

From Our Special Correspondent:

Alfred Deakin's letters to the
London Morning Post



Volume 3: 1903

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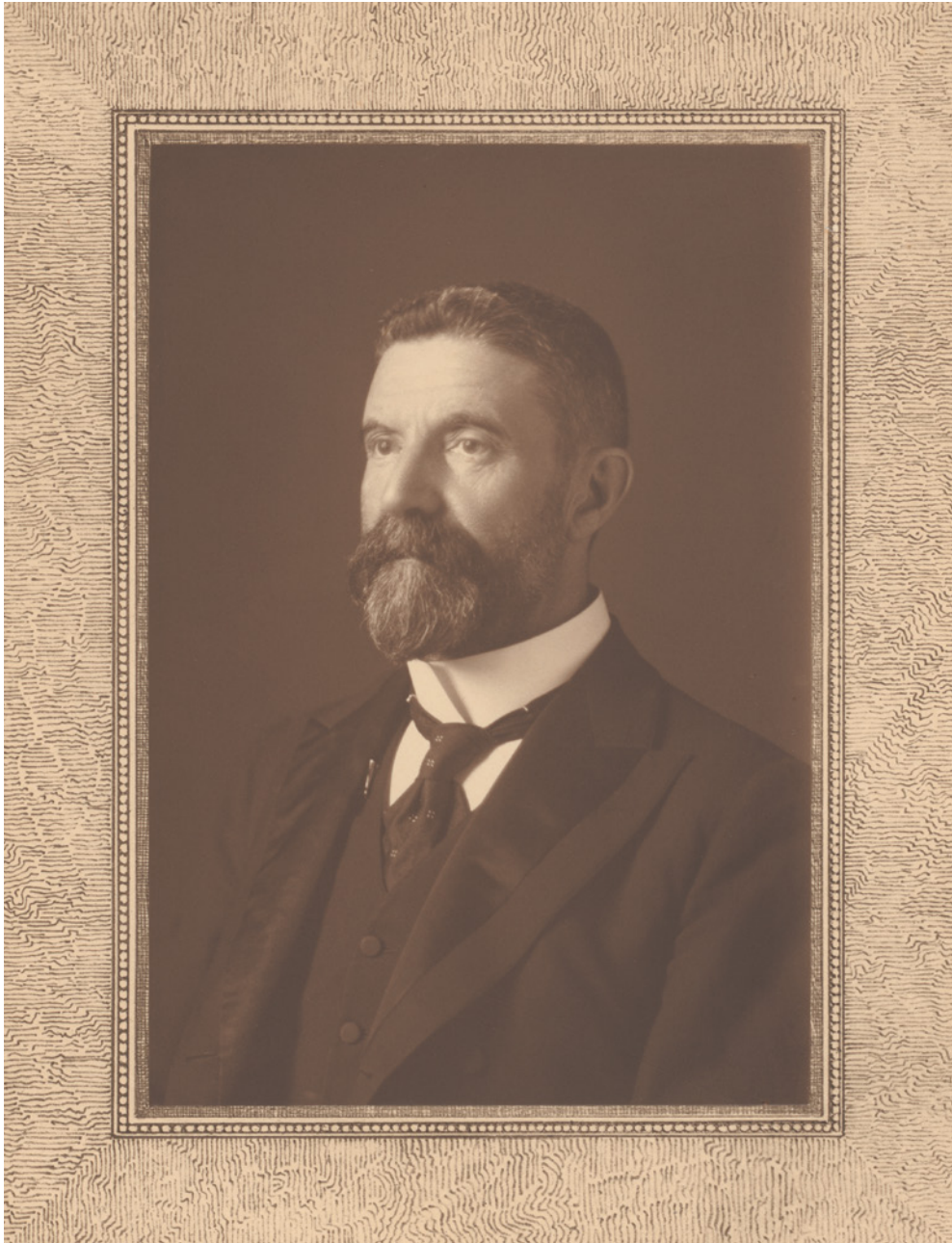
Front cover: *Advance Australia*: postcard of Alfred Deakin with selected flora and fauna of Australia and a composite coat of arms, printed between 1903 and 1910.

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



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Portrait of Alfred Deakin, Elliott & Fry, 190-?

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Acknowledgements

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Contents

| | |
|----------------------------|-----|
| Acknowledgements | iv |
| Illustrations | vi |
| Introduction to the series | vii |
| Notes on the text | x |
| Endnotes | x |
| 1903 | 1 |
| Index to the letters | 253 |

Illustrations

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

Portrait of Alfred Deakin, photograph, Elliott & Fry, 190-?, National Library of Australia, nla.obj-136656912

The Ministry of the Barton Government taken in 1902/1903, National Archives of Australia, NAA: A1200, L13365

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

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

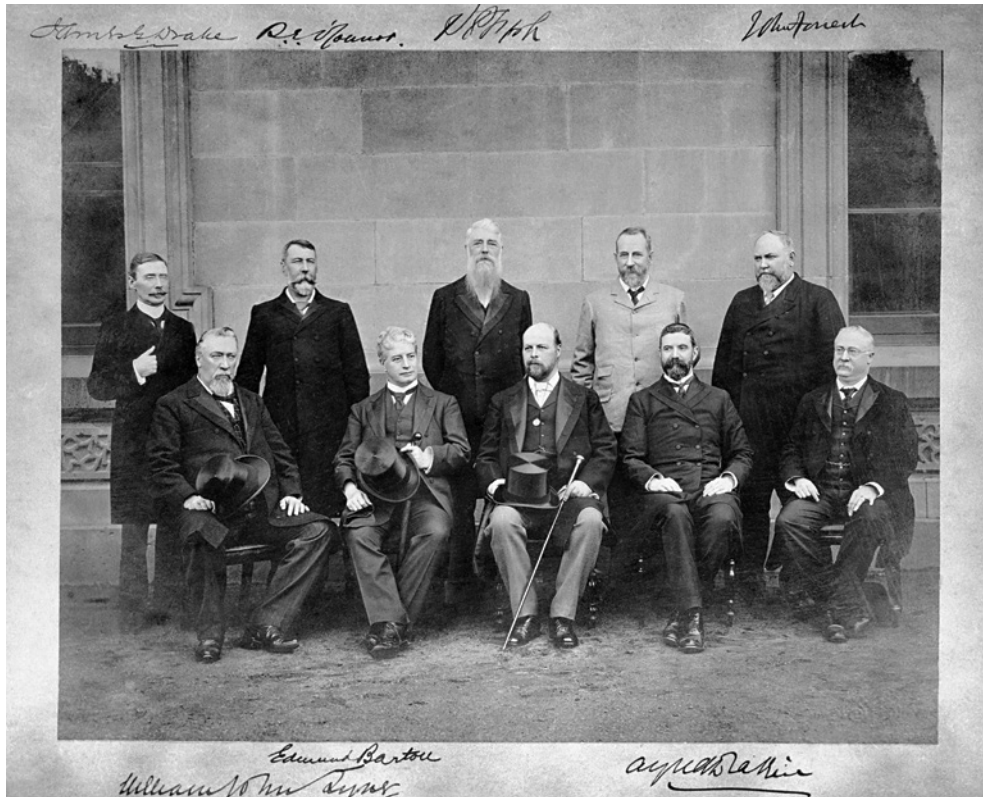
For most letters published between January and August 1903, the *Morning Post* did not include dates of writing.³² The corrected/omitted dates are inserted in square brackets on the basis of the list of published letters in Appendix II of La Nauze's edition.³³

Endnotes

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

- 2 *Federated Australia*, *ibid.*, p. vii.
- 3 *Ibid.*, p. viii. See also: JA La Nauze, 'Alfred Deakin and the *Morning Post*', *Historical Studies Australia and New Zealand*, 6(24), May 1955, pp. 361–75, and JA La Nauze, *Alfred Deakin: a biography*, Melbourne University Press, Carlton, 1965, volume 2, pp. 347–61.
- 4 'Banquet to the Colonial Delegates', *The Argus*, 25 May 1887, p. 5.
- 5 Philip Mennell cable to Alfred Deakin, NLA MS 1540/7/8–10.
- 6 E Peacock letter to Alfred Deakin, NLA MS 1540/7/14.
- 7 J Nicol Dunn letter to Alfred Deakin, NLA MS 1540/7/12–13.
- 8 Philip Mennell letter to Alfred Deakin, 10 and 26 May 1901, NLA MS 1540/1/613–16, quoted in J Brett, *The enigmatic Mr Deakin*, Text Publishing, Melbourne, 2017, p. 252.
- 9 *Ibid.*
- 10 *Federated Australia*, *op. cit.*, p. viii.
- 11 'Alfred Deakin and the *Morning Post*', *op. cit.*, p. 361 and p. 373.
- 12 *Federated Australia*, *op. cit.*, p. viii.
- 13 'Alfred Deakin and the *Morning Post*', *op. cit.*, p. 369.
- 14 *Ibid.*
- 15 J Nicol Dunn to Alfred Deakin, NLA MS 1540/7/14.
- 16 Brett, *op. cit.*, p. 242.
- 17 Quoted in *Federated Australia*, *op. cit.*, p. x.
- 18 W Murdoch, *Alfred Deakin: a sketch*, Constable & Co. Ltd, Sydney, 1923, p. 252.
- 19 Alfred Deakin to Richard Jebb, 29 May 1907, quoted in *Alfred Deakin: a biography*, *op. cit.*, volume 2, p. 353.
- 20 Alfred Deakin to F Ware, 4 January 1909, NLA MS 1540/7/45–48, quoted *ibid.*, p. 358.
- 21 *Morning Post* editor J Nicol Dunn had at the outset urged Deakin not to put himself 'too much in the background' but, rather, to 'mention [his] own part in affairs as fully as any other body's'. J Nicol Dunn to Alfred Deakin, NLA MS 1540/7/12–13.
- 22 *Federated Australia*, *op. cit.*, p. ix.
- 23 H Tennyson, 'Prorogation', Senate, *Debates*, 22 October 1903, pp. 6436–37.
- 24 *Alfred Deakin: a biography*, *op. cit.*, volume 1, p. 199.
- 25 *Federated Australia*, *op. cit.*, pp. ix–xii; *Alfred Deakin: a biography*, *op. cit.*, volume 2, pp. 360–61.
- 26 *Federated Australia*, *op. cit.*, p. x.
- 27 *Alfred Deakin: a biography*, *op. cit.*, p. 361.
- 28 *Federated Australia*, *op. cit.*, p. xv.
- 29 *Ibid.*, p. xv.
- 30 *Ibid.*, p. xvi.
- 31 *Ibid.*, pp. 295–311.
- 32 *Ibid.*, p. 298.
- 33 *Ibid.*, pp. 298–99.

— 1903 —



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

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

Standing (L–R): **Senator James Drake** (Qld), Postmaster-General; **Senator Richard Edward O'Connor**, (NSW), Vice-President of Executive Council; **Sir Philip Oakley Fysh** (Tas), Minister without portfolio; **Charles Cameron Kingston** (SA), Minister for Trade and Customs; **Sir John Forrest** (WA), Minister for Defence

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



Deakin Ministry, 24 September 1903 to 27 April 1904

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)

THE NEW COMMONWEALTH.

AUSTRALIAN RESOURCES. MORE WORLDS TO CONQUER. THE OPENINGS FOR CAPITALISTS.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Jan. 5 1903; Feb. 13 1903.

Speaking generally, the year 1903 opens propitiously for Australia, though one must confess that no small proportion of its promise arises by way of contrast with the disastrous records of the past twelve months. The sanguine among us are already forecasting the chances of a fresh “boom”, relying on the cycle of good seasons supposed to be about to begin, on our increasing output of gold, and on the possibilities of a rise in the price of other metals. Light rains continue intermittently over the continent, mainly from monsoons, and the fierce summer heats are also arriving in patchwork fashion and injuriously affecting our northern river maize crops, but business is not contracting as much as was anticipated. In a general way, therefore, the outlook may be described as hopeful. But as yet the whole basis of these reviving anticipations is purely speculative. All that is certain is that we are relieved for the time being of the drain on our resources occasioned by ruinous and long accumulating losses. The dark cloud of depression has not departed except from the elastic spirits of the adventurous. All that can be said at present is that it has disclosed a silver lining which may prove to be the portent of a period of expansion.

WELL FED, WELL CLOTHED, AND WELL HOUSED.

Looking back on the circumstances of 1902 by means of the handbook issued by our statist Mr. *Coghlan*, under its old title the “Seven Colonies of Australasia”, for 1901–2, we find a little comfort in the reminder that our people are still the most lavishly supplied with food of any people in the world. Perhaps for that reason they may be suspected of indulging in more wastefulness. Taking narcotics and stimulants into account, and reckoning our whole community as consumers, we spend just short of 1s. a day on our stomachs. No wonder, then, that our yearly cost of living rises high above that of the United Kingdom, averaged at £29 14s. 9d., or of the

United States, computed at £32 16s. 2d. per head. With us it reaches £38 0s. 6d. for every inhabitant, or nearly twice as much as each German, and not far from four times as much as each Russian spends for the same purposes. Well fed, well clothed, and well housed, our one million six hundred thousand workpeople wage the battle of life under most favourable commissariat and other conditions. Their agricultural production from eight million four hundred thousand acres was valued last year at £23,800,000, the wheat crop alone permitting an export of nearly twenty-five million bushels, and dairy produce adding nearly £10,000,000 besides. The pastoral industry has naturally shrunk terribly in its proportions during the drought, though with seventy million sheep, eight and a half million cattle, and one million six hundred thousand horses, it still remains respectable in size, and has added £27,000,000 to our income. Manufactures are flourishing under the stimulus of the Federal tariff our ten thousand establishments, employing a hundred and ninety-three thousand hands, having a gross output of £64,000,000, with net returns equal to those of our pastures. We still produce nearly a third of the world's supply of gold, and raise minerals valued altogether at £22,000,000. Forests and fisheries find £3,000,000 more. Yet less than half our territory is even nominally occupied, while not a fourth of it is really settled. There are still worlds to conquer here under the British flag. There is no present support in the returns for pessimistic views at home or abroad. It is, indeed, remarkable that with resources so undeveloped, the immense opportunities available for capital and skill presented by the virgin areas of Australia are not now more in request.

THE QUESTION OF EXTRAVAGANCE.

The Commonwealth apart from its component States has not yet been guilty of any extravagance that can impair its credit. It has borrowed nothing, owes nothing, and spends sparingly by contrast, at all events, with local administrations. For a demonstration of this the public has to thank the *Treasurer of Queensland*, who, apparently stimulated by the unreasoning hostility of his chief, ventured to make himself officially responsible for the statement that the departments transferred in that State were being conducted in a more extravagant manner under the Federal Government than formerly when subject to local control. A similar charge was made in South Australia only to be similarly disproved by a careful scrutiny of figures. This was rendered necessary in each case by the fact that departmental accounts often overlapped or were confused in the States without injury, because there was after all the same paymaster for the whole of them, and the strict separation of the charges between one branch and another was only a matter of internal adjustment. Three of the departments having been handed over to the Federation, it has now become a matter of importance to distinguish precisely the expenditure belonging to

each of these and that properly attaching to those that remain local. Whenever this has been done Sir George Turner has found no difficulty in demonstrating the fact that in every State of the Union the cost of carrying on the Customs, Post Office, and Defence is less this year than it was before the new order of things came into existence. There were, it is true, increases on the estimates last year, but these were in every instance occasioned by or under State legislation when State politicians seized their last opportunity of being generous at the expense of the taxpayers. The new Commonwealth Public Service Act, which came into force only on the 1st of January, will, no doubt—as it inaugurates a new state of affairs—involve certain fresh outlays, but up to now while working under State Acts the Federal Ministry has certainly contrived to resist the general tendency to swell the cost of the departments taken over or to overload the estimates of those it has created.

BUSINESS VITALITY.

The Commonwealth has done no more than its duty in thus studying economy, for that was one of the purposes for which it was created. But the States which were under a similar or even a greater obligation have fallen short in that very respect in spite of their opportunities to save being larger. It was only natural that they should seek to shift the blame for their neglect on to the broad shoulders of the Federation. In this attempt they have not only failed conspicuously, but have laid themselves open to damaging retorts such as have recently been made by Sir William Lyne when addressing his constituents. The cost to the Federal Government of controlling its fifteen thousand servants scattered over the whole continent is £8,700 a year; while we in New South Wales spend £10,000 to manage less than twelve thousand within our own borders. Our secretaries, chief clerks, and accountants all receive higher salaries than similar officers under the Central Administration. The Commonwealth has also appointed to its own departments State officers who were receiving £21,000 annually, thus affording opportunities for retrenchment which appear to have been ignored. Federation means a large reduction in the work done by the Governments of the States, and consequently reductions in their budgets were looked for. But practically none of these economies has yet been made. Victoria, South Australia, Queensland, and Tasmania have begun, but only begun, to save. They have stopped the alarming increases of expenditure that have been continuous for the last few years. But they have not accomplished that effective diminution of their Appropriation Acts which was their first manifest and most urgent duty in accordance with their constituents' behest after federation. Taking the Commonwealth as a whole the returns for the calendar year 1902 are very satisfactory. It is quite clear that the tariff will yield at least the cautious estimate of Sir George Turner, £9,000,000, and possibly a few hundred thousand more. December shows an advance on November,

and the next half year is probably better foreshadowed by December—since, during that month, the break in the drought first asserted itself. Despite all untoward conditions the vitality of Australian business could not be more plainly displayed. The receipts in individual States have varied according to their seasons and local management. Queensland on the six months finds herself with £60,000, South Australia with £22,000, and Victoria with £128,000 less than they had at this time last year, and in each case declining railway freights explain the principal part of the individual deficit. The Customs returns were also less, particularly in Victoria, where they caused almost a third of the falling-off. In each State a curtailment of disbursements has mitigated the diminution of revenue, and has thus relieved the Treasuries to some extent. The two States most favoured by the Federal tariff are, of course, New South Wales and Western Australia, Mr. **Waddell** receiving £261,000 for the half year and our distant neighbour £83,000 for the quarter more than for the corresponding periods of 1901. In this State our gross returns from the Federal Treasurer of duties collected attained the enormous sum of £3,360,000 for 1902, and appears certain to reach an equal height in 1903. Never has any colony been inundated with such a golden shower of plenteousness, withdrawn from the pockets of our people apparently without injury or even hardship.

THE LARGEST BORROWER.

The astonishing thing is that with the richest revenues in Australia New South Wales continues to be the largest borrower. To no small section of our politicians the first fact appears to justify the second. It must be admitted not only that with us the fruitfulness of the tariff may be accepted as a healthy sign, but that the advocates of a policy of less profuse expenditure weaken their good cause with the public by persistent misrepresentations of the true character of our financing. Mr. **Carruthers** insists that the present Ministry is responsible for £1,500,000, an obligation wholly inherited from their predecessors, of whom he himself was one. His lieutenant, Mr. **Ashton**, charges them with having borrowed far more than Mr. **Reid** by including in the general total of ordinary loans £4,400,000 required to pay for the Rocks resumption in Sydney, a special investment made to prevent future outbreaks of the plague—an investment which in a very short time ought to yield more than its interest. Our Opposition newspapers abound with lame and halting comparisons of the same misleading character by which the thoughtful readers of these journals are encouraged to ignore their really legitimate cries of warning. The facts themselves need no perversion to awaken us to the unsoundness of our position. It is true that of the £4,250,000 loan lately authorised £1,200,000 goes to the wharf resumptions and £1,000,000 to redeem current debentures. But the balance of £2,000,000 is to be applied to fresh public works, of which only £850,000 is for railways, though

£5,500,000 has been spent out of loans for public works other than railways during the last three years. Then there are Treasury Bills for £3,000,000 about to be floated, simply for current conveniences. Of the £10,000,000 Australian loans floated in 1902 nearly one-half was for this State. In three years we have absorbed £15,000,000 of borrowed money, besides an increased revenue of £4,000,000, and we are still asking for more. Most of the money is well invested, but we cannot afford the best investments at this rate. By 1907 we must meet £9,000,000 of our stock, as it falls due, and this means further accommodation. Stripped of all partisan deceptions the indisputable figures demand our most earnest attention. These plain facts, however, evoke no plain remedy. Mr. Reid has written to Mr. Carruthers to warn the public that “the truly Liberal Party will be that which resolutely faces the overwhelming necessity for drastic economy”. But this is only one of those vague, elusive, loud-sounding platform pronouncements, meaning anything or nothing, as the writer finds convenient. Unfortunately, in his official utterance at the foundation of yet another electioneering body, dubbed the “Liberal and Reform Association”, Mr. Carruthers was just as evasive as his old leader. He repeated a whole series of empty shibboleths with which everyone agrees, but by which no one is either enlightened, aroused, or offended. Sir John See could, and would, endorse them all, and flout them all just as freely as the leader of the Opposition. Mr. Carruthers’s appeal to our citizens was perfectly sound in principle but absolutely worthless in practice, because it was plain on the face of it that it was dictated by the desire to leave its propounder entirely at large without any specific policy, open for alliances or compromises of any kind that he might find advisable. Never was there a finer opportunity for a real leader more egregiously missed. The one definite proposition submitted was for the reduction of our present Parliament, composed of a hundred and twenty-five paid members and a council of sixty-five unpaid nominees, to eighty-four and forty-two members respectively, all elected on the same suffrage and all paid. The immediate response of his organ, the *Daily Telegraph*, was that a hundred and twenty-six in place of a hundred and twenty-five paid was no gain to the taxpayer, and that there was no need, under Federation, for a Second Chamber of any kind.

PARTY MANOEUVRES.

New South Wales continues to drift. The career of the present Government has been inglorious enough during 1902, marked as it has been by vacillation and inconsistency at every stage, though most amazingly in regard to the fodder duties. It has only survived because, though it contains some of our ablest men, these men either never had their own line of legislation, or, if they had, never adhered to it. The result has been that except the Woman’s Franchise and Sydney Corporation Acts, neither of them party measures, not a single Bill of importance remains as fruit of

our seven months' session. If New South Wales has suffered because of the timidity of the men in office, what is to be hoped from an Opposition every whit as timorous, with no more confidence in itself and no more definiteness in its programme than the Cabinet we are asked to displace? In this State we have all the elements of wealth and greatness: we have a Parliament free from personal corruption and containing men of marked ability, but we seem to be unable to produce a Cabinet which can inspire the country or its representatives with faith in a concrete platform or loyalty to those who endeavour to put it into effect. Very much the same state of affairs is to be seen in most of the neighbouring States. In each the contest for office simply proceeds on the lines of least resistance. The group which succeeds best is that composed of men who have the most tact in submitting themselves to the demands of the moment and least hesitancy in fitting their proposals to the wishes of the nominal followers who are their actual masters. Whatever consequences this may beget in other fields, it is fatal to those checks on the drift into extravagance which are most needed under existing emergencies. Something has been done, however, in Victoria, South Australia, and Tasmania, as well as in Queensland, under the pressure of imperious necessity; but in New South Wales and Western Australia, where that pressure is not yet applied, there is less disposition to reform. A happy-go-lucky trust in the chapter of accidents is the popular policy of Australian Administrations.

THE NEW COMMONWEALTH.

POWER OF THE LABOUR PARTY.

THE ARBITERS IN POLITICS.

TACTICS OF RIVAL LEADERS.

FROM OUR SYDNEY CORRESPONDENT.

[Jan. 12 1903]; Feb. 27 1903.

Last year may yet prove to be more memorable than was supposed, and for a reason not yet even named by any of its critics. The political history of Australia generally, excluding Tasmania, and of New South Wales in particular, has been decided for more than a decade by the organised forces of Labour. Its representatives in all the State Parliaments of the mainland have been in a minority, and save in Queensland in a small minority. Yet they have made and unmade Ministries everywhere, and have largely dictated the policy of the continent. In every one of its States save Queensland—where, despite grave internal dissensions, there is practically only one party as against the Labour Section—and also in the Commonwealth the regular political combinations are individually far stronger than their common foe. Still, this smallest of the organisations in four out of the five States and in the Federation itself holds the balance of power. Even in Queensland, owing to the feebleness of the Government, it enjoys a disproportionate share in the management of affairs. The jealousies of the official parties, handicapped by fluctuating policies and the eagerness of their leaders for office, reduce them to subserviency before the well-knit faction of Labour, with its definite ends. At present it is strongest where it ought to have been weakest. Labour fought against Federation in every quarter, but when its executive found itself able to play off Federal parties against each other just as effectively as in the local Legislatures, and discovered that by this means it might master at one centre the whole of the continent, its tactics were at once reversed. Its capture of the Commonwealth Parliament last year, coupled with its triumphs in New South Wales, has even in its own eyes marked the culmination of its power. What does not yet appear to be perceived is that the same twelve months in all other parts of Australia seem to have ushered in the beginning of its decline.

PARTY TACTICS.

The altered attitude of Labour towards the Federal Government was attested most emphatically at the recent conference of its delegates in Sydney by the resolution carried in favour of a transfer of all industrial legislation from the States to the Commonwealth. The confidence thus displayed in the Australian Legislature is not more expressed in this change of front than it is in a correlative want of confidence in the local Legislatures, hitherto the obedient servants of the will of Labour representatives. A little reflection might have taught these representatives that, as the transfer proposed can be accomplished only by the consent of each local Legislature so far as its territory is concerned, their declaration is likely to prove futile. As a fact, though no one has yet recognised it, the resolution was a tacit confession of failure. It pointed to a series of events of immense importance and of abiding interest for the future of Australia. Its meaning must have been patent to some well-informed observers of the tide currents of the time, but these onlookers evidently consider it most politic not to call public attention to the significance of the situation. The ideas that under Labour patronage have come to govern our self-government have inevitably extended to the doctrines usually grouped under the title of "State Socialism". It has been much easier, by means of complacent Cabinets, to increase the wages, multiply the privileges, and decrease the hours of men in Government employment than to do so in the case of operatives who are engaged in private enterprises, though, by means of arbitration courts and wages boards, efforts have been made to secure to Labour all the material benefits within the gift of legislation. Both these experiments have been costly, both were undertaken during times of overflowing prosperity, and both are now for the first time about to be submitted to the new tests presented by seasons of drought and adversity. Labour whips its partisans to the ballot-box—though most of them being directly interested in its triumph should need no goad—and still binds its representatives by signed pledges into a solid phalanx, so that this can still be offered "in one lot" to the highest bidder among the leaders of parties who agree to adopt the largest share of its programme. But the competition henceforward is likely to be less keen in view of the change in our natural conditions and financial needs. The crisis is already disclosing itself on every side. Their market is spoiled.

DEVELOPMENT OF THE LABOUR SECTION.

Defeated at every point in 1890 by the ship-owners and wool-growers, acting on behalf of the employers of the whole country, the strikers and their friends banded themselves together in a determined effort to capture the State Legislatures, beginning with New South Wales, whose confused politics and internecine strifes left them an

easy prey. The true inwardness of this invasion was not at once understood, though it was plain that a perfectly novel element in electoral contests was manifesting itself in Sydney. A four-seated Metropolitan constituency was contested by four working men selected by their fellows, who appealed to the voters in a night procession in which they stood together, hand clasped in hand, on a torch-lit lorry, under the inscription "All of us or none of us". This strikingly-dramatic call for unity among the wage-earners was marvellously successful. All four candidates were returned. Old members were rejected in favour of the "hot gospellers" of trade unionism. In an instant Labour sprang into the arena of public affairs full armed and tyrannous. Our election proved an object-lesson to Labour champions throughout the other colonies. In each of them a political upheaval began, under whose influence since then the whole course of our politics has been diverted from its former channels. Queensland Labour followed suit to ours in the most emphatic fashion, flinging aside the old shibboleths, elbowing out the regular Opposition, and, after years of angry wrestling, even seizing the reins of government for a few delirious days. In South Australia Labour found in Mr. **Kingston** a leader outside its ranks and independent of its organisation more devoted to its ends than many of its own apostles, and until he left his province for the Federal field it remained, under his aegis, master of the situation. In Victoria its first achievement was assisting in the overthrow of **Sir James Patterson**, who had deeply offended the public service. After that feat it was content to support **Sir George Turner's** Administration, from whom, by force rather than favour, Labour obtained many concessions. His withdrawal, and that of his first lieutenant, Mr. **Isaacs**, to the Commonwealth Parliament weakened the section as much as Mr. **Kingston's** retirement from the South Australian Legislature. In Western Australia Labour has slowly gained ground, more especially since **Sir John Forrest** left the helm, but in Tasmania it has never acquired special prominence. It awed the continent, but left the little island unaffected.

FLEXIBLE MINISTRIES.

In New South Wales the career of Labour has been one record of success, owing to the docility of its group of representatives and the flexibility of the Ministries with which it has had dealings. **Sir Henry Parkes** was endeavouring to propitiate the new force when he fell never to rise again. **Sir George Dibbs**, who displaced him, was himself dismissed from office because of the firm attitude adopted by his law officers, Mr. **Barton** and Mr. **R. E. O'Connor**, towards the strikers at Broken Hill. When Mr. **Reid** took the Premiership the strength of parties compelled him to be grateful for support wherever he could find it. His land and income taxes were carried by help of the Labour Section, and during the whole of his term he remained at its mercy. **Sir William Lyne** and afterwards **Sir John See**, both of them originally allied as Protectionists with what were

termed the Conservative classes, have been just as complacent as their predecessors. So far there is no promise of relief. Mr. Carruthers, when attacking the Labour forces recently as leader of the Opposition for their utterly inconsistent action in connection with the proposed suspension of the fodder duties, introduced a special clause into his motion authorising State purchases of grain for our sufferers by the drought merely as a bid for Labour support. His vote of censure because of the hasty release of Friedmann was launched in the hope of the same assistance, and just failed because of the claims on loyalty created by Mr. Wise's Industrial Arbitration Act. The Labour men are therefore still our arbiters in politics. The lavish spending of Mr. O'Sullivan and the postponement of Parliamentary reform are as acceptable to them as to many other sections of the House, but it would be quickly discarded if they were hostile. We are today just as much under the yoke as when Mr. Reid ruled by the help of a majority of one in all the caucus meetings. Old-age pensions and the Arbitration Act are among the Labour representatives' gains from the existing Administration. Their rejection of Opposition advances may gradually educate its chiefs. Very slowly and very reluctantly Mr. Carruthers is being taught that his one hope is to break with the Labour Section decisively and to appeal to the country against its control.

CRAVING FOR INDEPENDENCE.

Everywhere outside New South Wales a marked reaction has been in progress during the past year. In Queensland the Labour vote is stationary, and if there were statesmen at the head of affairs it would soon begin to decrease. As it is, a recent bye-election has gone to an Independent, whose victory will probably still more unnerve Mr. Philp. In Victoria when a courageous leader arose both Opposition and Labour were crushed at a blow. Mr. Irvine is now consistently undoing the work done by them while they were in power. In South Australia a Cabinet once obedient to the behests of Labour has foresworn all alliance with that section, and obeys instead the leader of the Conservative Opposition. In these two States the transformation is complete, and in Tasmania none is needed. When Mr. James became Premier in Western Australia it was by the help of the Labour vote, but he has since shown many symptoms of discontent with Labour dictation and very manifest signs of a craving for independence, which it is quite possible he may prove courageous enough to indulge. In every State of the union the revolt of the general taxpayer against the class rule attempted by manual labour is now declared. New South Wales is not absolutely an exception, for even we are not without inspiring omens. Mr. Law, who has sat for Balmain, a Sydney suburb, for nine years as one of the most loyal Labour members, was only a few weeks since driven into a renunciation of his old vows of obedience, and having resigned his seat was returned in spite of the most bitter antagonism of the official Labour Party, backed by the Ministry and the Catholic Church. What

he cast off were not his political principles, but the pledge to act according to any decision of a majority of the caucus of those of like opinions who sat with him in the Assembly. He demanded his freedom, and by the aid of the Opposition and of the Orangemen was able to win at the sword's point. It is not improbable that to a similar appeal other constituencies would return the same answer, not excluding districts, like Balmain, hitherto regarded as safe seats for authorised Labour candidates. Once let them give their representatives freedom to vote according to conscience and the end of the domination of the Labour Section would be almost within sight. Meanwhile it must be admitted that we still appear the most backward State in regaining our emancipation.

RIVAL LEADERS.

The Federal field of action in its existing conditions closely resembles that of our own State, and for good reason. New South Wales is by far the most powerful constituent of the Commonwealth, and accordingly its attitude in this particular respect is reflected in its Parliament rather than in that of its neighbours, even though they all agree. The rival leaders of Federal parties are both citizens of Sydney and both seek the assistance of the Labour Section. Sir Edmund Barton lost office in the Dibbs Ministry by reason of its hostility, and resigned the Opposition leadership in 1899 rather than regain it by Labour aid. But since he has become Prime Minister he has, doubtless with reluctance, been less consistently independent. Though he has fought the Labour Party often, he has, probably under the influence of his colleagues, yielded to many of its minor demands. This has happened, as in the case of woman suffrage and other electoral novelties that he has "stepmothered", when the Radical wing of his supporters has made common cause with the Labour members. Mr. Reid, on the other hand, though he owes his loss of the Premiership and of his nomination to the Prime Ministership to these same representatives, has consistently courted them during the whole of his Federal career. He followed them in their most extravagant demands for the exclusion of coloured aliens, as well as for the expulsion of Kanakas from Queensland, and he is clearly of the same mind now. His latest speech at the Town Hall, Sydney, closed with a fresh and explicit appeal for their sympathy. His choice has been deliberate and consistent. He could have inaugurated a campaign throughout Australia as satisfactory and possibly as successful as that which Mr. Irvine has conducted in Victoria against the control of politics by a class minority. He could have secured at the same time all the remissions of duties that will be practicable whenever he begins his administration. Of course, it must be remembered that, like Sir Edmund Barton, Mr. Reid has a posse of Radical followers who require to be conciliated, and without whom and the Labour Section he cannot hope to hold office. This is not a circumstance he can afford to ignore.

TACTLESS MOVES.

The outlook in the Commonwealth Parliament is, therefore, a replica of our prospects in New South Wales, and some of the consequences are already in view in Queensland. If Mr. Philp were articulate he would long ago have made it plain that his anger has been evoked by the Federal Labour members returned by his own people and not by the Cabinet which has welcomed their support. He has blundered badly by this confusion. His tactless assaults on Sir Edmund Barton have gradually had the effect of inclining the Labour representatives, with whom his quarrel really lies, to attach themselves to the Prime Minister as they would never have done of their own motion. Mr. Drake, who has been making a political tour over the colony which he represents in the Senate, has, therefore, been supported on the platform by them and cheered by audiences who vote for them. His visit owes the success that has attended it everywhere to the rally of Labour to his standard, for which Mr. Philp is chiefly to blame. The effect of such a combination will be that Mr. Reid will be obliged to pay a higher price than he intends in order to detach from the Federal Ministry the men whom local antagonisms are driving into its fold. It does not seem to have inclined him to let them go. As we have no politician more far-sighted than he, it may be assumed that he has counted the cost and convinced himself that he must pay it or remain in opposition. The consequence to us is that his influence and example are assisting to paralyse Mr. Carruthers, who otherwise might have already adopted the independent course in our local politics—a course which has proved so profitable in the other States. If the Labour Section is likely to prolong its control of the Commonwealth Parliament, after having been deprived of its mastery in all its constituent territories except New South Wales, it is because of the policy now pursued by our leaders here. It is an appreciation of the causes of their action that furnishes one clue to the apparent contradiction presented by the varied fortunes of the Labour Section in our State and Federal politics last year.

THE NEW COMMONWEALTH.

POWER OF THE CENTRAL GOVERNMENT.

QUESTION OF STATE RIGHTS.

COLONIAL OFFICE DECISIONS.

FROM OUR SYDNEY CORRESPONDENT.

[Jan. 19 1903]; Mar. 4 1903.

Whether or not the Commonwealth is making history worthy of the name it is, at least, making itself a reality, which was in any case its first indispensable task. The familiar phrase prior to the actual acceptance of its constitution was that "Federation is in the air", so much did every political question and social movement in the several colonies recall it as the prime necessity of our progress. In spite of the politicians, and against all the resistance, covert or open, that they dared to employ, the union was steadily forced to the front and into its present form. But even after so much had been accomplished it was still left, strictly speaking, "in the air" and almost impalpable. Two years ago Australia entered into possession of her new paper Constitution, believing herself at last at the end of her labours, but paper the Constitution remained—except in so far as it became binding, like all other Imperial Acts, on our local courts—until the new Executive gradually began to exercise its functions. The transfer of three departments ensued, but the mere change of control in each of these from six separate centres to one produced no visible transformation of the general position. Then the Federal Parliament came into being, beginning with zealous alacrity to legislate on the most vexed questions to be found in the whole arena of politics. Those whom Acts affected soon began to recognise the existence of the Commonwealth, and loud ever since have been the protests from minorities objecting to the statutes now in force. But they are few in number, and after all operate little on the mass of our people. Several sub-departments of the States which the Commonwealth is entitled to control have not yet been taken over by the Federation, and many subjects on which its Parliament is authorised to make laws are still untouched. We have no High Court nor High Commissioner nor Inter-State Commission. Our defence forces, banking and shipping, our patentees and commercial men are still, as they always were, under six different sets of State enactments, more or less confused and contradictory. Throughout many of the areas within its grasp the Commonwealth has not even yet come into its own.

APPEAL TO MR. CHAMBERLAIN.

It will be a long day indeed before we enjoy the whole of our Federal heritage. Only within the past few months has it become plain that there has been a remarkable oversight of the influence of one very high and independent authority, whose interpretation of the Constitution must be of the utmost moment, especially during its infancy. The Federal Government to-day is but one among several Governments in Australia. Its powers are undeveloped, its muscles soft, and its institutions still in the gristle. The antagonism to it of the State Executives may at any time grow serious, and if they were allied they might become formidable. On many matters in dispute between them appeals will lie in the High Court, and some have been already brought before our local tribunals, the issue of which is awaited with interest and anxiety. But hitherto everyone seems to have tacitly assumed that, save when the judgments of our courts are challenged before the Judicial Committee of the Privy Council in London, all determinations between any opposing views of the actual meaning of the Constitution would be arrived at in the colonies. This is now perceived to be a complete misapprehension, whose omission from our calculations is hard to explain. Drawn up as it necessarily was in the most general way, the Act prepared by the Convention, and approved by the Imperial Parliament, affords ample opportunities for differences of opinion, since it takes much for granted, implies innumerable contingent conditions, and leaves the precise boundaries between Federal and local Administrations to be marked out hereafter as occasion arises. When a specific dispute of this last kind presents itself the electors, through their State Legislatures and Federal Parliament, will sometimes dictate its settlement, on other occasions the courts must be invoked, but until now it has not been realised that over a third class of cases, some of them vital in their bearings on the distribution of powers in the Federation, the Colonial Office will be sole and final arbiter. This should have been foreseen long ago, but was not until last year, when the first clear case of appeal to Mr. Chamberlain's jurisdiction was made in a formal and public manner on behalf of South Australia. The reply received last week is of the gravest importance both as establishing a precedent for such appeals and as determining a particular issue in a manner most fruitful of consequences.

THE FULFILMENT OF TREATIES.

The captain of a Dutch ship called the *Vondel* having applied to the Jenkins Cabinet more than a year ago for assistance in dealing with certain of his seamen as deserters was refused the aid to which he deemed himself entitled under a treaty between Great Britain and the Netherlands. His Government supported his complaint. Mr. Chamberlain then forwarded to the Governor-General for the Federal Ministry a

request for an inquiry into and a report on the circumstances. This the **acting Prime Minister** transmitted to Adelaide, but for some time without being able to elicit a response of any kind. At last Mr. Jenkins in somewhat bombastic fashion declared that the channel of communication chosen by the Secretary of State constituted an invasion of “State rights”, which he would resist to the utmost. Mr. Deakin being thus challenged submitted that the fulfilment in Australia of treaty obligations between the Mother Country and foreign Powers was clearly a matter for which the Commonwealth was responsible to the Home Government, coming as it did within the “external affairs” which under the Constitution were placed wholly under its care. Putting this aside for the moment he urged that at all events the report requested by Mr. Chamberlain should be despatched to him by the South Australian Ministry in order to relieve the Federal Cabinet of the duty of stepping in and making the investigation asked for on its own account. But Mr. Jenkins would do nothing—except darkly threaten reprisals if such a course were adopted—until the State Governor was—probably at his own suggestion—invited by a telegram from Downing Street to obtain from his advisers the particulars sought by the Dutch. When these were supplied they were coupled with an opinion from the Attorney-General, Mr. **Gordon**, setting up a legal claim to State sovereignty in all future complaints of the kind, and in so many words cutting down the Executive functions of the Federal Government to the mere giving of effect to any legislation its Parliament is competent to pass. Furthermore, it was openly asserted that if the contrary view were upheld South Australia would be “humiliated”, and it was insisted that future applications ought not to be made to the Governor-General if they related to alleged breaches of treaties committed within a territory over which its own Governor and Ministers must be held supreme.

ANTI-FEDERAL MINISTRY.

As often indicated by previous protests and actions, the attitude of the Jenkins–Gordon Ministry has been aggressively Anti-Federal from the first. When at the outset of the union objection was taken to the submission of all recommendations for Imperial honours being made through the late Governor-General, Lord Hopetoun, it was **Lord Tennyson** on behalf of South Australia who headed the opposition that secured the right for the Governors of the States to send direct to the Colonial Office any nominations they might be advised to make. This concession was coupled with a condition that they should also despatch at the same time copies of them to the Governor-General, on whose suggestion it is understood the distinctions are conferred, so that the success apparently achieved in this instance was illusory. Since then every opportunity of limiting Federal powers has been seized on by the Jenkins Administration, except when they were lately invoked for the protection of the

Murray waters against New South Wales and Victoria. The Commonwealth Electoral Act has been officially condemned by Mr. Gordon because it is said to trespass on the privileges of the local Legislatures in the appointment of polling places. Up till now no other State, though all are equally concerned, has followed his example or has come forward with any of its grievances. One reason for this probably is that the Jenkins Ministry pours out a perpetual stream of protests against somebody or something. Its last is directed against its *Lieutenant-Governor, Sir S. Way*, because in the course of a public speech he recently warned his fellow-depositors in the Savings Bank against any proposal to place that institution and its funds under Government control. Whether or not his Excellency acted wisely in expressing these sound views while Acting-Governor, his Ministers by rushing in to print have added nothing to their dignity. Fretfulness and fussiness, such as is displayed, awakens wonder even in this country, where it is attributed to a desire to pose before constituents and neighbours with some hope of seizing the leadership of the continent in defence of whatever can be claimed under the fascinating phrase "State rights". It is unfortunate for the Jenkins Ministry that, having hurried into so conspicuous a position as champion of a great cause, and having given the utmost possible publicity to protests, its first encounter should be summarily concluded by receiving a very heavy fall.

THE POSITION OF THE COLONIAL OFFICE.

Mr. Chamberlain's despatch referring to the *Vondel* inquiry has not been given to the Press, but it is officially announced that its purport is absolutely unfavourable to every one of the extravagant claims of Messrs. Jenkins and Gordon. It could hardly be otherwise, seeing that if State autonomy were preserved in all our foreign relations the tasks of Downing Street would be immensely multiplied and complicated, while the central Government in respect of matters of the very highest significance to all its members would be reduced to the position of a helpless bystander. The deliberate judgment of the Colonial Office has speedily disposed of an unreasonable demand arrogantly made. The rebuff administered will have a salutary effect on the next conference of State Premiers, proposed to be held in Sydney in three months. In regard to this meeting there has been correspondence, public and private, passing between Premiers for some time. They are all conscious that the dictum of the Secretary of State for the Colonies on the future procedure to be adopted in all cases arising under treaties applies to many other ambitions of theirs. Incidentally the decision seems to sustain the Commonwealth contention that its Executive is clothed with authority in some cases prior to legislation and perhaps occasionally extending beyond its express legislative powers. In any case the first struggle on this important field has resulted badly for Mr. Jenkins, and must operate as a warning to his allies. It was a State Cabinet that provoked the duel and fought it with bitterness

on behalf of all of them. Mr. Chamberlain, as umpire, has announced first blood to the Commonwealth. This is not the only occasion on which the Colonial Office has evinced its determination to insist on fair play for the new Union. The Federal Customs Act having been made the subject of European representations, particularly from Germany, its Government was promptly informed that the practice of levying duty on ships' stores was strictly in accordance with international usage, and served only to put foreign and domestic vessels on the same footing. The Kanaka Act was assailed both by the Philp Ministry before it received the royal assent and by a largely-signed petition afterwards from islanders who dreaded deportation, but the response from Downing Street was that the enactment complained of was well within the ambit of the Federal Parliament. It is understood that Sir Edmund Barton gave satisfactory assurances when in London last year that the exercise of the power of deportation would be governed by the most humane considerations for those who had really made their homes in Queensland or were Christianised in conduct. Numbers are already exempted by the Act, and deportation by consent has always been proceeding. These assurances have just been repeated to Mr. Philp when passing through this city on his way to Victoria. Rather inopportunely for him the Bishop of North Queensland is also visiting Sydney for the special purpose of bringing under our notice the deplorable vices of the coloured aliens in his diocese—one-fourth of its population. He asserts that "southern people can have no conception of the state of the North from a moral standpoint". In such circumstances deportation, of course, becomes desirable. Whatever may be the substance of the bishop's revelations or the annoyance to trade rivals with regard to ships' stores, Mr. Chamberlain has gained the confidence and secured the appreciation of Federalists everywhere by the unhesitating manner in which he has upheld the free exercise of the great powers entrusted to the central Government.

FIXED TABLE OF PRECEDENCE.

Many questions still await settlement at the hands of the head of the Colonial Office. The postponement of these questions is perhaps due to Mr. Chamberlain's preoccupations in South Africa and to his visit to that country. The need of a fixed table of precedence has been several times unpleasantly manifest in Sydney, and until it is authoritatively issued the friction at public functions will not cease. The elevation of each of the chief municipal representatives of Sydney and Melbourne to the position of Lord Mayor evoked a memorandum from the Premier of Victoria objecting that his Cabinet had not been first consulted in respect to this. Other and more serious problems are believed to have been brought under notice by Sir Edmund Barton during his Coronation visit, of the nature of which we may expect to learn hereafter. The States also may take advantage of the presence of their

Ministers in London to put the views of their respective Cabinets before the officials in Downing Street. The rearrangement of legal duties which led to a rumour of Mr. Wise's resignation was undertaken, as it now appears, to permit his revisiting the Mother Country. Should Mr. Jenkins, who is an American by birth, habit, and accent, carry out his characteristic project of going to Lombard-street to personally sell the land concession, in return for which he asks a Transcontinental Railway, the Colonial Office will have the benefit of another view from a different class of men. Many of the gifts of our Attorney-General are literary, professional, and social, but the Premier of South Australia is merely a politician. He is generally reckoned a good hand at a bargain, and is expected to prove an expert promoter of the business that he has in hand, which is quite on an American scale and implies American methods.

THE NEW COMMONWEALTH.

REVISION OF THE TARIFF. “POLITICAL” RAILWAY CONSTRUCTION. HUSTINGS PROMISES.

FROM OUR SYDNEY CORRESPONDENT.
[Jan. 26 1903]; Mar. 11 1903.

The fiscal issue is again being forced to the front, though all but the most belligerent Cobdenites would admit that there are several matters more important to Australia at the present time. For party purposes this issue has the great advantage of having ready-made opinions and electoral organisations which are of a more effective description than any possessed by anybody save the Labour Section. Yet in itself just now from the national standpoint there is little to recommend it. The tariff in force consists first, in respect of three-fourths of it, of strictly revenue duties which the financial necessities of the States make imperative. These no Cabinet dare repeal. Some few of the duties are distasteful to both Free Traders and Protectionists, and others of them remain unpopular with all classes; not that they are felt to be remarkably burdensome even taken altogether, but they are vexatious to the importers and annoying to their customers. Still, it is safe to say that these duties must remain unaltered for some years to come. Next come narcotics and stimulants, subjects of taxation as fruitful with us as in any part of the world, and constituting a most important factor in our revenue. Except in the excise levied on manufactured tobacco, there is no material loss in connection with them because of any advantage afforded to local production. Of the Protectionist duties that remain not a dozen can be cited with which the customs receipts would be much increased if they were lowered to a strictly revenue-producing level. When Mr. Reid proposes a revised schedule he will probably be content to reduce these or some of them, even if he receives less than is now obtained. He will certainly not expect to collect more, and the States therefore will be no better off than they are now. The relief he gives will be confined to the consumers, whose boots, hats, woollens, and implements he wishes them to obtain more cheaply from abroad than in the home market. His promises, if fulfilled to the letter and accompanied by no compensatory sacrifices in consequence of diminished employment here, are not adequate to induce the thoughtful to put

aside the more pressing needs of the country, and are assuredly not anything like sufficient to lead the people to pay the price demanded by the Labour members for their undivided support.

PROPRIETARY INTERESTS.

Speaking several times in Western Australia in the middle of January Mr. Reid renewed his pledge of adherence to tariff revision as the cardinal feature of his policy for the next elections. Then, as always, he took for his theme the blessings of Free Trade and the injuries of Protection, using local illustrations wherever possible, but carefully refraining from indicating the precise changes to be made in the tariff when he becomes Prime Minister. Had he specifically named the items to be altered and stated the extent to which he would bring down the duties on them, it would at once have been plain to his hearers that, sound as were his proposals in themselves, they were altogether too few and too slight to give us anything like Free Trade. For the sake of revenue for the States our tariff must continue to be so comprehensive and so high that the utmost amendment possible at present could scarcely be accepted as an instalment worthy of applause. For real Free Trade there will always be a powerful party ready to take the field in New South Wales, but none of those who understand what is actually intended would be able to glorify Mr. Reid's present proposals. The proposals would involve the erasure of a few Protectionist duties very objectionable to us, but that is all. What is feared by prominent Free Traders in Sydney is that Mr. Reid may on an emergency strive to secure the Labour vote in the Commonwealth as he did in New South Wales by the substitution of direct taxes on land and incomes in the place of those removed from the customs. This would be no gain to Free Traders, seeing that they already complain of the incidence of taxation. The Federal Ministry has only itself to thank that such a prospect has not already hardened our proprietary interests in its favour. It has been an open question which side is least to be feared by those who provide the greater part of the taxation in New South Wales. They are consequently most apprehensive of further impositions by the Commonwealth. The indications now are that this will not be an open question much longer.

RECKLESSNESS.

Mr. Reid's tactics in Western Australia are undisguisedly directed to the capture of its Labour section, which almost monopolises the representation in both Houses of the Federal Parliament. It was no doubt to ingratiate himself with this section that he took the earliest occasion to proclaim that "he would rather see half Australia barren for ever than have a mixed race on it". The extravagance of this declaration must

convey, if anything can, to the mind of Mr. Philp how suicidal has been the course pursued by himself and his friends in driving Sir Edmund Barton into the arms of the Federal Labour representatives of Queensland. When Mr. Reid proceeded to advocate the construction of the Transcontinental Railway to Perth he spoke in a similar strain of recklessness. The choice of route is all important, because of its effect on the first cost and permanent maintenance of a line that must involve a loss on its working expenses for some time and of interest on capital for a long period. Survey parties have been out for the last year studying the most favourable course for it to take, and have made some most encouraging discoveries of subterranean water in what were formerly believed to be hopelessly arid regions. The engineers-in-chief of the States have been invited by the Commonwealth Cabinet to consider and report on them, but this judicious look before the leap is altogether too cautious for the leader of the Opposition when bent on outbidding. If engineers retarded the work his counsel was, "Hang the engineers", and moreover, "If engineers could not strike a route, let them be bold themselves, and let them strike a route across the map and have the railway built". As he gave the Federal Ministers his public assurance that he would "see them through", he professed that he could not understand their hesitation. With Mr. Reid it is to be a "political" line, made by politicians for their own ends. Such wild and unstatesmanlike hustings promises repel people in New South Wales who most heartily endorse Mr. Reid's fiscal principles and admire his immense political ability. They make people recoil in alarm when they realise the lengths he is prepared to go to purchase the Prime Ministership.

BOLD ENTERPRISES.

Mr. Reid's missionary visit to the West had but one object. If it were not for Sir John Forrest the Federal Government would not have a supporter in the Golden State. His place in public opinion there is proved by the endeavours now being made to induce him to abandon his high position in the Commonwealth Ministry in order to return to the Premiership, which he filled triumphantly for the ten eventful years following the grant of self-government. Advanced as was some of the legislation for which he stood sponsor, he continues to enjoy the almost unbounded confidence of the pastoral, agricultural, and commercial classes. He gave the farmers the measure of Protection against the neighbouring colonies, as well as against over-sea imports which under the Federal Constitution they are to continue to enjoy, though with annual reductions, for the next four years. It is against these food duties that the working miners and labourers generally rebel, because since the State cannot yet supply their demands from within its own borders the cost of living is increased to some extent. The cry for Free Trade still rises from Kalgoorlie and from Perth on this account. The Federal Parliament can do nothing, and the State Legislature, which can, has so far refused

to forego the special advantage its producers possess against their competitors in the rest of Australia. These local duties create Sir John Forrest's one vulnerable spot, at all events with the great manhood suffrage vote that returns Labour representatives in all the Federal constituencies except his own. It is in order to strike him there that Mr. Reid has astutely devoted himself to a Free Trade campaign while visiting the West to honour the opening of a water supply scheme that must endear Sir John Forrest to the hearts of all the miners whose lot is cast in the arid wastes where lie some of the richest goldfields in the world. There are a few Federal duties which touch these men, and it is in the hope of inducing them to accept him as their rescuer from these imposts that Mr. Reid is now "starring" in the West. He also offers them the great railway connecting Coolgardie with the eastern States, and in order to rival the energy with which Sir John Forrest secured its inclusion in the opening speech of the **Governor-General** in the first Federal Parliament he is willing to begin it at once, and carry it anywhere. To keep the local Labour section, and at the same time to detach the State from the Minister of Defence, who is still by far its most conspicuous figure, are bold enterprises, and imply high risks. Mr. Reid has dauntlessly undertaken both.

SENATORIAL VACANCIES.

It is a tribute to Mr. Reid's strategy that his tariff revision proposal should have achieved a marked and unexpected success in Victoria, where it fell to the lot of both Houses of Parliament to choose a Senator for the period up to the end of the year when the seats of three Senators in every State will become vacant. The sudden death of **Senator Sir Frederick Sargood** has deprived Australia of one of its most capable and energetic public men, to whom the defence force in particular is immensely indebted for his thorough study of every means of enhancing its efficiency. The death also created a vacancy in the Senate, which will be finally filled by the popular vote at the same time as the three which became vacant by the effluxion of time. In the meantime the Constitution authorises the Parliament of the State at a joint sitting of its members to act as an electoral college for the purpose of selecting an interim Senator. At the last election three Free Traders who agreed to accept moderate Protection were put at the head of the poll, three stalwart Protectionists coming next, thus constituting a mixed contingent. The highest unsuccessful candidate was a Protectionist, but next to him came Mr. **Robert Reid**, M.L.C., a pronounced Free Trader. It was known that though he had since become State Minister of Education he was still anxious to enter the Senate, and accordingly, as soon as the vacancy in the Senate occurred, the Protectionists, aroused by the aggressive policy of his namesake, the Leader of the Federal Opposition, at once beat to quarters and rallied all their influences to capture the seat. To this end they withdrew the candidate who had surpassed Mr. Robert Reid at the poll and substituted with the utmost confidence

another in the person of *Sir Alexander Peacock*, ex-Premier and present head of the Opposition in the Victorian Assembly, whose business responsibilities have rendered him anxious to seek a less arduous and prominent office than he now enjoys. They could not have nominated a stronger man, yet he was beaten, and badly beaten, too, by seventeen votes out of a hundred and thirty-one recorded. If he had received the dozen which the Labour Party threw away on its nominee he would still have been behind. This overthrow, absolutely unforeseen, has astounded the Protectionists, as well it may, since it has demonstrated their weakness even in their own stronghold.

RELATIVE STRENGTH OF PARTIES.

It is true that the replacement of Sir F. Sargood by Mr. Robert Reid does not alter the strength of parties; that he, like his predecessor, is a merchant softgoodsman of the same class and sympathies, and that he owes his victory mainly to the more than thirty votes he received from his colleagues in the local Legislative Council. So much granted, and it being further admitted that the State Parliament, not being elected on a fiscal platform, contains more Free Traders than at any previous time the defeat is still surprising to observers in or out of Victoria. How a candidate as popular as Sir Alexander Peacock has been with Protectionists and Radicals should retain so slight a hold on the Chamber in which he sits that he could not count a majority of at least a score against an opponent who was a Free Trader and a Conservative according to local classification as well as the wealthy member of a propertied house is enough to cause them to revise their view of the relative strength of parties in the State. The fact that Sir Alexander Peacock would have been a supporter of Sir Edmund Barton and his colleagues does not seem to have brought him any additional strength. Though Mr. Reid proposes to alter only the customs policy, and that to a small extent, the solid vote of the Legislative Council of Victoria was cast against the Federal Government without the slightest hesitation. This means that Mr. Reid has gauged public opinion accurately, and that, though he will be no more independent of the Labour section than the existing Cabinet, the substantial classes of the community mean to demand no securities from him against its control before assisting to displace the Prime Minister who has hitherto commanded their confidence. The fact that a free hand has been given to, or rather taken by, Mr. Reid on every question except that of a revenue tariff without weakening his party is the most conspicuous feature of his daring campaign in Western Australia. A more stable, comprehensive, and practical policy, including ultimate tariff revision, was open to him, coupled with independence of the Labour vote, and, indeed, based on its antagonism. This might have involved delay, with all its chapter of accidents, while the plan he has adopted is palpably the cleverest from a merely political point of view, in which regard its general acceptance is the best guarantee of immediate success.

THE NEW COMMONWEALTH.

IGNORANCE OF EMPIRE.

AUSTRALIA'S GREAT WATER SCHEME.

RESULTS OF THE DROUGHT.

FROM OUR SYDNEY CORRESPONDENT.

[Feb. 3 1903]; 20 Mar. 1903.

Western Australia made her entrance last of all the States into the possession of complete self-government, population, and prosperity. She was also the last of them to enter the Commonwealth. Since then she has advanced with giant strides, and bids fair to occupy before long a position in the front rank. She owes the remarkable expansion of the last ten years to gold discoveries, and as the mines were found in the midst of a waterless waste, an adequate recognition of the importance to her of mining and miners has been generously acknowledged in the organisation of the great water supply scheme formally opened recently by its promoter, *Sir John Forrest*. Commerce and agriculture have flourished since the settlement at Coolgardie of many thousands of wage-earning adult males, by whose labours what are known to be profitable reefs of immense extent are being despoiled of their treasure. Whatever the future of these people may be they have given an impetus to the State which its vast extent and the variety of its resources should be well able to maintain. At the same time the confidence of the local Legislature in the permanence of the fields has been practically proved to all the world by the liberality with which provision has been made for the execution of one of the most daring engineering schemes undertaken in any part of the world. Loans to the amount of £2,500,000 have been employed in this instance with a wisdom that cannot be challenged by the most exacting critic. As a business investment alone the work should pay well, and in private hands would certainly return large profits to its proprietors. All that is needed now to secure the continuance of the conspicuous success which the work is already is business management. The enterprise belongs to all the public, and should not be allowed to become in any degree a burden on them by unreasonable or untimely reductions of the charges made to the people of the locality whom the scheme benefits particularly and immensely.

SUCCESSFUL PROJECT.

The scheme itself, though it differs entirely in character and dimensions from that undertaken in Egypt and costs little more than half as much, is not unworthy of being named with it among the greatest public works of the Empire completed during the King's reign. Australia, unfortunately, has no Nile, though she has whole regions of country which, while verdant enough in many seasons, are always liable to be reduced to a desert state by a succession of dry years. What was needed in Egypt was to extend the area already watered by the rising of the Nile, so as to increase the cultivation and render annual irrigation a certainty. For this purpose the great stream has been dammed twice at points two hundred and fifty miles and six hundred miles above Cairo in order to store and divert enormous river floods along its own course into the canals below. In Western Australia the project is of a precisely opposite nature, a small stream near the coast being dammed; its collected waters are lifted by a long line of pumps so as to be sent over the hills for three hundred and fifty miles in 2ft. 6in. pipes far away into the back country, where no stream has ever run. The water has to be forced all the way, and when the sixty-six thousand five hundred lengths of pipe, weighing ninety-two thousand tons of wrought steel, are full they will deliver five million gallons a day. At the prices fixed the scheme will pay, and at the same time will save the mines £100,000 a year, besides adding inexpressibly to the health and comfort of the residents. Many prospectors have died of thirst among the endless plains in which the gold lies. Now we find what is in effect a town supply system provided for their successors from a source three hundred and fifty miles distant. No wonder that Sir John Forrest, looking back on all the opposition he has had to surmount and on the marvellous achievement he has accomplished, should be proud of the people who were courageous enough to back him in carrying it out. No wonder also that the people in turn are proud of Sir John Forrest.

RAILWAY FINANCES.

The normal public work in each of the States, though not of so original a type, nor as a rule of such splendid possibilities as that just described, is of a beneficial character. If anything too little has been spent publicly or privately on water conservation, except perhaps in Victoria. What has been done to develop artesian supplies in Queensland or provide tanks and dams in New South Wales and South Australia has paid for itself many times over. Where loss has been incurred on water schemes that has occurred through the surrender of the local Legislatures and Governments to the clamour of those directly benefited, who have coerced or cajoled them into a transfer of their responsibilities to the shoulders of their fellow-taxpayers. Our railways have been indispensable, and are still invaluable. Some lines in each colony have been

prematurely built, but as the State is still the chief landowner, in most of the districts thus favoured the mistake has been pardonable. But the weakness here, too, has been in the management—the over-manning of departments and undue concessions to customers. Both of these proceedings are costly, though reparable, errors. What has been required, but never secured, has been a substitute for a reserve or sinking fund so that bad seasons, with their reduced traffic, should not find us with only one recourse for all deficiencies, that one recourse being the pocket of the citizen just when it is most depleted. The late drought is now hitting the States most directly through the decline in freights on their lines. Western Australia not having suffered shows for the six months closing on the 31st of December an increased revenue of £78,000, but every other local Treasury on the mainland confesses to a decrease, £29,000 in Queensland, £39,000 in South Australia, and £44,000 in Victoria. The current six months will be even less remunerative, so that while the difference between what the States received and paid on their railways in 1901–2 amounted to over £1,000,000, to all appearances the gross deficits of Australia in 1902–3 will be half as large again. The drought, if not gone, is going slowly north and south, but its consequences are just at their worse.

SOBRIETY AND ECONOMY.

In New South Wales, the rains being still patchy and below the average, as might be expected from our sanguine policy, we have the heaviest bill to pay. Our net railway takings for the half year are only £526,000, against £751,000 for the corresponding period of last year, when they first began to shrink in consequence of the want of rain. In the last half of 1901, before the scorching began to strangle our traffic, we collected £833,000. Moved by the severe warning conveyed in these figures our commissioners have already largely reduced the number of casual hands employed, and even the Cabinet has plucked up courage sufficiently during the absence of Mr. O'Sullivan in the South to insist on obtaining a fair day's work for the fair day's wage it pays. At the same time it is consistently discontinuing all but the most necessary public works, giving special consideration only to those in the most afflicted of the arid districts. Seed wheat is being distributed among the farmers who have lost the means of purchasing it, and should they be fortunate enough to enjoy favourable weather we may anticipate a bountiful harvest nine months hence. In the meantime the one consolatory feature of the situation is the spirit of sobriety and economy manifesting itself in Sydney among men of all opinions. Everyone feels that the pinch will be merely temporary if the showers almost continuously falling in some part of our territory are not unduly diminished during autumn and spring. Our Labour Party has once more recast its fighting platform, putting in the forefront of its proposals the customary protest against more borrowing. This pronouncement if it stood alone

would be most encouraging, but as it is coupled with a demand for increased taxes on land values its intention evidently is to maintain a high expenditure still, but out of revenue instead of out of loans. In many cases this would be a healthier policy than that of the past, but it would not in the least relieve our overburdened taxpayers.

CARDINAL CONSIDERATIONS.

In these circumstances one of the most encouraging signs of the times is the disposition exhibited everywhere to assess the present condition of the country and seek appropriate remedies for its ills. The annual demonstration in Melbourne of that “unique body”, as the *Governor of Victoria* styled the Australian Natives’ Association, enabled Sir George Sydenham Clarke to direct the attention of its members to the want of knowledge of the Empire as a whole which exists in all its parts, and to the need in Victoria of more population, enterprise, capital, and applied brain-power. His Premier, Mr. *Irvine*, followed in the same strain, explaining that water conservation, the encouragement to mining, and a closer settlement on the land were objects which he and his colleagues in Victoria had deeply at heart. The *Federal Attorney-General* took up the parable and applied it generally to every State as well as to the Commonwealth as a whole. Australia and its resources were, in his eyes, of a magnitude that dwarfed all present knowledge of them, but for all that Australia and its resources were now, and must continue to be, dependent on the number, character, and ability of the people who were developing them. To the mind of the Federal Attorney-General the root problem of the whole continent must arise in answer to the query—Was not our population too small compared to its debt and our debt too large when contrasted with our population? All the speakers at the luncheon on the occasion were in harmony in their appeal to the association to assist in educating the public on the issues involved. Of this there is much need, for even our newspapers by no means emphasise the fact that we must remain tax-laden as long as our numbers are small. Such of them as touch the topic do so with obviously local or party ends in view or have the fear of the Labour Section before their eyes. It is something that cardinal considerations such as those touched on in Melbourne should be brought into the focus of public deliberation and should have been so favourably received by a highly representative gathering.

OUTLOOK IN TASMANIA.

Tasmania occupies a place apart in most things as well as in her geographical situation. She has no Labour section and no drought, a competent Ministry, and a cautious Legislature. All her present difficulties are those occasioned to her

Treasury by reason of the reductions made in our revenue-producing duties by the combination between Mr. Reid's Radicals and the Federal Labour members. Had the imposts been maintained her prospects would have been most promising. Happily in her case the very same tariff by ushering in the Inter-State Free Trade, for which she had long striven, has enabled her producers to confront the situation without alarm. Her taxpayers, whose pockets were heavily drained, have lately enjoyed the advantages following from a remission of revenue duties, and, in addition, the whole of Tasmania's agriculturists have reaped a golden harvest in the markets of their neighbours during the reign of unprecedentedly high prices in the mainland brought about by the drought. They are perfectly competent, therefore, to make up their customs deficiency out of their savings and unexampled earnings. Sir Elliott Lewis is determined, despite the encouraging features of the situation, to persist with his proposals for simplifying the political machinery and increasing the income of his little State. If the general election strengthens his hands as it ought to do it will put Tasmania on the same footing as South Australia by the constitutional adaptation to Federal conditions. Tasmania ought soon to be in as good a financial position, and to hope for a balancing of accounts since her "Broken Hill" on the west coast is within her own borders, while her general revenue is not depleted by ambitious endeavours after territorial aggrandisement. One local grievance remains against the Federal Parliament, because of its prohibition at the Post Office of the great racing lotteries, which were expelled from the mainland, but which still enjoy legislative sanction in the island. Beyond this Tasmania's relations with its neighbours and with the Central Government are of a friendly character in every respect. Her outlook is distinctly hopeful.

THE NEW COMMONWEALTH.

UNITED AUSTRALIA.

THE FORCE OF FEDERAL IDEALS.

STATE RETRENCHMENTS.

FROM OUR SYDNEY CORRESPONDENT.

[Feb. 10 1903]; Mar. 30 1903.

The question as to whether or not we possess a characteristic literature or accent that may be distinctively labelled "Australian" is the subject of occasional speculation in Sydney and elsewhere. The epithet is not one that can be confidently or usually employed. We have a brand-new Constitution entitled to the name because of its origin and its sphere of operation, but except in respect of the particular matters on which there has been Federal legislation we have little yet to remind us of any larger powers or obligations than those of our respective States. There is a strong and universal sentiment of patriotism that is genuinely and thoroughly Australian, but it is associated in the minds of our citizens with very little real knowledge of anything whatever beyond their places of residence. We are still a loosely-allied set of communities divided from each other by vast distances and preoccupied with parochial aims. There is not, strictly speaking, an Australian newspaper in Australia—not one, that is to say, which studies the continent as a whole or views its events from a sincerely Federal point of observation. All our journals are limited in their range by the area of their circulation, which is generally that of a single city or at most a portion of a single State, and when they do discuss the affairs of their neighbours it is with an unflinching devotion to the interests of those on whom they depend for their existence. State politicians have even more urgent reasons for confining their attention to their constituencies, while the broadest-minded Federal representatives who cast their eyes over the whole Commonwealth find its limited list of powers quite sufficient to occupy their minds without seeking to master the current records of any States except their own. The consequence is that there is nowhere authoritatively presented, if indeed it be possessed, such a comprehensive view of our politics as could make them readily intelligible to anyone here or on the other side of the globe.

ONE POLITICAL DESTINY.

Yet without doubt an Australian situation, properly so called, exists. There is a unity arising out of circumstances so general in their scope and so potent in their effects that they force into the same paths even the apparently uncontrollable waywardnesses of the purely local policies of the several States. In each of them a different foreground tends to disguise the same background, and a fresh colouring is imparted to very similar surroundings by the play of party and personal influences, so that at first sight the whole scene appears strange. But a closer scrutiny soon reveals remarkable points of resemblance over and above the striking family likeness pointing to a common parentage and similar institutions. Then, again, in times like the present we find all marching in one direction under the operation of the same necessities. We are one people with only one political destiny as far as the Commonwealth Constitution compels, but we are also as a matter of fact one people, socially, commercially, and financially in all the States, with policies shaped on precisely the same groundwork and the same pattern. To follow the individual vagaries of their Legislatures and Administrations through the intricacies due to merely local conditions would be an interminable as well as an unprofitable task to busy British people in other parts of the Empire. It is only when their divagations can be grouped together under broad generalisations applying with certain reserves to all of them that they become interesting and valuable. Regarded in this aspect very many incidents arousing the keenest excitement and provoking the most passionate discussion provincially sink into insignificance and become unworthy of chronicle. Both persons and events are seen in a new light when they are observed under relations frequently ignored altogether in the stress of local strife. Some day no doubt the real unity of our six little streams of public affairs will become obvious as they are more and more brought together. Reciprocal relations will be fostered under the growing pressure of Federal ideals, needs, activities, and the mutual understandings begotten of mutual interests. Then, and not till then, will Australia come to national self-consciousness. But it is encouraging to notice that, even at this rudimentary stage of our history, the process has impressively begun.

NARROWER SPHERES OF ACTIVITY.

The motive power and governing force of every department of our public affairs is still that arising from the Federal movement. The creation of the Commonwealth accomplished one revolution when it established a new Parliament and Administration, endowed with a splendid charter of liberty and authority, but it at the same time inaugurated a second revolution, because practically the whole of the authority thus conferred was taken away from the States. They were reduced to a

subordinate place and narrower spheres of activity, but each was left to devise and execute for itself the alterations in its political machinery rendered expedient by the diminution of its responsibilities. How and to what extent each local Legislature should be curtailed of its numbers became after the 1st of January 1901, a burning question whose heat was much intensified in all the colonies by the endeavour to seize the opportunity of effecting constitutional changes of an important character. These various troubles would have been enough in themselves when added to the ordinary burden of regular legislation to have dangerously increased the fermentation in political circles, but when that further source of grave complications, a disastrous drought, presented itself, with its accumulated effects of falling revenues, diminished expenditure, and enforced curtailments in respect of public servants, it is little wonder that public feeling was embittered and that political agitation became exasperated. A revolution in constitutional machinery is being attempted side by side with a revolution in finance under conditions of aggravated stress in the domestic affairs of the different States just at the moment when the now central Government has been exercising its powers and manifesting its national supremacy over all of them with eager and unmitigated zeal.

SCARCELY SATISFACTORY.

Two years have passed since our union, and in the interval every State has continued to be embroiled internally and externally. Our politicians are sufficiently human not to relish the task of committing Parliamentary suicide, while our public servants, in common with the rest of mankind, fight hard against any lowering of their pay. The net results of our struggles so far can scarcely be considered satisfactory. Neither in Queensland nor in New South Wales has any earnest attempt been made to bring the numbers of their legislators down in proportion to the lessening of their duties. South Australia alone succeeded by a happy accident arising out of the attempt made by each Chamber to cast on its fellow the unpleasant responsibility of rejecting the reform for which their electors clamoured. In Western Australia all that was attempted was a redistribution of seats, with a few alterations in the relative rights of the two Houses, but even this was shelved. Victoria and Tasmania have their schemes still in a state of gestation. But, no matter how much the current efforts may be baffled or amended, the obligation to prune the local Parliaments will remain. This can be put off only for a time, and will persist in the meantime as the chief feature of the Australian situation. On the financial side there has been better work done, but even here nothing like finality has been attained anywhere. Western Australia may be an exception, for the drought passed her by, her special tariff against her neighbours remains, and her gold yield increases. There is room for improvement in the management of her Treasury, but her trials are not likely to be immediate. If Broken

Hill would revive and the heavy deficit of the Northern Territory were removed South Australia might claim to be free from apprehension. The Largs Bay harbour works and the Transcontinental railways ought to immensely improve her commercial standing. Her seasons have been favourable, taking into account the advantages that she has enjoyed in our markets and those of Victoria, so that she is carrying her load of debt very well. As any losses incurred on the Transcontinental lines to Port Darwin and to Perth will not fall on her, while most of the benefits in each case will accrue in Adelaide, she is assuredly to be reckoned fortunate, since she will pocket the only profits likely to be yielded by the ambitious ventures.

THE QUESTION OF ECONOMY.

Victoria, Queensland, and Tasmania have already begun their retrenchments, though none of them has concluded that painful duty. With good rains this year all three should have turned the corner before it closes. The leeway to be made up is greatest in Queensland, and there the season promises best, while her sugar industry has been saved from disaster by the Federal tariff. Tasmania has little fear of drought at any time, and prices are sure to continue high enough on the mainland to enrich her farmers for many months to come. In New South Wales we have benefited far more than any of our partners by [Sir E. Barton's](#) customs duties, which have poured into our coffers a golden tide of surpluses month after month. By means of these we have been able to postpone the savings and economies that would otherwise have been forced on us in spite of our leaders. As it is we are content to contract our outgoings and revise our liberalities. The exceptional situation in which our [Treasurer](#) finds himself owing to the receipts derived through the Commonwealth Treasury seems to put us out of comparison with our neighbours, but the apparent affluence we enjoy does not at bottom alter the situation. The consequences of the drought in our State have been discounted but not escaped. We, too, must brace ourselves to the task of revising our annual expenses and ceasing to rely on receipts that are, after all, taken in the main from the pockets of our citizens. Everywhere sooner or later we must expect to find, even in Western Australia, each of our communities considering the incidence of taxation, the disbursement of public grants, the salaries of civil servants, and the revision of business methods with an eye to more prudent finance. Our generosity in the past has been too profuse, and our resources, withered directly or indirectly by the drought to a serious degree, ought not to be so easily distributed. This is the second feature of the Australian situation, and it involves the adoption of measures both legislative and administrative of an exceptionally unpleasant and searching kind. The results of neglect are in this case translated directly into cash and calculated from month to month under the public eye. The figures cannot be ignored or their reckoning palmed off for more than a little while. Only when these

unavoidable necessities, financial and constitutional, are considered together in the whole of the States can the tangle of their diverging paths and confused factions be brought into focus. The history of the Commonwealth is far from being comprised in the fortunes of its central Government. It embraces the mutable careers of all the Commonwealth's component provinces.

QUICK RECOVERY.

The tour which Sir William Lyne and Mr. Reid have just completed through Sir John Forrest's domain has caused them and their companions to express glowing opinions of the future of the immense territory, whose auriferous riches are as yet but partially tested. Mr. Philp and Mr. Leahy have contrived, during a brief tour they have recently made in the South, to impress on the mercantile men of Sydney and Melbourne the fact that their country is now exhibiting a marvellously quick recovery. Recuperation there bids fair to be almost instantaneous, as in the old days. It would be preposterous to draw any distinct line of demarcation between the district in question and the other moiety of Australia, seeing that the most crowded of the States has still the better portion of its lands unsold and only a fraction of those that are permanently settled effectively utilised. Here, as in the newer regions, the elasticity of both country and people is marvellous. The reforms proposed are sound and salutary. When the constitutional and financial emergencies of the present hour are disposed of there is every reason to believe that the Australian situation will be healthier and more hopeful than it has ever been. Our production will be greater and our cost of living less. We shall then have less reason to regret than to rejoice that we have passed through our recent ordeal by fire.

THE NEW COMMONWEALTH.

WORK OF THE FEDERAL PARLIAMENT.

“STEERED FROM THE STEERAGE.”

THE CAMPAIGNS OF MR. REID.

FROM OUR SYDNEY CORRESPONDENT.

[Feb. 17 1903]; Apr. 7 1903.

Federal politics have suddenly become polemical. The summer, though mild on the whole, is still at its height, running up occasionally to temperatures of a “record” character, and as far as attention is being given to public affairs those of the States have first claim. Yet, owing to certain adventitious circumstances, we find the Commonwealth Ministry and its opponents at this unseasonable period thundering at each other across the continent. The strife began in the West, where Mr. Reid’s onset was met by Sir William Lyne’s reprisals, both combatants becoming more personal than polite, either under stress of the weather, which was fierce, or because of their recollections of past encounters. Sir William Lyne, according to Mr. Reid’s portrait of him, is an expert political manager who buys support by an amiable policy of concession to his followers. Mr. Reid, according to his rival, is a mere word-spinner, promising everything but achieving nothing practical towards the fulfilment of his pledges. It was only in interchanges of this kind that the duel was equal, for Mr. Reid’s far superior powers of platform oratory enabled him to bear away the laurels of the Western fields. At Adelaide and Melbourne he continued the campaign *en route* with powerful speeches that are reported to have delighted great audiences. He reached Sydney just at the close of the legal vacation, so as to resume his practice at the Bar. He is not likely to travel beyond this State for some time to come. The Prime Minister about the middle of February began a Tasmanian tour, and he received a hearty welcome from Hobart and Launceston. The Attorney-General spoke again in Melbourne, the Home Secretary faced a Sydney audience for the first time and at the beginning of March the Minister of Trade and Commerce addressed his constituents in Adelaide. Ministers are therefore much more in evidence outside their departments than they have been heretofore. The election at the close of the year is already casting its threatening shadow across their path. Judging from the Prime Minister’s remarks, Ministers are trying to rally under their banner all who are opposed to further fiscal changes, while seeking at the same time to alarm the States

in general and Queensland in particular with the loss of revenue that must ensue if Mr. Reid has his way. On the other hand, according to that politician's tempting programme, he would put more into the Treasuries and yet take less out of the pockets of the citizens.

AN IMPOSING GROUP.

Sir Edmund Barton is in one sense a less formidable antagonist than his colleague the *Minister for Home Affairs*. He attempts few personal rejoinders to his brilliant opponent, while those he does essay are rarely a success. At the same time his course of procedure is embarrassing to most of his critics, including Mr. Reid, so unconscious does he appear of their angriest sallies at his expense. With punctilious decorum he persists in telling his audiences the story of the union up to date, patiently retailing his long list of difficulties met or avoided and of measures passed. It is not an entertaining recital, but is so full of plain fact, commonsense, and statesmanlike sobriety that those who lend him their ears are impressed with a sense of his weight and capacity. Many give him their confidence almost without knowing why, and though he makes no ardent converts he quietly confirms his friends in their faith. Everywhere he goes he acts as the apostle of Federation, seeking to allay the local irritation engendered by Parliamentary action or the administration of his colleagues. Without indulging in any revelations, he sturdily expounds a policy for the future, his sanguine temperament betraying itself both by the length of his list of proposals and by the easy way in which obstacles are ignored. His portly presence does not invite the caricaturist to the same extent as that of Mr. Reid, whose facial expressions and attitudes are all suggestive of humour, but both are extremely substantial physically, and represent a type as much unlike that of the characteristic Australian bushman, who is long, lean, lithe, and brown, as it is possible to conceive. The Prime Minister, though born in Sydney, is as unmistakably English as the leader of the Opposition remains Lowland Scottish, though he left his birthplace in infancy. Several other Ministers—Sir John Forrest, Sir William Lyne, and Mr. Kingston—though sons of the soil, are equally British in their breadth, bulk, and habits. They make an imposing group on a platform or ranged together on the Front Bench of the House of Representatives. Those who suppose a relation between corporeal and intellectual magnitudes will admit that Mr. Reid has a hard task before him if when he forms his Cabinet he is expected to select an equal number of great framed colleagues. In the meantime, Sir Edmund Barton's team looks as if it would be difficult to lift it from its seat or overcome it in a tug of war.

THE NAVAL DEFENCE AGREEMENT.

Mr. Reid always plants his blows well on the weakest places of his adversaries' defence. He means to oppose the amendment of the existing naval defence agreement with the Mother Country which would permit the squadron on our coast to be employed beyond Australasian waters without the consent of the Commonwealth Government. What else he may attack in it he does not disclose, but declares for an Australian Fleet in such a fashion as to leave himself perfectly free to go as far in this direction as popular feeling encourages him. There can now be no doubt that these short-sighted views commend themselves to the bulk of the electors, and that Mr. Reid is quite willing to become their standard-bearer. His next blow is at Mr. Kingston's indiscriminating administration of the customs, under which every error to an importer's advantage made by his clerks is made the subject of a Police Court prosecution. This is so even when no fraud is alleged, because the Minister declines to take on himself, or to allow his officers to take on themselves, the responsibility of dealing with slips of the pen if any revenue is involved. In denouncing this departure from the practice hitherto followed in the States, Mr. Reid has the mercantile community behind him to a man. All its powerful influence and campaign contributions will be at his disposal when needed. Mr. Reid next struck at the detention of the six working hatters who arrived under contract pending the completion of the inquiry into the circumstances under which they sought to land. The feeling of resentment aroused by this reading of the law has scarcely yet diminished, and is certain to weigh heavily against the Barton Cabinet at the polls. Further, its refusal to remit the grain and fodder duties in order to encourage shipments from abroad, securing cheap bread, cheap seed wheat, and cheap food for stock, was another article of Mr. Reid's indictment that will tell in his favour both in the towns and in those parts of the country that are suffering from the drought. The want of a Defence Act, of a Federal judiciary, and an Inter-State Commission can be endured, but Mr. Reid's choicest line of attack lay in the assertion that the Government, being under the domination of the Labour Section, permitted the ship of State to be "steered from the steerage". With this happy phrase he arrived at the climax of his denunciations and closed his counts against the first Federal Executive with an appeal for more dignified and honourable independence in its administration.

THE LABOUR VOTE.

On the other hand, Ministers protest that Mr. Reid has no right to utter such a reproach, being himself in respect of subserviency the greatest and most impenitent of sinners. Mr. Deakin has just developed this view with extreme liveliness in the

course of a strictly party rally. The work of the Federal Parliament, according to him, was done by the Government in the teeth of an irresponsible, undisciplined, and unpatriotic Opposition. Running over the chief crises of the session, he insisted that in every one of them Mr. Reid had obsequiously followed the Labour leader, Mr. **Watson**. Having, on his own admission, lived by the aid of the Labour vote for five years in this State, he had spent his two years in the Commonwealth in trying to live on it again. On the exclusion of coloured aliens and contract labour, the iron bonus and every other real issue, Mr. Reid had meekly taken his instructions from Mr. Watson, and in Mr. Deakin's summary, so far from the ship of State being steered from the steerage in these critical emergencies, the Prime Minister had held the helm in his own hands against many attacks made from the steerage, backed up by Mr. Reid. In the same retaliatory fashion he argued that the delays in passing the customs duties through committee were due to the fact that the irregulars of the Opposition got altogether out of hand, and that the time needlessly sacrificed owing to Mr. Reid's unwillingness to maintain discipline in his own ranks had led to the lapse of the measures of whose loss he complained. The Judiciary Bill was admitted to have been blocked by the Opposition in order that Ministers might not make appointments to the High Court during the recess. This meant that its establishment was to be delayed simply in order that Mr. Reid might have this piece of patronage in his own hands. Was this not subordinating the interests of Australia to his own? Sallies of this kind seem to have pleased a Victorian audience, but the fact that Ministers have been forced to take to offensive as well as defensive measures all over the Commonwealth is another tribute to the success of Mr. Reid's campaigns. Neither Mr. Deakin nor anyone else can rival him on the platform, and whatever share may be his in the mistakes and omissions of last session, almost the whole burden of them must constitutionally, and will electorally, rest on the shoulders of his Excellency's advisers. Little defence has so far been offered of the Draconian severities of the customs, of the detention of the hatters under contract, or of the extraordinary vicissitudes of the Bills for the Governor-General's allowance and the bonus for the establishment of the iron and steel industry. When the constituencies come to judgment it will not avail Ministers to endeavour to prove that Mr. Reid was as guilty as themselves, or that they erred because of his tactics. They cannot hope to make him an accomplice in administrative blunders for which they, and they alone, will have to accept punishment.

THE FISCAL ISSUE.

Sydney is opposed to the Barton Government on the fiscal issue to such an extent that no failings on the part of those who fight for a revenue tariff will be deemed unpardonable. Sir William Lyne and the Protectionist Association have just been

rejoicing because, according to their calculations, £1,000,000 has been recently invested in providing new buildings and machinery for the manufacture of goods protected by the Federal duties and because £300,000 more is now being applied to the same purpose. It was alleged that the prices of these products have not risen in consequence of the tariff, but the conviction of all classes is that the enormous sums now being poured into the State Treasury from customs receipts represent a fresh burden on the community. In the other States a different sentiment obtains even among Free Traders, many of whom regard with apprehension Mr. Reid's proposal to prolong the uncertainty that still prevails in business circles as to the ultimate form which the duties are to take. He has consequently explained that what he means is not to recast the schedule, but merely that part of it which surrenders revenue for the purpose of increasing local production or imposes duties on mining machinery and agricultural implements. This, of course, is all that was anticipated, and more than enough to alarm capitalists as well as those they employ. On the other hand Mr. Reid is clearly right in his contention that the battle had better be fought to a finish once and for all, and in that spirit Sydney stands solidly behind him. He has visited the other States and ought to be in touch with the sentiments of those who share his principles. No man is a keener observer of the currents of opinion among his fellows or can turn them more dexterously to his own profit. The Press in Queensland, in Western Australia, and in South Australia is adverse as a whole, but for all that New South Wales, and particularly its Metropolis, is proud of Mr. Reid and has an unshaken confidence in his star. He will meet no hostility within our borders.

MR. REID'S COUNSEL.

This is the more remarkable because we have just witnessed in our local politics a public self-inflicted penance, accepted by Mr. Reid's own party and by his old colleague Mr. Carruthers as its present leader, for the error in following his counsel, or rather command, at our last State elections. It was solely owing to his overmastering influence that a coalition Ministry was not created independently of the fiscal opinions of its members, and, what was much more important to their friends, independently of the Labour section. Such a hopeless sacrifice of our local political interests to serve Mr. Reid's Federal designs was unequivocally condemned at the time in these columns. It failed at the polls, and we have to thank him for the long series of political confusions that have since beset us. Mr. Lee, the leader whom Mr. Reid approved, was at last set aside, and Mr. Carruthers, in reorganising his followers, has now made a formal and public repudiation of the position into which they were betrayed against their better judgment. The Opposition in New South Wales is rallied under two clear pronouncements of the utmost significance—no fiscal faith in and no dependence on any other party. Though Mr. Carruthers with

a remnant of timidity was careful to explain that the last declaration did not imply hostility to Labour, nor, as he inconsequentially added, “war to the death”, it has no other meaning. He will not take office without an absolute majority of his own able to support him against the rest of the House, including the Labour section, and this is the first condition of constitutional government. We are thus at last about to be brought face to face with the real crux of our politics. The country will be afforded a fair opportunity of expressing its will at the next election, and it may be taken for granted that we shall then fall into line with the rest of the States. The Labour members must go into direct opposition. If Mr. Reid would only adopt the same bold policy in the Commonwealth we should feel ourselves within measurable distance of a return to the true principles of Parliamentary party organisation all over Australia.

CRITICISMS OF “AN AUSTRALIAN.”

It would be futile for me to reply from Sydney to anonymous contradictions of statements appearing in the *Morning Post* weeks before they can be read at the Antipodes. “An Australian”, in a letter dated the 5th of January, ventured on three specific assertions: (1) that the provision made for Lord Hopetoun during his term of office was only £25,000; (2) that Victoria and New South Wales did not vote a penny for our inauguration festivities; (3) that the total cost of our seven Governors is £41,500 a year. That eminently well-informed Anglo–Australian weekly the *British Australasian* at once corrected the first two assertions, but the whole three are absolutely erroneous. A fresh reference to the official figures, published by authority, shows that (1) the sums provided for Lord Hopetoun amounted to nearly £50,000, of which he received £30,000 in money, in addition to £20,000 spent on his establishments, office, &c.; (2) that New South Wales and Victoria voted £200,000 for their inauguration festivities; and (3) that the total cost of our seven Governors and their establishments is upwards of £100,000 a year, even allowing for the reductions lately made in Queensland and in the Commonwealth. Every statement in the *Morning Post* article was correct, and every contradiction of “An Australian” was wrong.

THE NEW COMMONWEALTH.

FINANCES OF AUSTRALIA.

UNIMPEACHABLE ASSETS.

THE EFFECTS OF THE DROUGHT.

FROM OUR SYDNEY CORRESPONDENT.

[Feb. 24 1903]; Apr. 14 1903.

The sudden drop of New South Wales 3 per cents. in London and the adverse discussion of Australian financial prospects in the British Press have combined to bring home to our citizens all at once the gravity of a situation which readers of the *Morning Post* must have been able to foresee months in advance. Indeed, since early in 1901 attention has been repeatedly called in these columns to the disastrous results certain to accrue from bad seasons and short-sighted State policies of expenditure, though not until now when the results have begun to be felt has it been possible to secure the consideration of these policies by our political leaders. The newspaper opinions expressed at home might even yet have failed to attract notice in Sydney if they had been just, but it is because most of them exhibited a misconception of the true position, exaggerated admitted facts, and offered very original theories of the causes of our difficulties that they evoked responses. Oddly enough, it is the reception which these jeremiads were accorded by our banking and mercantile authorities that furnishes the best evidence of their superficiality and the merely temporary character of our embarrassments. Mr. G. J. Cohen, lately chairman of the Commercial Banking Company of Sydney, was certainly not speaking as a humourist to an audience apt to appreciate jesting on such topics when in February he assured a large gathering of business men that the fall in our debentures was the pleasantest cable news that had been received for some time. He spoke of the sense of the very financial institutions which alarmist writers on the other side of the world supposed to be in danger of another crisis like that of 1893. Their directors entertain no such apprehensions. Feeling strong enough to ridicule the fear expressed on their behalf, they actually rejoiced because this pressure from outside might assist them in coercing the culprits responsible in this State for many present trials into the prudent courses that will soon deliver us from the condition of depression into which we have been allowed to drift. When violent raids on the reputation of New South Wales are cheerfully welcomed by its bankers as wholesome aids to reformation we have the best possible

proof of the soundness of the interests they safeguard. It also demonstrates the profound apathy of a community only to be aroused to its immediate duties by shrieks from sensationalists thousands of miles away.

BENEFITS OF UNION.

Mr. Cohen rejoices as a commercial man because the warning from the London Money Market will teach the State Treasurers to keep from borrowing. All of them needed the lesson badly in 1899 and 1900, but all except ours had laid it to heart some months before, and even our Mr. Waddell lately appears to have put the brake on his colleagues' liberalities in this State. It is doubtful if even we needed the admonition conveyed to us, but at the same time everyone admits that it can do us no harm. The belated discovery abroad of State negligences is coincident with genuine efforts made at home in order to bring about a better state of affairs. Some of these efforts are already completed. South Australia will practically balance her ledger, and Victoria is following suit with an increase of taxation that, according to its Premier's calculations, will represent £40,000,000 a year in the Mother Country. Queensland may not show quite so good a set of figures by June next, but there is every reason to anticipate that before the calendar year closes she will be well on her way to a surplus. Western Australia, the greatest borrower next to ourselves during the last decade, is thriving and largely because of the judicious manner in which her loans have been devoted to reproductive works. There seems no doubt that whatever the fortunes of the coming general election in Tasmania may be its next Parliament will finish the task Sir Elliott Lewis has courageously begun. The people of the island are flourishing in consequence of Federal Free Trade, in appreciation of which Sir Edmund Barton's tour there was turned into a triumphal progress. It does not follow that the Commonwealth elections, when they come, will strengthen his party, but it is perfectly plain that in the island as elsewhere the electors are settling down to a kindly acceptance of the union because of the benefits it is conferring on them. The season is promising in all these States, and in all of them the political task of adjusting themselves to their new conditions is well under way. When, therefore, we find a catalogue of charges levelled against Australia, practically none of them applying now to five out of its six States, we cannot but conclude that our censors in Fleet-street have still a great deal to learn about our geographical dimensions and climatic differences.

“DEAD LOW WATER.”

The circumstance that we are all out of favour with London brokers and their clients is due to the diminution in exports and decline in revenues occasioned by drought. The character and extent of its ravages have been dwelt on in these columns for the past

twelve months, and it has often been explained that the severest strain would come during the interval between the harvest that recently failed and the next crop soon to be sown. We have reached that point of “dead low water”, and have no recourse except to wait patiently for the autumnal and winter rains by whose quantity and timeliness we shall be able to measure our future yields. In the meantime our railways are deprived of freight and our traders of business. This means a lessening income to the States, whose investments of loan money look injudicious when tested by present receipts. Politics apart, if we had never built a line that did not pay all its interest as well as working expenses in normal years, and if we had never passed an Act affecting the local labour market, so exceptional a series of seasons as those through which we are passing would have brought out a very unfavourable balance-sheet in every State affected. This requires to be taken into account as the one all-dominating factor of the situation everywhere. Physical conditions are responsible for almost the whole of the distress now prevailing in Australia, and though no doubt these might have been mitigated by wise expenditure on the part of the States and of the landowners in the arid regions the absence of rain has been so general and so prolonged that the protection that could have been afforded must have proved inadequate. Nothing within our power could have prevented so great a drought from exercising its devastating influence over every interest, every industry, and every source of revenue in Australia.

RECUPERATIVE POWER.

Subject to this first postulate it must be admitted that the borrowing habit has become a serious malady in Australia, that politicians have found their easiest path to popularity in copious expenditures of funds derived from abroad, and that the future has thus been mortgaged to an unhealthy extent. This has been perceived by the thoughtful for some time, and the fact that we were nearing the limit of our lenders' patience was becoming patent. The destruction caused by the drought has happened to synchronise with our Treasurers' approach to the end of their tether and the temporary disruption of their finances, which was a necessary consequence of federation. But it would have arrived in any event before long, and has only been hastened and accentuated by the simultaneous operation of the other causes of disturbance to which I have referred. In ordinary years four-fifths of the loan money spent in the Commonwealth would have paid at least part of its interest. A current calculation is that Australia obtains about half the sum we annually remit to London directly from the works constructed out of loans. Our debt is therefore only half as large as it looks, and probably less in generally fruitful years. The political blunder has been that we have borrowed too much for works that yield little or no interest and that we manage badly those that are more or less self-supporting. The same capital if in private hands, though applied in precisely the same fashion, would have probably

gone further, and would certainly have produced larger annual receipts and reserve funds. Whether or not the country would have been opened up as rapidly, and whether it was not most foolish to seek to conquer a whole continent and furnish it with most of the advantages of civilisation for a very sparse population in very few years, are questions on which it is needless to dwell at present. Australia has over-pledged her income, over-built her cities, and is now over-taxing her citizens in order to make up for past prodigalities. Still, her resources are so vast and her recuperation in favourable seasons is so rapid that but for the drought she would have surmounted her trials quietly and steadily, though not without sacrifice, burdens and regret.

POSITION OF FARMERS AND GRAZIERS.

New South Wales is singled out for special condemnation just now, chiefly from adventitious circumstances, and not because there is, except in one respect, any marked distinction between herself and her neighbours. The summer as it proceeds has proved that the showers falling over our interior have been insufficient in many districts. Great heat has quickly dissipated the moisture before it could penetrate the long-parched soil to any depth. Our coast belt, the areas usually watered, and parts of the Riverina have done remarkably well, but the iron grip of the drought has not been more than temporarily relaxed on much of the West. Our losses there are not yet over; the settlers are still condemned to watch and wait, enduring great privations. Reckoned against last year's harvest our farmers and graziers together are £12,000,000 poorer than they were twelve months ago. All may yet be well for the next season since the most beneficial period for the rains has not arrived, but at the moment of writing we are being less favoured than our neighbours. In one other particular we are unfortunate. There has been a decline in the value of all Australian stocks, but chiefly in ours, simply because we are the most leisurely in economical administration. We were the last to accept Federation, and are the last to retrench. Our loans have been greatly swollen since Federation owing to the preceding resumption by the Government of the very valuable wharf areas whose returns are sure to make the investment pay its way. In proportion to population we are by no means the greatest borrowers in the group, but we are the latest, and the fiercest fire of adverse comment has been directed at us. No doubt we have been too lavish, too impatient, and too ambitious. We have a Ministry in power far more anxious to make a figure while it lives and to establish a reputation for enterprise than careful of the condition of things it will leave to its successors. This and much more has already been set forth in these columns in detail. Much of the censure awarded us is merited, and recognising the salutary effect of even that which is mistaken we have no need to regret anything but its tardiness. Our assets remain for all that unimpeachable. Tried by any of the tests, such as the Savings Bank returns, which have more than doubled in the decade, by the area under cultivation, or by the value

of products per head for any period longer than that of the drought, New South Wales can challenge comparison with her daughter States, while Australia as a whole can be confidently measured against even the Mother Country herself.

“GILT-EDGED” SECURITIES.

It must be confessed that the regiment of replies to our British commentators marshalled before us by our newspapers is more remarkable for the variety of the views expressed than for any fresh insight into our position. The Revenue Tariffists are positive that Protection is the cause of all our ills, while the Protectionists are equally emphatic in attributing our trials to the fact that we have been keeping more open ports than our rivals. Sir William Lyne, the first Federal Minister to face a public meeting in Sydney since the elections of 1901, made this the central topic of a speech, while pledging himself with solemn earnestness to permit no alteration of the existing schedule of duties, by this or the next Parliament. He had a mixed reception, and despite the support of the platform extended to him by our Premier, the Minister of Education, and sundry State members the meeting closed in some confusion. In the Home Secretary's eyes, Mr. Reid's low duties and annual loans are entirely responsible for our present unsatisfactory financial outlook. Other sections are positive that it is due to our local expenditure on public works, to the neglect to provide local government for the country districts, or to the Industrial Arbitration Act. Opponents of the Federal Government attribute the situation to the proposed exclusion of Kanakas or coloured aliens or the detention of the six hatters. In the other States there is some attempt to look at the problem from an Australian point of view, but here partisanship is supreme. Mr. Carruthers takes a very doleful attitude, but he and the Opposition journals are all perfectly assured that there is no hope of relief while Sir John See continues in office. The Premier, for his part, is sanguine of the rapid restoration of our credit, unless it is imperilled by the accession of Mr. Carruthers. As a matter of fact, it makes not the slightest difference which of them is in power now that the public is really awakening to a sense of the situation. There never can be any doubt that every penny of principal and interest will be paid by New South Wales at its due date, and easily paid once the drought is over. Our securities are “gilt-edged”, and always will be in every sense of the term. What the market drop and the Press criticisms really mean is that culpable laxities of administration and expansive experiments in legislation require henceforth to be avoided. As means to these desirable ends the comments made in London, however misleading, will probably be as helpful as our bankers hope. The *Morning Post* editorial, predicting that we should speedily follow in the footsteps of our more economical neighbours and expressing confidence in our speedy recovery, was much appreciated here when published at the head of the Press opinions cabled on this question. It has been gratefully acknowledged by all our most influential newspapers.

THE NEW COMMONWEALTH.

INTER-STATE INTERESTS. THE POLITICS OF VICTORIA. CONSTITUTIONAL REFORM.

FROM OUR SYDNEY CORRESPONDENT.

[Mar. 3 1903]; Apr. 20 1903.

The Parliament of Victoria is the only legislative body in Australia not in recess at the time I am writing. It has departed from our customary routine in this as in every other respect since its election a few months ago. Its first session has been marked by a rapid series of drastic proposals and sensational incidents that appears likely—as far as can be judged from Sydney—to be prolonged until members disperse. Noisy and turbulent as was the recent term of our own Legislature, neither it nor those of any of its fellows in the States can compare recent records with that established in Melbourne by an Assembly remarkable alike in the manner of its choice and in the surprising events that have marked its stormy career. As a rule it is but a tepid and intermittent attention that is accorded to the ordinary proceedings of our local representative bodies. Even in this State our citizens are content with very meagre reports and very biased criticism of the aims and doings of those whom they have selected at the polls. There is no continuous scrutiny of the fluctuating currents that sensibly deflect all electoral programmes in the process of passing into legislation. There is always a sporting sympathy with the struggles between “Ins” and “Outs”, and a cursory attempt to follow the growth or decline in public favour of special proposals to which parties pin their fate. Save in this off-hand manner and in a rough-and-ready way under the inspiration of familiar watchwords the bulk of the community allows its political interest to flag, except when galvanised into activity by special circumstances, and its knowledge of policies to rust until revived by the campaign appeals of parties during triennial general elections. With most Australians politics are taken, not as a regular diet, but, like medicine, in doses intended to cure some particular complaint, and with a generous faith in the last specific recommended.

THE POLITICS OF DIFFERENT STATES.

This being the disposition of the electors in each State, there need be no wonder that any acquaintance they possess with the true state of parties or the nature of their dividing lines in other States is still more perfunctory. We have, indeed, no useful knowledge of the local politics of our neighbours except that derivable in a fitful way by any group which finds its interests affected by unneighbourly action taken beyond our own bounds. Gradually we are all acquiring some appreciation of Federal functions, and of the authority of the Commonwealth enveloping us and our States and uniting the whole in a new type of organisation. As a rule there is no attempt made in New South Wales to master even the salient facts of the constantly-changing dramas performed in the political theatres beyond our borders. We do not enter them, and local criticisms on their actors we rarely read. An observer in one State who takes the pains to study the Parliamentary panorama in another from his own home is at so great a disadvantage that he may count himself fortunate if, with the aid of the Press, he can avoid gross errors. The pressure of Federal parties may at last assist by bringing the opposing elements in each State to some extent under control, while the cooperation of their representatives in the Commonwealth Parliament must promote a better mutual understanding, but at the present moment it must be remembered that, though the same issues are to-day manifest throughout the Union, they operate in each State in different fashion, on different elements, and under different auspices. There is a fundamental Australian unity, but also a still existing and substantial political diversity.

HEROIC MEASURES.

In Victoria the situation seems marked and plain. A year ago that State was where we are to-day. It had a well-intentioned Ministry, a half-hearted Assembly, an optimistic temper, and a confirmed habit of drift. Where she is now we shall probably soon arrive. Her Liberal–Radical Cabinet fell in sheer weakness, as ours will before long; hers was then replaced by a Conservative–Liberal Government consisting of much stronger men with a very weak following. We are anticipating a similar set of circumstances. The programme in Victoria consisted, as ours must hereafter, of two main planks—financial reform by means of retrenchment and fresh taxation, and constitutional reform by means of a reduction in the numbers of both Houses, accompanied by a broadening of the franchise and lowering of the property qualification of members of the Upper House. When Mr. *Irvine* began to give effect to his pledges, he was confronted with a thinly-veiled attempt on the part of his Assembly to defeat its obnoxious measures by whittling them away. One of his first Bills authorised percentage reductions from the salaries of the public

servants. The railway engine-drivers hinted that they would strike rather than allow what they termed a class tax. But the Government was firm in facing them, and it compelled them to submit unconditionally. The quiet resolution exhibited gave the country confidence in its new Premier—a confidence which became enthusiastic when, at the first attempt of the Opposition to exempt certain public servants' salaries against the wishes of the Premier, he asked and obtained a dissolution. Never was a general election fought in such circumstances. Both Melbourne newspapers become missionaries for the Ministry, while committees of eager citizens were formed in almost every township to select and assist candidates who would promise a whole-souled support to economic and constitutional reform. The outcome was an amazing popular victory and the total defeat of the protesting Opposition with its Labour allies, both of whom had received the ardent encouragement of the State employees. The Government returned to power with two-thirds of the Assembly behind it bound hand and foot to its programme. This it has carried out with thoroughness and expedition. Large savings have been made in the cost of the public services, and others are foreshadowed. Probate duties have been greatly increased, and the income tax has been doubled. The last measure is alleged to contain the most remorseless tax-gathering system yet adopted in this hemisphere. As a result of these heroic measures it is prophesied that a possible deficit of nearly £1,000,000 will be avoided, and that by next year, at all events, the State ledger will be made to balance.

DIFFICULT SITUATION.

A serious crisis is now confronting Mr. Irvine. In fulfilment of the programme laid before the country he has introduced and carried triumphantly through the Assembly his proposals reducing the members of both Houses by one-half. In addition he succeeded in passing his proposal to restrict the whole of the public servants to three special representatives of their own. This limitation was not submitted to the country, but as it may mean the loss of several seats to the Labour Party, and secure a greater independence to both Chambers when they wish to deal with those who are in receipt of State pay, the Legislative Council accepted it. If anything in the Bill becomes law it will be this, but it is very doubtful indeed if the measure can survive the momentous duel between the two Houses which has just been inaugurated. It must be confessed that the Constitutional Reform Bill sent up by Mr. Irvine was, in every respect except that it disfranchised State employees, framed, as at his instigation it had been accepted by the country. Despite this authentication the Legislative Council has practically ignored the whole of the alterations proposed to be made in its own constitution. Instead of accepting the ratepayers' roll for its future constituency, it contents itself with taking £5 off the £25 minimum rating now required to qualify a voter. It will not halve the number or its members, materially

lower their property qualification, renounce any of its pretensions to deal with money Bills, provide against deadlocks by agreeing to a joint sitting, consent to be dissolved, nor approve female franchise on any conditions. The amendments which it suggests are none of them substantial, and do not seem to compose a reasonable compromise. Evidently its leaders reckon that until the public service vote is abolished Ministers dare not appeal again to the country, and that in the meantime they can practically dictate their own terms. They are prepared to diminish their fellow Chamber in size and dignity while relatively increasing their own status by retaining every vestige of power they possess. Having fought his own House, the railway strikers, and the public service as a whole, Mr. Irvine has now before him in arms the most dangerous and powerful of all his opponents.

THE OUTCOME OF THE BATTLE.

The outcome of the battle would be hard to predict even in Melbourne. The Victorian Upper House is better entrenched than any other Upper Chamber in Australia, and consists of men of means and position led by astute chieftains. It has the sympathy of the greater part of the propertied classes and of the professions, of the opponents of legislative interferences with private enterprise, and of all who dread the possibilities of majority rule under an adult suffrage. It is well represented in the Press. On the other side stands the Assembly, none too anxious to carry out the reform of its own membership. Formerly reckoned a Conservative because a Free Trader of moderate views on most questions, Mr. Irvine has reached his present high post by the unanimous aid of the party which considers the council its best stronghold. He was one of the men of mark who resisted to the utmost the radical proposal to place the reform of the Constitution in the hands of a specially-elected democratic convention. Though an ardent upholder of Parliamentary principles he was expected by his former friends to lightly lay aside the reform of the Constitution after having made a purely formal effort to redeem his promise to the country by coaxing the Council into accepting it. Such anticipations betrayed one grave error of judgment as to the situation, and another as to the man. If the Ministry does not secure, or at least fight hard for constitutional reform, it will be speedily hurled from office. Then Mr. Irvine has pledged himself as much to this as to the economic reforms of which he has already won a large instalment, and is evidently equally determined to prove himself a man of his word here. He recently provoked shrieks from his former worshippers by a calm but caustic speech, in which he mercilessly tore to pieces the pleas put forward by his late allies, who urged him to commit a breach of faith with the people who gave him his majority. Not only did he insist that he intended to use every possible means to achieve a real reform, but he went on to point out that in times of popular excitement or anxiety just when a second Chamber

might provide the most useful check on the impatience of its yoke-fellow the Council had always preferred to go with the stream. The wasteful system of old-age pensions with which Victoria is now saddled, the wages boards against which employers protest, and the extravagances in every direction that have brought the Treasury into its present plight are each and all of them the work of the Council as well as of the Assembly. There is therefore no security for property or for financial reform in Mr. Irvine's opinion in the Legislative Council as it is now constituted. Under pressure it will continue to sacrifice those who trust to its power of resistance. He wishes to broaden its basis and increase its responsibilities, so as to make it a real Chamber of revision and review. But in order to accomplish this he must first destroy the existing body now deeply incensed by his criticism, and that can only be done with its own consent. How Mr. Irvine hopes to perform this miracle many onlookers besides those in Victoria will be extremely interested to see. Our Legislative Council consists of nominees whom it is often proposed to replace by elected members, and the object-lesson afforded to us in this, as in other matters, is therefore, contrary to our usual practice, sure to be studied with the closest attention.

THE NEW COMMONWEALTH.

DOMINATING QUESTION.

DEMAND FOR ECONOMY.

STATESMEN AND PRESS.

FROM OUR SYDNEY CORRESPONDENT.

[Mar. 10 1903]; Apr. 24 1903.

Our domination by the Press is a constant cause of complaint to most politicians, who are often as slow to recognise its aid in bringing them into notice as they are swift in their resentment when it opposes them or their schemes. Very little is accomplished in our State Legislatures without the assistance of the leading journals, and next to nothing can be carried against them when they are combined. Union is not often possible. Just as the necessities of politics cause our parties to accentuate their differences in the eyes of the electors, so our papers are tempted to multiply their divergencies one from the other in order to create policies which they can point to as their very own. Each has its individuality, its creed, and its coterie. There are times, however, during which our editors suspend hostilities, and periods when even these unusual alliances do not enable them to accomplish their common ends. Such has been the position in Sydney for the past two years, where both our ruling "dailies" have been united in opposing the Federal and State Ministries, and, oddly enough, with better success against the national than they have achieved against the local Administration. This exceptional period is now drawing to a close. The *See* Government is tottering, and, unless succoured by some unexpected restoration of favour, is doomed. Our newspapers will secure its successors a fair trial and preserve their own potency when they too are dismissed. Individual politicians come and go, Cabinets reign and dissolve, programmes grow and wither, but the journals continue always the same in their general attitude, appealing for support day by day to tens of thousands of readers who have learned to trust their guidance. Their influence is enormous when viewed over a term of years. As all the great newspapers of all the States are now at one in demanding economy, frugal expenditure, and necessary taxation, there can be no question as to our future financing. Let Ministries resist or accept it as they please, it is the mandate of the people that is echoed in their columns. With people and Press agreed, our representatives have no choice but to obey.

PARTY DIFFERENCES SUNK.

The power of the Press is subdivided in Australia by reason of our immense distances and territorial divisions, so that with one or two exceptions among the “weeklies” no paper can be said to exercise a potent influence outside its own State, and only in the smaller States can some of them claim to affect anything like the whole of their electorates. Except in Sydney every Metropolis in the Commonwealth possesses rival newspapers consistently opposed to each other in politics, and in every other State the local Ministry relies on at least one of these for support. As a rule these relationships are constant, but just now we are witnessing two very uncommon outbursts of recrimination. In Queensland the *Brisbane Courier* has suddenly forsworn Mr. Philp, the Premier of its own creation, while in Victoria Mr. Irvine has openly broken with the *Melbourne Argus*, though it has applauded him consistently throughout the whole of his past career. But in neither instance does the incident mark any new departure of moment nor discover any reaction against the movement for reform and retrenchment sweeping over the whole continent. In the first case there is no principle at stake, and in the second it is the paper, and not the politician, that is charged with change of front. Far surpassing even these variations, we have just had perhaps the most amazing journalistic somersault ever witnessed here in the sudden adhesion of the ultra-Radical *Sydney Bulletin* to Sir Elliott Lewis, the Conservative Premier of Tasmania, who has hitherto been trenchantly assailed in its pages. Such a conjunction is one which the wildest political prophet would not have hazarded, nor could any explanation of this miraculous partnership be more significant of the irresistible trend of thought and intention throughout the Commonwealth. The *Bulletin* professes no sympathy for any part of Sir Elliott Lewis’s programme except his resolute proposition to tax just as heavily as may be necessary to balance the State accounts. To assure this result it is willing to postpone all else. This is the overmastering motive that suffices nowadays to bring together opponents whose aims are otherwise, as they always have been, as far asunder as the poles. Truly, it is manifest that Australia is in deadly earnest in her determination to become financially whole and sound at any sacrifice.

FRUITS OF PRODIGALITY.

Queensland has lived for the past decade under a continuous Ministry, representative of all classes, except those which prefer what are termed “Labour” members. Sir Samuel Griffith, Sir Thomas McIlwraith, Sir Hugh Nelson, and Sir James Dickson were successively leaders whose Cabinets, reconstructed from time to time, always pursued the same line of policy. Mr. Philp’s turn to take command came quite as much because of his zeal for Federation as for his local services, which of themselves would not have distinguished him from his colleagues. In common with most of his

fellow Premiers he entertained exaggerated expectations of the immediate arrival of an era of prosperity to be brought about by the political and commercial union of the States. He spent, and continued to spend lavishly under that impression even while the drought was making havoc with his revenue. When extravagance could not be persisted in any longer he swung to the opposite extreme of alarm, and, smarting under the scant consideration given to his wishes by the Federal Parliament, with hysterical haste headed the hopeless shriek for secession. His vacillations have at last cost him the support of the *Brisbane Courier*, which in a series of uncomplimentary articles has denounced his incompetency, want of foresight, and pusillanimous leadership. One of his colleagues is summed up as “an inept phrasemaker”, another merely “blusters and bungles”, while the whole of them are asserted to be without a single idea as to economy or the progressive development of the country. Mr. Philp, in reply, attacks the proprietor of the *Courier*, who is a member of the Legislative Council, and suggests that the censures passed on him are uttered for the meanest personal ends, and are based on dishonest misrepresentations of his acts. The newspaper openly calls on the party behind the Ministry to insist on its resignation and reconstruction under a new chief. So far as can be ascertained there does not seem to be any prospect of such a political cataclysm occurring: even the *Courier* is not omnipotent. No politician nor group of politicians on the Ministerial side has won special prominence, or can repudiate any share in Mr. Philp’s failures. The defection of the journal may make the path of the Government more thorny, but those members to whom the Administration appeals can neither ally themselves with the Labour Opposition nor hope to find a following strong enough to dispense with it and at the same time with Mr. Philp’s friends. Weak as he may be, he is at least strong enough, being in possession of office, to refuse to walk out, and to resist being turned out by his own party.

RETRENCHMENT AND REFORM.

Mr. Irvine’s position in Victoria bears only an external resemblance to that of the Premier of Queensland. His chief newspaper supporter has broken with him because he is strong enough to resist its suggestions that he should forego insistence on the constitutional reform to which he considers himself pledged as much as financial reform. Last week, so far from clinging to office, he expressed his willingness to leave public life altogether rather than betray the trust reposed in him. Following his lead with unanimity the Assembly accepted only two minor amendments out of the many made by the Legislative Council in its Reform Bill. The Council in its turn rejoined by indignantly insisting on all the rest, save that it consented to reduce the franchise for its members by another £5 on the annual rating. It will not reduce its members by a half, nor abolish their property qualification, nor agree to a joint sitting and

a double dissolution as means for arriving at finality in contests between the two Houses on matters of legislation. A conference between the Chamber may be held, but no sanguine anticipations are expressed as to its outcome.

STRONG PREMIER.

A dissolution is not probable at this juncture. Mr. Irvine has to face the unconquerable hostility of the public servants whom his Bill disfranchises and of those who sympathise with them. In this risk he stands alone. Mr. Philp and he, like Sir Elliott Lewis, are all of them in another respect in precisely the same straits because of the income taxes already in force in Queensland and Victoria, and now under discussion at a general election in Tasmania. The drastic nature of the levies thus directly made on the earnings of the great bulk of the community is awakening the customary atom of disapprobation from those affected, to whom any other device for tapping their pockets appears ideally preferable to that which is being put into operation. The ingenuity displayed by those who have devised income taxes in Europe is alleged to have been surpassed by the measures adopted and about to be adopted here. Some such impost exists everywhere except in Western Australia. Victoria, unlike Queensland, possesses an Opposition independent of the Labour section, and of about the same strength, but, even if the malcontents on the Ministerial side were united to them, the three together would be weaker than the Government. The *Argus* has not imitated the *Courier* in demanding a new head and a new Cabinet selected out of the majority; but if it had it would have been more helpless against Mr. Irvine than its contemporary is against Mr. Philp. The Premier of Victoria retains the confidence of the country and of his supporters to such an extent that he can afford to take his own course. In both instances, therefore, though in very different circumstances, a very uncommon situation exists in which the politicians have proved able to hold their own in spite of the defection of their chief journalistic allies. These departures from our ordinary Australian experience are due to the fact that with the public every consideration is being sunk for the time in order to secure economy and efficiency in public affairs. They will not "swap horses" while crossing this ford.

STOPPAGE OF EXPENDITURE.

In New South Wales in more leisurely fashion the current of opinion, with the help of both our daily journals, is running in the same direction, though what has been accomplished up to date with us has only sufficed to clear the air. Ministers are wavering already; they are stopping expenditure in the face of cries of angry expostulation from the unemployed in town and from representatives of country

districts always eager for railway and road conveniences at the general expense. Luck is against them elsewhere. They have been most inopportunately brought into collision with **Cardinal Moran**, whose over-bearing insistence that St. Patrick's Day should be declared a public holiday, as has been customary here, produced a polite but firm refusal from the Cabinet, which has had its list of holidays recently shortened, on the ground of the loss involved to the State as an employer whose employees are paid on these occasions as if they were at work. His Eminence was tactless enough to threaten Ministers for their refusal, thus supplying fresh fuel to the Anti-Catholic sentiment lately stimulated into activity by stories of a priestly Bible-burning in Fiji. Several Ministers and a number of their Parliamentary allies are Catholics whose electoral position may be weakened by this incident, seeing that it may cost them the Irish vote, while it will bring no compensating reinforcement to their standard from the opposite side. The Premier's speeches indicate a feeling that his hold on the House is weakening, and that next session will bring him either a defeat, a dissolution, or both. He will preside at a meeting of State Premiers here, but it is unlikely that anything will arise out of that conference to improve his position. A fight with the Federal Government could not divert attention from our urgent local needs. These have been aggravated by the procrastinating fashion in which he has postponed our readjustment to the novel conditions begotten by Federation in this, as in the other States whose functions have been greatly diminished.

THE CLEAR-CUT ISSUE.

Slowly but surely the policy of our State Opposition is becoming defined and palpable. Hope is cherished that when Mr. **Carruthers** speaks next week he may become explicit, though the text of the fighting programme just adopted is vague enough to cover any development. Of its three main declarations only that fixing the number of members to which the Legislative Assembly is to be reduced at eighty-four is specific. Certainly this is an ample total; but at least it directly pins him to a definite proposal. The other two aims—"The re-establishment of the principles of responsible Government in their integrity" and "The restoration of the public finances to a sound basis"—are general aspirations capable of being approved, like the tag approving of water conservation, by every member of every faction in this or any other State. Such platitudes merely exhibit the febleness they timidly attempt to disguise. On the other hand the speech of Mr. **Rose**, M.L.A., a staunch Protectionist and late supporter of Sir John See, has the merit of putting into plain English what everyone has been thinking but no politician nor journal has ventured to say outright. Providing Mr. Carruthers will formally renounce any intention to turn our Assembly into "a nursery" for Mr. Reid's Federal protégés and cease to angle for the Labour section he will have his support, says Mr. Rose, and that of many other members

content to put fiscal differences out of sight in State politics now that the sole control of all our customs has passed to the Commonwealth. If Mr. Carruthers has the courage to accept these conditions at once he will only be doing what in a very short time he must do. For many months past it has been pointed out in these columns that the only real dividing line in this State is that between the Labour members and those who recoil from their policy. The trend of events and of opinion are both that way. This ought to be the clear-cut issue submitted at the next general election, and the sooner the better. The longer he trembles on the brink the less hearty will be the response he will deserve and receive, and the better resistance Ministers will make.

The summer rains are proving very beneficial to many of our districts, and Mr. Waddell as Treasurer is gleefully dwelling on the fact that there is already more grass in the north-west than there are stock to eat it. Mr. O'Sullivan points to the chilling reception given in London to the recent New Zealand loan, still provoking angry threats from Mr. Seddon against those money-lenders who will not buy his bonds at his price. There, our Minister retorts, is a colony "without a drought and without an O'Sullivan", yet with its credit attacked like that of New South Wales. Sir John See is becoming a tactical leader of resource; he has boldness enough to trump Mr. Carruthers's trick if he continues to hesitate. At present the ball is at his foot. He has the Sydney newspapers, and with their aid ought to be able to capture the country as well as the town. Will he speak out?

THE NEW COMMONWEALTH.

PREMIERS' CONFERENCES. SEPARATE STATE INTERESTS. FEDERAL POLITICS.

FROM OUR SPECIAL CORRESPONDENT.
SYDNEY, Mar. 17 1903; May 8 1903.

Among the events that are casting their shadows before them is a conference of State Premiers summoned by *Sir John See* to meet in Sydney. A full attendance is expected at what must become an annual assemblage for the discussion of subjects of common interest by those responsible for the conduct of public affairs in the different parts of the Commonwealth. Prior to Federation similar official gatherings took place intermittently, at which resolutions were recorded sometimes of the utmost moment, though as a rule relating to minor arrangements. When, as was rarely the case, the resolutions became the basis for joint action, the conferences were the only substitutes for a Federal Legislature. It was in this way that the Premiers in 1895 at Hobart settled the steps to be taken to provide for the election of the National Convention which drafted and for the referendum of the people which adopted the Constitution of the present Union. The Bill that was drawn up was adopted without alteration in every State except Western Australia, whose delegates were chosen by its Parliament instead of by the electors, and New South Wales, where Mr. *Reid* at a later stage consented to the special requirement that eighty thousand votes at least must be cast to authorise our entrance into the Commonwealth. But, except in one or two instances, the conferences, as already said, rarely led to effective co-operation in legislation. The Federal Council, Chinese restriction, and other subjects of agreement were only taken up by some of the States pledged to act together, and in these with differing conditions. The bulk of the understandings reached bore no fruit, and it was partly because these voluntary engagements of the Administrations of the several colonies proved abortive that Federation came to be regarded as essential to Australian unity of action.

CHANGE ACCOMPLISHED.

Since the union there have been two meetings of Premiers. The first was called by Federal invitation for a specific object, but the second returned to the former type of State conferences, and, like the one now under consideration, it emanated in the direct line of succession from them. Still, it is plain that though outwardly alike they are in no sense the same as those held before Federation. Nothing is more difficult than to measure the distance travelled by public opinion in any particular period when its movements are as rapid as they are in Australia. It is only by the help of certain landmarks or by the application of practical tests of popular feeling that one can even approximately estimate the extent or direction of the change accomplished. The coming conference affords such an opportunity, and it is noteworthy that its assembling has aroused little visible interest or expectation. Due allowance must be made for the fact that preceding gatherings had lost much prestige because of the futility of most of their labours to secure united action. They were not taken too seriously—though by no means ignored—because it was recognised that in special circumstances and on an emergency harmony of aim and method when attained would lead to results of the highest value. On the other hand, our Premiers were never before coerced into alliance by an overshadowing authority growing in their very midst and at their expense—an authority whose all-enveloping embrace threatens to absorb their autonomous energies and may even deprive them some day of the loyalty of their citizens. In the public eye, as in fact, the States are less potent individually and collectively than they were before Federation, but in compensation their councils possess a greater cohesive force and develop a more persistent power of resistance through common apprehensions and common jealousies of the new supremacy. The Premiers' Conference is not without means of offence and is still better equipped for purposes of defence, gaining in zeal as much as it has lost in dignity and scope.

MATTERS OF BARGAIN.

The first of the transformations already discernible occurs in the relations between the Federal and State Governments. The conference of 1901 met in Melbourne, at the invitation of the *Prime Minister*, in order that the terms of payment for the properties transferred from the States to the Commonwealth by the Constitution might be mutually arranged. Advantage was taken of the meeting by him to explain his intentions as to New Guinea, then about to be acquired, and by the Premiers as a body to consult together respecting the payments to be made for postal services rendered to them, and for railway carriage undertaken by them, as well as regarding the granting of bonuses to the iron industry. But all these were made subsidiary to

the practical issues for the settlement of which the Premiers had met. A tendency on the part of the Premiers to offer suggestions for Commonwealth economies was promptly nipped in the bud by Sir Edmund Barton, who took pains to make it clear that neither he nor any of his colleagues were to any degree partners in the conference or on the same footing as its members. They had nothing whatever to say on State business, and would permit nothing to be said to them on the Federal affairs, with which only their Legislature and themselves were qualified to speak. There could be only one set of subjects that they were called on to consider together owing to their novel conditions of the union. These related to the business questions arising out of the separation in the Constitution. They were matters of bargain, functions, possessions, arrangement, and that was all. Unwilling to accept so hard and fast a division of responsibility, because reluctant to surrender at once the control of matters hitherto under their sway, the Premiers waived their claims then, but allowed it to be understood that they awaited a summons from and expected the attendance of the Commonwealth Executive at their conference fixed for 1902. But all subsequent hints, suggestions, and direct overtures to this end proved vain. State meetings were for the States alone and for their own purposes solely. Whether or not the conferences informed the Federal Government of their proceedings and opinions rested with themselves. The Prime Minister emphatically declined to acknowledge the conference as a body with which he or his successors could allow any official discussion of Federal matters. The Premiers spoke only for and to their own Parliaments. The States as such were fully represented in the Senate. Sir Edmund Barton sought no voice in local politics, and would permit no interference by local parties in federal matters. Their spheres were separate, and must be so preserved. Sir Edmund Barton's Administration was not another Administration taking its place beside those of the States. It was the only Australian Administration, was in every way representative of the nation, and occupied a place apart from that allotted to any of its local legislatures or even to the whole of them taken together.

CHANGED SITUATION.

Battled in their attempt to assume a position implying equality of status, the State Premiers who met in Sydney last year judiciously altered their ground, and once again, but more circumspectly, proceeded to claim an effective voice in the Commonwealth. They pointed out that under the financial sections of the Constitution their finances were left at the mercy of the Federal Parliament except that three-fourths of its total customs revenue had to be divided. The cost of the transferred departments in each State being deducted from the receipts within its borders, the local executives felt themselves warranted in criticising the expenses incurred either on these departments or on the new Federal expenditure shared

among them in proportion to population. The resolutions at which the local executives arrived went beyond these sound lines only once, and then excusably, in expressing a hope for the early establishment of the High Court to which they look as an impartial arbiter. But in nine out of eleven instances they wisely confined their conclusions to questions of pounds, shillings, and pence with which they were indubitably concerned. The Commonwealth was asked to take over the administration of quarantine and lighthouses, to pay for any losses incurred in consequence of its alterations of cable rates, to admit goods imported for the States free of duty, to pay at once for the properties taken over, for the travelling of the defence forces by rail, and for the transaction of all the Commonwealth public works business by the State departments. The upshot of all these decisions to date is that the Federal Government pays for the tickets of its Militia on the State railways because otherwise the men would not be conveyed. That may be said to be the one practical consequence of the last conference, though it would have been achieved in any case. This year the Premiers have been reviving in a half-hearted way the idea that Sir Edmond Barton should in some way attend or at least keep in touch with their proceedings. When they meet they may be relied on to repeat the propositions made twelve months ago since all of them tend to the Premiers' own advantage. But up till now they have manifested neither impatience nor resentment at the manner in which their previous resolutions have been ignored, and though the Federal Government could give excellent reasons for its tardiness as to some of them it has no good excuse to offer for tossing them all aside. It would seem as if the Premiers had begun to realise their own weakness either singly or in conference before the Frankenstein of their creation. The public is certainly beginning to feel rather than understand the great change in the situation that has silently developed during the last two years.

WEAKNESS OF PREMIERS.

The chief weakness of the Premiers hitherto has been their want of perception of the immense difference in importance of the many proposals they have endorsed. A few are petty, some are serious, but one is of such magnitude that it dwarfs all the rest into insignificance. The distribution of the Murray waters is at present a wrangle among the Premiers themselves, and is probably unripe for agreement. The method of payment by the Commonwealth for the properties transferred to it is in a more hopeful stage. There can be no fear that the ingenious plan of the Federal Ministry, which would have enabled it to acquire them practically for nothing, will ever be adopted. It may be assumed that the debts of the States will be diminished by a transfer to the Federal Government of certain of their obligations in proportion to the value of the properties with which they have endowed the Commonwealth. What that value is has been guessed at £10,000,000, but on what plan it is to be assessed has not yet been

decided, and this may affect the total materially. There are plenty of other awkward conundrums besides those in respect of this compensation that do not appear to have been discovered by any of the parties interested, but as far as the method of payment is concerned it is sufficient for the present to assume that the Federation will discharge whatever account may be found due to the States by accepting some of the loans for which they are liable. This, if nothing else, may bring both face to face with a query which no one seems bold enough to put, and to which no one dares to suggest an answer, because it involves the financial future of both States and Commonwealth.

THE DEBTS OF THE STATES.

At first sight the provision in the Constitution that the Federal Parliament may take over the whole or a proportionate part of the debts of the States incurred before 1901, and that the States shall thereupon indemnify it for so doing, does not appear to afford much opportunity for altering their relative positions. At all events, the State treasurers have so far refrained from inviting [Sir George Turner](#) to simplify their accounts, either because they see no profit from the transaction or because they think it might diminish their importance. Nor has the Federal Treasurer done more than ask for precise details as to their various borrowings. But the unfavourable tone of the London Market towards State loans is likely to suggest to the taxpayers that it might be possible for the Commonwealth to borrow on better terms than any individual State, and that it should come to their relief as soon as possible by accepting responsibility for amounts large enough to assist the local finances. To this the natural reply of the Federal Treasurer will be that the markets seem to be antagonistic at present without discrimination to everything Australasian. He might next politely inquire what his Parliament has to gain by exposing its infant credit to the adverse risks of the present juncture. He is scarcely likely to forget that the three-fourths of the customs revenue which he now returns to the States is only theirs by law for ten years after the union, and that when half that period has elapsed there may be an alteration of the system diminishing the income of some States. Eight years hence the whole of the customs revenue will be at the disposal of the Federal Parliament. The relative positions of the States and the Commonwealth will then be entirely altered, or at least alterable. Again, while every growth of any of the States will enhance its prosperity the needs of others may become acute. Should such an emergency occur the Federal Parliament could dictate its own terms to them. On the other hand the prospect of the savings possible to the whole community by a substitution to some extent of Federal for State debentures may assist to subordinate even aggressive political rivalries to the public interest. The coming conference will afford an admirable opportunity for the preliminary posing of the technical questions precedent to the formulation of an Australian financial policy.

THE NEW COMMONWEALTH.

SATISFACTORY RAINFALL.

ILL-REGULATED POLITICAL SCRAMBLES.

RAILWAY ENTERPRISE.

FROM OUR SYDNEY CORRESPONDENT.

[Mar. 24 1903]; May 23 1903.

The rain continues, and with it all vegetation revives and thrives. Doubts are steadily dissipated as it becomes clear that a normal season is before us. From the far north, where equatorial rivers are running high past tracts devastated by recent cyclones, through Central Queensland and the Darling Downs, across the arbitrary boundary between that State and ours, along our uplands coastwise to the south, and, better still, away inland to our western plains over the thirstiest parts of Riverina, and dividing there to distil refreshing showers through Victoria and South Australia, the welcome and priceless visitations of moisture have been carrying beneficent boons. The telegraph every few days brings further tidings of the arrival of long-looked-for relief. Sydney and other parts still have their spurts of heat, but the cool weather is approaching. Sometimes one part of the continent and sometimes another is favoured with rain. There is every variety of supply from mere misty drizzles up to tropical downpours over equally varying areas. Local thunderstorms, interspersed with widespread rains like those of the middle of March, are being distributed over almost the whole of our occupied lands and reaching nine-tenths of our total population. If there were not terrible arrears of insufficiency to make up the prospect would be golden. In any case it is extremely encouraging. We are having, generally speaking, rather better than an average autumn, and a wet winter is officially predicted by our observatory. All fears of fresh losses are now banished, we have plenty of water, abundance of grass, and a hopeful outlook for ploughing and sowing.

“ALL ROT AND HUMBUG.”

In spite of this Sydney is feeling the pinch inevitable since the influx into the city of settlers driven off their holdings and as yet unable to make a fresh start and of labourers attracted by our lavish public works expenditure—expenditure which has

come at last suddenly to a full stop. The shrinkage in private employment because of the drought is also having its effect. Our unemployed—numerous and noisy—are now astutely attempting to play off political parties against each other, using one to goad the other into generosity. This disturbed condition of affairs has given prominence to one member of the Cabinet, always conspicuous in the public eye, who has summed up the situation from its point of view in a couple of phrases, which not only express the Ministerial view but put it in a pointed fashion, very characteristic of the man and of the class he represents. Mr. Crick is for the moment not only head of the Lands Department but chief law officer of the Government during the absence of Mr. Wise. At all times he is one of the most energetic and influential Ministers. His words carry weight in spite of their crudeness from both the official and the personal point of view. From his lips we learn the inner mind of the Cabinet in the vernacular of the streets. Having raised £600,000 on relatively expensive terms in London, Mr. Crick says that any assertion of shortness of cash in the Treasury is “bunkum and trash”. A charitable fund to assist those affected by the drought having been fathered by the Opposition in the Metropolis, Mr. Crick denounced the movement with equal vigour as “all rot and humbug”, defiantly declaring that he would not contribute a sixpence towards it. That such language should be used by a Minister of the Crown on occasions of great public importance is certainly to be regretted. It would be considered unparliamentary elsewhere, but Mr. Crick and his peers have rendered it all-too familiar in our Assembly. With an uncontrollable tongue, and often an uncontrollable temper, he has taken an active part in many scenes in the House deplorable for their tone. But it would be an unpardonable blunder to suppose that it is by such means he has won the ear of the House. In him coarseness is coupled with ability, fearlessness, and resource. It is these qualities that have made him a leader of his party while continuing to be its censorious critic, a danger to his political friends, and a terror to his enemies.

MAN OF INDIVIDUALITY.

By profession Mr. Crick is a lawyer, with a considerable practice in the inferior courts. The hardihood, volubility, and acuteness fostered in those who succeed before such tribunals afford an excellent equipment for the political arena in which Mr. Crick's native ability and force of character have made him one of our readiest, most effective, and most forcible debaters. But his real hold on his fellows and on the electors is mainly derived from the fact that born and bred in the country, in addition to knowing our tangled land legislation professionally, he has a personal and practical acquaintance with a great part of the interior and understands its people and their ways as few other politicians do. They appreciate his sallies in every sense of the word. He has been able easily to expose some recent applicants for charitable

aid because of alleged losses in the drought, and to point to the real sufferers such as the shearers, whose wages he puts down £100,000 less this year than last. He estimates that the concessions made by Parliament to the stricken districts already amount to £1,000,000, without reckoning the postponement of payments due and the cheapening of railway carriage. Certainly he makes the few thousand pounds being privately subscribed for the same sufferers look very small by comparison. Mr. Crick is generally accepted as an authority because, while frankly partisan, he is often perfectly indifferent to the consequences of his utterances. No one within range is safe from his bullets. Just now he is at open war with his fellow Roman Catholics because of his public declaration that he is not and never was in favour of St. Patrick's Day being proclaimed a public holiday, though this at the moment is the greatest of all their grievances. He has not hesitated to condemn his own colleagues in the House, while sitting beside them, when he dissented from their actions, as he did lately on the Liquor Bill. In the ill-regulated political scrambles of this State a man of individuality, capacity, and courage is so prized that he loses little by reason of any regrettable weaknesses that he may manifest. The general tendency being to evade responsibility and to take shelter behind platitudes, the politician who is bold enough to speak his mind whatever it may be, and strong enough to assert himself apart from his party or sect, appeals to our people as a whole, and especially to those in the "bush". They feel that he is in sympathy with them, and accept his outbreaks as an evidence of his freedom from the prejudices and polish of the town. Those who hit out from the shoulder will always have a following. The existence of this crude element in the public life of Australia is obvious in all the States and requires to be allowed for in computing our results. With all its faults and deficiencies it is not a wholly unhealthy factor.

EXTRAVAGANCE AND ECONOMY.

The Queensland Ministry, having lost its *Minister of Lands* by death, has decided not to fill the vacancy, but to add his responsibilities to those of Mr. *Foxton* and readjust the duties so as to save the £850 a year allotted for salary. It is also hinting at deeper retrenchment in the public service. Nothing of the kind has yet taken shape in this State, but everything tends in that direction. Mr. *Carruthers* and Mr. *Ashton*, on behalf of the newly-organised Opposition, attack the Ministry regularly, and always direct the best part of their artillery against the financial indolence and indifference which it displays. The indictment seems to be well substantiated as to past, present, and future. Mr. *Waddell* is rarely blamed, because he has been fair in his criticisms. A stronger man might have bridled Mr. *O'Sullivan*, but subject to the policy of the Cabinet the Treasurer has discharged his duty well. It cannot be conceded that the attacks made on his figures are always justified in detail, but on the other hand the

public, owing to the constant examination of our State accounts, is becoming better qualified than it has been to judge these exaggerations. Sir John See is escaping censure after a fashion; Mr. Carruthers's last attacks being levelled over his head at what he dubs the "Crick-O'Sullivan" core of the Administration. One motive of this selection probably is that both, as Catholics, apart from their records, are obnoxious to our Protestant Defence Association. Another motive is that after Mr. Crick's latest deliverances, he as well as his sanguine colleague can be made responsible for the borrowing and spending policy that has been pursued as long as possible. On these clear lines of contrast it should be open to the Opposition leader to recruit his forces largely (if only he could establish order in his own ranks), though the introduction of sectarianism is always to be deplored. Were it absent the one choice for New South Wales would lie between extravagance and economy. Till this becomes the sole issue we shall welter in a chaos of policies and factions whose relations defy analysis. The Tamworth election now in progress affords another illustration of our subdivisions. Besides Ministerialists and their opponents there are in Parliament Labour members, Country members, and Independents. The liquor trade and their adversaries, together with sectarian animosities, introduce additional complications. No less than four "parties" are contesting Tamworth. If amid such confusion our State politics are not easily followed abroad there is no ground for complaint. As a matter of fact those engaged in them differ, notably in their calculations as to the strength of these several sections in the existing Legislature. What they really represent in the electorates would be still more difficult to say.

CONSISTENTLY FEDERAL.

South Australia has dropped the mask. Mr. Jenkins—though as Premier he was her official spokesman—either had not the courage to speak his mind or had not made up his mind because he had not received his marching orders. Mr. Darling, leader of the Opposition by title, but leader of the Government in fact, has spoken out for him, and there can be no longer any doubt of the railway policy that this State means to follow. It will not make nor consent that the Commonwealth should make the line to Western Australia for some time to come. Its Premier affected to be much perturbed by the plain statement of Mr. Darling that he could have defeated the Jenkins—Gordon Government at any time last session, but, as has often been explained in these columns, the assertion was strictly true. Mr. Darling preferred to dictate the policy of the country out of office, and has done it well. He went on to warn the people of Perth, where he was speaking, that their railway to Adelaide would not be authorised until that from Adelaide to Port Darwin was begun. He would put Mr. Jenkins out at once if he ventured to propose it. This may be accepted as final.

Mr. *Sowden*, editor of the Adelaide *Register*, the chief Opposition newspaper of the State, was just as candid in his avowal as Mr. Darling. South Australia's rulers have determined to make their Metropolis the centre for the two great Transcontinental lines. That which runs the whole distance through their own territory is naturally preferred. The Arltunga Goldfield lying on the proposed route four hundred miles from Oodnadatta is now being well "boomed" in order to assist the flotation by means of a land grant subsidy. As far as this particular area may be exploited now it will be preserved from the syndicate daring enough to undertake to build the railway. There is no disposition to study the interests of any other State or of Australia as a whole in this project in the fee simple of the territory or in the refusal to assist or permit the building of the western line. Of course, this is absolutely selfish, but, as has been admitted from the first, no other State has shown an unselfish disposition in any of its business relations with its neighbours. The *Morning Post* rejoinder to Mr. *Grainger's* letter has provoked the South Australian Press into columns of quotation and comment but has not evoked a word of real correction. The truculence of Mr. Jenkins cannot be denied, and the right of his State to make the most of its geographical position was never challenged. It has been regretfully condemned because the attitude adopted in these columns has been consistently Federal. The shortcomings of every State from that standpoint have been constantly censured. It has been repeatedly pointed out that the only union among them yet accomplished is legal and electoral.

SOUTH AUSTRALIA BLOCKS THE WAY.

The engineers-in-chief of the States, having considered, at the request of *Sir E. Barton*, the data already collected relating to the railway to Western Australia, have summed up generally—but very cautiously and with many qualifications—in its favour, though asking for further details before concluding their report. Some of them are to visit the proposed route. Sydney is much less concerned in this line than in that to the Northern Territory, from which our expectations would be much greater. If the western line were taken directly from here through Broken Hill to Port Augusta we should display a great deal more enthusiasm, but as both Adelaide and Melbourne would be passed by in that event there is little likelihood of that being permitted. Assuredly £5,000,000 seems a large sum to expend in country which for hundreds of miles can yield no traffic. As our Press shows, even when the line was constructed there would be no less than five breaks of gauge on the journey between Perth and our Metropolis. The inconvenience thus occasioned, coupled with the constant competition by sea to which the line must always be exposed, would decrease its earning power, very considerably, for the passenger rates by boat would

always be cheaper. True, the Commonwealth will not possess the unity secured by easy intercourse until this work is completed. Till then Western Australia will remain almost as remote from us as British Columbia was from Canada before she was linked by iron rails to the Atlantic seaboard. Her citizens had as a substitute the United States railways, as ours now have the steamships touching at Fremantle, which are well found in every respect and much lower in their charges for freight. But, judging by Mr. Darling's stand and the difficulties of route, this great enterprise is evidently doomed to delay, despite the fact that both the Commonwealth Ministry and Opposition are pledged to its construction. South Australia blocks the way. She will not open her gates except at her own time and in her own interest.

THE NEW COMMONWEALTH.

REVENUE PROSECUTIONS.

THE POLICY OF FREE TRADE.

FROM OUR SYDNEY CORRESPONDENT.

[Mar. 31 1903]; May 29 1903.

The **Governor-General** has at last arrived in Sydney to make some stay, and none too soon for his local appreciation. His liking for South Australia and its simpler social habits had begun to be commented on in Melbourne, but especially in this city, which claims the pride of place by seniority, beauty, and wealth over all the sister capitals. Politically Lord Tennyson is popular here and elsewhere because he represents in himself and with his household the abstinence from display and extravagance that express the now dominant policy of Australia. Of the classes not accustomed to visit at Government House he is sure to retain the esteem, but those aspiring to official recognition have been awaiting his visit with impatience.

STORM CENTRE.

Mr. **Kingston's** star is decidedly in the ascendant. Until lately he has been looked on apprehensively, even by friends of the Government, since his administration was challenged continuously and bitterly in every capital and port of the Commonwealth. The **Prime Minister** has often suffered censure for not controlling him or has been accused, as in the case of the six hatters, of submitting too much to his influence. During the last months of the session he was the storm centre of debate, and any motion of want of confidence then tabled, whatever its terms, would have been based more on his proceedings than on those of all his colleagues put together. If aimed specifically at him it would have commanded some votes from the Ministerial side. It would have been opposed by others sitting with them who would have concurred in their hearts with his assailants, if it were only on the ground that he had no right to imperil the seats of supporters on what appeared to them to be little more than points of punctilio. He was then, and presumably is still, suffering from nervous exhaustion and overstrain complicated by other serious ailments, resisted chiefly by force of will. When he addressed the House it was noted that he was physically unfit to meet the demands he made on his strength, and, indeed, this was so palpable that allowance

was made for it even by his angriest critics. After the House rose he relapsed into absolute silence, remaining at his post in spite of his debility and working so devotedly that, one after another, the officers who shared his labours broke down under the strain. Objurgations and execrations were poured on him by importers, customs agents, and others, even through the Ministerial Press, without provoking him to a word of reply. He was baited until even his adversaries began to weary of their monotonous and unavailing assaults on his impenetrable indifference and unwavering unconcern. He waited his time in patience until lately, evidently trusting largely to events for a vindication of another kind.

POTENT PERSONALITY.

Though in point of precedence Mr. Kingston has been from the beginning a junior member of the Federal Cabinet, he has always been recognised as one of its most potent personalities and a determining factor in all its policy. His very selection in December 1900, exhibited in advance more than any other nomination the true character of the new Cabinet. In Victoria, Queensland, Western Australia, and Tasmania there was practically no doubt as to the selection of associates Sir Edmund Barton would make. Owing to the action of the **Governor-General, Sir William Lyne** unexpectedly became an essential in this State. In South Australia alone there was a choice to be made of vital influence in itself and in its implications. If **Sir Frederick Holder** had been selected the Free Traders would have had an important hostage whose association with the customs would have given the Ministry the coalition colour it desired. Mr. Kingston's advent, besides defeating these anticipations, meant such a reinforcement to the Victorian Protectionists that all prospect of a mixed tariff vanished at once. His adhesion, however, was still more significant in other directions, for it placed in a Government, whose leanings were fairly balanced till then, the most resolute Radical who had ever reigned as Premier in any State. There were others in the Cabinet who shared his opinions or were generally in accord with most of them, but no politician could have been found in all Australia more trusted by and in touch with the Labour sections everywhere. His relation to them had some effect at the first elections, but its influence has been steadily increasing since, until now the alliance between their representatives and himself has become close enough to constitute a new element in current politics likely to make itself distinctly felt at the next poll.

REFUSAL TO DISCRIMINATE.

Mr. Kingston first took the platform at Adelaide only a few weeks ago, where he was rapturously received largely on personal grounds, and has since repeated his defence near Melbourne in very similar terms to an almost equally sympathetic meeting. The universal complaint has been that by his refusal to discriminate between innocent mistakes and wilfully inaccurate entries tendered to his officers he has forced into our police courts numbers of business men of untarnished reputation. When convicted of merely technical errors they have been punished side by side with people who have been endeavouring to rob the revenue. Whether the sum involved was £5 or £500 there has been no distinction made in procedure. In consequence a stigma has been cast on many great mercantile firms whom no one has ever suspected of dishonest practices, but who will henceforth be liable to be confused by the public with disreputable competitors with whom they have been tried and fined. Those who take the pains to read newspaper reports of the cases would be able to distinguish between them, but the general public is rarely so minded. Mr. Kingston invariably declares that he cannot act as a court of first instance in all cases, that therefore he will act in none, and that he abhors the practice hitherto prevailing in some States of receiving private statements and making private settlements with those in default whether by accident or not. The public revenue must be protected in the public courts, and to them therefore Mr. Kingston has remitted the trial of all breaches of the law, great or small, suspicious or apparently unintentional. He has in a word remained constant to his professional training as a lawyer rather than to his task as an administrator. Fortune has favoured Mr. Kingston so far in the cases that have attracted attention. In a few instances magistrates have expressed opinions that particular charges of a minor character need not have come before them, but on the whole he has succeeded in scoring technical victories in his more notable prosecutions, though as a rule they were either obviously the offences of dishonest or the blunders of honest men. The great body of the working classes have been finally convinced that their idol has proved himself to be the one perfect Minister of Customs who can be trusted to expose the nefarious practices of their wealthiest and most influential wrong-doers. In addition, the bulk of what may be termed the middle or salary-earning class conclude that Mr. Kingston's rigours can be justified since there must have been an indefensible laxity in the State Custom Houses to have permitted a system of passing entries to grow up in which it is so difficult to draw the line between negligence, more or less culpable, and deliberate theft. The merchants themselves, professional men, and the well-to-do generally cannot help feeling that they have been prejudiced in public opinion to such a degree that they will be exposed to insulting suggestions and precautions.

THE OUTLOOK.

Speaking generally, the outlook is not as favourable as it was for Free Trade from any point of view. Mr. G. H. Reid's declaration that he will make tariff revision the first article of his electoral programme has awakened no enthusiasm outside this State. Business men consider that, vexatious as the schedule of duties is as it stands, it is better than another incursion into the realms of the unknown, with possibly worse results attained after a prolonged period of uncertainty. This has seemingly become apparent to Mr. Reid himself since he has offered no criticism of any kind on recent developments. At first the boldness of his declaration of war against Protection appeared to be favourably received, and, taken together with the selection of Mr. Robert Reid for Senator by the Victorian Legislature, foreshadowed a hopeful campaign, but these prognostics were misleading, and it is now much regretted that he should have committed himself to it so unreservedly. After protesting that he would stand or fall at the next elections mainly on the question of Free Trade, and would rather abandon politics altogether than forsake his fiscal policy, there is no way of escape. True he has added that if once more the country decided against him "he did not know what might happen". He can in this way sink the issue altogether if it should become expedient, but in that case he will have to make an agreement with some division of the next Parliament strong enough to put him in office and keep him there. If this is the Labour section he will be obliged to pay its price, and certainly that would be a high price if he has to bid against Mr. Kingston.

THE NEW COMMONWEALTH.

DEMANDS FOR ECONOMY.

FRUITS OF REFORM.

CONSTITUTIONAL MODIFICATIONS.

FROM OUR CORRESPONDENT.
SYDNEY, Apr. 21 [7] 1903; Jun. 1 1903.

With the prorogation of the Victorian Parliament the political Temple of Janus in Australia has closed for the first time during the last two years. There will be no recommencement of the business of legislating until the end of May. Until then the country will have time to fully reconsider its position, and, judging by the result of the Tamworth election in this State, it has already begun to do so even in places where hitherto there has been the least appreciation of the immediate financial necessities of all Australia. Most of our critics reprove us for our indulgence in political experiments, and have often good grounds for their comment. But they mistake the cause if they assume it to arise from any general taste for incursions into the realm of the unknown on the part of our people as a whole. The expedients are resorted to almost invariably by self-interested agitations on the part of small sections of the community which the majority is too indifferent to resist. In other instances they arise from the efforts of our representatives to justify their existence—representatives who pose as benefactors of their kind. It would be a particular misapprehension to suppose that the prolonged turbulent and angry sessions of our Legislatures of late were produced by any mere appetite for adventure. They are, on the contrary, the natural and proper outcome of an extraordinary situation.

RETRENCHMENT.

Federation opened a new era with its new Commonwealth, on each of whose States was cast the peremptory obligation of cutting down its administrative machinery in proportion to the reduced range of duties it was left to perform. Upwards of two years have passed during which the struggle of politicians and, to some degree, of public servants, to prevent this curtailment or the retrenchment rendered imperative by our losses from drought has had to be encountered. Only two States have come definitely into line with the popular demand for economy, though Tasmania has for some time

been committed to the task. The laggards are the States of largest area—New South Wales where nothing has been done except to stay the drift, Western Australia, which has the least to do, and Queensland, whose work is half done. The lead in reform was taken by South Australia a year ago when the Legislature was shorn of its former proportions rapidly and decisively. The reductions carried were not great but sufficient, four Ministers taking the place of six, forty-two members sitting in the Assembly instead of fifty-four, with eighteen Legislative Councillors instead of twenty-four. Salutary as was the change accomplished, it was achieved in an inglorious fashion under the cracking whip of the Press and the well-applied spur of public opinion by politicians averse from the change on both sides and in both Houses, who found to their intense surprise that they had gone too far to retreat. Each side had relied on its rival to kill the measure at the last moment, but neither was courageous enough to take the responsibility in the light of day. The Parliament elected under the amended Constitution has fulfilled its prime mission of making savings and imposing taxes with sufficient thoroughness to enable the **Treasurer** to predict that on the 30th of June his income will remain in excess of his disbursements. Though the task in this State was not severe this healthy state of the finances is among the natural first fruits of reform.

MILITANT ORGANISATION.

The story of Victoria's adventures in attaining the same desirable end is longer, more coherent and more interesting in its progress, and highly creditable in its conclusion. Even before the Commonwealth was established a Ministry, of which Mr. **Irvine** was Attorney-General, brought forward a scheme of constitutional reform. This was rejected at the polls in 1900 in favour of an Opposition plan, to which, in 1901, **Sir Alexander Peacock**, as Premier, languidly sought to give effect. He proposed that the precise procedure adopted for framing the Federal Constitution should be sanctioned in the State. A special convention directly chosen by the electors was to be empowered to draft a Bill for submission to them. The State Constitution was to be thrown into the melting pot, and any scheme that might emerge, no matter how novel, if it survived a referendum, was to take its place on the statute-book. The plan was not approved, and this, together with the nervelessness of the financial policy of the Cabinet, assisted to bring about its fall in Parliament. Then for the first time it became plain that the old order of things had passed completely away. An extraordinary extra-Parliamentary agitation begun at a little inland village named Kyabram had, with the aid of the Press, captured public opinion, and soon coerced its political representatives into submission. Old barriers of party prejudice had been thrown down for the moment, so that sober men of all classes and ways of thinking on the vexed questions of fiscal policy discovered themselves united in the presence of the serious financial consequences of the drought, coupled with the generally slipshod control of public expenditure. When

Mr. Irvine was sent for by Sir G. Sydenham Clarke to form a new Ministry he found himself, to his surprised, compelled almost to ignore his Parliament. He was confronted by a compact and militant organisation with its branches all over the State prepared to oppose him and any colleagues he might select when appealing to their constituencies, to whose judgment Ministers were obliged to submit before taking their seats on the Treasury benches. The situation was unparalleled. It was not the Opposition with which Mr. Irvine had to reckon, nor yet his own party in the House. It was with a body of private citizens united in their determination to enforce administrative economy of a drastic character and at once. For a time it appeared as if Mr. Irvine, who obviously resented this unexpected intervention, would resist it even at his peril, but it was soon plain that whether he or his rivals took the helm they must steer according to the new chart and on the course laid down for them by the Kyabram League.

SELF-AMPUTATION.

The Premier of Victoria capitulated, or rather, accepted the inevitable, agreeing to a much larger reduction in the number of members than he had previously contemplated. Sir A. J. Peacock proposed to bring the number down to sixty, while Mr. Irvine had thought seventy none too many. This was the one point on which his hand, like that of Mr. Jenkins in South Australia, was openly forced, for on the main feature of his programme he and his mentors were at one. Up to this juncture the part he had played, either in forming his Ministry or in his previous career, was in no sense heroic. He had been an able and industrious legal adviser of his first Cabinet, and a timid, deliberate, and theoretical leader of an Opposition which negligently acknowledged his rule. He began as Premier under dictation from without, and with only a minority behind him in his Assembly. More than one of his colleagues overshadowed him in public esteem, and it was universally anticipated that his headship would be strictly limited in sway in the Cabinet and in the country. It is probable that his Ministers did assist greatly to develop his programme to clear his ideas, and to direct his efforts diplomatically, but a succession of events has gradually separated him from them and placed him in his true position as their chief. Having taken his line somewhat doubtfully and without enthusiasm he has kept to it most strictly. Furthermore, by a combination of sincerity and resolution he has won, according to the best accounts, a respect and a confidence throughout his State that have not been equalled for many years. He meant business from the outset and has strenuously but calmly insisted that it shall be done. The recalcitrant Assembly that artfully sought to entangle him in meshes of delay while it mutilated his measures found itself face to face with its constituents before it had even realised its risk. His great majority in the present House has been compelled to confine the public servants to special representatives in Parliament much against its will. His retrenchments have been put into force in spite of all the vested interests rallied

against every curtailment of privileges. The most severe income tax in Australia has been approved by the most powerful Second Chamber in the Commonwealth, wholly composed of property owners and elected by those who will pay the whole tax. And now, at last, the same body has been compelled to consent to reduce its numbers and powers, though such a self-amputation recently appeared impossible.

UNPALATABLE PROPOSITIONS.

Advices from Melbourne describe the situation as it unfolded itself, and the procedure adopted is more remarkable than anything ever witnessed in the Legislature. The Ministerial Reform Bill sent up by the Assembly was Radical in every provision, and but for the change in our circumstances, owing to Federation, might have been deemed revolutionary. The property qualifications of the Legislative councillors and of their electors were to be swept away at a blow, and numbers were to be reduced by nearly one half, those remaining being chosen by single electorates instead of from immense provinces returning groups of three or four, as at present. All adult women were to be enfranchised, and in the event of any difference of opinion between the two Chambers as to the fate of a measure, it was to be settled finally at a joint sitting if a preliminary double dissolution had failed to bring them into accord. Every one of these propositions was unpalatable to the Council, especially the additional pleasure of being dissolved immediately after it consented to be reformed. To begin with it demanded that two members of all future Governments should be chosen from its ranks, and this was conceded. It insisted that it should be endowed with a similar power to that of the Federal Senate for making suggestions of amendments in money Bills. The Assembly was willing to allow this once on each Bill, but the Council desired to enjoy the privilege of suggesting at its leisure an indefinite number of times. The one point on which there was no dispute was the restriction of public servants to a special franchise on which they would return three members of their own. Even under pressure the utmost the Council was prepared to grant was that its members should be lowered from forty-eight to thirty-six, possessing property of the annual value of £50 and returned by householders, excluding women, assessed at £15 a year, in double-seated provinces. It demanded a share in the power of the purse and the right of amending money bills as the price of these concessions, but absolutely declined to agree to be dissolved or outvoted at a joint sitting on any considerations.

ADJOURNMENTS FROM DAY TO DAY.

A conference between the two Chambers in the persons of their managers was arranged with very little hope of success and rather as a means of proving to the public how far apart they were, while incidentally enabling each side to appeal to

its supporters. Meetings of this kind are familiar enough in all the States, but as a rule terminate in a single or at most two sittings, and are generally held in camera. In Melbourne they were held in public for more than a week, adjourning from day to day and taking the shape of a public debate, diversified by impassioned declamation and not infrequently punctuated with heated personalities. There were as many advances and retreats, marches and countermarches, parleys and exchanges of defiance as in the most courtly days when European campaigns, prior to the advent of Napoleon, were conducted strictly according to rule. Perhaps a better illustration would be furnished by the naval tactics obeyed in Nelson's boyhood, when the invariable tactics required each battleship to exchange broadsides with a single adversary. At all events the conference consisted of a series of oratorical duels that might have lasted until now had not the running fight maintained in the open engagements been accompanied by private negotiations. At last when the peach was ripe a long sitting was held in private, after which it was discovered that the impossible had been achieved, a Reform Bill agreed on, and the crisis was over.

TWO CARDINAL DEMANDS.

The Kyabram policy consisted of two cardinal demands. First there was a reduction of the number of members of the Ministry, the Assembly, and the Council to five, forty-six, and twenty-three respectively, and next there was retrenchment in the public service together with new taxation so as to balance the ledger. The last task was performed first. An enormous deficit, estimated at £1,000,000 by the alarmist Treasurer, Mr. Shiels, was anticipated, and accordingly large savings were insisted on. The salaries of the public servants were temporarily lowered, while probate duties and the income tax were immensely increased. These have redressed the balance, while as the customs receipts have already exceeded expectation it is already certain that there will be a surplus of some kind instead of a deficit. The Parliamentary curtailment projected has not been so thorough. The Ministerial Bill substituted seven Ministers, fifty-six members of the Assembly, and twenty-eight of the Council for the original Kyabram proportion, but the conference finally increased the numbers to eight, sixty-eight, and thirty-five respectively, making still a considerable reduction on the ten Ministers, ninety-five members, and forty-eight councillors now representing the State. The Council gains the privilege of making suggestions on money Bills at three or four stages, but consents, except on constitutional reform Bills, to be dissolved with the Assembly if it for the second time rejects a measure passed a second time by the popular Chamber after it has been expressly dissolved on that issue. Most marvellous of all it has consented to its own dissolution concurrently with the present Assembly so as to bring in the new system early next year. For this patriotic suicide it deserves commendation enough to excuse the great deal of bartering in order to conserve its

members' interests which occurred at the conference. The future councillors of Victoria will be returned by double-seated constituencies, in which every freeholder rated at £10 a year and every tenant rated at £15 a year will be a voter. On this franchise it will probably remain the most powerful Second Chamber in Australasia. As its strength will lie in the fact that it will be a thoroughly representative House, it ought to prove a most effective check on any vagaries generated in its more democratic companion.

TASMANIAN GENERAL ELECTION.

The most conspicuous characteristic of the Tasmanian general election is the thoroughness with which the electors have cleaned their political slate. Probably never before in any self-governing country has there been made so clean a sweep of an Administration and its followers. In many instances the rejected were not far behind on the poll, and assuredly there was nothing either in the personnel or policy of the Government calling for its utter extinction in such a wholesale catastrophe. Tasmania has not had a more efficient, upright **Premier**, nor a more capable **Treasurer**, nor a more energetic **Minister of Public Works**, and is not likely to have, though the successors are men of ability with clean records and a hopeful prospect. The transformation accomplished is due not to the reform movement solely or even principally. Sir Elliott Lewis was in his way as genuine a reformer as his successor is likely to prove, but his way was not popular. He went down before the customary desire for a change intensified by the financial straits of the State, due to the decline in the local customs receipts under the lighter Federal tariff, and crowned by a general revolt on the part of the wage-earners who were for the first time compelled to pay income tax. He would probably have lost office if the Reform Leagues had not been in existence, but their antagonism drove defeat into annihilation. He and his three colleagues disappeared together, only seven of his supporters surviving the poll. The Opposition, twenty-one strong, including pledged Reformers, possess a good working majority in a House of thirty-five, remarkable even among colonial Assemblies. More than half of those elected are new to public life, and all the Ministers will be novices in administration, for the only sitting member who has ever held office is the **Speaker**. Sir Elliott Lewis was too dilatory in his remedial efforts and too sparing in his retrenchments to please his people, and it is now plain that **Sir John See's** shortcomings are about to be condemned in the same effective manner. The Tamworth bye-election has resulted in the defeat of a staunch supporter of the Ministry, a remarkable illustration of the utter weakness of the local Labour vote, and the return of Mr. **Garland**, one of the strongest men of the Opposition. He was also a chief officer of the People's Reform League. In New South Wales, as elsewhere, the handwriting is on the wall.

THE NEW COMMONWEALTH.

TAMWORTH ELECTION. VOTERS “NEARLY TALKED TO DEATH.” FINANCIAL REFORM.

FROM OUR SYDNEY CORRESPONDENT.
[Apr. 14 1903]; Jun. 15 1903.

The Tamworth election attained an importance in the eyes of the public to which it had in itself little real claim. As a victory for reform it meant something, but as a defeat for the Ministry it was also important. In the candidates there were great personal disparities sufficient in themselves to account for the electors' choice without reference to any other contrast. Mr. **Walsh**, an inconsiderable Ministerialist, had no political reputation and no real title to consideration. Mr. **Thrower** was, if possible, a more colourless and ineffectual figure than the late member, and was without any higher recommendation to supporters than the fact that he had been selected by the Labour section. Neither he nor Mr. Walsh was capable of winning votes by their platform utterances or on grounds of special fitness for public life. Mr. **Garland**, on the other hand, was a man of education and capacity, a barrister of good standing with an excellent practice, and a convincing speaker in the House as well as out of it. In Parliament he has served with so much distinction that if a coalition had taken place when the present Ministry was reconstructed nearly two years ago he would have become Attorney-General. Whatever the Tamworth majority may approve in principle, there can be no question that it preferred the man who was in every respect best qualified to do it credit. In ordinary circumstances one would not need to look further for an explanation of Mr. Garland's success.

WITH DEADLY INTENSITY.

As far as the poll goes one finds little to remark. The total vote, in spite of the frantic efforts of all parties, was smaller by a hundred and thirty-four than at the general election. Mr. Garland received six hundred and eighty-eight votes against six hundred and forty-six cast for the candidate of similar views in 1901, but only one more than the number with which Mr. Walsh then succeeded. The losses of his antagonists are

more striking, for Mr. Walsh received a hundred and thirty-six votes and the Labour nominee forty votes below their previous party records. Though the Opposition is only forty-two votes better than it was, the Ministry and its Labour allies both fell seriously behind. Yet this again is not remarkable, seeing that those who have left the district through the drought were the wage-paid men whose employment had disappeared. Under the exceptional conditions of the struggle they would—had they been present—probably have been loyal to their party leaders, all of whom were at hand, and there would have been a still smaller majority for Mr. Garland. On the other hand, had there been no outside interference in Tamworth, while there would have been a lighter poll, Mr. Garland would still have won, and by much larger numbers. The figures are remarkable because the nature of the contest was remarkable. The personal element in it was dwarfed by degrees, as the whole of the available chieftains of faction capable of being collected were hurried to the spot. In the result the candidates counted for nothing. The battle was between the three parties in the State, each fighting for its own hand with deadly intensity.

THE LABOUR VOTE.

It is not difficult to surmise the reasons why Ministers, in the first instance, flung themselves into the fray. Though Mr. Walsh was not the man of their choice, he had held the seat and could be trusted to follow them loyally. The Labour vote was relatively unimportant, and something was to be hoped from the fact that Mr. Garland was not a local man. The Opposition was not then a happy family, either in the district or in its new organisation, whose activity was being resented as an interference. At the outset it seemed as if its cause might be wrecked owing to personal jealousies and local squabbles that bade fair to bring Mr. Carruthers and his Liberal Reform League into open combat with the Tamworth branch of the People's Reform League. Two or three aspirants carrying Opposition colours had to be forced out of the field before it became possible to concentrate support on Mr. Garland. But when this was done the battle was practically over. Only one chance remained for Mr. Walsh. This lay in the possible retirement of Mr. Thrower and the acquisition of his Labour vote for the old member. It was possibly this hope that tempted Sir John See to linger in the field, though why he remained in it so ostentatiously after all prospect of restoring the old alliance had vanished it is impossible to guess. There, as elsewhere, the policy of the Labour section was consistently and unblushingly selfish. It has lived at the expense of its allies and on those who are partly in sympathy with its aims far more often than it has captured seats from avowed opponents. Hence its isolation and sterility in Queensland, in South Australia, and in Victoria and its approaching exclusion from power in this State. Its unpopularity was manifested at Tamworth in the most expressive way.

BATTALIONS OF PARTISANS.

The feature of the election in which it surpassed every other witnessed in Australia, or perhaps in the Empire, was the extent to which it became a battleground not merely for candidates but for politicians. Not even the famous Eatanswill campaign abounded in more humorous incidents arising out of the eager competition for votes among crowds of canvassers. The accommodation of the township became altogether insufficient for the battalions of partisans who descended on it, spreading over the adjoining country commandeering horses and vehicles. All its roads were constantly traversed by embassies and envoys, while the railway was used as if for an agricultural show. It rained Ministers and members on the district until it rang with the echoes of perpetual speeches and was whitened with placarded appeals to the electors. The fourteen Labour members reaped the poorest harvest for their unremitting toil, for even allowing that every vote given to their candidate was gained by their vicarious eloquence they could barely produce a couple of conquests for every harangue, and altogether only eleven votes for each visitor. Five Ministers, aided by six supporters, exhausted departmental promises as well as arguments in the endeavour to cajole, induce, or persuade Tamworth that its only hope of salvation lay in Sir John See and his colleagues, who were personally soliciting their suffrages. The Opposition had fifteen members of Parliament afoot, including its leader and all his lieutenants, denouncing their rivals to audiences that must have been more nearly talked to death than any other fourteen hundred people on the globe. Lord Byron, though he once aspired to "a forty-parson power" to chant the praises of hypocrisy, would probably have shrunk from employing on any topic the more than forty-politician power brought to bear on the hapless residents of Tamworth. The gross cost of the campaign would seem small if measured by English standards. Its conduct was orderly and its oratory tame, but in its tally of political tramps it probably attained that ideal of our sport-loving people, a "record".

FINANCIAL REFORM.

On the Monday the Tamworth election figures appeared in the Sydney Press, and next day Mr. Waddell, as Treasurer, speaking at Corowa, on the borders of Victoria, proclaimed the adoption of our neighbours' reform policy by his Government. He has since been obliged to add that he was not speaking officially, a shallow pretence that deceives nobody. His speech was obviously a further development of the plan of the Cabinet vaguely foreshadowed some months ago. It is sought to be repudiated

now because it had too much the appearance of being the direct and immediate result of Mr. Waddell's recent experience of the electors' appetite for reform. The long-promised reduction of the number of members was still left unspecified, but the intention of the Cabinet to make it and its resolution to deal adequately with the finances was more explicitly stated than ever before. Of course, there is to be a diminished expenditure of loan moneys, for the simple but sufficient reason that this source of supply has dried up, at all events for the present, and there is to be a reduced expenditure from revenue on much the same grounds. But beyond this we are promised retrenchment of a permanent character in the salaries of future judges and other high officials, and of a temporary character in the shape of percentage deductions from the salaries of all those who are now in the public service. Our Treasurer intends to begin with Ministers, Judges, and Railway Commissioners, and to descend, though at lower rates, to all who are in receipt of more than a living wage. The temporary deductions are to be proposed for the year beginning on the 1st of July in the light of our balance-sheet, and thereafter continued if necessary. Mr. Waddell was further emboldened to insist that the Act granting old age pensions requires amendment. He has become convinced that without diminishing the 10s. a week paid to single persons and the 15s. a week allotted to married couples, a number of those now supported by the State could be, and ought to be, transferred to the care of their children when the children are able to undertake the task. By this means the State generosity could be satisfied by the disbursement of £400,000 to really necessitous old people, so as to permit a saving of about £130,000 a year on the present outlay. In his suspicion as to the genuineness of many recipients of public bounty Mr. Waddell is fortified by independent inquiries made by the newspapers. But, despite this or any other testimony, he must expect the unhesitating antagonism of the Labour section to his economies in this direction. The public servants are already loud in their wail at the prospect of curtailed salaries. As the employment given to day labourers by Mr. O'Sullivan has been and is being lessened, events point to a probable breach between the Ministry and the Labour section next session. Sir John See has already lost some of his steadiest supporters from the country, and it is quite possible therefore that his defeat and a consequent dissolution may come earlier than has been anticipated. Should this apprehension help to silence the Labour members, to whom an appeal to the country might well seem undesirable under existing conditions, the Government may live on, but can scarcely expect to achieve much after the defeats and defections of the past few months. There is one direction alone in which it is possible for the Government to do useful work with the patriotic assistance of the Opposition, and that is in boldly undertaking and expending the programme outlined by Mr. Waddell. Financial reform has come with giant strides, and a great achievement lies open to those who fight resolutely on its behalf in New South Wales.

THE FEDERAL CONSTITUTION.

Our full court has just delivered a judgment containing the most important judicial interpretation of the Federal Constitution yet affirmed. Each State prior to the union imported goods without going through the form of taking money out of its Treasury for the purpose of putting it back again through its customs in the shape of duty on its own purchases. When the Commonwealth tariff was introduced it was noticed that the privilege was intended to be preserved to the States by a special exemption. This was afterwards struck out, however, on the motion of Mr. Kingston himself, and since then duty has been collected on State as well as on private importations. During the present book-keeping period this has meant that Sir George Turner has paid the money back to the States monthly included in the net balance due to them after deducting its cost of collection, so that they really paid nothing. But, this arrangement being only guaranteed for five years and with the possibility of its becoming a real tax on the States afterwards, the local Governments challenged the right of the Federal Parliament to make such a levy on them. Ours was the first Supreme Court to hear argument on the question, though it is understood that Mr. Philp, despite the favourable judgment it has just given, has determined to test it a second time before the Queensland Bench, presided over by Sir Samuel Griffith. This may be out of a desire to strengthen the claim of the States by the concurrence of a second court, and in Mr. Philp's opinion a higher authority than ours, though if the verdict should happen to be contrary he will make the existing decision valueless. The Commonwealth Ministry has consented to the case being tried before State courts, but has already intimated that whether one, two, or more decide against its power it will appeal to its own High Court if it be constituted in time, or else to the Privy Council, to uphold its right to raise revenue from State imports.

FOR THE KING'S SERVICE.

Our court was unanimous in the opinion that goods required by the State are entitled to be treated as free because they are the King's and for his service. It held that the Federal Acts cited before it did not expressly purport to bind his Majesty's goods, and that if they did they would probably be invalid. Two of the judges agreed that Section 114 of the Federal Constitution, which forbids both Commonwealth and State to tax each other's property, was intended to prevent the levying of customs duties as well as of other imposts. On every point raised the court was adverse to the central Government. To appreciate the results of this judgment it is necessary to remember

our exceptional range of investments in railways, tramways, waterworks, and other great industrial enterprises. We have already a State printing house in Sydney capable of entering into competition with establishments of that class, and we have also a clothing factory; while Western Australia possesses a Government hotel. Are the tweeds and serges of the one or the wines and spirits of the other to come in free of duty, and thus enjoy an advantage as against private competitors that might lead to State monopolies? Such a disparity in the cost of imported goods would at least tend to encourage the development of State enterprise in other directions, and must then proportionately deplete the revenue of the Federal customs. On the other hand, it appears anomalous that some Government undertakings like the Post Office should escape duties on their imports because they are under Commonwealth control, when other Government undertakings like the railways are sought to be penalised on them because they remain in the hands of the State. A just settlement of this matter is not likely to be easily nor speedily obtained.

THE NEW COMMONWEALTH.

PREMIERS' CONFERENCE.

POWERS OF SEPARATE STATES.

CONFLICTING LOCAL INTERESTS.

FROM OUR SYDNEY CORRESPONDENT.

[Apr. 21 1903]; Jun. 26 1903.

Easter has seen Sydney once more the acknowledged centre of the Commonwealth, and to all appearances as prosperous as ever. Never has the city been more crowded, more gay, nor holiday weather more propitious. The season opened brilliantly with the *Governor-General's* ball, followed by the splendid display of the second Investiture. The functions also included a great garden party at Government House and an immense reception by the *Lord Mayor*, while a rush of minor festivities is now in full swing. It may well seem surprising to our critics that an unprecedented influx of visitors from neighbouring States should just now be accompanied by an equally large increase from our own country districts. Indeed, strangers present at the remarkably successful agricultural show might be pardoned if they treated the stories of our drought with open incredulity. The exhibits seemed almost as numerous as ever, while the attendance actually surpassed all previous records. The same signs of both the will and the means to spend were manifested at our four days' races, thronged with pleasure seekers, at aquatic contests, at theatres packed to their full capacity, and at the customary variety of sports patronised by the working classes. A harbour full of shipping, streets humming with business, and excellent revenue returns combine to make us forget, and induce our guests to insist, that New South Wales still enjoys the palmy days that were ours while normal seasons sent us normal crops and clips of wool.

PREMIERS OF ALL THE STATES.

Sydney has also been for the time the political seat of government of the whole Continent. The Governor-General, his *Prime Minister*, and nearly all his colleagues have been with us. In addition, the Premiers of all the States are assembled here in order to review generally their own relations, and particularly the relations which they bear to the Commonwealth. This last especially is not encouraging. Month by month, and almost day by day, they watch the Commonwealth's steady advance

towards supremacy, and become more passionately eager to set some bounds to its ever-expanding sphere of influence. At the same time the wisest among them become more conscious of the hopelessness of their cause, of their incapacity to assail the infant Federation even in its cradle, and of the weakness of their defences against its future aggressions. The utmost that is possible for them to do is to put on a bold front, protesting at every step, postponing, and, as far as may be, embarrassing the march of the hungry young giant whose endowment is all but wholly derived from their patrimony, owing to causes previously explained in these columns. Though the Premiers have been continually cheek by jowl with Federal Ministers at public functions and entertainments the divorce between them and their spheres of action in all official matters has been most distinctly recognised. There have been no consultations, public nor private, and there have been no communications of any kind relating to the matters debated among themselves by the representatives of the State Executives. Their resolutions have been framed by them apart, sitting in camera, and are not to be disclosed to the Press until their meetings have concluded.

EXPLOSIVE ELEMENTS.

The conference contained decidedly explosive elements. There was Mr. Philp at odds with many supporters of his Administration and aggravated by Mr. Kingston's triumphal progress through his State; while Mr. Jenkins and Mr. Gordon were eager to distract attention from their domestic politics by hurrying into a struggle with the Federal Parliament under cover of a cry for State rights. These members of what may be called the permanent Opposition were reinforced by Mr. James, the impetuous critic of Sir William Lyne's dealings with his colleague, the West Australian Treasurer. Half the conference was therefore Anti-Federal from the outset. The presence of Mr. Irvine and Mr. Nicholls, representing the triumphs of the Reform movement and its programme of economies in Victoria and Tasmania, was probably unpleasantly suggestive to Sir John See of his own fate when he next submits himself to the ballot box. Whether from this apprehension or from a sense of responsibility his influence on his associates as chairman of the meetings was most judiciously exercised to preserve harmony within and moderation in demeanour without. His task was no sinecure. The one inter-State object of the South Australians was to win from New South Wales and Victoria some definite admission of their rights to a large share of the waters of the Murray. The one aim of Western Australia was to secure from South Australia a pledge of her assistance in the construction of the Trans-Australian Railway, as the line from Adelaide to Perth is now generally denominated. This pledge Mr. Jenkins, following Mr. Darling, is evidently resolved to refuse, at all events until the railway to Port Darwin has been constructed by a syndicate of capitalists on the land grant system. Again, New South Wales and Queensland had interests diametrically opposed to those of the remaining States in respect of the plan on which the annual rebate granted to

white men growing sugar should be debited. Quite irrespective of their grievances against the Commonwealth the States had other antagonisms among themselves. The fact that the sittings are concluding without any trace of heat or outward manifestation of resentment implies a high standard of good manners, practical good sense, and capacity for self-government among our local leaders.

SUBJECTS OF DISCUSSION.

It is not possible to be equally encomiastic when examining the list of subjects submitted by Ministers for deliberation. Nearly fifty separate topics were set down for discussion. Their adequate consideration would have required at least fifty days. Though some of them were frivolous they included questions such as those relating to the transfer to the Federation of State debts or properties, or of the power of passing industrial legislation, the utilisation of the Murray waters, and the reorganisation of the offices of the Agents-General on the appointment of a Federal High Commissioner. The State Ministries had also been foolish enough to add to their programme the choice of the site for a Federal capital, the establishment of a metric system of weights and measures, and other points on which the Commonwealth Parliament alone is entitled to speak. More amazing than all, they went as far as to propose to comment on the action of Great Britain and Germany in Samoa and elsewhere in the Pacific—a matter on which even the Federal Executive has but a limited authority to express its views. Less than half the questions put on the notice paper affected the States among themselves. The greater part was aimed directly at the central Government. Apart from one or two disputes like those connected with the Murray and the Trans-Australian Railway, the whole substance of the debates was directed without disguise against the overshadowing authority which, since our union was established, has come between State Ministers and their constituents, between State Ministers and the Colonial Office, and between State Ministers and their customs revenue. Very reluctant to give up any possession they have enjoyed their one prayer to the Federal Government was that it should step out of their sunshine, leaving them as they were in their days of complete autonomy. Of course that is impossible and unreasonable, as State Ministers are very well aware, but doubtless it seems to them to be good policy to take the offensive, and by this means to resist as long as they can the inevitable absorption of many of the privileges and powers nominally preserved to them.

SHRINKING POWER.

No doubt the pressure on the Premiers, exercised by apprehensions of this kind, is responsible for no small share of the unity they are exhibiting while in caucus. Their sense of the critical position they occupy has been demonstrated by the whole of

their conduct, as well as by the exceptional manner in which they have managed their proceedings. Never before has such a conference, unless charged with the drafting of a national measure, such as the Federal Council Bill of 1883, or that providing for the election of a National Convention in 1895 sat so long, so steadily, or so secretly. The last-named feature is the most surprising. Nothing as to the proceedings has been permitted to transpire to the public beyond daily official assurances of the perfect harmony prevailing, and of the even progress towards agreement. At first it was intimated that unanimity was anticipated on every point, next that a substantial majority at least would be secured for each resolution passed, and at last that a large number of the issues put down for discussion could not be touched for lack of time. The fact no doubt is that on some of those issues no concurrence was possible, and that on other points it was felt that the Premiers had no title to be heard while the bulk of the remainder was too petty to be worthy of special attention. In Great Britain a conference of the same importance could without difficulty or censure be held in private, but in Australia the Press exercises a far more authoritative control over politicians and their gatherings. The reticence observed on the present occasion is remarkable, while the absence of the unofficial revelations and forecasts customary with our journals when regular reports are not supplied to them is almost equally exceptional. The secrecy insisted on by the Premiers points to their knowledge of the delicate nature of their task and to the caution with which they feel obliged to prepare their mutual bargains and their offensive and defensive policy against the Commonwealth. But the absence of complaint or prophecy on the part of our Press in spite of an exclusion to which it is not accustomed and against which it would usually rebel, should convey a warning to the Premiers. It is suggestive of the subordinate place now allotted to them. It plainly means that whatever their decisions may be they are not looked for by the public with breathless eagerness nor with any widespread anxiety as to the consequences. The Premiers' dicta are no longer regarded as of the highest importance. This preliminary appraisal of their labours and the comparative want of interest displayed in their doings are ominous precursors of shrinking reputation and power.

STATE RIGHTS.

The resolutions adopted not having been published it is only from the Premiers' extraneous utterances and from the circumstances attending the gathering that the tenour of the decisions can be deduced. Mr. Philp has left for Brisbane after a martial declaration of his devotion to State rights at a lunch given by our Chamber of Commerce. Though his colleagues may not have gone as far as he wished in this direction it is safe to assume that their conclusions will comprise expressions of dissent from Mr. Chamberlain's selection of the Federal Executive as his sole

channel of communication on all matters affecting foreign interests, and that the Commonwealth will be required to assume its debts as soon as possible. It will be asked to pay for the properties it has taken over in connection with the transferred departments and for the carriage of our defence forces by railway, while abandoning its customs duties on State imports. On these and similar proposals to their own advantage all the Premiers will naturally give cordial assent. Their only difficulty in this part of their task will have been that of diplomatic expression. But on the several matters on which they differ among themselves there has been no such simple obligation. It is palpable that the Murray River dispute cannot have been settled or if it is dealt with must be met by some device evasive of the real crux of the question. If the Trans-Australian Railway is not conceded by Mr. Jenkins the fair inference will be that the internecine strife in such conflicts of local interests has been responsible for the delay as well as the mystery of the Premiers' Conference of 1903.

AFTER THE CONFERENCE.

What follows the conference? Nothing, except by consent of the State Legislatures as far as they approve the resolutions of their Premiers, coupled, where the Commonwealth is involved, with the consent of its Parliament. Left to themselves, none of these bodies is likely to take action in cases where more than a nominal concession has to be made. The prospects of united action are therefore small. There are certain matters on which, if bellicose politicians have their way, there may be an open duel between one or more States and the Federal Parliament in respect of powers claimed by each of them. For instance, Sir W. J. Lyne's Electoral Act provides for the manner in which Senators are to be chosen, though, according to Mr. Gordon, the Constitution reserves that determination to the States. He has already advised that the Commonwealth Act should be treated as a nullity, and a fresh statute should be passed to take its place in South Australia. But, after all, this and most of the other disputes as to the distribution of authority between the States and the Union, must be decided in the High Court, which, judging by appearances, will become law before the year ends. The character and composition of its bench will greatly determine its influence, and if established on a suitable scale it will soon become the keystone of our whole political structure. In the meantime, the Premiers' resolutions, when they are published, will do little more than indicate their authors' attitude, and are more likely to unsettle than to settle existing relations. Of the highest interest and significance as items of policy the resolutions must be pointers rather than achievements. Very notable as far as they disclose a joint plan of campaign they will depend on the chapter of accidents in local and Federal politics for any recognition or effectiveness they obtain hereafter.

THE NEW COMMONWEALTH.

MURRAY RIVER DISPUTE.

DEBTS OF THE STATES.

FUTURE BORROWINGS.

FROM OUR SYDNEY CORRESPONDENT.

[Apr. 28 1903]; Jun. 29 1903.

The publication of the resolutions framed by the Premiers' Conference confirms the impression that its members took their responsibilities much more seriously to heart than they did at previous gatherings. At the same time the publication justifies the suspicion that the Murray River dispute prolonged the sittings and received the members' best attention. While the resolutions adopted on other subjects reached the public on a Thursday, the elaborate agreement for the distribution of the Murray waters arrived at between New South Wales, Victoria, and South Australia was not disclosed until the following Saturday. According to rumour this vexed question all but defeated the conference, which was on the point of breaking up more than once in despair of finding a settlement acceptable to the three States concerned. It is authoritatively reported that the credit of preventing this result was entirely due to the tact and firmness of *Sir John See*. This is gratifying even to his opponents in New South Wales, who cannot but feel a pride in the fact that their Premier was the real as well as the titular leader of the picked men of the Australian States. His financial keenness and commercial knowledge, united with energy and foresight, have been exhibited in many successful enterprises, but the combination of firmness and diplomacy displayed by him in the conference certainly surpassed any prior public achievement of his career. It is reported that he practically, if not actually, put his back against the door of the chamber, refusing to allow his guests to leave it until they had consented to some solution of the urgent problem presented by the struggle for the one continental stream traversing the interior of Australia. To appreciate the triumph involved in securing a working understanding for five years in respect of diversions from the Murray one requires to remember the quiet tenacity of the Victorian Premier Mr. *Irvine*, the unappeasable demands of his South Australian antagonists, Messrs, *Jenkins* and *Gordon*, and the impetuosity which Sir John See himself too often displays in our own Legislature.

COMMON INTERESTS.

The resolutions passed number thirteen altogether, though two of them are merely negative, and a third, without disclosing details, simply registers an agreement for exchange of credits in London in accordance with a memorandum prepared by Mr. James. Nearly fifty questions having originally appeared on the list, it is plain that the waste-paper basket of the conference received nearly four-fifths of the propositions intended to be submitted. The ten subjects positively dealt with include the allotment of the surplus waters of the Murray, and a common close season for fish, both matters affecting New South Wales, Victoria, and South Australia only. The eight other resolutions were levelled directly at the Commonwealth, and apparently express the unanimous determination of the State Executives. All are couched in polite language, and, with the exception of one, representing to the Federal Government the necessity for a Commonwealth law for the naturalisation of aliens, the whole of them relate to important issues. The resolution which advertises the willingness of the other States to contribute towards the expenses we have incurred in the action against the Commonwealth in our own Supreme Court, whose judgment declares that State imports are not taxable under any Federal Tariff, conveys, of course, and is intended to convey, an intimation that all are banded together on the point. They could probably do no less, whatever their private opinions may be. Another hostile resolution warns Sir Edmund Barton that his appointment of a High Commissioner would not obviate the necessity for independent representation of the various States in London. Whether or not this was intended to postpone the selection of such an official, or to reduce his salary and status, it is likely to have one or other of these unfortunate effects. Australia has already suffered for lack of a capable spokesman at the capital of the Empire, and must continue to suffer while the functions that an official of the kind indicated ought to discharge there in the interests of the whole of our people are divided between Sir Edmund and half-a-dozen minor representatives, often acting against each other, and probably always willing to combine against him. In deciding to keep up their separate establishments the States were well within their rights, but their decision cannot avoid being injurious to their common interests as well as to the Federal High Commissioner.

FINANCIAL RELATIONS.

The one resolution that stands out in bold relief, even among those of most importance, is that urging the proposed transfer of State debts to the Commonwealth. Of the greatest moment in itself, it is still more striking as an incident in the gradual public awakening about to take place among us in regard to

that financial subordination of the States, often anticipated in these columns. The resolution is certain to become memorable, because it marks the first recognition of the dominant issue of our future on the open stage of public affairs. Hitherto the question has been dealt with only behind the scenes. At last some of the more acute local politicians who have been interviewed are beginning to apprehend dimly the irresistible trend of the situation towards the diminution of their authority. Most of our journals are still fumbling with the matter in a confused way, and are now inclined to suspect that they are witnessing a new development whose consequences they only partly comprehend. We should probably be doing the Premiers an injustice were we to suppose that they were not better informed than outsiders about the necessities of the situation and not more far-seeing than the bulk of their critics in the Press. Their statement of the position in its punctiliously legal form and simply one-sided character resembles nothing so much as what lawyers call a statement of claim. The resolution imploringly cries to the Commonwealth: "Take over our debts as much and as soon as you can". The Premiers very properly gave reasons for their request. They did no more than their duty when they stigmatised the existing financial relations of the States to the Federation as "not only a dangerous division of responsibility but a direct incentive to unnecessary expenditure". What they are just discovering is that the Australian Parliament can now spend up to one-fourth of its customs revenues which were lately theirs, and in little more than three years will be able to spend the whole without having to impose fresh taxation.

TAXATION AND RETRENCHMENT.

The States, already obliged to tax as well as retrench, partly because of the diversions from their coffers of much less than even a fourth of the customs, must continue those painful processes as far as may be necessary to make up for the losses to be directly caused by every fresh Federal liberality. Of course, precisely the same electors control the Governments and may be implicitly trusted not to tax themselves unduly as citizens of the States in order to please themselves as citizens of the Commonwealth. None the less, the instability of all State financing, in consequence of the dependence of their treasuries on the customs leavings of the Federal Parliament, has at length forced itself on the attention of the local Executives and wrung from them their plaintive appeal for relief. In support of this plea the Premiers refer vaguely to "the guarantee contemplated by the Constitution" because this vests a power in the Commonwealth to take over the whole or a proportion of the debts of the whole of the States which were incurred before union; but inasmuch as this authority is exercisable without the consent of the States it does not afford them any express warrant to be even heard as to either the time or the conditions on which the transfer is to be effected. Moreover, there are no means whatever of enforcing

on the Federal Parliament any employment of the power. Yet it is just at this time, when the folly of flouting the Federation is most manifest, that one finds resolutions fathered by Mr. Philp, Mr. Jenkins, and Mr. Gordon expressive of their intention to make themselves as unpleasant as they can to the Commonwealth on other matters which, however serious, do not possess in their eyes the "far-reaching importance" they ascribe to the resolution in which they request to be relieved of their debts. Such tactics as these can scarcely be styled diplomatic.

INDEBTEDNESS OF THE STATES.

The Prime Minister during the sittings of the conference, while making a political tour of his own constituency, announced that the wisdom of taking over the State debts had been under consideration by his Cabinet. In anticipation of some such resolution as that afterwards passed he made a highly suggestive reference to the future borrowings of the States. These must affect the prospects of Commonwealth borrowings on their behalf, as well as for its own purposes, and he clearly intimated that, in his opinion, a satisfactory assurance that no further indebtedness would be incurred by them, except for strictly reproductive works, ought to be a condition precedent to any Federal action. Explicit as this intimation was the Premiers thought fit to ignore it absolutely. Sir G. Turner, the Federal Treasurer, who has been detained in Sydney by an accident, criticised their resolution immediately it was published in very much the same way. He bluntly said that "the Premiers have altogether avoided what they should have known would be a very serious aspect of the question, that is, the placing before the Federal Government of some suggestion regarding future borrowings". Some compact was essential, and he frankly declared that as far as redemptions of State loans were concerned there would be no appearance of the Commonwealth on the English Money Market until it was assured that it could obtain the sums it required on much better terms than the States. Unless it did so there would be no profit from the transaction either to them or to the Commonwealth. Mr. Deakin, the Attorney-General, addressing his constituents at Ballarat, went a step further, advocating a limitation of all loans and the establishment of sinking funds for their repayment placed beyond the reach of local treasurers. Apparently he invited the electors to impose financial restrictions both on the Federal and the State Parliaments. Whatever the personal element may be in these utterances it is clear from their promptitude and general harmony that Sir Edmund Barton and his colleagues, far from being taken by surprise by the Premiers' overture, have what looks like a clear and definite policy prepared.

MUTUAL AGREEMENTS.

If the Premiers on their side have arrived at any mature plan for a financial campaign they have given no hint of it to the public. Such replies as they have made to the challenge given by Federal Ministers seem to show that their one and only aim is to get rid of their debts without delay, debate, or conditions. They are not asking the Federal Parliament to provide for their future loans. They contend that there is no reason why these should be brought under discussion at this juncture. Of course, this is an open evasion of the real issue. On the other hand, the Prime Minister is determined that the matters in question shall be considered together. All borrowing, whether for the parts or for the whole of the Commonwealth, is made on the credit of its people, and it is the same shoulders that have to carry all the burdens of interest no matter which of their political organisations imposes them. What affects the credit of the parts or any of them must affect the whole. On these grounds Federal Ministers, insisting that there is and must be a unity of Australian financial interests, declare for a corresponding unity of financial operations. The days of independent competition by the States against each other in the London Market in their opinion are or ought to be over, having been replaced by mutual agreements for mutual advantage. The Commonwealth is a new borrower, though up to the present it has incurred no liabilities, and the aim of its Executive is to place its credit from the first on a sound and unimpeachable foundation.

CURTAILMENT OF PRIVILEGES.

This excellent object cannot be attained under the proposals the Prime Minister has outlined without a serious curtailment of the privileges hitherto enjoyed by the State Executives, and a real sacrifice of the financial freedom of their Legislatures. The Executives cannot be expected to consent to the sacrifice without a struggle, though the position they occupy is already extremely critical. At present the States must receive at least three-fourths of the customs receipts, and their loans, if transferred now, would have their interest charged against this proportion. In three years and a half the States will only be entitled to be paid whatever fraction of the customs the Commonwealth Parliament then pleases to allow, and if this does not suffice to pay the interest on their debts they must make up the difference out of State taxes. A transfer now would provide for the interest on the loans of the States in perpetuity out of the customs revenue that they may soon lose, and would oblige the Federal Executive to find from Federal taxes any other expenditure it may incur, including interest on its own loans. The conflict of policies as far as the local and central treasuries are concerned is therefore absolute. State politicians are naturally

anxious to transfer the debts they have incurred without delay, but the chiefs of the Commonwealth on the same grounds are seeking to postpone their acceptance. Which course will be followed depends on the electors, out of whose pockets in either case the money must come. The Prime Minister has made a deft cast for their favour by proposing to limit the extent to which our taxpayers may be made liable for further loans. A Premiers' Conference that has made itself the starting-point for such a momentous duel will continue to be remembered, not only for this and other tentative efforts of the States to get the better of the Federal Parliament, but for the temporary agreement it was wise enough to frame between the colonies through which the Murray sends its floods to the sea.

THE NEW COMMONWEALTH.

NAVAL DEFENCE. THE QUESTION OF SUBSIDY. FISCAL POLICY.

FROM OUR SYDNEY CORRESPONDENT.
[May 5 1903]; Jul. 3 1903.

The **Prime Minister** has at last removed the reproach persistently levelled at him for the past two years of having neglected to appear on the public platform of Sydney in defence of his party policy. He has spoken there several times on Imperial issues and on current questions at sundry sectional meetings or banquets of a semi-political character, but not until about the end of April did he address the people in defence of his Parliamentary leadership. His neglect has provoked constant censures from our Press, and has served to emphasise the feeling against him in the Metropolis of his own State, every one of whose Federal representatives sits in Opposition. Now that he has spoken he cannot be said to have altered the general attitude adopted in Sydney towards himself or his Ministry. He had nothing to add to the speeches he has been making throughout his own constituency on the Hunter River except some rejoinders to Mr. **G. H. Reid**. Naturally these did not assist to recommend him to that gentleman's constituents, many of whom were among his listeners in the Town Hall. A small body of disorderly persons interrupted him freely, but, on the whole, he obtained a respectful hearing, and, indeed, a more sympathetic response than had been anticipated for him in those parts of his harangue in which he touched on the very contentious subjects of customs administration and the exclusion of the six hatters. In some passages the critic may detect an orientation on the part of the Prime Minister and on that of his Government, which appears to have the approaching general election in view.

IMPERIAL VERSUS LOCAL ISSUES.

The Federal Ministry defiantly stands to its guns in recommending for acceptance the agreement signed in London by Sir Edmund Barton which he then undertook to submit to his Parliament. Despite the antagonism of Mr. Reid and of the Labour

Party, reinforced as it is by demonstrations of hostility from most of his own Radical supporters, the Prime Minister is fixed in his resolve to permit no real departure from the plan to which he has pledged himself. Indeed, it seems probable that every alteration will be resisted unless it be either additional or an equivalent acceptable to the Admiralty. Having regard to the prevailing sentiment in favour of an Australian naval defence controlled by the Commonwealth in times of peace, it is more than likely that the Cabinet will be shipwrecked on this proposal. His unwearied advocacy of the scheme has won Sir Edmund Barton the support of many thoughtful people in all the States, but these are minorities, and are still further reduced in influence because to many of them other issues of a more directly local bearing are deemed of more importance. Those who put the Imperial question first are but a minority of a minority.

THE NAVAL SUBSIDY.

On the other hand, the opponents of any increase of the naval subsidy now paid towards the cost and expenses of the Royal Navy Squadron under the vice-admiral in these seas are active as well as numerous and of all shades of opinion. The fact that Canada always has abstained, and still deliberately abstains, from making any contribution of this kind at all tells powerfully in their favour. Sir Wilfrid Laurier's speeches carry great weight with all parties. The Dominion, receiving a full tide of immigration from Great Britain and from the United States, with overflowing coffers and a relatively small public debt, continues to refuse to vote a single penny towards the British Fleet on the Canadian coasts. Her immovable attitude is naturally contrasted with that of the Commonwealth, which, in the very extremity of its misfortunes owing to the drought, is being invited to double its grant. The Canadian object-lesson is particularly effective with the masses. When they are urged to recognise their actual everyday obligations to the Mother Country and her Navy, they invariably ask why Australia should stand alone in recognising her duty to the Empire. Why, it is asked, should she be censured with bitterness because she does not double the only subsidy paid by a self-governing colony? The arguments for the increase are already appreciated in Great Britain and need not be repeated here; but the case against any fresh vote out of our revenue is far less clearly apprehended. The cry for economy is gaining strength in every State, and nowhere are savings more easily approved than those reducing the outlay on defences. Our military budget has been cut down twice, and may be further diminished. The feeling of the electors is that the expenditure on ships not under their control, instead of being enlarged, ought at least to be reduced in the same proportion. Both of the existing Federal Chambers are adverse to the scheme. Its only chance of being approved by them

would be if the Ministry were reckoned too useful to be dispensed with, and its existence accounted worth the price of an extra £100,000 a year to the naval subsidy. There is little to suggest that in politics as unstable as ours there will be any such sacrifice for this or any other Cabinet.

TRADE POLICY.

In other respects Sir Edmund Barton is certainly stronger than at any time during his Administration. In spite of the apparent success that attended Mr. G. H. Reid's first announcement of his intention to make Free Trade, or rather the destination of all the Protectionist duties in the tariff, the first plank in his platform for the next Parliament, the current of opinion everywhere except in this State seems to be setting steadily against him. The first blow came from Queensland, where the National Liberal Union in its recent appeal to the electors to unite against the Labour section, which now holds a majority of the Federal seats in that State, openly accepted the present tariff. It even endorsed the Prime Minister's proposed increase of the subsidy for naval defence, though no other organisation has done so. The four Victorian members of the Opposition in the House have since allowed it to be publicly understood that they could not follow their leader in his attempt to reopen the fiscal dispute at this juncture. A somewhat similar response is reported from his allies in South Australia. The commercial classes everywhere deprecate any immediate tampering with a schedule of duties only a few months old on which they are basing their future arrangements. Even Tasmania is so doubtful that Mr. Reid is now engaged on a second tour through the island in the endeavour to knit his following together on this point by proffered concessions. He promises not to touch the existing revenue duties, and to give a year's notice before effect is given to decreases, so as to interfere as little as possible with business operations. But as the farming community in Tasmania has reaped the benefit of the very duties most obnoxious in New South Wales, those imposed on fodder and grain brought into the Commonwealth, even *Sir Edward Braddon's* strategy promises to fail to convert the farmers. The Prime Minister with great heat denounces any interference with the tariff as an act of perfidy. Sydney, and most of the country districts of this State, consider its maintenance a gross tyranny. The balance of opinion in Australia generally is decidedly against any amendment of it for some time to come. Mr. Reid's rallying cry has merely produced a scattering of his own forces.

THE LABOUR PARTY.

This issue, and indeed every other in Australia, is complicated by the separateness of the Labour section. Its members being free to follow their own opinions on fiscal questions, the votes of the majority of those of them who represent this State will be cast for Free Trade. But a few even of these are no longer to be relied on, while something like a wholesale defection is threatened among the Free Traders who hold Labour seats in Queensland and Western Australia. The deserters are not a dozen in all, but are more than enough to make Ministers perfectly safe in the House and stronger than they ever were in the Senate. This accession of strength is due wholly to Mr. Kingston, whose resonant declarations for a White Australia and frequent passages of arms with irate importers and employers of Kanakas during his recent tour in Queensland are reported to have rivetted to himself, and therefore to his colleagues, the allegiance of its Labour members, and confirmed that of their comrades elsewhere. His belligerent speeches have captivated their rank and file. Recent revelations have evoked the approbation of the general public in all the States for his administration of the customs without regard to its severities. Western Australia is governed by much the same sympathies, and though both parties are not agreed there as in Queensland to oppose the raising of the fiscal issue the situation does not materially differ. The Prime Minister, emboldened by these indications, has applauded in the very heart of Sydney the stringent methods of Mr. Kingston, and repeated his reading of the Immigration Restriction Act by which British workmen entering the Commonwealth under contract require to be exempted from its operation. An Arbitration and Conciliation Bill is also promised for next session, so that while there is no avowed alliance between the Ministry and the Labour section there is something approaching an understanding between Mr. Kingston and the Labour leaders who are his devoted admirers. They will angrily resist Sir Edmund Barton's naval subsidy, but on most other points of his programme for next session, and possibly for the ensuing election, they are inclined to lend him an independent support.

THE COLLECTION OF DUTIES.

In spite of these recruits the fortunes of the Federal Government are far from being assured at the next election. In the meantime the Commonwealth is receiving more blows from the State courts. The Chief Justice of Victoria, Sir John Madden, has ruled that almost the whole of the Customs Bill, which provides the machinery for the collection of duties and punishment of fraud, is invalid, on the ground that the measure includes certain clauses which now impose a tax. Under the Constitution it seems that such a Bill may not embrace anything beyond the authority for a tax,

or if it does, that the extra provisions are of no effect. This may occasion many complications. Neither has the Government arrived at an understanding with the State Premiers as to the terms on which the Commonwealth will take over their debts, nor do the statements made on their behalf encourage the hope that an agreement is within sight. The peremptory refusal of the Federal Treasurers to pay the States either in cash or in negotiable bonds for the properties acquired from them by the Federation has not produced any alternative suggestion. As far as the Premiers' Conference is concerned it does not appear that any of these resolutions affecting the Commonwealth are to be assented to out of hand. It may be doubted if one of them will have been acted on before the Premiers' next gathering a year hence.

THE MURRAY RIVER AGREEMENT.

Turning to State politics one finds but an indifferent prospect of the Murray River agreement, provisionally adopted by the Premiers for five years, ever receiving the assent of the three Parliaments whose endorsement is essential prior to its coming into force. In New South Wales *Sir John See* is held to have sacrificed too much of our river waters in his desire to promote a settlement. The Opposition proposes to arraign him for his generosity, and with excellent prospects of success. Provincial interests and sentiments are as strong as of old throughout Australia, whether they appear in the Federal field, or beyond it in the domain still preserved to the States. The one achievement on which the conference prided itself, the solitary practical proposal for joint action agreed on by the Premiers, and the sole attempt to avoid internecine strife between the courts and Parliaments of the States must, it would seem, result in failure. The verdict in Victoria on the distribution of the waters may not be unfavourable, but the attention of its people at this moment is absorbed by the struggle between its administration and the railway employees. Deprived of their votes these employees are now ordered, under penalty of dismissal, to sever themselves from the trade unions of workmen in private employment who are banded together for common action in their common interest. The outcome of this conflict is of the utmost importance to the whole Commonwealth, for it represents in its strongest form the reaction against Labour and its politics now visible in every State. South Australia has displayed it in a milder fashion, and is at present well content with good seasons, a very beneficial bargain for the Murray, and an influx of intending contractors for the transcontinental railway which she has authorised on the land grant system.

RASH ADMINISTRATION.

In New South Wales the surface of politics is as much perturbed as if we were within a few weeks of the dissolution which, judging by past precedents, must still be some little time ahead. Mr. Carruthers signs a long appeal to the electors on behalf of his Liberal and Reform party, setting out at great length and with more fullness of detail than heretofore the whole of the policy which he invites it to approve. Supporting the policy on the platform he has been bold enough to say that "this country lacks immigration more than it does anything else"; to admit that last year it borrowed more than the rest of Australia together; and to assert that we must "pull ourselves together for an era of economy". The Government retort is that its election proposals include all those that are useful in the Opposition bill of fare, and that it is more likely to give effect to them because it leads the majority. The People's Reform League, though inimical to the Cabinet, is not inclined to fight under Mr. Carruthers's banner owing to his own past hesitations and some of the converts whom he has welcomed. On the other side, the Labour section carefully preserves its isolation, though generally committed to the Ministerial measures its representatives helped to pass. To the impartial onlooker there seems small difference between either the men or the measures of the two regular parties. The rash administration of the past few years has sent a large proportion of our sober-minded citizens into opposition, but they are still too much haunted by their old fiscal antipathies to work kindly together, or to realise fully the new circumstances of our situation. The restoration of responsible government so often called for must begin in the constituencies, or, at all events, be reflected there. All present changes are to the advantage of the Opposition. It is not a decisive battle that we are witnessing, but a desultory and indefinite series of minor engagements. Party lines are uncertain, because party principles are inchoate; and no party leaders have arisen of sufficient force to bring about a fresh segregation of the electors.

THE NEW COMMONWEALTH.

STRIKE IN VICTORIA. THE POSITION OF THE LABOUR PARTY. FRESH POLITICAL GROUPING.

FROM OUR SYDNEY CORRESPONDENT.
[May 12 1903]; Jul. 20 1903.

The strike of railway employees in Victoria is not conspicuous above all contemporary events in Australia, but it is memorable because it is another of the times. It is one landmark the more on the road all the States are travelling under the pressure of inexorable economic necessities. We have had strikes before. Those of twelve years ago surpassed in the extent of country affected, in the variety of interests prejudiced, and in the bitterness with which they were waged all similar struggles outside of the United States. In every previous instance here the battle was waged between private employers and their employees. The great industrial enterprises controlled by the Governments remained beyond the area of conflict, as well they might, seeing that the men engaged on them had no grievances of their own to redress. They were appealed to by the more reckless among the men out of work to join in a wild endeavour to paralyse the whole business and transport system of the continent. They resisted the temptation mainly because their members were in the present enjoyment of good pay, with the comfortable prospect of pensions or compensation allowances at the end of their terms of service. According to statements published in Victoria there is a much smaller proportion of these now in the service entitled to these privileges, and some of them are remaining at their posts. But many have gone out at great sacrifice. Of these no small number disagree altogether with the course adopted by their fellows. They share the general shipwreck out of sheer loyalty to or dread of disrepute among their associates. The marvel is that with so much at stake men in these days of depression should strike at all.

DRASTIC RETRENCHMENT.

The provocations the Victorian railwaymen have received include, on their own showing, the deprivation of their votes, a wound that still rankles among those who have used them with effect in many past elections. But the principal and most potent

cause of disaffection has arisen out of grievances, some of them of long standing, respecting pay and conditions of promotion. When, instead of obtaining these concessions, the men were last year mulcted by the percentage reductions imposed on all public servants they threatened that "a wheel should not go round" on any of the lines unless they were more generously treated. Some Ministerial promises were made that the men's representations would receive attention, but nothing has been done and nothing could be done in existing circumstances that would satisfy their demands. The drought dried up the railway revenue as well as our inland streams. Drastic retrenchment became imperative, and it was soon clear to the thoughtful that there must be further departmental savings. These have ever since been in progress. They left the engine-drivers 15s. a day for five days a week and their comrades with wages comparing favourably with those paid to skilled artisans and factory workers, but these rates of remuneration could not be relied on for any length of time. The strike is in its essence a hopeless, reckless, and desperate protest against the circumstances irresistibly enveloping the employees. Indeed their action can only multiply the difficulties due to adverse seasons and our heavily-indebted States, which, in spite of all their trials, are still reluctant to face the situation or to diminish their old splendour of living indulged to the full during their days of independence. It is but an accident that Victoria should be the place where, and the *Irvine* Ministry the agents by whom, the inevitable reductions in public expenditure have led up to the explosion. The same forces are at work all about us, and if they had not found vent in Victoria might have led elsewhere to a similar outbreak equally angry, costly, and futile.

TARIFF QUESTIONS.

In the presence of such convulsions the ordinary incidents of politics appear petty and commonplace. Mr. *Kingston's* achievements are difficult to define. After traversing the whole length of Queensland, amid the plaudits of the opponents of the *Philp* Administration, he has spoken twice in New South Wales, where his success has been belittled by the Press. Both Sydney and Newcastle gave him great audiences and fervid applause, despite his declarations in favour of Protection. These demonstrations might be easily misunderstood, and would be if they were supposed to mark any change in fiscal opinion in this State. Interpreting Mr. *Kingston's* northern triumphs in that light, it is probable that he makes few converts to his tariff proposals outside the ranks of the Labour section. His speeches here were characteristically firm in tone, terse in expression, ruthless in logic, and fiery in spirit, without adornment or relief except in touches of grim humour. He was manifestly sincere, meeting his opponents half way with a "mailed fist", always in evidence and not infrequently employed, though with a strict observance of the courtesies of debate. To him the aspiration for

a “White Australia” includes Protection and the exclusion of undesirable immigrants of all colours. The programme which he defends on the platform is a Labour programme in most of its articles, the single exception being the granting of a bonus for the establishment of the iron and steel making industries by private enterprise. No wonder that Mr. Kingston was rapturously received by the bulk of his audiences, which were drawn to hear him by his reputation as an advanced Democrat. They found him a man after their own heart. It is strange that Mr. Reid should continue his cajoleries to the same classes in Tasmania with such a redoubtable competitor for their favour invading his own stronghold. What can he offer in order to outbid Mr. Kingston’s proposals for a Navigation Bill and the establishment of Federal Courts for conciliation and arbitration to decide all industrial disputes extending beyond the area of a single State?

ARBITRATION COURTS.

Arbitration courts, however, are hardly likely to arouse enthusiasm among the masses in this State to the same extent as formerly. Recent decisions of our court have led to its violent condemnation at a great meeting of miners held in Newcastle. A motion in favour of the establishment of a separate court for every industry and for the exclusion of lawyers from its proceedings was carried unanimously amid much reprehensible abuse of the existing tribunal. In this connection there is more than a possibility that Mr. Reid may find himself obliged to break with his Labour allies. His hand may soon be forced in spite of himself, just as the hand may be forced of Mr. Carruthers, his old lieutenant, now leader of the State Opposition. The Victorian strike already provokes dissonant expressions. Mr. O’Sullivan, though Minister for Works in Sir John See’s Cabinet, is really the leader of the Labour section in New South Wales, and surely it must be in this capacity that he has openly expressed his sympathy with the men who are fighting the Government of the neighbouring State. On the other hand, Mr. Bruncker, M.L.A., another member of Mr. Reid’s State Cabinet, is making use of the miners’ agitation against the hewing rates for coal to attack the See Administration. Out of these confused cross-currents a new situation is emerging quite independently of the chief actors on our stage and almost in spite of them. The unrest in Tasmania where for the first time there is a Labour section in its Parliament, the incoherence of purely party Policies of the old stamp, and the wavering of leaders everywhere all point to a coming segregation of the voters for or against the Labour section as the only possible choice remaining. Once isolated they are powerless.

ACTS OF INTIMIDATION.

There was a railway strike in Western Australia some two years ago which resulted in a drawn battle; but in that instance the struggle was local only and evoked little support from kindred organisations. The wrestle in Victoria will be decisive for the whole Commonwealth. The men are being supported by every trade union in every State, so vividly is it realised that their future is absolutely bound up with that of the Victorian strikers. Funds are pouring in from far and near, and in the present temper of those contributing it is impossible to say how far their sympathies will lead them. The fifteen hundred Government employees in Victoria now adrift are already reinforced by some hundreds of men whom the stoppage of railway traffic has deprived of work. The number of idle hands open to temptation to mischief must increase, and already acts of intimidation are occurring. As the tension increases, and as want becomes more general, the risks will become greater. No one can venture to hope that the end is in sight unless the State Parliament at once passes a measure that will awe the strikers into surrender. The danger lies in the calling out of the maritime employees. This would remove the chief means by which mails and passengers are being transferred from and to Victoria and the other States. The unions are so well organised throughout Australia that the struggle may extend in any direction. Even our New South Wales railways and those of South Australia may be paralysed by sympathetic strikes that would at once bring us into the thick of the fight. At present anything is possible.

SEE-SAW POLITICS.

No one can estimate the loss to Victoria or any other States to which the conflict may extend. Our politics have been dominated by the organisations of those engaged in manual labour. See-saw politics such as still obtain in Tasmania will be succeeded even there and all over the continent by a new grouping of parties, after which the Labour section will find itself isolated and no longer in possession of the balance of power in any State. In the Federal arena the same result may ensue as a consequence of the general election at the end of the year. In any case the trend of legislation is likely to alter and a policy of development once more rear its head. This is the darkest hour. Those who realise the straits to which the Commonwealth is being reduced by years of drought following on a season of excessive spending and borrowing, crowned at last by a disastrous industrial cataclysm, have at least the consolation of believing that out of the painful throes from which we are suffering Australians will emerge sounder, saner, and more practical in their application to their great task of settling the continent and utilising its resources to the best advantage.

THE NEW COMMONWEALTH.

END OF THE RAILWAY STRIKE. CRY FOR RETRENCHMENT. IDENTITY OF STATE INTERESTS.

FROM OUR SYDNEY CORRESPONDENT.
[May 19 1903]; Jul. 25 1903.

The Victorian railway strike is over. Some fifty of the engine-drivers and firemen who defiantly left their engines have lost their situations and are left dependent on private employment. This number includes those who officered and controlled the bold attempt to bring the Government of the State to its knees. The remainder has been permitted to return, but on half time only, shorn of rights to pensions or compensations, and entirely dependent on the clemency of superiors. Future good conduct is thus doubly guaranteed. Some of the most aggressive spirits, the insurrectionaries responsible for the outbreak, propose to leave Australia. They had staked their fortunes on the hazard and are prepared to pay the forfeit. After the fierce labour war of the early Nineties in Queensland a devoted band sailed for Paraguay to put into practice those communistic ideals with which they had vainly sought to inspire their local politics. Many returned regretting their term of exile. Some few of them remain in South America to-day, almost as much out of touch with their new country as the Doukobors are in Canada, victims, like them, of an unquestioning faith pushed to fanaticism. The most novel, the most daring, and the most significant strike ever witnessed in these States has closed by the complete defeat, as was inevitable, of the strikers and their unconditional surrender.

DRASTIC MEASURES.

That was the only result possible for the reasons given in my previous account of the beginning of the strike. But the rout was undoubtedly expedited and consummated by the Bill introduced in Melbourne by Mr. *Irvine*. No measure of the kind had ever before been suggested in any State, and certainly nothing in the way of legislation tabled in our Legislatures has approached the stringency of its provisions. Opponents have compared it to the "Coercion" Acts applied to portions of Ireland during

times of emergency, and they allege that the proposed Victorian Act was even more tyrannical, and virtually established a "state of siege". Its operation was to be terminable by proclamation announcing the close of the strike, but until then it placed those concerned in carrying it on under something approaching Martial Law. Employees were to be severely punished if they ceased work without a fortnight's notice, and in addition to losing all claims for past service were made ineligible for reappointment. Those who took their places were protected. So much might have been expected even with the additions that all the ordinary means adopted by strikers to induce others to follow their example, to intimidate or harass those who replaced them, or to prevent the running of trains were prohibited under penalties. But the Bill went deeper still, making it an offence to take any part in organising or managing the strike through collecting or distributing funds, or doing anything that might continue or extend the stoppage. No newspaper or document which even appeared to be published with the object of encouraging the strike directly or indirectly could be issued, and no six persons were permitted to consider the strike together either in buildings or in the open air. The rights of public meeting, of a free Press, of speech, or of action of any kind in support of the strike were all forbidden. The Legislature of one of the most democratic countries in the world was willing and even anxious to place these restrictions on the statute-book. They would have been law at this moment but for the fact that with such legal annihilation before them the strikers' hopes, threats, and ambitions collapsed into fear and repentance.

DETERMINATION OF CITIZENS.

Never was there a better illustration of the principle that the strength of a self-governing country lies in the fact that all its citizens are at a pinch parts of its Executive and of its Administration, as well as of its Legislature. The victory in Victoria was not that of its Ministry or its Parliament, though it was won through them. It was a victory of its citizens as a body gained over the fourteen hundred men who deserted the railways at a few hours' notice, and over the thousands who kept to their posts sympathising with the strikers or who stood ranked in their unions throughout Australia, lending them countenance and financial aid. It was not a conflict of the masses against the classes, but of organised labour, both in and out of the Government service, against the Legislature, representing the rest of the community. The strikers were fighting for their own hand in such a fashion as to compel everyone else to suffer and to take the field against them in order to put an end to their foray. They could not wholly command the undivided allegiance of their own particular class. Hundreds who obeyed them did so blindly and unwillingly. Old drivers on pension returned to their engines without thought of recompense; there was a rush of applicants for vacant places by more or less trained mechanics from

outside; men of means volunteered their services, and the university engineering students marched down in a body to the stations headed by Professor Kernot. Instead of incurring the reproach of being "blacklegs" those who enlisted as drivers were hailed as patriots and acclaimed wherever they appeared. After the first day or two, during which the strikers had the upper hand, the tide turned rapidly and irresistibly against them. The police were effectively distributed, some hundreds of special constables sworn in, and the public itself took the business of repressing strike demonstrations into its own hands. Addresses and resolutions applauding the Ministry rained in from every quarter and from every association except the trade unions. Subscription lists to reward the men on the footplates were rapidly filled. The whole people fell into line of battle with a steadiness of demeanour and enthusiasm of spirit that quieted, overawed, and finally crushed the bellicose ardour of the exasperated and despairing strikers.

THE POWER OF THE PRESS.

The part of the Press in bringing about this rally of the forces of order and self-preservation cannot be over-estimated. What the opinion of the people of Australia may be is always difficult to decide, especially at any given moment and in a sudden crisis. Different questions appeal to different strata. There is a minority, and perhaps only a small minority, which furnishes consistently political critics and observers, who originate and govern agitations or resistances. These form the permanent party forces of the country, so to speak. They are body guards of the leaders, the remainder of whose armies consist of irregulars recruited only by the campaign, and rapidly melt away before reverses. They return to their firesides as soon as their interest in the cry of the moment has died away, and usually it does not live long. But for our newspapers there would always be much less discipline and little unity of action. They organise and supply the stimulus to action. By according publicity, by praise or blame, and by counsel they do far more than any other agency to overcome the inertia of the ordinary citizen. Probably a clear majority of the voters in every contest in all the States takes its "ticket" ready made from its favourite journals. As a rule our papers use the politicians, though sometimes they are used in turn, but at all times the journals can by combining forces create the one phalanx capable of defeating the politicians when the personal interests of the politicians are adverse to those of the community. During the late conflict the great Victorian dailies sustained the first shock of the strike alone. They then roused the citizens to uphold the Government, sowing dissension and alarm in the ranks of the railwaymen, until in a single week the whole body of the people had sprung to arms and overwhelmed its assailants. At the last election the Victorian people, led by its papers, swept away its old representatives

by dozens for venturing to resist reform, and now, rallying again with undiminished energy, the same alliance made the Ministry and Parliament undisputed masters of their railways and railway servants. Without the trumpet calls of the papers the battle would probably have lasted seven weeks instead of seven days.

FOOLHARDY ENTERPRISE.

The Victorian aspect of this highly important event may now be dismissed in a few words. Owing to the attitude of the *Minister of Railways* public sympathy was inclining towards the men until Mr. Irvine's intervention and explanations made it plain that the policy of the Cabinet was not one of vexatious trifling but of serious purpose in face of a grave peril. The threat of a strike on the part of the men last year had deprived them of much prestige and popularity; the late strike has destroyed once and for all their hold on the taxpayers outside. The blunder worse than a crime then committed was inexcusable because the drivers and firemen, necessarily skilled workmen, are as a body exceptionally intelligent men. They have been styled the "aristocracy of labour", and were certainly the spoiled children of the railway service because of their responsible duties and the merits of many of their members. They had dabbled in politics sufficiently to be aware of the risks they ran, and as far as is known their tactics were of their own devising as well as their own execution. Even the labour politicians who applauded and acted with them have not accepted responsibility for the rash act that has cost them half their members and all their influence. How so fine a regiment as they composed, enjoying so high a position, could have been led into the foolhardy enterprise of attempting to "hold up" the railways of the State passes all comprehension. The most feasible explanation is that the leaders had played so long with the project oratorically as to exalt its supreme potency into a superstition in the minds of their followers, who, unable to endure the tension of the situation, at last compelled them to put it to the proof. The one compensation of the contest has been its demonstration of the law-abiding character of the Australians. Beyond some few individual hustlings of men and greasings of the rails on steep inclines not an incident occurred during the contest to mar its peaceful character. It was, perhaps, the quietest strike on record; even its most reckless orators stopped short of preaching an appeal to force, while its controlling leaders were patient and mild of speech. Not an act of violence, not even an incipient riot, not an attempt at destruction of property stained its brief history. It might be appropriately entitled a polite strike.

EFFECT ON ALL THE STATES.

Its Australian aspect has been more quickly perceived than has been customary. As explained in my previous letter the conflict might have occurred in any State, and would have affected every one of them. Indeed, it may have had its origin outside Victoria. A week before the men went out a secret communication was circulated among the railway employees in this State, which said: "It is but too evident that the struggle now going on in Victoria is one that in some way will reflect over the Commonwealth. If the Victorian men are beaten you and every other State will suffer." This was signed by the *general secretary of the New South Wales Association*, who is also a Labour member of our Assembly. From Western Australia, where memories of the first railway strike are still green, right round to Brisbane all the men in State employment recognise that their status has received a severe blow. The Irvine Ministry having successfully belled the railway cat, other Administrations will have a precedent to follow. At the same time their present sentiments are kept to themselves, not a single administration, either State or Federal, having publicly expressed any sympathy with their Victorian confrères. This was particularly noticeable in New South Wales and South Australia. Ministers and Railway Commissioners in both were careful to proclaim their "neutrality". Mr. Irvine sarcastically commented on this attitude of his neighbours who dare not come to his assistance because they were fearful of the consequences to themselves. *Sir John See* and *Mr. Jenkins* doubtless admired and approved his action personally, but were neither of them willing to lose votes on that account. *Mr. Philp's* reticence in such circumstances is quite as difficult to understand. *Sir E. Barton* for his part indicated that no intervention would be attempted by him until it was officially requested, and this stand was no doubt strictly correct. None the less, the silence of every Australian Ministry except that directly concerned, and of every one of their Oppositions too, on this momentous Australian event is not the least notable of its features.

PRESSURE OF CIRCUMSTANCES.

The movement for retrenchment which provoked the strike proceeds from the people under the pressure of circumstances, physical and financial, now ruling the politics of the whole Commonwealth. There have been seasons here as elsewhere when personalities have dominated a situation and dictated policies, but in Australia at present it is the situation that dominates the men. This is true of the whole continent. At no previous time has our identity of interests been so clearly perceived or acknowledged in the States than during the late crisis. Our Press persists in reiterating that New South Wales must tread the same path as Victoria by similar stages and with the like end in view. While this is obviously true the proposition ought to be

enlarged to embrace all the rest of our neighbours—for we are all in the same boat. With a common task and common remedies the labours of each may be lightened by those of its fellows. We are assisting at a general transformation. Australia has been a country of large profits, of high wages, and of lavish expenditure, at first in all its colonies, and always up till Federation in some of them. We are now finding our way nearer to what may be termed the world's level in these respects, apart, of course, from the great prizes of mining and of speculation, and we are finding the level together. With inter-state Free Trade our financial and commercial interests are becoming blended, while under the Commonwealth our politics are all assuming the same colours. During the recent strike the cleavage everywhere showed labour organisations on the one side and the rest of the community on the other. The reform agitation is universal because its factors are universal. Federation affects all, and the drought nearly all the States. These produce the cry for retrenchment that is being echoed on every hand. The old era of ease, extravagance, and frequent loans is closing before a new era of strenuous effort and economies that bids fair to be as universal and more wise.

THE NEW COMMONWEALTH.

MR. CHAMBERLAIN'S FISCAL SCHEME.

VIEWS OF RIVAL PARTIES.

QUESTION OF NAVAL DEFENCE.

FROM OUR SYDNEY CORRESPONDENT.

[May 26 1903]; Aug. 5 1903.

Mr. Chamberlain's Birmingham resuscitation of his former policy of preferential tariffs within the Empire has at once awakened a chorus of echoes throughout Australasia. It had been neglected of late because of the assumption that the Secretary for the Colonies had tacitly abandoned his idea. The project is now being discussed, however, in every newspaper of standing among us in addition to serving as the text for comments by most of our political leaders. Unhappily, like every other proposition of a fiscal nature, it has received in most quarters a strictly party welcome. The staunch Free Traders, of whom Sir William McMillan is both chief and representative, regard it with unfeigned dislike. That there should be greater freedom of exchange between the Mother Country and her daughters is their constant desire, but they are not prepared to purchase this benefit at the price of an acceptance of even a modicum of advantage over foreign countries. They have little to urge against the idea from the Australian point of view, but are much concerned lest a bargain of the kind should prove unfavourable to Great Britain. This, at all events, is the plea on which they justify their antagonism to a scheme always supported here by its advocates on the ground that it fosters and expresses Imperial patriotism. Loyal as the McMillanites undoubtedly are, they cannot refrain from judging the proposal in the light of their pet theories. Sincerely convinced that no possible good can come from any interference with the course of trade, and that no national aim can surpass that of cheapness, they part company with Mr. Chamberlain at once directly he is suspected of heretical doubt on that dogma.

THE PROTECTIONIST STATES.

New South Wales Free Traders are not all of one mind with Sir W. McMillan, and it is doubtful if a majority of the rank and file of the party agree with his chilly care for our foreign competitors. Perhaps it is on this account that Mr. Reid remains silent, as he did in regard to the Victorian railway strike, though it is known that he too would prefer not to meddle with the question which Mr. Chamberlain has once more pushed to the front. The Protectionists, on the other hand, though confessing to a little timidity as to the possible danger to their local tariff if we entered into an Imperial zollverein, are nevertheless greatly tempted by the prospect of adding to the present schedule of Federal duties a further percentage against foreign imports. The section among them willing to adopt a preference to British goods by making reductions in their favour seems to be small, though there are a considerable number of men of lukewarm fiscal faith on both sides whom motives of patriotism may lead to approve either alternative. Speaking generally, the Protectionist States warmly applaud Mr. Chamberlain, and the Prime Minister, without reservation, casts in his lot with them. The inference from his remarks is that cordially as he approves its tone the speech at Birmingham either came too late to affect his programme for the session opening in Melbourne or is, in respect of the preference scheme, one of the cards he prefers to play at the general election in December next.

Sir Edmund Barton has always been an advocate of an Imperial fiscal policy, and it is understood that on this point the whole of his colleagues are heartily in accord with him. Some of those who follow them may be most attracted by the gain to accrue to Australia in British markets, but many influential men believe that the gain to the Mother Country will be no less marked. The Empire is vast enough to become self-sufficing in regard to its food supplies and to many of its manufactures, so that with little disturbance of prices, and that only temporarily, it would be possible tactfully to develop the Empire's channels of internal trade to the lasting benefit of all the subjects of the King. This is the faith of numbers who are anxious to strengthen the Empire by knitting all its parts together with the strong ties of commercial intercourse and reciprocal interest, but who recognise as clearly as Mr. Chamberlain that in this question the decision rests with the "predominant partner". The preferences need not be large nor numerous and must be discriminating, but it is believed that they would become most effective "links of Empire".

THE NAVAL DEFENCE SUBSIDY.

One more reason why the Federal Government may not be anxious for the immediate discussion of Imperial preferential duties may be found in the fact that its naval defence subsidy seems doomed before it has seen the light. But had the two proposals been launched together each would have helped the other. If, following Mr. Chamberlain's tactics as to old age pensions, they had been united by the appropriation of the proceeds of additional rates on foreign goods towards the cost of the Navy, the probability is that both proposals would have been hailed with acclamation. Their division, from a campaign point of view, has been a grave and indeed an unpardonable tactical blunder, because it appears to have become irreparable. There are many Parliamentarians among us who will oppose all contributions to the British Exchequer that are not accompanied by our direct representation at home, though there are few agreed on the form and nature of that representation under existing conditions. There are others, headed by Senator Matheson, who contend that the best contribution that Australia can make would be in the form of ships, locally controlled and manned, capable of providing for our coastal protection during any necessary absence of the Imperial squadron usually stationed in these seas. Not a few maintain that what the Mother Country most needs everywhere, and especially in this remote quarter of the world, is a body of trained seamen fit to be put on board her modern battleships and capable of assisting to work them at the shortest notice. These would constitute a reserve force to replenish the fleets of the East and to undertake defensive operations in the neighbourhood of our shores. Assuredly the subsidy would have been much more popular if the £200,000 a year proposed to be poured undistinguished into the coffers of the Admiralty—where it will be a mere drop in the bucket—were intended to be employed in the locally conspicuous manner I have described. The subsidy might well be expended in part on the coaling stations and other necessary means of refitting, constructed under the very eyes of the taxpayers out of whose pockets the cost comes, instead of disappearing at once into what has lately been styled "the bottomless pit of departmental expenditure".

CONTROVERSIAL BILLS.

Apart from the subsidy item, which in its present shape is absolutely unpopular, the Ministerial programme for the session is practical and much of it practicable. It can contain no surprises. Out of the crowd of Bills intended to be introduced some of the principal were placed on the table last year, while the character of the others has been revealed in later Ministerial announcements. First on the list comes the High Court Bill, much more in favour than it was. Though a keen debate is anticipated on the question whether we should not be satisfied for the present with a Bench

constituted in some fashion from the Supreme Courts of the States at such times as Federal business requires, instead of at once appointing Commonwealth Justices with a permanent establishment, it is now almost certain that in one form or another the new tribunal will be brought into existence this year. It will not alter in any way the existing rights of appeal to the Judicial Committee in London, except in cases affecting the claims to the exercise of the powers of the States and of the Federation when they come into collision. It will be an Australian intermediary between the Privy Council and the courts already constituted. The controversial Bills of the session will be those dealing with the creation of courts of arbitration for the settlement of industrial disputes extending beyond any one State and establishing an Inter-State Commission authorised to revise the charges for freight on State railways. In both instances Federal and local sentiment will be apt to come into collision. The first designed to prevent striking or locking out is bound to be discussed with heat owing to the recent crisis in Victoria. This did not last long enough to involve Sir Edmund Barton, but his reticence then and since satisfied neither of the combatants. Each side believes that the Prime Minister ought to have intervened in its favour, and to have strained the Constitution in order to help it to crush its rival. Consequently, instead of being commended for his abstention he has the extremists on both sides barking at his heels. Labour members must support the Conciliation Bill because it represents an old ideal, because their faith in strikes is shaken, and because Mr. Kingston is its sponsor. They may individually assail Ministers, but they are expected to support them collectively until this measure has become assured. The Inter-State Commission is understood to have had its wings clipped since last session, when it threatened to bring under its swoop the whole carrying trade of the Commonwealth by both land and sea. It is now to be restricted to railways and goods carried by sea under a common contract for both land and water transport. Less alarming to the public it remains as unattractive as ever to the administrations of the three south-eastern States because it threatens their unfederal competition for the wool traffic in the western part of New South Wales. We regard this business as properly ours and have hopes that the commission will check the "cut-throat competition" of our neighbours. Neither of them can welcome the Bill without misgivings, nor are our Ministers anxious to see their freight charges revised. It remains to be seen whether or not local jealousies or the Federal ambition to control trade will most sway their Federal representatives when the measure comes before Parliament.

FINANCIAL CONSIDERATIONS.

The proposal to encourage the growing of sugar by white labour by means of a bonus provided by a per capita levy on the whole people instead of deducting it as a rebate at the cost of the cane-producing States, though equitable in itself, may also arouse

provincial feeling. The selection of the spot on which our future Federal capital is to be built is another matter even more open to the same risk and to possibilities of “log-rolling” of an unedifying character. Both of these schemes, as well as that of the Trans-Australian Railway through South Australia to Kalgoorlie, involve financial considerations likely to be fiercely debated both by State factions in the Commonwealth and by the growing party in both Chambers pledged to resistance to every new expenditure. These contentious subjects are of themselves sufficient to occupy an ordinary session, but they are far from exhausting the business sought to be transacted in five months. The alteration of electoral boundaries, due in every State under the Act of last session, will naturally stimulate the whole of the representatives, for all of them are forced into the keenest watchfulness. New Guinea has to be constituted a territory, the Patent Laws of the continent need to be consolidated, and its navigation and shipping legislation is to come under review, together with the usual batch of minor Bills believed to be necessary for the better working of the machinery of government. The session is evidently congested before it begins, and unless the existing Houses adopt entirely different methods and rates of progress from those of last year its prospects of success are hopeless. If the Opposition, as it may, in order to discredit the Ministry, takes advantage of the absence of effective Standing Orders to obstruct business, its members have every opportunity of making the session barren, and of confusing the issues remitted from the Legislature to the country next December.

SUBJECTS FOR COMMENT.

To begin with the Government cannot escape criticism of its conduct during the recess, the “six hatters” episode, the attitude adopted in regard to the taking on of State debts, the rigour of the customs regime, and many other topics which afford legitimate subjects for comment. Nothing in the shape of a vote of censure is anticipated, because as far as can be judged from recent speeches the Ministry is considerably stronger than when the recess began. None the less is it doubtful if the session can close without the defeat of the Ministry. The Naval Subsidy Agreement is in deadly peril, while the Defence Bill itself, dropped last session and since considerably pruned, has an almost equally hostile reception assured. The Defence Bill may pass, but not without prolonged debates and much amendment. It is our misfortune that the mind of the public appears less clear on its military and naval policy than on any other important question now before us. How much we ought to spend on defence in the gross and how to divide whatever appropriation is made between its two branches are preliminaries on which there is no agreement. As to what proportion of our naval estimates should go to the Admiralty in recognition of our indebtedness to the Imperial Fleet and how much should be set apart for the

floating protection of our coastal shipping and harbours none of our authorities agrees. A good deal has been done to harmonise and blend the land forces of the several States which have had their numbers adjusted to a federal standard, while a common uniform equipment and system of drill are being rapidly introduced. But the successive reductions in Sir John Forrest's estimates insisted on by the House have impeded the process, and the friction inevitable in the circumstances has not been reduced by tactful handling. Our citizen soldiery complains of the brusque manner in which existing regiments are being cut to the new pattern without regard to their past services or *esprit de corps*. What is necessary and what is mere pedantry in the changes is warmly disputed. In a word, the military and naval forces of Australia, while ceasing to be organised on State lines, have not yet become federalised even in spirit, much less in discipline.

NAVAL STRATEGY.

The situation in regard to defence is in every aspect unsatisfactory, for the local experts we have do not command the ear of the public and exhibit little confidence in each other. The issues of high naval strategy or the modern requirements for effective action on a great scale are naturally beyond "the Man in the Street". No time could have been more unfortunate to appeal to him. Any increase in the subsidy proposed to a young community staggering under the effects of the great drought and preoccupied with its own necessary but painful readjustments to the new circumstances created by it was bound to be adversely criticised. Recognising with little demur their obligations to the Empire, our taxpayers wince when they are thrust on them just when they are retrenching privately as well as publicly. The pace has been forced by the Admiralty in such a fashion as to seriously imperil the whole proposal and expose us to misunderstanding at home and abroad. Nothing but Sir Edmund Barton's steadfast fidelity to the proposal, just though it is in aim, could have rendered its acceptance possible; even yet it can scarcely be termed probable. Mr. Reid has given signs of adhesion which do his patriotism every credit, considering that the Labour section is openly hostile to any outlay except on ships solely under local control. Sir William McMillan, who from the first supported the scheme, would have brought with him part of the Opposition, and it is doubtful if even its leader's influence, added to that of his lieutenant, will suffice to make up for the breakaway anticipated on the Ministerial side. All these complications could have been minimised, if not removed, had the authorities in Downing Street been better informed or more attentive to Australian susceptibilities. They have unwittingly hampered the adoption of their own agreement at every stage.

THE NEW COMMONWEALTH.

RIVAL POLITICAL PARTIES.

COMPLICATED POLITICS.

THE NAVAL SUBSIDY.

FROM OUR SYDNEY CORRESPONDENT.

[Jun. 2 1903]; Aug. 10 1903.

The Federal Parliament has begun its second and final session. The first lasted eighteen months, the second cannot exceed six, because the Senate elections must be held under the Constitution before the close of this year. The cost of polling Australia being estimated at £30,000, the spirit of economy now ruling will not permit a second disbursement of such an amount in May next for the Representatives alone. The present House is therefore required to immolate itself in December instead of running its full course until May 1904. Between four and five months' salary is to be sacrificed by members in order that the candidates for both Chambers may go to the ballot-box together. The electors need then take but one journey to the polls. The £30,000 will remain in the public Exchequer, and we shall make a new start in a new Parliament at once. The Ministry, too, will come up for judgment by the country when it has completed three years of administrative life, of which only two years and a half have been available for legislation. The session now begun opens under the shadow of a dissolution whose proximity is likely to affect both the form and the substance of the business transacted during its term. The debate on the address in reply to the speech of the *Governor-General* is still proceeding. According to precedent the acts of the Government during its one recess are being passed in review, and its legislation is criticised in the light of experience, but these and all other kinds of comment are undisguisedly dominated by the programmes in preparation for the approaching campaign in the electorates. Ministers and their opponents alike are looking over each other's heads to that abstraction, the people, with a lively anxiety to understand and influence the concrete voters so soon to dispose of them and their policies.

IMPORTANT PROPOSALS.

His Excellency's speech was long though not verbose and was well packed with important proposals. The establishment of the High Court, an Inter-State Commission, and Courts of Conciliation and Arbitration for industrial disputes spreading beyond a single State are in themselves measures of magnitude enlarging the scope and authority of the Commonwealth within its present borders. The creation of a local administration for New Guinea will make that territory a kind of Crown Colony looking to the **Prime Minister** in Melbourne instead of to the **Secretary for the Colonies** in Downing Street for instructions and supervision. The appointment of a High Commissioner in London and the increase of the Australian subsidy to the Imperial Navy up to £200,000 per annum are projects which go still further afield. The Defence Bill provides for the federalisation of the last department transferred from the States. The choice of a site for the Federal capital and of a route for the railway connecting Western Australia with the eastern States are undertakings strictly domestic but involving the expenditure of large sums of money. It was announced that consideration had been given to the question of taking over the State debts, and that advantage would be taken of any opportunity of bringing this matter and other subjects of importance before Parliament, but it was added that his Excellency's advisers were not sanguine of being able to do so in the course of this session. A new cable agreement with the Eastern Extension Telegraph Company, a new contract for the carriage of mails between Great Britain and Australia, improved services between Tasmania and the mainland, and a fresh endeavour to secure bonuses for the growth of sugar by white labour, and for the development of our production of iron have also to be crowded into the discussions of the next few months.

THE TARIFF QUESTION.

The first disclosure of the session is that the strength of parties has altered to some extent during the recess. Sir Edmund Barton is distinctly stronger in the House, and strong enough in the Senate to allow Mr. **R. E. O'Connor**, his honorary leader in that Chamber, to continue the practice of his profession in Sydney instead of sacrificing it to the demands of public affairs. The Labour section, though maintaining its independent functions and unfettered criticism, has become a little more friendly to the Administration and a good deal more hostile to Mr. **Reid**. The Ministerialists who disagree with recent acts of the Executive are deterred from joining Mr. Reid because they are all of them Protectionists. Their dissent from the proceedings of Ministers is therefore chastened by the necessity they are under of not imperilling the tariff. The same condition of feeling will obtain at the election, and in all probability after it until Mr. Reid definitely renounces his Free Trade aspirations. If the dissolution took

place to-morrow he would find himself left alone with his fellow Revenue Tariffists of New South Wales in his desire to reopen the fiscal fight. He has already whittled down his first declarations against the present schedule of duties by insisting that all he seeks is a revision of the highest which were specially designed to foster local manufactures, but since it is plain that when anything is opened all is opened the explanation has failed of its effect. It is unlikely that anything will occur during the year to alter the situation in this respect, no matter how much Mr. Reid waters down his original declarations against the tariff. Not until he renounces this article of his programme altogether will he be able to win over allies from the right of the Speaker. He will have also to abandon his hopes of an alliance with the Labour section before he can enter into assured possession of his kingdom.

THE NAVAL AGREEMENT.

By far the most momentous passage in the speech of the leader of the Opposition was that in which he announced his acceptance of the naval agreement. Sir W. McMillan adopted it frankly and without reserve when in London a couple of months ago, and that wing of the Opposition which trusts him was known to be of the same mind; but it must have been a great trial to Mr. Reid to forego the opportunity it presented. Mr. Watson, for the Labour section, had pronounced against the whole agreement. The chief Ministerial newspapers—the *Melbourne Age* and the *Adelaide Advertiser*—had roundly condemned it, while the more conservative *Brisbane Courier* became hysterical in its denunciations of the proposed subsidy. The agreement, so this paper protested, had “every fault without a single redeeming feature ... embodied the worst traditions of the Admiralty”, was an “implied surrender” of the Australian right of self-government “which our people must repudiate”, because in the agreement “their nationality was ignored, their patriotism scouted, and their very independence subordinated to the general needs of the Empire”. When these astonishing incoherencies are to be found in the columns of the Queensland journal which as a rule is utterly opposed to the Labour section, whose sentiments it now echoes, though expressing them in much more lurid and less lucid phrases than Mr. Watson, the strength of the motley forces opposed to Sir Edmund Barton on this issue can be understood. The most vulnerable point of the agreement is the abolition of the condition in the existing arrangement making the consent of the State Executives necessary before the subsidised squadron could be removed from Australian waters. Mr. Reid fastened on the point at once last year with an express declaration that this at least should be amended. There is no doubt that he would have been successful if he had persisted in that view. The Prime Minister must have been humiliated by an adverse vote and would in all probability have at once resigned or dissolved. An appeal to the people—if it left the Ministry standing—would have in all likelihood

procured a popular verdict insisting on Commonwealth control of the Fleet, so that the same situation would have been repeated after the election as before it. The Government would have gone down. Taking office under such conditions Mr. Reid would have had many difficulties to face, but he would have at least overthrown his rival and enjoyed the opportunity of exercising his practised political strategy, so as to retain his prize. It must certainly be counted to him for righteousness that he has resisted the temptation.

CONFUSED POLITICS.

The Opposition leader in the Senate, *Sir Josiah Symon*, has assailed the subsidy with all his eloquence, and even so distinguished a loyalist as *Colonel Cameron*, C.B., justifies his acceptance of it only on the ground that he is a supporter of the Government that has staked its fate on it. The Governor-General's speech contained a paragraph expressing satisfaction at Mr. Chamberlain's speeches in favour of preferential duties within the Empire, which has been generally applauded, but nothing is proposed to be done. Mr. Reid openly confesses his hostility to the suggestion except as a palliation of Protection, his doubt of its practicability, and his regret of the "lamentable" lapse of the Secretary for the Colonies. Still, he allowed it to be inferred that he is prepared to make a diplomatic concession, though he avoids any precise definition of its extent. Here again *Sir W. McMillan* parts company with him, preferring to remain absolutely staunch to his rigid Free Trade principles. Confused as our politics are, even while only local questions are being dealt with, they become a hopeless tangle when what may be termed by contrast external or Imperial questions are introduced as well. The Opposition does not appear to be united in its attitude towards any of the great constructive measures promised in the Government programme. The weakness of party ties and the absence of party organisations combine either to place the controlling power in the Federal Parliament in the hands of its one compact phalanx, the Labour section, or else to leave it uncertainly at the mercy of the individual sentiments of the independent members in both camps. The leader of the Opposition having disclaimed any intention of attacking the Government by an amendment on the address, interest in the debate disappeared almost entirely. The censures most frequently repeated are those which relate to the admission of the six hatters and the severity of Mr. *Kingston's* administration of the customs. The Prime Minister replied to the attacks, insisting on the alleged inconsistencies of Mr. Reid's statements during his campaigns. Both are evidently preparing for the constituencies. It is not in the interest of the Opposition that Ministers should be too successful with their legislation, or that they should close with a fruitful session just before submitting themselves to the ballot-box. Their path will be thorny and advance on it slow. The measures to be allowed to pass will be

such as an incoming Government would prefer to find on the statute book, though even these measures will be sought to be altered from the Ministerial model. Judging by the length and nature of the speeches already delivered the results of members' labours will be practically small.

THE LABOUR SECTION.

If the Federal Parliament opens tamely when judged by the standard of the lover of sensations, the Parliament of this State promises a more turbulently eventful career. Sir John See will meet his assembly with diminished forces, a Treasury deficit, and a general dread among his followers of the coming election. The Labour section itself is becoming apprehensive of its future, and on that account is more favourably disposed towards the Ministry, whose retention in office will postpone the dissolution to a later date and thus afford Labour members a possible chance of recovering themselves. The strength of the Government, though smaller, may be sufficient to maintain them, but Mr. Carruthers has decidedly gained ground on them, his fighting campaign having put new life into the Opposition. His forces are larger, more united, and more sanguine than they were. He is expected to open the ball as soon as the address is tabled with an adverse motion, the voting on which will disclose the changed condition of parties. From that time forward Sir John See will need to fight for existence from day to day, will carry no measure without prolonged battles, and may be forced to the constituencies in spite of himself at any juncture. His tour in the country has revived his courage, but the attack on the Sydney newspapers made by Mr. Wise cannot assist the Ministerial cause. When he accuses them of attacking the Cabinet because the railway charges for carrying their parcels have been raised, he is only envenoming a contest already unduly embittered on the platform. The courtesies of debate and chivalry of demeanour are scarcely to be hoped for even in Parliament, in the present heat of animosity engendered by party strife and fanned by personal recriminations.

THE PEOPLE'S REFORM LEAGUE.

The customary complication of public affairs in local politics is apparent in the failure of the Reformers, pledged to economy and retrenchment, to unite their forces, though the general election cannot now be far off. Mr. Carruthers has rallied around him in the Liberal Reform League a strong body of politicians without whom his operations in the current Assembly must be fruitless, and by their aid he hopes to secure a majority in the next House. But there is in existence a People's Reform League (acting independently of the Parliamentarians) a little suspicious of

Mr. Carruthers and very suspicious of some of his associates. This league doubts if members can be trusted to carry out the mandate of the people for the reduction of their own numbers when once they have taken their seats in the House. The organisation aspires to control them as the Kyabram Association has controlled Mr. Irvine's followers in Victoria. It is particularly dubious as to some of the converted backsliders now enrolled under Mr. Carruthers's banner and is threatening to hamper him by nominating candidates of its own in the very Metropolitan constituencies in which the Opposition is strongest. Such a course would be fatal to both. Yet the existence of the People's Reform League, however much it may alarm good party men in Parliament, is the healthiest possible symptom of the times, because it is a proof of the living interest the outside public is now taking in its own affairs. However the ferment acts on the plans of the politicians it is certain in the long run to be in the highest degree beneficial to our State and curative of its current maladies.

THE NEW COMMONWEALTH.

FISCAL POLICY OF THE EMPIRE. MR. CHAMBERLAIN'S PROPOSALS. AUSTRALIAN APPROVAL.

FROM OUR SYDNEY CORRESPONDENT.
[Jun. 9 1903]; Aug. 14 1903.

Very tamely was "The Address in reply" debated before thin Houses and empty galleries. It was voted without a struggle after less than a fortnight's discussion, barren of incidents or disclosures, and revealing nothing beyond the feebleness of the formal Opposition onset. From a tactical point of view Mr. Reid appears to have erred in not moving an amendment, or at all events in not shaping his indictment of Ministers into some more effective form. His abstention was tactical or else the influence of his surroundings had to be recognised, for judging from its journals Melbourne appears to be playing its part as host of the Federal Parliament without any display of enthusiasm. Far from being impressed by the proceedings of the representatives of Australia it is comparatively indifferent to anything except its local interest or economical aspects. From such an opening it might be augured that a dull but fairly fruitful session is to be anticipated, but nothing is or can be certain in a House in which there are neither true parties nor fixed alliances. Again, it must be remembered that interest has been damped for the time by the non-intervention policy of the Leader of the Opposition and that the first measures on the Government programme are those establishing a High Court and providing for its procedure. Except on the score of cost, which is sure to be fiercely challenged, these measures offer no attractions to any except the legal members, who are far from being of one mind on the matter. They will be able to find a plethora of points on which to challenge the Ministerial scheme, but its fate will be finally determined by the decision of those outside the profession and unacquainted with its technicalities. Their votes will determine whether there shall be any High Court.

THE LABOUR SECTION.

The weakness of the official Opposition in the House of Representatives, so unmistakably exhibited directly members faced each other, has come on supporters of the Opposition in this State with a distinct shock of surprise. Mr. Reid being engaged in our courts last week left the leadership in the capable hands of Sir William McMillan, and though he could have done nothing more the fact of his absence assisted to dispirit his followers. They fear lest they are about to be abandoned during the session to an intermittent control of a capricious character, since, though their opinions are of the same colour, the personalities and strategies of the two chieftains are in marked contrast. One of Mr. Reid's tasks is to break with the Labour section gently and to quietly disengage himself, but those around him who sympathise with the Labour section form an embarrassing association which, if suddenly ruptured, might cost the Revenue Tariffists at least two or three seats. Sir W. McMillan has never been allied with this section except casually and under strong pressure, of which the most conspicuous instance was its acceptance of its colour test to exclude undesirable immigrants. As acting leader he may precipitate the breach with the Labour section too hurriedly and without entangling it with the Ministry to the detriment of both. This Mr. Reid hopes to do, his practised eye discerning that time is on his side, and that whether he is present or not he only needs to wait a little longer in order to see Sir Edmund Barton openly preferred to him by his former Labour allies, by whose aid he retained the Premiership of New South Wales for five years just prior to federation. Then his opportunity will have come. Whatever his projects may be his comrades in the House are likely to be left in the meantime to their own devices, to guerrilla warfare or to decorous assaults on the Government under the less inspiring command of his loyal lieutenant.

ATTACK ON MR. KINGSTON.

A Parliamentary attack on Mr. Kingston had to be made and made it was accordingly, headed by the Leader of the Opposition, together with Sir W. McMillan, and sustained by the whole strength of their party. So much was necessary as part of the promised campaign against Protection as well as to satisfy the aggravated importers and justify the continuous outcries of their Press. But the attack was not well managed, the assailants being left at last curiously helpless before the Minister of Customs. He was cheered to the echo by the Labour members as the upholder of the law against dishonest capitalists, and by Protectionists as the Minister helping them to build up local industries in the teeth of the antagonism of the importers. His reply to familiar censures was itself a repetition, and though full of force and fire added nothing to his former rejoinders. Australian merchants are, in his opinion, as honest

as any in the world, but there are rogues among them and others who are culpably careless in passing their entries so that they always tell against the revenue. There was no answer forthcoming to Mr. Kingston, and none to the Labour members in the other Chamber, where most unadvisedly for his own peace and to the lasting injury of his party Mr. **Robert Reid** himself sits as a Senator in spite of the remonstrances of his friends.

MR. CHAMBERLAIN'S FISCAL PROPOSALS.

Mr. Kingston and **Sir John Forrest** have not many likenesses and might not without justice be regarded as at the opposite poles of the Cabinet. The West Australian knight is very popular with the class most bitterly incensed against his unyielding colleague, while he is least in touch with the Radical section that admires Mr. Kingston. But they are absolutely at one in the fervour of their declarations in favour of Mr. **Chamberlain's** proposal for preferential tariffs throughout the Empire. Sir Edmund Barton was diplomatic in his approbation of the new departure, but his colleagues are enthusiastic. Opposite as are their methods, and in some respects their politics, both are ardently patriotic in sentiment and ready to wave the Union Jack oratorically on every occasion. If further proof of Ministerial solidarity were needed the telegram sent by the **Attorney-General** to the *British Australasian*, shows that the Federal Cabinet is whole souled and unanimous in support of the fiscal policy of the **Balfour** Administration. There is no doubt that the country is behind Sir Edmund Barton, and our State Ministry emphatically so. For once the politicians have been quicker than the Press to seize the meaning and appreciate the potency of Mr. Chamberlain's Imperial programme. Our Free Trade papers would have none of it because it contradicted their little orthodoxies in political economy, and their Protectionist rivals eyed it dubiously, alarmed lest their pet doctrines should be locally undermined, while the public, a little puzzled at the behaviour of their journals, hesitated in its interpretation of the new teaching. Now that the silence has been broken and a lead given by the debate in the Federal Parliament, the irresistible swing of public opinion is fast making itself felt. Australia may be relied on to return an overwhelming thunder of assent to the proposals of the Secretary for the Colonies. Nothing can be attempted during this federal session that will give practical effect to Mr. Chamberlain's scheme. It has to be proved that the Mother Country is prepared to act on the Colonial Secretary's initiative and ready to announce the precise nature of her intentions before we can give an official reply. But the mere appearance of the project above the political horizon has already commenced to exercise a potent influence on our immediate politics. Sir Edmond Barton's naval agreement has evoked as much enthusiasm in Mr. Kingston and Sir John Forrest as has the expectation of trade reciprocity within the Empire and for the same reasons. Their

patriotism is broad enough to make them supporters of each proposal independently, and consequently their appeals to the House are said to have had an excellent effect. There are others who are inclined to look more favourably on the extra subsidy now that they have had proof of the existence of a desire at home for closer commercial relations.

THE QUESTION OF DEFENCE.

The popular demand is still for expenditure on local defence works and forces or on ships which should be manned from here because these would appeal to Australian sentiment. On the other hand there is very little emotion to be aroused by contributions of men and money when both are infinitesimal fractions of an immense service in which they disappear out of sight altogether. The feeling for either an Australian Navy or something promising the development of such an addition to the present squadron as would be distinctively ours is strong in every State and is being exploited everywhere by opponents of the Admiralty plan. It is against this current that the Prime Minister has been so loyally striving for months past. The resistance he has to encounter comes from many quarters, though probably the quarter from which it has been most unexpected is that of the temporary Lieutenant-Governor and permanent Chief Justice of South Australia, *Sir Samuel Way*. Presiding officially at a meeting in Adelaide at which he was presenting medals for service in China to the members of the naval contingent despatched thither from that State he took occasion, while affecting to avoid any expression of opinion on the subsidy agreement, to assert that neither it nor any other "would be satisfactory to a United Australia that did not help her sons to emulate the renown of the race from which they sprang on the waves which Britannia has ruled so long". In this *Sir S. Way* uttered the feelings of his audience and of the people generally, but it is doubly unfortunate that he should have done so while speaking as the representative of the Crown whose Ministers in Great Britain are pursuing another policy.

IMPERIAL INTERESTS.

All friction on the question just mentioned could have been avoided if the representations from this side had received more attention. The overtures for commercial co-operation have, therefore, served as timely consolations at a critical moment, have helped to take us out of ourselves, and to convince the sceptical that the office of Colonial Secretary exists for the Colonies as well as for Downing Street. Probably it is a mere coincidence that the Navigation Bill, which was suspected of not being directed against foreign shipping alone but against British vessels not paying

local rates of wages, is not to be proceeded with this session. The employment of coloured seamen or stokers on the great steamers under contract to carry our mails is forbidden under the law in any future arrangements, and consequently other routes than that via Colombo and the Suez Canal are freely canvassed. An improved service to Vancouver and across Canada is already agreed on, and though this is intended to run for a short term only, it, at least, offers a prospect of the adoption ultimately of this all-British line of communication. The cable along this track is far from paying, because of the active competition of the Eastern Extension Company with its Asiatic and South African connections. Three Governments, though they are those of Great Britain, Canada, and Australia, are proving but poor business rivals to a great private enterprise which has enjoyed a monopoly of our business for many years. The new terms on which the company is to be accorded local facilities for its business by means of special land lines from capital to capital will also come up for consideration in a short time. Generally, therefore, Imperial interests, obligations, and prospects, whether naval or affecting trade relations, mail contracts, or cable bargains, are occupying a large part of the Parliamentary highway—indeed, a larger part than ever before. This, of course, is one of the first and most necessary results of our transformation from a congeries of rival States into a new Commonwealth.

THE NEW COMMONWEALTH.

TURBID POLITICS. THE JUDICIARY BILL. POLICY OF ECONOMY.

FROM OUR SYDNEY CORRESPONDENT.

[Jun. 16 1903]; Aug. 21 1903.

The Japanese can have no possible complaint in connection with the reception their squadron has received during its visit to Australia. From the moment of their arrival in Perth and during their stays in Adelaide, Melbourne, and Hobart up to the carnival week just enjoyed in Sydney *Admiral Kamimura* and his officers have been the recipients of unremitting and flattering attentions. Not a day have they spent in any port that has not been crowded with engagements of a public or semi-public character. Detachments of their bright and handy little sailors have constantly poured into the streets, where they have been heartily welcomed as far as that was possible without a knowledge of the visitors' language. Banquets and balls, reviews (naval and military), receptions and picnics, theatrical and other entertainments, athletic and marine displays have filled up all available hours of day and night. There was nothing to mar the cordiality of the visit. *Admiral Kamimura*, it may be mentioned, received part of his training as a midshipman on the *Empress*, a British gunboat presented to his Emperor by Queen Victoria some forty years ago—a vessel of which *Sir Harry Rawson*, our extremely popular Governor, was one of the officers when she was navigated to Japan. The treaty between the two nations is extremely popular in Australia, for the Japanese are highly appreciated as allies, though not welcomed as permanent settlers in our northern areas, where they were fast obtaining a strong foothold prior to the establishment of the Commonwealth. Our commerce with them is extending by means of their admirable line of steamers whose terminus is Port Jackson. Our visitors must be far more difficult to please than we have any reason to suppose if they are not thoroughly satisfied with their Australian welcome, which far surpasses anything of the kind attempted since the triumphal tour of the Prince and Princess of Wales.

LORD AND LADY TENNYSON.

The speech of his Excellency the **Governor-General** at the luncheon given by the **Lord Mayor** to the Japanese Admiral was somewhat valedictory in its nature. Lord Tennyson's stay in Sydney has deepened the regard previously felt for him and has also afforded a complete vindication of his conception of the social duties of his office. The investiture there a short time back was the most brilliant ceremony our metropolis has ever witnessed. Lord and Lady Tennyson have given their presence to as many public gatherings as possible and have cheerfully headed all worthy movements. Appropriately, therefore, when the Lord Mayor proposed their healths he made that circumstance the text of his speech, alluding specifically and with emphasis to the proper conception their Excellencies had formed of their functions and the ample manner in which they had discharged them. They have not spared themselves. As far as their guests can see they have not fallen short of our established precedents in any direction, and yet they are perfectly satisfied with the provision made for them. The Governor-General was quick to seize the opportunity presented to him by the Lord Mayor's comments, and once more repeated that the salary and allowances voted to him from the first "were sufficient to enable the Governor-General to maintain the dignity of his high position and to fulfil without ostentation his public and social obligations". The charge of parsimony brought against the Federal Parliament when it fixed the amount of its appropriation for his Majesty's representative has now been finally disposed of by the supreme test of actual experience. Lord and Lady Tennyson have not been called on to supplement their official emoluments from their private resources in order to fulfil their Viceregal duties. They have satisfied Sydney, where the demands on them have been at least as great as anywhere else, just as easily as they satisfied Adelaide, where their popularity remains at high-water mark. Capable and energetic as Mr. **Le Hunte** is he will find it no simple matter to rival his predecessors in South Australia, of which State he is about to become Governor.

THE LABOUR SECTION.

Our State politics continue turbid; the air is full of rumours, canards, and speculations on coming events, but the situation is steadily defining itself on the lines already pointed out in these columns. The opening of Parliament will show that the Ministry has lost a number of supporters, and can only hope to find compensation by a closer union with the Labour section. The difficulty of the Ministry is that Labour members are aggressively attacking the policy of economy now finding favour with all classes, and are claiming that instead of a reduction in expenditure we should aim at increasing the revenue by a higher land tax or enforcing closer settlement by compulsory repurchases

of great estates. Probably the Cabinet sympathises with these objects in part, though its course will lie perforce between this extreme programme and its antithesis adopted by the advocates of stringent economy. The Cabinet will ask the electors to say by how much they wish to diminish the number of members of the Assembly; it will propose savings in the departments, and will aim generally at a large number of schemes of practical legislation. Sir John See denies that he has any aspirations towards Federal politics, and while he remains at the head of his party it must be a power, whether on or off the Treasury benches. Mr. Waddell, his Treasurer, has gained public confidence by his clear statements of accounts and evident anxiety to check expenditure. Mr. Wise, though somewhat lost on the Legislative Council, where his brilliant qualities rarely find opportunity for exercise, has surpassed expectations as its leader. The two members who supply driving force to the Cabinet are Mr. Crick, a typical representative of the country, and Mr. O'Sullivan, whose opinions make him next door to a Labour member. These Ministers are at once an embarrassment and a source of strength to the Cabinet, though their abilities as a rule far more than atone for the erratic explosions of the one and the optimistic extravagance of the other. Yet the Ministry as a whole is not as strong as the individuals who compose it ought to make it. Its elements are diverse, if not contradictory, and apparently sometimes one and at other times another obtains control. Consequently its career has been chequered and its bold proposals watered down by many expediencies designed to satisfy its motley followers. Returned to office by the Protectionists and supported by the Labour section, the Ministry has lost the first and now depends almost absolutely on the second for existence under conditions so unstable that it is not likely to endure for any length of time.

MR. CARRUTHERS INDEFATIGABLE.

The Opposition grows. It has obtained the members whom the Ministry has lost. It has also gained heart and has secured the ear of the public. It is rapidly acquiring unity, so that its prospects are of the brightest. The breach between the Liberal Reform League of politicians and the People's Reform League is being healed with a view to their harmonious co-operation. Mr. Carruthers has been indefatigable on the platform, accepting the office of leader seriously and discharging its obligations with energy. During the late session he did not always show to advantage, owing no doubt to uncertainties as to his position and his following, but by degrees he has arrived at a sensible policy partly adopted from the Press of Sydney, partly accepted to satisfy public sentiment, and for the rest broadly based on sound Parliamentary principles. While his attacks on Sir John See and his colleagues have been incessant mainly in respect of their management of the finances, he has by degrees extended his fire so as to rake the Labour section as well. Mr. Carruthers has uttered condemnations

of undue borrowing and of promises of retrenchment that must soon bring him face to face with the local extravagances, minor in themselves, but adding up to an impressive total when taken together. Those it must be the mission of a new Ministry to cut down. Meanwhile he seeks to allay suspicion among the public servants by assurances that he will be no party to any plan for restricting them to separate representation as in Victoria. He assures landowners that they need not apprehend from him any enhancement of their burdens. His attitude in all particulars is that of a cautious Opposition leader—an attitude negative rather than positive and built on the faults of his adversaries' achievements rather than on the merits of his own schemes. It is hard to say just what changes in administration his accession to office will bring about beyond general economies and independence of the Labour section. He will commence the session with an attack in force, and persist in his assaults until he drives the Ministry to the country, where to all appearances defeat awaits it.

LARGE EXPENDITURE.

The Judiciary Bill has passed its second reading in the Federal House of Representatives after three nights' debate by a majority of nine, but is still far from safe. When introduced it was scarcely anticipated that it would be challenged so speedily or with any prospects of success, but from the moment it came under fire it became plain that the strength of the Ministry and the character of the whole policy it had announced for the session were to be decisively put to the proof at the first stage of the first measure. The debate on the Address disclosed the weakness of any attack from the official Opposition and a practical abandonment of the field by its leader. Whether designedly or not, it was left to the Ministerial corner to express its discontent with the several items of large expenditure placed in the forefront of the Ministerial bill of fare. This was done in no directly hostile fashion and with many qualifications, but, as now appears, the criticism covered a determination to resist the Government—a determination that gathered force as those concerned exchanged views and reinforced each other's resolution. The High Court Bill could never be popular, and was not likely to be appraised for its utility except by lawyers. Hence it offered a safe point of attack. Besides, as it involved an outlay of from £20,000 to £30,000 a year, it awoke the hostility of the Victorian Reform Leagues, alarmed at the series of disbursements proposed for the session. On the top of the salaries of new Federal judges were those of the Court for Conciliation and Arbitration, of the members of the Inter-State Commission, of the High Commissioner, and of expanding departments. The £5,000,000 estimated cost of the railway to Perth and the unknown liability to be incurred on the new Federal capital furnish an alarming background for so many

ambitious undertakings. It was therefore good generalship for the economisers to fasten on the Judiciary Bill as typical of proposals to follow, and to make it a test of the whole set of measures about to make demands on the pockets of the taxpayers.

THE ECONOMIC CURRENT.

The *Attorney-General* last year got no further than his second reading speech on the Judiciary Bill, and was never answered, since the endless debate on the tariff consumed month after month of the session. On the present occasion he moved the same motion for a second time in such a manner as to indicate his sense of the changed sentiments of the country. Formerly he enlarged on the dignity, eminence, and powers of the great tribunal about to be called into being as the arbiter and protector under the Constitution of the rights of the States, the compacts between them, and the power of the Commonwealth Parliament, but this year there was no such excursion into historic or juridical fields. He was subjected to a running fire of interjections while he dwelt on the utility of the court, whose cost he had brought down to £24,000 a year, a large part of which sum might be saved, according to him, by reductions in the cost of the State Supreme Courts, which would be relieved of part of their appellate jurisdiction. His first proposition, that the Constitution contained a mandate for the creation of the High Court at the earliest possible moment, was warmly attacked by leading lawyers of the Chamber, such as Mr. *Glynn*, of South Australia, Mr. *Higgins*, *Sir John Quick*, and Mr. *McCay*, of Victoria. Their criticism brought up the *Prime Minister* himself in a speech declared by many critics to be the ablest he has delivered in Parliament, and recalling his splendid addresses on constitutional law while leader of the National Convention. Mr. *Isaacs*, K.C., one of the first barristers in the Victorian Courts, preceded him to the same effect in a powerful argument, endorsed by Mr. *Groom*, of the Queensland, and Mr. *Fuller*, of the New South Wales Bar. This contest, in which all the prominent lawyers of the House took part, left each side with sufficient authority to maintain its own views. But so strongly did the economic current run that at one time the rejection of the Bill seemed imminent, and it was only by an earnest rally that the Government was enabled to carry it into committee.

VICTORY DEARLY BOUGHT.

The victory was dearly bought, for while the Ministry won over five members of the Opposition it lost eight of its own supporters, all of them Victorians, whose secession, if it became permanent, would at once occasion a downfall. As almost every item of the work promised in the Governor-General's speech necessitates expenditure

it is plain that Sir Edmund Barton's position has suddenly been discovered to be critical. The Opposition, as usual, voted solidly, three out of its five losses being of Western Australians, who now that the fiscal issue is out of the way exhibit decided leanings towards Sir John Forrest. All its other members came into line; even Sir W. McMillan, who spoke the week before of the passing of "the great Judicature Bill which will establish a High Court for Australia" as one of the three measures necessary to carry, at once paired against it. Mr. Reid, who on the "Address in reply" declared that the Bill should be accepted "with the least possible delay", and who contended that "without the High Court we have no Constitution at all", did not even permit himself to be paired in its favour.

THE NEW COMMONWEALTH.

SITUATION IN NEW SOUTH WALES.

THE GOVERNOR'S SPEECH.

CONSTITUTIONAL REFORM.

FROM OUR SYDNEY CORRESPONDENT.

[Jun. 23 1903]; Aug. 27 1903.

Mr. Chamberlain has never set foot in Australia, but he has been very often with us in spirit since his assumption of office as Secretary for the Colonies, and for the last few weeks has been so prominent a presence in our politics that he has overshadowed our local statesmen. He is beginning to deflect their policies, to take possession of the public imagination, and by the magnetic influence which he exercises to sway our Parliaments from the other side of the world. This is a new experience and a valuable one. Ever since self-government was granted to us we have been engrossed in local problems and the party rivalries associated with them, and we have only occasionally been affected by the course of events at home. British politics have often been more stirring and picturesque than our own, and for these reasons more closely followed in each State than similar events occurring among its neighbours only a few hundred miles distant. But our interest has been largely spectacular. Your public life has so rarely exercised any visible influence on us that we have seldom become "party men". We have looked on the changing fortunes of Lord Beaconsfield or Mr. Gladstone with sympathetic but fairly impartial eyes. Whatever attractions Australians felt to the one or the other their concern was not for themselves except as citizens of the Empire. Hence arose a confusion of sentiments. But Free Trade Conservatives often favoured the Liberals of Great Britain, while many Radicals here were devout Imperialists in the Mother Country. Distance may have lent some enchantment to our view of the combats in the House of Commons, but the remoteness was not without injurious effects. The more we became absorbed in our own affairs on this side of the world the less attention was given to the Mother Country. Insensibly but steadily it was coming to be assumed by large classes of our citizens that the tie between us and the United Kingdom was sentimental only. To many hard-headed business men this was synonymous with the conclusion that there was no real tie at all except loyalty to the Crown and community of fortune on the battlefield. In other respects there was little to distinguish Great Britain from the United States. In trade, at all events, we were

drifting apart. The South African struggle appealed powerfully to the sense of unity of blood and flag while it lasted. Since its close this revived enthusiasm has tended to dwindle to its old proportions. The recent conference of Premiers in London did nothing to rekindle it among us. But now, almost in the twinkling of an eye Mr. Chamberlain's speeches and Mr. Balfour's acceptance of responsibility have changed the whole situation. They promise a closer, more permanent, and more practical relationship than any we have hitherto enjoyed.

ATTITUDE OF THE FEDERAL MINISTRY.

This does not imply an instantaneous and universal conversion to the new conception on the part of our leaders. They are not so readily wooed from their accustomed ways of thinking; many have been caught unawares, and are not yet able to free their minds sufficiently from familiar assumptions to judge the necessities of the new environment suddenly disclosed around them. The Free Trade papers in particular, since they are just now passing through a purgatory of aggravation due to the drastic methods by which our Federal tariff is being enforced, are specially exasperated by Mr. Chamberlain's coup. They had forgotten his efforts towards reciprocity prior to the war, and they long exalted him as the master spirit of Imperial politics, but they resent his revival of his original proposal as a blow to their local propaganda and its prospects. Some of his most fervent admirers now speak of his influence as "the passing popularity of a political advocate", and even venture to describe the investigation in which his Government is about to engage as "a hole-and-corner inquiry". Their alarm, as expressed pathetically, is for Great Britain, for the Unionist Party, for the Midlands, and for the Empire rather than for Australia. In fact, except for the risk of retaliation on our wool exports to the Continent and to America, they cannot conjure up any prospect of injury to ourselves. It may be presumed that the people of the Mother Country may be trusted to judge the possibilities of danger to themselves better than we can many thousands of miles away. In the meantime Mr. Chamberlain's idea makes way fast among us, in spite of the fact that for the moment all our local politics are being thrown into tangle because of it. The Federal Ministry has pledged itself not to alter its tariff if returned next December, and the Opposition desires to reduce duties all round without discriminating between the countries of import. In the States the exclusion of fiscal questions has put Free Traders like Mr. Irvine and Mr. Propsting at the head of the Victorian and Tasmanian Cabinets, where they hesitate to commit themselves. Even Sir John See, who has officially declared for preferential duties like his fellow Premiers, finds any choice inconvenient just now. Nevertheless it is being forced on them all. No Cabinet has dared to oppose the movement, not even the Chambers of Commerce, whose Free Trade veterans have

been meeting in Adelaide. All cry out for time, and time will be given them, though it can lead to only one verdict. That will be given with resounding energy in its favour so soon as the public realise the Imperial nature of the scheme.

LABOUR DOMINATION.

The opening of our Parliament has cast little light on the trend of opinion in New South Wales since the position of parties in the Assembly has altered but slightly. Sir John See seems to sit on the Treasury benches as firmly as when the House was prorogued, though he has but a very small majority behind him compared with the ranks of the direct Opposition. Yet Mr. Carruthers, with a more numerous and more united following than has been arrayed against the Government since it first took office, will probably find that there is a long road to travel before he can hope to displace it. If the issue lay between the Ministry and the Opposition alone he would be master of the situation in a few days, for the cohesiveness in his ranks is now superior to that among the Ministerialists, and he could be certain of dividing them sufficiently to bring about a crisis. But between the regular parties intervenes the third section, whose block vote in times of emergency bulks so large that nothing but a wholesale defection from Sir John See's camp could place him in a minority. The Labour members are twenty-five in number, and their adhesion to either party would give it just about that majority. The Labour section will maintain the Ministry on the motion of censure, and probably for the rest of this Parliament, which does not expire for another twelve months. The reasons for this course were not stated, but they are sufficiently plain on the surface. Mr. McGowen desires to postpone the appeal to the country as long as possible, because it is unlikely that he will occupy after a general election the same commanding position he now enjoys. The reduction of members and the diminution of the public expenditure are both distasteful to his section, and will be resisted as far as possible. The electors are obviously bent on these economies and on other reforms inimical to the Labour platform—reforms which are therefore to be delayed if they cannot be defeated. Mr. McGowen reminded the House that Mr. Carruthers, when in Mr. Reid's Cabinet, "accepted their support" for five years without a complaint, while now he denounces it as "Labour domination". There is no doubt that he is quite right in considering that this marks a distinct change of policy. Following his old leader's example Mr. Carruthers's last session sought to avoid a breach even if he could not renew the alliance by which the Reid Government won and retained office. During the recess he has found the current of opinion too strong for him. He has been compelled to declare himself against "Labour domination", and must be content to see it exercised on his rival.

SIR HARRY RAWSON'S SPEECH.

The situation in this State has been emphasised in Parliament, but in no respect changed. It is interesting to note that the debate on the "Address in reply" confirms conclusively the forecast of the course of events that has been repeated in these columns for the last eighteen months. That forecast is now currently accepted by the Press and acted on by our politicians, who have tardily realised what they are required to do. The Reform Party on the one side, and the Ministry, with its allies of the Labour section, on the other, have to fight out their duel for the control of New South Wales. Side issues and old traditions are swept away. The speeches in both Houses possessed no more than an ordinary interest, but they made the position clear. They were interrupted in a more disorderly fashion than usual, and generally speaking were productive of more heat than light. Mr. Carruthers, somewhat indisposed, fell short of expectations in his arraignment of the Cabinet, partly because he had already exhausted his material during his recent platform campaign. Sir John See showed his customary vigour of speech and adroitness in appeal to the sympathies of members, but he, too, suffered under a similar disadvantage by the anticipation of his best arguments. The one speech which far surpassed all the rest in matter, in style, and in effectiveness was that which Ministers daringly placed in the mouth of his Excellency the Governor. A few passages can be selected from previous Viceregal speeches which partook of a partisan colouring, but in no preceding instance has the whole official announcement of the programme of the session been turned into a Ministerial manifesto in defence and an exposition of Ministerial policy. The innovation has been warmly resented by the Opposition, and is certainly to be regretted as paving the way for further encroachments on the neutral ground occupied by the representative of his Majesty. *Sir Harry Rawson* is so widely and deservedly popular with all classes that any trespass on the prerogative is specially inappropriate and unjustified when made on his person. Yet objection on his part was scarcely possible. The language employed was not of a character to which he could properly take exception, nor were the statements put into his mouth exceptionable in themselves, save in one instance, and then by implication only. The speech itself was a very able, trenchant, and polished piece of work, from which it may be inferred that it was the handiwork of the Attorney-General, Mr. *Wise*. Its objectionable features were its decided party colouring and almost militant tone.

POLITICIANS AND NEWSPAPERS.

The plea urged on behalf of the novel character of the Governor's speech is that the Sydney newspapers will not publish fair statements on public affairs, and that by way of reprisal one long paragraph of the speech conveys an implied charge against our three dailies of seeking "special concessions" in the charges made by our State railways

for carrying parcels of papers to country districts. Ministers insist that for this service the newspaper owners shall pay “a fair commercial equivalent” which the journals describe as a penal rate intended to hamper their circulation, and imposed to punish them because of their criticism of the general policy of the Cabinet. Such a squabble in the face of the whole country is not creditable to the parties concerned any more than is the accusation that Ministers spend more public money in the districts of their friends than in those of their antagonists. Altercations of this kind remind us of the smallness of the community and of the guiding ideas of many of those entrusted with great responsibilities. Neither the politicians nor the newspapers are qualified to be judges in their own cause, while the people who control both have their conception of public affairs lowered by the suggestion that self-interest is the chief motive actuating those in high positions.

REPRODUCTIVE WORKS.

It is also undesirable even if unnamed persons have spoken “in grossly exaggerated terms of the state our finances” that they should be taken to task for it through his Excellency’s speech. On the other hand the authoritative explanation is useful, that though £17,000,000 of loan money has been spent in the last four years £2,784,000 has been applied to the repayment of old loans and nearly £3,000,000 for the resumption of harbour frontages. Deducting £2,000,000 more for the outlay incurred to discharge Mr. Reid’s liabilities and nearly £2,500,000 required by the Railway Commissioners for improving existing lines, it is apparently by a correct calculation that the responsibility of the present Cabinet for its own borrowings is reduced to less than £10,000,000, “spent for the most part on reproductive works”. The proper comment is that this in itself was too large a sum by which to increase our indebtedness in so short a period. Having regard to the other obligations falling due, of which Ministers were perfectly well aware, it was very much more than they ought to have asked. When they go on to add that railways authorised by Parliament “ought to be carried out when the opportunity offers” they exhibit an insufficient sense of the seriousness of the situation. The drought has cost our lines more than £500,000 this year, and while it is true that they have immensely mitigated the losses of owners of stock, there is a point beyond which it is not wise for a country even as rich as ours to extend its benevolences. There are seasons, and this is one of them, when owing to the condition of the Money Market even necessary works require to be postponed and legitimate expenditures cut down to the lowest point. That is the situation to-day, and well the Treasurer knows it. The promise of railway making may be intended only to be kept to the ear, because the raising of fresh loans is known to be impracticable, but the holding out of such hopes in order to temporise with the districts affected and their members cannot be defended in existing circumstances.

“DISHING” THE OPPOSITION.

The Ministerial scheme for constitutional reform has evidently been dictated by political necessities, though it is sought to be very ingeniously derived from the confusion created by the action of the Opposition at the last general election. Because it forced on the fiscal issue, with which State legislatures were unable to deal, in order to help Mr. Reid in his federal crusade against Protection no complete direction could be obtained at the polls as to the extent to which the number of members ought to be diminished in the local chambers in consequence of the creation of a Commonwealth Parliament, to which many of their powers had been transferred. This complaint is well founded, though it must be confessed that Ministers have never seemed to regret that this intrusion of a foreign question prevented a decisive popular verdict for economy in Parliamentary and other directions. The next excuse offered is that the rejection of the Woman Suffrage Bill by the Legislative Council further postponed the consideration of constitutional reform, since some time must still elapse before the Act afterwards passed can be brought into operation. Now that an adult franchise has been adopted the opportunity presented by the Senatorial elections next December is to be seized in order to remit to the whole of the voters—male and female—the question of the number of members necessary for the State legislature. The grounds for substituting this new departure for the ordinary Parliamentary method are a professed anxiety for the fate of any such proposal under our system of Standing Orders as to procedure. This explanation is by no means complimentary to the members whose good faith is thus openly impugned, but the slur is likely to be ignored in the satisfaction evoked among them by their escape from an extremely awkward dilemma. The proposal is politic in other ways. The Labour section cannot oppose a popular vote while the majority of the reformers have been urging an appeal to this very tribunal. Altogether the Cabinet is extricating itself dexterously from the task of inviting its supporters to prepare the means for its own despatch. It also places the Opposition under the reproach of fearing or avoiding the decision of its constituents should it resist the scheme. All that it has left to it of its studied indictments of the Ministry is the general field of criticism afforded by too lavish expenditure, over borrowing, and over employing. The Opposition has been deprived of its best argument for an early dissolution by the clever Ministerial device of an early referendum. It may now be assumed with some confidence that the present House will live out its full life and that the Ministerial plan has effectually “dished the Opposition” by destroying its hopes of an early electoral assault on the Treasury benches.

THE NEW COMMONWEALTH.

WATER FAMINE AT BROKEN HILL.

STATE SOCIALISM.

RETRENCHMENT MOVEMENT.

FROM OUR SYDNEY CORRESPONDENT.

[Jun. 30 1903]; Sep. 3 1903.

The water famine at Broken Hill affords another illustration of the astonishing variety of physical and climatic conditions in Australia and of the happy irresponsibility with which the settlement of the interior has been and in spite of experience continues to be prosecuted. The story of the mines at this place outdoes most romances. Their exploitation made a number of great fortunes, and as if by the touch of an enchanter's wand their discovery created in the wilderness a new city of industry based on an immense output of mineral wealth. To-day the visitor beholds there the latest appliances by means of which crude ores can be converted into marketable silver, lead, copper, zinc, and tin, the best methods of electric lighting and locomotion, coupled with the most advanced principles of municipal management, practically applied in a great unsightly town that has spread with mushroom-like rapidity over and about the barren hills of the desert. The soil is not specially poor, and in good seasons the whole of it is excellent pastoral country, but an insufficient rainfall renders it always unsuitable for heavy stocking, and often reduces it to absolute desolation. Short winters of keen, rare air and sunny brightness are succeeded by fierce summers of intense dry heat, occasional furnace blasts of torrid air, and all-pervading, all-penetrating clouds of dust. The one necessity of life, the one indispensable element of health and comfort—an element whose gracious presence is marked at once on the level panoramas by blossoming gardens and avenues of grateful shade—was, is, and always must be, water. The mines and their works depend wholly on large quantities for daily consumption, the town and its people depend wholly on the mines; yet now after twenty years, for the most part of splendid prosperity, the complete insufficiency of the provision made for water storage has been demonstrated in the most fatal fashion. The mines have stopped, and with their stoppage, Broken Hill, its railways, its port of shipment, and extensive smelting works have lost the whole of their means of existence. All is at a standstill.

LOCAL IMPROVIDENCE.

Eastern Australia, even where most drought-stricken six months ago, has lately been abundantly watered. The tracts where devastation continues visible are quite inconsiderable. Few and small are the areas where the squatters' dams are not full, or where his paddocks are not covered with fresh springing grasses. The coast country has been well soaked, while the plains beyond the ranges, moist from dripping showers, could easily carry many millions more of sheep and cattle than are left to browse on them. From the Queensland downs and the cane fields along a broad belt stretching right from north to south through New South Wales, and embracing the whole of Victoria and South Australia proper, there is every promise of a good year, and, with normal spring showers, of a magnificent harvest. Tasmania and Western Australia having escaped the ravages which afflicted the rest of the Commonwealth are equally fortunate, so that the prospects for 1903-4 up to date are uniformly encouraging. Even the arid steppes of our extreme west towards Central Australia have not been missed by the welcome rains. Broken Hill has had enough water to carry its industries on if the place had been adequately provided with storage. But though the scantiness of its water resources has been commented on without cessation for years, Broken Hill was content to rely on the existing means of supply. Good luck alone enabled the district to tide over adverse seasons. Often this has been done with difficulty and at much risk, but never until now has the supply utterly failed. Upwards of two months ago the money voted by Parliament for a great weir began to be employed on the clearing of the site. Mid-winter having arrived no haste was shown until the town was suddenly discovered to be in straits. Since then, in order to provide employment for some of the idle miners, three shifts of a hundred men have been engaged on the works, operations being continued by electric light during the night. A minimum domestic supply of water is being secured by means of an extra pump. Without this nothing but an exodus could have saved the citizens, who were not able to buy supplies at 30s. per thousand gallons brought by train from South Australia to the order of the New South Wales Government at a cost of 45s. per thousand gallons. The improvidence of those in local authority, the supine reliance of all concerned on the Government, and the Government's spasmodic assumption of the task of facing the catastrophe point to some of the most unsatisfactory features of our public life. If certain fields were left open to private enterprise only, or if the State alone was required to shoulder the responsibility we should have escaped the present and other depressing incidents. They are the consequences of an uncertain and inconsistent policy of intermittent interference, which has for the time paralysed the great wealth-producing agencies of Broken Hill, leaving the working population a temporary burden on the charity of the depleted Treasury of New South Wales.

STRAINED FINANCIAL RESOURCES.

The debate on the "Address in reply" drags its slow length along, defying Sir John See's declared intention of closing it last week when the sittings came to an abrupt conclusion because of a fracas between one or two of its members on the floor of the House. The net result of the debate so far has been to show more clearly than ever that our financial resources are being extremely strained owing to the political pressure under which our expenditure has been permitted to outgrow the reasonable necessities of the time. Mr. Waddell's plea—that the circumstances through which we have been passing are exceptional, and that any reduction of the disbursements called for by the untoward seasons would have aggravated the distress occasioned is true, but it is by no means an acceptable reply to the criticism showered on him by the Opposition. It may even be admitted that in similar circumstances Mr. Carruthers would not have drawn his purse strings any tighter. But this only assists to convince impartial onlookers that there is no likelihood of any brake being effectively applied by political hands to the outlay of our administrations, no matter of what party colour they may happen to be. When the Treasurer urges in extenuation that though our railway and other earnings are rising the cost of working rises almost as fast, he demonstrates, apparently without realising the fact, that we are suffering from bad business management. No other conclusion is possible while in our public ventures greater risks, greater labour, and greater outlay produce no greater profit. Clearly the new Broken Hill reservoir ought to have been constructed long ago in place of many much less urgent undertakings. Clearly also when completed it ought to sell its water at prices which should be reasonably profitable to its proprietor, the State. Presumably it has not been built, because political exigences elsewhere were more grave, and possibly it will not pay bare interest on its cost. Here we have once more the Australian problem of State Socialism presented in concrete shape. How are we to maintain our business undertakings unless business principles are made paramount, and how is this to be accomplished by means of legislatures far more open to political temptations to concession than they are to prudential considerations of pounds, shillings, and pence?

LOCAL BORROWINGS.

This year, the London Market being unsympathetic, Australia borrowed there £2,600,000, all of which came to New South Wales at a high rate. The other States together borrowed over £3,600,000 locally. If at a time when we are supposed to be economising we still take half a million a month, for what sums shall we become debtors as soon as our lenders look on our prospects with a more favourable eye? So far no progress has been made towards any agreement between the Federal and State Ministries as to the terms on which the debts of the State Ministries shall be assumed

by the Commonwealth. A motion on the subject has been set down for debate in the House of Representatives in August, when Sir George Turner is expected to deal with the problem comprehensively. In the meantime Mr. Jenkins has been fulminating against any control of local borrowings by the Central Government. Trading on the undisguised dislike of the land grant system on which he seeks to build a railway across the continent connecting Adelaide with Port Darwin he has appealed to his constituents in South Australia to resist every scheme which would shackle their freedom to undertake whatever public works they please. Mr. Irvine, from Melbourne, echoes the same protest against any consultation either of the Commonwealth or of the States on his projects for water conservation on a large scale. It is true that he suggested the creation of an entirely non-political committee of business men, who should be asked for an independent report on the financial aspects of any proposal for public works of magnitude requiring loan money, but this body is evidently intended by him to be of a strictly State character and advisory only. It remains to be seen in what way the taxpayers of the south will respond to the solicitation of their Premiers. The Melbourne *Age* recently declared that the best limitation of future State borrowings would be secured by confining them to Australian issues, where local knowledge of the ventures and the higher rates ruling would help to check extravagance. Coming from so potent a journal this novel proposal is certain to attract general attention among its readers, though no public men have ventured either to adopt or to reject this practical plan of restricting future indebtedness. The question appears to be drifting out of notice, but the necessity Mr. Shields is under of preparing for the loan falling due at the end of the year must force on the consideration of this momentous financial operation.

THE JUDICIARY BILL.

Meanwhile it is patent that the movement for public economy, far from having died down, is in full life and vigour in Victoria, where it has already powerfully affected the Federal Parliament. The fact that this body has met in Melbourne has been largely responsible for the Protectionist colour of our first tariff, and is now leading to a severe cutting down of all Ministerial proposals involving expenditure. It cannot be said that the retrenchment sought has been discriminating, and, indeed, some approved savings may easily prove unfortunate, having in view their ultimate effect. But the reformers eager for the fray have simply seized on the first opportunity that offered of demanding reductions. This happening to be the Judiciary Bill the reformers were favoured by the popular sentiment that all outlay on law is unproductive to both parties and specially expensive to a loser. The Government Bill was accordingly attacked with zest simply from the financial standpoint, as if no other interests were involved. The High Court proposed would have possessed four judges

at £3,000 a year, presided over by a Chief Justice at £3,500, all of them entitled to pensions, according to their periods of service, ranging up to £2,500 a year. The court's jurisdiction would have embraced all cases of a Federal character permitted by the Constitution, and though it would have allowed these to commence in the courts of the States, it required that all appeals should be decided within its doors. The court was also to hear appeals of all kinds from the various Supreme Courts. This would have secured to us a judicial tribunal of wide scope and great dignity from which appeals would have gone to the Privy Council only by special leave on issues of general importance. As amended the Bill will leave the House of Representatives establishing a court of three judges, without pension rights, practically acting only in an appellate jurisdiction, in which they are not likely to be often approached seeing that the decisions of State Supreme Courts will have been given by at least an equal number of judges, from whom an appeal can be sent direct and at once to London.

PARSIMONY.

The Constitution required the minimum of judges and of jurisdiction—a minimum which has been adopted for the High Court instead of the maximum of powers and the strong bench for which the *Attorney-General* has been unsuccessfully pleading. The Senate, into whose hands the measure must presently pass, is expected to submit to the same economical influences. The States, with a single exception, have always granted pensions to their judges, and two of the States pay the salaries asked for the Federal tribunal which is intended to preside over them all. We are, therefore, now following a precedent first set by the United States by making a seat on the national bench chiefly a post of honour, inasmuch as it will be less highly remunerated than the seats of the judges of most of the State courts. It remains to be seen how far we shall be able to secure highly qualified members of the Bar by the attractions of patriotism and permanence alone. Such an incident as this should convince onlookers of the sincerity and universality of the movement for retrenchment in public expenditure which has its chief centres in the three States of South Australia, Victoria, and Tasmania, though Queensland has also given earnest of her resolution to insist on savings. The judges in South Australia, Western Australia, and Tasmania are already poorly paid, while future judges in Victoria and Queensland must accept office on a lower scale of remuneration than now obtains. The general public has learned with amazement that the Commonwealth as a whole is spending £750,000 a year on its judiciary and gaols. Of that sum £186,000 is on the Supreme Courts. This last total will be over £200,000 annually when the High Court is included. These sums are likely to be reduced more rapidly than was anticipated now that the Federal Parliament has determinedly set the example of a rigid and possibly injudicious parsimony.

THE NEW COMMONWEALTH.

FINANCIAL REVIVAL.

FEDERAL ECONOMICS.

TIGHTENING THE PURSE STRINGS.

FROM OUR SYDNEY CORRESPONDENT.

[Jul. 7 1903]; Sep. 8 1903.

Australia's financial revival seems remarkable even to those well acquainted with her marvellous recuperative powers. The financial year closing on the 30th of June evoked a series of revelations by way of comparison, every one of them encouraging and most of them unforeseen. Yet we are at the moment in the trough of the wave, midway between two harvests, that of the past a failure and that of the coming spring not yet secure. June, our mid-winter month, generally dull, is always marked towards its close by a suspense of mercantile operations prior to balancing day. Hence every condition of trade has appeared unfavourable. Even those who look forward with confidence to a good season close at hand anticipated that the twelve months' record just closed must be the worst we have known, and probably more unsatisfactory than anyone calculated. The one hope from a revenue point of view lay in the returns to be made to the States out of the Federal Customs revenue. These had been exhibiting a singular buoyancy, and it was known that *Sir George Turner's* estimates were bound to be largely exceeded. But for all that the announcement of the summaries of the year's working were awaited with much anxiety, particularly in New South Wales and Victoria. Both have been so sorely smitten by the drought that nothing short of depressingly lugubrious disclosures were foreshadowed by most of those who pose as local authorities. These are the only people now disappointed. It has become plain that once more our troubles, grave as they were, have been magnified for party purposes, and that important factors were carelessly, if not wilfully, left out of account. The totals are not those to which we have been accustomed in times of prosperity. They require to be discounted to some extent by deductions from the Custom House receipts due to exceptional circumstances. But taken in the gross and looking at Australia as a whole they are of a character to dispel the dread of the timorous and to stimulate the faith of our thoughtful critics.

SURPRISING TOTALS.

To analyse all our rough balance-sheets just published would impose a tedious task on the general reader, but the tale they tell is so harmonious that it deserves at least a passing comment. The Commonwealth has no difficulties of its own and no possibility of a deficit, but for all that, as it controls our greatest cash-producing source of revenue and has all the States dependent on its bounty, it really holds the key of the financial position. From its two-and-a-half years' life the first six months must be deducted, because during that period it simply collected its customs under the old State tariffs. Indeed, more than three months of 1901–2 had passed before Mr. Kingston's duties displaced them, and an equal period of 1902–3 elapsed before his schedule of imposts assumed its final form. It will be three months hence before we can show precisely a full twelve months' collections under the Federal tariff. Even then account requires to be taken of some special disturbing factors. Owing, for instance, to the drought, immense quantities of grain and fodder were imported into the eastern States from abroad, in addition to the large supplies taken at high prices from South Australia, Tasmania, and part of Victoria. Nearly half a million sterling was poured into the national coffers as a consequence of the failure of grass and crops, together with another £100,000 because, owing to the same aridity, there was a deficient crop of sugar cane in Queensland. These additions to our public receipts arising out of private losses were, of course, accompanied by subtractions on that account from our railway and other revenues. Nevertheless, the totals are surprising. Sir George Turner's caution left his estimated income of £9,000,000 over £600,000 below the actual receipts. The consequence is that though his forecast promised the State Treasurers £7,300,000 among them he was able to give them this and £900,000 more, making their total endowment from this source no less than £8,200,000.

THE SALVATION OF THE STATES.

Of course, this is extremely gratifying to the States always vexed by the eternal want of pence, and particularly in need of them at the moment. But the accounts are equally satisfactory from the national point of view, since it is evident that the magnificent sum transferred is due in no small degree to Federal economies. The Commonwealth in its postal and telegraph services has dealt liberally with its customers, particularly in the second branch. It has also been generous to the lower grades of its employees in all their departments. It has also required postage to be paid by its own offices, thus adding £70,000 a year to its expenses, though as a fact the apparent increase is merely a book entry. Yet after all these matters have been provided for the Commonwealth is able to show a smaller outlay in each of the

departments taken over from the States than was anticipated this time last year. A sum of £300,000 saved here was supplemented by another £50,000 unexpended by the new Federal departments established under the Constitution. This £350,000, too, goes to the State Treasurers, whose only possible ground of complaint against the central Administration is that in the largest and least populous States their postal revenues have been reduced by sums varying from £7,000 to £22,000 a year. Such items, of course, sink into insignificance when compared with the benefactions the States enjoy partly owing to Commonwealth self-denial and mainly to its highly productive tariff. The States are entitled by law to three-fourths of the receipts from Customs, but if they had only pocketed what they could claim every one of them would have been plunged into difficulties. Victoria, the solitary State with a substantial surplus, would have been £100,000 in arrears but for the extra amount over and above her due thus bestowed on her. Every other Treasury would have been confronted with a considerable deficit. The Commonwealth transferred to its constituents £1,146,000 during the twelve months, every penny of which it was authorised to retain and to apply to its own purposes. Of course, the whole sum was contributed by the people and was only returned to them when it was allocated to their local Governments after deducting the £256,000 applied to national ends. But as between the central Government and its subordinates it has to be recognised that the Barton tariff has been in 1902–3 the financial salvation of the States.

POLITICAL “TRIBUTERS.”

The most pleasant surprise of all came to the people of Sydney, where the Reform Party, for laudable reasons, has been grimly painting our position in none but funereal colours. Among the Federally favoured we have been most benefited in the returns from customs, our total being £3,480,000. This is £330,000 more than was estimated, and nearly half a million more than we could legally claim. Such an enormous revenue, twice as large as any received under our quasi-Free Trade or partially protective tariffs, has certainly been an unmixed blessing at this juncture. Bitterly as the Kingston duties and methods are condemned among us it is not to be denied that practically no other plan of raising anything like the sums named for the Treasury could be adopted just now. Considering the straits to which the settlers in the interior have been subjected, the overwhelming losses of stock that have crushed many of our pastoralists, and the necessary reaction of these disasters on the rest of our little community, it is amazing to find that our revenue exceeds that of last year, when the distress was not nearly so severe. It climbs to the splendid total of £13,500,000 from all sources, thus itself surpassing every other State and even the Commonwealth as a whole. Nor does an examination of the details render this achievement less noteworthy. The last quarter and the last month show the best

results, especially the month whose takings were £300,000 in excess of June, 1902. Large as our railway losses are they are less than was foreshadowed, while most other tributaries to our State income were well maintained. Perhaps the best feature of the case is that to all appearances there has been a tightening of the purse-strings by the Ministry, which is largely responsible for the improved prospect we now enjoy. Mr. Waddell began the year with a cash deficit of £236,000 and has added during the twelve months nearly as much again. Reckoning the exceptionally heavy disbursements incurred in order to mitigate the drought, together with the decline in railway and other receipts that the drought occasioned, we have escaped much more easily than seemed possible. The People's Reform League has just denounced those politicians who "work the country" as "tributers" do a mine simply for what they can get from it for themselves. If Sir John See proceeds as carefully as he has done of late the league may find its platform adopted by its opponents. Even political "tributers" realise that they must study the country if they hope to continue to control its affairs, and, fortunately, we have a large body of representatives not open to the imputations mentioned.

DRASTIC REDUCTIONS OF EXPENDITURE.

In Victoria the transformation is still more marked, though of late it had come to be foreseen. The Treasurer's pessimistic estimate a year ago was that if the financing of late years was to continue the State would by this time have been burdened with a deficit of nearly £1,000,000. His Budget, in order to prevent this blot, embraced a power to utilise certain funds devoted to special purposes excused on the grounds of grave emergency, and happily only exercised in part. Drastic reductions of expenditure and now taxation of a remorseless character have combined to enable the Treasurer to put his house in order with wonderful celerity. By percentage reductions in the incomes of public servants and by rigid economies in every direction Mr. Shiel's outgoings were brought £600,000 below those of the previous year. This of itself is an achievement almost unparalleled in Australia, and probably possible nowhere else except in New South Wales. Nor are the savings temporary or even completely in force since some of them were applied for only a part of the year. It is hoped that another £100,000 annually will be spared to the taxpayers when the savings are all in full swing. Nearly £300,000 a year has been taken off the working expenses of the railways, though the strike occasioned a large diminution of their earnings. Finally £76,000 was saved by a more careful administration of old-age pensions. On the other side of the ledger the income tax as amended has yielded nearly £400,000. Then comes the splendid surplus from the Commonwealth, supplementing the fruits of the heroic financial policy pursued by the Government, and thus the dreaded deficit that might have accrued if affairs had been allowed to

drift was changed into a magnificent surplus of £153,000. When the year began the outlook in Victoria was darker from the Treasury point of view than that of any other State, but by energy, thrift, fresh taxation, and federal aid she has distanced all her rivals. She has every present prospect of a splendid harvest, further economies in public expenditure are being carried out, and with the revival in trade now confidently anticipated she should be able to enter on a new period of prosperity, better assured and more permanent in character than any she has lately enjoyed.

QUEENSLAND'S TRIALS.

Queensland has to record another deficit of £191,000, and her Ministers are not afraid to admit that they have retrenched almost as much as they deem possible. But the situation here differs widely from that of the southern States. Owing to a decrease in Queensland's Post Office earnings her returns from the Commonwealth were little more than those of last year. The drought has sent her territorial revenue down by £250,000 during the last twelve months. This of itself explains her whole deficit. The decline is temporary. It is highly satisfactory to note that the railway earnings are practically the same as in the preceding year, while now taxation has put £140,000 more to the public credit. A plentiful rainfall registered over almost the whole of Queensland's vast areas is already having its effect. The revenue returns for June outstripped those of the same month last year, and this advance ought to be well maintained from now forward. Queensland's trials will soon be those of the past alone. Western Australia, the State most resembling her in enormous areas of untouched and varied resources, occupies a position apart from all the eastern States. Untouched by the drought, employing an increasing number of miners, and with settlement on her soil proceeding rapidly she is still at a stage through which her sisters have passed, and of which the dominant feature is steady expansion. Her Premier is able to unfold a policy embracing several new railways, large workshops, and other improvements of existing lines, important harbour works, a great Metropolitan sewage scheme, the encouragement of secondary education, and the endowment of a university. Her revenue is ample for current requirements, and she has an accumulated sinking fund against her borrowings already amounting to £800,000. This State, at all events, has laid to heart the lessons of the loan experiences of her neighbours and is profiting by them in the wisest way.

THE REFORM MOVEMENT.

South Australia and Tasmania having held their ground it may safely be said that the whole financial condition of Australia has greatly improved. Natural conditions are far more favourable and the whole of the State Treasuries are working on a sounder basis—Western Australia has known no difficulties and Victoria is, so to speak, out of the wood. In Queensland a cautious waiting policy on the part of her politicians will suffice now that her pastoral and agricultural interests are reviving with characteristic elasticity. New South Wales needs a little more careful nursing, and seems certain to obtain it. The Ministry has commenced to study its accounts, to make savings, and to forego its more ambitious enterprises involving expenditure. When Mr. Carruthers comes in he may not have the opportunity of effecting the startling reductions promised simply because he is likely to be forestalled, at least in part, by those now at the head of affairs. The Reform movement has “caught on” with the politicians as well as with the public. The net result of a survey of the Australian horizon in the light of the returns just published is in every aspect satisfactory, because it everywhere exhibits progress towards a wiser management of the public moneys. The Commonwealth has no difficulties and can have none yet. Though figures may prove anything they are, in the present case, probably trustworthy. When taken in the gross they all prove one thing. Beyond question all the States show better balance-sheets to-day than they presented in June, 1901. Revenue may not be the sole test of the exchequer, but it is one of the indispensable criteria to be employed, particularly during and after times of depression. When associated with curtailed expenditure it can be safely relied on. Last year there were deficits everywhere and prospects of greater deficits except, of course, in Western Australia. This year there are only two deficits in the union, and those are certain to disappear with ordinary care in the coming season. Besides, there is a new financial power behind the States. The Commonwealth customs are surpassing all expectations.

THE NEW COMMONWEALTH.

NAVAL DEFENCE. INSTRUCTIVE DEBATE. AUSTRALIAN LOYALTY.

FROM OUR SYDNEY CORRESPONDENT.
[Jul. 14 1903]; Sep. 23 1903.

The naval agreement between the Mother Country, represented by the Admiralty, and the Commonwealth, represented by its **Prime Minister**, has been brought forward early in the session. It follows the Judiciary Bills, which aim at completing the Federal structure designed in the Constitution for maintaining Australian unity according to the compact approved by its people. It precedes the Budget, in which provision requires to be made for the extra £100,000 proposed to be paid for an improved squadron. It is therefore strictly in its place legislatively, except that the Defence Bill, which ought to have been placed on the statute book at least a year ago, is still awaiting its second reading. In the natural order of things the reorganisation of our defence forces, and particularly its local naval branch, was intended to have been authorised before any obligations beyond our borders were taken in hand. **Sir John Forrest** has lately circulated his Bill in an amended form, with an official announcement that our present naval forces, permanent or militia, are not to be wholly dispensed with after all. Harbour defence to an undefined extent is still to be undertaken, though most of the gunboats now in commission are to be put to other uses. The Victorian *Cerberus* is to be rearmed for the protection of Port Phillip, and torpedo-boats are to be supplied to our chief ports when funds permit. With the adoption of the agreement and the passing of the Defence Bill the Commonwealth will have approved of a definite policy of military and naval development free from the restrictions and anomalies which were the outgrowth of its previous six separate systems of organisation. This policy may take some time to perfect, but, as the minimum period for which the new contract with the Admiralty must run is for ten years from now, we may reasonably assume that before this period expires a really effective defence of Australia both by land and sea will have been firmly established. As the invasion of our remote continent is almost impossible, and even a successful raid on us only feasible if the Royal Navy has been overtasked, the agreement for

strengthening its squadron in our waters is, after all, the prior and more important of our problems. On this side of the world, as everywhere else in the Empire, it is the sailor who forms the first line of defence.

SOLEMNLY OFFICIAL.

The Commonwealth Parliament has begun to deal with its responsibilities to the Navy in a solemnly official debate. Sir Edmund Barton opened the ball by a review of the whole situation here and abroad which occupied nearly four hours. It was a comprehensive and statesmanlike exposition of the Ministerial view, fortified by a criticism in detail of all the suggested alternatives. Among those who at once challenged his arguments Sir John Quick occupied some three hours, Mr. G. H. Reid and Mr. H. B. Higgins two hours each, and Sir John Forrest an equal space in support of his chief. The whole question has, therefore, been fairly and fully stated from both points of view, though the discussion has not yet occupied a week, and is likely to fill at least another. But a small fraction of the debate is reported in our Press, which as usual selects and condenses according to its own prepossessions: in "Hansard" it makes a prodigious display. All the most difficult problems of sea power and naval strategy, obscure vistas of political policy the world over, estimates of the comparative strength of national armaments, and the anticipated course of events in the mysterious East are being boldly grappled with by successive speakers. Though Captain Mahan's volumes are most in evidence, the speeches pro and con are littered with quotations from State papers and magazine articles. Literature at large is employed as embroidery. The Prime Minister could not conclude without a long passage from Ruskin, capped by a few verses of Longfellow. His opponents took in one direction an even wider range of citation, descanting on the relations of the colonies with the Mother Country past, present, and future, the various schemes for Imperial Federation and their possible consequences, and particularly the preferential trade proposals of Mr. Chamberlain. What popular enlightenment can be expected from these disquisitions at large it would be difficult to determine. As filtered through the newspapers they convey no coherent body of opinion. But at least they assist to prove that a searching examination of Australia's needs is being conducted by her first representatives. Their Federal office is forcing them to seek a national altitude of observation. The debate is, therefore, individually educational in an uncommon degree. Yet only the leaders are said to have been favoured with fair attendances in the House. Ministers anticipate a considerable majority for the second reading, though its exact strength is matter for conjecture. When any measure is considered safe, its discussion in Parliament at that stage always becomes academic in tone, and members are more intolerant even than the public of prolonged speeches. But in committee a more critical situation will be reached, and then interest will rapidly revive.

“LITTLE AUSTRALIANS.”

Though the Prime Minister's speech touched every phase of the scheme submitted, his main and dominating doctrine lay in his repeated assertions in various forms of the necessity for “a single Navy under one control”. Sir John Forrest, though offering many justifications for the agreement, dealt principally with the inefficiency of our present Services and the relative cheapness of the new squadron when contrasted with the cost of any adequate Australian substitute. British readers will probably be more interested to learn the grounds on which it was opposed. Mr. Higgins, Mr. Mauger, and Mr. Crouch, three Victorians who are classed as Radical Ministerialists, have already declared against it. They challenge the whole project in the first place because it is a sacrifice of our self-government, placing the defence of our coastal trade in the care of a Fleet under the control of a distant department in whose management we have no voice now, and can have no effective voice under any scheme of Imperial Federation. Canada is their model and Sir Wilfrid Laurier their prophet. Much of their material was acquired from Senator Matheson's papers published in London, in which it is claimed that the best expert advice has always impressed on the colonies the wisdom of providing for themselves against invasion or the destruction of their commerce, leaving to the British Navy the task of protecting both in other parts of the world. The ideal of these, and of practically all the opponents of the agreement, appears to be the creation of an Australian Fleet, at first on a small scale, but gradually increasing in numbers, whose vessels should be built or hired from the Admiralty, manned by locally-trained officers and men, and at all times absolutely under Commonwealth control. In the event of war the whole or any part of it could be detached for the assistance of the Imperial Navy, wherever it was thought fit, just as our soldiers volunteered for South Africa. Then our coasts would always be patrolled by some, if not by the whole of a local squadron which would at the same time protect coaling stations for the Imperial Navy, and co-operate with it within defined limits. In point of fact, we should have an alliance with the Mother Country, offensive as well as defensive, but little less free of choice in other respects than that of Japan. All three members assert their patriotism, and are doubtless sincere in their protestations, but it must be confessed that, as far as it relates to anything outside our sea coasts, it has a very tepid quality. The interest of their own part of the Empire is put so much before that of the whole that it almost obscures it. Our “Little Australians” are evidently made to match your “Little Englishers”. The leader of the Labour section has not yet spoken, but it is known that he and his followers will cast an all but unanimous vote against the agreement. The three members who have headed the attack on it, though not in their ranks, are always in close sympathy with them. In this case one of their common aims is to secure for their own people all the employment and emoluments of our defence expenditure.

MR. REID'S ATTITUDE.

Mr. Reid for his part has once more put political expediency before consistency. After speaking in favour of the High Court Bill he permitted himself to be paired against its chief provisions, and after pledging himself to support the Naval Bill, he proceeded to assail every article of the compact. Sir John Quick, staunch Federalist as he is, has adopted the same course, reserving to himself the right to amend it in committee. If Mr. Reid and he join hands with the Dissident Radicals and the Labour Party there will be but a narrow majority, at most, for some of the provisions. Sir John Quick favours the gradual development of an Australian Navy, though he is apparently willing to accept some form of agreement with the Admiralty for the present. Mr. Reid expressed his "intense sympathy" with these ideals. He excused the existing arrangement about to be terminated on the grounds that it only constituted Australia a partner in the special auxiliary squadron confined to our own seas. He deprecated the new arrangement because the auxiliary ships were to disappear, leaving us merely partners in the Imperial Navy as represented by its additional squadron, whose services we have always had, but towards whose cost we have hitherto contributed nothing. This creation of a single squadron he severely censured as a retrograde step. But the real gist of his speech was contained in an elaborate attack on all projects for closer union within the Empire. In his judgment Australia had everything to lose and nothing to gain by such developments. The fear of preferential trade relations dominated his speech at every turn, though he refrained from mentioning the subject specifically. His was a general and a sweeping impeachment of Imperial Federation in all its forms, with implied warnings against Mr. Chamberlain as its chief apostle. He will vote for the agreement, bad as it is, because of our immense obligations to the Mother Country, but he protests against the interpretations put on it by the Admiralty, the British Government, our Prime Minister and Minister of Defence, and misguided Imperialists everywhere. It will not be his fault, therefore, if those who look to him for guidance follow his advice rather than his example, and thus imperil the passage of an agreement which he has done nothing to commend and everything to condemn.

NAVAL COMMANDERS-IN-CHIEF.

One of the chief complaints made during the debate, and apparently not without foundation, is that the naval Commanders-in-Chief on this station since [Admiral Tryon](#) have none of them been at all sympathetic in their behaviour towards our local Naval Reserves. Both in Queensland and in New South Wales they have refused to allow them opportunities of training at sea, and have always by their conduct given currency to the opinion that they desired to see no maritime defence except that

which was entirely under their own absolute control. The original agreement of 1887 so far as it pointed to the replacement of obsolete by new ships, or foreshadowed a friendly interest on the part of the Imperial Fleet in the growth of our local forces has never been liberally construed even in New South Wales. The ships of the squadron are almost unknown outside Sydney. Here as elsewhere where they are known the bluejackets and their officers are happily most popular. As much cannot be said for the admirals on this station, whether it be because of their indifference or, as is generally believed, because of their instructions from headquarters. Consequently the Navy is as much admired and trusted in Australia as the Admiralty is the reverse. Sir Edmund Barton's task has been rendered much more laborious because of this feeling out of doors and in the House. Another source of antagonism arises from the apprehensions of the officers and men about to be dismissed or transferred to the Royal Naval Reserve. Naturally they exercise all the influence they can on members, their hostility having been intensified by the inconsiderate manner in which they have been treated by the Admiralty's highest representatives. These have been a hindrance instead of a help to the Prime Minister at every turn. Outside the personal popularity of its crews in Sydney the squadron, as managed, has not afforded any assistance to the acceptance of the agreement. If governed with tact it might have been the most powerful factor in winning support for any such proposal in all the principal seaports of the Commonwealth.

EXTRAORDINARY INFLUENCE AT WORK.

One notable circumstance deserves special emphasis. Some months ago the prospects of the Ministers being able to carry their naval subsidy in its present form appeared most unpromising. With dauntless courage the Prime Minister, despite the lack of public interest in the question and adverse criticism from the Press, persisted in putting it forward as the first plank in his campaign platform. He seemed to make no impression. Nothing has happened since, very little has been said on its behalf, and yet the situation has absolutely changed. Mr. Reid, who began by denouncing the agreement and who still denounces it, now promises to sit by Sir W. McMillan and vote for it. Many of his intimates seemed prepared to do that with or without him, and are now allied for the purpose with a Ministry which, with the general election at hand, it is more than ever their object to injure. Plainly some extraordinary influence has been at work outside the ordinary range of politics and beyond the calculations of its experts to bring about so complete a transformation. Never in this Parliament has the Ministry been so wholly dependent on Opposition aid, and apparently sure to receive it where it might least have been expected. This extraordinary segregation of parties has no visible origin within the familiar arena of public affairs, and, indeed, proceeds from causes beyond it. These are so potent that, almost without discovering

themselves, they have temporarily swept away prejudices, healed animosities, and rearranged our Parliamentary battalions. Free Traders and Protectionists, Conservatives and Radicals forsaking each other are failing into line in opposing camps. Even the serried ranks of the Labour section itself are likely to be broken under the strain. At the very moment when the cry for retrenchment is heard in every quarter a proposal to bind ourselves to pay away £2,000,000 during the next ten years is likely to be adopted in the teeth of a new Opposition ready to spend even more than that on a strictly localised Fleet.

LOVE OF THE OLD FLAG.

These astonishing reversals of form, taken together, mark the emergence of an unsuspected force whose nature ought to have been foreseen, since its most remarkable manifestation occurred only a few years back. Then, as now, quite independently of Press and politicians, the people insisted on the despatch of contingents to South Africa. It is the same sentiment that has just intervened and with the same motive—love of the old flag. The bargain with the Admiralty may be as bad as its opponents say, and the Canadian refusal may be dictated by wise policy, but the public is not in the mood to consider such matters. Mr. Chamberlain's preferential trade proposals, coming at the right moment, have undoubtedly had a stimulating effect, but the Bill would have been safe without them. Properly directed and kept to clear issues, this sentiment will ensure its passage providing that none of its principles is sacrificed by being covertly tampered with in committee. When passed it will be another manifestation of the depth and sincerity of the feelings which, whether as pride of race, aspiration towards Imperial unity, or simple attachment to the Mother Country, profoundly sway the mass of our people and predispose them strongly towards every project for sharing her fortunes. The subsidy itself cannot seem large when measured by British standards, but, taking into account all the conditions of the time—financial, political, and social—whose stress is only to be appreciated by those on the spot, it is a most remarkable demonstration of Australian loyalty.

THE NEW COMMONWEALTH.

MR. CHAMBERLAIN'S POPULARITY.

PARLIAMENTARY DEBATES.

CAPITAL AND LABOUR.

FROM OUR CORRESPONDENT.
SYDNEY, Aug. 18 [Jul. 21] 1903; Sep. 26 1903.

Rumours that the Commonwealth Government has again invited Mr. Chamberlain to visit Australia are once more current and cause widespread expectation. Doubtless their origin is to be found in the popularity he has lately enhanced so much by his preferential trade proposals. Ministers deny that they have officially requested him to become our guest, but in such a gentle tone as to plainly intimate their eagerness to ask if the slightest hope of his acceptance of the invitation could be entertained. There is no doubt about what his reception would be, for, next to royalty, the Secretary of State for the Colonies, both personally and by virtue of his office, would be the most welcome visitor the Mother Country could send us. He would be able to make an unbroken triumphal progress from Perth along the southern and eastern coasts, through all the State capitals to Brisbane, and thence to New Zealand, with the certainty of commanding everywhere greater audiences and awakening more enthusiasm than any other statesman has obtained or could evoke. The whole strength of the Imperial sentiment among our people, usually but a latent power, would blaze into force and flame at his approach. Two small factions of extremists who put their fiscal doctrines or Irish Nationalist sympathies before Imperial loyalty might stand aloof, but their numbers would be inconsiderable anywhere. They would be lost to sight amid the masses of the community. From the point of view of the Empire his tour would be indirectly as fruitful as that to South Africa, while to the Federal Ministry it would be an excellent electioneering reinforcement. But on Mr. Chamberlain himself it would impose a severe physical strain. His voyage to Natal and his travels across the veldt would require to be far exceeded in order to touch our many centres of population. The whole tour might involve a six months' absence from England, and is, therefore, probably impracticable at present. Still, it would be immensely stimulating to Australian patriotism, and perhaps set in motion some impulses towards closer relations that would prove permanently operative on the

trend of our politics. Should his visit be out of the question just now it is a project which ought not to be neglected if, even at great sacrifices, it becomes possible presently.

NAVAL SUBSIDY DEBATE.

The Naval Subsidy Bill debate has occupied another period without elucidating anything more than the individual attitudes of members except in one instance. Mr. **Watson**, the leader of the Labour section, has accepted the responsibility of tabling a motion that the second reading be deferred for six months. Of course, this means that, if he were successful, the Ministry would resign, and the task of forming a new Cabinet would be committed to his hands, though he professes himself guiltless of any such ambition. The situation is an exact duplicate of that created two years ago, when, in a similarly irresponsible fashion, he moved his famous amendment to the Immigration Restriction Bill—an amendment which would have excluded all Asiatics, Africans, and Kanakas on the ground of colour. We have journeyed a long way since then. **Sir Edmund Barton's** attitude remains the same except that this time he has no apprehension as to results. But Mr. **Reid** has learned in the interval that he can no longer afford to unite his forces with those of the Labour Party on its terms. A few of his followers declined to vote with him for the colour test, and more of them are prepared to leave him now if he should attempt an alliance which would jeopardise the Naval Agreement. Thus hampered he spoke as strongly as he could for Mr. **Watson's** views, but promised that on the division he would go with the Government. Had he voted against the Bill he could not have defeated it, and therefore the main object of his often-attempted junctions with the Labour section in the past is lacking in this instance. But if he could have carried his friends with him and have put the Prime Minister in a minority he could not have ventured on such a defiance of public opinion. The country is behind the Bill, and Parliament knows it. Mr. **Watson** himself is much more reasonable in his views than some of those who concur with his amendment. He has sagacity enough to see that our revenue cannot sustain an Australian Navy worthy of the name for some time to come, and he does not fear to say so. His desire is first to perfect our local forces, particularly by enabling us to provide ammunition and small arms from our own factories. After that he would undertake harbour defence, and, finally, build sufficient cruisers for the protection of coastal shipping. The control of the high seas would thus be always left to the Imperial squadrons. It is not a heroic scheme even of defence, but rather a device for making our military and naval expenditure a means of giving employment locally. It ignores for some time all our trade, ships, ports, and property on the seaboard, which to the Labour leaders are apparently not worth the cost of protecting.

PUBLIC WORKS.

Sir John See has survived the second vote of want of confidence levelled at him by Mr. Carruthers since the House met. This time he was assailed on the grounds of the faulty administration of his Minister for Public Works. Mr. O'Sullivan is an honest, warm-hearted, and impulsive man, extremely sanguine by temperament, and lavish in expenditure. His philanthropic tendencies towards all State employees dependent on their daily wages has earned him the gratitude of our local Labour section. Indeed, his accessibility and liberality have made him popular with members of all shades of opinion whose pathway has been pleasantly smoothed for them by his generosity to their needy constituents. He appears to have found many opportunities of being benevolent at the public expense in the Government docks directly under his control. Here the lame, the halt, and the blind were occasionally relieved, while those fortunate enough to be placed on the regular stall were never likely to be removed for indifference or minor breaches of discipline. When these principles of management produced their natural results Mr. O'Sullivan, perfectly confident in his own innocence, did not hesitate to appoint a Royal Commission to examine the facts. The inquiries disclosed a hopelessly unbusinesslike state of affairs due to the perpetual interference with the working of the dock made by politicians for political purposes. Mr. O'Sullivan had found the system in existence when he became Minister, and permitted its defects to become aggravated until the damnatory report of those whom he appointed to investigate it enlightened him. Of course the revelations provoked a storm of public protests. Naturally the Opposition made the most of this opportunity, and naturally also the Labour section rallied to the rescue of their patron. The condition of affairs discovered was too bad for even them to approve. They were obliged to content themselves by adding to the motion censuring the practices pursued in the dock a rider exonerating the present Minister from any imputation on his credit or capacity. Parliament therefore condemned the administration, but excused the administrator on the plea that he meant well. The Ministerial majority was 17, or, allowing for absentees, 22—quite sufficient if it can be maintained to carry them through the session, subject always to their receiving the support of the Labour section.

LABOUR AND THE COMING ELECTION.

New South Wales is now the only State in which the labour vote is Ministerial. It is beginning to be isolated in the Federal Parliament, where only the prospect that Mr. Kingston's Conciliation and Arbitration Bill may meet some, if not all, of their wishes keeps the Labour members in touch with the Government. In every other State but this their supremacy has been overthrown, and now there is gathering against them

throughout the Commonwealth as a whole the strongest adverse organisation that Australia has ever seen. The Federal elections will be held in December, when half the Senators and all the representatives will go to the country. Under the Electoral Act passed last year rolls are now being compiled on which will appear the names of the whole adult population of the continent. Complaints of delays and omissions in their preparation are rife, but the wonder is that so extensive and ambitious an enterprise has not broken down altogether. South Australia and Tasmania in 1901 returned their Senators and representatives alike from the whole State as one constituency. Plans for their subdivision into six and five districts respectively have been prepared, and are likely to be adopted without demur. The remaining States were electorally divided by their local Legislatures prior to Federation, but in these also the boundaries have been revised by commissioners. The Western Australian constituencies remain practically as they were, but in each of the other States there are radical changes. In Queensland the Electoral Commissioner, after publishing his plan, immediately and most mysteriously altered it as if in obedience to local influence. In New South Wales and Victoria the effect of the drought has been temporarily to reduce the number of residents in the interior and to give another member each to Sydney and Melbourne. In these three States it is therefore probable that the proposed redistribution of seats will be rejected by Parliament, with the consequence that their representatives will be called on to face the same constituencies as at the first election. These changes are some of them important to parties, though only likely to affect a few seats. Allowing for these disturbing factors it is still certain that the great movement taking place from north to south in opposition to the Labour policy will play a great and possibly a dictatorial part in the approaching struggle.

ASSOCIATIONS OF EMPLOYERS.

The Factory Boards of Victoria, the Arbitration Act in this State, and the aggressive policy of the employees in South Australia have created during the past few years several associations of employers intended to serve politically as counterpoises to the trade unions. In Queensland no such effort was necessary while the State Labour members, too weak in numbers to be capable of capturing the Treasury benches, were careful to constitute themselves a separate caste and forswear all allies who would not accept their shibboleth. But when under the "White Australia" cry they captured almost all the Federal seats in the State, and especially since their local leader, Mr. **Browne**, has publicly intimated their readiness to unite with any members willing to eject Mr. **Philp**, a new condition of things has arisen. Some months ago a National Liberal Union was formed. Discarding the fiscal issue, it sought to rally the well-to-do classes against the Labour Section and against Sir Edmund Barton while he received their support. That movement, appearing to flag, has now been

openly revived and headed by Mr. Philp. Some time ago he declared his intention of fighting with all the forces at his command as Premier of the State against the return of twelve out of the fifteen Federal Senators and representatives from Queensland who are either Labour members or sympathisers. He has now gone a step further with the significant announcement that he intends in any event to support Mr. G. H. Reid, who had promised to make a campaign tour through the North. That visit has been abandoned, probably because it would be unwise for him to appear as the Anti-Labour champion in the North until the effect of the new agitation has had time to become clear. But Mr. Philp and his colleagues are in earnest this time, and their energy is being emulated in the southern States. Federal campaign funds of £10,000 each are to be collected in New South Wales, Victoria, and Queensland, and to some smaller amount in their less populous neighbours. These will be the largest sums ever applied in a general way to political purposes in Australia. Though not excessive in their total they are sure to go far, because they are the proofs of a spirit of resistance which will be in itself more potent than any sum expended. A revolt against the State Socialism favoured by the working classes under the guidance of their trade unions is now becoming universal. It is headed by men of repute, and though neither Mr. Irvine nor Mr. Jenkins is likely to adopt the bellicose tactics of Mr. Philp, their sympathies, like those of Mr. Carruthers and Mr. Darling, of Adelaide, will be all with the reformers.

PROSPECTS OF THE CONTEST.

It is as yet too early to endeavour to predict the future of this notable series of efforts to organise public opinion. December next will witness a battle between Labour and its employers over the whole of Australia which, whether decisive or not in that large field, will be the prelude to a similar struggle in every State. It is quite possible that it may succeed in its aims even in the teeth of fresh electoral successes by the Labour section. It will compel the remainder of the candidates to declare themselves, and may ultimately result in the disappearance of one or other of our orthodox parties. At least, if Mr. Philp and Mr. Carruthers have their way the whole weight of the organisation will be thrown against the Barton Government in general and against Mr. Kingston in particular. Probably all the other Premiers will sympathise, though less actively, with the Opposition rather than with the Ministry in the hope that a new Cabinet may be less determined in its assertion of Federal rights and privileges. On the other hand, the gains of the Labour section, whether at the expense of Government supporters or of the Opposition, will not help Sir Edmund Barton in any event. He is individually recognised as less in sympathy with Labour views than Mr. Reid, and has only been tolerated because his colleague, Mr. Kingston, is conceived to temper his conservative leanings. It is possible that Mr.

Reid may have to part with some of his closest associates if Sir William McMillan's authority in his counsels should become dominant, but that contingency is unlikely and its consequences remote. In the meantime it is the Barton Government that will undoubtedly suffer by the gains either of the Opposition or of the Labour section, since its supporters will have to fight them both at the polls. But for the crosscurrents introduced by Mr. Reid's pledges to his Free Trade newspapers, his scarcely-concealed antagonism to preferential tariffs within the Empire, and his unconcealed demur to the naval subsidy, his triumph would be assured. As it is his prospects are decidedly encouraging, though anything is possible if the election comes in the present welter of confusion among parties.

THE NEW COMMONWEALTH.

IMPERIAL UNITY. THE NAVAL DEFENCE BILL.

FROM OUR SYDNEY CORRESPONDENT.
[Jul. 28 1903]; Oct. 5 1903.

Mr. Kingston's resignation has come like a bolt from the blue, affording another illustration of the mutability of Federal politics. One of the strongest men in the Government, he has given to many of its measures an impress of resolute Radicalism. His rigorous administration of the customs has been provocative of perpetual irritation and intense enmity among the importing classes. That an indefensible laxity prevailed in some of the State Custom Houses prior to Federation has been proved beyond dispute by the conviction of many most reputable firms for gross carelessness of their own or of their employees. Some cases of systematic and carefully disguised fraud have also been brought to light—when least anticipated by the public. Altogether the revenue has largely benefited by Mr. Kingston's vigilance, economy of management, and the remorseless use of his "mailed fist" against wrongdoers. Thus while his inaccessibility, tardiness, and severity have aggravated the mercantile classes, his firm rule of his department has greatly exalted him in the eyes of the masses. He enjoys an immense reputation among all the extreme men of his own State and of Victoria—a reputation which has been lately extended to Queensland and New South Wales by his successful platform campaigns.

CONCILIATION AND ARBITRATION.

Mr. Kingston resigns ostensibly because the Conciliation and Arbitration Bill, which was in his charge, was amended by the Cabinet so as to exclude from its operation the wages of seamen on British and foreign vessels doing business in Australian waters. There are those who question the power of the Commonwealth to bind Frenchmen and Germans by means of legislation of this kind. Its coasting trade is probably well within its grasp and capable of being dealt with even to the entire exclusion of foreign competition, but it is a different matter to assume that an industrial tribunal can without any specific authority except that of its general jurisdiction proceed to dictate the rates at which ships belonging to other countries shall pay their sailors

while plying within our seas. The Government long ago undertook to assume control of the whole of our coasting trade by means of a Navigation Bill to be introduced next year. Mr. Kingston would not consent to wait so long. He felt so keenly the refusal of his colleagues to bring under the sweep of his Arbitration Court the whole of the shipping carrying cargo or passengers from port to port in Australia that he preferred to leave his colleagues rather than consent to any postponement. Doubtless this is not the solo cause of his discontent, and probably it will appear before long on what other particulars Mr. Kingston's advice was refused in the preparation of the Bill. There is a growing reaction in New South Wales against our Act of the same kind, which Mr. *Wise*, its author, is now attempting to amend. The Factory Acts in Victoria have roused its Employers' Association into angry antagonism to any legislative interference. In a lesser degree the same hostility is discovering itself among their neighbours. It is rather doubtful if Mr. Kingston could have carried his measure through its second reading in the House.

THE LABOUR PARTY.

The Naval Defence Bill has obtained the distinction of being the only measure which has had or is likely to have in the first Parliament of the Commonwealth the support of both the regular parties and their leaders. The Labour section, even with the aid of a few members from each side, was handsomely beaten by eighteen votes in its endeavour to reject the scheme. The second reading was carried by a majority of fourteen recorded votes. Even in committee, while Mr. *Reid* was at first half-hearted, and one of his lieutenants moved to restrict the sphere of operations of the subsidised squadron to Australian waters, the insidious attack was defeated by two to one. *Sir Edmund Barton* made no secret of his determination to stand or fall by the agreement as a whole, and the House gradually responded to the pressure put on it by its leader. But for his whole souled devotion to the idea of Imperial unity the measure could not have been forced through in this triumphant fashion, if at all. Nothing short of the patriotic impulse from the electorates could have coerced Mr. Reid into even a temporary endorsement of any Ministerial Bill. The Labour section, with most humorous want of humour, openly reprobated his lapse from party tactics as a treason to the country. In addition the Labour section bitterly resented the Prime Minister's staunch adherence to the agreement because for the first time it isolated that section sufficiently to show its weakness when the spirit of faction in the House is dominated by national aims. This exposure will not soon be forgiven. Posing as arbiters between the rival aspirants for office the Labour members have hitherto been victorious in most encounters or at worst have put victory in peril. On this occasion, polling every one of their numbers and with all their immediate allies added, the Labour men were ignominiously beaten.

EXCELLENT SEASONS.

The State Legislatures, except that of Victoria, are once more in full cry on their annual run. Mr. Philp in the North is resisting a formal vote of want of confidence, but everywhere else the Ministry of the day is unchallenged. Sentiment in Queensland is as a rule deeply divided on all issues, but has always exhibited a curiously united front towards a naval subsidy. The original agreement of 1887 for the present Australian grant in aid was defeated by Sir Thomas McIlwraith, and only conceded when Sir Samuel Griffith joined forces with him a year or two later. To-day the same antagonism obtains from that district. The Brisbane *Courier* is largely responsible for this antagonism, since on this subject of all others that paper finds itself hand in glove with the Labour members. Every other State saw its Federal representatives divided, though only one Tasmanian and two South Australians voted against the agreement. In Western Australia the new Governor, Sir Frederick Bedford, supported by his rather tactless Premier, has publicly criticised the absence of fortifications at Fremantle, and proffered his professional opinion on the consequences. In spite of his qualifications as an admiral, and the apparent justice of his observations, it is a misfortune that his views were not privately communicated to the Governor-General. It is neither prudent to inform possible foes of our weak spots, nor judicious for a representative of the Crown to comment on the conduct of the advisers of Lord Tennyson, except through him. For the rest the enormous areas of Western Australia and Queensland are at present enjoying the prospect of excellent seasons and of businesslike domestic legislation, accompanied in the first-named area by continued, and in the second by revived, prosperity. That in spite of such a hopeful outlook the small loan floated by Mr. Philp should fetch such a low price in London conveys another warning to the States to make their arrangements for future borrowings with the Commonwealth Treasurer as quickly as possible. Nothing has been done to this end, because none of the States realises the change of situation brought about by the exhaustion of credit and the transference of the customs revenues to the Federation. The gravity of the position may become more visible when Sir George Turner explains the finances of Australia from his Federal vantage ground. As a Victorian he will be specially alive to the future because his State requires to arrange for meeting its £5,000,000 loan at the end of the present year.

STATES AND THE COMMONWEALTH.

The most interesting State debate was that in South Australia where Mr. Darling's return caused Mr. Jenkins to experience heart palpitation of a painful character until he had learned Mr. Darling's intentions. The Opposition can command at any moment the support of the Labour section for the ousting of the Ministry, but Mr.

Darling is a man of different type from the ordinary leader whose objects are simply to get into office and remain there. He is better pleased to leave to Mr. Jenkins the loaves and fishes as well as the labours of administration, being content himself to dictate and control its policy. Free Trader though he be, he has statesmanship enough to appreciate the Imperial value of the preferential trade proposals of Mr. Chamberlain. In this as in most matters therefore, he speaks with authority being by virtue of his position as leader of the Opposition practically leader of the Government at the same time. There was practically no Ministerial reply to his admonitions from Mr. Jenkins; and Mr. Gordon, the Attorney-General, who represents the Ministry in the Legislative Council, occupied the whole of his speech with a defence of the conduct of the Cabinet in its resistance to the claims of the Federal Government. He put aside Mr. Chamberlain's masterly exposition of the true relation of the States to the Commonwealth with an unconvincing evasion. He was driven to assume that Mr. Chamberlain was blindly applying Canadian precedents to Australian conditions though the whole of his despatch showed that his judgment was formed solely on an authoritative interpretation of the Constitution framed by Australians themselves and passed into law by himself after a careful study of all its meanings. For all that Mr. Gordon's carefully elaborated defence of the bellicose policy he had pursued is an important symptom of the degree to which the State Administrations feel the pressure on them from the development of the overshadowing central authority of the Federal Parliament.

THE TRANS-AUSTRALIAN RAILWAY.

Mr. Jenkins's attitude towards the Trans-Australia Railway to Perth is parochial in the extreme. He is asked for nothing more than a permission to the Commonwealth to construct it free of expense to South Australia across territory most of which is unsettled because of its aridity. Wherever the line goes it must add to the value of the State lands and to the business of its Metropolis. Mr. Jenkins, however, is not content with these great gains. He wishes to divert the line from its direct route to suit a small mining settlement at Tarcoola and to stipulate that it shall be built on the 3ft. 6in. gauge employed on the local line to Port Augusta whence it is to start. As this last requirement would go far to destroy the usefulness and attractiveness of the railway as a through line without any commensurate advantage to South Australia the selfishness of the proposal is indefensible. Western Australia is willing to relay at her own cost the whole of her line to the goldfields in the 4ft. 8½ in. gauge now ruling throughout the world, but Mr. Jenkins is not willing even to allow this desirable gauge to be preserved within his own borders at someone else's cost. Unhappily in this matter Mr. Darling is as narrow as the Premier, and from much the same motive.

They intend, at all costs, to see the Transcontinental lines to Port Darwin built before that to Perth, because it lies wholly in their own territory, and all its trade would pay tribute to Adelaide. They fear that if it is not made first it may not be made at all. As it is the labour difficulty, according to Mr. Jenkins's own confession, stands in the way of the construction of his land-grant railway. Neither coloured workers nor white navvies under contract can be had without the consent of the Commonwealth to carry it through the torrid desert of central Australia. When treating its neighbours east and west with such unfederal churlishness, how can South Australia expect the Federal representatives of offended States not to use their power over labour immigration with the same illiberality?

THE NEW COMMONWEALTH.

FINANCIAL EVOLUTION.

POWER OF THE STATES.

FEDERAL POTENCY.

FROM OUR SYDNEY CORRESPONDENT.

[Aug. 4 1903]; Oct. 27 1903.

A journalist lately compared our Commonwealth to the ship that “found herself,” described in Kipling’s famous story, and the simile was singularly felicitous. Australia has not yet “found herself” as a real unity, but at least her people are on the high road to that self-knowledge which is the first condition of political oneness. The Press of Australia continues obstinately provincial in aims and ideas, but in spite of themselves our journals are contributing to the creation of Federal feeling. All the facts of the situation as they are being disclosed to us point to the ascendancy of the central Government as the inevitable outcome of our present trials. By its means, and its means alone, can the scattered populations which it represents secure the accomplishment of their will. Furthermore, the misfortunes in which Federation is being cradled are greatly contributing to discredit State remedies. We still suffer too keenly from the late drought to be able to bless its devastations, but it has certainly played an active part in our public education. Two years ago the entire dependence of the States on the Commonwealth in matters of finance was explained, and their ultimate subordination in other respects was predicted in the *Morning Post*. Now, owing mainly to the ravages of the water famine to which the eastern States have been subjected, the bald fact is loudly proclaimed by Ministers in charge of the local Treasuries, and the consequences of their helplessness are here and there discussed in leading articles. A conviction of the certain decline of their influence and importance is growing in some State Legislatures until even the electors are awakening to a dumb consciousness that this subordination is the general drift of affairs. The Federal tariff will soon reach its second birthday, and after that date the last of the duties collectable on inter-State trade will disappear. The Commonwealth endeavoured to persuade the local Cabinets to allow it to anticipate this desirable event, but, characteristically jealous and suspicious to the last, they refused to agree. After the 8th of October their consent will no longer be required. Trade will from that date be

free all over the Continent because the Federal Constitution so provided, though not even then will the freedom have the approval of our provincial Administrations. That simple fact tells its own tale.

GOODS PASSING FROM STATE TO STATE.

Though customs duties on our inland borders will be abolished soon, a record of all goods passing from State to State must be kept for three years longer. Until the lapse of that time each State remains a separate commercial entity, even in its federalised departments, credited only with the revenue collected and debited only with the expenditure incurred within its bounds. When the five-year period ends in October 1906, the Federal Parliament will be able to dispense with inter-State accounts if it thinks fit. Up till then every new outlay occasioned by the creation of the Commonwealth is being distributed over the whole population at so much per head, and after October 1906, the cost of the departments transferred may be dealt with in the same manner instead of being charged to each State in which the money happens to be spent. Then all receipts will be pooled without distinguishing the places in which they are collected, and all disbursements will be treated in the same fashion. Then, and not till then, will the finances of Australia be completely nationalised. At present they are administered severally as if by an agent for six principals. But not even in 1906 will the Federal Parliament exercise an independent control of its funds. Three-fourths of its customs receipts are pledged to the States till the 31st of December, 1910. The sum thus hypothecated is not fixed, but only the proportion. This will vary from year to year with the purchasing power of the community, and may be at any time greatly affected by changes in its fiscal policy. When January 1911 arrives the last legal obligation of the Commonwealth to the local Treasuries will disappear. Their minimum share of the customs revenue at present is £7,750,000 a year. Every increase of population and prosperity during the next seven years will help to swell that amount, but whatever it may become the subsidy can be wholly withdrawn at the end of the term. What part of it, if any, will be continued thereafter by way of dole will rest wholly with the Federal Parliament, subject, of course, to the instructions received from its electors, who are also the electors of the local Legislatures. The States can act on their suzerain only through its and their constituents.

THREE BUDGET SPEECHES.

Sir George Turner's three Budget speeches have faithfully reflected a gradual perception of the federal potency of the financial scheme embodied in the Constitution as it has been dawning on our politicians. In his first year he was

troubled solely by its complexity, in his second year he began to pry uneasily into the State methods of keeping accounts, but at the same time pleaded for them in their straits and shaped his whole policy with an eye to their needs. This year his attitude has distinctly changed. He is not only on the defensive, but inclined to resent some of the criticisms which his Federal financing has occasioned in State newspapers. The practice has been to contrast the outlay in the States on the departments transferred, and also, in the instance of the Post Office, the revenue received with their cost and earnings after federation. Sir George Turner replies that this comparison is rendered difficult because of the faulty methods that prevailed in some Administrations of making payments for branches of one department on the estimates of another, thus diminishing the expenses as shown on the Appropriation Acts. Then all the States, in order to favour their own public servants, raised their salaries or status or secured advantages for their citizens just before federation, as in the case of Victoria by reducing postal charges. All these devices increased the cost or diminished the revenue of the departments as they came under Commonwealth control. Sir George had little difficulty in showing that, allowing for these disabilities, the Federal Administration had been as economical as ever before. Once again he took much pride in demonstrating that he had been able to return to the States far more than they were entitled to claim. Except in Queensland all had enjoyed large increases, amounting to £888,000 in 1901–2 and £1,144,000 in 1902–3, despite the charge to revenue of upwards of £300,000 for works which under the State systems had not appeared in the annual estimates because they were paid for out of loans. Confessing that if he erred at all Sir George wished to be chided for taking a pessimistic view of the next twelve months in order that the State Treasurers should not be able to quote him in support of any of their proposed extravagances, he warned his hearers that he anticipated returning to the States during the coming year not much more than half the gift they received in 1902–3, and some £150,000 less than in 1901–2. Probably they will be more fortunate, and in any case the £622,000 promised is an addition that they owe to Federal generosity. Still, the drop comes as a rude reminder to all of them of their continuous dependence on the Commonwealth.

THE FAVOURABLE SEASON.

Sir George Turner anticipates a decline in his receipts in the current year not far short of a million sterling besides extra expenditure, including the £94,000 increase in our subsidy to the Imperial Navy, which will certainly make his available income less by more than that round sum in a good year. Strangely enough the favourable season promised is responsible for more than half a million decrease from the customs. The drought during the last twelve months drove us to make such large purchases of fodder and grain that the duties unexpectedly collected reached the relatively

enormous sum just mentioned. This year, happily, we shall be able to export instead of import. The sugar crop this year will also be large enough to affect Sir George's figures. Then, again, in order to help the State Treasurers through their season of distress £350,000 voted, mainly for works and buildings, was saved during 1902–3. That amount appears afresh among the re-votes for 1903–4, and, therefore, requires to be deducted from either this year's or last year's totals. The gross cost of the Commonwealth apart from its transferred services, whose expenses are deducted locally from the customs receipts in each State, has now risen to £434,000 a year. When allowances are made for special expenditures such as those to be incurred on the coming election, that ought to be divided over three years, the net liability for 1903–4 is estimated at £275,000. The States cannot complain of the decreases foreshadowed in the returns to be made to them seeing that altogether they obtained last year £535,000 more than they were promised. This year, though they receive nominally £539,000 less, it is only £4,000 less than the estimate they welcomed in 1902–3. In Queensland alone the balance is decidedly unfavourable, and there Mr. Philp disputes the correctness of Sir George Turner's prophecy. There are no projected Federal loans or great projects. The Trans-Australian Railway to Perth is authoritatively assessed to cost £4,500,000 and the Federal capital an unknown amount, but neither undertaking is as yet practicable. From every aspect the Commonwealth appears reasonably economical and financially sound, a result largely attributable to the patience, thoroughness, and capacity of its Treasurer.

THE QUESTION OF LOANS.

Still, the States are being placed in a serious position, in spite of the tenderness and consideration that Sir George Turner extends to them. The New South Wales and Queensland deficits and the surplus of Victoria this year will be gravely affected, though New South Wales and Victoria will receive at least within £80,000 or £90,000 of their last year's takings. Sir John See will be £338,000 further behind, however, and according to Mr. Nash, one of the ablest Australian financial authorities, must improve his position by £1,000,000 from either retrenchment or fresh taxation to escape a deficit in the current twelve months. In spite of the split between our local Reform Leagues there is enough energy in the movement to lead us to believe that much, if not all, that is needed in this way may be accomplished even under the present Legislature. Mr. Waddell, as Treasurer, proves by his speeches that he is alive to the responsibilities of his office, and his Budget will be awaited with much interest. So far it must be admitted there is little proof of his being able to carry his colleagues with him in his laudable designs. He has been suspected of desiring to raise a small loan in London, and, if so, the experience of Queensland must have been full of warning. The price paid for its three-quarters of a million when underwritten and the slowness

of its absorption by the market are danger signals that he cannot mistake. That a State with a vast and virgin territory, no loans maturing within the next few years, and with its Labour section in permanent opposition, should find such difficulty in obtaining accommodation even for a trifling sum bodes ill for those, if there are any, who are bold enough to attempt a similar adventure. Mr. Waddell is willing to be satisfied with £1,500,000 annually, but even for that in all probability he will be obliged to confine himself to our local market, where money will not be cheap.

FEDERAL ECONOMIES.

Summed up in a few words Sir George Turner's Budget showed Federal economies pushed to an extreme in some directions but patiently endured for the sake of the States. Their extravagances prior to Federation were hampering Sir George's present Administration, while the great loans accumulated by their excessive borrowings abroad threatened his future policy. His note became grave and stern as he readied his climax. He would invite the Treasurers to meet him in conference and endeavour to arrive at an amicable arrangement for mutual financial notion, but he laid down the lines on which action must be based. He would not consent to the transfer of loans from the States to the Commonwealth piecemeal, or except on provision for a sinking fund. He would not be hurried into an unfavourable market, and most emphatically refused to move a step until he was assured that the States would not compete against him in London while he was converting their debts and seeking to obtain better terms for them. A comprehensive scheme, carefully planned and systematically carried out, for a complete financial campaign will be announced when he has secured the assent of the States to the essential preliminaries, but until then he declines to commit himself further. Nor was there any need. From time to time during the past year he has been leading up to an official declaration on this all-important issue. It amounts to an ultimatum, and marks an epoch in the history of the development of the Commonwealth.

CENTRAL AND THE LOCAL GOVERNMENTS.

So far not a State Premier or Treasurer has essayed anything like a reply to the challenge. Mr. Irvine alone ventured timidly to approve of the proposal for a conference, but with £5,000,000 falling due in January next and with £7,000,000 more to find during the next five years Victoria is compelled to look the facts in the face. New South Wales has £10,000,000 and South Australia £4,000,000 to provide within the same period. Their neighbours will not be under pressure until later, but all are deeply pledged. This then, is the factor which is to operate most effectually

in establishing that fixed relation between the central and the local Governments which will determine for all time the true character of our Federation. Apart from their financial needs our States would have remained more powerful than those of the American Union have been since its earliest years. Caught between the recent drought and adverse conditions in the English Money Market, our States cannot hope to retain anything like the same authority. It is possible that they may come to rank no higher than the Canadian provinces, unless they take full advantage of the next seven years. It is for this reason that the otherwise tedious details of the annual Budget become interesting to those who perceive how much depends on the general financial evolution which they are obeying. Many other questions, and, perhaps, most of those vital to the Commonwealth and its connection with its States, will be determined by the conditions on which they are relieved of their debts. At best that relief can only be partial and its profits remote for the taxpayer, but incidentally it ought to mean the introduction of a far sounder and more economical regime in the local Legislatures, together with a great accession of strength and authority to the Federal Parliament of Australia.

THE NEW COMMONWEALTH.

RIVAL PARTIES.

LABOUR DOMINATION.

COMPULSORY ARBITRATION.

FROM OUR SYDNEY CORRESPONDENT.

[Aug. 11 1903]; Nov. 9 1903.

The outward and visible events of the last few weeks are in themselves worthy of record, since they translate into fact and effect some of the conspicuous tendencies of the time. The exodus of Mr. Kingston from the customs has led to a reconstruction of the Commonwealth Ministry and of the policy of its Opposition, the consequences of which are certain to be speedily exhibited throughout the whole realm of Federal politics. The key to all future developments there and in the States also lies in the interplay of three factors—the party in office, the party seeking for office, and the section seeking for power over both of them. The secret aim of each of the orthodox parties is to become strong enough to defeat its rival and the Labour section together. The open aim of this section is to grow in strength at the expense of both parties, while resisting the supremacy of either. By these devices it maintains in its own hands the balance of power. That has been the situation during the last decade. Whatever side issues may arise all the really important incidents in our public life are those which affect the redistribution of authority between the three combatants named. The only exception in Parliamentary procedure is in Queensland, where the Labour section has ventured to undertake the role of a direct Opposition. The result of this departure is that once more its sessional vote of want of confidence in Mr. Philp has been defeated by eight votes. The section is bound to be defeated in any such ambitious methods while it continues to be merely class representative, jealous and suspicious of the rest of the community. Those who disagree with the State Government, even on vital issues, prefer to remain its independent supporters rather than ally themselves with the well-disciplined but intolerant delegates of the trade unions.

THE LABOUR SECTION.

In Western Australia and Tasmania the Labour section is too weak to assert itself, especially as neither of these States possesses as yet a regular Opposition capable of taking the field. In Victoria both the Opposition and its Labour sympathisers have been so badly beaten that their recovery is precarious and in any case must be slow. In South Australia Mr. Darling has again declined the overtures of Mr. Price, the Labour leader, who is anxious to place him on the Treasury benches long enough to drive a similar bargain for his overthrow with those who would be dissatisfied by the composition of his Cabinet and would promise more for his votes. Mr. Darling finds it wisest to follow the same tactics, controlling the Jenkins Ministry for his own purposes instead of putting himself under the thumb of Mr. Price. In New South Wales Sir John See depends for his official existence on the Labour members, whose votes Mr. McGowen holds in his hand. Mr. Carruthers, on the other hand, declares that he will never accept the reins of government while Labour members remain masters of the situation. Of course, like Mr. Jenkins, he would be satisfied to carry out the instructions and live subject to the approbation of those who like himself are opponents of the Labour programme. His break with its supporters is final. Our elections next year should turn on the question of Labour domination, and on that only. The Sydney Legislature is its last stronghold. With that lost its reign in Australia will be over. It began here in 1890 with the great strike. It bids fair to close just as our local Act prohibiting industrial warfare will have been supplemented, and largely supplanted, by a Federal measure still more stringent, which will, as far as such legislation can, render conflicts between capital and labour impossible. The struggle between them will not cease; it cannot cease; but it will be transferred to a new field, to new methods, and to a new tribunal.

NEGATION OF FREEDOM OF CONTRACT.

Mr. Kingston in leaving the Federal Ministry left behind him his Conciliation Bill, shorn only of one or two of its most daring proposals, but embodying in the main the principles of compulsory arbitration. His colleagues would not agree to extend its terms to the public servants of the Commonwealth or of a State, to the seamen on British and foreign ships trading within the Commonwealth, or to domestic servants; but with these exceptions they adopted his draft without material alteration. It therefore embraces the whole of the private employers and employees of the Commonwealth outside its households, and may not improbably include these, too, before it becomes law. The one restriction is that to give the Federal Act effect there must be a dispute which concerns some group of not less than a hundred employees working in two or more States. Any difference of opinion between master and men,

however small, if extending geographically beyond a single State can be inquired into by a special Federal tribunal. Its first endeavour is to bring the disputants to an amicable agreement. A Justice of the High Court, assisted by one representative of organised employers and another representative of organised employees, seeks to conciliate the parties, or, if this fails, to investigate the facts to his own satisfaction. Having gained the concurrence of at least one of his colleagues, he makes an award which is to be binding on both parties to the same extent and in the same way as if it were the judgment of a court of law. He may, if he pleases, go further, and declare his finding to be a “common rule”. This makes it binding on all or any selected persons engaged in the same industry, whether they have been involved in the dispute or not, and irrespective of their belonging or not belonging to any union of employers or employees. Wages, rates for piecework or overtime, hours, privileges, apprenticeships, and all other conditions of service can be determined thus in an arbitrary fashion. There is no appeal from the court unless it should exceed its powers. Every detail of every business is open to examination, and capable of being dealt with by the court’s award. Its decisions need not be arrived at by legal methods, and are not required to conform to any fixed principles. They are to be governed by the conscience and commonsense of the arbitrators—whoever they may be. A more flagrant negation of what is termed “freedom of contract” or a more daring development of State interference it would be difficult to imagine. Yet the Bill appears likely to pass without mitigation or amendment and possibly in a stricter form, since both parties, as well as the Labour section, have welcomed it with a chorus of approbation.

“NO COMPULSION, ONLY YOU MUST.”

The *Attorney-General* was deputed to lay the Bill of his late colleague before the House, not because it was a quasi-legal measure, but perhaps on account of his responsibility for the Victorian Factory Acts of twenty years ago and his association with the later experiments of that State in the way of industrial legislation. His speech was certainly sympathetic and optimistic too. In his view the Bill was to be welcomed on the ground that it would substitute an appeal to reason and justice for the destructive or obstructive campaigns of force by which capitalists and labourers sought to settle their differences at the expense of the community at large. It absolutely forbids strikes and lock-outs under penalties that may rise to £1,000, and be increased by imprisonment in cases of contumacy. Mr. Deakin admitted the novelty of the scheme of intervention recommended, but made the most of the New Zealand and New South Wales precedents in its favour. He dwelt on the complexity of modern productive agencies and of the risks of prejudicing Australian commerce, but urged that such a court might be trusted to adapt itself to the usages and necessities of each business brought under its review. Lawyer-like, he maintained that

the best available means of settling industrial disputes was that already in operation in courts of justice, where the property, the private rights, and the lives of citizens are daily put at stake at the cost of the parties interested, but to the immense relief of their fellows. Conciliation would always be the primary aim of the tribunal, though it was its power in the background to make arbitration compulsory which would most induce the opposing factions to come to mutual agreement if possible. "There is no compulsion, only you must", expresses the character of the Bill, fortified at every turn with provisions for the enforcement of awards and the coercion of those who attempt to escape its nets couched in the curtly peremptory style of drafting characteristic of all Mr. Kingston's legislation.

PASSIONATE APPEAL.

That the late Minister of Customs should bless his own measure was inevitable, but for the House and the country the gist of his powerful speech lay in the sketch he gave of the need for the provision whose refusal led him to resign his seat in the Cabinet. The seamen on Australian ships receive higher wages than those engaged on British and foreign vessels, whose competition will force our shipowners to reduce the rates they are at present paying. If the Arbitration Bill be passed as now submitted the new court, in view of the difference in the pay-sheets, must award lower wages to our seamen. Our coasting traders cannot afford more, while it remains open to tramp steamers to cut rates against them because they obtain cheap crews. The one remedy, in Mr. Kingston's opinion, is to make the Arbitration Bill apply to all ships carrying cargo or passengers between ports in the Commonwealth. This, he urged, could be done constitutionally, and ought to be done promptly. It was a maritime strike that first demonstrated the necessity of industrial legislation, and now that this was being taken in hand for the Commonwealth it would be criminal to place a measure on the Statute Book whose tribunal would be powerless to prevent another maritime strike. To exclude foreign ships from the operation of the measure meant penalising our own shipping and encouraging the growth of the mercantile marine of possibly hostile nations. An interjection from **Sir John Forrest** provoked an outburst from Mr. Kingston which at once suggested the quarter from which antagonism to his bold proposals had come in the Cabinet. The communication between Western Australia and the rest of the Union is necessarily by sea, so that any restriction on over-sea traffic must prejudice its interests. This interlude contained the only trace of personal bitterness. In a whirlwind of passionate appeal and vibratory enthusiasm the ex-Minister concluded by hurling all his thunders against the omission from the Bill of what had led to his resignation.

MR. REID'S ATTITUDE.

The surprise of the debate, strange to say, came not from Mr. Kingston nor from the Labour leader, Mr. *Watson*, who, while approving the measure as far as it went, intimated the intention of his following to expand its range. The shock came from Mr. *Reid*, whose antagonism to the whole proposal had been confidently assumed by the public from his previous speeches and well-known principles. He blessed it with unction just where he was expected to curse it with bell, book, and candle. There was no penitence in his speech, no explanation of his extraordinary change of attitude since he denounced Mr. *Wise's* Arbitration Bill at all its stages in the State Legislature, and no indication that he had ever held any other opinions than those he expressed. He had come to Canossa as if in the regular way of business, or as if he lived there and had returned by his accustomed train. He saw fewer difficulties in the scheme, and emphasised them less than the Minister in charge. Yet, while declaring himself an ardent supporter of the Bill, he went on to admit that it shocked all his instincts of personal liberty, that it implied one of the most humiliating confessions of our want of civilisation, and that its methods were clumsy and inequitable. Why, then, did he support the measure? Why had he nothing but compliments for Mr. Kingston and sugared references for the interests of Labour? So accomplished a strategist as he is cannot have placed this strain on himself without strong motives. Its effect is decisive. Any resistance that might have been offered by the Opposition has been shattered by the speech. All that is clear is that if he can defeat the Ministry by helping Mr. Kingston and his Labour auxiliaries he is quite prepared for the task. *Sir William McMillan* and his little knot of friends may part company with him, and perhaps the severance is one of his aims. That, in spite of his past, Mr. Reid should be found hand in glove with Mr. *Watson* and Mr. Kingston in this issue is an evidence that he has burned his boats behind him. The merchants of Sydney and the commercial classes everywhere who looked to him to lead the revolt against the ultras and to overthrow the Federal Ministry at the same time find themselves deserted at the moment when they were rallying for action. Unlike his late lieutenant, Mr. Carruthers, in New South Wales, unlike Mr. *Irvine*, Mr. *Philp*, Mr. *Jenkins*, and all the Premiers of the other States, he has turned in his extremity to embrace the Labour section.

THE NEW COMMONWEALTH.

TARIFF CONSIDERATIONS.

MR. CHAMBERLAIN'S SCHEME.

IMPERIAL PATRIOTISM.

FROM OUR SYDNEY CORRESPONDENT.

[Aug. 18 1903]; Nov. 13 1903.

There is no longer even a shadow of doubt as to the character of the coming elections to be held in December. The one question then to be propounded by Mr. Reid will be whether or not the tariff is to continue Protectionist or to be reduced to merely revenue-producing rates. Speaking near Melbourne he has once more announced that this is to be the first and practically the last plank in his platform: Free Trade is hopeless. The circumstances of the continent make large ready-money receipts from customs indispensable. A revenue tariff is once more to be offered to the constituencies. Unless they give Mr. Reid a working majority in its favour he pledges himself to abandon that too, and to accept the Kingston duties, against which he continues to declaim. He confines himself to this one article of faith, so that if it be disposed of he will have a perfectly clean slate on which to inscribe a new policy. What that may be nobody knows, and probably he has not formulated it in his own mind. Doubtless it will be whatever the Parliamentary situation requires. As he himself says, nothing will then separate him from the Victorian Protectionists. Judging by the manner in which he dwells on contingencies of this order, he is not at all sanguine of victory at the polls. At all events, he is publicly preparing for a fresh departure after the fiscal issue has been put out of the way. He will then be open for an alliance with Mr. Kingston and his Labour allies or with any dissatisfied Ministerialists who may be willing to come to terms. Unless fortune is unexpectedly kind to him he is about to bid his lifelong fiscal principles a final farewell.

DEMANDS OF PARLIAMENT.

The way for Mr. Reid's new programme is being cleared for him by the forthcoming retirement of Sir W. McMillan and Sir Edward Braddon, his two lieutenants, who, with several other members on both sides, find the demands of the Commonwealth

Parliament intolerably exacting. The next House promises to be poorer in quality than that which has nearly reached its term. The Opposition particularly will be enfeebled by the withdrawal of Sir W. McMillan, the one representative of this State who enjoys the unqualified confidence of its business men. At a critical period of his career he did not hesitate in the cause of sound finance to challenge and reprove lax methods at the Treasury. Always a steady and restraining counsellor he has never wavered from the moderation of his attitude in Federal politics except when seduced into declaring for the colour test for Asiatic, African, and Polynesian immigrants. To him belongs the chief credit of leading the persistent and unflinching fight against the hundred and one Protectionist duties whose discussion in committee occupied many months of the first session, and Sir Edward Braddon also took his full share of the ungrateful task, which he bore with marked astuteness and an energy of combat that made undue demands on his strength. In the absence of the two gentlemen Mr. Reid's tendencies towards the left wing of his party will bring him at once into closer touch with the Labour section. Whether he obtains at the elections a revenue tariff or renounces it, his hands will be stretched towards the Labour section, with the necessary pledges that are the price of its support. It is unfortunate that at the last and most critical juncture of our long tariff war the stable influences in the Opposition should be so materially weakened. Mr. Bruce Smith and Mr. Dugald Thomson will remain almost the only Conservatives among the members from this State. Neither their capacity nor their knowledge can be trusted to carry weight with Mr. Reid against the promptings of the belligerent partisans that surround him. The forlorn hope of the Free Traders must therefore face its last fight under disabilities which threaten to cost them the control of the fiscal system of Australia for years to come.

MR. CHAMBERLAIN'S PROPOSALS.

It is just at this crisis that Mr. Chamberlain intervenes, cutting right across the well-defined plans of campaign accepted by both parties. Mr. Reid having formally challenged the Ministry to a duel *à outrance* on the tariff issue, the Prime Minister promptly and cheerfully picked up the glove. Both were somewhat embarrassed to discover a third combatant in the lists, with a complementary project of his own. The Prime Minister welcomed him as an ally, while Mr. Reid sulkily hung back, his hesitation proving most injurious to those associated with him. Since then Mr. Reid and many of the newspapers acting with him are revising their attitude. They began by assailing but are already enduring, pitying, and will soon be prepared to embrace Mr. Chamberlain's scheme. They will in the end come closer to his programme by advocating a preference to British imports by means of a reduction of the imposts now in force in Australia. As the *Morning Post* has always explained, the trend of opinion here is turning irresistibly towards the cordial acceptance of any definite offer

that Mr. Chamberlain and his supporters care to make. The other day the Associated Chambers of Manufacturers of all the States assembled in Melbourne telegraphed home their official appreciation of Mr. Chamberlain's aim. This is a remarkable testimony to the growth of public opinion, because though the endorsement is given on condition that our present duties shall be maintained against British goods and that the preference we are to give is to be by way of increase of duties on foreign goods, it comes from the one class in the community that has nothing to gain and everything to lose by the transaction. We can never hope to sell the manufactures of our highly-paid workmen in the Mother Country, but every development of your export to our markets must mean a greater influx of British manufactures competing with the products of the very men who have just unanimously welcomed the prospect. Maintaining that the duties are now inadequate they agree to forego any advance in them against the Mother Country. Such a conquest of self-interest is a most valuable tribute to the strength of Imperial patriotism in the colonies. Sydney herself still lingers irresolute and suspicious, but cannot long resist the call. Everywhere else arise admissions that whatever may be the outcome of the main fiscal struggle in December Mr. Chamberlain's proposals ought to be accepted out of hand.

TRADE PREFERENCE.

There are, however, other factors requiring to be reckoned. The result of the coming elections may be a foregone conclusion. Judging by the reports from the several States, and assuming that the issue is taken on the main question to be submitted, the result will be Protectionist. In spite of this the element of uncertainty is by no means absent. Electoral cross-currents are so many and various that it is quite possible for the fiscal issue to be decided in the next Parliament by men returned on entirely different considerations. The Labour section will run candidates in almost every constituency without any regard to their individual opinions on the tariff. In Victoria the advocates of economy will be equally free from obligation. In Queensland the simple test will be whether or not those who solicit suffrages are for or against the Labour programme. The verdict given on the Ministry, apart from its customs aims, will play its part in the decision of the public, while the supposed leanings of the Opposition towards aggressive Protestantism will win thousands of votes in this State. How to extract from this chaos of conflicting influences the true intent of the electors as expressed at the ballot box, even on the principal matter officially submitted to their judgment, might well perplex the most capable investigator. If Protection emerges victorious from the *mêlée* it will be quite as much because it represents the established fact as on its merits, while if it be overthrown it may be because of the other doctrines with which it is associated rather than on account of any real reaction against the existing tariff. Whatever representations may be made by interested

partisans it is extremely unlikely that the polling will be fairly interpretable as a national expression of the popular will on the fiscal question. Victoria send back few who are not Protectionists and New South Wales few who are not Revenue Tariffists, but even in these States the Labour members will be independent in this respect, as in every other, while the election in all the other States will turn mainly on local issues. For all that, as already indicated, a decisive judgment may be anticipated on the one Imperial proposal submitted. It may be confidently anticipated that a solid majority composed of Ministerialists and Oppositionists will be returned in favour of some form of trade preference to our kith and kin.

ELECTORAL DIVISIONS.

The two questions of most Parliamentary significance at the moment, though only incidentally requiring legislation, are none the less disturbing forces. One of them affects the redistribution of seats for the House and the other the selection of a site for the future Federal capital. Both of them happen to be specially disruptive issues in New South Wales. Under a Federal Electoral Act passed last year commissioners were appointed in each State to readjust the constituencies. Each was required to accept the latest returns of population. Having regard to community of interest and to the geographical features of the areas the commissioner had to divide the territories into districts, returning one member for every twenty-three thousand five hundred electors or within one-fifth, more or less, of that fixed quota. In Tasmania and South Australia their representatives, like their Senators, have hitherto been chosen by the whole people in a single constituency. These States have now been sub-divided, to the general satisfaction of both the electors and their present members. The South Australian divisions have been, and the Tasmanian division will be, adopted by Parliament. But in the other States a very great dissatisfaction has been provoked by the action of their commissioners. Chosen for non-political qualifications they have performed their tasks with exact literalness but in a purely official manner. The alterations suggested in the Western Australia districts are of the slightest, but difficult to comprehend on any ground of principle, and most unpalatable to two or three sitting members. In this State, as in Victoria and in Queensland, the disregard of the well-established local boundaries which, with little variation, were preserved in marking out the Commonwealth constituencies has been even more conspicuous. In each of two States a whole electorate disappears. In Queensland the commissioner had no sooner published one plan of sub-division favourable to the Labour section than he withdrew it in order to substitute another just as unfavourable. What seems to have been the method in New South Wales and Victoria was to start from one of its boundaries and work thence in a mechanical fashion across country. This produced the same consequence in each instance, an extra seat being given to the

Metropolis to make up for that of which its interior had been deprived. The Ministry asked the House to reject all three plans. Instead of referring them back to the commissioners under the Act Sir William Lyne intimated that in view of the urgency for the completion of the rolls in time for December he proposed to bring in a short Bill confirming the present constituencies.

THE VOICE OF THE AGRICULTURIST.

Whatever the justification of this departure may be it necessarily involved consequences of a merely party nature. The two seats excised here and in Victoria are now held one by a Protectionist and the other by a Labour member. Of the two new constituencies in the capitals the Sydney one would certainly be won by a revenue tariff supporter, while that in Melbourne would probably fall to a Labour representative. This meant, therefore, a certain loss of two votes to the Government and a possible gain of two for the Opposition if the commissioners' divisions were approved. Naturally, then, Mr. Reid and his followers were roused to a high pitch of exasperation when they found themselves deprived of their anticipated successes. Sir William Lyne explained that the drought was responsible for a temporary depopulation of the western districts of the three great eastern States, which were afflicted by its devastations just at the time when the last estimates of population were prepared. The cities to which the settlers or their families retired were temporarily crowded, but Sir William maintained that the rolls showed that the settlers and their families were already returning to their old homes. A splendid season is promised everywhere, with abundant occupation for all farmers and graziers. In this State we have more land under cultivation than ever before. The late Minister for Home Affairs, therefore, had some grounds for asserting that by the time election day comes the old constituencies would contain sufficient numbers to entitle them to remain as they are, while the Metropolitan numbers would have sunk to a normal level. Whether or not such a set of circumstances would have contented him if the commissioners' plans had meant gaining instead of losing supporters may be open to doubt, but assuredly the facts elicited do not justify the transference of members from the country to the town. A more equitable distribution of representation might have been easily devised which, allowing for the momentary exodus of population towards the coast, would not have required the creation of new city constituencies. The authority of the capitals is already too great in Parliament and needs to be diminished. Irrespective of the strength of parties, it is decidedly undesirable to increase that preponderance just at a time when, in the interests of economy and of the development of our resources, the voice of the agriculturist requires to be heard more effectively.

THE FEDERAL CAPITAL.

Mr. Reid showed less than his usual strategy in making an attack in force on the Ministry. When he argued that each adult's vote should be given the same value wherever its owner was he set himself in opposition to the strong feeling of suspicion with which the conservative classes view the massed working man's majorities in the cities. Curious to say, he did not even receive the assistance of the Labour Section, on which he had confidently counted. When he persisted in going to a division on the Victorian plan he, with a mixed following, was beaten by more than two to one. His prospects are little better on the other electoral schemes of the commissioners. The Ministry seems to have nearly three-fourths of the House behind it. The determination of the Federal capital site will afford him a possible opportunity of rallying his forces, however, since on this matter the Government ranks will be divided. Some members of both Houses have visited the eligible districts in this State, a board of experts has reported on their several advantages, and everything is ripe for a selection by Parliament. To this or any action this session strong objection has been taken in Melbourne, where the Parliament sits, and in the country districts of Victoria, where the curtailment of expenditure is the ruling motive. On the other hand, Sydney, in spite of the prohibition in the Constitution, cherishes ambitions to see the political centre of Australia established either in its parks or immediate neighbourhood. Our country places, which are alone available for selection under the law, naturally protest against attempts to deprive them of the possession of the capital or to postpone its location. We are therefore about to witness a triangular duel in which both capitals may unite to defeat our country districts outside Sydney in order to afterwards wrestle between themselves for the coveted prize. Profit, not patriotism, is the guiding motive of them all.

THE NEW COMMONWEALTH.

CHANGE OF THE LEGAL SYSTEM.

THE UNITY OF AUSTRALIA.

FROM OUR SYDNEY CORRESPONDENT.

[Aug. 25 1903]; Nov. 16 1903.

The contrast between the surface and the substance of political events is well illustrated by the respective degrees of prominence given to Mr. Reid's resignation and to the passage of the Judiciary Bill. The leader of the Opposition, in order to call attention to the action of the Federal Ministry in refusing to sanction the redistribution of seats proposed by commissioners of its own appointment under its own Electoral Act, retired from the House to challenge the opinion of the public in his own constituency. He has succeeded in his object. Every newspaper in Australia has discussed his conduct and its motive. An enormous meeting in our Town Hall assembled to listen to his well-supported attack on the Government and to applaud his invectives to the echo. His words were telegraphed to every corner of the Commonwealth to be further criticised, explained, and weighed in the balances. Measured by the ferment thus created it might be concluded that no incident of so much note has occurred for a long time past. Mr. Kingston's resignation of office must be excepted. It may have given the cue to the leader of the Opposition. But that was a real sacrifice of power and place, a step not to be retraced. Mr. Reid's resignation meant a mere electoral promenade. The Ministry will not oppose him, well knowing that it could not prevent his return, and the Labour section appears to be equally circumspect. Sir William Lyne will be condemned by the Metropolis for having robbed it of its extra constituency. The long list of Ministerial faults and blunders recorded by the Opposition for campaign use will have had another article added to its indictment. Mr. Reid will have asserted himself, maintained his principles, revived his followers, weakened his adversaries, and sunned himself in his stronghold without cost, anxiety, or inconvenience.

THE JUDICIARY BILL.

Compared with the stir which this ingenious stroke of electioneering provoked the attention given to the passage of the Judiciary Bill was trifling. The measure establishes the third co-ordinate power required by the Constitution to whose impartial judgment the interpretation of the whole instrument and the enforcement of its many compacts are committed. Without this third co-ordinate power the State Courts would be left to settle some of them and the Privy Council the rest, no thorough investigation being given to the merits of the compacts from the Australian as distinguished from provincial points of view. The High Court will henceforth be what the American Supreme Court has gradually become—the guardian of the Constitution of which it constitutes the legal conscience. The [Barton](#) Ministry completed the Federal structure sufficiently to make sure the independent existence of that structure. The attacks made on it in the State Legislatures are being supported by attacks on the State Courts of a much more serious character, and though as yet no irreparable breach has been made in the Federal foundations there has been no assurance until now that they might not be undermined at any moment in some unsuspected quarter. The strain to which the Constitution is being submitted is rapidly increasing. Those responsible for the Commonwealth may now draw a long breath of relief, or, at least, such of them may as are able to comprehend the risk that has been run. To “the Man in the Street” the High Court has been a device of the lawyers placed on the Statute-book in the interests of their profession. By provincialists it has been better understood. The local sovereignty of their Supreme Courts was in truth the last and strongest of their entrenchments against Federal developments, and with a wise instinct these provincialists fought the [Attorney-General](#) inch by inch at every stage of his cherished measure. Its second reading is publicly alleged to have been secured only by the threat of his resignation with which he steadied wavering Ministerialists, who were unaware of the significance of the Bill and to whom its import could not be disclosed without arousing fresh antagonists. In the Senate the measure was much more sympathetically handled, because its value to the less populous States was to a certain extent appreciated. But it was fiercely assailed to the last by the economists, the States’ rights militants, and the Opposition guerrillas. Twice its fate in the House depended in critical divisions on a single vote, while defeat was evaded again and again by postponements or recommittals. No measure yet launched in the Federal Parliament was so often imperilled, skirted so many quicksands, or scraped so many rocks on its very uncertain passage.

AMPLITUDE OF JURISDICTION.

Though the Bill has become an Act none of its Press critics seem even now to have become convinced of its significance. The amplitude of the jurisdiction originally proposed to be conferred on the High Court has been curtailed, and its despotic power of removing cases from the States' Courts diminished, but in every other respect it is richly endowed with an authority as a court of appeal that embraces the whole range of Federal and general litigation. What was intended to be the severest blow at its status was the reduction of its Bench from five to three judges and the refusal to provide pensions for them on their retirement. The High Court will afford a tribunal of more exalted standing than any we now possess, and the local tribunals whose appeals it will dispose of will gain by the association. It is promised that those who seek legal redress will be more efficiently catered for by cheaper and speedier processes. However this may be, the fact that the supreme authority in the judicial as in the legislative and executive realm is that of the Commonwealth must have its due result. It will make for the effectiveness, the comprehensiveness, and the dignity of our central organisation at the expense of those local bodies which have hitherto exulted in their autonomous energies and are now more reluctant than ever to dispense with them. Yet surrender they must if the principle adopted by an overwhelming majority of the voters throughout all the States is to be given its natural effect. The refusals, which are thickening and multiplying daily, represent efforts to repudiate the necessary Federal obligations without whose fulfilment we can never hope to accomplish the unity of Australia. A fundamental change in the whole legal system of the Commonwealth, in the constitutional machinery that controls it, and in the relation between the Federal governing authorities and the States passes unnoticed, while Mr. Reid's gage of battle to Sir William Lyne focussed public attention. A platform combat of this kind is much more interesting to the onlookers than any analysis of a great piece of legislation. How far the incident belongs to what may be deemed to be part of the "legitimate drama" of politics has been the subject of more lively debate than the future development of our new Constitution as it is being determined by statute before our eyes. This proves that Mr. Reid rightly estimated his audiences and has an almost unerring instinct for what will touch them.

THE NEW COMMONWEALTH.

MR. CHAMBERLAIN'S PROPOSALS.

ENTHUSIASTIC ACCEPTANCE.

CHOICE OF A CAPITAL.

FROM OUR CORRESPONDENT.
SYDNEY, Oct. 13 1903; Nov. 21 1903.

Mr. Chamberlain's Glasgow speeches are awakening an almost deafening series of echoes from every part of the continent. In Parliament, in the Press, in the street they form a subject of unending discussion, and produce every variety of comment. Whatever their result in the Mother Country may be, here they absorb attention. The total verdict is one of emphatic approval; that from the great majority of the people amounts to enthusiastic acceptance.

As predicted some time ago the increasing popularity of his proposals has commenced to sweep away some of our existing party distinctions. The Protectionists who were timid have become bold advocates of the new departure. The Revenue Tariffists from open enmity have passed through tolerance to its conditional adoption. At the coming election all parties will be declared Preferencists, either by increases or reductions of existing duties. This involves far-reaching effects. Well may Mr. Reid inquire the meaning of the Ministerial cry for fiscal peace at the very moment when its leaders are outlining a new schedule of additional duties. Finding his attack on the tariff distasteful even to his own supporters he has changed front, commencing his campaign against the Government last night by placing the responsibility for a re-opening of the fiscal controversy on their shoulders. As a matter of fact and date this excuse is not justified. He had made his declaration of war long before Mr. Chamberlain's famous Birmingham speech. He advanced none but local reasons for raising the Free Trade standard. Since then he has met with nothing but rebuffs outside this State, and only lukewarm encouragement even in Sydney. No wonder, therefore, that he welcomes the opportunity now afforded him of explaining that his hand has been forced by the fresh extension of Protection contemplated under cover of a demand for preferential trade relations. His triumphant meeting received this declaration with reviving hope, and hailed all references to a closer union with the

Mother Country with immense applause. Both our parties are evidently anxious to take advantage of the loyal sentiments of our people and to use them to the profit of their local programmes. Whether this betokens a lofty spirit or not it affords the plainest and most practical proof that tacticians, whose business it is to study public feeling most closely, are satisfied beyond question that they must adapt their aims to an overwhelming force of Imperial patriotism.

PRIME MINISTER'S ATTITUDE TO TARIFF REFORM.

The *Prime Minister's* attitude towards Mr. Chamberlain's tentative scheme of preferences remains to be precisely defined. It was, he said, a business offer which, in his opinion, required to be met in a business way, but he declined to forecast his reply to it in the last days of a dying Parliament. He reserves his answer until he speaks to the country from his constituency, Ballarat. In reply to a series of categorical inquiries from Mr. Reid and his supporters in the House Mr. Deakin added that the general policy of the Ministry had not been affected by the recent changes in its personnel, though Mr. Chamberlain's speeches would call for its adaptation to the new situation arising in Great Britain. If the Australian tariff were as high as that of Canada, or even if it had been accepted as introduced by the Ministry, there would have been scope for reductions in favour of British imports, but as it had been cut down there was, in his opinion, practically no margin for concessions. He refused to promise that he would not ask for the decrease of a single duty, but insisted that no real reduction of Protectionist imposts could be expected from the Cabinet under existing circumstances. It may be taken for granted, therefore, that any tariff changes submitted to the electors will consist of additional duties. On the other hand Mr. Reid's declaration is equally unequivocal. He will not on any grounds or in any circumstances consent to Protectionist increases or the reduction of revenue duties, but he will cheerfully lower those which have a Protectionist incidence down to a revenue standard. This would not carry any preference to British goods. It would open our markets to the foreigner as much as to the Mother Country, and the foreigner would take most advantage of it. Mr. Reid sees clearly enough that closer commercial union is a step towards closer political union, and consistently declares against both. He opposes all schemes for "centralisation", "Imperial Federation", or "partnership", and to make his aims perfectly plain forswears Mr. Chamberlain in order to publicly embrace *Sir Henry Campbell-Bannerman*. In a word he makes the fiscal issue in its most extreme form the test question of the coming elections.

CHOICE OF THE CAPITAL.

The choice of a site for the future seat of government of the Commonwealth has continuously exercised politicians for the past three years, and Parliament spasmodically at intervals during the same period. Long ago the New South Wales Government appointed Mr. **Oliver** as commissioner to examine and report on the most eligible spots within our borders. The Constitution requires that the site shall be in this State, but not within one hundred miles of Sydney. Mr. Oliver selected Bombala, two hundred and forty miles distant, on a high table land, where the eastern slopes from Mount Kosciusko roll down to the ocean sixty miles away at Twofold Bay. Its cold climate, bracing winds, snow-clad ranges, and splendid river would have given us an ideal summer city, but in winter it would have been much less attractive, and at any time must have been a painful abode to legislators from the hotter parts of the Commonwealth. The Senators are strongly in its favour. Its present defects are its great distance from Sydney and the immense cost necessary to make it accessible by railway from the coast or from the south. On these grounds a board of experts appointed by the Federal Government placed Bombala at the bottom of their list, reserving the first place for Tumut, a hilly district splendidly supplied with water and situated on the western slope from the dividing range, of which Mount Kosciusko is the highest peak. This district is about sixty miles north of the Murray, to the north-east of Albury. The board spoke highly of Albury and its neighbourhood, though its heat rendered it undesirable. The claims of Armidale in the north, not far from the Queensland border, were manifold but little examined. Those of Lyndhurst, on the high lands due west of Sydney, in point of accessibility, picturesqueness, and centrality—if the growth of population in the future be taken into account—were strong enough to concentrate on it a very large measure of favour. Indeed, all the nine places mentioned by the experts had their special advantages. Each could be fairly commended to the consideration of those entrusted with the duty of determining the locality in which the national Parliament and its chief executive officers are to make their permanent home. The importance of the choice at present is small and for a long time may be inconsiderable, but it will ultimately exercise much influence on political and social developments. It is, therefore, an event in our history of immense potentialities.

Though it cannot be said that the subject has been approached by members or Senators as it deserved the final result is in no way discreditable to their judgment. **Sir Edmund Barton** attempted to arrange for a joint sitting of the two Chambers at which a selection could be made, but the Senate naturally objected to sacrifice its individuality in a gathering in which it would only possess a third of the votes. On the failure of this endeavour Mr. Deakin brought in a short Bill to fix the site at a

place to be named after members had determined it by means of the preferential system of voting. The House accepted the Bill, but rejected its method in favour of what is known here as the exhaustive ballot. Each man voted for one site at a time; that receiving the lowest number at a count was rejected, until by a series of ballots the competitors were reduced to two, one of which secured a majority. From the first it was manifest that the decision would be governed by geographical and political motives.

HOUSE OF REPRESENTATIVES SELECTS TUMUT.

New South Wales, rallying three-fourths of her members for the best site in the heart of this State, whose nearest port would be Sydney, recorded seventeen votes for Lyndhurst. The Queenslanders, dreading the cold of the South, polled all six of their members present for the same place. Two Tasmanian Oppositionists sympathetically gave their suffrages with their allies. This made a total of twenty-five for Lyndhurst. Seven other New South Welshmen preferred other places, *Sir William Lyne* because Tumut is in his constituency, two others because their districts joined his, and the remainder probably because of Ministerial leanings. Every one of the twenty Victorians, of the five West Australians, and of the three South Australians who were in the House went solidly for a southern capital, and with the aid of a Tasmanian brought up the Tumut total to thirty-six out of sixty-one voters. At first their favours were divided, Bombala receiving the highest number of votes at the first count, but the course of the election even then pointed to the certain winner. All the Lyndhurst party would have united with the friends of Tumut rather than see Bombala their place of exile. As it was the Bombala phalanx transferred itself with but a single exception to Tumut rather than travel northward to Lyndhurst. Those absent from the House would not have affected the proportions. It may, therefore, be assumed that the House will not alter its mind. The Senate is said to show a solid majority for Bombala, and that in consequence a deadlock is imminent. The hopelessness of its cause in the House and the strong desire to arrive at a settlement of this vexed question before the election ought to operate even on the stubborn among the senators. But Tumut will need to make many converts to ensure its victory next week.

Sydney, through its Press and its representatives at once and deeply resented the defeat of Lyndhurst, a city that would have been remote from all other States and entirely dependent on Port Jackson. Had all our State members and those of Queensland been true to Lyndhurst we could not have won, but could have tied with Tumut by the help of the two Tasmanians, even if all the absentees from the other States had polled against us. Naturally, however, our own Southern members preferred the interests of those who returned them, and with our forces divided defeat

became inevitable. Directly the selection was known Mr. Carruthers, as leader of the Opposition, angrily impugned the procedure adopted by the Federal Parliament, claimed that New South Wales should have been and must yet be consulted on the matter, and a territory granted by her Parliament before the site of the capital could be fixed by the Commonwealth. The discussion on the subject was wisely postponed until the action of the Senate could be known. But in the meantime the House of Representatives had aggravated our local grievance by attaching conditions to its choice. The Prime Minister and leader of the Opposition agreed that the Bill giving effect to the ballot should be treated independently of party, and consequently Ministers and members voted and spoke as they thought fit without reference to their colleagues. Still Mr. Deakin, as Leader of the House, and responsible while head of the Executive for the negotiations with this State which must be undertaken, pleaded against the attempt to lay down beforehand any definite demands on our Government. He spoke in the warmest terms of the generosity with which Sir John See had met all his requests and suggestions, and urged the House not to approach him and his Cabinet in a dictatorial fashion.

PROTESTS FROM NEW SOUTH WALES.

He was so far successful that the new conditions were reduced to directions merely, but even then they remain extremely objectionable to our local Legislature. The site may be anywhere within twenty-five miles of Tumut, while the territory to be federalised around it would stretch from the Murrumbidgee to the Murray, where it would touch the Victorian border. It will be in New South Wales, but not surrounded by our soil. Even a narrow strip of land reaching from river to river would make it necessary that the Commonwealth should acquire from us at least a thousand square miles instead of the minimum of a hundred square miles provided for in the Constitution. This would mean the establishment of an *imperium in imperio*. Though the area is insignificant to us, being exceeded by that of many sheep runs, the proposal to place the capital so near Victoria, and in absolute touch with that rival State, has excited all our party leaders at once into perfervid protestations.

Many things are happening in Australia of more present weight than the choice of a Federal capital. The satisfactory Budget which Mr. Irvine has disclosed in Victoria, the floating of his £5,000,000 loan, the signs of probable changes in the See Government, the election by our Parliament of Dr. Mackellar, a Protectionist who replaces Mr. Justice O'Connor in the Senate, the ceremonial opening of the High Court in Melbourne, the gradual emergence of a Labour section in Western Australia, and the precarious position of the Ministry in South Australia are some of the incidents meriting attention that are now occurring around us. But in Sydney we

can scarcely think or talk of anything else at present but the perfidy of the Federal Parliament in refusing to place the seat of its government where we could have it, as the children say, "for our very own". We were always hostile to the Commonwealth Constitution. Mr. Reid brought over votes enough from the country at the second referendum to induce the electors as a whole to reverse their previous refusal to enter the Federation. This was accomplished largely by the concession made to this State that the national territory should be within our boundaries. It is true that the mass of our people did not then and do not now allow themselves to be unduly swayed by such considerations, but the noisy classes, the papers, and the politicians in and about our Metropolis seem trying to persuade each other and their hearers that a great injustice is being done to us by the selection of a locality almost as near to Melbourne as it is to Sydney. The choice is important in itself, but in addition to its many other consequences there must now be added those flowing from an outbreak of excited local feeling against everyone connected with the vote for Tumut. Bombala, of course, would be worse. A particular irritation has been created against Victoria for favouring these sites and Albury, all of them border towns. This is likely to affect the fortunes of the Federal Ministry in our State because it has a Victorian Prime Minister. Sydney could scarcely be more hostile to the Government than it was, but it has temporarily become more angry. The See Government already finds itself brought within the radius of the storm and compelled to adopt a hostile attitude to the proposals for any larger area than the Constitution requires. Our Assembly will assuredly consider them in no more cordial spirit. Without its consent the Federal Parliament may find itself compelled either to alter its mind or to exercise whatever powers it possesses under the Constitution to insist on its will. Out of the whirlpool of bad feeling that has been suddenly created it will be impossible for the project approved in the House last week to either satisfy the Senate or New South Wales. The establishment of any capital must therefore be postponed. The High Court may have to be invoked, and with its consent this vexed question may yet go to the Privy Council.

THE NEW COMMONWEALTH.

CHOICE OF A CAPITAL.

STATE JEALOUSIES.

GOVERNMENT LOANS.

FROM OUR CORRESPONDENT.
SYDNEY, Oct. 20 1903; Nov. 25 1903.

Federal affairs continue to concentrate attention. This is in some measure due to the fact that the State Legislatures are occupied with minor matters of merely local interest, getting through their business more or less steadily under the pressure of approaching summer. Then the Commonwealth Parliament is *in extremis*. It is about to commit suicide, shortening its existence by six months in order to avoid polling its vast area twice, once in December for the Senate and again next June for the House of Representatives. The saving to the Treasury is estimated at £30,000 at least if both elections are held on the same day. Ministers and members of the House sacrifice more than half this sum, reckoning their receipts to the end of their term, though the national expenditure will not be reduced, since either they or their successors will have to be provided for. In making the sacrifice they have set an admirable precedent. With us Parliaments rarely die gracefully. The effort to pose before the constituencies or to snatch party advantages is generally too strong for the self-restraint of legislators about to become combatants on the hustings. Particularly is this the case when contentious subjects are being dealt with in the last hours. The strife between the States for the site of the future capital has brought the temperature of both Chambers, and specially that of the Senate, up to exploding point.

SENATE CHOOSES BOMBALA AS CAPITAL.

The Senate debate on the proposal to build the new capital near Tumut differed from that in the House more than was anticipated. Its verdict was prompt and decisive. Lyndhurst, though receiving the support of five out of six Senators from this State, obtained but a single suffrage besides, and that from a Queensland Labour member. Albury fared no better, none but the six Victorian Senators approving it. Twenty votes were cast against both places. Bombala was then substituted for Tumut by

nineteen votes, composed of six Victorians, five Tasmanians, four South Australians, three Western Australians, and one Queenslander. The minority for Tumut consisted of six New South Welshmen and three Queenslanders. It was a case of strictly geographical preferences. With only one exception from Queensland, every Senator who lives north of the Murray chose Tumut, while every Senator who lives south chose Bombala. Climate had something to do with the selection, and State jealousy more. The Melbourne site was Albury, or in default Bombala, while the Sydney site, after Lyndhurst failed, was Tumut. Both were hopelessly defeated in their first preferences. It was the Tasmanians, South Australians, and Western Australians who carried Bombala. Adding the Victorians, we have a more than three-to-one majority from four States declaring for the high cold plateau between Mount Kosciusko and Twofold Bay. This represents the deliberate decision of the Senate, and there is little prospect of its being reversed.

FOR THE COMING CITY.

What the discussion on localities has done to create antagonism between New South Wales and the Southerners is nothing to the effect of the after-proposals lightly launched for acquiring from us a large area for the Commonwealth within which the capital can be placed without risk of becoming dependent on this State. This development had a mixed origin. The Labour members are obviously ambitious of associating with the seat of Government a bold experiment in land nationalisation. Their *leader in the Senate* was ambitious of annexing more than 3,000 square miles and a fourth of the coast-line of New South Wales, simply assuming a proportion of our debt by way of compensation. His amendment found no supporters, but a general disposition evidently exists to seek much more than the hundred square miles to which the Constitution gives the Federation a title. Looking far ahead to the distant date on which a great city will have been built, it is desired to secure in advance a sufficient extent of country to prevent the unearned increment expected to be occasioned by its construction from becoming the freehold of private persons. The Federal Government itself is to be sole landlord, in order that the cost of the improvements it carries out may be reduced by gradually increasing rents from the city and its surrounding territory.

A GRANDIOSE SCHEME.

To this grandiose scheme there are several objections of a practical kind. Those who study Australian conditions are of opinion that we have cities enough now. Some of our chief problems are how to sustain them in their present dimensions. It will not be easy to add another in an out-of-the-way region, impossible except at great cost, and to some extent at the expense of our existing cities. No area that New South Wales will grant could itself support under existing conditions more than a small township. Whatever value is added must be by public expenditure, and we are all of us just now, and very properly, in an economical mood. The weight of opinion outside of New South Wales at the ensuing elections will be decidedly adverse to any great outlay for Governmental purposes anywhere. The provincialism of Melbourne is injurious to the Federal spirit of our Parliament while it sits there, but in a different fashion, and perhaps in a different degree, so would be the atmosphere of Bombala or Tumut. At such a distance from our populous centres no real public pressure could be brought to bear, to lessen or mitigate the rigour of legislative experiments. For these and many other reasons the delay likely to be occasioned by the failure of the two Chambers to agree on a site will certainly not be disadvantageous to the community as a whole.

PARTY BITTERNESS.

The most unsatisfactory feature of the debate has been the bitterness engendered. New South Wales has not been tenderly handled by critics, who assume that the most ill-considered utterances in our Press or on the platform represent the feelings of our people. There is every reason to believe that our ordinary man takes a far more sensible view of the situation than even some of those who consider themselves his leaders. The effect of these censures on our firebrands and every extravagance of retort that their utterances provoke among our neighbours are repeated in Sydney until something like the resentment supposed to have originally existed among us is artificially created. Our representatives feel that, except for Queensland, they are, in a sense, isolated in the Federal Parliament. Such of our wrath as is spared from it is expended on the Ministry, whose two members from this State are advocates of the only sites now in competition, neither of which is popular in our Metropolis. Tumut is in the constituency of [Sir William Lyne](#), and Bombala in that of the new Minister of Defence, [Mr. Chapman](#). The policy pursued by the Government in submitting the question to the Houses at this late hour and in this particular way is condemned with the object of weakening its hold on this State. [Mr. Deakin](#) having been personally little seen or heard in New South Wales, his party here look for the meaning of his action to his colleagues, who are personally interested in the choice to be made. By incidents such as these the temper of both parties and of both Houses has been impaired.

THE APPROPRIATION BILL.

A very little spark was needed to produce a fire, and now that the issue as to the capital seems dead it appears to have been struck out of that always vital measure the Appropriation Bill. When the estimates were originally submitted to the Representatives by Sir George Turner they contained small increases to certain officers of both Chambers. Those which affected their own officers the House passed, but refused the increments to those of the Senate. The Senate then requested that the increases should be restored, and the Prime Minister pleaded at length that this should be conceded. The House would not retrace its steps, and the Senate promptly and with unanimity refused to withdraw its request for the necessary amendments to put its officers on an equal footing. A deadlock has been reached from which no escape appears possible. If the Appropriation Bill be lost the whole of the Federal finances will be thrown into confusion. Assuming that the Seat of Government Bill has to be abandoned, nothing else will remain to detain members already anxious to hurry before their constituents. Some decision must be come to and at once. The amount involved is less than £100 a year, but as the present disposition of members is “greatly to find quarrel in a straw” it is impossible to guess what the solution can be which will prevent this ridiculous dispute, paltry in character and small in motive, from having very serious consequences.

THE CRUX OF THE FINANCIAL SITUATION.

Looming large above such petty items on the estimates the real crux of the financial situation is gradually becoming prominent and urgent, though it does not as yet appear in the Commonwealth statement of accounts. It is more than local, for it is not determinable on this side of the globe. The Victorian redemption loan has just been guaranteed, but at a high figure, and the terms which that State has had to pay for the accommodation have rightly attracted much notice. Mr. Irvine, as Premier and Treasurer, invited the attention of his Assembly to the correspondence that had passed between his late colleague Mr. Shiels and Sir George Turner early this year. It merits the utmost consideration from a far wider audience, for it puts into plain language for the first time the view on which the Federal Government has acted and intends to act in its dealings with State loans. Mr. Shiels on March 18, while Treasurer of the State, began by boldly claiming that Victoria had a manifest right to have her past loans taken over by the Commonwealth whenever it received her customs revenue. Sir George Turner met the demand with firmness and clearness, as is customary with him. The same claim would, he said, be made by all the States, and any policy adopted must apply equally to the whole of them. Up to that date none of them had indicated

any desire to be relieved of their indebtedness. When they did the first question would be what they proposed to do in the way of further borrowing. If they remained free as before to multiply their debts at pleasure they would be competitors with each other and with the Federal Government, the price of whose debentures might be brought down by their fresh loans just when he was endeavouring to meet the old obligations of theirs which he had shouldered. Further, he doubted whether at the moment the Commonwealth could command better terms than the State for the particular loan to which Mr. Shiels referred, since it was due at a fixed and an early date, and as yet there was no Federal financial agency in England. In reply Mr. Shiels was soon after able to send a general resolution passed by the Conference of Premiers in Sydney in April last in favour of the transfer of their debts.

CONDITIONS PRECEDENT TO LOANS.

Sir George Turner promptly rejoined that as they deliberately avoided even a hint as to their financial intentions, and did not allude to any conditions to be observed in their future appeals to the London Market, their resolution meant nothing practical. He proceeded to lay down the conditions precedent to any assumption of responsibility by the Federation for existing State debts with which they ought to have dealt. The first of these were indemnities to the Commonwealth by the creation of a sinking fund and by providing security for the interest on the debts taken over, together with an arrangement preventing suicidal competition in Lombard Street between the States themselves, or between them and the Central Government. He added significantly: "Without such conditions we should only continue to exhaust and debase the common credit of Australia upon which we all depend". Sir George Turner, Victorian though he is, and great as must have been his anxiety about his State's new loan, embodies in his ultimatum the conclusions of sound and cautious finance. The present Prime Minister, some time before Mr. Shiels first wrote, had more than once called public attention to the necessity for co-operative action between the Federal and State Treasuries, and for the determination of the conditions on which the taking over of the local loans would require to be made. His speeches forestalled the substance and almost the phrases employed in his colleague's letters now published for the first time, from which it is evident that the subject is one that has engaged his attention from the first.

DECLARATION OF POLICY.

It is a reasonable conclusion that he will make it a prominent feature of his Ministerial manifesto. Certainly it is high time that public opinion was better informed on it. The most striking characteristic of the situation is that the State Premiers and Treasurers maintain an impenetrable reserve on an issue which touches them. In spite of Sir George Turner's appeals Mr. *Irvine* himself is unmistakably impenitent. His complaint is that the Victorian debt was not at once accepted by the Commonwealth without demur or terms. After the plain speaking of Mr. Deakin and the explicit insistence of Sir George Turner on the conditions of any such transfer he appears to cherish the illusion that he can force their hands. Where he trusts to find leverage is not at present discoverable. If he looks to the electors, who in any case are and must remain under the obligations incurred by the States, he will need to prove to them that they will be the gainers by having seven agents authorised to pledge their credit instead of six as heretofore. This is what his attitude implies. Our present difficulties have been brought about with six borrowing Treasurers. He declines to put any check on them. How, then, are our debts to be lightened by simply adding the Federation as a seventh borrower? Mr. *Irvine's* Budget has been pronounced satisfactory in Melbourne, and that of Mr. *Kidston*, the new Treasurer of Queensland, is accepted in Brisbane. Everywhere there is a healthier tone in State finance. Yet if the State Treasurers are relying simply on their economies and better times to secure them a new lease of financial freedom they are making a great mistake. The Commonwealth can afford to wait until the constituencies become alive to their danger. The States cannot afford to wait. They have no power of coercion over the Federal Parliament, and the five years' share of the customs revenue guaranteed to them in the Constitution, according to their consumption of dutiable goods, is fast running out. The Australian voters, whatever their other decisions may be in December, are very unlikely to reverse Sir George Turner's requirements in order to revive the borrowing policy of their earlier and easier youth.

THE NEW COMMONWEALTH.

SEAT OF GOVERNMENT.

RIVAL CLAIMS TO THE FEDERAL CITY.

FROM OUR CORRESPONDENT.
SYDNEY, Oct. 27 1903; Dec. 5 1903.

The Commonwealth Parliament has been prorogued: it will soon be dissolved, and its obituary notices are already appearing. Naturally the Press sketches receive their colour from the campaign necessities of the moment. What is shadow to the Ministerial critic is sunshine to his Opposition contemporary. They invariably paint different pictures, so different indeed that now and then they scarcely seem to relate to the same subject. Partisanship runs riot at irregular intervals, but its excesses are perennial during all elections. It does not quite forgive those who have withdrawn or are about to withdraw from active political service, but towards them there are symptoms of tolerance very welcome to the impartial. *Sir Edmund Barton* and *Mr. O'Connor*, now that they are removed from the fray, are beginning to be appreciated by old antagonists, though in some instances apparently for the purpose of injuring their successors by comparison. Very little history is written in the newspapers that is not dictated towards immediate political ends. Events are treated as plastic materials out of which party missiles are industriously manufactured. Yet there is a certain diminution of acrimony in respect of the Parliament as a whole. Out of many conflicting renderings of its features a likeness that will at least be recognisable is beginning to emerge. After the polling for the new Chambers is over we may hope to see something approaching a portrait of those that are politically ceasing to be. In the meantime a certain respect is exhibited that declares a more temperate appreciation. Bold outlines and broad effects assert themselves as if independent of the bias that still remains visible against our first national Legislature.

GROUP OF SENSATIONS.

The claim that what may now be termed the late Parliament has lacked neither courage nor initiative appears in the speech delivered by the *Governor-General* to the diminished gathering of Senators and members who were still at their posts last week. But for the strife between the Chambers over the Appropriation Bill they would

have been fewer still. But for the jealousies aroused by the uncertainty of the Federal capital site it might have been hard to keep a quorum. The Houses were exhausted rather by the succession of excitements to which they have been exposed and by the overmastering influence of the elections than by their recent labours. Considering its length the session was fruitful. Several measures passed were properly described as of the first importance, yet they were cast into the shade by a series of incidents only some of which arose out of the Acts placed on the Statute-book. There was a threatened crisis during the passage of the Bill creating a High Court and a passage of arms with the Senate in connection with the distribution of bounties for sugar grown by white labour. Even the naval agreement was for an instant in peril in the Senate, but the tide of popular sentiment carried it triumphantly through. The Defence Bill was in suspense almost till the last day of the sitting, and that for the seat of government was only put aside the night before, while the first Appropriation Bill was laid aside and another introduced in its place during the closing hours of the session. In addition to these anxieties the New Guinea Bills were abandoned because the House insisted on the absolute prohibition of alcoholic liquors, and refused to allow the sale of freeholds in the possession. The resignation of Mr. Kingston, the refusal of the Cabinet to extend the jurisdiction of the Arbitration Court over State servants, and the loss of the whole measure in consequence, furnished a group of sensations that threatened the life of the Government and permanently detached the support of the Labour section.

MR. REID'S POSITION.

The Government's survival of these stormy occurrences says something for the cohesion and capacity of the Executive, but it is on the whole due rather to the weakness of the Opposition than to its strength. A large section of its Victorian followers was in all but open rebellion when the High Court Bill was forced through by the present Prime Minister. These members are much more friendly now, though still hostile to any proposed expenditure on a Trans-Australian railway or a capital inland. Now, as formerly, if Mr. Reid had pursued a consistent course he might have torn the reins from the hands of Ministers, but he has coquetted so often with the Labour section and varied in his views so frequently that his following had become too disorganised for a successful assault. Nothing could have kept him in office if he had won unless it was a revival of the abounding cleverness, audacity, and debating power which enabled him to live when he first became Premier of New South Wales. He began with a minority behind him and Sir Henry Parkes on his flank, but he persisted until he built up a powerful party, allied with the Labour members, by whose aid he reigned for five consecutive years. With all his faults this State would

welcome him again. It still gives him, and will return at the ensuing elections, a large majority in his favour. But it is uncertain if he can carry sufficient reinforcements to make up leeway among our neighbours. Without the help of the Labour section he cannot expect either to win or to hold office.

THE CASE OF MR. KINGSTON.

The reconstructed Ministry closed the session without any visible loss of prestige except that which was occasioned at once on its coming into being by the loss of its ablest members. The justices of the High Court are, of course, out of politics, and therefore powerless to help or injure their old colleagues, but it has been palpable from the first that Mr. Kingston, a candid friend in speech, is fast becoming their open enemy. His rugged, powerful, and picturesque personality is governed by a temper that makes it impossible for him to find any halting-place between the Treasury benches and those immediately opposite. Follow he cannot, serve he will not, and act he must. If his vote and voice could have compassed the downfall of the Cabinet he lately left he would have effected that result several times during the last six weeks. Whether or not he would have sat beside Mr. Reid in a new Cabinet may be doubtful, but assuredly he would not have sat behind him. Yet he would willingly have helped to put him or anyone else in so as to put the Government out, and would have repeated the same process until his restless, imperative nature was once more engaged in the duties of a responsible office. As far as can be judged from his utterances, his particular feud is with **Sir John Forrest**. As the late Premier and still the real leader of Western Australia his dearest aim is to secure the construction of a railway from Port Augusta, on the South Australian line, to Coolgardie, the mining centre of his State. As Minister of Home Affairs the preparations for the construction of the railway are in his department, but the line cannot be built without the consent of both Western and South Australia. The first has given its legislative assent to the proposal, but the second demurs partly on the ground of the great cost and partly from other motives. Among these other motives is to be reckoned the desire to force the making of a new line from the goldfields at right angles to that projected by the Federal Government and running due south to the port of Esperance. The miners have long agitated for it in order that their families may reach the sea coast during the height of summer. They desire it also with a view to purchasing their food and other supplies from the eastern States and so obtain them by a direct route, instead of by a voyage of more than five hundred miles round to Perth, which lies due west some three hundred and fifty miles by rail. The interests of Perth and of the farming districts in its direction are, of course, absolutely antagonistic to any such diversion of their best trade, and they have always been sufficiently dominant in the Legislature to prevent it. When Federation was being sought the miners strongly supported the

movement, cherishing the hope that they might obtain a severance from the west coast and create a purely mining State of their own like Nevada. Mr. Kingston and other South Australians heartily assisted them, anticipating by means of one or both of the lines a better market for their produce in the prosperous goldfields of their next door neighbour. Sir John Forrest fought stoutly against these aggressions from without and rebellions within which undoubtedly exercised an influence in hastening the entrance of his State into the union. The backwardness of South Australia to-day in withholding its consent to the railway for which he is never weary of pleading has revived the old bitterness. Whether or not Mr. Kingston agrees with the block, he promptly seized on the occasion to revive the old quarrel in an attack on his late colleague delivered with much heat and many angry epithets.

RECRIMINATORY DEBATE.

The seat of government of the Commonwealth has not been chosen. The Senate insisted on Bombala, and returned the Bill to the House, agreeing only on the proviso that the territory to be acquired should not be less than a thousand square miles. The House for its part declared again for Tumut, and that the area taken should stretch from the Murray to the Murrumbidgee. The Senate then a second time asserted its determination to include Bombala, though hesitating a little whether or not to limit the selection alternatively to the two districts named. A conference on the subject between the two Chambers had been suggested, but when it became manifest that neither would yield the Bill was laid aside. In the course of a recriminatory debate the Prime Minister intervened with the announcement that Ministers intended to proceed with the investigations preliminary to the choice of a site by obtaining complete contour surveys of the Tumut and Bombala districts at least. He urged that the questions of area and frontage could not be raised with advantage until the House was prepared to point to the precise spot where the capital was some day to be erected. It need hardly be said that this course is not in any way accepted as a palliative in Sydney. Bombala would trade with another port, whether Twofold Bay were under State or Federal authority, while Tumut might be made as accessible from Melbourne as from here. Only our people on the border in the neighbourhood of one or other of these places approves them.

INVETERATE OPPOSITION.

The rest of our community, as far as it has decided views, is inveterately opposed to both places. Some seek an amendment of the Constitution in order that the Federal city may become an appanage of our Metropolis. Others contend that it ought to be as close as possible to the hundred-mile limit, measuring from Sydney, within which it cannot be legally placed. But all unite in the opinion that it must not be allowed to be situated where it can have ready communication with any other State. It must be in the heart of New South Wales, since it was promised to us, and in no other way can it be distinctively ours. So far we have been defeated in both Chambers by the Ministerialists and principally in the House by the Victorians who form its main body. The ground of their resistance to any choice is ostensibly a dread of the expense to which the building of a capital must commit us, an argument that tells with members from all the southern States. But in addition to this there is the consequence that until the capital is established Parliament and all its central departments remain in Melbourne. Our neighbours have, therefore, every reason to desire delay. They vote for the sites close to their own border, but at the same time gain by everything that makes for delay. It is a consciousness of this that makes many of our citizens unreasonably hasty in demanding a decision. We have not yet enough accurate knowledge of any of the preferred localities, and it will be an advantage to all concerned if this is acquired. The galling circumstances are that we have no control of the Ministry in this matter, both of our representatives in the Cabinet being border members interested in the two favoured districts. We have been badly beaten in both Chambers, while our rivals by one device and another appear able to resist every attempt to take the site further north or to expedite its adoption. Our State Opposition has again and again endeavoured to entangle [Sir John See](#) with his friends in the Commonwealth Ministry, but in vain.

THE NEW COMMONWEALTH.

POPULATION QUESTION.

WELL-POISED EMPIRE.

“COMMUNITY OF SACRIFICE.”

FROM OUR CORRESPONDENT.
SYDNEY, Nov. 2 1903; Dec. 9 1903.

The general election has been formally opened. The **Prime Minister** stated his policy at Ballarat last Thursday, and the **leader of the Opposition** followed on Friday in the Melbourne Town Hall. This week Mr. Deakin speaks in Sydney and in Brisbane, so that the three most populous States will have been acquainted with his proposals. Mr. Reid has been intermittently carrying on a propoganda in Victoria on behalf of his allies in the country districts, and has been everywhere well received. He attracts the largest audiences wherever he appears, and throws his lieutenants and followers quite into the shade. In New South Wales he is expected to put in an appearance in every doubtful constituency. Though he has able assistants here none of them occupies the public eye to the same degree. As far as leadership is concerned it is Mr. Reid against the Ministry and whatever Cabinets he might form would be dominated by him. The Government, on the other hand, as **Sir John Forrest** once admitted, contained, and probably still contains, “too many captains”. Mr. Reid will personally direct the elections in his State on behalf of his colleagues. **Sir Philip Fysh** is already in Tasmania, preparing for the fray. **Sir William Lyne** will preside over the organisation of the party in this State, while South Australia, because of Mr. **Kingston’s** exodus, and Queensland, because the contest there will be mainly between the Labour section and those who resent its supremacy, seem likely to be left to their own devices. Mr. Deakin naturally takes control of Victoria, where the main strength of the Ministry has been and must always be found. His visits to the other States appear at present in the light of courtesies rather than necessities. It is noticed that he follows Mr. Reid in New England, where the Opposition is making a determined effort to oust Mr. **Sawers** because of his Protectionist proclivities. What part Mr. Deakin may take in the conflict outside Victoria and the influence he will exercise are as yet uncertain. Persuasion is his forte, but whether he will prove a fighting force or not remains to be seen.

FUNDAMENTAL FACTS.

The Prime Minister's speech was not strictly in accordance with precedent, inasmuch as it was by no means confined to party or even political issues. He made it plain that his whole policy is framed in the light of what he termed the fundamental facts of the situation in Australia, the vastness of its area, the variety of its contrasts, and the extent of its resources. These great physical features impressed him with the astonishing disproportion between our opportunities and the pettiness of the population taking advantage of them. More than half of our people are clustered in cities and towns, and practically all of them settled on the mere coastal fringe of the country. Our birth rate is very low, the increase by immigration infinitesimal, the total of State debts large, and the interest burden imposed on our stationary numbers unduly heavy. Swayed by such reflections the parts of Mr. Deakin's speech in which he seemed most earnest were those that considered the power of the Commonwealth to reverse these unsatisfactory conditions. He was confronted with the difficulty that all the agencies for attracting and settling population—land, mines, water, and railways—were in the hands of the States, and could not be reached by Federal legislation. On the States, therefore, the chief responsibility must rest. The Government hoped to assist them by encouraging new cultures and special products by co-operating with the State Agricultural Departments and by aiding the export trade of rural products, especially those of a perishable character. Mr. Deakin would gladly undertake to act with or for the States interested in dealing with the conservation and distribution of the waters of the Murray and its tributaries, but in this and in most other matters affecting immigration the Federal Parliament was at present in the hands of the States, and must wait on their action. Still he insisted that there could not be either security or progress among us without an increase of population. The State debts could be most easily lightened by multiplying the number of producers, whose labours provide the interest. There could not be a white Australia without white Australians.

THE FISCAL QUESTION.

There were other features of Mr. Deakin's address which, because they lie beyond the beaten track of party politics, are likely to be overlooked by most of our electors. Both the Press and party men prefer to concentrate their attention on the particular issues that command interest at the polls and capture votes from the other side. The retrospect which the Prime Minister gave of the achievements of Parliament may serve as a clue to any anxious critics who are intent on endeavouring to form a fair appreciation of it in its own time. "The Man in the Street" probably feels no obligation to arrive at a judicial decision on the matter. He draws his conclusions

chiefly from the surface. When he finds a Radical–Liberal like Mr. Deakin praising Mr. Balfour’s pamphlet for its economic grasp and philosophic lucidity he takes it at once as a confession of Tory tendencies. On the other hand, the Prime Minister’s new reading of the watchword “a white Australia”, making it cover a policy of encouraging immigration while maintaining standards of living and earning fit for white men, is looked on as an astute bid for the sympathy of both employers and employed. While Attorney-General Mr. Deakin’s frequent recurrences to the problems of State debts and deficient population provoked comparatively little comment because they were treated as exhibiting an individual idiosyncrasy. Now that he has repeated them as head of the Government, placing them in the forefront of his address as the basis of his programme, they seem to be accepted only to be ignored. They did not, and do not, “catch on”. Possibly this result occurs because of the confessed inability of the Federation to do much to remedy the great anomalies that have struck Mr. Deakin’s imagination, or because the bounties, subsidies, and other minor devices he detailed are obviously insufficient to accomplish the transformation of our sparsely-peopled States into a well-settled, frugal, and highly-productive Commonwealth. One, and one only, of the larger aspects on which Mr. Deakin dilated is certain to play an effective part in the campaign he is opening, and this because it is familiar and sentimental instead of being new and remote. His avowed fiscal cry is that of a Federal Imperialist inspired by the ideal of a group of self-developing and self-governing dominions united with the Mother Country by “community of sacrifice”. This happy phrase of Mr. Chamberlain became the text and summary of the Prime Minister’s appeal for closer union with the parent State and sister Dominions for defence against aggression, whether armed or by subsidies and tariffs. He considered these as but the beginning of an integration which should steadily build up with ever increasing ties a well-knit and well-poised Empire of self-sufficing majesty and power.

TELLING SHOTS.

Mr. Reid’s attitude towards these ambitious aims is that of a wary Opposition leader. He refuses to disclose in advance his own general outlook or to unfold the practical programme which he will submit when it comes to his turn to take the helm. His highest conception of the Empire is Federal in type, but much less definitely organised than it is. It might fairly be described as looking within the Empire to a voluntary confederation of States, whose alliance should be preserved by their attachment to each other—States which should, however, not be subject to a central control or be governed in any case by considerations beyond those of self-interest. We should voluntarily combine, at all events for the present, in one Navy, but even in that only for a fixed term as an honourable acknowledgment of our indebtedness to Great Britain. All such arrangements would be open to review. It is the weakest point

in Mr. Reid's scheme that he puts fiscal independence above every other claim. If any preference is given by him it will be as a mitigation of protective duties that he cannot abolish and as a device for reducing them. His one aim is the adoption of a tariff of revenue duties alone, making no difference whatever in the treatment accorded to British or foreign imports. In consequence the Prime Minister puts the ruling issue of the election as national trade against foreign trade, fixing on his opponents the uncomfortable title of foreign traders. Mr. Reid's reply is while any protective imposts remain Ministers are not warranted in calling themselves national traders, but are simply using the title in order to maintain the tariff they have, or else to heighten it against the foreigner. There is force in this argument, and it would go home if it were not palpable that Mr. Reid's own attitude is, after all, less patriotic. Ministers, if they keep back something for their Treasury, have something they desire to give to Great Britain alone, while Mr. Reid is unwilling to see a discrimination of any kind between the Mother Country and her most dangerous rivals. To him their trade is just as desirable as that with the rest of the Empire. If the election were fought out on this single issue the Opposition would assuredly be beaten, and perhaps lose seats even in this State. But Mr. Reid has much better cards to play, and has been playing them industriously for months past. His strong suit is the record of Ministerial mistakes in administration, weaknesses in Parliament, aggressiveness in legislation, and general responsibility for all the ills that have recently afflicted us. The drought and consequent operation of the duties on fodder, the threatened exclusion of the six hatters until their employer applied for exemption, the confusion of the electoral rolls owing to the exodus from the arid areas into the towns, and the refusal to grant a new constituency to each Metropolis taken from the country supply telling shots against the Executive. Mr. Reid is never happier than in his exposure of the follies, inconsistencies, and failures of his adversaries. They will win him many votes, which if cast on the real question submitted to the country would be given to the Ministry.

PREFERENTIAL TRADE.

The Prime Minister's programme was harmonious in structure, and the more it is examined it is found to be shaped with a definite design. The wide views of the continent and its possibilities if peopled—points which appeared unnecessary in the Prime Minister's opening—turned out to be the foundations on which he laid course after course of argument and exposition, all leading up to his appeal for preferential trade. The Prime Minister's thesis is that to settle the interior will need larger markets for agricultural produce. At present we send out 32 per cent. of the wheat which is grown in the Empire and which is sold in London. If we could send 32 per cent. of the total consumption of the United Kingdom we could employ thousands of new farmers. We have the land, the climate, and the rainfall in the coast belt. We have

rivers capable of filling storage reservoirs further inland—reservoirs which, if used for irrigation, would go far towards producing abundant harvests. If in addition to this we could be assured of a large proportion of the butter you require annually we should need to find, and doubtless could obtain, a great share of the tide of emigration that heretofore has gone elsewhere. If the future of Australia is agricultural then the hope of that future lies for us in the acceptance of Mr. Chamberlain's proposals. The reciprocal benefits we could offer Mr. Deakin also essayed to outline. During the last decade our imports from the Mother Country have decreased by £1,250,000 or, roughly, one-twentieth. In the same period our imports from foreign countries have doubled, and are now half as large as those from Great Britain. Mr. Chamberlain contemplates a visit to the King's Dominions over sea to be made by a Secretary of State for the Colonies charged with the duty of arranging the particular preferences to be exchanged. Mr. Deakin explained that where we are asked to reduce duties on British goods we should do so in a liberal spirit. But he added that our tariff was already so low that in many instances the preference would need to be given by way of additional imposts on foreign goods. For instance, where Canada, even allowing for her reductions, still levies 16 per cent. on British staple exports and New Zealand 9 per cent., Australia charges only 7 per cent. The South African average of 6 per cent. is the lowest tariff in the Empire. It is 2½ per cent. higher against the foreigner, having been raised quite lately so as to concede the preference. Subject to these limitations the Deakin Ministry proposes to grant reductions or increases, as may prove judicious, so as to ensure in either case substantial preferences in favour of British staple manufactures. Until those concessions are mutually agreed on Mr. Deakin's Ministry intends to offer a determined resistance to Mr. Reid's proposals to reopen the tariff and revise it just as it is getting into working order. The chief planks of the platform of the Ministry are both fiscal. The "Ballarat battle-cry" is "Fiscal Peace and Preferential Trade for a White Australia".

STATE POLITICS.

State politics will prove a disturbing factor in the Federal elections, particularly in New South Wales. **Sir John See** is a Protectionist, who succeeded to the Premiership when his chief, Sir William Lyne, joined **Sir Edmund Barton**. Mr. **Carruthers**, the leader of the Opposition, was Mr. Reid's chief colleague in the Government which Sir W. J. Lyne defeated. Personal and party ties alike, therefore, assist to unite our Ministry with the Federal Ministry and our Opposition with the Federal Opposition. In these circumstances the strong tide in favour of reform now running in this State, which is likely to prove fatal to our Government, will handicap the Commonwealth Cabinet in our constituencies. The See Ministry has just lost its third bye-election in circumstances that make it a crushing defeat. Tamworth and Willoughby it was

expected to lose, but Glen Innes was a Ministerial seat. Sense of impending dangers rallied the Labour vote in support of a Ministerial candidate who had no sympathy with Labour views. In Queensland the Morgan Ministry is likely to be friendly to the doctrines of national and preferential trade, but its attitude during the contest will be one of neutrality. On the other hand, Mr. Philp and his following will take the field actively against the local Labour section, though its members sit on the Opposition side in Melbourne, and also against the supporters of the Federal Ministry. In Victoria, where the Parliament is about to be dissolved and reduced, a crisis between the moribund Houses was narrowly averted by a compromise Factory Bill, which will remain in force for only two years. In South Australia a session has been closed more notable for what has not been done than for the legislation produced. Western Australia and Tasmania take but a languid interest in Federal parties. A general glance over the arena indicates that though the preferential trade policy ought to secure a majority in the Commonwealth, the fate of the Deakin Ministry will largely depend on the chapter of accidents and the effect of State politics in New South Wales and Queensland.

THE NEW COMMONWEALTH.

MR. CHAMBERLAIN'S POLICY. THE UNITY OF THE EMPIRE. LOYALTY AND PATRIOTISM.

FROM OUR CORRESPONDENT.
SYDNEY, Nov. 10 1903; Dec. 19 1903.

The strength of the sporting element in Australia can be gauged in many ways. It can be gauged by the perpetual discussion it provokes, the prominence given to its news all the year round, and by its culminations in outbursts of public interest at the time of its chief festivals. Every form of sport has its season and its throngs of votaries. Our daily newspapers are never free from the notes and comments intended to appeal to them, while there are special weeklies or monthlies of many degrees of reputation devoted to nothing but sporting. Speaking generally, it is safe to say that sport is much the most general topic of conversation among all classes all over the continent. Its jargon is, perhaps, more persistent in the country, but it is almost equally familiar in the town. No evidence of its power could be more striking than the extent to which horse racing, our most popular and expensive sport, monopolises attention at certain times. The performances and prospects of the competitors have been recorded without cessation from year to year by the experts and those personally interested, but these opinions become paramount as the day of trial approaches. The Spring Meeting in Melbourne is always an event of Australasian importance, attracting its thousands from the remotest parts of the continent. This year it has everywhere temporarily displaced in the minds of the people the general election about to decide the political fate of the Commonwealth. Candidates paused till the meeting should be over in order to obtain a hearing. The Press had too many of its columns occupied with accounts of the Cup to spare much space for political speeches. A "want of confidence" debate in our own Assembly was postponed in order that one Minister who owns racehorses might remain at Flemington to watch their fortunes. The fate of the Ministry was left in suspense and the ardours of the Opposition restrained until the crisis in the fever of the sporting community had been allowed to pass. The spirit of camaraderie among our legislators exhibited in this incident was excellent, but while such an interruption of Parliamentary proceedings is possible it cannot be said that we take our politics too seriously. At all events sport is sometimes taken more seriously.

THE FISCAL POLICY.

The **Prime Minister** has officially expounded his policy in Sydney. Though it mainly consisted of a repetition of the speech made to his constituents in Ballarat, the fact that our Metropolis was selected as the place of his second address was not without its influence in securing him a good reception. The standard of our great public meetings has not been high for some time past owing to the endeavours of the noisier among the audience to exhibit their wit with the utmost irrelevance at the expense of any and every speaker. Something also must be allowed for the fierceness of partisanship which flourishes unchecked around us, leading even our best newspapers to report the silliest sallies against speakers opposed to them. Something has also to be allowed for the spasmodic recrudescence of bitter sectarian feeling, such as disgraced the public appearances of **Sir Edmund Barton** because on his way to the Colonial Conference he paid his famous visit to the late Pope. In recent gatherings Mr. Deakin has had nothing of which to complain in respect of hearing. Our town hall was packed with an audience of over five thousand persons of both sexes deeply interested in his address. He was baffled only occasionally by the frivolities of the thoughtless or the angry gibes of hostile criticism. During the first part of his long speech he received friendly and encouraging attention while he recounted the achievements of the Parliament just about to be dissolved. His explanations of the rejection of the electoral boundaries proposed by special commissioners were not received without a chorus of disapprobation. His handling of the delicate question of the choice of the Federal capital was punctuated with comments which proved with what eager scrutiny his defence was followed. These and other thorny matters of special danger having been more or less dexterously disposed of in a good-humoured way, the Prime Minister flung himself into the fiscal issues with vigour and abandonment. Here, strange to say, his boldness was approved. The Protectionists had rallied in force, so as to quite outnumber the exponents of the old orthodoxy. Accustomed as Protectionists have been to be always in a minority at such meetings, they were transported to hear their faith expounded with unction, and to find themselves numerous enough to drown the dissent of their adversaries. So delightfully novel an experience repaid them for many past overthrows.

SUCCESSFUL MEETING.

This signal demonstration of favour in Sydney, the citadel of Free Trade, has not unnaturally provoked the Protectionist papers published at a distance to excited prophecies of a fiscal reaction in our midst due to the wholesale conversions accomplished by the speech. There is nothing whatever to support this flattering forecast, and no reason to suppose that it will alter the voting in any Sydney

constituencies. Granted even that it does as claimed bring out more candidates and swell the number of their supporters, it will leave them still in hopeless minorities in this State wherever a fair fight is waged between the opposing parties. Whatever hopes Ministerialists may cherish cannot reasonably be based on any real reinforcement obtained in consequence of a break away on behalf of Protection. If that comes at all it will be inspired by patriotism, and would have declared itself in due time even here, if the Prime Minister had not skilfully set his match to the fuel. His platform consisted, except for the presence of State Ministers, of the old guard, pledged to high duties—a body which has been beaten systematically in every fiscal contest for the last twenty years. A great portion of the audience did not join in the vote of confidence, and though most of those present were ladies about to exercise their votes for the first time, and perhaps disinclined to exhibit their sentiments, their abstinence has to be allowed for. The resolution was certainly carried by a great majority against a small minority; but in the circumstances that proves little. It was Mr. Deakin's meeting, and on that account his allies assembled to welcome him and applaud his Ministry to the best of their power. It was merely a very successful meeting, well organised and thoroughly contented with itself. When Mr. Reid appears on the same platform he will have at least an equally fervid greeting from an audience equally large. He has often had such an audience before, so often, indeed, that it has lost some of its zest. The Prime Minister's presence being something of a novelty, and his reputation having aroused curiosity, those who agreed with him were stimulated to attend in force. They have been so long without a champion that all of them were overjoyed to discover in him an exponent of their views—an exponent who, with the aid of Mr. Chamberlain's new platform, was able to lift them out of the slough of despond in which they had been plunged, apparently without hope of release. He certainly put new heart into them, and sent them away stirred to action. Whether this impetus continues or not it will make relatively little addition here or anywhere else to the numbers of the Protectionists. Sydney Free Traders are not to be stampeded so easily.

IMPERIAL SENTIMENTS.

On the other hand, Mr. Deakin's meeting must not be despised even if regarded only as showing the way of the wind. It is vain for our newspapers to pretend that all the meeting points to is a popular politeness to a new Prime Minister, who is able to evade censure by specious statements made with a rhetorical flourish. High duties had no attractions for this city while they applied either to the State or to Australia. But duties raised or lowered out of attachment to the Mother Country and in order to unite us as an Empire is quite a different proposal. Limited in its scope at first to a business arrangement between Great Britain and her self-governing dominions the possibilities of the proposal tempt our commercial classes as they have never been

tempted before. They have confidence in Mr. Chamberlain because he is a statesman who, among his other gifts, thoroughly understands business and business men. They rely on his judgment that the project is feasible, and feel safe in his hands in matters of detail. The personal equation is a most important matter to them because it helps to remove the whole transaction from the political handling, which they distrust, to the business treatment, of which they see that it is susceptible. Then there are the masses, who in another way arrive at much the same conclusion. They look to Mr. Chamberlain as an Imperialist whose sentiments of patriotism can be trusted implicitly. They argue that for the scheme to which he is devoting himself with such fervour he has been willing to leave office, and for its sake they are prepared to put aside their fiscal habits and opinions. Mr. Chamberlain's campaign speeches in Great Britain, fully reported in each day's telegrams, constitute a perpetual challenge to them. Belittle it or discount it as our Sydney newspapers may, they cannot conceal the real character of the struggle nor do more than dilute the powerful platform addresses. Mr. Chamberlain has the colonies' interests at heart as well as the welfare of the immense audiences he is immediately facing. Not even our old prejudices against Protectionist duties can stand this strain. The battle of the Commonwealth Government is being fought for it in Birmingham and elsewhere in Great Britain. It is the backwash of Mr. Chamberlain's meetings there that is far more influential than any gatherings the Prime Minister can hold here in sweeping opposition steadily away. The papers are being put on their defence almost daily against their own news columns. A little time ago the ex-Secretary of State for the Colonies was their idol and the mainstay of their faith through all the South African War. They belabour him now with no less persistency than they lauded him then, but their authority has its limits, and none but the fanatics of their economic cult endorse their attacks. Once more the unseen forces of loyalty and patriotism are irresistibly setting against them. Mr. Deakin puts the choice to the electors as between national traders directing our commercial forces towards the permanent development of closer relations throughout the Empire and foreign traders who study themselves only and their immediate interests.

THE NEW COMMONWEALTH.

ELECTORAL CAMPAIGN.

THE LABOUR PROGRAMME.

RIVAL POLITICAL LEADERS.

FROM OUR CORRESPONDENT.
SYDNEY, Nov. 17 1903; Dec. 22 1903.

The event of the week has been the passage of the Naval Defence Agreement Bill with New Zealand. The three contracting parties—the Admiralty, the Commonwealth, and the Island Colony—have now sanctioned the arrangement provisionally entered into in London last year. The new and more powerful ships of war provided for are expected to arrive at Easter, and the doubled subsidy will at once begin to run. Of course, the principle to which effect is being given in the new agreement differs in no respect from that embodied in the old arrangement, which it continues with enlarged scope. The cardinal fact is that there is an agreement under which Australia and New Zealand unite in contributing out of their revenues towards the upkeep of the Imperial Navy. That in itself conveys a recognition of the solidarity of our interests as a nation. The significance of what has just been done can scarcely be over-estimated, and is certainly more appreciated on the continent than it appears to be in Great Britain. After a fourteen years' trial of the experiment authorised at the first Colonial Conference in London, the subsidy then voted only after prolonged debates in some of the seven colonies, whose assent was required to bring Australia under its provisions, has now been renewed and enlarged, with the sanction of the Commonwealth. At first its acceptance by the Federal Parliament appeared to be extremely doubtful, but **Sir Edmund Barton's** loyalty was proof against all political assaults, and in the end the influence of the patriotic sentiment in the country forced the validating measure through. In New Zealand its fate was never in doubt for an instant. The geographical position of New Zealand has turned the thoughts of its people to the sea, which is and must always remain a chief highway between its provinces. Its policy must always be more amenable to maritime considerations than that of the continent. The feeling of attachment to the Mother Country is not stronger than on the mainland, but in New Zealand it is certainly more concentrated. The Labour section in the island at all events is distinctly more Imperial in policy than its Australian representative. Possibly this arises in part through its alliance with

a Government in which the robust personality of Mr. **Seddon** towers conspicuously. How far he leads or divines the popular will is not to be determined at this distance. He certainly governs on all questions affecting the Mother Country fearlessly and well. The project of an Australasian Navy locally recruited and maintained possesses no attractions for him. He did not hesitate to condemn it as impracticable, inefficient, and extravagant, apparently winning the approval of his Legislature for his declaration in favour of the unity of naval defence. His Parliament followed him with alacrity and unanimity in welcoming the fresh proposals embodied in the new agreement. The Bill legalising it was passed without opposition in both Chambers, and with a spontaneous enthusiasm in strong contrast to the hesitancy at first displayed in the great cities of Australia. The feature of the now existing agreement which rendered it most acceptable on this side of the world is that authorising the employment on some vessels of the squadron of local crews at local rates of pay. **Admiral Fanshawe**, the Commander-in-Chief on this station, evidently doubts if even on the special terms offered, the seamen of the Commonwealth will be tempted to take service and conform to naval discipline. He is therefore most anxious in regard to this part of the agreement. The test will soon be applied, and its results are awaited with not a little anxiety, since it is essential if the Fleet is to be deemed Australian that it should be supported, as the admiral happily expressed it, by Australian men as well as by Australian money.

FURTHER LINES OF EMPIRE.

The sudden departure of **Sir George Sydenham Clarke** from Victoria will occasion much regret in that State. His Excellency and Lady Clarke have made themselves very popular by the assiduous care with which they have fulfilled the higher duties of their position in addition to its unending social obligations. Despite the short term Sir George Sydenham Clarke has spent in Australia, he will leave with a closer and more comprehensive knowledge of our circumstances and tendencies than is possessed by many who have remained much longer in the country. The military organisation of the Commonwealth has not proceeded to the satisfaction of our defence forces or of its outside critics. The War Office exercises no such control over that organisation as the Admiralty indirectly does over our naval preparations, and it is without any representation among us parallel to that supplied by the squadron and its Commander-in-Chief. The presence of so competent a judge of our real needs and desires as Sir George Sydenham Clarke on the War Office Committee ought to be extremely beneficial to us in the event of our co-operation being called for with a view to future emergencies. Nor is his usefulness likely to be confined to our land forces. He is equally well versed in our naval needs. In his speech at the Lord Mayor's banquet in Melbourne he proposed the levying of a duty of one-half per cent. on

all foreign goods entering the Empire. The proceeds, estimated at £2,300,000 a year, would be devoted to the maritime development of the Empire by the lowering of freight charges, increasing speed, and facilitating communication with outlying dominions. These are undoubtedly aims that appeal strongly to Australia. Our isolation deprives us of the immigration we should receive were we as close to the United Kingdom as is Canada. If our steamships were enabled to visit the islands of the Pacific more regularly we should soon establish a preponderating influence in the several groups of which Sydney is the natural port of trade. His Excellency averred that the trifling duty indicated could not affect, alter, or injure our foreign trade. It would certainly add to the links of Empire already proposed by Mr. Chamberlain another set of links that would assist in binding all British dominions over sea more closely to the parent State.

THE POSITION OF LORD TENNYSON.

The Melbourne mayoral banquet held on the King's birthday was distinguished by yet another speech of unusual importance, though naturally of less specific character than those of the Naval Commander-in-Chief and Sir George Sydenham Clarke. Lord Tennyson seized the opportunity to give a valedictory address prior to his departure, though he will not be relieved of his office as Governor-General for another two months at least. In carefully-chosen phrases of diplomatic generality he contrived to convey a political programme prepared as the fruit of his colonial experiences, and left as his testament to the people over whom he has been presiding. The attempt was undoubtedly hazardous, and has already provoked adverse comment in our Press, not on account of the policy outlined, but because of the distinguished personage from whom it emanated. There was no trace of partisanship in the utterance, but there was a distinct claim that it was the duty of his Majesty's chief representative in Australia to advise as well as be advised by his responsible Ministers. This doctrine is, perhaps, sound and involves no innovation on existing practices, but when the advice offered by the King's representative is not imparted to his Executive, but is conveyed to the public directly by the mouth of the Governor-General the risks to be run are at once discovered. Lord Tennyson's suggestions were in themselves sound, and none of them novel. That we should economise in our public expenditure, consolidate State debts, direct settlement to fertile districts, and provide for their development by means of irrigation and the conservation of water are wise counsels which cannot be disputed, and which involve no contentious matters. The Governor-General was equally justified in wishing for better relations between capital and labour, and in deprecating the dominance of one class, the unnecessary exclusions of incoming settlers, or parochial conflicts in the Federal Parliament. But he had better not have said so, since in each of these matters there is a palpable reference to burning questions of

the present election. He did no more than express the enlightened public opinion of most thoughtful citizens on certain issues; yet in doing even this he separated himself and his office from those who hold opposite opinions. The esteem entertained for the Governor-General will prevent any expression of disapproval in Melbourne, though the comments in our newspapers sufficiently prove that the danger to which Lord Tennyson exposed himself is not overlooked. The speech ought not to be allowed to furnish a precedent.

RIVAL LEADERS.

The Federal electoral campaign is now in full swing, particularly in this State. Both the **Prime Minister** and the **leader of the Opposition** are speaking nightly to full audiences. Mr. Deakin's visit to Queensland, though successful as a demonstration, can have but little practical effect. The struggle there is between the National Liberal Union and the Labour section, both of them acting independently of Ministry and the Opposition. The first seeks to secure the representation of Queensland by three men of substance and reputation friendly to her local interests and particularly to the sugar planters. The Labour section opposes them with three of its own nominees bitterly hostile to coloured labour of any kind, and pledged to subordinate the interests of their State to the general policy they have adopted for the whole Commonwealth. The **Morgan** Ministry remains neutral, content to gain its recess, and refraining from intervention in the federal combat, Mr. **Philp**, dispirited by defeat and by the discovery that he is not indispensable, has relinquished his project of heading the forces hostile to the Deakin Government. In common with his late colleagues and successors he favours its policy of preferential trade with the Mother Country, and distrusts Mr. Reid's scheme of tariff reductions. On his return from the north the Prime Minister hurried to the assistance of one of his supporters, Mr. **Sawers**, M.P., who sits as a Protectionist for New England. This seat is being fiercely assailed by the leader of the Opposition in person on behalf of his own candidate, Mr. **Lonsdale**, a Free Trade State member. The battle between the rival leaders on behalf of their respective representatives has helped to define the issues before the country. Mr. Reid astutely confines himself to attacks on the Government position, and submits no alternative policy. He would reduce the Protectionist imposts in the tariff, so that they might yield the largest revenue, and would thus remove what he regards as the legitimate grievances of the British importer. Beyond this he commits himself to nothing. The Prime Minister, on the other hand, relies on his elaborate programme of proposed legislation and on his resistance to all alterations of the tariff, except such as are necessary to maintain preferential trade relations with the Mother Country.

THE LABOUR SECTION.

The Labour section has much cause for gratitude to Mr. *Watson*, the leader whose tact and judgment enabled it to achieve many of its Parliamentary successes during the past three years. Its manifesto to the electors bears traces of his moderation in expression, though several of its articles are vague enough to cover ambitious proposals for the reconstruction of society. His explanatory speech, on the other hand, was as discreet in tone and orthodox in manner as that of either of the political leaders between whom he stands and both of whom he aspires to control. He was perfectly frank in his exposition of the relation he bears to them. It is one of absolute independence. Mr. *Watson* favours neither the Prime Minister nor Mr. *Reid*, and promises no allegiance to either. Bound only by the platform of his party he is for or against them precisely as they aid or assist him. He proposes to fight the Government again on the question of the inclusion of the railway employees of the States among those whose wages and conditions of labour are to be determined over the heads of the local Legislatures by the Federal Arbitration Court provided the dispute extends beyond any one State. He will likewise fight the Government if the Navigation Bill makes any exception in its provisions for the exemption of mail steamers from carrying passengers to and from Western Australia. He will resist any attempt to repeal the contract labour clause under which the six hatters were detained or to allow mail contracts to be made with steamers manned by Lascars. He declares for an Australian Navy and for a liberal expenditure on arms and ammunition as affording the best means of local defence. It is taken to be significant that so far neither Mr. *Deakin* nor Mr. *Reid* has criticised the action of the Labour section during the late Parliament. The fiscal question is left out of the Labour programme, and each of the leaders will be glad of the support of those among the Labour people who agree with them.

PROBABLE RETIREMENT OF MR. IRVINE.

Four State Legislatures remain in session, though all of them are eagerly seeking to close their debates. In Queensland the Legislative Council, emulating the stubbornness of the Tasmanian Upper House, has rejected a proposal to increase the classes exempted from income tax. The drastic Victorian tax is being re-enacted in a milder form. Everywhere in spite of unseasonable rains there is a prospect of a bountiful harvest, which will relieve the strain on the State revenues caused by the late drought. The chief sensation in the southern State is the probable retirement of its Premier, Mr. *Irvine*, at the end of the year. Whether or not this is because he foresees a refusal on the part of his followers to complete the policy he has been pursuing, because he is simply disgusted at the fickleness of some supporters, or

because he realises that he can no longer afford to sacrifice his income at the Bar, it is clear that he is meditating a withdrawal from public affairs. This is deeply to be regretted from the fact that he undoubtedly possesses the confidence of the majority of the Victorians, and again because he leaves no one who will be equally acceptable to those who sit behind him. A most flattering outburst of surprise and regret has been evoked in his State by his decision, and he is being generally urged to reconsider it. Should he remain it will be with increased prestige and authority.

THE NEW COMMONWEALTH.

FEDERAL ELECTORAL CAMPAIGN.

POLITICAL RIVALS' METHODS.

THE FISCAL QUESTION.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Nov. 24 1903; Dec. 30 1903.

There is no fresh development of special importance in the federal election campaign, though the contest is marked by an increasing volume of sound and fury. In New South Wales our attention is divided between that combat and the perpetual *mêlée* proceeding in our own Assembly. Its session is drawing to a close after a series of all-night sittings whose weariness is having the worst effect on the tempers of our legislators. Neither their manners nor their language have improved under the stress of protracted debates. The best that can be said of their recent achievements is that the results betoken the close of a session fruitful in a few useful measures, but mainly characterised by party votes, on issues of doubtful merit, and personal altercations undignified in tone. The business slate has been on the whole fairly well cleaned, the only notable arrears relating to the reforms and retrenchments often promised but always postponed. In some form or other the Government has carried its chief Bills, and if that providing for a popular vote on the reduction to be made in the number of State members runs the gauntlet of the Legislative Council, the Cabinet will have rebutted the presumptions of its insincerity which have been generally current. Nothing definite in the way of financial reconstruction was promised or has been accomplished. There has been a gradual decrease of expenditure during the present half-year, but no real pruning of the public accounts. There has been none but local borrowing, because nothing else was possible, and even this source has required to be stimulated by an increase in the rates of interest offered to savings bank depositors. Real retrenchment has yet to come, and the misfortune is that this is not much more probable from the Opposition than it is from the Ministry.

HONESTY OF POLITICAL LIFE.

The Victorian Legislature is also reaching the close of its session, but in very different circumstances. Mr. *Irvine* is and has been completely master of the situation. He has been so strong that his Ministry has never been challenged, and so well supported that it has carried all its chief measures. The one remaining is that most delicate and difficult measure which will provide for the redistribution of seats for both Houses required under the Reform Bill that lately received his Majesty's assent. Whatever its terms may be it will be passed just as the Government chooses to frame it. The Opposition, scarcely more numerous than the Labour section, is helpless with or without its aid. The utmost effort of the Opposition has been to protest, while that of the Labour members was to denounce. Separately or together they are insignificant elements. That under such conditions a triumphant Premier should be contemplating resignation may not unnaturally provoke widespread surprise. If *Sir John See*, after all that he has had to endure, were to be eager to escape to the quietude of private life his motives would be perfectly intelligible. Many men would prefer to leave political life altogether than to exist only by the active adhesion of the Labour section. But our Premier, far from seeking to escape from the toils, fights desperately to retain his painful eminence. He is financially independent if not a wealthy man. Mr. *Irvine*, on the other hand, though a leader of his State Bar, depends on his practice for an income. When in office he is obliged to renounce all briefs. His Ministerial salary is much less than his professional fees, while a considerable share of it has to be expended in connection with his office and because of his position. To remain in the Government is, therefore, only possible at a sacrifice of present earnings and of future prospects. Similar considerations exclude from Australian public affairs large numbers of most eligible men. It is no doubt a tribute to the honesty of our political life that all engaged in it—except the Labour members and a few others of the same stamp who were wage-earners before they were elected—must expect to leave Parliament positively poorer than they entered, it, without reckoning the private opportunities they have had to forego.

MR. IRVINE'S RESIGNATION.

Besides the pecuniary losses involved in a public career some allowance has to be made for the wear and tear of party warfare. Men of influence, those who hold office or become conspicuous, require to be pachydermatous, much enduring, and of great tolerance towards their assailants. Neither speakers nor newspapers attempt to discriminate fairly in favour of opponents. The permanent assumption is that all that their rivals do, say, or intend is bad and utterly reprehensible. Rivals are never to be praised except for the purpose of more insidiously injuring them or their allies. During the first months of Mr. *Irvine's* reign, when he was forcing his Reform

Bill through Parliament, and especially while he resisted the railway strike, he was loaded with laudations by all Victoria except the Labour section. Since then, because, perhaps, he has been too independent, he has lost the support of the Liberal Party. He has been persistently attacked in the customary way by the *Melbourne Age*, and he has resented the criticism with sufficient heat to encourage the belief that he is being hurried out of public life. If he were to retire as a protest against these tactics it is doubtful if his act would have any effect on the public mind, so accustomed are we to bitterness and bias in political strife. But since it seems that Mr. Irvine has long contemplated the step it ceases to possess any such significance. Our Legislatures are deprived of the services of many valuable men who are not prepared to submit themselves as targets for factious animosities after surrendering their time and money in order to take part in public affairs. Mr. Irvine's case is peculiar only because after having taken the plunge into politics and secured the highest prize within reach he is clear-sighted enough to put it aside voluntarily as soon as he felt free to do so.

RUNNING FIGHT.

When the Victorian Assembly parted with a number of its oldest politicians to the Federal Parliament, Mr. Irvine was chosen leader of the Opposition, not so much for his own qualifications as because of the weakness of his associates. He made no particular figure in that role, and aroused no expectations as Premier. Indeed, he was obliged to take up a programme containing some unpalatable proposals, and to reject a few planks of his former platform before he could face the House with his new Cabinet. After that his course was clear. His administration was a pronounced success. In less than two years he has risen in reputation so much that he is now deemed indispensable. Many public bodies and the whole of his party are on their knees begging him to remain. While Sir John See was second to **Sir W. J. Lyne**, while Mr. **Jenkins** was understudy to **Sir F. Holder**, and Mr. Irvine was Attorney-General to Mr. **McLean**, there were grave doubts if they were strong enough to become Premiers. All three have remained in the saddle since then, and now much anxiety is expressed by their supporters in case they should retire. As Federal Attorney-General Mr. **Deakin** attracted less attention, in this State at all events, than some of his colleagues; but since he became Prime Minister no other name is mentioned. His visit has, at all events, had the effect of concentrating the attention of our newspapers on him, and, as they are almost without exception hostile to his policy, he is dismembered daily in their columns. Beyond that, the running fight on the New England platforms between Mr. **Reid** and himself has given the contest here the character of a duel. The two are pitted against each other as far as possible. Mr. Reid, absolutely indispensable to his party in all the States, naturally leads them everywhere; but, according to present appearances, Mr. Deakin's influence is restricted to New South Wales and Victoria.

FOURTH PARTY.

The distinct emergence of a Fourth Party during the elections is among the necessary developments of Australian politics. The activity of the Labour section has produced the necessary reaction in the appearance of another section whose representatives expressly oppose the aims and methods of the Labour Party. The judgment of the public between them will be obtained principally in the senatorial elections in every State. Owing to death and resignation there are twenty seats in the Senate to be filled on the same day as the elections are held for the House of Representatives. Of these seats some eight are at present filled by Labour Senators or those who are immediately in sympathy with them, but who are returned independently. Had not the fiscal question been forced to the front the voting for both Houses would have been largely governed by a concerted attempt to relegate Mr. [Watson](#) and his followers into a subordinate place. Mr. Reid, partly under Press compulsion and also with a cautious eye to probable relations with the Labour revenue tariff men, insisted on making a reopening of the tariff the be-all and the end-all of his policy. Mr. Deakin countered on the same lines by putting preferential trade with the Mother Country as the chief article of his programme. It suited both leaders to pick on this particular battlefield because each is enabled to appeal to the keenest sentiment in his own State. It suits the Labour section also, because while the community is divided into two hostile camps on a matter in which they leave Labour representatives a free hand the Labour men have the best possible opportunities of winning constituencies in which they are in a minority, and afterwards of holding the balance of power in Parliament. The three leaders being satisfied to keep to fiscal issues the probabilities are that the election fought in this fashion will confirm the ascendancy of Mr. [Watson](#), at all events in the House. But even in the House there will be more members instructed to assert their independence, and if the tariff be once accepted in any form the Fourth Party may be strong enough to promote a regrouping of the forces on its own lines.

THE YEAR'S ESTIMATES.

A fortnight ago racing occupied all our attention, while now the visit of [Warner's](#) Team gives cricket the first place. Federal electioneering comes next in interest, with State politics a bad third. A report on the labour market in New South Wales shows that owing to the drought and the return of the last of our contingents from South Africa it was over-stocked though wages had, if anything, increased. Fraudulent attempts to obtain Government relief were unhappily prevalent, though the amount of State employment was not lessened. Our Public Works Department, whose average expenditure for the last fourteen years has been £2,500,000, in no way slackened its speed. We have just added a hundred and eleven miles to our railway system, and

have five new lines in course of construction. Altogether there was £4,430,000 spent on capital account during the financial year, of which £3,250,000 was provided from loan funds. Whatever economies are being attempted in this direction must be looked for in the current twelvemonths' accounts not yet available. The loan estimates asked amount to £1,720,000. As long as money can be obtained, it will be spent, nor will its spending be jealously criticised. During the discussion of the annual estimates several paltry reductions were made in salaries, but those were replaced and passed in a supplementary list a few days later. In such circumstances it is hard to take our legislators seriously. Federation was adopted in order to allow a reduction in the cost of governing the States, in the expenses of their Legislatures and in their departments generally. South Australia and Victoria have discharged their obligations. Queensland and Tasmania are endeavouring to follow their example, though progress in the island appears almost impossible. New South Wales and Western Australia still delay, though there are special circumstances in the case of Western Australia which cannot be urged in our own. But for the immense increase in our Customs revenue proceeding from the Commonwealth tariff we should have been compelled to reconsider our position long ago. With an inflated income we have continued to live as if Federation had never been accomplished or as if it had been designed as an additional form of government whose cost was to be defrayed by extra taxation. Our Ministers appear content to postpone the evil day of radical retrenchment, while it is doubtful if the Opposition will undertake more than a small instalment unless its hands are forced. The bye-elections show a strong public feeling in favour of economy, but the movement has yet to find its leaders and a definite plan of operations. Our local legislators will be the last to move. The one consolation is that the longer they postpone the task the more thoroughly it is certain to be undertaken.

THE NEW COMMONWEALTH.

LOCAL LEGISLATURES.
THE FISCAL QUESTION.
RIVAL PARTY LEADERS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Dec. 1 1903; Jan. 6 1904.

A pessimist might find plenty of material for confirming himself in despair if he were compelled to seek for an impartial study of Australian politics. He could not put his hand on a newspaper published here which is not an out-and-out partisan in its view of State affairs, nor discover one which endeavours to understand the public affairs of any other State than its own apart from party prepossessions. As a rule the separate sets of tangles that make up the current policies of the several States do not appear to be thought worthy of any attempt at independent appreciation in Australia or out of it. Those in office blow their own trumpets assiduously, while those out of office shake the walls of the official Jericho at every possible opportunity with a chorus of condemnation. No one holds the balances between them. Even Federal parties and measures are tried by the same strictly local and party tests in each of the six provinces. Under such conditions the task of finding the real clues to the proceedings in our State Legislatures and of exhibiting their relation to the developments going on in the Commonwealth as a whole proves almost insuperable to a contemporary observer, no matter how painstaking he may be. Our public is only intermittently interested even in local questions, and then under temporary influences of various kinds, many of them more sectarian, social, or abstract than political. What is really meant by any given vote often requires a chapter of explanation of matters very largely foreign to the issue supposed to be decided at the polls. A full analysis of any particular movement made at first hand would be difficult to complete and tedious if intelligible when completed.

INSUFFICIENCY OF ABLE CITIZENS.

In New South Wales, for instance, our Legislature cannot be commended either relatively or absolutely in recent years. The session just closed has been more disorderly, irregular, and unsatisfactory than any held in Australia this year. But for

all that it has not deserved the opprobrium heaped on it by our newspapers. The dominant party here was returned against the will of the journals and in defiance of fervid appeals to their readers. The papers themselves are the real Opposition much more than the members who speak and vote against the Government in the Legislative Assembly. They look on the continued existence of the *See* Ministry as a reflection on themselves and resent it bitterly. For the first time for many years we have a Cabinet quite independent of the Sydney "dailies", of the Free Trade Party, and of metropolitan control. As a consequence the public is asked to believe that this Cabinet never has done, never will do, and never can do anything right or reasonable, that the only way to mend it is to end it, and that once ended it will always remain the positively worst Government ever known. Of course, diatribes of this indiscriminate nature defeat themselves. It would not be easy to become enthusiastic over this or any other Ministry we have had since *Sir Henry Parkes's* last strong Cabinet. Yet the fact that a body of Protectionists, with the support of the Labour section and of most of the Catholic vote, has been able to hold office for nearly five years against all our most powerful influences is sufficient testimony that their opponents are in a very bad way. It is at least a case of the survival of the fittest. Those who expect any marked improvement when Mr. *Carruthers* and his following take over the administration have no warrant for their expectations in anything that has occurred this session. It closed amid undignified recriminations, the application of the closure, and a rush of minor measures forced through without due debate. But after all it did an average amount of work in an ordinary way. The average is not high, but allowing for the loss of the leading men who have transferred themselves to the Federal Parliament our local Legislature sustains favourable comparison with its predecessors in this State. Look where one will in Australia one finds the same evidence that we have not a sufficiency of citizens able and willing to fill the public positions created under our several constitutions.

LOCAL LEGISLATURES.

When we federated it was on the understanding that our local legislatures should be decreased in size and cost. But in New South Wales, as everywhere else, there is no anxiety on the part of those whose duty it is to reduce their own numbers to carry out that painful task. At the last stage of our session a Bill was introduced providing for a vote at the forthcoming Senatorial elections in order to decide what the popular desire is for the membership of our Assembly. The electors are asked to say whether or not they prefer to retain the hundred and twenty-five representatives they now possess or to diminish the total to a hundred or to ninety. The measure as introduced provided for a further choice of eighty, but that was struck out with the consent of Ministers. This curious proceeding clearly indicates their expectation of the verdict

that will be given. Those who most dread the reduction are the Labour members and others who sit for country districts, where the demands for favours from the Treasury are already more than it can satisfy. Members' apprehensions evidently are that the larger the area the greater the number of claims for State aid they will be expected to press to a successful issue. This conclusion is probably sound. It is the system of local grants that is chiefly responsible for the excessive number of members we maintain and for the excessive expenditure they promote in order to preserve their seats. The true policy for the State requires the very economies that are most strenuously resisted by electors in out-of-the-way parts where necessities are great and by others who have become confirmed in the bad habit of depending on the central Government. To get rid of thirty-five members ought to help by encouraging more businesslike methods in the Legislature. But unless it also enables us to curtail in the same proportion the outlay from loan moneys and revenue on the larger constituencies we shall not have sensibly improved the situation. The Victorian Assembly has been brought down to sixty-eight members, including three chosen by the public servants as their special delegates, and a measure subdividing the State into sixty-five constituencies is now under discussion. A general election next year will complete the reform in Victoria, as it was last year completed in South Australia. Tasmania, after many gallant efforts on the part of its popular Chamber, finds itself no further advanced towards its goal. In Western Australia the *James* Ministry, which has just survived its first vote of want of confidence, makes no radical proposals in the way of curtailment of members. Queensland may undertake the unpleasant duty next year. Whatever our referendum declares next month to be the wish of the majority in New South Wales it will simply express public opinion in a formal way. An Act will be needed to give effect to it when members can be found patriotic enough to authorise the sacrifice. The net result is that, though three years have elapsed since the union, only two States out of six have fulfilled their obligations to the electors by making savings in the cost of their local Legislatures.

PREFERENTIAL TRADE.

The Commonwealth gave New Zealand a lead in passing the Naval Defence Agreement first, and now Mr. *Seddon* has returned the compliment by forcing through a Preferential Trade Bill in the last few days of his session. An Opposition challenge gave the Premier an excuse for insisting on its immediate passage without adjournment. Having defeated this by two to one he kept the House to its business for more than twenty-four hours continuously, when its third reading was approved by 50 to 16. The Legislative Council accepted the measure without demur, and the Act now stands on the statute book as another monument to the masterfulness of Mr. *Seddon*. What it will effect is hard to say, since the estimates of revenue to be

derived from it range from £15,000 to £40,000 a year, but if it achieves its purpose it will be the lower figure that will be approached. No existing duties are relaxed, but heavy surcharges on all goods of specified descriptions not being the produce or manufacture of some part of the British Dominions are imposed in three schedules. The first of these doubles the duty on foreign cement, the second raises the duties by one-half on a great variety of articles, embracing practically all the principal imports from outside the Empire, while the third imposes 20 per cent. duties on special manufactures of metals, machinery, printing paper, and sundries. Authority is taken to make agreements with foreign countries and to reduce the duties to a degree equivalent to the reductions made by the foreign countries in favour of New Zealand's exports, so that the increases are capable of modification. It is possible that in this manner the preference granted to the Mother Country may be gradually whittled away, but in the meantime imports from the United States and from Germany must be largely affected. The advantages secured to producers within the Empire are substantial and immediate. A very large preference on practically every class of goods that figures to any extent in New Zealand's imports is at once assured to the Mother Country and her dependencies.

MR. REID'S ATTITUDE.

What the Commonwealth will do to emulate New Zealand is not at all clear, because as yet the results of the election cannot be predicted with any certainty. The **Prime Minister** was struck down with a severe attack of influenza just when he was starting on an electoral tour in Tasmania and has not since been able to appear in public. Mr. Reid's Paddington retort to his rival therefore remains unanswered, though it certainly calls for a reply. One gratifying feature of the duel between the leaders so far has been the courtesy of tone they have observed to each other, a condition of controversy not as often observed in this State as it ought to be. This preliminary politeness did not in any way diminish the vigour of Mr. Reid's attack on his adversary. He declared his policy to be framed on "the grovelling lines of Victorian selfishness". For his party he promised nothing, on the ground that the question of preferences could not be settled in Great Britain for two or three years, and in the meantime nothing was proposed to be conceded by the Ministry. Mr. Reid remains in his strictly negative attitude. He offers no preferences whatever to the Mother Country, and sincerely hopes that she will offer none to Australia. If he does propose any reductions in her favour they will be in Mr. Deakin's tariff and not in his own, if he is able to pass one. His reductions will be made equally applicable to all foreign goods. It will only be in the event of his being defeated in this aim that the reductions will be made in favour of British goods, and then only by lowering duties having a Protectionist incidence. Mr. Deakin has stated in Parliament that no serious reductions in duties

would be undertaken by the Government, and that the preferences offered would be mainly by way of increases on foreign imports. Mr. Reid roundly condemns such a proceeding as equivalent to “declaring war against every other country, against our good customers”, and offered once more as a real source of fiscal peace “a sound revenue tariff”. He is against retaliation, against reciprocity, and against every fiscal impost that is not levied on all trade alike without regard to the flag from or under which it reaches our shores. Mr. Seddon is of precisely the opposite way of thinking. He has not feared to “declare war” against his foreign customers or to at once extend a preference to British goods by means of heavy surcharges on foreign competitors.

VAST EXPANSE OF ELECTORATES.

It might be supposed that on a plain issue such as this an equally clear verdict from the people of Australia should be expected, and certainly it ought to be obtained. But Mr. Kelly, the very candidate on whose behalf Mr. Reid spoke at Paddington, expressly put the question by with the assurance that he would come before his constituents again if definite proposals for mutual preferences came from the Mother Country. Other followers of the Opposition leader are quite as ambiguous, so that if his majority at the polls should be secure it will not necessarily be as solid in its antagonism, as he himself now is, to any and every arrangement for trade preferences within the Empire. What is already clear is that a detachment of his supporters will be returned from New South Wales without reference to their particular views on the preference question. Some of them, for instance, will owe their seats to our Protestant Defence Association and to its dread of Catholic representatives in any of our legislative bodies. If this be the case in the State where fiscal feeling runs highest it may easily be imagined that in the outlying areas returning members from Queensland, Western Australia, and Tasmania the preferential proposals of the Government will have even less effect on voters. They will send in representatives for local instead of either Australian or Imperial reasons. Reports from Victoria show that there, too, a rush of irresponsible candidates is likely to lead to unpredictable results at the polls. There will possibly be breaches in the Protectionist ranks occasioned by the excess of unruly supporters. Everywhere there is the same risk. Without a Federal Press, without visits from Federal members from other States, and without Federal organisations, the electors in the distant parts of the continent remain at the mercy of their local interests and of an outlook restricted to the territory of their own States. Uninformed, uninstructed, isolated in situation and sympathies, their small settlements lost to sight in the vast expanse of electorates many of them larger than Great Britain, it is not surprising that the opinion of the people even on a proposal of such magnitude as the tariff may neither be challenged nor recorded on election day. Among the disadvantages of our bigness is that it leaves us in crises of this kind a union only on the map not in fact or aim.

THE NEW COMMONWEALTH.

TARIFF DISCUSSIONS. THE CASE FOR PREFERENCES.

FROM OUR CORRESPONDENT.
SYDNEY, Dec. 8 1903; Jan. 14 1904.

The last act of the Federal electoral drama has opened with the nominations of candidates, of whom there are, as usual, enough and to spare. Of course, there are contests for the Senate everywhere, since each State is treated as one constituency, and a single nomination beyond the number required forces all to the poll. For three vacancies in New South Wales there are twelve aspirants, and four vacancies in Victoria have brought eighteen into the field. Three seats in Queensland, South Australia, and Tasmania have produced seven, eight, and ten nominations respectively. Twenty Senators have to be selected out of sixty-three competitors. On the whole, the struggle in the States seems likely to turn on the question as to whether or not the Labour Party shall retain the balance of power. Ministry and Opposition are bidding against each other for all the available seats in Victoria, but in this State, in Tasmania, and in South Australia the Ministry has only two candidates for each three vacancies, and in Western Australia only the same number for four seats. The advantages of the nominations are all with the Opposition, which has every chance of materially strengthening its position unless, indeed, the well-disciplined voters of the Labour section are able to creep in between the combatants. In New South Wales, Victoria, Queensland, South Australia, and Tasmania, the Labour section is making a bid for every seat, but in Western Australia it is running three candidates only. In this State only one of those who appeal for the support of the Labour voters is officially accredited, while the Protectionists on their side have nominated only two. Mr. Reid infers from this that the numbers indicate an attempt to unite the Protectionist and Labour votes, and he is probably correct in his theory. But in any event the combination is impossible.

FREE TRADE AND PROTECTION.

The House of Representatives already possesses seventeen members who have been returned unopposed. The Prime Minister, the Treasurer, the Minister for Home Affairs, and the Minister for Defence, together with six supporters, if Mr. Kingston

be included in the number, are among the fortunate. The *Speaker* and six members of the Opposition resume their seats, two of them belonging to the Labour section. Ten Protectionists and six opponents of the tariff confront each other, a decided gain for the Government in figures, though not of much significance when examined. Every Free Trade seat in New South Wales appears to be quite safe, two or three are almost certain to be won from the Protectionists, and there is a fair prospect of success with at least as many more. South Sydney here and Boothby in South Australia may be lost to Labour candidates, but on the other hand there is hope of gaining one or two seats from them in Western Australia. In Queensland and Tasmania the Opposition will at least hold its own in the House. Its prospects, strange to say, are specially hopeful in Victoria. Proximity to the seat of government of the Commonwealth has tempted into the fray a crowd of aspirants from the Protectionist majority in some cases three or four of them disputing one constituency. The Prime Minister himself confesses that owing to this want of discipline and to the independent action of the Labour section, most of whose candidates in Victoria are avowed Protectionists, no less than fifteen seats in the Commonwealth are in peril. With a third of this number lost the Ministry would be doomed. Allowing for the chapter of accidents that appears to be a fair estimate of present possibilities. There are no prospects of Ministerial gains in Victoria, but strong indications of Ministerial losses. Just what the majority of the Ministry was in the late House is hard to say. On the fiscal issue, the Labour section being divided, Ministers could count on about forty out of the seventy-five members. They defeated the Opposition and Labour section together only by the help of the Conservative Oppositionists in sympathy with *Sir William McMillan*. Certain members of the Revenue Tariff Party from the other States are pledging themselves not to reopen the tariff in the new Parliament, so that on this fundamental question they would require to be deducted from the strength of the Opposition for the time being. But they would probably vote against the Government on a general vote of want of confidence. In this event it would need the solid support of the Labour section to keep it in office, and it is perfectly clear that the Cabinet as constituted could not live long on that condition.

FREE TRADE NEWSPAPERS.

If there be a country outside Great Britain in which Cobdenism has become a fetish it is certainly New South Wales. We have been true to that policy in a general way for many years, and the majority of our people is satisfied that it has paid us. But among other motives that have assisted to encourage us in shaping our tariffs on Free Trade principles the two chief have been a desire to follow the example of the Mother Country and a disinclination to levy duties on British goods. Sydney would have been aflame with ardour for the cause of preferential trade long before now had it not been for the immense influence exercised by our great daily newspapers. Both of them are united in

desperate hostility to every departure from the fiscal faith they have so long preached. None of the opponents of Mr. Chamberlain in Great Britain is found too extreme in his antagonism by our resolute journals. Day by day, without cessation or qualification, they reissue every argument that can be imported from London or manufactured in our midst to prove that preferences to our products in the British markets would be injurious. The system, it is alleged, would prove perilous because it would lead to the loss of our foreign customers and to the raising of prices in consequence of the exclusion of foreigners from our ports. The facts that the present Federal Ministry proposes preferences and that among the States Victoria is most earnest in commending them assist to envenom our opposition in its antagonism. The public in this State, cut off from other sources of information than the newspapers in question, and with its attention diverted from the practical issues submitted by Mr. Chamberlain, is temporarily confused. Many men who otherwise would have been the first to declare for closer relations with the Mother Country have been held back by the combined efforts of our Federal political leader, Mr. Reid, and the papers which through their great Metropolitan circulation have always shaped his policy and that of the State.

THE FISCAL PROBLEM.

One honourable exception to the policy of the “closed door” against any advocacy of Mr. Chamberlain’s programme has been found in the *Morning Herald*, which has generously thrown open its columns for the free discussion of the ex-Colonial Secretary’s scheme. Happily the opportunity afforded has been seized by the one public man in this State capable of holding his own against the Press of the city in a discussion of this character. Our Attorney-General, Mr. B. R. Wise, is an avowed and unqualified Free Trader, whose treatise on its principles issued some years ago by the Cobden Club has been admitted to contain one of the most searching examinations of its fundamental doctrines yet published. In that book Mr. Wise exhibited his accessibility to new ideas even when dealing with old formulas, and this same open-mindedness has evidently made him susceptible to the possibilities of increased trade within the Empire. Taking the Board of Trade returns he has drawn from them the deductions with which the public of Great Britain has been made familiar, though they were novel to most of his readers. Having proved the unsatisfactory condition of industrial affairs from the British point of view he has proceeded to examine in detail the changes wrought in Australian imports during the last few years. There is in the first place the fact vouched for by our Government statist, Mr. Coghlan, that our imports from Great Britain have sunk from £23.8 millions in 1891 to £21.6 millions in 1903, a decrease of 9 per cent., while imports from foreign countries have risen from £9.5 millions to £13.6 millions, an increase of 43 per cent. in the same period. In the first year Great Britain provided 63 per cent. and in the last year only

53 per cent. of our total purchases from abroad. Year by year Mr. Coghlan's tables show British trade declining nearly 10 per cent., while foreign rivals have increased their business with us by 65 per cent. Needless to say that these comparisons are creating a sensation among those who pay sufficient attention to them. They are fiercely attacked as far as their interpretation is concerned, though without affecting Mr. Wise's conclusions or casting any shadow of doubt on our statist's figures. That the State Attorney-General should venture so courageously into the Federal arena is a source of the keenest vexation to Mr. Reid and his followers. And well it may be. No such lucid, comprehensive, or accurate statement of the case for preferential trade has appeared in this State or probably in any other. Had it been published a few weeks earlier, so that the conclusions to be drawn could have been put from the platform by candidates supporting the Ministry, the statement would have contributed greatly to the education of public opinion. As it is, the statement probably arrives too late to affect the election appreciably, though it is powerfully affecting all minds open to dispassionate discussion. Mr. Wise properly describes it as "the most important political question submitted for decision in our time", and evidently means by this, most important to Australia as well as to the Empire as a whole.

THE IMMIGRATION QUESTION.

The Federal electioneering event of the week has been an attack on the Immigration Act and its policy in connection with the Chinese and Malay sailors on the *Petriana*. This vessel during fog ran ashore at Port Phillip Heads in a calm, though in charge of a pilot and in broad daylight. Two days afterwards the vessel was abandoned, and her sailors were taken into Hobson's Bay. As they were coloured aliens the officers of the Department of External Affairs were consulted as to their disposal, and after some delay they were placed on board an outgoing Japanese steamer to be returned to their homes. They did not land, and no formal request that they should be landed was made to the department, though undoubtedly if no Immigration Act had existed they would have been put ashore for convenience and to save expense. These facts were exaggerated by opponents of the Act until it came to be believed that the crew while in deadly peril and without food had been allowed to remain in danger because the authorities refused the men permission to come ashore. Of course, the assertions were officially repudiated by the Ministry. This has not prevented the allegations from being repeated on the ground that though no risk was run in the case, it might have been run in some other instance. The answer given to this is that the power of exemption contained in the Act is ample for all emergencies. It certainly is if Ministers choose to exercise it, but the contention now is that some special provision should be made for cases of the kind. The hope evidently is that by this or some other means the Act may be altered, if not repealed, and to this end the *Petriana* wreck is still being made the subject of angry comment.

THE NEW COMMONWEALTH.

FEDERAL ELECTIONS. THE CAMPAIGN FUNDS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Dec. 15 1903; Jan. 21 1904.

The Federal elections take place to-morrow. Welcome, if for nothing else, because they will place an extinguisher on the unceasing campaign of chatter in the newspapers. What the ordinary Australian citizen would do in politics if he were not daily stimulated, advised, threatened, warned and cajoled as well as instructed by his morning monitors is fairly clear. He would do nothing beyond recording his vote, if, indeed, he was energetic enough to do that. As it is he is, if conscientious, driven to attend committee and public meetings against his will. When that proves too great a demand on his patriotism he usually discusses the situation deliberately at his club, in the electric tram, or on the ferry boat. But the great bulk of the people consider themselves fully acquitted of all responsibility if they cast the suffrage as their friends and their newspaper bid them. In Great Britain a reader of our journals might suppose that their columns of election news, speeches, and comments should be taken to be the outward and visible signs of a great upheaval of the community. Really it is the work of the papers themselves in process of creating a very considerable disturbance of the daily habits and conversation of thousands of people who submit to journalistic influence. Those who are politicians by inclination are, after all, but a small minority of the inhabitants of Sydney. Without the goad supplied by the Press they would number but a fraction of the adult population of Sydney. What is true here is true generally. Elections in Australia are mainly made, managed, and decided by those who write what the electors read and believe. It is not surprising therefore that beneath the surface of public opinion, even when it appears according to the printed news of the day to be tumultuously agitated, there is still maintained the persistent lethargy and almost unbroken calm of tepid indifference. To-morrow may see a great harvest of votes, but the bulk of them will be cast without enthusiasm or anxiety and often on casual grounds.

TWO IMPORTANT POINTS.

Prediction of particular results would be unprofitable at this stage, but something may be said in advance on the general features of every election campaign in Australia, whatever its party result may be, it differs from a general election in Great Britain or in the United States in two important respects, inasmuch as it is fought without either party organisations or disbursements worthy of the name. There is not any Federal body, even nominally, in existence which is acting for either the Ministry or the Opposition in all the States. Outside New South Wales, where Mr. Reid has his old Free Trade Association and its forces well under control, there is not a party organisation dominant in his behalf in any other State. He has been able to make judicious arrangements in Western Australia and in Tasmania for the nomination of Senators who will follow him faithfully on the fiscal issue. In Victoria and Tasmania, and to some extent in Western Australia, his candidates for the Representatives are well distributed and nowhere compete against each another. There his leadership and its administrative successes end. In Queensland and South Australia he has but two candidates under pledge to obey him. On even the chief proposals of his policy there is a most dangerous latitudinarianism everywhere outside New South Wales. Most of his leading supporters are hopelessly at variance with him and among themselves on the minor articles of policy. The best that can be said of those supporters is that they are all agreed in hostility to the Government. That is sufficient, of course, for practical purposes. A similar lack of unanimity characterises to some extent similar Oppositions in self-governing countries. But if the several programmes that are current in the name of the Opposition in Australia were exposed in detail, it would soon be seen that they are of a most composite and even contradictory nature.

ADVANTAGES OF THE OPPOSITION.

The Government is in even a worse case. It is compelled to confine itself to one consistent programme, and to enforce it as far as possible on those who call themselves its supporters. But in this effort it has been imperfectly successful, and though necessarily there is less opportunity for independence in its ranks there are plenty of qualifications of parts of its programme by those claiming its aid. As might be expected, it has a Conservative and a Radical wing united by a small force of Moderates. The notable thing is that its unity, as far as it goes, places the Government electorally at the disadvantage, since it is being attacked from different standpoints in different States. Organisations it has none, or at least none that has proved effective. In Victoria, where its main strength lies, the popularity of Protection has led to a rush of candidates claiming suffrages in the Government's name. In our State its association has suffered from a dearth of candidates as marked as the plethora on

the other side of the Murray. In the other States there are no Ministerial agencies capable of preserving discipline. Even **Sir John Forrest** found himself powerless in Western Australia to call one into existence in the few days at his disposal. The Commonwealth is so huge, its distances so great, and local interests so diverse that the establishment of a Federal political organisation may well be deemed impossible. This is especially true of any sought to be established in the Ministerial interest. Opposition will spring up almost spontaneously against any Administration, but its members who are tied to Melbourne, or at least to the south-eastern States, are rarely able to reply to attacks, because our sessions occupy the greater part of the year and members can hardly get a hearing even from the electors near them until a contest is at hand. There is then no time left for them to visit even the chief cities of the continent. Their followers seeking re-election also find themselves handicapped by absence, and proceed to make sacrifices at the expense of their leaders in order to appease local feeling. From every tactical aspect the Opposition to-day enjoys a distinct superiority over the Government, which, without organisation, without any efficient means of platform self-defence or of enforcing discipline, has all the odds against it.

ELECTION CAMPAIGN FUNDS.

This absence of anything like concerted party action throughout Australia is forcibly illustrated by the paucity of the party funds employed. **Sir Alexander Peacock** last week made his promised explanation to the State Assembly in Melbourne of the reason why, on behalf of the officer of an American insurance society, he handed £50 to a local member just returned as a contribution to his election expenses. He said that the insurance officer wished for unspecified reasons to subscribe towards the campaign fund of the Ministry of which Sir Alexander was Premier. On learning that there was none he offered the sum to a particular member. Whatever may be thought of this additional information it throws a good deal of light on our political machinery in a State election. **Sir William Lyne** admits having asked the manufacturers of Sydney to raise £1,000 to assist Federal candidates in this State who resist any present alteration of the tariff. If he obtained all he asked and applied it all as proposed it could only pay the authorised disbursements of two Senators and five representatives out of the thirty who are to be returned in New South Wales. There are contributions of this kind now and then smaller in amount and almost always spent on the issue of manifestoes, leaflets, and placards. Very little is left for any candidates. The opposition to the Federal Government in this State has probably had little more than £1,000 for such purposes this year. Considering the area of New South Wales and the scattered distribution of its people, all the funds raised in Australia by Ministry and Opposition together could not pay even the

travelling expenses of more than a fraction of our local candidates. It may fairly be said, therefore, that there are no campaign funds, in the British or American sense, employed in the Commonwealth. Candidates themselves spend little. The Federal law limits them to £100 each for constituencies many of them larger than Great Britain, or £250 for a Senator who in three out of six States is contesting an area larger than Europe west of the Adriatic. The part that money plays in an Australian election is insignificant from every aspect.

THE LABOUR SECTION.

Outside the recognised Parliamentary parties there are special funds employed by those who have particular interests to guard. The Employers' Unions, for instance, raised £10,000, to be expended mainly in Queensland and in this State in resisting the Labour Section at the polls for either Federal or State Legislatures. The licensed victuallers are said to have a similar purse ready to resist the assaults on their privileges in the local Legislatures. It is possible that these disbursements may affect individual constituencies now and then, but they can do nothing more than score an occasional victory in a close contest. No agency of the kind can compare in influence with the newspapers. They spend freely on their own columns, chiefly for competitive business purposes, though they are inspired to some degree by political enthusiasm. It is the newspaper men who by every device of the pen create, develop, and direct public opinion. Party organisation is impossible without them, is built up and maintained by them, and finds its chief expression through them. Even the Labour Section trusts to its own officially-controlled papers to keep its supporters united, though it makes a far more continuous and consistent use of the platform than both the great parties put together. From year's end to year's end its missionaries visit every district in which they possess, or hope to possess, influence. Branches of Labour Leagues exist in every township. They meet regularly, discuss public affairs earnestly, and pass the resolutions forwarded to them by their central executives without hesitation or qualification. They are practically permanent Election Committees in operation from election to election, each thoroughly familiar with its own neighbourhood, and all excellently drilled to absolute subordination to their chiefs in council. Money the Labour Leagues have none except their inconsiderable trade funds reserved for use in strikes, but their organisation, loyalty, and discipline more than make up for the absence of cash. The Ministry and Opposition have neither one nor the other. The Labour Section, by means of its persistent recruiting, returns more members than it is numerically entitled to have, since all its adherents work as well as vote and are unanimous in their action. They are a power in the House for the same reasons. They vote in a block according to the majority decision of their caucus, without regard to local antagonisms or aims, and being well generalised inside Parliament as well as out

of it they exercise a commanding influence in any circumstances. Of course, this is immensely enhanced when they are able to play off our existing parties against each other. These are scarcely worthy of that name, so loosely are their members bound to one another or to their leaders. They are further divided by State interests and local jealousies as well as by party feeling. No wonder, then, that both their levies tend to fall a prey to the solid phalanx between them whose price is not office but adhesion to its programme of legislation.

MR. IRVINE AND SIR JOHN SEE.

Mr. *Irvine*, after an interval of coquetting, has agreed not to retire from Victorian politics, and his resolution is to be commended on every public ground. There is no man who can fill his place in the confidence of his majority, who would have been sheep without a shepherd had he left them to new guidance. It would have been more dignified if he had never announced an intention which he proved willing to abandon under pressure, unless indeed he took the step in order to warn his adherents of the consequences of any lack of docility on their part. If that was his aim his procedure had an immediate effect. His large majority has since voted with the solidity of the Labour Section, and with such effect that the other evening the State Opposition in the Assembly left the Chamber in a body as a protest against the mechanical obedience with which at the Premier's bidding any and every amendment proposed in his Bill for a redistribution of seats was unhesitatingly negatived. Whether or not aroused by this example, *Sir John See*, in a somewhat ambiguous way, in the closing hours of last session employed expressions which have been interpreted as pointing to his resignation during the recess. If his hope was that by this means his unruly majority could be brought to heel it appears doomed to failure. His loss would be severely felt in the House and out of it, for prosperous and capable business men are not too numerous now. But all the signs of the recent session point to the rapid disruption of the forces behind him. If once the members of the Opposition can get to the country without the raising of any new issue of sufficient importance to induce the electors to forget the drift of our finances their course is clear.

MR. REID'S POSITION.

Finally, to the surprise of most people, Mr. Reid has openly stated his desire to devote himself wholly to his profession two or three years hence, by which period he considers that he will have fully discharged his Federal obligations. That date is too far ahead and too many changes are possible in the early future to make this intimation of his present wishes more than a pious aspiration.

THE NEW COMMONWEALTH.

SUCSESSES OF THE LABOUR SECTION.

TWO OPPOSITIONS.

THE QUESTION OF COALITION.

FROM OUR OWN CORRESPONDENT.

SYDNEY, Dec. 22 1903; Jan. 28 1904.

The Commonwealth elections resembled nothing so much as the triangular duel in *Marryat's* "Midshipman Easy", except that in this instance each combatant was doubly armed and shot at both his adversaries. The Ministry suffered most at the hands of both of its antagonists and the Opposition little. The Labour Party triumphed at the expense of each. Yet for all that the fundamental situation is not altered. As parties went to the country any two of them could easily defeat the third. They come back under precisely the same general conditions. The sole difference is that Ministers in the last Parliament in the absence of the Labour members could have beaten the Opposition at most by six votes. Now they have lost the whole of that advantage. The Opposition has slightly advanced, but nearly all the Ministerial losses have been transferred to the Labour section, previously the weakest, but at present practically equal to either of its rivals. In the new Parliament, therefore, three parties of the same numerical strength confront each other. The triangular duel will be prolonged indefinitely. Probably no such condition of public affairs has ever existed in another British Legislature. It is no novelty for a third section, though small in numbers, to hold the balance of power between two great parties, but it is surely unexampled for the Government of the day, no matter from which side it is chosen, to have to face at the same time two distinct Oppositions, equal in strength to itself and to each other. In such circumstances it will be impossible to carry on the Government even from day to day without a coalition. There is no other solution and no device by which it can be escaped, even if that be disguised in appearance. The whole question before the new Parliament of Australia is which two of the parties shall be joined in political matrimony.

UPHOLDERS OF A WHITE AUSTRALIA.

The election had its surprises, both general and particular. Chief among these were the strides made by the Labour section in the Senate. All Pro-Federation critics assumed that the States polled as a whole would prove the stronghold of the Conservative element in the Commonwealth. This forecast has been utterly falsified in the less populous States. In Queensland the Labour section captured four out of six seats in 1901. Now it holds five. For this there are local reasons. The Labour candidates have been politic enough to associate themselves from the first with the demand for a White Australia, while their opponents have been guileless enough to champion, with varying reservations, a continuance of the importation of Pacific islanders. Evidently there is no other issue so keenly felt in the North, where the Asiatic invasion has made itself specially dreaded during recent years. It has frequently been alleged of late that the opinion of Queensland on this subject was misrepresented in the late Federal Parliament, but the record last week demonstrates to a certainty an unwavering determination on the part of its citizens to support legislation against coloured aliens to the furthest extreme. The contest was all but direct. There was only one Senatorial candidate in the field besides the Labour men and their opponents. He stood as an independent supporter of the Ministry, but otherwise adopted the Labour platform. A former leader of the Labour section in the State Legislature, *Senator Glassey*, was, and has remained since, one of the most consistent adversaries of the employment of Kanakas. The twenty-seven thousand votes cast for him were those of men and women who in his absence would have supported the three accredited Labour candidates who headed the poll. In spite of his intervention the Labour Senator with the lowest vote stands eleven thousand votes above the most favoured candidate of the planters party. The Independent Liberals, it must be remembered, have been preparing for this contest for many months, had raised for its purposes the largest of the small campaign funds used in the contest, and ran only three men, all of them possessing good public records. That a State which has so much to lose and depends so largely for the future development of its rich northern coast lands, on sugar and similar tropical industries, should resolutely set its face against the expert advice of those most largely interested in those industries is a fact very difficult to explain. Its sixth Senator, the Attorney-General, *Mr. Drake*, is as opposed to coloured labour as are his five colleagues. In the last House only two out of its nine representatives resisted the Acts it passed against coloured aliens. Now but one remains, and he had to fight hard for his seat. Of the fifteen Queensland members in the new Federal Parliament fourteen are earnest upholders of a White Australia.

THE FISCAL CONTROVERSY.

In Tasmania, the most southern and the smallest of the States, the cry of a White Australia awakens no enthusiasm. The population is mainly agricultural, and all its traditions are sober. Yet even there the highest Labour candidate is only a few votes behind the lowest elected Senator, and with his colleagues occupies the fifth, sixth, and seventh places in the poll. Such a vote in the little Conservative State is largely accounted for by the presence of seven candidates among whom the Anti-Labour vote was divided. There is but one constituency for the Lower House that has returned a Labour member, and this was by a very narrow majority. In Western Australia and in South Australia the same excess of candidates for the Senate led to the complete capture of the three vacant seats in each by the Labour section. In Victoria, to the entire surprise of its own people, Mr. Findley has been placed third with eighty-eight thousand votes. He is the only acknowledged representative of Labour returned, but the poll was headed by Mr. Trenwith, formerly one of the Labour chiefs. He, like Mr. Glassey, is not merely independent of the Labour organisation but at open war with it yet, as his political principles are still indistinguishable from those of the Labour men, the proud position he occupies is a very remarkable illustration of the trend of opinion in this State. He came late into the field, addressed few meetings, and had no association of any kind at his back. But he was well known in town and country, and had been for some time engaged in a vendetta with the *Melbourne Age*. This Ministerial and Protectionist newspaper has played a great part in making the history of Victoria, but Mr. Trenwith's signal success is attributed to a reaction against that journal provoked by the bitterness of its attacks on him and its support of Mr. Irvine's reforms. The two other Senators in this State regained their places. Both are Radicals, and one of them, like Mr. Trenwith, practically endorses the Labour platform. The success of this particular four is partly due to the fact that there were no less than eighteen candidates from whom to choose and a much smaller poll than at the last election. Though nominally only one officially recognised Labour Senator is returned in place of another who had seceded from the ranks of the Labour section the kindred views of his three colleagues require to be remembered. It is plain that the new Senate will differ from the old because of the presence of no less than six more pledged Labour members and of Mr. Trenwith as their independent ally. They will number fourteen Senators out of thirty-six, with three or four more in close sympathy on most questions. They have probably reached the limit of their electoral power, but if the strife between the regular parties on the fiscal question is not settled before 1906 there is at least a possibility of beholding a majority of the Senate pledged to the Labour platform and governed by caucus meetings. In the late Senate, because of the fiscal controversy, it needed a great effort to enable the Ministry to defeat the Labour section, even with the occasional and partial assistance of the Opposition. The prospects of repeating these tactics will be much fainter next year.

SOLIDARITY OF THE LABOUR SECTION.

In examining next the National Chamber, and reserving for the moment all consideration of the electoral results in New South Wales, except as regards the progress of the Labour section in the House, it has to be admitted that the figures generally show a similar though less decisive advance. In Queensland two more constituencies have fallen into the Labour grasp. The third and last, held by the Independent Liberals, was in great jeopardy. Had it been annexed the whole State would have been in the hands of the Labour section except two seats retained by Radicals usually acting in alliance with it. For the result in this State the blundering tactics of the **Philp** party are largely responsible. In Western Australia also two constituencies have hoisted the Labour flag; **Sir John Forrest** remains the only representative not under its colours. In South Australia there were only two seats contested and in both Labour was victorious, though its net gain here, as in New South Wales, is only one seat. In Victoria the Labour section held its own, and did not lose a single member anywhere. This means six more Labour representatives in the House, bringing up their phalanx always available and always unanimous to twenty-one out of seventy-five members. Outside they have powerful assistance. The balance is heavily weighted in their favour in the new House not merely by the recent accession to their numbers, but by reason of their many auxiliaries behind the Government. Any analysis of all the votes recorded is still impossible, but the main cause of the successes of the Labour section is already plain. The apathy of the general public, as anticipated in those columns for the past two weeks, is its chief permanent factor. Everywhere the polling, allowing for female suffrage, was much lighter than in 1901. Next after this comes the want of unity among the opponents of the Labour Party. Two seats in Queensland were lost because there were both Ministerial and Opposition candidates in the field. The same triangular duel was waged in the one constituency captured in this State, though Mr. **Webster's** majority was larger than the totals of both his rivals. The Labour section all but gained two or three other seats in Victoria in similar circumstances. As it is, Brisbane, Newcastle, some suburbs of Sydney and Melbourne, Adelaide, Perth and Fremantle are represented by Labour just as are a dozen country constituencies. The discipline, loyalty, and solidarity of the Labour section have been handsomely rewarded, chiefly because the disunion of those whom it attacked made effective resistance impossible when the crisis came.

PROTESTANTS AND CATHOLICS.

New South Wales alone escapes the foregoing reproofs, and merits high honour for its solidarity. The organisation under Mr. Reid's control was more efficient than at any previous election in this State, and performed its work admirably. The selected Labour candidate for the Senate—though as a Protectionist he must have received thousands of Ministerial votes—was seventy-five thousand behind the lowest of the Opposition three. Their victory was astonishingly complete. The Protectionist who stood for the Senate were men unknown to public life and their totals insignificant. In contests for the House the same loyalty prevailed. Though in two constituencies there was an excess of Opposition aspirants the men chosen by the party were placed thousands of votes above all others. Only one seat in the House was lost to Labour, while no less than four were torn from the Ministry. No such decisive verdict has been given in Australia for very many years, even if the decisions which enthroned Mr. Irvine in Victoria and won Mr. Propsting a troublous Premiership in Tasmania are put in comparison. The verdict pronounced is unequivocal. New South Wales is absolutely hostile to the Deakin Government from end to end, and little disposed to favour the Labour section. Estimates of the influence of the motives for the magnificent unity displayed by the electors both in town and country differ considerably. The old Free Trade organisation provided efficient machinery and means of action, but certainly did not inspire the mass of the electors with enthusiasm. Provincial feeling, angered against a Victorian Prime Minister by his action respecting the capital site and kindled to animosity by the complaints of neglect of our State ever since the union began, did much to bring the indifferents into line. The Protestant Defence Association reached the same end from an entirely different point of view. Sir Edmund Barton's visit to the late Pope, coupled with the association locally of our Protectionist organisation with the Catholic vote, told heavily at the polls. Of this there is the most obvious proof. We have twenty-nine members in the Federal Parliament, and the only Catholic among them is Mr. Chapman, Minister of Defence, whose recent appointment to the Cabinet carried with it his unopposed return. Several Protestant Protectionists lost their seats because of Catholic support. Every member of the Opposition in both houses is a Protestant, and many of them are active Orangemen. This triple combination easily beat off every Ministerial attack on Mr. Reid's supporters by huge majorities, and further wrested from the Government two seats of which the members were deemed politically unassailable. Our State Opposition lent all the aid in its power. Mr. Carruthers appeared beside his old chief, Mr. Reid, to supply a counterblast to Mr. Wise's activity, and did not fail to appeal with all his ability to State jealousies and local sentiment. With these incitements to popular antipathies there was no neglect of strategy. Discipline and unity were victorious in New South Wales as elsewhere in Australia, but here, and here alone, they resisted the Labour invasion and crushed the Ministry.

MR. DEAKIN'S POSITION.

Mr. Deakin may well view the position before him with rueful solicitude. His own party in his own State, in spite of his appeals, flung away half a dozen seats and imperilled as many more. If his organisation had been as effective as Mr. Reid's he could have almost retained his numbers. As it is, the losses of the campaign are all on his side. He is weaker in the Senate, weaker in the House, weaker in party prestige, and has lost New South Wales irretrievably. Besides his two colleagues he has only one follower from this State. Mr. Reid, on the other hand, though crowned with triumph here, is not by any means master of the situation. He has no longer a single representative in either Queensland or Western Australia, but two each in South Australia and Tasmania and five in Victoria. Mr. Reid appears to be actually defeated on the two greatest issues of the election. Some half-dozen members who sit behind him are pledged not to interfere with the tariff. The new Labour members contain more Protectionists than Free Traders and Preferential Trade has caught on in spite of all Mr. Reid's efforts. A few of his friends are wavering on it, and some of the Labour members are ceasing to be hostile. Then the Arbitration Bill, though utterly distasteful to the Employers' Union, has been accepted by Mr. Reid without demur. His censure of the Navigation Bill will certainly not appeal to Mr. Watson. In point of fact his only prospect of ejecting the Ministry will be by a vote of want of confidence based on its past sins of omission and commission. Its present policy seems above his reach. While the fiscal question remains unsettled a coalition between Mr. Deakin and himself is unthinkable. Nor is it possible for Mr. Reid to abandon principles on which he challenged the verdict of the country, binding himself to their adoption in Parliament with the most solemn guarantees. A further period of unrest, vacillation, and uncertainty appears before us unless Mr. Reid is able to make some arrangement with the Labour caucus for a junction of forces. There again he has to reckon with the Government, which has precisely the same opportunity coupled with the advantages of being in office as authors of a programme some of whose proposals are very attractive to Mr. Watson. Opening under such auspices it must be confessed that when the Federal Houses meet a few weeks hence the outlook is anything but satisfactory from any point of view save that of the Labour section.

THE NEW COMMONWEALTH.

IMPERIAL FEELING.

THE PROPOSALS OF MR. CHAMBERLAIN.

RESULTS OF ELECTIONS.

FROM OUR OWN CORRESPONDENT.
SYDNEY, Jan. 6 1904 [Dec. 29 1903]; Feb. 12 1904.

The Commonwealth elections were affected to a considerable extent, by the absence of thousands of farmers from the polls. Their steadying influence would have probably altered the results in several States, especially for the Senate. As a class they are proverbially sluggish in political affairs, but in the present instance they had a better reason for their abstinence than their distance from the booths. The magnificent crops predicted have ripened, and immense fields of grain were calling for the reaper and binder, and often called in vain because of the uncertain weather and demand for labour. Many thousands of acres have been beaten down by unseasonable rain, and many thousands more have been stripped of their heads of corn by the match of countless millions of caterpillars. Though the losses from these and other causes have despoiled great areas in every State to the serious injury of their proprietors, the gross yields still surpass even the sanguine estimates of the experts. From all the cereal-growing districts comes the same story of the largest crop ever garnered and of a bigger surplus for export than the boldest anticipated. Already the wheat harvest, too big for barns, is coming on in an unending procession of teams across miles of half made, or more often wholly unmade, bush roads, cutting through steep ranges and broken gullies until it reaches a wayside station. Here the teams await the arrival of long and labouring trains composed of trucks collected more rapidly the further they proceed, until at last the over-tasked engines refuse to allow the coupling of another waggon. They toil to the seaboard from every railway, pouring an interminable stream of golden grain into double-banked lines of waiting vessels. These quickly absorb vast loads into their capacious holds and speed away with them to the docks in Great Britain, where, enormous as our yield appears to us, it will constitute but a fraction of similar food supplies purchased and consumed from foreign growers. When Mr. Chamberlain's scheme of mutual preferences

becomes operative we shall send much more and take more British manufactures in exchange. Such an increase of trade will tend to the profit of both countries and the support of the Navy on which we depend for our existence as an Empire. To grow more grain, make more butter, and produce more meat for the United Kingdom we shall need a much larger share of the host of emigrants from the Mother Country who at present hasten to become citizens of the United States or the Argentine. If the value of Mr. Chamberlain's proposals to our rural districts had been understood a month ago we should have seen all our farmers and those who deal with them hastening for the poll. Then indeed many contests would have had another ending. As it is the awakening is only postponed.

PRESS-LED PEOPLE.

A Preferential Trade League has at last been started in Sydney, and in spite of the discouragement of our newspapers begins operations with a provisional committee of high class. There is no more respected New South Welshman than Sir **Normand MacLaurin**, M.L.C., M.D., Chancellor of the Sydney University, whose name heads the list, followed by a dozen men of standing in the city. There are but three or four active politicians added, and these would probably have been better passed by for tactical reasons, with the exception of the Attorney-General, Mr. **Wise**. His services in defence of the project have been so much greater than those of any one else that he could not have been omitted in any case. The inclusion of a special reference to the encouragement to be afforded to British shipping, whatever form of preference be adopted, is undoubtedly due to him. It is expressly desired that the league should include Free Traders and Protectionists, and should not be identified with either fiscal party. It proposes to devote itself generally to the development of closer commercial intercourse on mutually favourable conditions between all portions of the British Empire, and to eschew all other considerations. The interesting question now will be whether or not, in the teeth of the unqualified antagonism of our morning papers, an influential executive can be collected and maintained. The membership behind it is a matter of minor importance, provided funds and the leadership of trusted men can be secured. Our political associations are all of the skeleton type, most of them mere figure heads employed by our newspapers to carry out their designs at a particular moment. Outside the Labour organisation we have not one with a members' roll big enough to justify its claim to represent a borough. In the present instance there is hope, Patriotic feeling, and that alone is capable of accomplishing the otherwise impossible task of creating a new association giving expression to vital political ideas without being nursed and shepherded by journalistic patronage. The organisation may struggle to its feet independently. If it does its first converts will be found in the Press, whose real dependence is only half disguised. The *Sydney Morning*

Herald may easily become tolerant and finally friendly to the new principle. Once the principle has a daily exponent its success is assured. The only question is whether or not we shall see the appeal of the provisional committee responded to with enough warmth and weight to bring about the open conversion of one of its great newspaper adversaries. Until that happens we shall have little visible evidence of the success of Mr. Chamberlain's ideas, though their growth in favour with all classes has been constant, and only requires means of expression to become dominant. We are a Press-led people, not believing all that is printed, but sure of nothing until it does get into the columns of one of our accepted daily authorities. When once the public sentiment in respect of preferential trade within the Empire is registered by them in the usual way, we shall suddenly become aware of its universal popularity, and confident of its coming triumph.

ELECTION RESULTS.

Scanning the election results in the light of the information trickling in from the States, the number and variety of the side issues operating in them becomes more conspicuous the more we know. The tariff will not be altered, partly because in many constituencies it was a matter of small interest, and the general tendency of the unconcerned was to let it alone in order that pet projects might be more speedily dealt with in Parliament. Preferential trade proposals will be adopted sooner or later, because the Imperial feeling evoked was too strong for candidates to breast it, whatever their aims might be. But for the outbreak of Free Trade enthusiasm among the Revenue Tariff Party in this State Mr. Chamberlain's policy would have been already endorsed almost unanimously on this side. A good deal may be gathered from a geographical mapping of the political situation. The Labour Section carried all before it in Queensland, South Australia, and Western Australia by linking itself with the White Australia movement, though in the first and last of these States local demands on the Federal Treasury will be supported by all the Labour representatives. In Tasmania, where the White Australia issue is not known, the conflict was confused by a tangle of minor influences. **Senator Dobson**, who heads the poll for the Senate, was on the Free Trade ticket in the South and on the Protectionist ticket in the North. Mr. **Mulcahy**, an ex-Minister who displaces **Colonel Cameron**, is of the same political complexion. The Postmaster-General, Sir **Philip Fysh**, only just retained his seat, but a Protectionist supporter won the most important northern district, including Launceston, and a friendly Independent displaced another Oppositionist in the centre. This was the only State in which Ministers improved their position. Here, as in Victoria, the Labour section gained no ground, all its nominees failing for the Senate and its one representative in the House barely keeping his place. Sir **Edward Braddon** in Tasmania is the solitary Opposition member, just as Sir **John Forrest** in

Western Australia is the solitary Ministerialist. Taking these four States as a whole the Government has lost two Senators and the Opposition three, while in the House the Government gained two representatives and the Opposition lost six. As between the regular parties, therefore, over the greater area of Australia, including two-thirds of the States, Mr. Deakin has distinctly the advantage over Mr. Reid. It is only when the Labour section is taken into account that its six new Senators and four new representatives make its position the best of all.

VICTORIA AND NEW SOUTH WALES.

As far as the two regular parties are concerned the whole conflict was waged on the fiscal issue, and ostensibly on that alone. But it was only in New South Wales and Victoria that it occupied the principal place, and even in this State the voting was much modified in effect though not in appearance by other considerations. Indeed, the battle between the Ministry and Opposition as such was confined practically to those two States, for everywhere else the question as to which of them—Ministry or Opposition—should hold office was put out of sight by the clash of local interests. It is a most curious but indisputable fact that, speaking broadly, the rest of Australia placed its chief stress on matters involving the fate of neither the Cabinet, nor the tariff, nor the preferential trade proposals, though preferential trade proposals received a tacit approbation by common consent in all the States of the region in question. The Federal issues and the existence of the Federal Government were decided here and in Victoria as far as they were decided at all. The balance here went against Mr. Deakin, and unfortunately against this State at the same time. The first consequence of the election has been to leave him with only three New South Welshmen in his party. Mr. Reid has five Victorians behind him giving him a qualified support, but they are only one-third of the number of his followers, from his own State. It is a great misfortune that instead of the duel being between the Prime Minister and the leader of the Opposition, or between Protection and Free Trade, it is becoming more undisguisedly than ever a battle between Victoria and New South Wales. Mr. Reid wins because he gains a Senator and four representatives in his own State and another representative in Victoria. But he would not have won the extra Victorian if there had not been several Protectionists dividing the vote against him, thus enabling him to be returned by a minority. Indeed, but for the same want of discipline elsewhere he would have lost two other Victorian allies. As it is each leader finds the bulk of his following from his own State, and, oddly enough, each consists of exactly sixteen members. If the Tasmanian Ministerial gains be added and the Opposition losses in South Australia are deducted Mr. Reid's increase of strength over Mr. Deakin dwindles to a single representative. Beyond these he recedes still further. Where the tide sets against him is in the two newest States—Queensland

and Western Australia—and in the Radical constituencies of South Australia. There the Labour section has laid hands on five of his seats and on others belonging to the Ministry, sufficient together to revolutionise party relations. These conquests are due mainly to the miners, who dominate in Western Australia and also in Queensland, though the farmers of the north are found in alliance with them because of their feud with the sugar planters' Kanaka importations. No doubt time and better tactics on the part of those who object to the policy of the Labour members will soon alter this condition of things in all these regions. But in the meantime the three older States, whose electors seem equally divided between the Cabinet and Mr. Reid, find a third party confronting them, returned mainly from the three largest and most sparsely settled States—Queensland, South Australia, and Western Australia.

RESULTS OF THE REFERENDUM.

The broad divergences in New South Wales between the views of members and their constituents could not have been more impressively illustrated than by the results of the referendum taken in this State at the same time and in the same booths as the Federal election. The *See* Government deserves great credit for devising this means of bringing the question of the reduction to be made in the numbers of members of our local Legislature before the country. There was no prospect of either Chamber consenting to diminish its representation by any measure that could be conceived. Under such conditions even those who object to the submission of proposed legislation to a crude "Yes" or "No" of a majority of ballot papers were forced to admit that the only hope of any action being taken lay in the question of reduction being put directly to the people. The Labour section could not, and the majority of the regular parties dared not, refuse to let their constituents speak their minds. Ministers were cajoled into limiting the choice offered by striking out the query whether or not the number of members for the Assembly should be eighty and into offering as the only alternatives ninety or a hundred, or the present number, a hundred and twenty-five. An overwhelming majority in the House would have kept to the existing total, and few would have been really satisfied to see its roll brought down to a hundred and none as low as ninety. The taxpayers are of an exactly opposite way of thinking. As far as the count has gone there were fifty-nine thousand in favour of retaining a hundred and twenty-five members. This total includes the whole of the Labour section and a large number of localists, who dread the decline in their power of obtaining public money for their neighbourhoods if the State constituencies are enlarged. Even allowing that the share of the forty thousand informal ballots belonging to the Labour section equalled the localists included among those who voted for a hundred and twenty-five members, we have its full strength exhibited as less than sixty thousand of both sexes. There were twelve

thousand who declared for a House of a hundred Representatives and these were all unquestionably localists. Adding these to the fifty-nine thousand who voted for a hundred and twenty-five members and allowing twenty-nine thousand out of the forty thousand whose papers were informal we obtain a gross total of a hundred thousand persons content to part with twenty-five members at most. Set against these the two hundred thousand votes which demanded the greatest reduction voters were allowed to claim, that is to ninety members, and a sufficiently unmistakable demonstration of what the electors desire has been secured. In all probability three-fourths of them would have made the reduction to eighty had they possessed the option. A great deal may happen before this will become law, though with praiseworthy promptitude Sir John See has announced a special session to redistribute the State into ninety constituencies in February next.

Index to the letters

A

Advertiser, The, 120
Age, The, 120, 144, 224, 243
agricultural industry, 4, 23, 26, 30, 147, 151, 184, 207, 209–10, 243
Anglo–Japanese Alliance, 129–30
Appropriation Bill (Cth), 198, 201–02
Argus, The, 53, 55
Ashton, James, 6, 65
Associated Chambers of Manufacturers, 182
Australian Natives' Association, 29

B

Balfour, Arthur James, 126, 136, 208
banking industry, 15, 18, 42, 45, 222
Barton, Edmund
 Anglo–Australian Naval Agreement, 120, 126
 appointment of High Commissioner, 91
 as Prime Minister, 1–188
 Broken Hill industrial dispute, 11
 Colonial Conference, London, 19, 96
 confidence in, 37
 customs revenue, 34
 Federal Capital, 191
 High Court, 133–34, 187
 industrial disputes, 115
 loyalty to Great Britain, 37
 Naval Agreement Bill (Cth), 154, 165, 216
 naval defence, 99, 117, 153
 naval subsidy, 97, 156, 159
 need for Labour, 13
 opposition from National Liberal Union, 161
 opposition from New South Wales, 39
 opposition from Philp, 14
 Pacific Island labourers, 19, 159

 preferential trade, 126
 Premiers' Conference 1901, 60
 Premiers' Conference 1903, 61, 85
 State debts, 93
 strength in Parliament, 98, 116, 119
 support from Peacock, 25
 Town Hall speech, Sydney, 13, 96
 transcontinental railway to Perth, 67
 Victorian railway dispute, 110
 visit to Great Britain, 19
 visit to Pope Leo VIII, 213, 245
 visit to Tasmania, 36, 43
Bedford, Frederick George Denham, 166
Bent, Thomas, 109
Bird, Bolton Stafford, 78
Bonus Bill (Cth), 39, 59, 104
Braddon, Edward Nicholas Coventry, 98, 180–81, 249
British Australasian, 41, 126
Browne, William Henry, 161
Brunker, James Nixon, 104
Bulletin, The, 53
butter industry, 210, 248

C

Cameron, Cyril St Clair, 121, 249
Campbell-Bannerman, Henry, 190
Canada, 97, 106, 154, 157, 190, 210
cane industry *see* sugar industry
Carruthers, Joseph Hector
 approaching elections, 122
 arbitration courts, 104
 as Opposition leader, 56–57
 Federal Capital, 193
 fodder tariffs, 12

- in Opposition, 46
- Liberal and Reform Association, 7
- Liberal Reform League, 80, 101, 122
- opposition to Barton, 162
- opposition to Kingston, 162
- opposition to Labour, 176
- opposition to See, 65, 160
- sectarianism, 66, 245
- State debts, 132
- State finances, 6
- support for Reid, 40–41
- cattle industry, 4
- Chamberlain, Joseph, 16–20, 112–14, 121, 126, 135–36, 157–58, 181–82, 189–90, 214–15, 247–49
- Chapman, Austin, 197, 232, 245
- Clarke, Sir George Sydenham, 75, 217–18
- Clarke, Sir George Sydenham (Governor of Victoria), 29
- Coghlan, Timothy Augustine, 3, 234–35
- Cohen, George Judah, 42–43
- Colonial Conference, London, 19, 96, 136, 216
- Conciliation and Arbitration Bill (Cth), 99, 115, 160, 164, 176–79, 246
- Constitution
 - Australia, 15–17, 23–24, 31–32, 59–60, 62, 74, 83–84, 89, 92, 115, 118, 133, 145, 148, 152, 167, 170, 185, 187, 191, 193–94, 196, 200, 205
 - South Australia, 74
 - Victoria, 48–50, 58, 74, 99
- cost of living comparisons, 3
- Courier, The*, 53–55, 120, 166
- Courts, Federal
 - Commonwealth Court of Conciliation and Arbitration, 10, 104, 115, 119, 132–33, 165, 202, 220
 - costs, 145
 - High Court, 16, 39, 89, 119, 124, 132–34, 144–45, 177, 187–88, 193–94, 202–03
- Courts, NSW
 - Arbitration Court, 104
- Courts, State
 - costs, 145
 - Supreme Courts, 83, 91, 115, 133, 145, 187
- Cribb, Thomas Bridson, 4
- Crick, William Patrick, 64–66, 131
- cricket, 225
- Crouch, Richard Armstrong, 154
- customs, administration of, 38, 96, 99, 121, 170
- Customs Act 1901* (Cth), 19
- Customs Bill (Cth), 99
- Customs Department, 5
- customs revenue
 - British, 181, 190, 210, 234
 - Federal, 146–47, 226
 - New South Wales, 148
 - overseas, 23, 113, 209–10, 231, 234
 - States, 6, 60, 62, 83–84, 87, 89, 91, 94, 148, 151, 170, 200, 209
- D
 - Daily Telegraph, The*, 7
 - dairy industry, 4
 - Darling, John, Jnr, 66–68, 86, 162, 166–67, 176
 - Davies, John George, 78
 - Deakin, Alfred
 - as Attorney-General, 36, 93, 126, 144–45, 177, 187
 - as Prime Minister, 189–252
 - Australian Natives' Association speech, 29
 - Ballarat speech, 93
 - closer settlement, 29
 - Conciliation and Arbitration Bill (Cth), 177
 - elected unopposed, 232
 - election policy, 206–10
 - election results, 246, 250
 - Federal Capital, 193, 204

- health, 230
- High Court, 145
- High Court Procedure Bill (Cth), 202
- Judiciary Bill (Cth), 133, 187
- mining, 29
- opposition from Reid, 38
- preferential trade, 210, 225, 230
- Seat of Government Bill (Cth), 191
- State debts, 93, 208
- support for Balfour administration, 126
- Sydney Town Hall speech, 213–15
- tariff reform, 190
- visit to Queensland, 206
- visit to Sydney, 206, 213–15, 224
- Vondel* dispute, 17
- water conservation, 29
- White Australia policy, 208
- debts
 - Federal, 4, 7, 143
 - New South Wales, 6–7, 139, 172, 226
 - Queensland, 172
 - State, 44, 61–62, 87, 91–95, 100, 119, 144, 149, 172, 198–99, 208
 - Victoria, 166, 172, 198
 - Western Australia, 26
- defence
 - Anglo–Australian Naval Agreement, 38, 120–21, 152–57, 216–17
 - Australian Fleet, 38, 157, 217
 - Australian navy, 114, 117
 - budget, 97
 - Cerberus*, 152
 - expenditure, 127
 - naval subsidy, 97, 99, 114, 116, 119, 159, 166, 171
 - reserve force, 114, 155
 - under State control, 15
- Defence Bill (Cth), 116, 119, 152, 202
- Defence Department, 5
- departments, Federal
 - costs, 5
 - transferred from States, 4
- Dibbs, George Richard, 11, 13
- Dickson, James Robert, 53
- Disraeli, Benjamin, Earl of Beaconsfield, 135
- Dobson, Henry, 249
- Drake, James George, 14, 242
- drought, 4, 6, 12, 28, 30, 33–34, 43–44, 64–65, 146, 169, 171–72
- E
 - Eastern Extension Telegraph Company, 119, 128
 - elections, Federal
 - absence of farmers' votes, 247
 - campaign, 219–40
 - campaign funds, 238
 - costs, 118, 162
 - difficulties in remote areas, 231
 - female franchise, 244
 - formal opening, 206
 - Free Traders, 232–33, 237, 245, 250
 - House of Representatives, 232, 245, 250
 - immigration, 235
 - Labour, 160–61, 232–33, 239, 245, 249
 - possible outcome, 162, 236–40
 - preferential trade, 249
 - Protectionists, 232–33, 237, 245, 250
 - Radicals, 237, 251
 - results, 241–52
 - Revenue Tariffists, 232–33
 - Senate, 118, 232, 245, 247, 250
 - Trades Unions, 239
 - elections, Tasmania, 78
 - Electoral Act 1902* (Cth), 18, 89, 161, 183, 186
 - Employers' Union, 239, 246
 - employment, 21, 64, 106, 110, 159, 225

F

- Fanshawe, Arthur Dalrymple, 217
- Federal Capital, 87, 119, 132, 172, 183, 185, 190–97, 202, 204–05, 213, 245
- Federal Council, 58, 88
- Findley, Edward, 243
- fishing industry, 4, 91
- Forrest, John
- achievements, 27
 - and Labour, 11
 - Anglo–Australian Naval Agreement, 117, 126
 - Defence Bill (Cth), 152
 - elected unopposed, 232
 - loyalty to Great Britain, 37
 - Naval Agreement Bill (Cth), 153–54
 - popularity, 126
 - support for Barton, 23
 - transcontinental railway to Perth, 203–04
 - water supply scheme, 24, 26–27
- Foxton, Justin Fox Greenlaw, 65
- franchise
- adult, 24, 48, 50, 140
 - female, 7, 13, 50, 140, 244
- Free Traders *see* Federal and State Parliament entries
- Friedmann, Moss Morris, 12
- Frodsham, George Horsfall (Bishop), 19
- Fuller, George Warburton, 133
- Fysh, Philip Oakley, 206, 249

G

- Gardiner, James, 86
- Garland, John, 78–80
- Germany, 4, 19, 87, 230
- Gladstone, William Ewart, 135
- Glasse, Thomas, 242–43
- Glynn, Patrick McMahon, 133
- gold industry, 4, 24, 26, 33, 67, 203–04

- Gordon, John Hannah, 17–18, 86, 89–90, 93, 167

Governors

- financial provision, 41
- New South Wales, Sir Harry Holdsworth Rawson, 129, 138
- South Australia, Sir George Ruthven Le Hunte, 130
- South Australia, Sir Samuel James Way (Lieutenant-Governor), 18, 127
- Victoria, Sir George Sydenham Clarke, 29, 75, 217–18
- Western Australia, Sir Frederick George Denham Bedford, 166

Governors-General

- financial provision, 39, 41
- Hopetoun, 7th Earl of, 16–17, 24, 41, 70
- Tennyson, Lord Hallam, 17, 69, 85, 118–19, 121, 130, 133, 166, 201, 218–19

Grainger, Henry William, 67

Great Britain

- Admiralty, 97, 114, 116–17, 127, 152, 154–55, 157, 216
- Anglo–Australian Naval Agreement, 38, 96, 120, 152–57, 216–17
- Australian Fleet, 154
- Colonial Conference, 19, 96, 136, 216
- Colonial Office, 16–20, 87
- cost of living, 3
- exports, 210
- free trade, 112
- Imperial fleet, 116, 156
- Judicial Committee, 16, 115
- loyalty to, 157
- mail contract, 119
- manufacturing industry, 247–48
- money market, 43, 62, 93–94, 113, 139, 143, 174, 199
- naval subsidy, 97
- press, 41–42, 46, 67, 126, 169, 181

Privy Council, 16, 83, 115, 145, 187, 194
 shipping, 127, 164, 178, 248
 visit from Barton, 19
 visit from Wise, 20
 Griffith, Samuel Walker, 53, 166
 Groom, Littleton Ernest, 133

H

Higgins, Henry Bournes, 133, 153–54
 High Commissioner, need for, 15, 87, 91, 119
 High Court Procedure Bill (Cth), 114, 132, 155, 202
 Holder, Frederick William, 70, 224, 233
 Hollis, Robert, 110
 honours, Imperial, 17
 Hopetoun, 7th Earl of, John Adrian Lewis, 16–17, 24, 41, 70
 horse industry, 4
 horse racing, 212
 Hughes, Thomas, 85

I

immigration

- effect on population, 207
- encouragement of, 208
- need for, 101, 210, 248
- Petriana*, 235
- the ‘six hatters’, 38–39, 46, 69, 96, 116, 121, 209, 220
- White Australia policy, 99, 104, 125, 159, 161, 181, 207–08, 210, 242–43, 249

Immigration Restriction Act 1901 (Cth), 99, 235

Immigration Restriction Bill (Cth), 159

import duties *see* customs revenue

industrial disputes

- mining (NSW), 11
- railways (Vic), 102–11

industrial legislation, 10, 87, 177–78

industries

- agricultural, 4, 23, 26, 30, 147, 151, 184, 207, 209–10, 243
- banking, 15, 18, 42, 45, 222
- butter, 210, 248
- cattle, 4
- dairy, 4
- fishing, 4, 91
- gold, 4, 24, 26, 33, 67, 203–04
- horse, 4
- iron and steel, 39, 59, 104, 119
- liquor, 65–66, 202
- maize, 3
- manufacturing, 4, 40, 120, 182
- mineral, 4, 141
- mining, 104
- pastoral, 4, 23, 45, 147
- railways, 6, 20, 23–24, 27–28, 34, 66–68, 86–89, 100, 119, 132, 138–39, 149, 167, 172, 202–04, 225
- shipping, 15, 19, 127, 164, 178
- sugar, 34, 87, 115, 119, 147, 172, 202, 219, 242
- timber, 4
- tobacco, 21
- wheat, 4, 28, 38, 209, 247
- wool, 4, 65, 115, 136

Inter-State Commission, 15, 38, 115, 119, 132

iron and steel industry, 39, 59, 104, 119

Irvine, William Hill

- as Premier, 12
- Australian Natives’ Association, 29
- Budget, 193, 200
- Constitutional Reform Bill (Vic), 48–50, 69–71
- Kyabram Reform Movement, 75
- Premiers’ Conference, 86
- Railway Strike Suppression Bill, 106

- railways dispute, 103, 109
 - resignation, 223–24
 - resignation withdrawal, 240
 - retirement speculation, 220–21
 - State debts, 144, 200
 - Isaacs, Isaac Alfred, 11, 133
- J
- James, Walter Hartwell, 12, 86, 91, 150, 166, 229
 - Japanese squadron, visit, 129–30
 - Jenkins, John Greeley
 - opposition to Federation, 17–18
 - Premiers' Conference, 86
 - State debts, 93, 144
 - transcontinental railway to Perth, 20, 66–67, 86, 89, 167
 - Victorian railway dispute, 110
 - Vondel* dispute, 16, 18
 - Judiciary Bill (Cth), 39, 132–33, 144–45, 152, 186–88
- K
- Kamimura, Hikonojō (Admiral), 129–30
 - Kelly, William Henry, 231
 - Kernot, William Charles, 108
 - Kidston, William, 200
 - Kingston, Charles Cameron
 - and Labour Party, 11
 - Anglo–Australian Naval Agreement, 126
 - antagonism to Forrest, 203–04
 - Conciliation and Arbitration Bill (Cth), 115, 160, 164, 176
 - customs administration, 38, 121, 125
 - customs revenue, 147–48
 - in Barton Cabinet, 69–71
 - loyalty to Great Britain, 37
 - Navigation Bill (Cth), 104
 - Radicals, 126
 - resignation from Ministry, 164–65, 175–76, 186
 - support from Labour, 99
 - tariffs, 83
 - transcontinental railway to Perth, 203–04
 - visit to New South Wales, 103
 - visit to Queensland, 86
 - White Australia policy, 99, 104
- Kipling, Rudyard, 169
- L
- labour
 - foreign, 58, 159, 235
 - Lascars, 220
 - Pacific Islands, 13, 19, 46, 99, 159, 242, 251
 - Labour Party
 - development, 10–11
 - Federal elections, 160–61, 232–33, 239, 245, 249
 - in Parliament *see* Federal and State entries
 - power and tactics, 9–14
 - Tamworth by-election, 78–82
 - Laurier, Wilfred, 97, 154
 - Law, Sydney James, 12
 - Le Hunte, Sir George Ruthven, 130
 - Leahy, John, 35
 - Lee, Charles Alfred, 40
 - Leo VIII, Pope, 213, 245
 - Lewis, Neil Elliott, 30, 43, 53, 55, 78
 - Liberal and Reform Association, 7
 - liquor industry, 65–66, 202
 - Lonsdale, Edmund, 219
 - Lyne, William John
 - Barton Cabinet, 70
 - campaign funds, 238
 - Electoral Act 1902* (Cth), 89
 - Federal Capital, 192, 197
 - Federal elections, 206
 - Federal expenditure, 5
 - loyalty to Great Britain, 37

- opposition to Reid, 36
 - Premiers' Conference, 86
 - redistribution of seats, 184
 - tariffs, 39, 46
 - visit to Western Australia, 35
- M
- Mackellar, Charles Kinnaird, 193
 - MacLaurin, Henry Normand, 248
 - Madden, John, 99
 - Mahan, Alfred Thayer, 153
 - maize industry, 3
 - manufacturing industry, 4, 40, 120, 182
 - Matheson, Alexander Perceval, 114, 154
 - Mauger, Samuel, 154
 - McCay, James Whiteside, 133
 - McGowen, James Sinclair, 137, 176
 - McGregor, Gregor, 196
 - McIlwraith, Thomas, 53, 166
 - McLean, Allan, 224
 - McMillan, William, 233
 - acting leader of Opposition, 125
 - Anglo–Australian Naval Agreement, 120
 - Conciliation and Arbitration Bill (Cth), 179
 - Free Traders, 112–13, 233
 - High Court, 134
 - immigration, 181
 - naval defence, 117
 - opposition to Kingston, 125
 - opposition to Reid, 121
 - retirement, 180–81
 - Melbourne Cup, 212
 - mineral industry, 4, 141
 - mining industry, 104
 - money market, 43, 62, 93–94, 113, 139, 143, 174, 199
 - Moran, Patrick Francis (Cardinal), 56
 - Morgan, Arthur, 211, 219
 - Morning Post*, 41, 46, 67, 169, 181
 - Mulcahy, Edward, 78, 249
 - Murray River, 18, 61, 86–91, 100, 207
- N
- Nash, Robert Lucas, 172
 - National Liberal Union, 98, 161, 219
 - Naval Agreement Bill (Cth), 153, 155, 159, 165, 216–17
 - Navigation Bill (Cth), 104, 127, 165, 220, 246
 - Nelson, Hugh Muir, 53
 - New Guinea *see* Papua
 - New South Wales
 - Agricultural Show, 85
 - appointment of Lord Mayor of Sydney, 19
 - Arbitration Court, 104
 - Broken Hill water issue, 141–43
 - Chamber of Commerce, 88
 - Commercial Banking Company of Sydney, 42
 - constitutional reform, 140
 - customs revenue, 34, 148
 - debts, 6–7, 43, 172, 226
 - drought, 12, 34, 146
 - effect of Federation, 33
 - Federal elections, 244, 249–50
 - financial position, 42, 46, 173
 - financial reform, 74, 81–82, 131, 143
 - fishing industry, 91
 - industrial disputes, 11
 - Legislative Assembly, 228–29, 251–52
 - Liberal Reform League, 80, 101
 - old age pensions, 12
 - pastoral industry, 45
 - People's Reform League, 78, 80, 101, 122–23, 131, 149
 - press, 6–7, 40, 57, 82, 122, 138, 192, 215, 228, 234, 248–49
 - public servants, 5

- public works, 6, 225
- railways, 6, 138–39, 149, 225
- rainfall, 28, 45, 57, 63, 142
- redistribution of seats, 183–84
- referendum, 228–29, 251–52
- Rocks resumption, Sydney, 6
- Royal Commission of Inquiry into the Working and Administration of the Government Docks and Workshops at Cockatoo Island 1903, 160
- State finances, 6
- sugar industry, 87
- Tamworth by-election, 66, 73, 78–82
- tariffs, 6
- unemployment, 64
- visit from Deakin, 206
- visit from Kingston, 103
- visit from Philp, 35
- New Zealand *see also* Seddon, Richard John
 - Anglo–Australian Naval Agreement, 216–17
 - debts, 57
 - defence, 216–17
 - exports, 210
 - naval defence agreement, 229–30
 - preferential trade, 229–31
- Nicholls, Herbert, 86
- Northern Territory, 34
- O
- O’Connell, William Bligh Henry, 65
- O’Connor, Richard Edward, 11, 119, 193
- O’Sullivan, Edward William
 - alliance with Crick, 66
 - as Minister for Public Works, 160
 - employment, 28, 82
 - expenditure, 12
 - New Zealand loan, 57
 - support for Labour, 131
 - Victorian rail dispute, 104
- old age pensions, 12, 82
- Oliver, Alexander, 191
- P
- Pacific Island labourers, 13, 19, 46, 99, 159, 242, 251
- Pacific Island Labourers Act 1901* (Cth), 19
- Papua, 59, 116, 119, 202
- Papua (British New Guinea) Bill (Cth), 202
- Parkes, Henry, 11, 202, 228
- Parliament, Federal
 - Budget, 147, 152, 166, 170–74
 - effect of Federation, 31–33
 - Free Traders, 70, 99, 112, 135, 157, 232–33
 - House of Representatives, 33, 161, 225
 - Labour, 13, 22, 28, 38, 40, 99, 119, 165, 219, 232–33
 - need for authority, 16
 - Protectionists, 25, 46, 113, 157, 189, 213, 232–33
 - racing lotteries, 30
 - Radicals, 13, 30, 70, 135, 154, 157, 164, 208, 243
 - redistribution of seats, 183–84
 - Revenue Tariffists, 46, 120, 125, 189, 232–33
 - Senate, 24, 33, 118, 161, 225, 232
- Parliament, New South Wales
 - Arbitration Act 1901*, 12, 46, 161
 - difficulties in governing, 8
 - expenditure, 55
 - financial policy, 66
 - Labour, 10, 101, 122, 130–31, 137, 140, 176
 - Reduction of Members Referendum Bill, 228
 - Reform Party, 138, 148
 - Sydney Corporation Act 1902*, 7
 - Women’s Franchise Act 1902*, 7
- Parliament, Queensland
 - expenditure, 53
 - Labour, 9, 11–12

- Parliament, South Australia
 - Labour, 11–12, 176
 - Legislative Assembly, 74
 - Legislative Council, 74
- Parliament, Tasmania
 - Free Traders, 136
 - Labour, 11, 104, 176
 - Legislative Council, 220
- Parliament, Victoria
 - Budget, 193, 200
 - Constitutional Reform Bill, 48–50, 54, 69–71, 76–77, 107, 223, 240
 - Factory Acts, 165, 177
 - Factory Bill, 211
 - Free Traders, 136
 - Labour, 11–12, 176
 - Legislative Assembly, 48–50
 - Legislative Council, 25, 48–51, 54
 - Liberal Party, 224
 - Railway Strikes Suppression Bill, 106–07
- Parliament, Western Australia
 - Labour, 11–12, 22, 176, 193
- pastoral industry, 4, 23, 45, 147
- Patterson, James Brown, 11
- Peacock, Alexander James, 25, 74–75, 238
- Perry, John, 46
- Petriana*, 235
- Philp, Robert
 - as Premier, 53
 - Federal elections, 211, 219
 - National Liberal Union, 162
 - opposition to Barton, 23, 162
 - opposition to Kingston, 162
 - Pacific Island labourers, 19
 - preferential trade, 219
 - Premiers' Conference, 86
 - press, 53–54
 - State debts, 93
 - State rights, 88
 - tariffs, 83
 - visit to New South Wales and Victoria, 35
 - want of confidence vote, 166, 175
- population, 4, 29, 45, 170, 207–08
- Postmaster-General's Department, 5, 147, 150
- Preferential Trade League, 248
- Premiers' Conference 1901, 60
- Premiers' Conference 1903, 85–95
- press
 - Free Trade, 126, 136, 163, 233–34
 - Great Britain, 41–42, 46, 67, 126, 169, 181
 - national, 52–53
 - New South Wales, 6–7, 40, 57, 82, 122, 138, 192, 215, 228, 234, 248–49
 - Protectionist, 126, 213, 243
 - Queensland, 40, 53–55, 120, 166
 - Radical, 53
 - South Australia, 40, 67, 120
 - Victoria, 49, 53–54, 69–71, 108, 120, 144, 212, 224, 243
 - Western Australia, 40
- Price, Thomas, 176
- Privy Council, 16, 83, 115, 145, 187, 194
- properties, transfer from States, 61, 87, 89
- Propsting, William Bispham, 136, 245
- Protectionist Association, 39
- Protestant Defence Association, 66, 231, 245
- public servants
 - Federal, 5, 33, 82, 132
 - New South Wales, 5
 - Queensland, 65
 - State, 73, 171
 - Victoria, 48–49, 55, 77, 103, 149, 229
- Public Service Act 1901* (Cth), 5
- Q
- Queensland
 - agriculture, 151
 - debts, 172

- drought, 150
- effect of Federation, 33
- Federal elections, 219, 244, 246, 249–50
- financial position, 43, 150
- financial reform, 74
- Legislative Council, 220
- National Liberal Union, 98
- Premiers' Conference, 86
- press, 40, 53–55, 120, 166
- public expenditure, 145
- public servants, 65
- railways, 28
- rainfall, 63, 142, 150
- redistribution of seats, 183
- retrenchments, 34
- revenue, 6
- sugar industry, 34, 86–87, 147, 219, 242
- taxation, 55, 93, 150, 220
- visit from Deakin, 206
- White Australia policy, 161
- Quick, John, 133, 153, 155
- R
- Radicals *see* Federal Parliament entries
- railways
- industrial disputes, 102–11
 - industry, 6, 27–28, 138–39, 149, 203–04, 225
 - Inter-State Commission, 15, 38, 115, 119
 - New South Wales, 6, 138–39, 225
 - Queensland, 28
 - South Australia, 28
 - transcontinental to Darwin, 34, 66–68, 86, 168
 - transcontinental to Perth, 20, 23–24, 34, 66–68, 86–89, 100, 119, 132, 167, 172, 202–04
 - Victoria, 6, 28, 102–11
- rainfall, 3, 28, 34, 44–45, 57, 63, 142, 150, 220, 247
- Rawson, Sir Harry Holdsworth, 129, 138
- Register, The*, 67
- Reid, George Houstoun
- alliance with Labour, 125, 181
 - Anglo–Australian Naval Agreement, 120
 - arbitration courts, 104
 - as NSW Premier, 11–12
 - Conciliation and Arbitration Bill (Cth), 179
 - election policy, 206, 210
 - election prospects, 224
 - election results, 246, 250
 - Federation, 58, 194
 - free trade, 24, 113, 230
 - future plans, 240
 - High Court Procedure Bill (Cth), 155
 - Judiciary Bill (Cth), 134
 - loyalty to Scotland, 37
 - Naval Agreement Bill (Cth), 153, 155–57, 165
 - naval defence, 38, 117, 156
 - need for economy, 7
 - opposition from Labour, 119
 - opposition from Lyne, 36
 - opposition from McMillan, 121
 - opposition to preferential trade, 121, 163
 - opposition to Protection, 140
 - Pacific Island labourers, 159
 - Radicals, 13, 30
 - redistribution of seats, 184–85
 - resignation, 186
 - support for Labour, 13, 39
 - support from Labour, 202
 - support from Philp, 162
 - tariff reform, 22, 24, 40, 72, 98, 180, 190, 210, 219, 225
 - the 'six hatters', 38
 - tobacco tariffs, 21
 - transcontinental railway to Perth, 23–24

- visit to Adelaide, 36
- visit to Melbourne, 36, 206
- visit to Tasmania, 98, 104
- visit to Western Australia, 22–24, 35–36
- Reid, Robert, 24–25, 72, 126
- Revenue Tariffists *see* Federal Parliament entries
- Rose, Thomas, 56
- Royal Commissions
 - Sites for the seat of government of the Commonwealth, 1903 (Federal), 191
 - Working and Administration of the Government Docks and Workshops at Cockatoo Island 1903 (NSW), 160
- Russia, 4
- S
- Samoa, 87
- Sargood, Frederick Thomas, 24–25
- Sawers, William Bowie Stewart Campbell, 206, 219
- Seat of Government Bill (Cth), 191–93, 198, 204
- sectarianism, 12, 56, 66, 213, 228, 231, 245
- Seddon, Richard John, 57, 217, 229–31
- See, John
 - as Premier, 137
 - difficulties in governing, 122
 - Federal Capital, 193
 - Federal elections, 210
 - Legislative Assembly referendum, 251
 - Murray River, 90, 100
 - opposition from Carruthers, 131
 - possible defeat, 82
 - preferential trade, 136
 - redistribution of seats, 252
 - support from Labour, 176
 - Tamworth by-election, 78, 80
 - Victorian railway dispute, 110
 - want of confidence vote, 160
- Shiels, William, 77, 144, 149, 198–99
- shipping
 - industry, 15, 19, 127, 164, 178
 - Vondel*, 16, 18
- Smith, Arthur Bruce, 181
- South Africa, 19, 136, 154, 157, 210, 225
- South America, 106
- South Australia
 - associations of employers, 161
 - Chamber of Commerce, 136
 - commercial standing, 34
 - Constitution, 74
 - effect of Federation, 33
 - Federal elections, 243–44, 246, 249–51
 - financial position, 43, 173
 - financial reform, 74
 - fishing industry, 91
 - gold industry, 67
 - Northern Territory deficit, 34
 - press, 40, 67, 120
 - public expenditure, 145
 - railways, 28, 86
 - rainfall, 63, 142
 - redistribution of seats, 183
 - revenue, 6
 - visit from Reid, 36
- Sowden, William John, 67
- sport, 212
- St Patrick's Day holiday dispute, 56, 65
- State Premiers' Conference, 58–62
- Stevens, Ernest James, 54
- suffrage *see* franchise
- sugar industry, 34, 87, 115, 119, 147, 172, 202, 219, 242
- Sydney Morning Herald, The*, 234, 248–49
- Symon, Josiah Henry, 121

- T
- tariffs
- Federal, 4–5, 21, 103, 119, 136, 147–48
 - fodder, 7, 12, 38, 98, 171, 209
 - grain, 38, 98, 171
 - New South Wales, 6
 - ships' stores, 19
 - States, 147–48
 - Western Australia, 6
- Tasmania
- agriculture, 30
 - effect of Federation, 33
 - elections, 78
 - Federal elections, 243, 246, 249–50
 - financial position, 43
 - financial reform, 73
 - pastoral industry, 34
 - public expenditure, 145
 - racing lotteries, 30
 - redistribution of seats, 183
 - retrenchments, 34
 - tariffs, 29
 - visit from Barton, 36, 43
 - visit from Reid, 98, 104
- taxation, 22, 34, 43, 48–49, 52, 77, 92, 149–50, 220
- Tennyson, Hallam, 2nd Baron and Lady Emily, 17, 69, 85, 118–19, 121, 130, 133, 166, 201, 218–19
- Thomson, Dugald, 181
- Thrower, Thomas Henry, 79–80
- timber industry, 4
- tobacco industry, 21
- trade, domestic, 30, 83, 98, 111, 147, 154, 164, 168–69, 178, 209, 211, 215
- trade, international, 4, 43, 113, 126, 135–36, 146–47, 150, 157–58, 172, 207, 209–11, 215, 218, 230, 234
- trade, preferential, 112, 121, 126, 153, 155, 157, 167, 182–83, 189, 209–11, 219, 225, 229–31, 233, 235, 249, 250
- Trades Unions, 11, 100, 105, 108, 161–62, 175, 239, 246
- Trenwith, William Arthur, 243
- Tryon, George, 155
- Turner, George
- Appropriation Bill (Cth), 198
 - Budget, 147, 166, 170–74
 - customs revenue, 146
 - Departmental expenditure, 5
 - elected unopposed, 232
 - State debts, 62, 93, 144, 172, 198–200
 - support from Labour, 11
 - tariffs, 5, 83
- U
- United States of America, 4, 136, 230
- V
- Victoria
- appointment of Lord Mayor of Melbourne, 19
 - Budget, 149
 - Constitution, 48–50, 58, 74
 - Constitutional reform, 74–78
 - debts, 166, 172, 198, 200
 - drought, 146
 - effect of Federation, 33
 - Employers' Association, 165
 - Factory Acts, 177
 - Factory Boards, 161
 - Federal elections, 243–44, 246, 250
 - financial position, 43, 147–49, 173
 - financial reform, 74–76
 - fishing industry, 91
 - Kyabram Reform Movement, 74, 77, 123
 - Legislative Assembly, 229
 - political situation, 47–51
 - press, 49, 53–54, 69–71, 108, 120, 144, 212, 224, 243
 - public expenditure, 145

- public servants, 48–49, 149, 229
 - railway dispute, 102–11
 - railways, 6, 28
 - rainfall, 63, 142
 - redistribution of seats, 183–84
 - Reform Leagues, 132
 - retrenchments, 34
 - revenue, 6
 - taxation, 43, 48, 77, 93, 149, 220
 - visit from Philp, 35
 - visit from Reid, 36, 206
- W
- Waddell, Thomas
 - as Treasurer, 57, 65, 172
 - financial reform, 81–82, 131, 143
 - old age pensions, 82
 - State debts, 149
 - tariffs, 6
 - Walsh, Raymond Joseph, 79–80
 - Warner, Pelham Francis, 225
 - Watson, John Christian (Chris)
 - Anglo–Australian Naval Agreement, 120
 - as Labour leader, 39, 220
 - Conciliation and Arbitration Bill (Cth), 179
 - naval defence, 220
 - naval subsidy, 159
 - Navigation Bill (Cth), 246
 - tariffs, 225
 - Way, Sir Samuel James (Lieutenant-Governor of South Australia), 18, 127
 - Webster, William, 244
 - Western Australia
 - agriculture, 26
 - debts, 26, 43
 - effect of Federation, 33
 - Federal elections, 243–44, 246, 249, 251
 - financial position, 43, 150
 - financial reform, 74
 - gold industry, 33
 - press, 40
 - prosperity, 26–27
 - public works, 150
 - redistribution of seats, 183
 - tariffs, 6
 - visit from Lyne, 35
 - visit from Reid, 22–24, 35–36
 - water supply scheme, 24, 26–27
 - wheat industry, 4, 28, 38, 209, 247
 - White Australia policy, 58, 99, 104, 161, 181, 207–08, 210, 242–43, 249
 - Wise, Bernhard Ringrose
 - Arbitration Act 1901* (NSW), 12
 - as Attorney-General, 138
 - as leader of Legislative Council, 131
 - Free Trader principles, 234–35
 - Industrial Arbitration Bill (NSW), 165, 179
 - Preferential Trade League, 248
 - press, 122
 - visit to Great Britain, 20
 - wool industry, 4, 65, 115, 136
- Z
- zollverein, Imperial, 113

