exactly, from Port Augusta, to Perth remains to be seen. It may be that the first Commonwealth loan or loans may be devoted to those national undertakings, in which case only the interest on them would face the Treasurer of the day. Old-age pensions, on the other hand, must come entirely out of revenue. As yet the two largest States alone provide for them. Of the other four South Australia and Tasmania appear unwilling to authorise such a serious draft on their resources, while Queensland and Western Australia, though more willing, are equally unable to attempt it without revising their whole financial systems. Should the Commonwealth venture to shoulder the responsibility of providing for the aged of the whole continent its Budget, too, would be revolutionised. With possibilities of this character before us it will be perceived how little we can hope for a "normal" Budget until questions of this magnitude are definitely dealt with by the Federal Parliament. Its difficulties are happily in the future, but their coming is sure. The shadow of that to-morrow already rests on the Treasurer of to-day.

STATE TREASURERS.

Deeper shadows rest on the Treasurers of the States as far as they are dependent on the Commonwealth, though they are very slowly realising the extent of that dependence. Of all the Treasurers Mr. *Kidston*, the Labour representative in the Queensland Ministry, is by far the most outspoken; apparently cautious in finance, though possibly this character is imposed on him either by the *Morgan* Cabinet or by

the circumstances of the country, he is too loquacious and too random in criticism. He very much exaggerates his risks, and possibly would himself plead guilty to such an impeachment, justifying it on the ground that the big drum must be beaten before public attention can be captured. Sir George Turner's scheme for floating State loans only when these are secured by a lien over State railway receipts is, Mr. Kidston protests, utterly hopeless. Mr. Kidston finally professes himself unable to guarantee even to his present bondholders the payment of their interest while the Federal Treasurer retains an unlimited power to help himself first out of the customs revenue. The issue is, he says, to be fought out at once as far as he is concerned. It might almost be suspected that the Treasurer of Queensland had been making a careful study of the *Morning Post*, for, with due allowance for his turbulent emotions, he is only repeating in florid language the warnings that have been consistently given in this paper ever since the Commonwealth was established. Mr. Irvine, of Victoria, gave a similar impression while its Premier, but since then local agitations have occupied the State Ministries to the exclusion of their less immediate perils. It is they and not the bondholders that are in danger. The bondholders' interest will be safer than ever. But we now hear of a conference in Hobart in February next, when the financial affairs of the Commonwealth and of the States are to be discussed once more by their Ministers. This is wise, but, perhaps fortunately, the problems involved cannot be settled by them. The decision rests with the Federal Parliament, which has only to bide its time in order to become absolute master of the financial situation in Australia. One is safe in predicting that, with this prospect in view, it will bide its time.

FEDERATED AUSTRALIA.

REID–MCLEAN COALITION.

RIVAL PARTY TACTICS.

THE TARIFF QUESTION.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Nov. 1 1904; Dec. 13 1904.

A sudden change seems to have come over the Federal Parliament, and it appears to be mollified either by the warmth of spring or by the Melbourne racing carnival, which is now in full swing. Mr. Reid has proclaimed himself “head of a new party”, whose one policy is to get into recess, and his happy audacity has been welcomed by cheers from all parts of the House. Since it met at the beginning of March last the session has had but two interruptions of about three weeks each, demanded by the entrance of new Governments. Exhausted by the prolonged labours, the last available supply of energy seems to have been consumed in the exciting month of debate just closed during which the fate of the Reid–McLean coalition hung on a single vote. The daily prospect of a dissolution only a few weeks distant having been continued for fifteen or sixteen consecutive sittings appears to have proved too much for the nerves of the threatened victims. They had been once bitten by an ambition to eject the Ministry at any cost, but this painful experience had sufficed to leave them extremely shy of taking any further risks of that kind. The personal animosity to the Prime Minister which fired the Labour contingent to vindictive vituperation spent itself on the air or in the pages of Hansard, where hundreds of columns are devoted to cataloguing his manifold sins and iniquities. His calumniators are now enjoying a double relief from their feelings of bitterness and their dread of having to face their constituents once more. In spite of themselves they are becoming enfeebled in their hostility by the all-but-imperturbable good humour and comic resourcefulness of Mr. Reid. Sinking every outward sign of resentment, and carefully avoiding any repetition of his recent declaration of war to the knife against the Labour policy, he has patiently and cheerfully dealt with his adversaries opposite as fellow sufferers from the weariness of a too-lengthy session. Their common interest is, he suggests, to take a well-earned rest, postponing anything and everything in its way. At first the adversaries would not endure, but now appear eager to embrace the proffered respite and to bury the hatchet before Christmas is on them. The holiday atmosphere of the

“Cup Week” is perhaps the origin of some of this exuberance of fellowship under which the Government jettisons its Bills and the Opposition its weapons, but at all events the country as well as the contracting parties will be the gainer by a long recess. Long it is certain to be, as long as Mr. Reid can make it, because he has not yet disposed of one of his many dangers, except for the moment. When he meets Parliament again the dreaded dissolution will be closer than ever. It will be at his elbow, so to speak, looking over his shoulder to read the programme on which he will go to the country.

VOTES OF WANT OF CONFIDENCE.

The slump in Parliamentary energy exhibited by the House of Representatives has been most unwelcome to the heads of the Protectionist group which acknowledges Mr. Watson as its leader, though it does not belong to his party. Sir William Lyne can find no language strong enough to express his choleric antipathy to Mr. Reid. The Victorians insisted that Mr. Isaacs should act as their representative when the “Alliance” was formed, his general superiority, oratorical ability, and legal standing making him an effective spokesman of their views. The vote of want of confidence tabled by Mr. Watson as leader of the allied forces was accompanied by two notices of motion intended to advertise the dual character of the joint policy. The first was by Mr. Isaacs himself declaring for an inquiry into the tariff, and the second was by Mr. Batchelor, ex-Minister for Home Affairs in the Labour Ministry, desiring an investigation of the alleged monopoly in the tobacco trade, the nationalisation of this business having been a prominent article in the programme of the late Cabinet. Mr. Watson’s attack rallied every possible opponent of the Reid–McLean Ministry on any and every ground, though it only partly satisfied his Protectionist allies, because the Labour members who support a revenue tariff would not consent to allow the fiscal issue to be made a chief count in the indictment. To remedy this Mr. Isaacs was allowed to come next with his demand for an immediate revision of the tariff. This was in truth a supplementary vote of want of confidence. Accordingly it was brought on without a moment’s delay. It took the shape of an amendment on the first item in the Estimates, on which, as usual, the Budget as a whole was being criticised, because Mr. Reid would not promise to set apart Government time for the discussion of the formal motion framed. Mr. Isaacs made his assault in the most orthodox manner after elaborate preparations and with studied impressiveness. It failed even while he made it because of its transparent folly. When Mr. Reid replied he was able to demolish its pretentiousness so thoroughly that the battle was over practically as soon as it was begun. A few hours were spent in idle harangues by members who had prepared speeches against the Ministry, in order if possible to cover a retreat that was really a rout. But even these devices failed. An attack which was meant to be short, sharp,

and decisive fulfilled those conditions exactly as an unmitigated defeat. Mr. Watson and some of his followers made a spasmodic effort to bluster at large, but the make-believe involved was too apparent for it to cloak their too patent ire. Mr. Isaacs had the humiliation of seeing both his motion and his arguments abandoned almost without a struggle. He was obliged to withdraw the amendment on the evening after that on which he launched it with high hopes of victory and solemn acceptance of responsibility for its anticipated consequences. Mr. Watson has been foiled by a majority of two. Mr. Isaacs, if he had dared to go to a division, would have been whipped by a majority of at least six to eight votes. He believed that his sortie was likely to overthrow the Government, but he succeeded in making it quite safe until the end of the session.

THE WORKING OF THE TARIFF.

Mr. Reid publicly announced soon after the formation of his Coalition Cabinet that an inquiry into the working of the tariff by a Royal Commission would be accepted. The Opposition attempt was to obtain it in such a manner and on such conditions as would discredit the Government and enable Mr. Isaacs to claim the credit for its appointment as the first fruits of his alliance with the Labour Party. The peremptoriness of his demand made the Ministerialists solid, and the foolishness of the conditions dissipated the fervour of his own sympathisers. He wished the commission to be composed of members of Parliament a majority of whom should be Protectionists, and to limit their investigations to a list of industries selected by the House of Representatives. The Prime Minister's criticism was unanswerable. A political inquiry would be much longer and less convincing than one made by business men. It must be constituted of fiscalists in equal numbers to carry weight with the public, while no manufacturer or producer who has or believes that he has suffered by the tariff could with any justice be refused a hearing. The one compromise Mr. Reid offered was that if the commission were enlarged a little beyond his own intention it might contain some members of Parliament, and he offered to consult with the Leader of the Opposition on the persons to be chosen. The departure from his original plan was slight and was not an improvement, but it afforded a straw at which Mr. Isaacs caught eagerly as an excuse for abandoning a motion of want of confidence for which he specifically invited the assistance of all who were averse from the Government for any reasons. Mr. Reid consents to the commission sending in progress reports from time to time if it thinks fit. He added that if any recommendations so made did not introduce the fiscal issue his Ministry would be prepared to consider them. This much he was compelled to say to satisfy the Protectionists who are keeping him in power. He sacrificed nothing. Mr. Isaacs, on the other hand, was taught in the face of the House to recognise his subordinate

position. Every one of his Protectionists had voted for Mr. Watson, but when he took the lead two or three of his immediate associates and several Labour members point blank refused to follow him. This was due to no personal objection, but to his own blundering. He was so eager to wound Mr. Reid and to assert his own position that he devised a scheme incapable of sustaining scrutiny. So unwise was it that if a division had been taken those who voted with him would have explained that their support was given to his amendment for all kinds of reasons except those on which Mr. Isaacs had based it. His prestige has, therefore, been impaired, and a blow given to the reputation of the alliance at the very first step in its career.

FEDERATION EMPLOYEES.

But it is not to be supposed that on this account the Reid–McLean coalition is more than temporarily reprieved. It promises to survive this session by confining itself to finishing off a few essential matters among the surviving fragments of the policy with which the session began. Beyond that it dare not go. The one measure of note that remains is the Arbitration Bill, of which the second reading, introduced in a very comprehensive speech by the Attorney-General, Sir *Josiah Symon*, has been passed by the Senate after a debate chiefly composed of theoretical homilies. The policy of the Labour Senators was to amend it radically everywhere, but they are responding to some extent to the influence of the season. The Ministry accepts the Bill as it stands, though one of its clauses professes to place the public and railway servants of the States under the authority of the future Federal Arbitration Court. The Attorney-General endorses the opinion of his predecessor, Mr. *Deakin*, that the clause purporting to bring them under its sway is unconstitutional and will be declared to be nugatory whenever it is challenged before the High Court. Strong countenance for this opinion is afforded by the decisions of that tribunal during the past year, crowned last week by a judgment which sets out with uncompromising clearness the doctrine of the mutual independence of the Commonwealth and of the States within their own defined spheres. The Victorian Supreme Court has held that the State income tax applied to the salaries of Federal Ministers and members, but the High Court has now unanimously reversed that decision, and declared as well that all the employees of the Federation are free from any interference with their salaries. But precedents like these will not affect a Labour caucus, and Sir *Josiah Symon* seems content to stand sponsor for a measure containing a provision that he believes to be ineffectual under the Constitution, though the *Deakin* Ministry resigned rather than become responsible for presenting it for the assent of the Governor-General. The Labour Senators will seek to strike out the requirement of the approval of a majority of those concerned in a grant of preference to employment to members of industrial organisations all the more resolutely because this proviso brought the

present Ministry into power. It is on this rock that the Bill may be wrecked when it is returned to the House of Representatives. If a further amendment is made allowing organisations which ask for such preferences to act as political bodies the crisis which destroyed the **Watson** Government, partly in relation to this matter, will recur again exactly in its old form. It would suit Mr. Reid best if he were enabled to lay the Bill aside on these or similar grounds with a view to reintroducing it after the recess. Should the Senate next year insist on alterations Mr. Reid could then obtain a double dissolution and call on the electors to choose an entirely new Parliament on a non-fiscal issue. Present indications are that the Senate will not run this risk, and that the fiscal question will be raised next session. If it is, as Mr. Reid himself admits, his coalition will be severed and perhaps the three old parties recalled into active being will renew their uncertain and unprofitable strife. Speculation on possibilities as remote and contingent may be wisely suspended for the present. The Bill, which as the Attorney-General warned his fellow Senators has already wrecked two Ministries, may yet wreck the whole Parliament as well, but if anything can prevent this catastrophe it is a clear foreknowledge of that fact.

FARMERS AND BANKS.

In this State Mr. **Carruthers** has ceased to be the idol of his Press and his party, but by way of compensation he has ingratiated himself with his opponents and is pressing forward the business of his first session with vigour and despatch. Like Mr. Reid he is fighting for time and making little secret of it. He, too, heads a party in recess, and is merely anxious to dispose of business sufficiently now to pave the way for economies after the House has risen and constructive measures next session. His majority is small, his Cabinet new, and his chief strength lies in the weakness of the men ranged against him. Thus far the parallel holds good between the Prime Minister and the Premier, who were colleagues so long in the years preceding Federation, but Mr. Carruthers, though far less versatile than his old chief, has a much easier position. A coalition is still possible with Mr. **Waddell**. Mr. Carruthers's followers cannot chide him without chiding their adversaries more, and when this happens the Labour leader, Mr. **McGowen**, hastens to his relief. The Bill before our Assembly amalgamating the Savings Bank with the Board authorised to make advances to settlers has been angrily condemned by the Sydney newspapers and resisted by the honorary trustees whose control of the bank has brought it into a very stable and prosperous state. Their protest is that the ninety-five thousand depositors who entrusted them with £5,250,000 of their money for fixed terms did so under an implied contract that its present management should be continued. Needless to say, what the depositors did trust, and trust absolutely, was the guarantee of the State. This they will not lose. The trustees were appointed by the Government, and so will

be the nominees who take their place. It would be better if the choice could be made less political, but the principle will be the same. The other objection raised is that hitherto the loans made have been so well chosen that a reserve fund of £300,000 has been accumulated and that £7,500,000 is now in hand, while no losses worth mentioning have been made. There is no reason to suppose that if the settlers' advances, of which only some £400,000 remain, are handled cautiously there will be any less favourable result hereafter. Of course, what Mr. Carruthers's critics in the Press and in the House really dislike is the danger of the new institution being developed into a State Bank, and certainly this is what commends the scheme to the Labour Party. Here again we are having the example of Victoria held up before us, though a few years since such precedents would have been avoided if possible. The Victorian Savings Bank makes no losses on its advances to farmers and selectors, who repay their debts by periodical instalments on the building society principle. The two banks will be so closely alike that there should be no apprehensions either of loss or of undue State interference. On the other hand, when our railway receipts are compared with those of our neighbours it is forgotten that our freight rates are much lower, and that in other respects the Victorian lines enjoy distinct advantages overlooked by the "Man in the Street" when making his rough-and-ready comparisons between their totals. We have no cause to complain of our commissioners, who would have shown larger profits if they had not been saddled with some political railways. On the whole our new Premier, though by no means the saviour of society he was pictured by his backers when conducting the late elections, is, in a rather timorous and tentative way, tackling the business before him with a good deal of practical judgment. He might be more enterprising and ought to be more patient under criticism, but he is doing his work for all that.

FEDERATED AUSTRALIA.

THE RIVAL PARTIES. DEFENCE OF THE COLONIES. IMPERIAL OBLIGATIONS.

FROM OUR CORRESPONDENT.
SYDNEY, Nov. 8 1904; Dec. 26 1904.

The precariousness of the position in the Commonwealth Parliament has not diminished and is not diminishing one whit. On the contrary, the portents are multiplying and the outlook darkening before Mr. Reid. With what seems incurable carelessness he allowed the House to be counted out for the second time, and on this occasion while the Estimates were being dealt with. It is not easy to keep members at work in Melbourne during Race Week and especially on the night of the Governor-General's ball, but the Prime Minister must have been perfectly aware of these circumstances when with two-thirds of the House he went holiday-making after dinner. The Labour malcontents seized their opportunity gleefully, and by their withdrawal from the Chamber left Sir George Turner, who was patiently and painfully plodding his way through his colleagues' departmental expenditure, without a quorum. Next day when a motion was submitted to restore the lapsed supply Mr. Watson condoned the action of his followers by insisting that notice of it must be given in the ordinary way. Again, on the Friday he sat by while his irreconcilables stonewalled the motion for the whole of the sitting. The net result is that a week has been all but wasted, and that within five weeks of Christmas. Ministers are being flouted and threatened with a refusal of supplies. Possibly the demonstration is but a flash in the pan. The anxiety to get into recess may keep the Opposition divided, but despite that alarms are being sounded all around Mr. Reid. His assumption of phlegmatic indifference deceives nobody. It is beginning to be guessed that he may soon be driven into staking his fortunes on the last desperate throw of a hurried dissolution. The doubt remains whether or not in such an event he could rely on any State but his own. On Thursday last Mr. Deakin quietly tabled in favour of Inter-Imperial Preferential Trade a motion quite capable of being treated as a vote of want of confidence and certain to be carried if so treated. Apparently nothing is further from Mr. Reid's thoughts, for it is generally understood that the Prime Minister freely consents to the discussion of the motion, or at least prefers not to leave it in other

hands. But can he allow it to be passed, or, if it be passed, can he retain office? Can he accept a declaration applauding Mr. Chamberlain's outlined policy and endorsing his proposal that a conference should be summoned to discuss its details? If Mr. Reid is willing to make arrangements for reciprocity with South Africa or Canada is he daring enough to introduce a Bill imposing higher duties on foreign imports wherever they compete in our markets with British manufactures only? Finally, can he accept the responsibility of making the British Government a formal and explicit offer of Preference after the emphatic terms in which he has condemned any such endeavour? All these steps being insisted on, though in polite phrases, in the motion soon to come on for debate the question of the hour is—Can or will Mr. Reid obey its mandate?

ALTERNATIVE COURSES.

Mr. Reid's one chance of escape lies in the foolish attitude adopted by a majority of the Senate towards the Arbitration Bill. Its Labour Senators, with the assistance of two or three Radicals, are recasting the measure to suit themselves, with a fine scorn of the possible consequences of their escapade. The governing aim of their campaign seems to be first to strike out whatever the House inserted, while inserting whatever the House struck out, and next to out-Kingston Kingston by extending the scope of the Bill. Its application to agricultural pursuits, deliberately rejected in the popular Chamber, has been restored, and the exclusion of domestic servants from the original measure endorsed by the House has encouraged their inclusion by the Senate. The McCay amendment making it imperative that organisations applying for preference must show that they are backed up by a majority of the persons to be affected is to be rendered futile by the ingenious device of shifting the burden of proof to the shoulders of those who oppose the grant of this privilege. The non-unionists who are without organisation of any kind are thus to be forced to combine in a new union of some sort in order to protect themselves against the embattled forces of the trade unions demanding preferential employment. The individual workpeople who undertook to rally their fellow individualists against the Labour leagues and existing unions would become marked men from that time forward. Unless they were able to organise their comrades for common protection they would be powerless to resist any reprisals made on them. Should the Senate continue to deal with the Bill in this fashion its amendments one and all may be peremptorily refused by the House. Should it insist on them the Bill can be put aside until next session, when, if no agreement is arrived at a double dissolution could be asked for by the Ministry. This is the very road Mr. Reid would wish to take in order to consolidate his Coalition party. Absolutely divided on Preferential Trade the party ought to be perfectly united in its resistance to the industrial aggressions now being attempted by the Senate.

Preferential Trade could command a majority in the country provided Mr. Watson is able to lead his party in its support, since that is the direction he is now prepared to take himself. On the other hand, if it be isolated on the Arbitration Bill, even with Mr. Isaacs and Sir William Lyne beside it, its chances are poor, though even then better than those of the Prime Minister on Preferential Trade. The three or four parties now existing would be at once, though temporarily, reduced to two if the Protectionists and Labour members went to the poll for Mr. Chamberlain against Mr. Reid and his Free Traders. Everything depends on the issue to be submitted to the country. The choice may not be made this session, though it will be difficult to postpone it, unless the majority in the Senate remains intransigent. But if the choice of issue be postponed it can scarcely be deferred beyond next session. The two possible paths and alliances are so plain, one by Preferential Trade and the other by the Arbitration Bill, that already speculation is rife on the time and manner of the fateful selection that must be made—and not by Mr. Reid.

DEFENCE POLICY.

The most important event of the week and the most fruitful act of the new Government was an announcement of its defence policy by the new Minister, Mr. McCay, a colonel of the Militia in Victoria. The scheme of reorganisation put forward by him is not his own. He frankly admitted that its roots go back almost as far as the Administration of Sir John Forrest, though it took its present form after the Esher report, when Mr. Chapman replaced him under the Deakin Administration. Since then it has been criticised and developed by a Departmental Committee under the Labour Minister, Senator Dawson. Now that it has been adopted by Mr. Reid's Cabinet it has received the approval of the leaders of all three parties, and was therefore submitted with confidence to a sympathetic House. As far as can be gathered from Hansard it is not likely to be challenged on any of its chief principles. An amending Bill will be introduced to make the alterations required in the Defence Act passed only twelve months ago. Few as these are they constitute a transformation of the system of control so lately inaugurated by statute. The pivot was then and has since been a general officer commanding, though Parliament was unwilling from the first to trust any one person with the authority that Major-General Sir Edward Hutton wished. It was circumscribed in the Act, has been reduced by Administration, and is now abolished, not as Mr. McCay was careful to say because of the failure of any officer, but because the system has already been laid aside. Unfortunate from the first in its political relations, the Federal Defence Department has had six different Ministers in four years. The first, Sir James Dickson, died within a few days of accepting office, but his five successors, or rather four of them, have all had a finger in the pie. Major-General Sir Edward Hutton, a soldier of wide experience and

indefatigable energy, full of enthusiasm for his profession, and a careful student of modern military progress, seems to have lacked the qualities necessary to ingratiate himself with his changing chiefs. Though always popular in this State he was not elsewhere as successful in his relations with public men, especially those connected with the Militia. Perhaps minor differences might have been easily composed had not the familiar causes of friction inseparable from the federalization of State Departments exercised their hostile influence at every turn. The merits of the plan or organisation adopted, with its uniform methods of drill and discipline, cannot be judged by outsiders, but the consensus of opinion appears to be that, excellently designed as it was and marvellously complete in provisions, it challenged the utter independence of six separate defence forces too suddenly, and dealt with them too drastically when it substituted at once an over-centralised administration whose rigidity provoked discontent. Little tact was displayed in carrying out the transformation. The civil side of the new department was never in harmony with the staff; the State officers were many of them unfriendly, and when once the driving power and masterful hand of the general officer commanding were about to be withdrawn because of the termination of his engagement the concentration of authority he had introduced was condemned and abandoned.

SYSTEM OF DECENTRALISATION.

Decentralisation is the motto of the revised scheme submitted to the House last week. The distances which separate our centres of population, the great areas from which their Militia are gathered, and the impossibility of a headquarters staff, no matter how well trained and hard-tasked, supervising them from Melbourne or guiding them by regularly-timed visits of inspection, have convinced the Minister that we must revert to a large extent to local control. The military forces of each State are to be executively directed by a local commander, with enlarged responsibilities and an increased power of initiative and management. The necessary unity of training and method to enable them to act together as one whole is to be sought by means of an inspector-general whose duty it will be to keep constantly on the move, examining, checking, and inquiring into the successes or failures, the laxities, errors, or omissions discoverable anywhere, whether these are limited to the particular regiments under review or attach to the general equipment or efficiency of our scattered Army under the uniform system in vogue. With the most ample powers of supervision and research this officer will exercise no control whatever over any part of the organisation during times of peace. The object is to sever him entirely from every obligation except those pertaining to a competent, uncompromising, and perfectly independent critic of everything relating to our defences. In time of war he would become the general officer commanding. His staff would then consist

of the highest officers at headquarters, sitting during peace as members of a military board to receive and consider his reports, deciding, if they are approved, how far effect can best be given to them in connection with the administration of the forces. This board is to consist of the Minister and a finance member chosen from the public service, who represent the civilian interests, while a chief of the General Staff, a deputy adjutant-general, and chief of ordnance provide a professional military majority. The last member, who is to be chosen from expert Artillery officers in the Imperial Army, will in addition to supervising his own branch purchase and control all supplies to all the States. The deputy adjutant-general will undertake the charge and transport of the men and the distribution of stores and supplies to them. The chief of the General Staff is to prepare general plans for mobilisation of all the forces, control the intelligence department and staff rides while elaborating the principles and methods to be employed in the field. This board of five will add to its numbers when required from the Militia consultative members specially qualified in particular directions. There will also be a naval board of three regular members—the Minister, the director of the naval forces for coastal and harbour work—whose duties in his branch will be analogous to those of the military inspector-general—and a financial member, adding also consultative members when thought necessary. The chief of the General Staff will arrange, among his other duties, for the joint action of the military and naval commands. All the permanent officers named will have a tenure of four years, after which they must either accept other duties or retire. Major-General Finn, commandant of this State, has been announced as the first inspector-general with the hearty approbation of the forces in all their branches.

INSTRUCTION OF TROOPS.

The two boards undertaking between them the administrative work for training our citizen soldiers and sailors are to do so on a general plan covering all Australia, but not interfering with the executive functions of the State commandants. Both are to obey the instructions of a Council of Defence. This supreme body, including the Minister for Defence and his colleague the Treasurer, the inspector-general of the military, the director of the naval forces, and the chief of the General Staff, will meet once a quarter to determine all large questions of policy and the expenditure to be devoted to defence as a whole. It will have as secretary the permanent civil head of the department, and be enlarged by the addition of other officers from the Militia when inquiring into matters on which they possess expert knowledge. The Cabinet will be free to take its own line, but, having two of the principal Ministers on the council, is not expected to prove recalcitrant, while it is hoped that the existence of so influential a body will insure continuity of policy. There has been sad need of it heretofore. It is to be hoped that the council will possess sufficient weight with Parliament to induce

the granting of more adequate supplies, and may come in time to prove a valuable intermediary for recommending any development of our defences which is called for by Imperial obligations. The equipment of our troops is proceeding on a scale which will have absorbed £500,000 by 1906–7. We shall then be well furnished with rifles of the latest pattern. A military college is not to be essayed just yet, but two officers are to be sent home each year for training, and if possible others are to be temporarily exchanged with officers of the Imperial Army who wish colonial experience. Harbour and coastal defences are not to be undertaken until a consistent scheme has been adopted and the necessary funds obtained from Parliament. What is being begun is the management of the military and the present harbour forces by boards including expert officers with whom the Minister for the time being will sit in council. Up till now we have always had the Minister alone acting under the advice of a general officer commanding, whose successors have advised the same or other Ministers from quite a different point of view every three years. The immediate decentralisation of the executive work of instruction and of training our troops is the feature of the whole plan which most appeals to outside observers. A great deal of time of many able officers has been expended in sending packets of little proposals about details to the headquarters in Melbourne for authorisation, and docketing and returning them with the sanction sought. It is felt that the change is in a practical direction which appeals to business men, to the public generally, and to the Militia, happily relieved by the abandonment of some vexatious restrictions under which it has been groaning. That we are following the precedent of the Mother Country, and are supposed to be emulating Switzerland, where the whole Army is composed of citizen soldiers, are strong recommendations. One apprehension appears to be that the school and naval cadets are not receiving the recognition due to their marked successes. Parliament appears willing to give the new ideas a trial, for they have become fairly familiar to members during the past three years. But the most hopeful circumstance is that a permanent and a competent Council for Defence can lay down the lines on which a steady advance may be made towards efficiency. Hitherto we have had to depend on occasional scares and intermittent political crises to galvanise the people and their representatives into action. Henceforward we shall have a better instrument to hand which, if it can win the confidence of the great public out of doors, will find itself able to direct our politicians instead of being only one of the cards employed by them to take tricks in their game of parties.

FEDERATED AUSTRALIA.

IMPERIAL RELATIONS.

EX-PREMIER'S NOTABLE UTTERANCE.

STATE JEALOUSIES.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Nov. 15 1904; Dec. 29 1904.

Every State in the Commonwealth has a direct interest in two Governments—its own and the Federal. What happens among its neighbours apart from these awakens little more attention now than it did before we were united. At present New South Wales is exceptionally alive to politics because we are responsible for both as well as responsible to them. Both may be said to have Sydney Ministries because they have Sydney leaders. Mr. Reid and Mr. Carruthers are city lawyers representing city constituencies bound together by many ties. They have been colleagues, continue friends, and are officially acting in concert. Physically and in manner, as in mood, they are contrasts. Mr. Reid has too little seriousness and Mr. Carruthers too much. The Prime Minister's excesses are in the humourous vein; our Premier's, by comparison are sombre. Apart from likenesses and contrasts, they fit their separate spheres, Mr. Reid suiting the larger stage and bolder methods, while Mr. Carruthers plods on, a better master of detail. At present their fortunes are at stake under like conditions, for their majorities are small, their programmes short, and their one aim to get safely into recess. Mr. Carruthers's prospects are brighter, though he has personally fallen from grace and out of favour with both his Press and his party. An incredible change has come over his tactics since he took office as the chosen champion of reform. He then thundered against the reckless policy of the Lyne–See–Waddell Ministries and the spendthrift tendencies which were fostered by the Labour Party, on whose support they depended. When Mr. Carruthers went to the country as Leader of the Opposition his speeches were often devoted to the denunciation of the Caucus and its control. Our Sydney newspapers followed suit with whole-hearted zeal in order to impress on the electors the conviction that the sole choice it proffered was between Mr. Carruthers and Mr. McGowen, the leader of the Labour Party, whose puppet or victim Mr. Waddell had been and must remain. They were asked to say whether they would continue the extravagance, subservience, and Socialistic legislation of the Waddell Cabinet or adopt the economy, independence, and business principles of the Liberal and reform organisations. The ballot-box spoke:

the Ministry went down. Mr. Carruthers took the helm amid unmeasured plaudits as the conquering hero of a great victory won by his efforts for sound finance, severe retrenchment, and Anti-Socialistic measures. He has reigned for a few weeks only, but his nimbus has disappeared already. The paeans in his praise have been turned into muttered objurgations in the Assembly and more angry complaints in the Press. His Savings Bank Bill is being carried against some of his staunchest supporters by the votes and with the plaudits of the Labourites and by the votes of the very Ministry whom he supplanted so lately for the purpose of reversing their policy and uprooting their laws.

NEW SOUTH WALES PREMIER.

It is but just to Mr. Carruthers to admit that this apparent contradiction in his conduct is not anything like as absolute as it seems. The *Sydney Morning Herald* and the *Daily Telegraph* have always read their own views into his speeches and persistently coloured his utterances to match their own opinions. The People's Reform League, whose members adopted the doctrines of these newspapers wholesale, were from the first distinctly hostile to Mr. Carruthers because of his refusal to pledge himself as they desired. An open rupture between him and them was prevented only after much negotiation in order to avoid a division of forces. Even then their candidates suspected Mr. Carruthers throughout, and were returned avowedly to keep him up to their mark. For his part he was anxious to avoid repeating the fatal mistake he made, but for which Mr. Reid was really responsible, in 1901, when he prevented a coalition with Sir John See. Having a clearer conception of the strength of parties than his backers the new Premier was prepared to combine with Mr. Waddell before he attained office, and openly sought his alliance afterwards. He may possibly complete that or some equivalent union yet. His financial statement was in no way inconsistent with those of his predecessor at the Treasury. It was practically such a development of them as Mr. Waddell might himself have laid before the House had he retained his post. Of course the overwhelming reform victory at the polls proclaimed by the newspapers never occurred. Mr. Carruthers, as the *Morning Post* at once explained, began with a very questionable majority and an exceptionally difficult situation. He indulged no anticipations of an easy rule or an entire break with Mr. Waddell's Administration. The rigorous reformers who entered politics almost in spite of him, following him from necessity rather than trust, were, as he well knew, at his mercy to the extent that they could not look beyond him to another leader. Consequently he brought them to heel at once, perhaps too peremptorily, but decisively. He has not hesitated to force on his Savings Bank amalgamation in the teeth of their open opposition and that of our Sydney newspapers. The numbers have justified him. Only nine of the rigourists ventured to oppose the second reading of the Bill. The great body of the Ministerialists, with the whole of the Labourites and of Mr. Waddell's corner united with them, gave it an overwhelming majority. The Premier is entitled

to congratulate himself on this result. He has not been really inconsistent, and he has been laudably firm. His Bill, for all its defects, is not a dangerous measure, and with cautious management the new institution may do much good. But it foreshadows to the thoughtful a regime not unlike that which they had been told was finally abolished at the polls a few weeks ago. Mr. Waddell's finance was never as black as it was painted, but might have been advantageously retouched with a bolder hand than Mr. Carruthers is now applying in his edition of it. Newspaper history written for us day by day and during electioneering campaigns is responsible for most of the striking departures, betrayals, and antitheses with which our local papers liberally bestrew their columns. If their readers are bewildered it is because our journalists feel bound to be partisan or picturesque, or both, rather than tediously careful and impartial recorders of events. They are nothing if not over-critical.

MR. REID AND HIS PLEDGES.

Mr. Reid's path is even less strewn with roses than that of his old colleague. Sydney is somewhat disappointed with him also, but, recognising the obvious dangers among which he moves, treats him with greater forbearance. The particular amendments to which he pledged himself at the hustings were to be made in the tariff, in the clauses excluding immigrants under labour contracts, and forbidding the employment of coloured seamen on subsidised mail-boats. Each and all of these are now expressly put aside while he remains in office. The enthusiasm generated by his speeches in this State arose chiefly from the expectation of the repeal of sundry obnoxious provisions of this nature. Only to a subsidiary extent did it depend on the ejection of the offending Ministry and its supporters. The Administration has been transferred to Mr. Reid's hands as desired, but we have nothing else to show for the change. All the Bills he is fathering were drafted and introduced by the Government against which he appealed to the constituencies. None of them are of conspicuous importance except the Arbitration Bill. He is doing his best to pass that without any of the alterations to which he was pledged. If he succeeds in placing it on the statute book it will mean for him a defeat in principle, or if it fails to pass a defeat in leadership. In either case this is one of those "famous" victories satirised in Southey's ballad, or of the class quite recently described in Russian reports from Manchuria. Mr. Carruthers and Mr. Reid may possibly be saving us from still less palatable legislation, but beyond this their record is barren. No doubt the blame is not theirs in the first place. They would be only too pleased to live up to the magnificent promises made for them in our papers, or, failing that impossible achievement, would be content to attain the far less lofty standard of the promises they actually did utter with their own lips. The insuperable obstacle is that the country has not given either of them the majority necessary to accomplish anything at present. Mr. Carruthers may reasonably hope to strengthen himself sufficiently to accomplish a modest and moderate part of his own

original programme next session, but Mr. Reid can hardly cheer himself with any such expectation if as Prime Minister he lives so long. He has made his coalition, and after all the concessions with which this was purchased it leaves him with a majority of only two votes. As he once more confessed to Parliament last week, the members of the Opposition can force a dissolution at any moment. They have not chosen to do so yet, but nothing prevents them from making the Prime Minister walk the plank except considerations of expediency from their point of view. To “come into power” in order to pass legislation he condemned and opposed, to live on the support of Protectionists whom it has been his life-long labour to overcome, and to lead a House which exists only while the tacit consent of the Opposition allows, is not to wear the crown to which Mr. Reid aspired or wield the sceptre for which his party has fought. It is not even to enjoy a regency, but simply to act as custodian of the regalia pending arrangements for a new coronation. Only in favouring circumstances can he expect to be the centre of the next ceremony of that kind. Unless the Labour Party play into his hands and enable him to isolate them at the polls his chances in the country are poor. Mr. Watson is too astute to make such a mistake, or at least to make it so as to provoke a dissolution of the Senate, where he has all but a majority obeying his behests.

LABOUR OBSTRUCTIONISTS IN PARLIAMENT.

The topsy-turveydom in the Federal Parliament was well illustrated last week by the manner in which the irresponsibles among the Labourites treated the estimates framed by their own Ministry before leaving office. Mr. Reid sat at the table striving to recommend his predecessors' proposals to their supporters, and often without avail. Muzzled into silent acquiescence while their leaders held office, the rank and file, now that they are in Opposition, decline to pay the slightest deference to their advice. There have been several divisions challenging minor items of expenditure, and one all-night sitting wasted in meaningless protests because the **Chairman of Committees** put in use for the first time a Standing Order forbidding tedious repetition in debate. Unhappily we have furnished in New South Wales too many instances of verbal brawls after midnight to enable our remonstrances to carry much weight. That the Federation is held in disfavour is due in part to a disillusioning that was inevitable, but also to its being usually tried by a higher standard than that we apply or expect to have applied to our State legislators. At the same time its functions are narrowed at every turn. The High Court judgment declaring all Federal public servants, members, and Ministers exempt from State income taxes on the sums voted to them by the Commonwealth awakened a burst of indignation from every part of the continent. As has often been pointed out in these columns the State Press remains devoted to its local habitation and always opposes the Australian administration whenever the interests of the two Governments clash. Besides this motive there is a persistent feeling against the public service on the plea that it is a privileged and an overpaid class, and this was at once

revived by the declaration that they are relieved from State taxes on their earnings as Commonwealth officers. The State Ministries, always seizing with avidity on every opportunity of finding fault with the national Government, joined in the chorus of complaint, as they would have against any interpretation of its Constitution that seemed to limit their power, or decrease their revenue. After some fencing to gain time the Prime Minister has promised to submit a scheme next session which will authorise the necessary deductions being made from Federal salaries to recoup the States the losses incurred in consequence of the judgment. Except that the tax will then in some way be levied by the Commonwealth Parliament instead of by the local Legislatures the situation will continue unchanged financially, though not in fact or in law. Extremely jealous of their own independence, the States are none of them anxious to see the independence of the overshadowing Federation thus carefully and effectively secured against their aggressions. The High Court, already dreaded for its fearless handling of the judgments of the Supreme Court benches, from whom it hears appeals, is becoming disliked because it is so well fulfilling its function as guardian of the Constitution.

FEELING TOWARDS AUSTRALIA IN GREAT BRITAIN.

It is a pleasure to turn from the parochial feuds and intrigues of the past few weeks to the statesmanlike speech in which Mr. *Irvine*, the late Premier of Victoria, addressed the constituents who elected him as their representative during his absence in search of health. Putting aside all minor matters, he summed up in few words the conclusions he had reached during his recent visit to the Mother Country and to Canada. From an Australian point of view he derived little satisfaction from either. In the Mother Country the ignorance of our affairs was "amazing", we are "unpopular", and the feeling towards us, at all events among a large section of public men, indicated something like resentment, because of our restrictive legislation. This was also due to their belief that we fail to assume a fair share of the cost of Imperial Defence, since we pay only a penny where the Englishman pays a shilling. He hinted that there was a party in the Mother Country who would not be unwilling to be relieved of the connection with the colonies. In Canada Mr. Irvine heard little to console him, because the younger generation, and particularly the French-Canadians, were more loyal to the Dominion than to the Empire. Apparently he cherishes no sanguine hopes of their co-operation except, perhaps, in respect to preferential trade, a policy which he found firmly established in public favour in Montreal. Unless Mr. Irvine is unduly pessimistic the tale he has told is serious. His diagnosis discovers grave disorders. His career in Victoria, though not long, was very distinguished, and nothing occurred which could be said to disclose an alarmist. But for his physical collapse he would still be the Premier of the State. Presuming his debility not to have affected his views or his capacity to take an active part in politics, and remembering the high esteem in which he is held because of his firmness in coping with the railway strike in Victoria, a deliberate pronouncement

of this positive character from such a man must be deemed to mark a possible new departure in our politics. If the sentiments at home towards Australia and in Canada towards the Empire are or tend to be as unfriendly as he believes no mere changes in the machinery governing our public relations to each other can heal the irritation. His own specific proposals are too vague and inadequate to complete the cure, but they are very valuable as aids to a better understanding of each other and to a juster distribution of the burden of the Empire in accordance with the benefits it confers.

MR. IRVINE'S LOFTY APPEAL.

Whether the dominant note of British sentiment towards the outer Empire be one of indifference or of positive annoyance Mr. Irvine admits that there is a party headed by Mr. Chamberlain whose friendliness is beyond dispute. It is searching for a common ground on which all the communities under the British flag may be induced to draw closer together in business partnerships and in mutual appreciation of their joint interests. Preferential trade relations are, in Mr. Irvine's opinion, extremely important by way of commencing an approach to each other. If equitably adjusted they may gradually substitute for the strained civilities exchanged under our present constitutional intercommunications much stronger bonds of attachment and a more intimate intercourse in other directions. Though he anxiously disclaimed oratorical skill or any desire for it, being but a plain speaker of his own thoughts, his allusions to the Empire were quite as eloquent, if not as optimistic, as those of more fervid advocates. But in accordance with the character of an address wholly devoid of reference to State affairs, and intentionally stripped of rhetoric or emotional flourishes, he pointed straight to the real goal of the moment for preferential trade. It is but one means towards the consummation of patriotic ideals which aim at the strengthening of all the ties existing and the establishment of new ties, with the object of building up the "permanent closer union" of a "united Empire". Everything which makes for this supreme end should be welcomed and supported, however partial and imperfect it may appear to be, or however small its initial steps may seem. Commercial development by mutual concessions to Mr. Irvine's mind presents practical opportunities, both minor and major, of knitting together the "scattered fragments" of our great world-State. Hence he adjured his fellow Australians to seize the opening afforded and to lay aside sectional differences and narrow local antagonisms. He would have them put the fiscal question as such in the second place, and, whether they were Free Traders or Protectionists in theory, put first a broad view of their duties as citizens of Greater Britain. Its destinies, as he sees, depend on the vigour and unanimity with which Imperial Federation is realized by us all. No breath of fresh air in a close and over-heated atmosphere could be more refreshing than this frank utterance with its large recognition of the great problems of the present, so often lost to sight in the tangle of party polemics.

FEDERATED AUSTRALIA.

REID–McLEAN COALITION.

RIVAL PARTY TACTICS.

THE FISCAL PROBLEM.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Nov. 22 1904; Jan. 5 1905.

State politics have once more sunk into the back-ground for the moment, since nowhere have local Legislatures developed anything in the nature of a crisis. Without something of the kind to give a sporting interest to politics “the Man in the Street” skips the scanty report of the debates in his own Legislature and the ridiculously inadequate summaries of the proceedings in the representative bodies of the other States. If there are leading articles on their doings he may skim them if they are narrative, but probably he ignores them if they are argumentative. A few sketchy paragraphs satisfy his appetite for knowledge, though these are sure to be personal and gossipy rather than soberly informative. He has done his duty to his country according to his own standard when he has gone thus far afield from the questions of business or pleasure that continuously guide him when reading the news of the day. The condensed notices of the work of the Federal Parliament have obtained less of his regular attention of late, since its unending and profitless debates have been decorously dull. They always come to “the Man in the Street” second in interest to those of his State House, not being so intelligible because they are less explained to him. Besides, they arouse a constant sense of injury here whenever he is reminded that they are held in Melbourne instead of coming immediately under his eye in Sydney. Then, again, both Federal and State Legislatures are now engaged in an undignified, though not unreasonable, scuffle for recess. The South Australian Houses have all but concluded their labours, the Victorian are in the penultimate stage, with those of Queensland and Western Australia pressing close behind. Unless the return of the Arbitration Bill this week provokes a Federal resurrection of party strife Christmas will find political Australia at peace with itself, if not with its constituents. Never will the gospel of silence be more welcome, despite the usual newspaper computations about to be begun from very different points of view recording supposed opportunities missed or blurred and sundry labours gone astray.

MR. WATSON'S POSITION.

New South Wales has still a special personal interest in Federal politics, though neither of our two distinctive leaders, Mr. Reid nor Mr. Carruthers, has added anything to his tally during the past few days. Mr. Watson takes their place, for as official head of the Commonwealth Opposition he can fairly be claimed as a third leader whose actions appeal to us because he comes from and holds his seat in this State. If he were related to us only on the ground of his position in the House of Representatives he would possess a much stronger claim on our patriotic sympathies than he does because of his dual dignity. As leader of the Labour Party he enjoys, it is true, an authority superior in real status and efficiency to that which he exercises as leader of the official Opposition, which includes its Radical Protectionist allies. In this instance the part immediately under his control, if not greater than the whole, is more important in fact because of its permanence and coherence. What may not be realised oversea is that the Labour Party is peculiarly regarded in every State, being treated always as if it were outside its borders. This is not because of the Federal character of its platform, since the same sentiment of its aloofness existed before federation. It is not because Mr. Watson's domicile in New South Wales is merely nominal. It is owing to the entire subordination of all other ties to the general and abstract aims of the Labour Leagues and Caucus, that Labour members fill a place apart from that occupied by the regular parties. The Labour men are always considered to some degree estranged from the rest of the community. In this State, therefore, Mr. Watson is thought of first and last as a Labour member, though probably beyond New South Wales it may be remembered that he represents a farming and grazing district in the centre of our territory. Yet in the Commonwealth Mr. Reid himself is not a more influential or conspicuous figure than the simple spokesman of the Australian Labour organisation, who by virtue of that position has been our Prime Minister once and may be again. As orator, debater, statesman, administrator, or leader of the House Mr. Reid is incontestably superior. What he lacks is not personal force but a whole-souled and absolutely obedient majority which, while it might dictate his policy, would flinch at nothing in order to give it effect. Without that, except from his New South Wales supporters, he remains merely titular master of the situation in perpetual peril of subversion. Mr. Watson having just what Mr. Reid lacks has the reality of power though he is in a minority. Personally the contrast between him and his associates is marked. A remarkable good sense keeps him in touch with their heterogeneous tendencies without costing him the sympathy of the public outside. Where his forces are extreme he is moderate, at all events in language; where they are hasty he is patient. In Caucus he is believed to advocate strong measures, but in the House he conveys the impression that he is being dragged to the defence of his forces faster than he thinks judicious. Soft of speech,

mild of manner, easy in disposition, and diligent in fulfilling his duties, Mr. Watson has proved himself much better fitted for the post he occupies than he appeared to promise when first selected for it. A happy chance, the mutual jealousies of others and his own good fellowship won for him a chieftainship which now none seems to dispute.

THE FISCAL ISSUE.

The Labour leader since he left office has become convinced that the weakest point in the Reid–McLean coalition is to be found in its compromise on the fiscal issue. This, if not the very reason of its being, is the vital bond of union between the two halves of the Cabinet. While Mr. Watson was Prime Minister, half of his colleagues being Free Traders, he explicitly declared the tariff to be unalterable during this Parliament's existence, and that no steps could be taken towards Preferential Trade with the Mother Country until a direct overture was received from her Government. The moment he went into Opposition he saw both of these matters from another angle. The demand for Tariff Revision which he had brushed away as a mere Victorian plea for local advantage became in an instant Australia's national need and of most pressing urgency. Instead of being prepared to wait for a message from Mr. Chamberlain and a mandate in reply from our electors before attempting to obtain Preferential Trade, he became convinced of the imperative necessity for instant action to assist a British statesman with whose every other aim he is in open antagonism. He had decried the invitation to him telegraphed by his predecessor in office, but is quite prepared now to repeat it himself in warmer terms if by that means he can detach Mr. Deakin and his friends and so destroy the Ministerial majority. There is nothing astonishing in this change of attitude; nothing obscure in its motives or its ends. Though the mouthpiece of a band of pledged extremists exulting in their uncompromising adherence to their most extravagant ideals, Mr. Watson himself is an opportunist of the opportunists. When he was head of an Administration of his own he lived by concessions and compromises. Now that he is leader of the Opposition he is prepared to carry out the same policy to almost any length. That is natural. The marvel is that his party appears quite ready to endorse his rapid changes of front. At all events it has not yet uttered a word of reprobation of or performed a single act signifying dissent from the most extreme of his fiscal promises. His letter in reply to the appeal from the British Labour Representation Committee has, according to our telegrams, been described in the leading columns of the *Morning Post* as "frank". It was also ingenious. The distinction so often utilised here between unofficial and official acts and words of the Labour organisation is skilfully brought forward to explain the recent reversal of its former fiscal attitude. The party as such remains unpledged to Tariff Revision or Preferential Trade, but all its members, with perhaps

half a dozen exceptions, have in concert and after discussion in Caucus individually given in their adherence to these additions to their formally-authorized platform. No wonder Mr. Ramsay MacDonald and his colleagues in England fail to appreciate the reply they have received. The new departure has been taken to strengthen the party in the House as the price of the support of the Isaacs and Lyne Protectionists.

PARTY MOTIVES.

Party motives and relations dictated Mr. Watson's letter, the substance of which seems to have been telegraphed to London. They also dictated his speech in the Melbourne Town Hall, where he spoke after Mr. Deakin and before Mr. Isaacs. The same evening Sir William Lyne in the House of Representatives withdrew the motion that has been standing in his name for some time urging that negotiations should be begun with the Imperial Government for establishing preference in trade between Great Britain and Australia. This leaves the Parliamentary field clear for Mr. Deakin's elaborate motion specifically dealing with the same subject. The significance of these events cannot be concealed. Their simultaneous occurrence can scarcely be fortuitous. In this State the conjunction is viewed with apprehensive eyes. The feeling for closer commercial relations with the Mother Country exists despite the persistently adverse influence of our two great Sydney daily papers, and with very little encouragement would find forcible expression in our midst. But what many were ready and anxious to do by combination with Protectionists, and even at some sacrifice of their doctrines as Free Importers, they will hesitate to face in company with the Labour Party. Mr. McLean and Mr. Deakin may be endured, and since their support of Mr. Reid they have noticeably mollified the old antagonism to themselves in our papers. But Mr. Watson is a colleague of a very different type; personally without reproach, as leader of the Labour Party he is viewed with deeply-rooted distrust. To engage in a campaign with him would mean an alliance to that extent with his followers, and on whatever grounds it might be undertaken it would undermine Mr. Reid's position very seriously. He came into office directly challenging the Labour Party in its principles and practices, and when the next general election occurs he will appeal to the country against that party and all its works. If part of his support in New South Wales were given to the party on patriotic grounds as Preferential Traders, and if some of his Victorian voters were diverted from his Anti-Labour banner for the same reason, his present plan of attack would be made impossible. Moreover, defeat would be assured. It will be unfortunate if we are called on to choose between a Reid platform of practical domestic legislation intended to develop our resources and Preferential Trade with the Mother Country carried by Mr. Watson or with his aid, because this would involve the return to power of his party and the acceptance of an instalment of its extreme demands.

DECIDING THE FUTURE.

Mr. Watson has the first chance of deciding the future. His party in the Senate has succeeded after prolonged debates on sheaves of amendments in carrying three of a serious character. The first two bring agricultural employees and domestic servants under the Arbitration Court, while the third strikes out the *McCay* proviso on which Mr. Reid displaced the Labour Ministry. All three were voted on in the House, which is very unlikely to alter its judgment on any of them. The crucial test will be on the rejected *McCay* condition that preference to employment shall not be ordered by the court unless a majority of those affected approve of the privilege. On that condition the Government should have a majority of four votes. Sir *Langdon Bonython*, who previously opposed its adoption because it was made the subject of a vote of want of confidence, has always pronounced in its favour. We may anticipate that the Bill will be sent back to the Senate as originally transmitted to it. Then it will rest with its majority to say whether or not it will consent to take the Bill without insisting on the three amendments. Apparently it will, because its own numbers are insufficient to keep them in when the one or two Radicals who helped to carry them change sides rather than lose the Bill. There is another alternative. The discussion on these amendments in the Senate could be spun out for a time while the Appropriation Bill was being stonewalled in the House in order to force Mr. Reid to the constituencies. This would be a forlorn hope as far as the Arbitration Bill is concerned, but might result in an accession of strength to the Labour Party, which is well prepared and united while its opponents have neither qualification. Such a course would save the Senate from the risks of a double dissolution if the Arbitration Bill were laid aside for this session. Mr. Watson would retain his strength in that Chamber intact while he could lose little and might gain a good deal of ground in the House owing to the dissensions during a sudden election between Conservatives and Liberals or Free Importers and Protectionists. Strategically, Mr. Watson's best move is to force a dissolution at once. But bold assaults of that character are not to his liking. He has followers who would certainly be sacrificed and others who have not very safe seats. Unless the more belligerent left wing forces the battle on its leader in spite of himself and his timid supporters, who have no taste for victimising themselves, the Bill will pass, and Parliament prorogue in time for the holidays. Nominally the decision lies with Mr. Watson.

GERMANY AND FRANCE IN THE PACIFIC.

There are disquieting evidences that the Western Pacific is to become a theatre of conflict in which we shall have to cope with Germany as well as France. Our perpetual appeals for the settlement of land titles in the New Hebrides are disregarded by Downing Street. Unless the Senate accepts the new mail service provisionally arranged by the Deakin Ministry and approved by its successors the liberal expenditure and energetic policy of the present Governor of New Caledonia will make that group a dependency of the island over which he presides. Our new service would also touch the Gilbert and Ellice Islands, terminating at the Marshall group, within the German sphere of influence. Here we come into contact with an Administration also well provided with funds and drastic in its methods. German vessels share the trade of British Islands as freely as do our own, but when the *Ysabel* attempted to enjoy similar privileges in the Marshalls she was met at once by the levy of a heavy licence fee. An agreement with the chiefs for a trade depot was refused ratification by the German officials. On her third visit the licence fee was raised to £450 per month, and when a cheque from the firm was tendered an impossible demand was made for payment in gold. The vessel was refused even a supply of fresh water, and was obliged to return to Sydney in ballast and at heavy loss. Her owners trusted that the opposition encountered was due to the local authorities who are connected with the company which has a monopoly of trade in the group, and therefore prepared to despatch her once more supplied with the necessary coin. But a communication from the German Consulate was at once received proving that the intention to prohibit all British ships from trading in the Marshalls is known and approved in Berlin. The intimation was that an export duty of 30s. a ton had been imposed on all copra exported from the group except in local vessels. This would raise the local charges to £900 for one visit of a five-hundred-ton steamer. Our ports are free to the Germans, but theirs are sealed to us. Nor does their forward policy cease there. German New Guinea is being steadily developed and settled, while the contiguous territory taken over by the Commonwealth remains unpeopled and unproductive. Our missionaries and officials are doing excellent work, but no planting is taking place or being encouraged. If this were being attended to the markets for products must be sought elsewhere, for our tariff makes no exemptions in favour even of goods from its own territory. Neither does it admit of any concession to British settlers in the New Hebrides, whose French neighbours have all the advantages of an open market in New Caledonia. More serious still, docks and piers are being built at Simpsons Harbour ostensibly for large mail steamers, but alleged to be intended to establish a naval base relatively close to that selected by the Admiralty near Thursday Island. Noumea is already well fortified for similar purposes.

The French and German subsidised liners already enjoy a large share of Australian business free from all disabilities. The Germans are multiplying their agencies and ships everywhere in these seas. Out of Singapore they are capturing all trade to the East, and are now proposing to ply from Japan, through their own possessions, to our coasts. A German telegraph line is also to be laid along this route. In brief, a well-devised and a consistently executed attack is being made on our commerce, coupled with preparations for offence in time of war. Yet, following the example of the Mother Country, we stir neither hand nor foot to prevent our rivals from using us and our territories for their aggrandisement, while they are openly and insolently hampering and excluding us wherever they possess the opportunity.

FEDERATED AUSTRALIA.

STATE INFORMATION BUREAU. POLITICIANS AND NEWSPAPERS. LAND LEGISLATION.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Nov. 28 1904; Jan. 11 1905.

Mr. Carruthers should make haste to remove the beam from his own eye. Stung to the quick by the comments on New South Wales (and possibly those on himself) outside the State, he is about to create a State "Information Bureau". It is to cost "very little", and is to act under the advice of our very able statistician Mr. T. A. Coghlan, whose many most useful publications, as the Premier naively remarks, have heretofore been overlooked. The world in general, despite our actuarial instruction, persists either in ignoring us or in misunderstanding the records of our riches, however temptingly tabulated. Mr. Carruthers confesses that our own newspapers are often the chief of sinners in the way of misinterpretation, but he adds that they at least publish both sides in our controversies. This is a very mild certificate to tender to them. Up till lately Mr. Carruthers has had every reason to be satisfied with the share of applause his own views have received at the hands of the newspapers, but latterly this has been so qualified that he cannot bring himself to anything more than a curt notice of their comprehensiveness. Had he spoken his whole mind his opinion of their recent criticisms of his policy would have made excellent copy the reverse of complimentary. But as he cannot afford to be frank with them he tactfully reserved his anathemas for the English Press, which is far away, cannot affect elections, does not heed, and will not reply to his complaints. He is not even just to those who depend on borrowed intelligence. Confessing that most journals at home derive their information about us from our own papers, he viciously insists that they publish only that which is condemnatory of our politics and progress, while studiously omitting everything in our defence. This reproach is, of course, broadly unjustified. The one or two which have correspondents are even more summarily dealt with. The only one he referred to "lives in Melbourne", and apparently on that account is believed to delight in defaming New South Wales in the columns of the London financial weekly that he named. Farther off still the Argentine publishes wicked pamphlets picturing Australia as a whole the victim of unending droughts which have annihilated our flocks

and herds and destroyed our resources. Claiming to have scrutinised all the recent clippings from the British Press Mr. Carruthers has the hardihood to allege that not one word in favour of this State can be found among them. Either Mr. Carruthers has not read his *Morning Post* regularly or his clippers have played tricks on him, since the substantial soundness of Australia generally, and most especially of New South Wales, has been defended in its leading columns from time to time. The comments have evidently been thought of value, since they have been telegraphed at times by our Press representatives in London or quoted *in extenso* here. When Mr. Carruthers makes his charge of bias and want of discrimination against all the chief newspapers of the Metropolis of the Empire he should not lay himself open to the damaging retort that his own censure exhibits exactly those defects in a very exaggerated form. It is the few superficial and reckless scribes, who write as carelessly as Mr. Carruthers speaks, who cause the mischief of which he is entitled to complain. But they are not to be refuted by imitating their unscrupulous practices.

NEWSPAPER CLIPPINGS.

If Mr. Carruthers's investigation into his files of clippings had really been as industrious as he pretends he would have found in the three last articles published in these columns, brought by the mails before he framed his indictment, a very favourable view of the prospects of New South Wales. He would also have found a friendly notice of himself and his policy. Since then he has disappointed expectation, and given great offence to our newspapers, but their adverse comments have been discounted and the whole position put equitably for him in the *Morning Post* articles, which will reach his hands during the next week or two. He is wrong in his facts and worse in his manner. Our ex-acting Premier, Mr. B. R. Wise, when correcting what proves to have been an unfounded rumour to his prejudice in a letter to the *Morning Post* last October was generous enough to say that these articles "give a broader and a more impartial survey of Australian politics than is to be found in any English or Australian paper". Yet on various occasions the late Attorney-General and acting Premier has been severely dealt with in these columns in respect of matters on which Mr. Carruthers has been commended. The difference between the two men elicited by this test is not at all in favour of our Premier. It discovers in him a kind of schoolboy sulkiness whenever his course of conduct is not unreservedly approved. While condemning English journalism he was afraid to say that the real source of most of the slanders against New South Wales and the Commonwealth is to be found in the pages of "Hansard" or of our own newspapers. These scandals, under the poisonous influence of the spirit of partisanship or personal rancor—scandals as false as those circulated at home by fanatical Pro-Boers during the late war—are lightly coined and wickedly put into circulation. Since all those associated with

public affairs, not excluding one's fellow Pressmen, are either in one local camp or the other, the correspondent of a great English paper is obliged to sift the current charges and counter-charges for himself and apart under penalty of being cut off from one or other of his sources of knowledge. Neither our politicians nor our editors are anxious to have their first-hand intelligence employed dispassionately without regard for their shibboleths or bubbles of the moment. They are still parochial enough to practise the ostrich trick in order to make believe that no one sees us as we are. Hence in the House and out of it news is astutely coloured before it is issued to our public in party speeches or party newspapers. It is, however, quite safe to cry on the housetops in London what is only being whispered in Sydney behind the hand, because by the time that your issue is read here a new situation will have been created and new interests have come to the front so that few revelations provoke resentment. Mr. Wise admits that his late colleague Mr. Crick believed the rumour to which he gave currency affecting both himself and Mr. Wise, and as it was from him that the statement was obtained it appeared to be perfectly reliable. Had it emanated from any one except a member of the late Cabinet the story was of so startling a character that it would not have been accepted for a moment. Every journalist in Sydney credited it then, though it gradually came to be disbelieved.

“ABLE EDITORS”.

The State Information Bureau project offers a touchstone of Mr. Carruthers's practical quality, for as far as it has been outlined it means nothing at all. Apparently the offspring of a moment of pique and a desire to disembarass himself from one or two existing arrangements for advertising our advantages that seemed to him unprofitable it certainly must prove altogether unequal to the prevention of the injuries of which he wails. Mr. Coghlan, on whom the burden is to rest, is the author of unimpeachable statistics and a *littérateur* of repute as well, but he is a high as well as a capable official, already well occupied and likely to be transferred to the Commonwealth service before long. What can he do or cause to be done to stem the tide of unfavourable comment abroad which appears so overwhelming to our Premier? It is more than likely that he is agitated, because as Treasurer he is turning to the London Money Market for fresh funds, and thinks that at this hour of the day he can flood it with figures that will make the lending public look kindly on his Debentures. But the lending public, or those who advise it, have all Mr. Coghlan's published data already to hand. They are well acquainted with the facts, but as it is their interest to begin by bearing the market it is not to be expected that they will use them except for that purpose. Our statistician may publish volumes of statistics proving the prosperous solvency of New South Wales, and no competent critic will challenge them. What neither he nor any official, nor the Premier, nor

this Parliament can do is to guarantee the kind of policy we are going to pursue for the next ten years. That is the one thing needful. Ready-made opinions cannot be supplied to lenders from borrowers, nor can Mr. Carruthers silence the tongues of our detractors here, of whom by much the most potent and influential are the Sydney dailies. Though in every way best fitted for defending our reputation, and not seldom doing so, they are day by day engaged in tearing it to tatters to serve party ends. Ever since Federation they have lost the lead formerly enjoyed in local politics and have never gripped the lead they hoped to obtain in Federal politics. Mr. Reid and Mr. Carruthers, Prime Minister and Premier, are on their side and to a great extent their nominees, but both of them have had to become independent because they are presiding over independent Parliaments, owing no allegiance to our Metropolitan papers, and having many grudges against them. The programmes of our journals appear to most of us to be sound in the main, and it would be fortunate if both the Commonwealth and the local Legislature would listen to their counsel. But whatever else our members may or may not do, they will not act at the bidding of newspapers. Our misfortune is, therefore, that we have two masters at odds with one another. Our Legislature is composed of commonplace but practical and representative men, doing some mischief and a great deal of satisfactory work by rule of thumb. They pay little heed to their mentors, who with excellent theories, plentiful eloquence, and very much unpractical ability deny most of the good that is done because it does not bear their brand or is not undertaken in the right way. Mr. Carruthers's bureau will be perfectly useless unless he can capture our "able editors", as Carlyle called them, by making them members of its management.

ALL COMPREHENDING CURSE.

Just now our newspapers are more than usually in need of inspiration. Piqued at the almost contemptuous disregard of the Legislatures and the profound indifference of the electors towards their innumerable panaceas, they are emulating the Cassandras and Jobs of the past in their melancholy vaticinations. The more popular daily is at present pressing Jeremiah very hard in its pessimistic outpourings. Nothing is right or has been since it ceased to rule Mr. Reid, when he ruled our Assembly, which ruled our State, and ought to have made everyone happy. Instead of being perfectly content with the journal's benevolent despotism we federated against its advice, and since then have gone from bad to worse with increasing speed. Mr. Reid deserted it when a majority went in favour of union, and is deserting again. He will not even try to repeal the clause in the Postal Act allowing coloured labour to be employed on mail steamers under contract to the Commonwealth. He cannot pass the Arbitration Bill as desired, he dare not drop it, and will not dissolve the House on any consideration. He knows better than to follow such foolish counsel. The newspapers gravely instruct

him to secure a double dissolution, though, of course, that is impossible, should the Senate accept the Arbitration Bill in whatever form the House may finally shape it. But impossible and inconsistent mandates are only casual prescriptions for the malady afflicting our State, whose symptoms, according to one newspaper, are various enough to indicate a wonderful complication of disorders. Take but a few of its many complaints. Melbourne is the seat of Government. Nine hundred square miles of territory are sought to be filched from us at Dalgety, which is so far south that it is only geographically in New South Wales. We are even asked to surrender with it nearly £800 of annual revenue, which costs us nearly £1,800 a year to obtain. Yet in the face of these facts Mr. Reid smiles contentedly from the Prime Minister's armchair, and appears perfectly willing that the Federal seat of Government should be built under the shadow of Mount Kosciusko. We have lost our free ports, our free imports, our free fodder, and our nominee Upper House by coming into the Commonwealth. As a State since that direful day we have borrowed more, spent more, and taxed more, because though our best politicians have gone to the Federal Legislature to meet the leading minds of the other States the result has been, so we are told, though it scarcely appears possible, a deterioration there and in our own Assembly at the same time. After listening to this all comprehending curse it is no wonder that Mr. Carruthers becomes convinced of the need for a State Information Bureau, not to protect him against wolves abroad, but to quiet, if possible, the domestic watchdog dismally lifting up its unceasing nocturnal lamentations right under his own window.

THE LAND QUESTION.

Our Minister of Lands, Mr. Ashton, having laid his Closer Settlement Bill on the table of the Assembly, is treated to a characteristic outbreak from another quarter. The experience of New Zealand is that by means of a similar measure some ten thousand people have been placed on land which previously supported only one-tenth of that number and have made it many times more productive. The sum of £3,000,000 has been spent on resuming six hundred thousand acres, but the rents received not only pay interest on the purchase money but show a profit of £100,000 a year already. It is let on leases for nine hundred and ninety-nine years, subject to periodical appraisements which assuredly will not diminish the income derived. Yet the Bulletin mocks at the Victorian Act just passed for the same purpose on the plea that no suitable land is available in that State, and at Mr. Ashton's Bill because, sooner or later, the repurchased estates, after subdivision, will fall back into the hands of the monopolists. Truly our own censors are hard to please. The cry for land is continuous, though the large area which remains to the Crown is already available under some fifteen different methods of acquisition. The State is now about to take power to

resume some of the seven hundred and thirty estates of upwards of ten thousand acres each, situated in our fertile and regularly watered regions, in order to transfer them to farmers who will reside on and cultivate them. They must pay for them on a valuation, which is to be settled by a board, and discharged in not less than thirty-four years by annual instalments. Buyers can, if they prefer, discharge their debt at an earlier date. New Zealand has been investing half a million a year in this way, and Victoria is about to spend a similar sum; yet this legitimate and just transaction is condemned by our Radicals in favour of some unspecified method of penalising existing owners. What can Mr. Coghlan have to say to comments of this character, whether made the basis for animadversion abroad or at home? Facts and figures in such cases are brushed aside just as lightly as they were by a deputation of miners the other day, who asked the Premier to nationalise all our coal mines because they are not as busy as they have been. Some of the ventures are very profitable, but taken as a whole they only yield 4 per cent. on the capital, and this while under careful private control. Principally because of the cost of production we are losing our old markets on the West Coast of South America, in South Africa, and to the north in the Malay Archipelago and India. Japan is our most formidable competitor because labour there is literally dirt cheap. What can an Information Bureau accomplish in cases of this kind, unless it procures us more settlers ready to go on the land, or more miners ready to increase our output at lower rates than it now costs?

NOVEL PRINCIPLES.

The fact is that so far as the land is concerned the cry is for the freehold. This Mr. Ashton proposes to give his buyers, much against the wish of Labour Party theorists who worship the leasing system. Mr. Crick, who is making (as predicted in the *Morning Post*) the best Chairman of Committees we have ever seen, forcing business along with a strong hand perfectly reckless of consequences, has spoken his mind on this subject with his customary frankness. When Minister of Lands he allowed himself to be induced to lay out five thousand blocks quite close to Sydney suitable for workmen's homes, placed a tram line through the middle of them, and offered advances of £50 for building to each settler. After some years' advertisements thirteen blocks have been accepted; the rest remain idle. Facts like these are gall and wormwood to the doctrinaires, but serve to show how far removed the mass of the community, including those who elect Labour members, is in actual practice from the gospel of the nationalisation of land, which is enthusiastically voted for. Mr. *Kidston*, the Labour Treasurer of Queensland, has just tickled his followers with a complimentary proposal for securing to the Treasury on behalf of the public a share of the annual increment on all land that has not been directly earned by the owner's

work or outlay. Whatever increase flows from his exertions on improvements is to be his and remain untaxable; but every other advance, whether due to the making of a railway, the growth of a township, or any other cause is to be taxed 1½ per cent. per annum on the amount of its betterment. The idea is that for every increase in value not due to the owner or occupier the proprietor is to pay 30s. on every £100. To collect this will require first a valuation of the whole of the alienated land of Queensland, and next an annual revaluation discriminating between increases from improvements and those due to other causes than the act of the owner. Men whose lands cost them more than their present value may be, but are not yet proposed to be, made some allowance. It is admitted that the revenue to be derived from this new tax is likely to be very small for some years, but the experiment, received with rapturous applause by the Labour supporters of the *Morgan* Ministry, illustrates the persistence of the attempts of the Labourites to introduce novel principles into our legislation. Closer settlement and betterment are but two of the remedies popular to-day justified on the one hand and assailed on the other by voluble arguments based on assumed facts. Such experiments undoubtedly point to the need for an Information Bureau within Australia for the benefit of the Australians themselves quite as much as for the correspondents within their gates or the greater strangers oversea who pass comments on our versatile Legislatures or Premiers.

FEDERATED AUSTRALIA.

LEGISLATURE MARKING TIME.

LABOUR PARTY'S INFLUENCE.

STORMY SESSION FORESHADOWED.

FROM OUR OWN CORRESPONDENT.

SYDNEY, Dec. 5 1904; Jan. 16 1905.

Australian Parliamentary life is rarely wanting in eventfulness. Custom reigns here with as much authority as elsewhere, and under the name of "precedent" is worshipped as piously as in any part of his Majesty's dominions. So far so good. Without obedience to settled habits—most of them sanctified by ancient usage in the House of Commons—we should be dependent only on the written law which, according to politicians, is far from sufficient for their daily needs. The unwritten law admits, though it does not perhaps expressly recognise, much that is regularly done. For instance, the annual "slaughter of the innocents", a sacrifice of measures partly dealt with, which is carried out prior to every prorogation, is one of those practices which appear to be necessary in all circumstances. It is in conspicuous evidence on every hand to-day, but over and above the procedure hallowed by usage or arising out of the recurring conditions of legislative work we are liable always on our political stage to martial outbreaks which in the Shakespearean theatre were comprehensively indicated by the mysterious phrase, "alarums: excursions". Custom and practice do not, and perhaps cannot, prevent these surprises which sometimes sadly interrupt the familiar course of business, but always add to the zest with which our lackadaisical public turns for the instant to its political proceedings, which are otherwise generally passed lightly by. Such an unsignalled eruption was witnessed last week when our mild and harmless Legislative Council with the greatest irresponsibility suddenly upset the Government's financial appercart. The escapade was not without justification or popular approbation. On the contrary, it expressed the feeling of the commercial classes much better than the elective House, to which it is supposed to be subordinate on all such questions, had done when approving the scheme. Mr. Carruthers has disappointed them and many others to a greater degree than was reasonable. The unthinking, who do not appreciate the seriousness of the situation into which we have drifted, or the limpness of the public whenever called on to translate their favourite maxims of retrenchment—or balancing the

ledger—into actual effect, were of course doomed to be disappointed in any case no matter what the Ministry did. Our newspapers, always in the extremes either of hope or despondency, have done little to prepare them for the delays and temporising expedients of the new Government, though they could not be avoided during the preparation for a healthier regime working on well-considered principles. But when the Premier fell short of even the modest anticipations of the better informed and more capable critics, the reaction came with sufficient violence to carry our Legislative Councillors off their feet. They went with the tide of popular feeling, and Mr. Carruthers's financial measures went down in it almost without warning.

THE WISH OF THE COUNTRY.

The three Bills attacked represented collectively the policy of the Government and the work of the newly-elected Assembly up to date. The gravity of the situation thus created could not be lightly treated. A nominee Chamber was setting aside without ceremony the measures passed by a House just returned on a reformed basis and with a mandate to restore order and economy in the public accounts. They were all of them endorsed by large majorities after having been fully discussed, and there is every reason to suppose that if submitted again to the people with explanations they would be accepted by a sufficient if not by a large vote as unpleasant necessities. In this view the conduct of the Council is clearly indefensible because, though with excellent motives, it has thrown itself right across a path which, so far as its main direction is concerned, the country required to be taken. To weaken its position still more its members amended the Harbour Rates and the Stamp Duties Bills, thus putting themselves into direct opposition to the established rule that the nominee Chamber must not amend Money Bills. They rejected altogether the Bill amalgamating the Savings Banks, apparently on the ground that the depositors were less likely to receive as much interest on their capital as they had been accustomed to obtain. Sir [John See](#), the ex-Premier, was the most belligerent opponent of a proposal which possibly he would have brought in himself had he remained in office, and would certainly have insisted on as firmly as Mr. Carruthers is doing now that, sitting in his predecessor's place, he has perforce adopted his attitude. That the Council by large majorities should make its protests is not to be regretted, but that it should adopt these drastic methods is unfortunate, because it is not standing on firm ground. Like the Bourbons, its members learn nothing and forget nothing. When Mr. [Reid](#) came into power ten years ago they precipitated a conflict which confirmed him in power for years, and correspondingly diminished their own prestige. A pitched battle with the present Premier can only lead to a similar discomfiture. The pity is that, having a good case for the reconsideration of parts of each of the three measures before

them, they have taken an extreme course in a casual manner without reckoning its cost to themselves or to the country—if it be persisted in. Nothing would please Mr. Carruthers better than to be relieved of the unpleasant task of parsimonious economy now devolving on him. It would be more pleasant for him to engage in a campaign against the Upper Chamber in which his march would be easy and his victory assured. The courage of the Council has exceeded its strategic ability. It had a good case—it has a good case—on the merits of the measures, but the line it has adopted will not enable it to secure the modifications of those measures which business people desire, and on which it might have made a fight with good hopes of success. The check to the Premier has been given in the way most calculated to strengthen him, particularly with the Labour Party, and by a majority of the Council that, large as it is, cannot be relied on to hold together now or to win on an appeal to the country.

THE CREDIT OF THE STATE.

Mr. Carruthers is right in insisting that he cannot afford to lose the £90,000 a year he estimates to receive if his Bills raising the harbour rates and stamp duties are passed. He is right in contending that his amended Savings Bank Bill will not in any way prejudice the interests of the present depositors. The new institution will have the credit of the State behind it, and may render more liberal the terms on which those desirous of improving their land can obtain advances from its managers. His colleague, Mr. *Ashton*, having carried the second reading of his Closer Settlement Bill by a majority of two to one, can also reasonably contend that the financial departure asked for is thoroughly justified by the land policy of the Ministry, and will assist in the multiplication of country homesteads. Nor can it be disputed that the mandate of the electors was that vigorous precaution was specially needed in the administration of the Treasury. A point-blank refusal to interfere with the Railway Commissioners or to impair the business efficiency of their control by the exercise of political influence at the request of a greedy deputation has, in a timely way, advertised the Premier's resolution to insist on firmer management of this great asset. Seeing that in addition the petulant conduct of the Council has rallied the whole Assembly in defence of its sacred financial privileges, it is plain that Mr. Carruthers's prestige and power are being greatly increased by the Council's "bolt from the blue". The very newspapers which have been fomenting discontent with his Bills are now, with preternatural portentousness, announcing that constitutional principles are being imperilled by the translating of their suggestions into act and fact. Granting that the opposition to fresh harbour dues and stamp duties comes from the persons who will have to pay them, and that the Amalgamated Savings Bank may possibly develop some day into a State institution competing with existing private banks, there is a general

conviction that the fresh taxation ought to have followed instead of preceded further retrenchment, and that the capture of the Savings Bank funds is being essayed for party as well as public motives. So far the Council is exonerated. It has at various times attempted to exercise financial supervision, and its leading members still maintain that our Constitution not merely permits but requires them to use their discretion. On more than one occasion they have compelled the Assembly to make amendments on Money Bills in order to secure their passage, and have at least twice enlarged the area of taxation by reducing exemptions granted in the popular Chamber. Their present intervention is neither without precedent nor without good cause, but it has been injudiciously undertaken without warning and executed in an inconsiderate way. Popular feeling is against them, because they have committed these initial blunders and become apparently aggressive at the bidding of persons interested in evading taxation. The Premier is making the most of their mistake. The Bills they have amended have been laid aside, and fresh measures, one slightly amended but otherwise in the original form, have been passed and transmitted to them. The journals of the Council are being searched in order that the fate of the Savings Bank Amalgamation may be discovered. Its members would only intensify its defeat and risk its present constitution if they dared to force our three months' old Assembly back to its constituents.

THE ANNUAL FARCE.

Amusing rather than edifying are the performances of our various Ministries on the approach of Christmas, and though the same play is acted every year in every State just prior to the pantomime period it is staged with the same tragic solemnity season after season. First, as the holidays approach the Opposition demands a list of the Bills to be proceeded with, whereupon the Cabinet nobly responds that as it exists only to fulfil its promises the whole programme must be enacted before it can consent to lay aside its armour. The Opposition promptly agrees that this is what ought to be done, but contends emphatically that the faulty matter of many of the Bills and the improper manner in which Ministers have handled them renders it quite impossible for their provisions to be weighed maturely before the year expires. It announces that it intends to compel the Government to continue the session after Christmas in order that the public may not suffer, and because, owing to the incompetence of the men in office, the work of the session has not been happily concluded long ago. Ministers retort that the persistent though veiled obstruction of the Opposition during the session, though evidently designed to prevent the passage of useful legislation, shall not avail. They will remain at their post until there are no arrears except those rendered imperative by considerations of policy. These last are soon afterwards

enumerated, the list steadily growing because of circumstances over which the Cabinet mournfully insists it has no possible control. The Opposition welcomes every abandonment as further evidence of Ministerial deceit or incapacity. It selects those Bills which seem to be most unpopular or most unlikely to pass, and explains at great length the irresistible claims these measures have on the attention of the Legislature. But as the recess draws near a holiday humour affects the attitude of the Ministry's most obdurate antagonists. The more Bills the Government drops the poorer its record from the standpoint of an Opposition, and the smaller the risk of offending those affected by them from its own. At last there comes a scuffle between the Chambers. Prolonged sittings are held in each, filled at times with astonishingly rapid legislation combined with mysterious jettisons, until the jaded members separate gladly to their distant homes. The promises, the threats, and many of the compacts fall to the ground unfulfilled. Human nature asserts itself among our representatives, who at last comport themselves with schoolboy recklessness in order to get free. Nineteen times out of twenty debates are closed and laws postponed, some of them never to rise again from the oblivion to which they are consigned. The Press assumes a lofty attitude of reproof or apology, though the journalists themselves are personally as keen in urging the Legislatures to close as anyone can be. They, too, yearn for a well-earned rest, and enjoy the prospect of having the political field almost to themselves. All forms of pressure combine to guillotine the sittings before Christmas, and after all it is fortunate for us that a respite is made compulsory in this fashion. In the same sense that "the mortality of man is the salvation of truth" the prorogation of Parliaments may be called the salvation of the country.

OTHER LEGISLATURES.

The Tasmanian, South Australian, and Victorian Legislatures have adjourned, and there is good ground for supposing that the Queensland and West Australian bodies will soon follow the lead thus given. Not one of them can point to a memorable or fruitful session. Each of the first three has balanced its public ledger, and the last two will not fall far short in its performance of the same feat. When that is said all is said. Their Statute-books will be scrutinised in vain for any Act deserving of admiration or calculated to effect any advance or reform worth mentioning. It must also be admitted, by way of compensation, that none of them has been raised by its demerit to a bad eminence. The Tasmanian, South Australian, and Western Australian sessions have been distinguished chiefly by desperate struggles for office in which the **James** and **Propsting** Ministries succumbed, while Mr. **Jenkins's** vessel reached the port of safety leaking so badly that nothing less than a thorough overhaul and a new captain can make it seaworthy again. The Victorian record is one of good seasons

and hand-to-mouth financing without real provision for the future. The Queensland legislators, in unfavourable circumstances, have done a little more substantial work, but not much. Their franchise fight and their large schemes of taxing land values yet to accrue are being carried forward under conditions which foreshadow a stormy session next year. Speaking generally, the year has been one of recovery in all these States, and there is every sign that the upward tendency will strengthen, especially in rural interests. We are still regaining the ground lost during the drought. The thriving conditions prevailing in the back country are proved by the high prices ruling for stock, due in part to a good wool market, but mainly owing to the plethora of grass which exists everywhere. The carrying capacity of the interior is greatly in excess of the flocks which are being depastured. But in spite of this elasticity and of the soundness of trade generally, our public affairs continue unsettled by the ambitions of the Labour Party, and the feeble manner in which the finances are being patched up in reliance on a series of good seasons that may or may not follow that which we are now enjoying. The State Legislatures this year, noisily demonstrative and talkative, have really been occupied only in marking time.

THE COMMONWEALTH.

The two possible exceptions to the general rule of a Christmas prorogation, and those in which we are most directly interested, are to be found in New South Wales and in the Commonwealth. Mr. Carruthers trumpets his intention to sit on into 1905, and dissolve if necessary rather than concede the right to our Legislative Council to mould our financial policy. His party may be qualified to model it into a better shape, but it is not to be permitted to take that responsibility out of the hands of the Assembly. No nominee Chamber is to be tolerated if it attempts to interfere with the elected House in its control of the public purse. In the Commonwealth Mr. Reid is face to face with a somewhat parallel situation, but in his case both Chambers are elective and the issue is not financial. The question there is whether or not the power of the Arbitration Court to oblige employers to engage any members of industrial organisations who may be available before they can engage any workman outside the sacred legion shall be limited by a requirement that no preference can be granted unless a majority of those seeking employment and eligible for it are in favour of the Court issuing such a decree. Mr. Watson has had the assurance to move an amendment taking the burden of proof that there is a majority against preference off the shoulders of the organisation demanding it and placing it on those of the unorganised workpeople, who would thus be forced to combine at their own cost in their own defence whenever they were challenged by more than half of any body of workpeople registering a hundred strong. So arrogant a proposition is sure to be defeated, but unless some change is made in the existing proviso drafted by Mr.

McCay, the present Minister of Defence, and on which the Watson Government was put out of office, there are threats that the Labour members either in one or both Houses will obstruct the passage of the Bill and that of the Appropriation Act. It is not possible to predict what course events will take this week, though the exhaustion of members after more than nine months' continuous labours in Melbourne, many of them having remained away from their homes for the whole period, should give Mr. Reid a decided advantage if he can keep his coalition forces in hand. Practically the Arbitration Bill is the only measure of the Federal Session. If it be lost there will remain nothing to the credit of the session but the displacement of two Administrations. As the result of thousands of pages of debate there will remain half a dozen pages added to the Federal Statute-book. The one Act already assented to, namely, that choosing Dalgety as the site for the future national capital, has been already declared to be unconstitutional by one State Attorney-General. But even if it is sustained, and the Arbitration Bill passes, the annual volume of statutes will consist of about a score of pages, and as the last-named measure applies only to Federal disputes it may be but rarely utilised. Even if our Legislature under Mr. Carruthers, and that of the Commonwealth under Mr. Reid, close soon with all their contentious work done the net result in both of them will not differ from that exhibited in the rest of the States. Legislatively they have all been marking time.

FEDERATED AUSTRALIA.

LABOUR PARTY TACTICS. UPPER HOUSE PREVAILS. CHANCES OF PREFERENCE.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Dec. 12 1904; Jan. 25 1905.

The Arbitration Bill becomes law when Lord Northcote signs it this week on behalf of his Majesty, after a career which surely may be quoted for all time as the very flower of topsy-turveydom. His Excellency will accept it on the advice of Mr. Reid, who denounced the whole measure lock, stock, and barrel, when it was first launched in this State four years ago. He fought its progress at every step with the most unqualified antagonism. When it was introduced into the Federal House by the Barton Ministry last year in practically the same form he had not one word to say in its favour. But as the Labour Party, with whom he was then coquetting, believed in it he promised that he would not continue the unmitigated opposition he had displayed in New South Wales. Even this concession to tactics has not prevented him from challenging, until very lately, both by voice and vote, every one of its ruling principles, the compulsory powers, the grant of preference to Unionists, the authority of the court to interfere, and the common rule as proposed to be applied. In other words, if the Bill had been framed to meet his views it would now provide only for voluntary arbitration by representatives of employers and employed, who would have no power except to make a recommendation or enforce an agreement in the usual way. As it is framed it is repugnant to him in every particular. Yet, it is now on Mr. Reid's advice that the Governor-General will assent to this Bill, though, in addition, it confers on the court about to be created a jurisdiction which in his opinion, and in that of his Attorney-General, is altogether unconstitutional. Nor do they stand alone in their "right-about-face" action. The Bill has been carried through its last stages by the votes of members who thoroughly agree with the Prime Minister and his Cabinet in considering it bad in principle, illegal in form, and mischievous in operation. The majorities which have prevented it from being rejected as impossible of acceptance under any compulsion have been so small that if the names of the men who utterly condemn the whole Bill had been absent from the division list the measure must have found its way into the waste paper basket. Probably there have been Acts here and elsewhere which have been supported in their final

stages, and thus placed on the Statute-book, by men who disapprove of them entirely, but in our past experience these have related to subjects of slight influence. When this Bill was laid on the table the then Opposition attacked it with all its forces. With few exceptions it has vehemently censured and steadily voted against all its major provisions ever since, yet now the Opposition of that date occupies the Ministerial Benches the same members accept it rather than retire again into Opposition. The Bill as it is could not have been carried without their active aid. No Bill which was worse in their opinion could have been carried in this House because their Protectionist allies who brought in the measure had in so doing gone to the full length of their tether. It is more than doubtful if a dissolution would have strengthened the extremists. There was nothing more to fear in the House or out of it. The Bill as we have it—the Act as it will be—therefore owes its existence now to those who confessedly either distrust or detest it.

LABOUR PARTY'S TRIUMPH.

The Labour Party is in almost exactly the same plight. Welcoming Mr. Kingston's draft wholeheartedly and seeking to strengthen it, not without success, when their leaders came into power they were at the same time compelled to consent to amendments, on one of which by accident their Ministry was overthrown. They triumphed by putting in the public servants of the States, though the Deakin Government preferred to resign rather than consent to strike such a blow at the independence of the local Legislatures. They were defeated in their endeavour to allow the Court the right of granting priority of employment to members of organisations when the majority of those engaged in the business affected were not in favour of it and resigned in their turn. When Mr. Reid came on the scene the Labour Senators day by day attacked the points on which their comrades in the House had been outnumbered, and succeeded in reversing the previous decisions against them on three important controversial questions. They brought all rural employments as well as domestic service under the control of the Court only to find the House resolute in its refusal to admit them. The Senate struck out the proviso requiring that preferences should not be granted by the Court unless a majority of those affected desired them, and was beaten on this also by a narrow majority in the House. When the Bill was returned to the Senate a second time they at once abandoned the agricultural labourer and household employees, but despite prolonged and bitter struggles the McCay proviso for majority rule in the ordering of preferences was kept in. This was the crucial issue for them, and therefore, though beaten in their attempt to strike it out, they renewed the assault on it in another form. They had sent a fourth amendment down to the House which, following the prohibition against any organisation applying on behalf of its members for preference to any employment available over those outside its ranks, while it allowed its funds to be devoted to "political purposes", tacked on to it the innocent

and apparently equitable condition that any organisation of employers objecting to such a concession must itself be bound to a similar exclusion of politics from its own rules. When Mr. **Watson** found himself unable to get rid directly of the limitations on organisations seeking for preference which confined them to industrial affairs, he sought to take advantage of this last amendment aimed at political employers' unions in order to define the "political purposes" forbidden to both employers and employees in a negative way. His object was to permit all organisations to spend their funds on any matters affecting employment. He thus indirectly outflanked the proscription that he could not destroy by his frontal attack. It may not be easy for the Court to say just what are the "political purposes" that may not be aimed at by industrial organisations, and it was more difficult for politicians to do so beforehand. Then to the amazement of the House and the discomfiture of some of his followers Mr. Reid, after vainly appealing to the Standing Orders in order to stifle the new amendment at its birth, announced its cordial acceptance on the ground that as it covered both unionists and non-unionists it was an eminently desirable addition to the Bill.

POSSIBILITIES OF THE BILL.

After this triumph, celebrated with taunting delight by the Labour Party in the House, it might have been presumed that the battle of the Bill was over. They had whittled away the barriers between industrial organisations and political labour leagues until there could be no obstacle to them being blended at election time. Every organisation registered under the Act is now expressly empowered to approach the Court, to make levies on its members, and to employ its funds as well as its influence in fighting the constituencies for the Labour Party with candidates drawn from its members so long as it does not apply to the Court to order employers to accept them in priority to everybody else. Now with Mr. Reid's consent they can also use their funds for agitations in the country and in Parliament in order to obtain legislation, improving their hours, wages, workshops, enlarging their claims for compensation against employers, and generally for making their positions better at the expense of those in whose service they happen to be. It will not be a "political purpose" if they exercise the power given them under the new Act to provide stepping-stones for at once demanding an amending Bill, in which the mere pretence of excluding politics from their corporate activity that now remains will be finally abolished. There is no restriction left on organisations of employees in any direction except that they cannot obtain priority of employment if they come out in their true colours as fighting partisan associations at the polls. They will be capable of being marshalled in line under the protection and with the authority of the law dividing the community into the two parties of employers and employed. They have never been able to reach that pitch of organised activity yet, and probably never will be, owing to the conflicts of opinion in their own ranks, but at all events no

obstacle will be imposed by the new Act. So far as that is concerned they are free from any obligations of neutrality, while they are being endowed with fresh powers both of offence and defence. It might, therefore, have been anticipated that when Mr. Reid at the first summons handed them the keys of the fortress they were assailing their appetite would have been appeased for a time. But—No! The McCay condition insisting on a majority in favour of preference remained. It was on that very requirement that Mr. Reid climbed into office, and he dare not abandon it. Against it every device that ingenuity could suggest or hardihood execute was tried successively in the Senate. Fortunately one and all failed. Then melodramatically the old guard of the Labour Party declared that though it might die it would never surrender. It “stonewalled” and denounced its Bill, repudiated its concessions, and appealed to those who had opposed it throughout to join them in rejecting the whole measure. The Senators following Mr. Reid who had resisted every one of its provisions were stiffened by this temptation into insistence on its passage just as it stood. Topsy-turveydom was complete when the Labour Party officially and as a whole voted against the Bill they had prayed for, fought for, and intrigued for, while Mr. Reid and his party carried it through, though they had execrated, combated, and sought to hamstring it at every turn. Did the wheel of party politics anywhere ever describe so remarkable a revolution?

POWER OF THE UPPER HOUSE.

If the “all or nothing” policy of the Labour Party is quite in accordance with its habitual methods the contrary practice adopted by Mr. Carruthers in meeting his crisis with the Legislative Council displays a suppleness as convenient as that of Mr. Reid. Our Upper House disliked both the Stamp Duties and Harbour Rates Bills because they imposed further taxation, and also because they were believed to be vexatious in their machinery. It amended both of them in order to reduce or remove objections. Our Premier thereupon at once picked up the gauntlet thrown down to him, stopped all other Parliamentary business, proclaimed from the housetops that the Assembly was sole judge on matters of finance, including taxation, and promptly laid aside the two measures on which the nominee council had laid sacrilegious fingers. Our Press, though not by any means friendly to him, declared his conduct unexceptionable and his principles unimpeachable, but excused the council on the ground that one of the clauses amended in the first Bill was unintelligible and some of the charges in the second exorbitant. Mr. Carruthers’s retort was that the liberties of the people and their rights under the Constitution were in danger, and that in such distressing circumstances it was not a time to be hypercritical. He would not accept the amendments made by an irresponsible Chamber, and as a matter of literal fact he did not. But he was not too obdurate; when he reintroduced the Bills the clauses condemned were amended, not in the same words, but in the same way, as the council

desired; not because the Upper House had amended them, but on the plea that, having further time for revision, it had been discovered possible to make improvements in the language employed, not with any view to inducing the council to accept the Bills, but merely to enable a stronger appeal to be made to the country on the ground that the measures were really as perfect in drafting as in conception. The Second Chamber, complimented by these concessions, passed the new Bills, as it reasonably might, under duress, seeing that their principles had been again affirmed by the popular Chamber, while the justice of their detailed criticisms had been admitted in the alterations made. Their amendments of the old Bills not having been accepted as they were made, the prerogatives of the Assembly and the powers of the people were preserved against the aggression of the capitalistic council sufficiently to “save the face” of the chief actors in the play. But the Bills having been re-shaped in the particulars desired, the substantial victory rests after all with the Upper House. Though having no direct constituents its jubilation is expressed with moderation and restraint. The Savings Bank Amalgamation Bill, which, like the Arbitration Bill in the Commonwealth, had been elevated by our Ministry and local Labour Party into an unmerited eminence, seems to have been whelmed in the waves created by the fictitious financial crisis. Outside the Assembly it is “unwept, unhonoured, and unsung”, attention being fastened for the time on the Closer Settlement Bill, of which it was to be the companion and corollary. Here, too, the council bids fair to become the victor, so that in the old duel, as has so often been the case, the small body of men who know their own minds and act together overcome the larger and more imposing assembly whose attention is preoccupied with having to play to the galleries outside and to the factions inside an elected Chamber. In a battle royal the Lower House must always win, because the people identify themselves with their own creation. But in all the ordinary conflicts, as in the present case, it is the unruffled council that really calls the tune.

COMMERCE AND COURTESY.

Preferential Trade and the Iron Bounty Bills, two fragments of the policy of the submerged Deakin Cabinet, have been revived by its members in the very last hours of the session. But for the votes of want of confidence and similar motions with which the Labour Party and its Protectionist Radical allies have occupied the last few months the resolution and the Bill might both have been passed easily, if not in their present forms in those which would have been temporarily acceptable. The Bill, whose second reading was moved by Mr. Chapman some weeks ago, was carried in his absence under the care of Sir W. J. Lyne by the splendid majority of four to one. Unfortunately its progress in committee was rendered impossible by the unrelenting hostility of a few Free Importers, who deliberately wasted time with meaningless amendments to what they consider a Protectionist measure. There seems no chance of its passing the House

this session, for the Appropriation Bill is already in the Senate. Mr. Deakin launched his motion for an immediate concession to British imports and an official offer of further reciprocal concessions to be made hereafter at the Conference proposed by Mr. Balfour in his most conciliatory manner in order to avoid if possible the shoals on which the Bounty Bill became a wreck. Mr. Reid will reply to him this week, but it is very uncertain whether anything beyond some passing consideration of the proposal will be possible. All the chances are that it will be persistently blocked by the same combination of Free Importers for the same reasons and in the same way as was the Bounty Bill. They are in a minority, as any division would prove, and it is partly in order to conceal their numbers that they will interpose every obstruction to any vote. This is unfortunate, because it obscures the opinion of Australia, but fortunate for Mr. Reid, since it leaves him without a defeat in the closing hours of the session. His attitude in the matter of a grant towards a memorial of Queen Victoria is probably occasioned by a similar reason. It must be submitted this week, when really all business will be over, and many members already on the wing. It cannot be said that this is decorous treatment of the very appropriate idea of a national monument to a former Sovereign. The debt of Australia to Queen Victoria is as incalculable as that of the whole Empire, since among the unparalleled achievements of her reign the growth of the Colonial Empire holds a proud place. Recognition is also due to the mother of the present King. To place the Bill before the House in the fag-end of a session is to deprive it of all chance of being properly considered. It may slip through, but the season invites the captious to take advantage of the opportunity afforded them to oppose it under pretence of economy while at the same time claiming credit for fearless resistance to any pecuniary demands until old-age pensions are provided for our poor. Thus these three great questions, meriting the best thought and the strongest support of the thoughtful public and with special claims on a Legislature whose time has been consumed in profitless strife, have been huddled together in its last few days, a period which would have proved insufficient for the discussion of either one of them. The Prime Minister as a Free Importer is suspected of some connivance because he will be well satisfied if Preferential Trade and the Iron Bounty Bills can be put aside without a decision, but, anxious as he is to end sittings which are perilous to himself and his Government, until their last word is spoken he ought not to be content to allow Parliament to close without making a real effort to acknowledge the indebtedness of the Commonwealth to Queen Victoria. It will be an inglorious ending to an inglorious session if nothing be done to place us beside our fellow-dependencies who have already taken the only course honourable to themselves and to the Empire by generously and gladly volunteering their contributions. A popular vote here would instantly approve their example, but treated as it is there is always a risk of a "minority of meanness" snatching the chance which carelessness presents. The one thing which will justify Mr. Reid's tactics will be their success. Nothing else can excuse his dilatoriness and apparent indifference in such a matter.

FEDERATED AUSTRALIA.

PARLIAMENTARY RECESS.

REVIEW OF WORK DONE.

PREFERENTIAL TRADE.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Dec. 20 1904; Feb. 13 1905.

The Federal Session is over, after lasting so long that the only surprise exhibited is that it should have ever ceased. For a considerable time the House has seemed too weak and too divided even to agree to close its doors. In all its ten months' strenuous existence it could not and did not agree to anything else worth mentioning. It is true that the prorogation speech read by his Excellency emitted a lyrical undertone of rapture, probably expressive of Mr. Reid's sincere rejoicing at the accomplishment of his one unwavering purpose of getting into recess. He is there at last, and, conquering his surprise, may well sing paeans to the tutelary deities of that reposeful place. But beyond these thanksgivings unquestionably sincere and unequivocally grateful there is next to nothing to chronicle as cause for rejoicing. The record of legislation is as near a blank as possible. It is but fair to put aside in any comparison the immense mass of work done in 1901–2 during the first session of first Parliament, since that it was due to the special circumstances then operating. The tally of the second session, though cut short by an early dissolution and lasting only five months, is represented by half a dozen Acts of the first magnitude, among them being that establishing the High Court, that authorising the increased grant for Naval Defence, that providing for the organisation of our land and coast forces, and that for the granting of patents throughout the Commonwealth. Here we have a reasonable standard of comparison. Yet in twice its term the first session of our second Parliament has passed but one Act—that for Conciliation and Arbitration. Its scope and utility, always open to much question, even if they fulfil the expectations of its promoters, are not to be matched in any case with those of the great measures of the year before. The Governor-General's speech sagely remarks that it represents "protracted legislative labour, and has revealed strong differences of opinion on one or two important matters". Less than that it would scarcely be possible to allege. The Ministry "trusts that the court now to be established will secure, on a basis just to all the great interests concerned, the peaceful settlement of any industrial disputes

that may unhappily arise, and extend beyond the limit of a State". If it does this once in a way it may possibly to some extent justify its creation, but as the sky is at present free from any threatening clouds the production of our industrial umbrella at this particular juncture may prove a quite unnecessary precaution. Assuredly its appearance has evoked no enthusiasm. The ex-Ministers who drafted it have long since abandoned their handiwork on the plea that it has been altered out of recognition. Those whom it was intended to conciliate protest that it will not fulfil its own or their object, while those who, adopting it at the eleventh hour, passed it into law, have explicitly disclaimed any responsibility except for getting it out of the Parliamentary path. As "nobody's child" it has been picked up, so to speak, by the police, who, treating it like any other orphan cast on the streets, will put it out to nurse with a Judge of the High Court, most of its missing sponsors hoping never to hear of it again.

SITE OF THE CAPITAL.

The one Act passed during the term of the *Watson* Administration selected Dalgety as the site of the future Federal capital in this State. Now both Chambers of our Legislature have united in expressly excluding this spot from the sites they are willing to offer. The Commonwealth statute implied that there were two conditions to be fulfilled before the capital may commence to be built. It must have an area of about nine hundred square miles and access to the sea. Both are set aside on the advice of the *Carruthers* Cabinet by our State members, who consider that an area of little more than one hundred square miles, however remote from the ocean, ought to suffice for the "Washington" of our United States. The Premier would have placed Dalgety with Lyndhurst, Tumut, and Yass as districts in which New South Wales was agreeable to concede a moderate space, but in his speeches he took care to make it perfectly clear to the Legislature that he interprets the clause relating to the capital inserted in the Federal Constitution by the Premiers as impliedly assuring to Sydney a title to become the port of the new territory and its chief centre of influence. In this provincial view he has, of course, the fervid applause of our influential papers who in their own interest and in that of our Metropolis have been promulgating this opinion for the last four years at least. New South Wales by resolution seeks to override the Federal Act in every particular. The net result will be to keep the Parliament sitting in Melbourne, where the newspapers take an equally selfish and narrow view of this and other matters in which they are concerned. The Melbourne *Argus* is willing to share the capital for fixed periods with Sydney, but the ambition of the *Age* is to place it on the nearest point of the Victorian border so as to keep it as much as possible under its journalistic thumb. This problem like most others is not approached, except in pretence, with any really Federal aim, but is made the means for a tug-of-war between

opposing States or, as in this instance, opposing cities whose interests are supposed to be affected. Dalgety is almost, though not quite, as far from Sydney and Melbourne as it is possible to get, and on this account finds its chief support from those who look forward to the distant time when the Commonwealth, coming out of its leading strings, shall choose its own way without much consideration for parochial devices. To hint at such a prospect is to be guilty of treason to one's own State according to the accepted view dominant on both sides of the Murray. The States are first and the Commonwealth always second. Rivalry with Victoria kept us out of the Federal movement for some time and led to our polling but a small majority at the first referendum. Rivalry with New South Wales, or more particularly with Sydney, has coloured Victorian political action ever since Federation, and especially whenever the capital site has been discussed. It is one main influence against the Reid Cabinet making the Melbourne Protectionists more insistently militant. In Sydney, partly out of antagonism to them, we are all the more inclined to Free Trade. There is nothing Federal in tactics like these. When the Prime Minister and Mr. Carruthers meet at the Conference of Premiers early next year they will review the conflicting interests centred in the choice of the capital. Both are New South Welshmen, but Mr. Reid, if he is to retain his Victorian allies, will not be able to enforce his own views, which are of necessity those of his Sydney constituency.

QUEEN VICTORIA MEMORIAL.

Not only what the Federal session did but what it failed to do has intensified hostile criticism. Little is heard but a great deal is thought of Mr. Reid's abandonment of his motion for an Australian contribution to the memorial to the late Queen because he let it drop without a word of explanation or apology. No whisper of hostility to the motion either in Parliament or out of it has reached the public ear. The proposal was certain to be resisted by some of the extremists, but there seems no reason to suppose that they would have been large enough in number to wear out the great majority, who is convinced of the depth of our obligations and that at last a suitable opportunity of meeting them had arrived. Rather than risk an extra day or two of the session the Prime Minister tacitly ignored his own notice on the business paper of the House and that of his Attorney-General on the paper of the Senate, thus illustrating once more the happy-go-lucky manner in which he now and then skips past his most serious responsibilities. All that can be urged in extenuation is that he does not seem to have been challenged for this desertion from any quarter. The next failure was to obtain a vote on Mr. Deakin's motion for Preferential Trade with the Mother Country, though this was moved and debated at great length by a few speakers. The Free Importers were determined that there should be no vote, and by the aid of those in favour of the motion but desirous either of speaking on it themselves or of

seeing it amended, they twice carried the adjournment of the debate against those who demanded that it should be dealt with at once as a matter of urgency. In neither instance was there anything like a full house present or paired. A number of members had left for their States in order to arrive home before Christmas, while those who remained were in no mood for sacrificing their last opportunities for securing the record of their views in Hansard. It is true that a matter so momentous demanded the fullest investigation, and that its terms were properly exposed to the closest scrutiny. Nor can it be said that the speeches made were, except in one or two instances, prolonged in order to occupy time; but it is evident that all available opponents were prepared to take the floor. Perhaps no final decision could be looked for on a resolution containing five separate propositions, and on which three far-reaching amendments had been tabled. At all events Mr. Reid imposed no abstinence on himself or on his followers in dealing with this great question. He replied at length, and voted for the adjournment of the discussion on both occasions it was moved. Thus there being but two Imperial issues raised during the session he failed to move the first and successfully delayed the second so as to prevent its being summarily decided. It would doubtless have proved no easy task to put on record the exact opinion of Parliament with respect to the particular form of preferential trade with the Mother Country most favoured here at present. But even Mr. Reid's friends cannot claim that he lent any assistance to the attempt made at the last moment to obtain some definite indication of the mood of the House before it separated for a long recess. Indeed, in the course of his own speech he was at great pains to assure the country that owing to the procrastinating attitude of the British Government there was no necessity for any word or act from us for the next year or two, since nothing could be done in London until after a general election.

STULTIFYING OPPOSITION.

The three most useful Bills of the session so far as Australia was concerned were all hamstrung during the last fortnight. That which offered a bounty for the production of iron from local ores was talked out by the Free Importers, who made full use of the liberties accorded them in committee to impede its passage line by line. The Papua Bill providing a constitution of the Crown Colony type for British New Guinea was wrecked by the aid of two amendments. The first forbade the sale of land and the second the sale of alcoholic liquor to our own citizens. It is recognised that this the only territory of the Commonwealth is as much outside our "White Australia" policy as it is outside our geographical and political boundaries. The native inhabitants of this possession are, and will always continue to be, the chief concern of its rulers, who, like the British in India, will reside in its tropical heats temporarily as a ruling caste, small in numbers, and largely composed of officials.

The Papuans have all the land they need, and much more than they use. They have no taste for alcohol, and its sale to them is effectively forbidden. Curiously enough the contentious amendments in the Bill relate to the whites alone, who are denied by their own countrymen votes and representation, the ownership of land in fee simple, and the use of intoxicating drinks except for medical purposes. The two first prohibitions were accepted by both Houses, but when the Senate refused the third, substituting a clause making the local government directly responsible for carrying on the liquor trade by placing the solo control of it in its own hands, the total abstainers in the House, assisted by many who depend on the electoral support of the temperance societies, prolonged the debate until the time for proroguing arrived. Their argument was that unless the white settlers were prevented from drinking the indigenous population would necessarily acquire a taste for stimulants. The officials of the territory, supported by the missionaries, replied that though the miners and others consumed far more intoxicants than the thirstiest people in Australia, they had not and would not succeed in teaching the Papuans to imitate them while, as at present, heavy penalties under a stringent ordinance were invariably inflicted. This verdict of experience had the support of the only three members in the House who had filled the office of Prime Minister, but in spite of the voices and votes of Mr. Reid, Mr. Deakin, and Mr. Watson the total abstainers had their way. British New Guinea remains without a constitution, without official links between its officials and the Government of Australia, which, therefore, must continue to control it indirectly through the Colonial Office and without any new restrictions on the liquor traffic. All this must be endured because the extremists in the popular Chamber prefer to leave its affairs in disorder rather than forego their chance of imposing on white men in the tropics of New Guinea, a prohibition to which no white men in Australia are subject anywhere.

PRIME MINISTER BLAMELESS.

The third measure sacrificed was that granting £20,000 for the survey of a railway route between Port Augusta in South Australia and Coolgardie, the present terminus in Western Australia of the line from Perth and Fremantle. Its passage through the House was due in no small degree to the influence and popularity of Sir John Forrest, though it also benefited by the adhesion of the Prime Minister and both his predecessors together with most of the leaders of the Chamber. The Opposition in the Senate came indiscriminately from all the States, Victoria, Tasmania, and Queensland being most vigorous in their hostility, assisted in a milder degree by some South Australia and New South Wales representatives. These fought the Bill with persistent energy on the ground that it committed the Commonwealth to the construction

of an unnecessary and unprofitable line. Sir **Josiah Symon**, the Attorney-General, as Leader of the Senate, defended the grant but not the railway it was intended to precede. Had he been free he would probably have opposed both. Senators **Playford** and **McGregor**, who had held the same position in previous Governments and had retained some of their old Ministerial responsibilities, were equally unenthusiastic. The burden of defending the proposal fell almost wholly on the West Australians, though the Senators from every State except Tasmania were divided. It is believed that the second reading would have been carried by a single vote if a division had been reached, but the Opposition was resolute, and after a stormy all-night sitting was still too strong to allow that stage to be reached. Both Chambers consequently received the Governor-General while engaged on unfinished business with which they were unable to cope. The closing scene, therefore, was quite typical of the whole session, which has been rendered barren by the want of a working majority even on questions like those submitted in the Papua Bill and the West Australian Railway Survey Bill, neither of them party matters in any sense. The Prime Minister may fairly contend that the failures with which the year's record is strewn from end to end are not due to him or his leadership, but to the constitution of the Parliament. Two previous Ministries were obliged to abandon the task which he undertook, and if he has been no more successful in legislation than they were, he at least contrived to keep the reins in his hands. He passed the Arbitration Bill, of which he disapproves both in its principles and details, only because his predecessors were less accommodating, and thus made way for him to put the finishing touches to their work. The one triumph it contains for him lies in the retention of the requirement for a majority demand before preferences to employment can be granted by the court. Even this was balanced, if not over-balanced, by his acceptance of Mr. Watson's amendment enlarging the political domain of the organisations proposed to be established under the new Act. There is really nothing that is Mr. Reid's in the whole measure of which he became the foster father under the stress of political weather and because of the honour attached to the post of Prime Minister. His appreciation of the instability of his own position was demonstrated at every turn by his eagerness to get into recess. Had the session lasted even a month longer it is doubtful if all the terrors of a dissolution could have kept him in command. Some of the sacrifices of principle made by him were too great, and that of the Queen Victoria Memorial was inexcusable, but in closing the profitless debates on minor issues, and in allowing the country time to reflect on its Parliamentary prospects he has performed a distinct public service. If few of his rivals would have accepted or retained office on the same terms probably none of them would have been lissome enough to glide into harbour before Christmas Day. Achieving his own end he may fairly claim to have accomplished by the same stroke the desire of the constituencies.

FEDERATED AUSTRALIA.

PARLIAMENTARY RECESS. LOCAL GOVERNMENT SCHEME. FUTURE LEGISLATION.

FROM OUR SYDNEY CORRESPONDENT.
[Dec. 27?] 1904; Feb. 27 1905.

The first session of our first Reform Parliament in New South Wales has closed with little more jubilation than that of the Commonwealth, though as its term has been very much shorter there is no particular sense of relief associated with its conclusion. Mr. Carruthers met the House as Premier three months ago, and since then he has contrived to pass nearly forty Bills. Mr. Reid, whose Prime Ministership began at the same time, has passed but one Bill, and that of a few clauses transferring the control of our Defence Forces from a commander-in-chief to boards. Of course, the list of State Acts is swollen by a great number merely affecting localities, or consisting of trifling amendments of existing Acts. Mr. Reid found the Arbitration Bill all but completed in the House, and was soon able to transfer all responsibility for its fortunes to the able hands of Sir Josiah Symon, who conducted it through the Senate with great expedition. The Federal Ministry may, therefore, claim to have had a half-share in passing a very contentious Bill. But in practical importance it does not equal the Closer Settlements Act introduced by our Minister for Lands, Mr. Ashton, and accepted by both houses with few serious alterations. It is true that some members of the council were reminiscent enough to argue that ours is a purely pastoral country, whose people, except in a few areas already occupied by farmers, ought to confine themselves to sheep breeding, wool growing, and the export of frozen mutton. Voices of this *timbre* serve to remind us of superstitions long since extinct in most minds which exercised a very prejudicial influence upon our development thirty years ago. These have since died out except among a few seniors, who cling to them as Free Importers do to the outworn shibboleths of the last century. The statement is perfectly true of a large fraction of our immense territory, but every year's experience makes it plain that it does not apply to great areas of rich and well-watered lands that lie waiting for the plough. Our sheep are multiplying with marvellous rapidity. The wool clip exceeds expectations and will fetch £7,500,000 against £5,500,000 last year,

and the market is high, in fact locally the highest we have ever known. Since 1851 our wool exports totals £610,000,000. Our pastoralists, who include thousands of small farmers, are doing well, and will always do well, their profits in average years more than enabling them to bear occasional losses from droughts. Probably there is no country in the world likely to rival Australia generally or New South Wales in particular in the quality of its wool or, with the possible exception of New Zealand, in the average of its meat. But only the purblind could limit our products to those of the pastoral industry or overlook the testimony of our wheat returns just being published. Experts vary in their estimates of every harvest while it is current, but the official forecast for our present crop is sixteen million bushels for this State alone, which means an export of six million bushels at prices of 25 per cent. above those of last year. We do well with butter and with fruit, though we only have commenced to export either in any quantity. We have illimitable opportunities for food supply waiting for wise local legislation and Mr. Chamberlain's policy of readjusted Imperial duties.

MR. CARRUTHERS'S BUDGET.

Mr. Carruthers has fairly outstripped Mr. Reid in legislation though undoubtedly he had a better start and a less intractable Parliament. Still, we cannot avoid comparing our two leaders in the State and in the Commonwealth, and so far the results are all in favour of the former. Mr. Reid intends to launch the Arbitration Court immediately, though whether it will have any work to do is another question. Our Premier has passed a Bill authorising the purchase of the Myall Creek Estate of 55,000 acres, so that he will be putting his powers of closer settlement into force without a moment's delay. Nothing but good can result from this practical administrative action. In addition to this as Treasurer Mr. Carruthers has introduced a Budget continuing the work of gradual and careful retrenchment initiated by Mr. Waddell. He has been censured, and with some reason, for the very cautious manner in which he has carried on his pruning, but none the less the fruits of his policy are noteworthy. He continues to spend loan money, but out of the £2,000,000 just authorised for the year less than half a million is devoted to new purposes, and nearly four-fifths of that is applied to railway and tramway works. He undertook to spend £1,500,000 less borrowed money than his predecessors, and is spending £2,000,000 less. He promised to cut down the annual estimates by £300,000 a year, and has reduced them by £900,000. In every way, therefore, he has been as good as his word. The moderation of his pace displeased some members who under pretence of carrying out their pledges as reformers, supported Opposition amendments aimed at cutting down salaries, especially those of the officers of the Legislative Councils. Under the plea that the Speaker and President were responsible for these the Premier

permitted them to be lowered much more than those of the similar officials in the Assembly. The total saving, about £1,000 a year, was approved after a sitting in which Ministerial weakness and the old jealousy of the Council enabled the *poseurs* of the House to profess their zeal for economy and put it into practice at the expense of "another place". This "disorderly and unkempt" assault upon the estimates was one of the few discreditable scenes of the session. For the fact that it was the only one, and for the closing of Parliament before Christmas, the chief praise belongs not to Mr. Carruthers but to Mr. **Crick**. As predicted in the *Morning Post* at the time of his unexpected appointment three months ago he has been the most masterful and successful Chairman of Committees ever known in New South Wales. His methods were arbitrary, impolite, and bellicose, but fearless courage, great acuteness of intellect, and an intimate knowledge of the rules of the House carried him through. Himself the most turbulent spirit, he ruled all others of the same kidney with a rod of iron. When defied he put the two members who dared to challenge him not only out of the Chamber, but into the street. Those who had never shrunk from conflict with either Speaker or House quailed before a Napoleonic Chairman who was always aching to suppress them, and more anxious to coerce than they were to provoke his wrath. Having obtained the careless assent of the committee to his submitting the estimates of each department as a whole he forced them through in a continuous sitting of twenty-seven hours, despite perpetual protests and an appeal over his head to the Speaker. The success of the session is probably due more to him than to either the Premier, the leader of the Opposition, or the Speaker.

FORECAST OF BILLS.

Mr. Carruthers has an excellent tale of work done upon which he can rest, but he has also foreshadowed very important legislation for next session. Mining Law Amendment and water conservation are to be coped with generally. His scheme of local government, as laid before the House, is not the colourless measure anticipated. Stepping cleverly into the shoes of Mr. **Wise**, the Premier has framed a Bill which errs rather on the Radical side than in any evasion of its many thorny problems. An official synopsis boldly introduces it as "the establishment of home rule on local affairs", and assuredly it is nothing less. The exact application of its clauses to existing municipalities is not easy to decipher upon a first reading, but their import will be thoroughly threshed out by those concerned before next session comes. The Greater Sydney movement and the smaller effort at Newcastle are both encouraged, but the main feature of the Bill is the mapping out of the whole State either into municipal districts where the population is not less than 15,000 or into shires where it is sparse and the area exceeds 1,000 square miles. These figures ought to be suggestive to

English readers. The rating powers are complex, especially in the country, and are of four kinds, which appear ample for all possible needs. The borrowing powers conferred, while equally liberal, would not authorise the debts already incurred in some localities. The limitation laid down seems defensible, but there are immense disparities in the circumstances of the places affected which have to be assessed. The Labour Party will be delighted to find included in the Bill a limitation of each elector to one vote coupled with female franchise. Owners, occupiers, and holders of miners' rights are all put upon the same footing when they choose their representatives, who are to be termed "Aldermen in Municipalities" and "Councillors in Shires". There are to be half a dozen of the latter in each Shire, but at first two of them are to be Government nominees, officers familiar with the locality and practised in carrying out public works within its bounds. They will guide the newly-fledged associates elected to sit with them and supervise the disbursement of the £300,000 a year set apart for division among the local bodies in perpetuity out of the public revenue of the State. At first the new Municipalities and Shires will be saddled only with what may termed the elementary duties of Road Boards and with the moderate rating necessary to execute them. But as they and their constituents become ambitious they can be endowed with the largest powers of municipal action, providing they obtain the assent of the Governor in Council or of the electors. Our Legislatures can thrust upon them without their consent the charge of camping reserves and stock routes, the supervision of State public works, or the administration of any Act which may be passed. But if they themselves are expansive in aim they may regulate all pawnshops or lodging-houses or night shelters within their borders. Nay, more, they may become the proprietors of businesses of the same kind, or of grain elevators, mining batteries, creameries, or butter factories in the country districts. The marvel is that the appropriation of a monopoly of the liquor traffic is not included among their options. This, however, raises a question proposed to be dealt with by a separate Bill, perhaps next session. Without it the scope of the Municipalities and Shires is certainly wide enough, and if their opportunities are exercised to the full their rates will run into high figures. At present there is no limit to the proportion of these that can be levied upon unimproved land values, which may go as high as 1.04 per cent. by absorbing the State tax at present collected. There is very little indeed that our new local bodies will not be able to experiment with if they have a mind. They may socialise many industries and tax property to pay for the venture. Here on paper is a fine field for the innovators, though it is problematical, even if the Bill should pass as introduced, whether our farmers will ever be tempted to take advantage of it. The whole scheme is in advance of the times. There is to be a biennial municipal election held on the same day all through the State, so that public attention everywhere can be focussed upon municipal affairs. This in itself ought to provide or help to provide a very necessary stimulus to the indifferent citizenship now displayed in local as in State

affairs. Whether it will sanction wholesale municipalisations is another matter. There is no sign of any such movement here. But in any event Mr. Carruthers's scheme of local government may be fairly described as comprehensive, progressive, and greatly daring. Though its proportions are sure to be curtailed considerably before it becomes law it ought to prick us on to a very salutary review of our duties and possibilities in this kind.

APATHY OF THE VOTERS.

The Local Government Bill was no sooner mentioned in the House than a little knot of members rushed forward to announce their inappeasable hostility to any such measure. They foresee that it must to some degree tax their constituents and in a greater degree diminish their own value as procurers of Government expenditure. The Premier's rejoinder that the Ministry was prepared to stake its existence upon the Bill and to appeal if necessary to the people upon it was both timely and dignified. No one supposes that so grave a measure will be passed without numerous amendments, but if it is passed at all the achievement will be remarkable. There is good reason to hope that this time we have a Cabinet which means to pass a Bill of this character. There is much useful work waiting to be done elsewhere. A recent inquiry into our Electoral Acts and the office that administers them has disclosed a series of defects urgently demanding attention. The department has been recklessly and thoughtlessly careless in its actions, but the principal blame after all lies with the people themselves. Those who fought for manhood suffrage here and in the Old World always depicted the thousands deprived of the franchise as pining for that privilege and wounded in their self-respect because tyrannically excluded from it. They would have mocked at the antagonist who contended that the mass of them did not desire a vote, and would have fiercely contradicted the sceptic who ventured to hint that they might not use that inestimable power if they had it. Yet such is the fact to-day. The commission plainly asserts that "the inquiry has brought out in startling light the almost incurable apathy of a large proportion of the general public in regard to their enrolment as electors and their voting at elections". So much is this the case that with us a voter has to be ferreted out by the police in order to get him on a roll and then coaxed like a child to the ballot-box on polling day. Even then forty per cent. of those who have had the right to the suffrage forced upon them refuse to put in an appearance at the booth. After this one is prepared to find that electors' rights have been issued to paid electioneering agents for delivery to the persons for whom they were prepared upon certificates from Justices of the Peace who in some instances were candidates who light-heartedly attested the declarations required to be made by the applicants without knowing them and in blank. Anything has been possible with a law too loose, a public too indifferent, officers too weak, and magistrates too

little sensible of the demands of their office. Clearly no general reformation is hoped for. It is now suggested that householders shall be required to supply the names of all persons residing with them who are qualified to vote, and that they shall be fined if they fail in this duty. Our Electoral Act is thus to become a penal law in order to obtain complete rolls. The suggestion has often been made in the States that those whose names are thus registered in spite of themselves shall also be subject to a fine if without reasonable excuse they do not vote at elections. Should such a law ever be passed, all other inducements having failed, we shall attain the very ultimate state of political freedom by the application of legal force to ensure the exercise of the franchise by those who rule over us.

THE PRESS AND THE PREMIER.

Putting aside all pretence that Mr. Carruthers is the political paladin that our newspapers acclaimed him to be during the general election, there is no apparent occasion for their coldness to him now. Ignoring as idle the stories which insinuate that he has refused to favour them at the public expense, it is plain that he and they are suffering from strained relations. He has openly, if unwisely, boasted in the House and out of it that his Ministry is free from outside dictation, while both Sydney dailies have accorded him the most meagre acknowledgment of his successes, coupled with resentful references to his independence. As has often been explained in the *Morning Post* the powers of the Press in small and scattered communities like ours is out of all proportion to that possessed by the most deservedly influential journals of the great centres or the populous counties at home. Here the newspapers have been, or were believed to be, omnipotent, though during the last few years it has been clear that their authority was on the wane. Their power on the whole has been exercised in the public interest, and if this had always been the rule their supremacy would never have been grudged. There have been serious lapses from this high standard both here and in other States arising from purely personal causes. They have also been guilty of the offence of boycotting or otherwise endeavouring to injure particular politicians for other than political reasons. On whatever grounds they are now acting it is clear that they have ceased to be just to our Premier, and may greatly curtail his power to do his work. Any failure of his to which they are contributing they will then no doubt charge to his account before the public. The fact is that despite his faults Mr. Carruthers, tried by the standard of his peers, has come out of the session extremely well. No colleague has overshadowed him and no member of the Opposition has been able to rival him in the public eye. Though he has fallen short of what an exceptionally strong man might have done, and perhaps ought to have done, in such a crisis, he has managed extremely well with the materials at his command. Except the Bill for the Amalgamation of the Savings Banks, which will be all the better for

being postponed, he has lost no measure of note. He has fulfilled his promises of retrenchment and reform. He has restored a better tone to responsible government, and all this independently of our powerful dailies who for unexplained reasons have refused him their assistance and his meed of praise. With a recess to mature his plans, a loan in January that Lord Jersey is expected to make a success and which will relieve his necessities, and the absence of Mr. Wise, his most dangerous critic, he has but one considerable danger to face. This is, as was pointed out six months ago, the possibility of Mr. Crick heading a combined Opposition. What the force and verve of this marked personality can accomplish his record as Chairman of Committees has once more shown. His erratic energy would make him far more effective in attack than in office, but the first is what our Premier has to foresee and provide against. Mr. Crick has announced his resignation of the chairmanship, and do what he will, or plan as he may, nothing can keep him out of the front rank of the fight if the next session should find him still unattached. The Ministerial majority is small, it is not solid, and, indeed, it is almost as open to surprise as Mr. Reid's was and will be six months hence.

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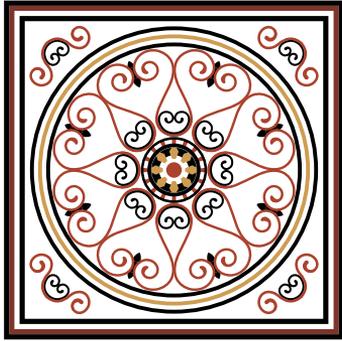
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