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AUSTRALIAN FEDERATION AND THE DRAFT COMMONWEALTH BILL.

A PAPER

Read before the Members of the Queensland Federation League
On Friday, 26th May, 1899.

BY

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INTRODUCTORY.

Some time ago the Executive Committee of the Queensland Federation League invited me, as President of the League, to address the members, and through them the rest of our fellow Queenslanders, on the general subject of Australian Federation, with particular reference to the Draft Bill to constitute a Commonwealth of Australia as adopted by the Convention of 1897-8, and finally amended at a Conference of Australian Prime Ministers held in Melbourne in February last. I readily promised to do so, because, although I am debarred by circumstances from any active advocacy of the cause of Federation, I had something to do with the inception of the movement, and have ever since freely exercised my right to take part in the public discussion of the question. Moreover, I have heard on all sides the expression of a desire that a plain exposition of the Convention Bill should be given by some one especially familiar with the subject. Various causes have prevented me from sooner fulfilling my promise, but I am glad now to have an opportunity of doing so.

Until this year Federation has been to us in Queensland more or less an abstract question, but recent events have shown that a large majority of the people of Australia were in favour of the adoption of the plan of Federation formulated by the Convention, even without the amendments made by the Prime Ministers. It has, therefore, now become a practical question, to which the people of Queensland are called upon to apply their minds, and on which they ought to form for themselves an independent conclusion before giving their votes (as I assume they will shortly be called upon to do) to determine whether Queensland shall or shall not become a part of the Commonwealth of Australia, which, so far as we can judge of the future from the signs of the times, is certainly about to be established. My object in now addressing you is to endeavour to assist my fellow-colonists in arriving at an independent and intelligent conclusion on the subject—a result which cannot be secured unless they fully understand the nature of the proposals submitted for their adoption, and the probable consequences of the adoption of those proposals. In such a position of affairs I am sure that every honest endeavour to throw light on the matter will be welcomed, and that misrepresentations of the facts and endeavours to mislead will be reprobated, by all lovers of their country and lovers of the truth. I am satisfied that an overwhelming majority of the people only desire light, and will be grateful to those who honestly endeavour to assist them as they will be resentful towards those who, whether from imperfect knowledge or any other reason, throw unnecessary difficulties in their way.

I propose, in the first place, to say a few words on the subject of Federation in general, and then to refer in detail to the principal provisions of the Draft Bill.

WHY SHOULD WE FEDERATE?

Why should we federate at all? Why should we not go on as we are? Different persons will approach these questions in different spirits according to their temperaments. The essence of federation is common action, sharing with others in the exercise of powers which relate to matters of common concern, allowing others to have a voice in these matters so far as they concern ourselves, while they reciprocally admit us to a voice in the same matters so far as they concern them. In some minds a proposal of this kind, whether it refers to matters of vital national importance or to matters hardly extending beyond their own household affairs, will at once excite suspicion and distrust. Some men are by temperament disinclined to share the troubles or joys of

others. Some have so strong a confidence in themselves that they think nothing is to be gained by association with others. Some, again, regard with dislike or fear proposals for change of any kind, either from a constitutional disinclination for any disturbance of the existing order of things, or because they are disposed to take the pessimistic view that as any state of things must be accompanied by evil, and that as the exact results of a change cannot be foretold, it is better to endure the ills they know than fly to others that they know not of. Others, again, can with difficulty be brought to look beyond the scope of their own exclusive interests. All such persons will approach the question of Federation with a bias, conscious or unconscious, against it. On the other hand there are many persons to whom any proposal of united or fraternal action at once commends itself as probably having in it some element of good, and who are by temperament disposed, even, perhaps, with undue rashness, to accept any plausible scheme of associated action. These classes represent the extremes, but between them is the vast body of moderate persons, who are neither repelled by the mere suggestion of brotherly action nor prepared to accept a scheme on the mere suggestion that it is beneficial. And these, fortunately, are the persons who will decide the matter.

To these persons, of open mind, I address myself, and I will proceed to offer some reasons why Australians should federate—that is to say, should enter into some form of Constitutional union which will enable them to act as one people, instead of six separate peoples, in matters of common interest.

RELATIONS WITH THE REST OF THE WORLD.

It cannot be denied that the people of the six Australian colonies have many interests in common. Look at Australia and Tasmania (which I shall regard as part of Australia) from the point of view of a resident of any other part of the world. What to him are the political divisions now existing, with the consequent differences in the laws as they affect him? They certainly cause him inconvenience whenever they force themselves upon his notice, but they do not prevent him from regarding Australia as one country. If Australia were, as it used to be, entirely isolated and had practically no relations with the rest of the world, the existing divisions would not matter so much. But Australia has external relations; it is collectively an important part of the British Dominions; it is liable as such, and would be still more liable if it were not such, to the attacks of foreign enemies; it is necessary for the conduct of the public affairs of each of the six colonies to deal with the rest of the world. When, however, the time comes for its public men to speak they can speak each only for his own division of the country. If they all agree their wishes carry more or less weight. If they do not agree, or if, having agreed, some of them change their minds, or give place to successors of different opinions, their influence becomes small, and even inappreciable. At best, instead of speaking with the voice of a great nation, they utter the voices, often discordant, of several provinces. And how does this affect the people for whom they speak? Those people have not that share in the affairs of the world that they would have by right and by common consent if they were to act together. In that case, Australia, like Canada, would have a potent voice, and its people would soon come to be proud of a designation known and recognised all the world over. But who, out of Australia, knows the difference between Queensland and Victoria, or between New South Wales and Tasmania. Is anyone, visiting the larger world, proud of being called a "South Australian"?

Even if we had not the lessons of recent years to teach us, it might be asserted as a self-evident proposition that it is desirable that Australia should, for some purposes at all events, take her place as a unit in the great company of civilized nations. Few, indeed, now venture to publicly maintain the opposite view, however much their temperament may incline them to favour it. Everyone is now professedly more or less "in favour of Federation," but a great number are, unfortunately, always unable to assent to the particular form of Federation offered to them. The history of the last few years abundantly proves the necessity for common action as to external affairs. I

will not go further back than the year 1883, when the Government of Queensland had unsuccessfully endeavoured to acquire as part of the British Dominions the whole of New Guinea that did not belong to the Netherlands. A Conference or Convention of Representatives of all the Australian Colonies and New Zealand met in Sydney in that year, and framed a Bill for the establishment of a Federal Council of Australia, with authority to deal with a limited number of subjects. The Bill was passed in 1885 by the Imperial Parliament. By the resolution of the Convention adopting the Draft Bill it was formally admitted that the Federal Council was an imperfect body, but it was thought that a more complete Federal Constitution would have been too far in advance of the public opinion of the time, while it was hoped that the Council would develop into a more perfect Federal Union. This hope has, however, been disappointed, and it is now manifest that Federation will not come from a development of that body. Those who have had the conduct of affairs since 1883 know how largely what may be called the Foreign Affairs of the Australasian Colonies have expanded—what important questions have arisen with respect to Naval and Land Defence, with respect to the Immigration of Alien Races, with respect to New Guinea and the Pacific Islands, with respect to Postal Matters and Submarine Cables, with respect to the Treaty Obligations of the Mother Country, and a host of other matters; and those who have had the longest experience know best how hopeless a task it has been to try to deal with these matters satisfactorily without that common and single action which is at present unattainable.

RECENT HISTORY OF THE FEDERAL MOVEMENT.

In 1890 the necessity for some common action had become so apparent that a Conference met at Melbourne to consider the subject. This was followed by the National Australian Convention held in Sydney, in 1891, under the presidency of the late Sir Henry Parkes. By this time it had come to be generally recognised that for the purpose of effective united action it was necessary to establish an Executive Government common to all Australia, and also a Legislature with functions limited to matters of common concern, but having authority with respect to those matters over the whole territory of the Federation. Important questions necessarily arose as to the functions to be attributed to the Federal Parliament and Federal Government, and thus the whole question of a Federal Constitution was raised.

ENLARGEMENT OF POWERS BY FEDERATION.

It may be convenient at this stage to refer to a common error which seems to have found place in the minds of many people, who think that an agreement amongst persons or communities to exercise common authority with respect to matters of common interest results in a limitation of the scope of action possessed in isolation. The truth is that such an agreement extends instead of limiting the powers of every party to the agreement. For instance, Queensland at present can express its own opinion, and can, within very narrow limits, exercise authority, with respect to the question of alien immigration into Australia, but it can only express a pious opinion with regard to the question as it affects the rest of Australia; although indirectly our own interests are materially affected by the action of the other colonies, as we have recently found with regard to Chinese immigration into the Northern Territory of South Australia. So in regard to all other matters of common interest. With a Federal Parliament and Government, Queensland would have a voice in these matters as to all Australia. So each colony would have a voice with regard to all the rest. This is simply mutual giving and taking, as in the case of any other partnership or association, each member of the association acquiring a share in the governance of all common affairs, and reciprocally allowing the others a share in the conduct of the same affairs so far as it concerns himself.

What would be thought of a man who objected to send a representative to Parliament for the constituency in which he lives on the ground that his representative would have only one voice amongst many, and that he would prefer a little Parliament all to himself?

INTERNAL AFFAIRS.

I have hitherto referred only to external affairs, but there are manifestly many matters of internal concern as to which it is eminently desirable, if not necessary, that the laws of a continent like Australia should be uniform, or at least capable of being made uniform, without the concurrence of six separate Parliaments. It is sufficient at present to mention as an illustration the laws of marriage and divorce, with respect to the latter of which subjects the diversity of the law of the several American States has led to the most inconsistent and even lamentable consequences. The Convention of 1891 devoted much attention to this branch of the question, and agreed to a number of subjects which they thought were matters of common concern, and ought, as a matter of convenience, to be placed under the control of the Federal Parliament when established.

COMMON TARIFF.

At the Conference of 1890 it was agreed, after full discussion, that a common tariff and consequent freedom of trade amongst the several constituent States of a Federation was a necessary incident of a satisfactory Federal Union. It may be said that at the present time this view is accepted by all those who are sincerely in favour of a practicable Federation. The necessary consequence is, of course, that no protective duties could be imposed upon the products, whether primary or manufactured, of any of the States upon importation into another State, although the power to impose a general protective tariff against the products of the rest of the world would be unlimited. Whether this condition of a common tariff and intercolonial freetrade should be regarded as a necessary condition of Federation or not, it must, as just said be accepted as an incident of Australlan Federation at the present time. To many minds it offers one of the strongest inducements, while to others it appears a fatal objection. But we should remember that a large majority of the people of Australia have already by their votes expressed their willingness to accept the condition, including the people of Victoria, South Australia, and Tasmania, all of which colonies have, at present, highly protective tariffs, striking with effect at the products of their sister colonies. Those, however, who believe that a continuance of such protective tariffs is so essential to the welfare and progress of these colonies as to counterbalance any advantages to be derived from Federation are perfectly consistent in opposing Federation on these terms.

CONVENTIONS OF 1891 AND 1897-8.

At the Convention of 1891 each of the Australian Colonies was represented by seven representatives nominated by the several Parliaments, while New Zealand had three representatives. The representatives of Queensland took an active part in the labours of the Convention, which resulted in the framing of a Draft Bill to establish a Commonwealth of Australia.

For various reasons, which it would serve no useful purpose now to examine, that Bill did not become law, but, the matter having been put in a concrete form, and the interest in it having been kept alive by continual discussion, a fresh effort was made to give effect to the principle. Accordingly another Convention met in 1897 in Adelaide, and, after adjournments, in Sydney and Melbourne, and their labour resulted in the framing of another Bill, which is now the subject of consideration by Australia generally. At this Convention all the Australian Colonies, except Queensland (but not including New Zealand), were represented, the representatives in the case of all the colonies, except Western Australia, being chosen by popular vote. The amendments made in the Bill of 1891 were numerous, but principally in matters of detail. It is, as I think all will agree, to be regretted that Queensland was not represented. Nothing is to be gained by referring to the history of the various proposals for the representation of Queensland, or the reasons for their non-acceptance; but, to those who object that Queensland had no voice in the framing of the Constitution which it is invited to accept, it is only right to point out that, although

the second Convention formally decided to begin *de novo*, and not to start on the basis of the Draft Bill of 1891, they did, as a matter of fact, take it as the basis of their work, and that, as already said, the amendments made in it are principally in matters of detail. Whether the presence of Queensland representatives would have resulted in any material change is a question of no practical moment. I may be permitted to express my individual opinion that some matters of detail would have been altered, and, I think, for the better, but that no alteration would have been made in essential principles.

This Bill was submitted last year for the opinion of the electors of the four Colonies of New South Wales, Victoria, South Australia, and Tasmania, and in all was approved by a majority. In the case of New South Wales, however, the Legislature had established a statutory minimum of votes as necessary for the acceptance of the Bill; and as the number of votes in favour of accepting it just fell short of this number, the Bill was not, in point of law, adopted, and the question remained, for a time, in abeyance.

CONFERENCE OF PRIME MINISTERS.

Finally, a conference of all the Australian Prime Ministers was held in Melbourne in February last, at which certain further amendments in the Draft Bill were agreed to, two of which, of very great importance, and to which I shall have to call particular attention, were made at the instance of our own Prime Minister, Mr. Dickson.

The proceedings at this Conference were, naturally, not open to the public, but the amendments made in the Bill, which are few and simple, are public property, and every intelligent person is as capable of understanding them as if he had heard or read the conversations between the members of the Conference.

I have said enough, I think, to show that, although Queensland was not formally represented at the last Convention, Queenslanders have had no inconsiderable share in the framing of the Constitution. Moreover, it is a fact that suggestions made from Queensland during the sitting of the last Convention were carefully considered, and in many cases adopted.

PRESENT POSITION.

I have no more to say as to the general aspect of the question of Federation in the abstract, and as to the history of the Bill now about to be submitted for the approval of the electors of Australia. But so much it appeared necessary to say in view of objections that have been taken, founded on a mistaken notion as to Queensland's part in the work, and in view of the desire expressed for some general explanation of the reasons for Federation in the abstract. I proceed to the questions of immediate practical concern: What is the nature of the proposed Constitution, and how will it affect Queensland, if adopted?

THE PROPOSED CONSTITUTION.

The Bill, as finally amended, has been already approved at a poll by an overwhelming majority of the electors of South Australia. There is no doubt of its early acceptance by the electors of Victoria and Tasmania, and little, I believe, as to its acceptance by the electors of New South Wales, where the poll is to be taken on the 20th of June.

The time for the discussion of details with a view to their alteration before Union is, therefore, now past, and the only question is, "Shall Queensland join the Federation under the Constitution set forth in the Bill?" If she does, she will have an opportunity, like her sister colonies, of making her voice heard in proposals to amend hereafter faulty details. But the only way at present to give effect to objections to details is to reject the whole scheme. Each man who thinks that the Bill is capable of improvement must consider whether the defects which he thinks he finds in the scheme are so fatal to it as a whole as to require him to reject it, or

whether the scheme as a whole offers so many advantages as to turn the balance in its favour. The alternatives are "Federation under the Constitution" or "No Federation."

It is manifest that if Australia is to take its place as one of the nations of the earth, practically independent, save for its loyalty to the British Crown, it must, like other States, have an organised form of government. And we, at least, can hardly conceive of an organised government suitable to the British race which does not include a representative Parliament, an Executive Government to administer the laws of the Parliament, and a Judiciary to interpret those laws. If all the Colonies should be united into one single State, such as Queensland now is, with one Parliament of paramount authority, then, no doubt, one Parliament and one Government would suffice for the whole of Australia; but it is not conceivable that the several Australian Colonies, who have so long enjoyed practically unlimited autonomy in the conduct of their local affairs, would be willing, even in consideration of being admitted to the right and privilege of sharing with their neighbours in the direction of matters of common concern, to surrender their right of self-government except so far as is reasonably necessary for the establishment of a Federal Government.

It is important to bear in mind the essential nature of a Federation as distinguished from a Confederation or Alliance of States. A Federation is a political union of several autonomous States for certain specified purposes only, and within certain limits only, the union, however, for those purposes and within those limits being complete, so that the several States collectively form a larger State, with a common Government acting directly on its individual citizens as to all matters within its jurisdiction, and dealing with all persons beyond the State as a single body, while beyond those limits, and for all other purposes, the separate States retain their original and complete independence.

It follows that this first step in the work of framing a Federal Constitution is to determine what are the matters of common interest which are intended to be entrusted to the Federal Government. For, until the functions of the new engine of government are determined, it is impossible to judge of the suitability of the plans proposed for its construction.

PROPOSED FEDERAL POWERS.

I shall confine myself to the actual provisions of the Bill with which I am dealing, and shall say nothing as to other objects or other plans that might have been defined or adopted in their place. But I desire again to emphasise the absolute necessity of bearing in mind, throughout the consideration of the subject, the purposes for which the Federal Government is proposed to be established, and the powers which it is to enjoy, and of remembering that as to all other matters it is not proposed to interefere in the smallest degree with the existing powers of the Colonies as self-governing States. And, although the list of the powers proposed to be conferred on the Federal Authorities is a long one, and the reading may be tedious, I must ask you to follow me while I go through it, and to bear it in mind throughout the subsequent part of my address.

These powers are set out in Section 51 of the Draft Bill, which provides as follows:—

The Parliament shall, subject to this Constitution, have power to make laws for the peace, order, and good government of the Commonwealth with respect to—

(i.) Trade and commerce with other countries, and among the States:

(ii.) Taxation; but so as not to discriminate between States or parts of States:

(iii.) Bounties on the production or export of goods, but so that such bounties shall be uniform throughout the Commonwealth:

(iv.) Borrowing money on the public credit of the Commonwealth:

(v.) Postal, telegraphic, telephonic, and other like services :

(vi.) The naval and military defence of the Commonwealth and of the several States, and the control of the forces to execute and maintain the laws of the Commonwealth :

(vii.) Lighthouses, lightships, beacons, and buoys :

(viii.) Astronomical and meteorological observations :

(ix.) Quarantine :

(x.) Fisheries in Australian waters beyond territorial limits :

(xi.) Census and statistics :

(xii.) Currency, coinage, and legal tender :

(xiii.) Banking, other than State banking ; also State banking extending beyond the limits of the State concerned, the incorporation of banks, and the issue of paper money :

(xiv.) Insurance other than State Insurance ; also State Insurance extending beyond the limits of the State concerned :

(xv.) Weights and measures :

(xvi.) Bills of exchange and promissory notes :

(xvii.) Bankruptcy and insolvency :

(xviii.) Copyrights, patents of inventions and designs, and trade marks :

(xix.) Naturalisation and aliens :

(xx.) Foreign corporations, and trading or financial corporations formed within the limits of the Commonwealth :

(xxi.) Marriage :

(xxii.) Divorce and matrimonial causes ; and in relation thereto, parental rights, and the custody and guardianship of infants :

(xxiii.) Invalid and old-age pensions :

(xxiv.) The service and execution throughout the Commonwealth of the civil and criminal process and the judgments of the courts of the States :

(xxv.) The recognition throughout the Commonwealth of the laws, the public acts and records, and the judicial proceedings of the States :

(xxvi.) The people of any race, other than the aboriginal race in any State, for whom it is deemed necessary to make special laws :

(xxvii.) Immigration and emigration :

(xxviii.) The influx of criminals :

(xxix.) External affairs :

(xxx.) The relations of the Commonwealth with the islands of the Pacific.

(xxxi.) The acquisition of property on just terms from any State or person for any purpose in respect of which The Parliament has power to make laws :

(xxxii.) The control of railways with respect to transport for the naval and military purposes of the Commonwealth :

(xxxiii.) The acquisition, with the consent of a State, of any railways of the State on terms arranged between the Commonwealth and the State :

(xxxiv.) Railway construction and extension in any State with the consent of that State :

(xxxv.) Conciliation and arbitration for the prevention and settlement of industrial disputes extending beyond the limits of any one State :

(xxxvi.) Matters in respect of which this Constitution makes provision until The Parliament otherwise provides :

(xxxvii.) Matters referred to The Parliament of the Commonwealth by the Parliament or Parliaments of any State or States, but so that the law shall extend only to States by whose Parliaments the matter is referred, or which afterwards adopt the law :

(xxxviii.) The exercise within the Commonwealth, at the request or with the concurrence of the Parliaments of all the States directly concerned, of any power which can at the establishment of this Constitution be exercised only by the Parliament of the United Kingdom or by the Federal Council of Australasia:

(xxxix.) Matters incidental to the execution of any power vested by this Constitution in the Parliament or in either House thereof, or in the Government of the Commonwealth, or in the Federal Judicature, or in any department or officer of the Commonwealth.

With this Section must be read Section 69, which provides that the department of Customs and Excise in each State shall be transferred to the Commonwealth on its establishment, and that on later dates, to be appointed, the departments of Posts and Telegraphs, of Naval and Military Defence, and of lighthouses, lightships, beacons, and buoys, in each State shall also be transferred. All the property of the States used exclusively in connection with the transferred departments, that is, all the Custom Houses, Post Offices, Defence Works, and Lighthouses, are to become the property of the Commonwealth, which is to pay to the separate States the full value of the property so taken over.

By Section 88 it is provided that uniform duties of Customs shall be imposed within two years after the establishment of the Commonwealth; and, by Section 90, that on that event happening the power of the Federal Parliament to impose duties of Customs and excise, and to grant bounties on production or export, shall become exclusive; while Section 92 provides that on the happening of the same event there shall be freedom of trade, commerce, and intercourse among the States.

I will return directly to the question of taxation and finance, which in the view of some persons seems to overshadow all other aspects of the question. Before dealing with it, I invite your attention to the rest of the subjects enumerated in Section 51, and I ask you whether there is any one of them as to which it would not be of obvious advantage that the laws of Australia should be uniform—not merely that they should be identical in form, but that they should be single laws in force throughout Australia—which is not at all the same thing. Take, for instance, No. VI., Naval and Military Defence. The law of Queensland allows the calling out of the Queensland Defence Force in time of war for service in any part of the Australasian Colonies; but, if the men once crossed the Queensland border, they would no longer be subject to the law of Queensland, although that of New South Wales, where they might be, were in identical terms.

I have already referred to the manifest importance of uniform action, both legislative and executive, with respect to external affairs. The advantage of having a general law in force throughout Australia with respect to such subjects as aliens, quarantine, sea fisheries, patents, joint stock companies, the influx of criminals, is so apparent that, so far as I know, no objection has ever been made to the proposal to entrust powers of legislation on these subjects to the Federal Parliament if established. The rest of the long list consists of matters which are equally of common concern, although the advantage of uniformity may not be so obvious.

COLOURED LABOUR.

One of these subjects, however, deserves special reference. I refer to No. XXVI., described in these words: "The people of any race other than the aboriginal race in any State for whom it is deemed necessary to make special laws." These words would empower the Federal Parliament to deal with the coloured labour question in any of the States. In the Bill framed by the Convention of 1891 it was proposed that this power should be vested in the Federal Parliament exclusively, but in the Bill now under consideration the Parliament of Queensland will, as will the Parliament of every other

Colony, so far as regards its own territory, retain power to deal with the subject until the Federal Parliament of the Commonwealth thinks fit to exercise its paramount authority.

The present Bill, therefore, gives a freer hand to the several colonies than that of 1891. It was admitted in both Conventions that the question of alien immigration must be left, in the last resort, to the Federal Parliament, but the Convention of 1897-8 has left the matter to be dealt with by the several States until the Federal Parliament thinks fit to interfere. The probability of the Federal Legislature interfering with the existing laws of Queensland with regard to Polynesians may be gauged by the fact that up to the present time the Legislature of New South Wales has never attempted to touch the subject, although it largely affects the Northern agricultural areas of that colony.

RESERVATION OF RIGHTS OF STATE LEGISLATURES.

And this is a convenient place to point out that the powers of the several State Legislatures to deal with any of the subjects enumerated in Section 51 are not abolished with the exception of matters relating to the Departments of State taken over by the Commonwealth—that is, the Customs and Excise tariff when uniform duties have been established, the management of the Customs and Excise Departments, and the Departments of Posts and Telegraphs, Naval and Military Defence, Lighthouses, Lightships, Beacons and Buoys, and Quarantine. As to the rest, they may proceed to legislate upon them from time to time as they please, subject to the condition that, if the Parliament of the Commonwealth thinks fit to deal with any of these subjects by a general law in a manner inconsistent with the State laws, its law shall be paramount.

NON-INTERFERENCE WITH STATES.

With regard to all other matters, the State Parliaments will retain their existing powers absolutely unimpaired. To show how small a proportion of the actual attention of Parliament is addressed to the subjects as to which it is proposed to give the Federal Parliament authority to legislate, it may be interesting to refer to the number of Statutes passed during the last Parliament of Queensland dealing with these subjects. The only Statutes of that kind passed in that Parliament were the Customs Duties Acts (1896 and 1897), altering the tariff in some respects, an Act relating to the collection of Statistics as to products, an Act making some minor alterations in the Defence Act, the Beer Duty Act, and, perhaps, the British Probates Act of 1898, which deals with a small matter of legal practice with which the Federal Parliament, if it had been in existence, might, perhaps, have had power to deal, though this is by no means certain. Yet I have not heard that the Parliament of Queensland was idle during those three years. Certainly they added to the Statute Book many Acts, dealing, amongst other things, with the whole subject of Crown Lands, the whole subject of Mining, and many other matters vitally affecting the progress and prosperity of the community. The proportion of the work of legislation of the same kind done in the previous Parliament was equally insignificant.

What, then, becomes of the statement, so often made, I suppose in ignorance, that after Federation we should be governed from Melbourne or whatever other place may be the seat of the Federal Government, and that the Parliament and Government of Queensland would be reduced to unimportant bodies? The actual fact is that, with the exception of being relieved of the duties relating to foreign affairs, the collection of Customs and Excise revenue, the management of the Post and Telegraph Department, and the other minor departments already mentioned, the collection of Statistics, and, perhaps, the duty of conducting a Patents Office in each colony instead of one for all Australia, the functions of the Queensland Government would be exactly what they are to-day, while Parliament would only be relieved of the duty of legislating in respect to the same matters and such others of those enumerated in Section 51 as the Federal Parliament might deal with. And, in all probability, the same persons as at present would be employed to transact the business of the transferred departments, being, however, no longer Colonial, but Federal Officers.

REAL CONTROVERSY—INTERCOLONIAL PROTECTION OR FREETRADE.

I do not know that any serious objection has ever been taken to handing over the Post and Telegraph Department or the other three departments mentioned in Section 69 to Federal control. The real controversy, therefore, with respect to the advisability of establishing a Federal Government—I say nothing at present as to its constitution—appears to resolve itself into a question dependent upon the advisability of having a uniform tariff for Australia and consequent freedom of trade within the limits of the Federation. For, as already pointed out, the establishment of a Federal Government involves the abolition of such protection as is now afforded against the competing products, whether primary or manufactured, of the other colonies. It is no part of my purpose on the present occasion to discuss the abstract question of protection and freetrade, which, by the way, I have always thought rather to be a concrete question of which the circumstances of time and place are a most important element. But it is right to point out that as against the disadvantages which may be sustained in any colony by persons engaged in the protected industries must be set off the probable advantages to other members of the community by the enlargement of the free markets for their products. Queensland is, and for many years to come will be, mainly dependent upon primary industries, and its products will be largely in excess of its own requirements. A country so situated usually welcomes the opening of fresh markets free of restrictive duties. We can produce, as no other Australian colony can, cattle, sugar, and all kinds of tropical products. The incidental inconveniences of border duties may be illustrated by an incident that occurred within my own observation in Italy, before the unification of that country, and while the Papal States and Venice were under other dominion. A gentleman who had bought a box of cigars in Malta landed in Naples, where he paid import duty upon them. On entering the Papal States he again paid duty, and a third time on re-entering the Kingdom of Italy. On arriving at the River Po, which was then the boundary between Italy and the Austrian territory of Venetia, he was confronted with the necessity of paying duty a fourth time, and indeed a fifth time, as he intended to return in a few days to Italian territory. By this he was tired of the repeated exactions, and proposed to throw his cigars into the river, which he would have done had not some of his fellow travellers suggested that their overcoats were large enough to hold the cigars and keep them out of sight of the Austrian officers. A similar thing might happen to a visitor landing at Adelaide, and travelling through Victoria and New South Wales to Queensland. There can be no doubt that the intercolonial Customs duties have a material effect on intercourse between the several colonies, which we, at least, have every reason to wish to see as free from restrictions as is possible consistently with due weight being given to other considerations.

So far as our cities are concerned, they have, at any rate, the advantage of being nearer, by hundreds of miles, to the people for whose benefit they exist, and on whom they depend for their prosperity; and it would seem strange if, with these advantages, they cannot hold their own against their Southern neighbours under conditions that in this respect, at least, would not be altered.

Whether, having regard to the quality of those parts of our territory the products of which come into active competition with the products of the land of our sister colonies, and to the quality and capacity of our merchants, farmers, artisans, and directors of industry, we ought to be afraid of the unrestricted competition of our neighbours in things of which we have not a practical monopoly, is a question which each man must answer for himself. Those who think it should be answered in the affirmative, and who think further that this consideration overbalances any possible or probable advantages to be derived from Federation, will give their voice against the present proposals without going further into the matter. But those who think that we ought not to fail in our prospective greatness

From craven fear of being great

will be willing to give attentive consideration to the many important questions that remain to be considered before an affirmative vote can be given in favour of the adoption of the Convention Bill.

In the rest of what I have to say I address myself to those who think that a *primâ facie* case has been made out in favour of Australian Federation, but who want to know how the proposal is to be carried out, and what will be its probable consequence to the several Colonies, and particularly to Queensland.

So far as the supposed diminished power and duties of the Parliament and Government are concerned, I have said all that I care to say, except to remark that the promotion of each citizen of Queensland to the position of a citizen of a great Australian nation may be thought to compensate the colonists at large for any alleged diminution of prestige of the few citizens who are honoured with a seat in the Parliament or Executive Council.

How then is practical effect to be given to the scheme ?

THE LEGISLATURE.

There must of necessity be a Federal Legislature, for the powers proposed to be entrusted to the Commonwealth cannot be exercised without laws, nor without a body entrusted with the powers of legislation. There must also be an Executive Government to execute its laws, and there must be a visible and permanent head of the State.

It is proposed that the permanent head of the State shall be the Sovereign, represented by a Governor-General, who will exercise in her name such delegated powers as she may think fit.

Bearing in mind the difference already pointed out between a Federation and a single State, and remembering that it is not suggested that the Australian States shall lose their individuality, it is evident that, as a single House of Legislature elected on the basis of population would practically throw all legislative power into the hands of the more populous States, such a result is not likely to be accepted by the less populous. On the other hand, if all the States had equal representation in a Single House, the larger States might be overborne by the smaller, a result which they would not be likely to accept. In order to avoid these difficulties it has been accepted as a necessary condition of the Constitution of all successful Federations, that there shall be two Houses of Legislature, in one of which the people of the States collectively are represented according to population, while in the other House each of the States enjoys equal representation. I need only refer to the United States of America and the Swiss Republic as instances ; for Canada is not a Federation in the true sense of the term. The result of this arrangement is that in effect every law must obtain the sanction of a majority of the whole people of the Federation through their representatives, and also the assent of a majority of the States through their representatives. It is accordingly proposed by the Convention Bill that the Federal Legislature shall consist of two Houses—the Senate, in which each original State is to be represented by six members, and the House of Representatives, consisting of a number equal, as nearly as may be, to twice the number of the members of the Senate, the number of representatives for each State being in proportion to its population, with a proviso that no original State shall have less than five members. This proposal will work out thus : If all the colonies come into the Federation the number of Senators will be thirty-six—six for each State. The total population of the Federated Colonies will be divided by twice that number—that is, by seventy-two ; and the quotient will give the number of people for whom there should be one representative. Taking the present population of Australia, the numbers, on this basis, would be approximately as follows :—

New South Wales	27
Victoria	23
Queensland	10
South Australia	7
Tasmania	3
Western Australia	3

But, as the two last-named Colonies would then have less than five representatives, their number would in each case be increased to five.

These numbers would be altered from time to time, in proportion to the altered population of the several States, the numbers being ascertained by dividing the total population of the Commonwealth by 72, and a consequent allotment of altered numbers being made to each State, as before.

In the Senate, on the other hand, the representation of all the colonies would be, and continue to be, equal.

It is proposed that the franchise shall be in each State, for both Houses, the widest that is enjoyed under its local laws, with power to the Federal Parliament to establish a uniform franchise. It is contemplated that for the purpose of the election of members of the House of Representatives each State shall be divided into constituencies to be assigned by the State Parliament, unless (a very unlikely event) the Federal Parliament interferes. With respect to the Senate, however, it was provided by the Bill as adopted by the Convention that the whole State should form one constituency. This provision seemed to many persons eminently unsuited to the conditions of Queensland, and by an amendment agreed to at the Melbourne Conference of February, 1899, at the instance of the Prime Minister of Queensland, it is provided that until the Federal Parliament interferes (again a most unlikely event) the Parliament of Queensland may divide the colony into districts for the election of Senators.

At any election for a member of either House of the Federal Parliament an elector is to vote only once.

The Senators are to hold their seats for six years, one-half retiring every three years, subject to a special power of dissolution, which I will directly refer to. The duration of the House of Representatives is to be three years, subject to the ordinary power of dissolution with which we are all familiar.

The powers of the two Houses are to be practically co-extensive, except that Money Bills, strictly so called, must originate in the House of Representatives, and may not be formally amended by the Senate. But the Senate may make suggestions for their amendment, and, as I once before remarked, a strong Senate will compel attention to its suggestions, while a weak one will not insist on its amendments.

This has been called an eminently democratic Constitution, and so, no doubt, it is, if by democratic is meant that the will of the majority of the electors is to prevail. But I am free to confess that I do not attach so much importance to the epithet, or to the facts intended to be denoted by it, as some do. I think it is a Constitution eminently adapted to obtain the free expression of the will of the people of Australia, by whom and for whom the affairs of the Commonwealth are to be administered, and surely no one can seriously expect that any Constitution would be adopted which was not such as to secure that object.

Much misunderstanding has arisen from comparing the Senate or State House in a Federation with the Upper Chamber in a single State. The functions which the two bodies are appointed to discharge are, however, essentially different, and the reasons which should govern the determination of the mode of choosing them are correspondingly diverse. In a single State the main function of the Upper House is understood to be to secure in legislation deliberation and revision, and sometimes delay before the final acceptance of proposals as to which the real opinion of the community is not clearly ascertained. For this purpose the Upper House is usually not chosen by the same body of electors who choose the members of the more popular House. But whether it is chosen by the Executive Government, as in the United Kingdom and in New South Wales and Queensland, or by a limited body of electors, as in Victoria, South Australia, Tasmania, and Western Australia, its duties are of the same kind, and do not differ materially from those of the members of the more representative Chamber. If, in some cases, an Upper House has assumed, or seemed to assume, the function of protecting the interests of a particular class, the sphere of the interests which they so assume to specially represent is still concentric with that of the interests represented by the other House. In Federal Constitutions the special purpose for which the Second House is elected is to protect the interests of the separate States,

regarded as independent communities, if those interests should, by misfortune, come into conflict with the interests or supposed interests of the Commonwealth collectively, as represented by the members of the popular House. This being the end, the efficiency of the proposed means must be measured by the probability that the persons chosen in the prescribed manner will maintain the interests of their especial constituents regarded as Sovereign States. There has been much diversity of opinion as to the best mode of choosing persons to fulfil this function. The mode adopted in the Bill is, as already stated, a choice by the electors at large.

JOINT SITTING.

Some of the representatives of the more populous Colonies at the Convention were, however, afraid that, even with these provisions, undue power would be given to the smaller States, through their larger proportionate representation in the Senate, to prevent effect being given to the will of the popular majority of the whole Commonwealth. To avoid this danger, more fancied, I think, than real, the Bill, as now amended, provides that if a measure has been twice passed by the House of Representatives, with an interval of three months between the two decisions, and twice rejected by the Senate, both Houses may be dissolved simultaneously, and that if, after such dissolution, the House of Representatives again passes the measure, and the Senate again rejects it, the two Houses may be summoned to sit together, and that at the joint sitting an absolute majority of the total number of members of both Houses shall determine whether the measure shall become law or not.

I have no comments to offer as to the abstract wisdom of this provision, but I ask you to consider it in the light of the subjects to which the power of the Federal Parliament is limited, and to say whether you can suggest any one of them as to which it is, in the remotest degree, probable that a question will arise as to which the people of the more populous Colonies will be arrayed on one side and the people of the less populous on the other. I cannot conceive of any such case. As I have already pointed out, almost the only subject open to serious contention is finance, and, for reasons to which I shall presently advert, there is little chance of any such contest arising about Customs or Excise as to occasion the exercise of these extraordinary powers. If, however, any such question should arise, it is in the highest degree probable that the people of the great cities of Sydney and Melbourne would be arrayed on opposite sides. Moreover, it is highly improbable, and contrary to all our experience of history, that in any such contest the division of opinion would be coincident with the division of territory. It is probable—so highly probable as to be almost certain—that the division would be on the old well-known party lines which have hitherto divided the citizens of the same country in dealing with similar questions.

If it should be thought that the effective power of the Senate would be weakened by this power of dissolution, I may be permitted to observe that this is not by any means certain. Few new constitutional provisions work out in practice in the precise manner contemplated by their framers. And it is, in my opinion, far from improbable that this provision will result in added, and not diminished, power being given to the Senate. Certainly a Senate newly elected after a dissolution would be fully impressed with the sense of power arising from the immediate mandate of their constituents.

CAN WE TRUST EACH OTHER?

Assuming now that the inquirer is satisfied that there is no sufficient objection, so far as the form of the Constitution is concerned, to entrusting the affairs of the Commonwealth to a Legislature so constituted, can we trust the legislators who will probably be elected? This inquiry, of course, involves the whole question of the advisability of Federation. If we cannot trust our neighbours so far as to believe that they will deal honestly by us if we share with them, and they share with us, powers of legislation and administration for matters of common concern, or if we are afraid that

our statesmen cannot hold their own with those of the rest of Australia, we ought by all means to stand aside. The answer to be given to the question will depend no doubt to some extent on the matter of temperament already adverted to. My own experience of Australian public men, while it was my privilege to take part in public affairs, was not such as to lead me to dismiss the idea of Federation on either ground.

THE EXECUTIVE GOVERNMENT.

I pass to the question of the Executive Government of the Commonwealth, which, it is proposed, shall be substantially analogous to that with which we are familiar in Great Britain and Queensland as well as in the other Australian Colonies. It is, however, stipulated that the Ministers of State *must* be members of one or other House of the Federal Legislature. This provision, which is intended to ensure the engrafting of the system commonly called Responsible Government upon the Federal scheme, an experiment never yet tried in the world's history, may or may not prove a wise one. If, however, the attempt proves unsuccessful, or if, as is probable, the necessity for some modification of the present system of Responsible Government should become apparent, there is ample power in the Constitution to make the necessary alterations without undue friction or difficulty.

The functions of the Federal Executive will, of course, be confined to administering the laws of the Commonwealth. With the internal affairs or legislation of the States they will have absolutely no concern, except so far as regards the collection of the proceeds of Federal taxation and the administration of the departments transferred to the Federal Government, or established to deal with Patents, Copyright, Statistics, and such other subjects as are mentioned in Section 51. So that the States will, as at present, be governed by their own Governments and Parliaments, and from their own capitals, if the word "from" has any meaning in such a connection.

THE FEDERAL JUDICATURE.

We are not familiar with the notion of a Parliament whose powers are rigidly limited to specified matters. Our Parliament has (subject to Imperial control) unlimited authority to make laws for the peace, order, and good government of the Colony. But it is apparent from the nature of a Federal Government, as I have defined it, that the scope of its powers must be limited, although within those limits its power is absolute. On the other hand, the powers transferred to the Federal Government are necessarily *pro tanto* withdrawn from the Parliaments of the constituent States. But the powers not withdrawn are left absolutely untouched and without limit, so far as any interference from the Federal Government is concerned. The citizens of Federations are familiar with this division of power into two classes, each of the Sovereign authorities having absolute power within its own sphere, and neither being able to interfere with the other. It is plain, however, that questions may arise whether in any case either power has transgressed the limits of its authority. If it does, its legislation is unauthorised and void, notwithstanding the formal sanction of the Head of the State, which, in such a case, is taken to have been given by inadvertence. It is desirable, therefore, that there should be a tribunal charged with the duty of determining such questions in an authoritative manner, as well as of interpreting the Federal laws of the Commonwealth. It is true that every Court in the Commonwealth would be equally charged with this duty in any case that might come before it; but the inconveniences that might arise from differing decisions of different Courts, and the obvious importance of making provision that the laws of a Sovereign State shall be interpreted and enforced by a Court established by the State itself, and owing allegiance to it alone, have almost always led to the establishment in Federal States of Federal Courts of Justice.

It is accordingly proposed that there shall be a Court, to be called the High Court of Australia, with original jurisdiction over controversies affecting external affairs, or the affairs of several States, or the execution of the laws of the Commonwealth. It is

proposed that the High Court shall also be a Court of Appeal from the Supreme Courts of the several colonies on the same conditions on which an appeal may now be made to the Privy Council. The present appeal to the Privy Council is not proposed to be taken away, so that dissatisfied suitors will, as in Canada, have the option of appealing to the Privy Council or to the High Court. It is, however, provided that there shall be no appeal from the High Court to the Privy Council in cases involving the interpretation of the Constitution or of the Constitution of a State, unless the public interests of some other part of Her Majesty's Dominions are involved.

The appeal to the High Court from the Supreme Courts being optional, it is tolerably clear that its usefulness as a Court of Appeal will depend almost entirely upon the confidence reposed in its decisions, which, again, will depend very much upon the persons who constitute it. The possible advantages of the establishment of an acceptable Australian Court of Appeal have been pointed out for many years. Whether they will turn out to be real, or only illusory, is a matter for the future.

FINANCE.

I return now to the question of finance. The Federal Parliament, as a Sovereign Legislature, must necessarily be entrusted with unlimited powers of taxation; but, as it is forbidden to make any discrimination between different States, no one State need fear this power more than another.

It being provided that the Departments of Customs and Excise shall be transferred to the Commonwealth on its establishment, it follows that that part of the State Revenue, a very large proportion of the whole, which is at present derived from those sources will, in the first instance, pass out of their hands. What, then, is to happen? Probably no part of the work of the Convention has given rise to so much debate and difference of opinion, and, certainly, no part was attended with so much difficulty, as the task of dealing with this subject. The question is further complicated by the necessary provision that the Federal Parliament shall impose uniform Customs duties, which is to be done within two years after the establishment of the Commonwealth. Now, as no one knows at present what the tariff will be, or what revenue will be collected under it, either in the whole Commonwealth, or in any State, it is natural to inquire how the finances of the several States, and their means of meeting their external obligations and carrying on their government, are likely to be affected. I propose to explain, as briefly as possible, the proposals of the Bill as now amended, and their immediate actual consequences, as well as their probable future operation.

In the first place, then, it is obvious that provision must be made from the General Revenue for the expenditure of the Commonwealth, which will include the salaries of the Governor-General, Judges, Ministers, and Members of Parliament, and the expenses of administering the Government departments transferred. The total amount of these latter expenses is, however, likely to be diminished rather than increased. The actual new expenditure is variously estimated, but it is, I think, probable that it will not for some time exceed £300,000 or £400,000 a year, irrespective of any interest that may be payable in respect of moneys raised by loan for the purpose of paying the several States for the property taken over from them as already stated.

It is proposed that the new expenditure of the Commonwealth shall be borne by the people of the States in proportion to population, so that the share of Queensland in the new expenditure, which, at present would be about one-seventh, would probably not far exceed £50,000, exclusive of her share of the interest just mentioned—not a very large price to pay for the anticipated advantages. The contribution of each Colony towards the interest may be expected to be substantially compensated for by her share of the moneys raised to pay for the property taken over, which, in some cases, will amount to very considerable sums, large enough, indeed, to relieve the Treasurers from any immediate anxiety on account of possible diminution of Customs Revenue.

The officers of the Commonwealth will, as already stated, collect all Customs or Excise revenues from the beginning. But, until uniform duties have been imposed, the Revenue of the several States will remain absolutely unaffected, except by the liability to pay the share of new Federal expenditure just referred to. For until that time the Customs and Excise duties of each State will remain as they are, unless the State chooses to alter them (as it may do if it thinks fit), and will be collected as at present, and probably by the same persons, but as officers of the Commonwealth. And the Federal Government is required to credit to each State all the Revenue collected in the State, and to debit to the State (1) the expenditure in the State in respect of the transferred departments as at the time of the transfer, and (2) the State's proportionate share of the new expenditure already referred to. Here it is to be noticed that any increase in departmental expenditure in any one State will have to be shared by all of them. This debit having been made, the balance is to be returned to the State month by month.

The result will be that Queensland, like the others, will be credited with all Revenue derived from Customs and Excise, and with all Post and Telegraph receipts and Light dues, and will be debited with the expenditure in the same departments, as at the time of the transfer, and will receive back the balance less her contribution to the new expenditure. So far, all is quite simple, and the cost of Federation can be accurately counted in cash. The money would not, of course, in practice be actually sent to the Federal Treasury and sent back again, but the Federal accounts would be kept in each State at a bank appointed for that purpose.

When uniform duties of Customs have been imposed, all the State laws relating to Customs duties and Excise and to Bounties will become inoperative, except in the case of bounties granted before the 30th of June, 1898. This exception was introduced in view of contemplated legislation in Victoria, which, however, was not passed, and is practically inoperative.

For five years after the imposition of uniform duties, precisely the same principle will be followed; but, as duties on free goods, that is, goods not liable to Customs duties, or on which those duties have been paid at the port of arrival, will no longer be collected on transhipment to another State (except in the case of Western Australia, with respect to which special provisions are made for a diminution of these duties on a sliding scale), accounts are to be kept of all dutiable goods (that is, goods imported from abroad and liable to duty, and exciseable goods) passing from one State to another, and the duties collected on them, wherever collected, are to be credited to the State to which they are sent for consumption. Goods sent from one State to another in bond will, of course, pay duty at their ultimate destination. This will, no doubt, entail some inconvenience, but it also ensures fairness by crediting to each State all its actual contributions in this respect to the Federal Revenue. The work of the Custom Houses will probably be nearly as before, although the actual collections at some of them may be diminished. It has been said that this system is impracticable, and that it has been tried and has proved a failure in Queensland. This is not so. There has never been a law in Queensland providing for keeping any such accounts on transhipping goods from one part of the colony to another, though it has more than once been proposed to pass such a law. The system of requiring that imported goods shall be accompanied by certificates of origin is well known, and there is no more difficulty in framing the necessary law than in framing a law for the collection of *ad valorem* duties, or for the entry of goods for transhipment on a *transire* from one port to another. The Federal Legislature will, of course, have to pass such a law; but with respect to border duties it is not unlikely that the plan, formerly adopted in the case of Customs duties on the Murray River, of agreeing to a lump sum may be followed.

But a much more important question than this, which is merely a detail, remains to be considered. What will be the effect of a uniform tariff on the Customs Revenue of the States collectively and individually? It is obviously impossible to answer this question until we know what the tariff is. And it must be remembered that the duties now collected on the products of one colony passing into another will cease to be

collected. This will involve a diminution, to a large extent, of the total Customs Revenues at present raised in the Colonies collectively. This diminution may be estimated at from £700,000 or £800,000. I do not know of any actual recent Statistics on the subject. Queensland's receipts from this source, including duties on imports from New Zealand (which would not be lost) were computed in 1891 at a little over £100,000. Since that time our imports of the produce of the other Colonies have, I believe, become considerably less, and it is, I think, probable that our total loss on this head would not be larger than the sum just mentioned. A moderate Excise duty on sugar consumed in Queensland (which would be credited to us as the Colony of consumption), together with the certain expansion of Railway Receipts as a consequence of intercolonial freetrade, may reasonably be expected to more than make up this deficiency, apart from other probable prospective increases of Revenue. In any event, Queensland has, I think, less to fear on this score than any of the other Colonies, and that for this reason: Each of the other Colonies, except Western Australia, already relies to a considerable extent on direct taxation which cannot without great inconvenience, unlikely to be accepted, be increased, while in Queensland this source of Revenue is practically untouched. Each of them, therefore, and their representatives in the Federal Parliament, will be even more interested than Queensland in seeing that the tariff is such as to provide a sum practically equal to that collected under existing circumstances. And it is a matter of common observation that any Revenue tariff, whether its framers are actuated by protectionist principles or not, tends to produce approximately an equal contribution per head from the same population. It may safely be assumed, therefore, in my opinion, that the necessities of the other Colonies will compel the adoption of such a tariff as will produce a return to the several States of sums approximately equal to that raised under existing tariffs. And as these contributions will, in any case, be made by the same body of persons, the resources of those persons, and of the States collectively, will not be prejudicially affected.

It is, of course, conceivable that the Federal Parliament may have recourse to other forms of taxation; but for the reasons already given, and the further reason that it would be so difficult as to be almost impossible to collect a uniform direct taxation throughout a continent of the size of Australia, this is a remote contingency.

I have suggested the possible imposition of an Excise duty on sugar, which is, indeed, probable, in order to make up for the loss to the Revenue of the other Colonies of the amounts raised by Customs duties on that article. But it is not conceivable that such a duty, if imposed, would not be accompanied by a larger protective duty on foreign imports. An Excise duty on cattle is hardly conceivable; but, if imposed, it would, being uniform, not injuriously affect Queensland.

With respect to the sugar industry, in which we have so large a stake, it is to be remembered that our greatest danger arises from the European sugar bounties, against which, in the opinion of many persons well qualified to judge, our only sure defence is to be looked for in the imposition of countervailing duties by Great Britain. Is it not much more likely that this object will be attained as the result of the powerful united influence of an Australian Commonwealth than by the isolated endeavours of Queensland and the small West Indian Colonies, especially when the Commonwealth will be able; and, if we may judge by the publicly expressed opinions of many of the leading Australian statesman, will be willing, as Canada has done, to offer the inducement of preferential treatment to imports from the United Kingdom as against imports from foreign countries?

It may be expected, therefore, that during these five years the revenue of the several States would not be materially affected.

When the uniform Customs duties have been in force for five years, the system of keeping accounts of the revenue raised and expenditure incurred in the several States is to be discontinued, and the surplus revenue of the Commonwealth is to be distributed amongst the several States in such manner as the Federal Parliament may provide.

By that time the incidence of the Federal Customs and Excise taxation upon the several States will be accurately known, they will have become accustomed to the system of intercolonial freetrade, and will regard their mutual relations in a new light.

It is quite possible—for myself I think it in the highest degree probable—that by that time the Commonwealth will have exercised the power conferred upon it by the Bill (s. 105) of taking over the whole or part of the public debts of the States, setting off the liability in respect of the interest against the sum which would otherwise be payable to the States from surplus revenue.

In order to guard against the possible risk to the solvency of the several States, an amendment was made in the Bill at the Prime Ministers' Conference in February, at the instance, I believe, of the Prime Minister of Queensland, which I regard as of great importance. By this provision the Commonwealth may—and, as the solvency of every State will be the concern of all, I think this means that in case of necessity or urgent need they must—grant financial assistance to any State on such terms and conditions as the Federal Parliament may think fit. This provision, I think, practically ensures that the solvency of no State will be allowed to be affected by reason of its entering the Federation.

This is the appropriate place to refer to the provisions of Section 87, introduced into the Bill at the instance of Sir Edward Braddon, Prime Minister of Tasmania, and which has been the subject of fierce debate and of strange misconception. By that section it is provided that for ten years at least not more than one-fourth of the net revenue of the Commonwealth from Customs and Excise shall be applied to Federal expenditure. It follows that three-fourths at least of the net revenue from these sources must be returned to the States. The section has been treated as if it provided a minimum amount to be returned, instead of a minimum amount to be retained. For the reasons already given, it is apparent that it will be the imperative duty, as well as the interest, of the representatives of the several States to see that the return from surplus revenue is sufficient to prevent a disturbance of State solvency. It was impossible to fix a definite limit to the sum of money to be expended by the Commonwealth in the discharge of its sovereign duties, but this provision fixes a maximum limit upon the extent of disturbance of the State revenues. That the limit will ever be reached is, for the same reasons, highly improbable. The section, however, does not forbid the application of the surplus in payment of interest on State debts taken over by the Commonwealth, as already mentioned.

I have said esough, I think, to show that the question of the solvency of the States in the event of Federation has received full attention from the framers of the Bill, and that we, at any rate, have no substantial ground for apprehension of disaster on that score.

The Bill contains several subsidiary provisions for the purpose of giving practical effect to the ruling principle of intercolonial freedom of trade, which might be indirectly violated by arbitrary or preferential railway tariffs and other means. It is accordingly provided that an independent Commission may be appointed to secure the observance of this principle, with such powers of adjudication and administration as the Federal Parliament may think necessary for the execution and maintenance of the provisions of the Constitution relating to trade and commerce.

It is also provided (s. 102) that the Federal Parliament may by law forbid, as to Railways, any preference or discrimination by any State, if it is undue, or unreasonable, or unjust to any State, of which the Commission are to be the judges. But due regard is to be had to the financial responsibilities incurred by any State in connection with the construction and maintenance of its Railways.

This provision will effectively prevent any such unfair arrangements as at present prevail in some of the Colonies, under which goods coming to a Railway from across the border of a neighbouring Colony are carried at much lower rates than similar goods carried from the border, but having their origin in the carrying Colony.

PUBLIC SERVANTS.

Ample provision is made for the protection of members of the Public Servi employed in the transferred departments. A continuance of their services will be required in most instances, and if they are not wanted provision is made for the preservation of their existing rights.

STATE CONSTITUTIONS.

The Constitutions of the States are left absolutely unaffected, as are the existing powers of alteration of these Constitutions. And, as I have already pointed out, the functions of the State Parliaments and State Governments are affected to a very small extent. Other subsidiary provisions necessarily incidental to the establishment of a Federal State, although important, do not appear to call for special mention for my present purpose. The boundaries of a State may be altered by the Federal Parliament, with the consent of the Parliament of the State and a majority of the State electors voting on the subject, but not otherwise.

NEW STATES.

It is provided that the Commonwealth may admit new States on such terms, including the extent of representation in either House, as the Parliament may think fit.

THE FEDERAL CAPITAL.

It is provided that the seat of the Federal Government shall be in New South Wales, at a distance of not less than one hundred miles from Sydney. The territory appertaining to the capital, which is to comprise not less than one hundred square miles, is to belong to the Commonwealth, and to be governed by laws made by it. In the meantime, and until the necessary arrangements have been made for the Parliament to meet at the capital, it is to meet in Melbourne. This provision has, I suppose, given rise to the statement that we are to be governed from Melbourne, the accuracy of which I have already examined.

For my part, I am inclined to think that the provision as to the locality of the Federal Capital, with the provision that the Parliament is in the first instance to meet in Melbourne, will have far-reaching effects. The Governor-General will probably reside at Melbourne during the early sittings of the Parliament. The other States will not, however, be willing that he should, even temporarily, have his residence at Melbourne alone. And I am disposed to think that they will become so accustomed to his residence at one or other of the State Capitals that his residence at the Federal Capital will not for many years be more than occasional, and that as a consequence the importance of the Capital, and the expenditure incurred in fitting it for a seat of Government, will be much less than is generally supposed. However, it is not wise to prophesy. What provision will be made for housing the Governor-General at the State Capitals while in residence may safely be left to the wisdom of the State Parliaments.

AMENDMENT OF THE CONSTITUTION.

Ample provision is made for amending the Constitution. It is not unlikely that, as in the case of the United States of America, practical experience will soon show that many amendments are necessary. If any such necessity arises, it is, I think, likely that the amendments will not give rise to angry controversy, but will commend themselves to the common intelligence of the people. And there will be the inestimable advantage that, all the Colonies being united in the Federal compact, it will no longer be possible for any one to insist upon unreasonable conditions for its own advantage. The provision is that a proposed amendment having been agreed to by an absolute majority of both Houses, or twice by an absolute majority of either House, is to be

submitted to the electors, and that if in a majority of the States a majority of the electors voting approve of the proposed amendment, and if a majority of all the electors voting in the Commonwealth also approve of it, it is to be submitted for the Royal Assent.

CONCLUSION.

I have now referred to the principal provisions which, in my opinion, ought to be considered by the electors of Queensland before they exercise their franchise on a question more important than any that has hitherto been submitted to them—the question whether they will be citizens of a great Australian Dominion, prepared to step at once into a place amongst the nations of the world, or whether they prefer to remain a small and separate community, liable to all the disadvantages of isolation, and at the mercy, in many respects, of a powerful and overwhelming neighbour, with whom they are too diffident or too distrustful to cast in their lot. The example of Newfoundland, which has refused to join the Canadian Dominion, and whose present almost bankrupt condition offers a marked contrast to the welfare and prosperity of her prosperous neighbour, is not encouraging to those who favour a policy of isolation.

I am not vain enough to think that anything that I have said has afforded much light to most of my immediate audience, but I venture to hope that this exposition of the provisions of the Convention Bill may be of assistance to many of my fellow-citizens, less familiar with the subject, in forming an independent judgment, and I sincerely pray that that judgment may be a right one, and may be conducive to the future welfare of our common country.

By Authority: EDMUND GREGORY, Government Printer, William street, Brisbane.