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Liberalism In Australia.

(An Historical Sketch of Australian Politics down
to the year 1915)

BEING THE BEAUCHAMP PRIZE ESSAY OF 1915 AT
SYDNEY UNIVERSITY

... BY ...

H. V. EVATT, M.A., LL.B.

Lecturer in Law at St. Andrew's College, Sydney University; Scholar
and Prizeman at Sydney University in Philosophy, Law,
Mathematics and English Literature.

WITH A FOREWORD BY

PROFESSOR G. ARNOLD WOOD, M.A. (Oxon),

Challis Professor of History in the University of Sydney.

SYDNEY :

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FOREWORD.

British Liberalism was the British expression of the faith which towards the close of the eighteenth century began to revolutionize the society of all the lands of Europe. In France that faith was the strength of those who shouted the three battle cries of the day of glory. But it was the faith not of a day nor of a battle. It was a faith founded on strong thought, deep-rooted in fervent emotion, the permanent compelling faith of a People. It became the religion of the nineteenth century. *All men*, said the new gospel which was the old gospel, *all men* are able, by virtue of common human nature, to be happy and good. By nature man is free so to be. But by the State—the State controlled by King, Lords, and Church—he has been enchained. He must throw off the chains. The State must become the instrument, not of the tyranny of person, of caste, of superstition, but of the common will of the people. Force must yield to humanity. *All men* must help *all men* to live the good life. And, when mankind has accepted the new-old religion of the service of man, war will end in sense of brotherhood. This faith, with British interpretations, has been the inspiration of British Liberalism. And in its light and strength British statesmen, in unbroken succession, from Charles James Fox to David Lloyd George, have fought for the rights of human souls.

In Australia there has been a fight for the same faith. It has not been a very famous fight, for in Australia there has been, if not “lack of foes to conquer,” at least lack of the giant foe in shining armour which in Britain had to be fought both in pitched battles and inch by inch. In Australia, as Mr. Evatt says, “a Conservative party on British models was not possible.” This is a fact of inestimable importance and of inestimable value; but the lack of a great enemy makes the story of Australian democracy, at first view, somewhat uninteresting, because there appears to be a corresponding lack of great heroes and of great exploits.

And yet there is much interest in this story both for the student and for the politician. It is the story of a British society that was able to ignore the Norman conquest, that was free to make itself what it wished to be, free to grow on the lines on which the people who composed it desired that it should grow. It has been not so much a

FOREWORD.

story of battles against tyranny as a story of evolution on lines determined by the sentiments of a people, a story of the gradual growth and operation of a faith. And the faith that has grown and operated has been the faith, with Australian interpretations, of liberty, equality, and fraternity.

Mr. Evatt has undertaken the task of studying, analysing, and explaining this story. The value of his essay will be evident to every reader. But it will be most evident to students who know the difficulties that have been overcome. The study of the material of Australian history has hardly begun. It is the day of the pioneer historian, who explores new country, and whose work is indeed work of special interest, but also of special difficulty. Mr. Evatt has overcome difficulty with remarkable success. He has collected significant facts by careful research, and has explained their significance in clear, thoughtful argument. He has shown for the first time the meaning and the interest of a movement whose great importance will in future be more fully recognised. He has not only written a very good essay, but has also shown what opportunity exists in Australian history for the writing of other very good essays. I trust that some day he will himself write more fully about the movement of which he now gives this admirable sketch.

G. A. WOOD.

UNIVERSITY OF SYDNEY.

INTRODUCTION.

LIBERALISM IN AUSTRALIA.

In spite of Mr. Bruce Smith's statement* that, from the passing of the first Reform Bill in 1831, to the opening of the Home Rule campaign in the 'eighties, Liberalism and the English Liberal party were one and indivisible, there has always been a good deal of uncertainty as to the meaning and application of political party titles. Throughout the Russell administration of the 'fifties lines of party division were blurred. Peel had broken up the Tory party and helped considerably to break up the Whigs; and Russell himself was not successful in converting the Whig party to the new fiscal policy. Melbourne remained a protectionist to the end, and many free-traders placed the personality of Peel before the principles of the Whigs. Meanwhile Cobdenites and the followers of Peel owned no allegiance to the Government, and voted as they pleased!

Still, with the advent of Gladstone and Disraeli as leaders of two different sections of the House of Commons, it became possible to connect their parties in a more or less continuous succession with the two great factions of the aristocracy which ruled Great Britain in the eighteenth century. But the Whigs had become Liberals and the Tories had become Conservatives. Absorbing some of the doctrines of the French Revolution, the former stood for individual liberty, for freedom of competition. They adopted democratic ideals, such as the extension of the franchise, and set themselves to break down the monopoly of the landowner and the power of the Church, to establish equality before the law, and to remove the country from what was deemed the tyranny of Protection. Such principles had forced the Conservative party to defend the existing order of affairs, and they waved the banner of the Crown, the Church, and the Constitution. As they were compelled to accept democratic principles, they made it their object also to redress grievances. But whereas the Liberals attended to those evils resulting from privilege, the Conservatives devoted themselves to the remedying of the effects of excessive freedom of competition. The latter laid stress on order and authority, the former on the liberty of the individual.

But other complications were always forthcoming. The prolonged duel between Gladstone and Disraeli, the bias of Nonconformist Wales and Cornwall towards Liberalism, and the religious and national sentiment of Scotland and Ireland—all these factors brought other issues into the political world. And the vigorous foreign policy of the one party, like the *laissez-faire* policy of the other, often alienated the support of men who placed principle before factional solidarity.

The difficulty was, of course, even greater in Australia, the political life of which has had a character all its own. The methods of English politics could not be introduced as easily as English constitutions.

* In "Liberty and Liberalism."

Our early societies had no hereditary aristocracy and no one established Church, no large-leisured class and no wealthy manufacturers; so that a Conservative party on British models was not possible. For many years after Responsible Government we find groups rather than two stable parties, the life of administrations very short, and the political situation always unstable. With payment of members, however, the resulting professional class of politicians soon learned the advantages of co-operation, and, as power passed into the hands of the wage-earning classes, new ideals were promulgated, and the large landholders naturally lost control of the legislature. This development was completed by the rise and growth of the Labour Party, which helped considerably to give stability to party government.

One main line of division, however, has always existed in Australian politics: a division corresponding to that of minds conservative by nature and minds progressive by nature. In all domains of life and art we find one class desiring to press forward, to experiment, to find in any change a bettering of present conditions, and a second which clings with veneration to whatever is traditional and ancient, and which distrusts the dangerous and unnecessary proposals of what appears to it a shallow empiricism.

The old Whig theory was that "Kings exist for the people and not the people for the Kings"; and with this spirit the Progressives who carried the first Reform Bill, and who emancipated the Catholics, were in harmony; but so were the Australian legislators who passed the free-selection land acts of the 'sixties, and who introduced National Education.

"Liberalism," said Henry Broadhurst, "does not seek to make all men equal—nothing can do that. But its object is to remove all obstacles erected by men which prevent all from having equal opportunities." And so for half a century after 1831 there was a process, due directly to legislative enactment, in which the individual Englishman was set free to work out his vocation without arbitrary hindrances. In 1847 Daniel Webster defined a Liberal as "one who advocates greater freedom from restraint, especially in political institutions." The abolition of slavery in 1833, the abolition of the Corn Laws in 1846, the Chartist movement in 1848, the Trades Union Act of 1871, and the Ballot Act of 1872 all helped to provide a closer approximation to the ideal of equality of opportunity. In 1880 a prominent Minister* in the New South Wales Legislature said that much haziness existed in Australia as to the real meaning of the term "Liberal"; and certainly Australian Liberalism languished at times for want of foes to conquer—the material for a strong Conservative party being difficult to find. But, broadly speaking, Australian politics reproduced the movement which began in England in the 'thirties and lasted till the 'eighties, and in the early part of the year 1880 Australia as well as England might even be called a hunting ground for the philosophic anarchist. The various achievements of that

* Hon. Bruce Smith, M.P., Minister for Public Works, to his constituents at Glebe, Sydney.

Australian Liberal development we shall discuss later. In that development many men and many parties and coalitions shared, and although the names of "Liberal" and "Conservative" were often used to suggest praise or blame, sincerity and a real desire for national interests were not exclusive attributes of any of the many parties. But the process was certainly in the direction of equal opportunity and freedom, and a treatment of those early victories of Liberalism in Australia is necessary for the proper appreciation of the New Liberalism which came into being in the 'eighties.

We must show then how Liberalism's first triumphs were won in Australia over the evils of irresponsible government and the early convictism, how the struggle for a constitution resulted in the formation of nominee councils, representative councils, and finally responsible legislatures, how transportation was ultimately abolished, and how free immigration set in, particularly as a result of the gold discoveries. We must glance at the political life of Australia before and after responsible government, and watch closely the influence of Liberalism on land legislation, the fiscal question, and the scheme of national education. We shall see who were the leaders of Australian Liberalism up to 1880, and how fitted the new constitutions were to that policy; how the movement towards Federation was commenced, reaching its goal at the end of the century; and lastly, how the State authority became more and more powerful with the birth and growth of the Labour Party. Throughout this period Liberal principles and Liberal philosophy were inspiring the progressives, and although in one notable instance (that of the adoption of Protection) the doctrines of English Liberalism were not followed, yet there, too, the sanction and authority of Mill and Bentham were invoked by the organ* of Tariff Reform for the lapse from grace.

* The Melbourne "Age" newspaper.

CHAPTER I.

LIBERALISM AND IRRESPONSIBLE GOVERNMENT.

When Governor Macquarie arrived at Sydney at the end of 1809 to replace the deposed Bligh, he cancelled all appointments and executive acts of the "provisional" government, in accordance with the decision of the British Ministry. With his taking over the reins of administration discipline was restored, and the New South Wales Corps was disbanded. Bligh had placed the regulation of the colony before its progress, and thus came into conflict with the economic interests of Macarthur, the more important free settlers, and the corps, which had acquired a dangerous intimacy with the free population. Free immigration had been a negligible quantity, and rum-selling and rum-distilling had debauched both the convicts and their guards. "What have I to do with your sheep, sir?" certainly expressed Bligh's unconcern for the material progress of New South Wales, but Macquarie, unlike Bligh, was in a position to exert his influence. Before Macquarie the Governors had been naval officers, but now the troops had an army officer to command them, and the difference was immediately felt.

"My principle is," the new Governor wrote, "that when once a man is free his former state should no longer be remembered, or allowed to act against him." Macquarie encouraged the emancipists to take up land and gave them important offices to fill. It was inevitable that the free settlers who had sided with the corps against Bligh, and who had objected to emancipists sharing the profits of the rum-trafficking, should be opposed to his successor from the first. With the rest of the colony the latter was extremely popular, and not undeservedly so, for his scheme of public works was progressive if somewhat extravagant.

But the opposition was successful in having a Mr. Bigge appointed by the British Government to report on the state of the colony, and, for a second time, the irresponsible governor had to make way for a successor, the emancipist policy of Macquarie being condemned. To a "modern" view, the selfishness and greed of the "exclusive" party were unpardonable. From the standpoint of this study, however, the agitation of those free settlers was most significant as a protest against the caprice and arbitrariness of the system of government, and as the first step in the attainment of a representative council.

Thus we find that Brisbane, who succeeded Macquarie in 1821, left the control of the Executive to the "exclusive" officials, and devoted his time to scientific research! And, as a result of the Bigge report, the colony was no longer to be a penal establishment, but a settlement of free immigrants with convicts supplying the necessary labour. By the Constitution Act of 1823, a Legislative Council was given to the

Governor for his advice, and the latter had to refer any matters on which he was opposed to the Council to the English Government. Brisbane supported the movement towards freedom by abolishing the press censorship, a regular Supreme Court was established, and trial by jury allowed in certain cases. Darling succeeded him in 1825, and pleased the old "exclusive" party by a bitter attack on the emancipists and an attempt to re-establish the press censorship. But the past of the free settlers' party rose up against it, and William Charles Wentworth, the editor of the "Australian" newspaper, led the attack on the Governor, while the Chief Justice refused to certify that the "press-gag" Act was in accordance with the laws of England. In its former attack on the Governors the "exclusive" or conservative party was sowing the seeds of Liberalism, and it is also significant that Darling and the reactionaries, bringing libel actions against the "Australian" and submitting the trials to partisan juries, not only won their cases but incidentally brought about the establishment of trial by jury!

The passing of the great Reform Bill gave a further impetus to the Liberal movement in Australia. Wentworth led the fight for the substitution of civilian for military juries, and trial by jury after the English fashion was established before 1840. The Council had consisted of fifteen, including the Governor, seven official and seven non-official members, the latter being nominated by the Home Government. This was an improvement upon the old capricious and paternal if salutary administration of one man. But the people were not directly represented, and Wentworth raised the cry of "No Taxation without Representation," with support from Bland, Jamison, and Lang. The result was the establishment of representative government in 1843.

Tasmania had been occupied by the British Government early in the century, King, Davey, Sorell, and Arthur comprising a notable succession of governors. Under Sorell the colony advanced in population and material prosperity, and the settlers were often called to the counsels of the Government. But the arbitrary conduct of his successor, Arthur, again alienated the support of the settlement, although, like that of Macquarie in New South Wales, his power was often used to good ends. In 1843 Tasmania was not included in the British law, giving the mother colony a representative council, but the six official and six non-official councillors could not agree with Governor Wilmot, and the cry of "No Taxation" was raised with some success.

Roughly, before the year 1840, the system of government prevailing in the two Australian colonies was arbitrary and personal. The responsibility was centred absolutely and exclusively in the Governor. He was, indeed, assisted by an Executive Council nominated by the Crown, and chosen from the higher official positions. But it was not answerable either individually or collectively for the result of any advice it might offer. A year before the establishment of a representative council in New South Wales Martin could write: "The colonies of Great Britain are subjected to a dominion more assimilated to that of Russia and Turkey than anything else. In the colonies the genius of British liberty is not to be found. Those free settlers who were the children

“of England at home become the subjects and slaves of petty tyrants.” Certainly James Macarthur and the remnants of the old “exclusive” party were well content with the system; and in 1838 the former had a petition drawn up, asking for the continuance of transportation and irresponsible government. Bland humourously summed up the request thus:—“We have been blessed from the first establishment of the colony down to the present with an almost irresponsible local government, during which religious, moral, and political delinquency has flourished with a degree of vigour almost without parallel. Give us, therefore, a still more irresponsible and therefore wise form of local government, in order to procure to the colony a reform of all this religious, moral, and political turpitude.” The petition was signed by six Crown nominees on the Executive Council, and also by 427 of the free settlers!

For 55 years after the arrival of the first fleet in Sydney the control of the mother colony was vested in the various Governors. The movement towards Liberalism and liberty was initiated by John Macarthur, but carried to fruition by Wentworth, Lang, and Bland. In an important sense, of course, Macarthur was a Liberal against his will, and we might even prefer to see in the measures of Macquarie a real appreciation of the ideals of civil, political, and social freedom. His assertion that every man in the settlement was “to be considered on a footing with every other man in the colony,” according to “his rank in life and character,” marked a great advance on the point of view of the disciplinarians who had preceded him. Yet, despite the fact that the “exclusive” party was opposed to the later Liberalism of the 'forties and 'fifties, it was that party under Macarthur which first challenged the principle of irresponsible government.

It was during the administration of Lord Melbourne from 1835 to 1841 that the first principles of Liberalism were applied to Canada by the wise adaptation of British institutions—the principle of liberty, of self-government in all matters of local concern, of the unreserved application of the constitutional maxim of the responsibility of the Governor and Executive to the colonial assembly. In the protest, and the successful protest, against absolute rule on the part of the administrators the first great victory of Australian Liberalism was won. And it was not merely a negative victory, for the substitution of representative councils was of positive value in the larger and more important struggle for responsible government.

CHAPTER II.

LIBERALISM AND CONVICTISM.

For over twenty years Sydney was little better than a prison where felons and political criminals were "yarded" together under the discipline of the lash. During the governorship of Phillip, Hunter, King, and Bligh no efforts were made to induce free settlement, and it was rather discouraged as a handicap to the "system." In 1809, when Bligh was deposed, there were but 700 free settlers, while in the first seventeen years of the colony over 12,000 persons were transported. Many of the prisoners, of course, had been convicted for trivial offences: but that injustice only served to make the atmosphere of oppression and hatred more unbearable. The officers of the New South Wales Corps openly engaged in the gentle art of rum-trafficking, and the iniquities of this trade made the future of the colony appear appalling.

After Bligh had failed ignominiously to suppress the trafficking, Macquarie introduced the entirely new principle that, when a convict had served his period of sentence, he was to be treated as an ordinary free citizen-settler. The policy gave deep offence to those who had not left their country for its good, and the members of the "exclusive" party, considering themselves the moral aristocracy of the colony, grew stronger and stronger in their common social and economic interests. And there is no doubt but that the Governor's zeal for the liberal treatment of emancipists led him too far; the first Justice of the Supreme Court refused to allow any freed-man to practise before him, in open defiance of Macquarie's request that the emancipist "should feel himself eligible for any situation which he has, by a long term of upright conduct, showed himself worthy of filling."

As we have seen, the Bigge report went against the Governor on the emancipist question, and he was recalled. But Darling's system of "resolute government" gained a good deal of sympathy for the emancipists, and led, later on, to the formation of an Anti-Transportation League. Bigge's scheme of reform made provision for the classification of convicts, the better class was assigned all over the country to those pastoralists who wanted labour; and Tasmania and Norfolk Island became receptacles for the more dangerous criminals. The Macquarie system of herding the prisoners in great gangs for public works was discontinued.

In 1832, during Bourke's governorship, the system of appropriating part of the proceeds from the sale of land for the encouragement of immigration was inaugurated; and in 1840 this policy was approved by the Board of Colonial Land and Emigration Commissioners, appointed in London to advise the Secretary of State. The opening up of Port Phillip and the establishment of colonies in Western

Australia and South Australia likewise attracted settlers, and, during the 'thirties, the flow of immigration gradually changed the character of the country. During this period, and as a result of the agitation of the early Liberals, it was realised that, as a stepping-stone to the political growth of Australia, convictism must go. The statement of Lord Hobart that "if you continually send thieves to one place it must in time be supersaturated. Sydney now, I think, is completely saturated. We must let it rest and purify for a few years till it begins to be in a condition again to receive," was used as an argument for the relief of the *mother* colony, but there were also men of a more liberal view and a larger vision who thought and said that *all* Australia must be freed from the taint. The abolition of slavery in the British Empire and the improvement in the condition of English prisons showed that the Home Authorities must look with respect on the agitation of the Colonial Liberals. And a rising of convicts at Bathurst in 1830 and a mutiny at Norfolk Island in 1834 opened the way for a thorough investigation of the whole system. In 1837 a Select Committee of the House of Commons was appointed, and the report presented in 1838.

Meanwhile, there was a strong feeling amongst a section of the New South Wales colonists that it would be inadvisable altogether to do away with the advantages of the assignment system. The old "exclusive" party, which had opposed the introduction of trial by jury, and long enjoyed the monopoly of convict labour, had discouraged assistance to free immigration when free immigration meant closer settlement, and was naturally opposed to any interference with its own economic position. The squatters were quite satisfied with convictism, and, later on, were responsible for the creation of "the conditional pardon system." Gladstone himself had interests in Victorian station property, and representations were continually made to him by the pastoralists when he became Secretary of State for the Colonies. "We urgently need labour," they said, "and would rather have the pick of the gaols than the refuse of workhouses." But the free immigrants were not from the workhouse; they were, on the other hand, farmers, and the squatting interests did not approve of the cultivation of small areas.

In 1838, there was published a small monograph on the "Political Economy of New South Wales," by N. L. Kentish, Esq., "the object of which is to suggest the means best adapted in the present critical conjuncture and ruin with which the colony is threatened in the withdrawal of convict labour at a period when it is more than ever required." It was stated therein that, on the whole, the system of convict transportation had worked well, and was of advantage both to England and Australia. The plea of vested interests was raised, and it was asserted that, by abolishing such system a grievous wrong would be "inflicted on those who had invested their capital in the purchase of waste land from the Crown, upon faith that they should be assisted in its development by convict labour." The continuance of convictism would, it was said, increase the economic value of ordinary free labour, whilst only the extremists of the colony were opposed to "the humane,

“politic, and philanthropic system of transportation to New South Wales, and of assigning such transports to the private service of the “graziers, farmers, and colonists.”

Such was the Conservative and anti-Liberal attitude of the pastoral and “exclusive” parties in Australia just before the publication of the report of the English Parliamentary Committee. And we find that a section of the Liberal party, which (as we have seen) sprang into fitful existence during the latter portion of Darling’s regime, gave countenance to the continuance of Australian convictism. Wentworth was the leader of these early Liberals, and Bland an able assistant. The former had become extremely popular in Sydney, and was elected to the first representative council as its member in 1843. But Wentworth, although a Liberal in so far as he was opposed to the arbitrary government of the British Administrators, and a whole-hearted supporter of responsible government, was rather a Whig than a Liberal, and never attempted to conceal his distrust of the Chartist Movement in ’48 and of the political ambitions of the diggers who swarmed into Australia during the discoveries. We shall have an opportunity later of discussing Wentworth’s development as a statesman. Meanwhile he was not persuaded that the system of transportation should be discontinued. In the early ’thirties the Australian Patriotic Association was constituted, chiefly in order to obtain self-government. But, on the eve of the discussion in the British Parliament the Association saw fit to place its views on convictism before the Home Authorities. A petition was drawn up and signed by W. C. Wentworth, J. Jamison, and W. Bland. It stated that there was a great demand in Australia for labour, and that Great Britain needed to get rid of its surplus paupers. Both these facts could be met by the continuance of the transportation system, and the ear-marking of the money saved to encourage such pauper immigration. “The pastoral and agricultural capabilities of “the colony,” it was said, “are unbounded; we can receive an unlimited “number of convicts”; by so doing “the bond of union between the “Motherland and the colony would be perpetually strengthened by “their mutual interests.”

From one point of view, it is difficult to understand how the Association could reconcile the two conceptions of self-government and convictism. And, in any case, it is worth remarking that the “money saved” by the continuance of the system would go not into the common fund, but into the pockets of the very conservative section of the community with which the Association was at daggers drawn. The position in New South Wales in 1838 was as described above, and there was no organised body of public opinion which could present the Liberal view. It was due, in the main, to the efforts of Dr. Arnold and Archbishop Whately that the proper position in Australia could be gauged by the English Committee. Lang, of course, was bitterly opposed to the continuance of transportation, but he had not at the time reached the commanding position in the community he held later on.

The Committee reported that the transportation system was of little advantage to England and of incalculable harm to the colony.

It had been in force for nearly fifty years, and, in 1836, 50,000 convicts were living in the country. It was recommended that no more criminals should be sent to Australia. Lang quoted the following verses later in speaking of some of the evils of the early days:—

Unhappy land! Where demagogues appear
 Adulterous foreheads, reeking with pollution!
 Catching full oft the unsuspecting ear
 Of innocence with their villainous eloution;
 And eke presenting to the mob each year
 A thumping bastard and a constitution.

Such were the emancipists, in one view at least, and the study of those years is painful and depressing. The picture is put with a gaunt and unpoetic realism, but it is not unfaithful.

In spite of the Committee's report, Tasmania (still "Van Diemen's Land") continued to be a dumping ground for convicts, and, as the means of coping with the additional influx were inadequate, the British Ministry decided to mitigate it by reinstating transportation to the older colony under another name; the "conditional pardon" system was devised, and the better class of English criminals were "exiled" to Australia after serving a period at home and on contracting not to return there during their term of imprisonment. Under this somewhat shallow artifice transportation was continued, and convicts were sent both to Victoria and New South Wales. The "exiles" were at first welcomed both at Sydney and Melbourne, although the New South Wales public was vehemently opposed to the proposal of Gladstone's—that the old system should be re-adopted with the proviso that for every convict at least one free emigrant and one woman should also be sent out. And now, when Earl Grey had "ticket-of-leave" men transported and it became necessary to proclaim New South Wales once more a place to which convicts could be sent, the citizens of Sydney were furious and Melbourne was equally indignant.

Now the New South Wales Council, under the leadership of Wentworth, was rather inclined to ignore the public agitation. But, along with Wentworth and Bland, Robert Lowe was selected as a member for Sydney in 1848, and soon distinguished himself as a leader of Liberal thought and a strong believer in the complete abolition of transportation. When, on June 11th, 1849, the ship "Hashemy" arrived at Sydney with two hundred "ticket-of-leave" men on board, a great public meeting was held, at which Lowe and young Henry Parkes made characteristic speeches, and there were not a few who spoke of a second American Revolution. Melbourne followed suit, and Governor Fitzroy, although inclined to side with Wentworth and the Council, wisely avoided trouble by having the "emigrant" ships forwarded to Moreton Bay. A strong anti-transportation league was formed under the leadership of Cowper and Lowe, and in 1850 Lang presented a petition of 36,589 citizens of Sydney asking for the abolition of all convictism in Australia. The representative council had, in the meantime, changed its views on the subject, and in 1850 refused to accept convicts under any conditions. Earl Grey yielded with reluctance, but the British Ministry was out of office within a year, and its successors gave

the colonists an assurance that the recently separated Victoria as well as the Mother Colony had heard the last of transportation.

In Van Diemen's Land the convict system had been at its very worst, and the agitation on the mainland was there repeated. The Act of 1850 gave Tasmania a Council two-thirds elective, and although Earl Grey remained stubborn to the last Parkington realised that no discrimination should be made, and on December 14th, 1852, formally declared that no more convicts would be sent to any Australian colony, with the exception, of course, of Western Australia. The island signified the victory of Liberalism by changing its name in 1856 from Van Diemen's Land to Tasmania, for it was not till that year that the existing penal settlement was abandoned. Western Australian transportation did not cease till 1868, as it was deemed advisable to develop the colony by convict labour. But the "taint of convictism" cut it off from the remaining colonies, and in 1864 the Premier of Victoria proposed that it should be boycotted by the rest of Australia. South Australia was the only one of the colonies which had no direct connection with transportation, which had been expressly excluded from Wakefield's Scheme of Scientific Colonisation.

In the history of empires it is seen that many a colony of a parent state values among its prized traditions some opposition to what is considered interference on the part of the Imperial Government. It is so in the case of Australia in regard to the transportation system, and to the rule of arbitrary governors. Not that Britain was disinclined to grant the Australian colonies a measure of freedom and self-government, and these two early victories of Liberalism were undoubtedly triumphs against *local* conservative interests. It would seem, however, that the only basis on which an empire can build firmly is the basis of freedom. And true freedom was out of the question when Australia was under the control of governors, and when a large portion of the population were not free men. It is true that the continuance of the transport system might have been of economic advantage. But if bad characters have to be prohibited from the front door they can hardly be admitted to the home through the tradesmen's entrance! And no government can endure permanently "half slave, half free." It takes a good deal of effort to see much justification for the attitude of so many of the colonists of the 'forties in ranging themselves against liberty in its first and most vital sense. But economic factors have to be reckoned with, particularly in a land where, according to Wakefield, the search for wealth tended to dominate all other interests. Besides, there was undoubtedly an honest feeling that transportation and responsible government were not opposed in principle, and we find that attempts were made to justify the former on grounds of morality, which were hardly compatible with the contemporaneous claim of the "right of governing ourselves." And we may well wonder along with that strange character, partisan, religious, secular, passionate, liberal—John Dunmore Lang: "It is one of the profoundest mysteries in the history of man, as I have said, that the progressive landing of 50,000 British criminals on the shores of Australia should have been the first in that series of events which is evidently destined to issue in

“the occupation and settlement, the cultivation and Christianising of a large portion of the Southern hemisphere. God’s thoughts are not our thoughts, neither are our ways His ways.” Lang wrote that sixty years ago, and the subsequent developments of Australian Liberalism make its first two great victories seem even more significant.

CHAPTER III.

LIBERALISM AND RESPONSIBLE GOVERNMENT.

In dealing with the period of autocratic government in Australia, we have treated in broad outline the growth of Liberal ideas which culminated in the establishment of "representative" government in New South Wales. The rule of the early administrators was subject only to the slack supervision of the Colonial Secretary. In 1825, as a result of the Constitution Act of 1823, a Legislative Council was given to the Governor to advise in the making of ordinances. The members were appointed, however, by the Colonial Office, and all Acts of the Council were subject to the veto of both Governor and Chief Justice. In 1828 that veto was removed, and financial control was given to the new body, the constitution of which now provided for seven official members and seven non-official members appointed by the Home Government.

This state of affairs was not satisfactory to men of Liberal thought, and the growth and development of the Australian Patriotic Association showed a growing conviction of the necessity for responsible Government. In a leader of Wentworth's "Australian" newspaper, published in 1839, the complaint is made that the existing Government of the Mother Colony lacks a vital element. "The vital element to which we allude, and which it has required so many years to reduce to practical perfection, is that of responsibility of the governing to the governed. This one principle in respect to constitutional forms of government may not inaptly be compared to what steam is discovered to be in mechanical science a principle inseparable to the religious, moral, intellectual, and social advancement of the human species." Wentworth was untiring in his advocacy of reform, and the result of the agitation was seen in the Act of 1842, by which a Council was established to consist of 36 members, only one-third of whom were to be nominated by the Crown. The remainder were elected by citizens holding freehold estate to the value of £200 or occupying premises with a rental of over £20 per annum. Since 1823 Van Diemen's Land had a nominee council subject to gubernatorial veto, and a similar system was in operation in South Australia and Western Australia. By the 1842 Act those three colonies were to retain their existing constitutions.

Meanwhile, Lord Durham's report on the form of government best suited to the interests of Canada and the Empire made it certain that the Liberal demands would not stop short of responsible government for all Australia. There were many who even at that time looked forward to a union of all the colonies, and also several who made no secret of their desire to be independent of the Mother Country altogether. Two alternatives were proposed as an advance on the

existing representative system. In the first place it was considered that direct representation in the House of Commons might solve all difficulties. This met with no favour in Australia, and Benjamin Franklin's criticism of such a system was at once repeated. "We should declare," said Lowe, "that Britain has a right to legislate for the colonies, similar in all respects to her right of legislating for the people of England, and we would barter away the liberties of Australia for a thing of no value in itself."

The veteran Wakefield, however, had a second scheme by which the colonies would receive what he termed "municipal independence," the Imperial Government being left free "to deal with all Imperial questions." In a sense, the scheme of responsible government finally adopted left the home government free to interfere on "all Imperial questions." But as advanced by Wakefield the proposition met with scant courtesy at the hands of the colonial politicians, who looked for sovereignty of a much more liberal character.

The period in Australian history from 1843 to 1856 is one of antagonism between Britain and the several colonies. Attacks on Downing Street Administration and the morality of administrators may often be found amongst the records which survive. In May, 1844, Cowper had the following motion carried in the N.S.W. Council:—"That a Select Committee be appointed to inquire into and report upon all grievances connected with the lands of the colonies, and that it be an instruction to the Committee *to distinguish between the grievances which can be redressed by this colony and those which cannot.*" In the same year Wentworth had the following message contained in a list of general grievances, to be forwarded to the Home Authorities:—"Nothing can more indicate the evil tendencies of that entire separation of the legislative and executive powers than the perfect indifference, if not contempt, with which the most important decisions and resolutions of your Honorable House have been treated by the head of the Government during the course of the session. There is but one remedy for these evils—responsible government, in the sense in which it is understood in England, and an absence of all interference on the part of the Home Authorities, except on questions purely Imperial, or on matters referred to them by way of appeal, where the executive and legislative bodies happen to differ." The Council at the time contained Wentworth, Bland, Lang, Cowper, and Windeyer, and although Gipps said on opening it "I congratulate you sincerely on the introduction of popular representation into our Constitution" a personal quarrel between him and Wentworth undoubtedly delayed the arrival of a more representative assembly. And, with characteristic bluntness, Lang described the position of the Council—"the hybrid Parliament was struggling against the repressive powers of Downing Street."

During this period of conflict the Council was acutely conscious that the only matters in which it was directly interested—the trade, the land, and the question of immigration—were matters over which it had no control. It wrongly attributed the distress of 1840 to the English Orders in Council and the Authorising Act raising the price of

Crown lands, and it demanded their repeal. And when Acts of 1846 and 1847 divided the lands into settled, intermediate, and unsettled districts, converting squatting licenses into leases for one, eight, and fourteen years respectively, politicians in the city exclaimed that the squatters were being endowed, while country politicians were equally insistent that the squatters were being robbed! Moreover, there was open conflict between Gipps and the Council on the question of district councils and the upkeep of ordinary gaols, and the despatches of the Parliament to the Colonial Office were only equalled in bluntness by the accompanying comments of the Governor.

In 1846 there was, as we have seen, in Van Diemen's Land, bitter antagonism between Governor Wilmot and his nominee council, the resignation of the non-official members of which forced the hand of the Imperial Government, the Governor being recalled. In South Australia a small nominee council had been established by the Act of 1842, and a half promise was made that when the colony could pay its way it would be granted a representative council of the New South Wales type. In 1848 there was a quarrel between Governor Robe and the non-official nominees, and a strong agitation for self-government was commenced. By 1851 both Tasmania and South Australia had councils two-thirds elective.

It was in the Mother Colony, however, that the battle of Liberalism was fought. The growing success of the anti-transportation league and the establishment in 1849 of Henry Parkes' newspaper, "The Empire," were heralds of the dawn. But it was two other factors which conspired to assist in larger measure the Liberal movement.

In the first place, although the Chartist movement had apparently collapsed in 1848, the reforms demanded by the Chartists were still advocated by Radicals, and no more anywhere than in Australia. The Irish evictions of 1847 and the "rebellion" of the following year caused a large emigration to the several colonies, and the French revolution, outbreaks in Germany and Austria, and the national Liberal movement in Italy all encouraged the New South Wales reformers in their efforts for responsible government. Finally, when the rush to the goldfields began, thousands of the new citizens shared the convictions of the English Chartists.

In the second place, there was an increasing dislike for centralisation of government. This movement occasionally took the form of a demand for complete independence of English control. "Australia," said Lang in 1850, "should be admitted at once into the family of nations with the liveliest demonstrations of joy." And he failed to see the humour of his further threat: "The passes of the Blue Mountains are like the Straights of Thermopylae, and could be defended by a mere handful of Australian Greeks against the whole power of Persia." But the distaste for centralisation found a more legitimate expression in the movements for the separation of Port Phillip and Moreton Bay from the Mother Colony. The reference of small administrative matters from Melbourne and Brisbane to Sydney was as annoying as the reference of large questions to the Colonial Office. Almost from the time of their landing the settlers of Port Phillip

chafed against their inclusion in New South Wales. They had to take their orders from a settlement three weeks distant, and the concession of six elective members in the 1843 Council was unsatisfactory. There was great dissatisfaction, too, at the spending of the proceeds of Melbourne lands outside the district. In order to call attention to their grievances in a striking way the Colonial Secretary was elected as a member for Port Phillip in the New South Wales Council! The move was successful, and the passing of the necessary Enabling Act in 1850 gave the Home Authorities the opportunity of clearing the way for responsible government for all the colonies.

Provision for the latter was at last made in the Imperial Act which came into force in 1850. The franchise was at once reduced to a rental of £10 per annum or a freehold of £100. But the most valuable clause in the bill was that leaving the amendment of the constitution to the various local councils. In the Mother Colony there was a good deal of criticism at what was considered a half-measure, and Parkes' paper advised the existing Legislative Council "to cause the said Act "to be taken back to the place from where it came, and there, in "Downing Street, to be hanged by the neck till it is dead, dead, dead—" Earl Grey and Lord John Russell to be witnesses of the fact." Lang, too, declared the Act to be "discreditable to the Imperial Parliament "and unsuited to the intelligence of the colonies."

The first session of the new Legislative Council of New South Wales, elected to form a constitution, was opened in December, 1851. Its first measure was a protest against the retention of certain powers by the British Government. The motion may be regarded as the claim of colonial Liberalism for full and complete self-government, and all the important points were at once conceded.

"We, the Legislative Council of New South Wales, do hereby "solemnly protest, insist, and declare as follows:—

"First, that the Imperial Parliament has not, nor of right ought "to have, any power to tax the people of this colony, or to appropriate "any of the moneys levied by authority of the Colonial Legislature, "that this power can only be lawfully exercised by authority of the "Colonial Legislature."

"Secondly, that the revenue arising from the public lands, derived "as it is mainly from the value imparted to them by the labour and "capital of the people of this country, is as much their property as the "ordinary revenue, and ought therefore to be subject only to the like "control and appropriation."

"Thirdly, that the Customs and all other departments—the regula- "tion of the salaries of all colonial offices—should be subject to the "direct supervision and control of the Colonial Legislature."

"Fourthly, that offices of trust and emolument should be conferred "only on the settled inhabitants, the office of Governor alone excepted; "that this official should be appointed and paid by the Crown, un- "fettered by instructions from the Minister of the Colonies."

"Fifthly, that plenary powers of legislature should be conferred "upon and exercised by the Colonial Legislature for the time being, "and that no bills should be reserved for the signification of Her

“Majesty’s pleasure unless they affect the prerogative of the Crown or
“the general interest of the Empire.”

Wentworth had had these remonstrances carried as the last act of the old Council, and it was fitting that they should also comprise the first Act of the new. It was very lucky indeed that so much freedom in designing the new constitutions was given to the men on the spot. For the Act of 1850 was merely an Enabling Act, and whereas a Constitution of 1850 would have been made for a country of farmers and squatters, the new Councils in 1851 had to devise a Constitution which would also satisfy the claims of the new immigrants—the gold miners.

The old Legislative Council had sat for the last time on 3rd May, 1851, after passing the above series of remonstrances and making provision for the election of its successor. Three days later gold was discovered in New South Wales, and the peopling of Australia was taken out of the hands of the Imperial Government. It is impossible to exaggerate the effect of the influx of population. “It will,” said Wentworth, half in joy, half in fear, “precipitate a colony into a nation,” and in July, 1851, the London “Times” said: “A colony which is being peopled at the rate of five thousand a week by men nursed in freedom will soon be able to demand as a right that which she now entreats as a favour.” The miners had no representation in the new councils, and were not slow in raising the old watchword of “No taxation without representation” when the New South Wales and Victorian Governments raised their license fee to 30s. per month. The series of incidents culminating in the Eureka Stockade are outside the scope of this essay. There is no doubt, however, but that the immigrants were, up to a certain point, fighting the battle of Liberalism, and a senator of the Australian Commonwealth, speaking in 1913, referred to the Stockade incident in the following terms: “I have a claim, by virtue of blood and lineal descent, to speak feelingly in regard to fighting for the defence of the liberties of Australia. A very close maternal relative of mine was the very first man to be killed at the fight at Eureka.”

Meanwhile political issues were discussed and constitutional questions keenly debated. By 1854 the colonies of New South Wales, Van Diemen’s Land, Victoria, and South Australia had devised new constitutions, and each existing Council, acting independently, had reached approximately the same conclusions. Each colony decided in favour of a two-house system. With regard to the Lower House or Legislative Assembly, New South Wales, Victoria, and Van Diemen’s Land stipulated for a small property qualification, but South Australia at once gave the franchise to every male over the age of 21 years. Victoria, Tasmania, and South Australia decided on elective Upper Houses, on a fairly large property qualification, the members of which were to retire in small batches by rotation. In New South Wales the nominee principle was adopted, but the members of the Council were to hold office for five years only, after which period the system might possibly be revised. The latter proviso was a sop to the Cerberus of Sydney Liberalism which was holding out for an elective Upper and

Lower Chamber based on the principle of manhood suffrage. There was, indeed, a proposition in the Mother Colony to create an order of hereditary baronets, and Wentworth said that the scheme "would be a great improvement upon any form of legislative council hitherto tried or recommended in any British colony, and would lay the foundations of an aristocracy."

The assumption behind the latter statement was that an aristocracy is in itself a good thing, and that was not a proposition which commended itself to the Liberals of those days; and the resulting indignation and mockery soon put it out of the realm of practical politics. There was a good deal of complaint, too, at the inequality of the electoral districts, and at the proposed retention of the small property qualification for the Assembly elections. The alternative scheme of New South Wales Liberals is embodied in a motion carried at a huge Sydney meeting early in 1852: "That this meeting is decidedly of opinion that the time has arrived when the present Legislative Council should be replaced by a Legislature to consist of two Houses, both exclusively elective, viz.: a House of Representatives, who are to be chosen on the principles of universal suffrage, vote by ballot, and equal electoral districts, and to subsist for two years; and a Senate to be elected by the said House of Representatives for six years; so that each House of Representatives, after the first election of senators, shall have the power to elect one-third of the number of senators, provided only that every senator shall have attained the fiftieth year of his age, and shall have been previously elected a member of the House of Representatives." It was clear that Wentworth was somewhat dubious as to the truth of the Liberal motto, "Trust the People," and from the years 1850 to 1856 he gradually lost touch with the more progressive element in the Mother Colony. On the other hand, Lang was openly displaying the banner of independence, and Wentworth's attitude in opposition to such an extreme was praiseworthy.

In May, 1853, the Select Committee of the last Legislative Council of the old type reported on the question of the new constitution. Of that committee Wentworth was the acknowledged leader, and his influence may be traced in every word of the recommendations. "Your committee," the report read, "are of opinion that the offer contained in their declaration and remonstrance necessarily included a nominee Legislative Council in the first instance, and from this offer they see no reason to depart. They desire to have a form of government based on the analyses of the British Constitution. *They have no wish to sow the seed of a future democracy.* They do not feel inclined to hazard the experiment of an elective house based on a general elective franchise the moment the consolidated revenue of the colony is placed at the disposal of a Legislative Assembly consisting entirely of members elected on a popular basis a very close approximation to universal suffrage responsible government will take effect."

Darvall, a member for Sydney, at once presented a petition from his constituents asking for purely elective chambers. Wentworth

proposed that the recommendations of the Select Committee be adopted. He referred to the Sydney reformers as "a party who are inimical to the welfare of the country, and who are prepared to sacrifice that welfare to their own personal aggrandisement or the furtherance of their private ambition ——— a large mass of labour ——— the most vacillating, ignorant, and misled body of people in the country." He referred to his own ambition to have some son of his serve Australia in his turn, and warmly supported the proposal for hereditary baronetcies. He spoke scornfully of "democracy." "Its inefficiency abroad," he said, "is not less demonstrable than its tendency to corruption at home. It is equally incapable of devising or of persevering in any great scheme of public policy. There is but one consolation to look forward to, and that is the hope that it involves so many deeds of violence and decay, that it cannot, in the nature of things, be long lived, but must perish sooner or later by the abuse of its power." Wentworth spoke disparagingly of the "Chartists and Socialists and all manner of undesirable people" flocking to our shores, and concluded by stating that the present constitution "is framed with the express object of arresting the inflow of democracy, or at all events of opposing a bulwark against and of stemming the tide we may not stop." Darvall, Cowper, and Martin put the Liberal case, but the House was hostile. Martin declared that "every man who breathes the air has a right to share in legislation either personally or by representative," and we are able to gauge the conservative feelings of the Council when Cowper affirmed: "The Legislative Council ought to be elective. (Faint cheers.) Those cheers came from the Liberal side of the House—it is on that side that the elective principle finds favour." James Macarthur referred to the "dirty, paltry ruffians" who were in favour of equal electoral districts and universal suffrage. Wentworth, in reply, quoted his own poem:

"May this, thy last born daughter then arise
To glad thy heart and greet thy parent eyes,
And Australasia float with flag unfurled,
A new Britannia in another world."

Modern Liberals will find little satisfaction in Wentworth's attitude towards the "democracy"—a word which he evidently understood as "Liberal Socialism." But a great deal of honor and credit is due to him for his early advocacy of responsible government, in spite of his later withdrawal towards Conservatism, and his share in "the scuffling on the steps of the temple." Wentworth resigned in 1855 to secure the passage of the Constitution Act through the House of Commons. The vacant seat was filled by the election of Henry Parkes, who had been dubbed by Wentworth "the arch anarchist" on account of his earnest advocacy of Liberal reforms.

By 1856 responsible government was achieved in all four colonies, and "Van Diemen's Land" had become "Tasmania." William Bland presided at a great banquet held in Sydney in honour of the historic occasion, and "it was," said the Radical Melbourne "Herald," "a proud day for such a man to survive all the violence and all the feebleness of

“despotism, and to preside on such an occasion supported by the “Denisons and the Macarthurs under a new dispensation and system “of law and government.” After its separation from New South Wales, Queensland was granted responsible government, but convictism held back Liberalism in the West, and it was not till 1870 that Western Australia achieved representative government, and not till 1890 that responsible government was granted.

But in 1856 Liberalism had already won its third great victory. The Colonial Legislatures were no longer to be limited by any doctrine which would treat them as mere dependencies of the Imperial Government. Self-government meant parliamentary government, and the power of the various Parliaments to alter their Constitution. Responsible government further meant that, for the future, the English Parliament would abstain from all matters of policy and administration, and this consideration always governed the exercise of the powers of colonial Governors and of the extreme right of the Home authorities to disallow legislation. Power was now transferred from a Governor answerable to the British Government to an executive responsible within the colony itself. The definite change in the Crown instructions was small, and merely provided that the members of the Executive Council should be appointed with the understanding that, upon their ceasing to retain the confidence of the popular Assembly, they must resign office. But the change from a more or less representative to a completely responsible system was implied in that small alteration and responsible government by conventional practice has acquired the meaning of “cabinet government” or “party government.”

From the point of view of Liberalism the change was the only logical alternative to the irresponsible administration of the early governors. Responsibility of an Executive to the Governor and thus to the British Cabinet was a timid compromise, the only justification of which might be that it was a temporary expedient. The moment one abandons the conception of a Crown Colony Government, or a government with an adequate, nominated majority, there can be no stopping place whatever at which one can rest until the conception is reached of a responsible Legislative Assembly with an executive obeying its will. The argument of Burke’s, “the three thousand miles of “ocean that lie between you and them,” gave an added point to the demand of Australian Liberalism. The old system of colonial government had everywhere produced disunion, and in Canada had caused open rebellion.

In 1840 Wellington was still advocating the Tory view that “local responsible government (in a colony) and the sovereignty of Great “Britain were completely incompatible,” and in 1838 the leader of the English Whig Ministry, Lord John Russell, had declared that “if the “executive were to be named by the popular assembly of a colony he “could not conceive what was to become of the orders of the Imperial “Government and the Colonial Governor.” But the influence of Lord Durham and Wakefield soon produced a change, and it will readily be admitted that to the English Whigs a good deal of the credit for the new colonial policy is due. In 1842 Cobden said that “the

“colonial system, with all its dazzling appeals to the passions of the “people, can never be got rid of except by the indirect process of free “trade.” Certainly the Manchester school had its influence on the various colonial offices, and in 1846 the legislatures of the colonies were for the first time authorised to remove differential duties favouring British goods; this permission, coupled with self-government, was to give them a control of tariffs and trade such as Durham had never contemplated. But, apart from this, the Whigs were, by principle, opposed to the Tory theory of “resolute government,” and their doctrine of Liberty, as opposed to Conservative Nationalism, helped the Australian Liberal movement considerably.

Of the result of that movement Thomas Carlyle, with his distrust of bourgeois Radicalism, and his disinclination to “shoot Niagara,” could write to Henry Parkes in 1861: “I have been thinking over your “praise of your responsible government machine out there, which you “have set up in place of the Old Fogies of the Nominee Days. On the “whole I think it is better—if you must have one or the other—than “the Old Fogies.”

CHAPTER IV.

LIBERALISM AND PARTIES BEFORE RESPONSIBLE GOVERNMENT.

In dealing with the three great Liberal movements resulting in the abolition of irresponsible government, the abolition of transportation, and the establishment of responsible government in Australia, we have not dealt with any one Liberal party, and it might be asserted with truth that many Conservatives supported one or two or all three reforms. We have indicated, however, that on all three great questions there was opposition to be faced. The history of Australia up to 1856 is the history of Liberalism taking its time to reveal itself—of a movement and a spirit of liberty working in the hearts and brains of many men and many sections.

For it should be realised, one considers, that the factions which stood for Liberal principles, and which triumphed in the inevitable triumph of those principles, were not always the same. The old party of the "exclusives"—of John Macarthur and the officers of the New South Wales Corps—fought and apparently won the fight against irresponsible government, but that party was superseded in the thirties by Wentworth, Bland, and the Australian Patriotic Association. For, as was foreshadowed from the first, the "exclusives" became Conservatives, and supported the Governors against the growing movement for representative institutions, the freedom of the press, and trial by jury. So that when James Macarthur wrote in 1838, "Macquarie ought not to have forgotten that, although the free settlers had not latterly engaged in trade, or in commercial speculation, yet the best cultivated estates and the greatest quantity of cattle were theirs, and the best efforts for the solid improvement of the country had been made by them." Bland, as secretary of the Association, was inclined to prefer the arbitrary government of Macquarie to the conservatism of the descendants of the exclusives, and accused the latter of opposing all improvements for the introduction of Liberal reforms and of sacrificing the interests of the colony to their own selfish ends.

But Wentworth and the Patriotic Association took no active part in the movement towards abolishing transportation, and actually petitioned for a continuance of that system. And there can be no hesitation in saying that by 1853 Wentworth had definitely ranged himself on the Conservative side. Fifteen years earlier Macarthur had condemned Wentworth in his efforts to obtain representative government, and had spoken of the "precipitate and dangerous innovations" which were continually being proposed as a result of "the excitement of public meetings and the language of public orators." But, by 1853, this distrust of public meetings was seen in Wentworth himself, and in 1868—fifteen years later—still, "The Tory party of Wentworth and

"Deas-Thomson" was a common enough phrase of politicians in referring to the struggles for responsible government.

By 1851, at any rate, Lang was in open antagonism with the old leader of Liberalism. The last representative Council under Wentworth's lead had passed an electoral law which gave six members to Sydney and thirty members to the rest of the colony. It was claimed by Lang that this was unfair to the capital, which represented about forty per cent. of the electors. Additional point was lent to the question when Lang stood against Wentworth for Sydney and reached the top of the poll, while the latter, although also elected, was only third on the list. The Radicals claimed "a victory for Liberal principles" and a "justification of the ideals of political freedom." In the division in May, 1853, on the report of the Select Committee with regard to the Constitution, Wentworth's motion for the adoption of the report was carried by 33 to 8, and amongst the majority were the two Macarthurs against whom the Australian Patriotic Association had fought so strenuously in the thirties. It is significant, too, that when Wentworth resigned to secure the passage of the new Constitution his seat was filled by the election with a large majority of Parkes, who had been secretary of the Anti-Transportation League, over a prominent supporter of the Conservatives. It was quite clear that the Whiggism of the past generation could not satisfy the Liberal Radicalism of the new. But, through it all, Liberalism had won its triumphant way.

CHAPTER V.

LIBERALISM AND THE LAND.

Modern Liberalism has taken the view that land cannot rightly be regarded as an ordinary commodity, and it has also gradually been convinced that the best way to make private property secure and respected is to bring in processes by which such private possession of land is brought into harmony with the general interests of the people. And whilst Liberals sympathise little with the methods of Russian Nihilism, yet their attitude on the vexed question of private ownership of land is also that of equality of opportunity for developing the soil. In a sense the death-knell of the old "laissez-faire" school was heard when Cobden spoke of the great necessity of freeing land as well as trade; and the conceptions of socially created land monopoly values and of State interference in the direction of taxation on such unearned increments have gradually been evolved in the application of Liberal principles to the great question of agricultural settlement.

It is with more than ordinary interest, therefore, that the land problem in Australia presents itself to an historical sketch from the point of view of Liberalism. We shall see of what vital importance that problem was to the early colonists; how the first measures taken by the authorities conflicted with the economic interests of the pastoralists; how theorists like Wakefield and Grey endeavoured to resolve all the difficulties of colonisation by regulating the distribution of land; how the squatting system grew up, and how possession in fact was recognised in law; how the Liberals of the 'sixties thought to remedy the evils of that system by allowing indiscriminate free selection in most of the colonies, thus increasing land monopoly, and how various experimental legislation was undertaken with a view to closer settlement. Finally we shall attempt a critical examination of the whole question as it affects Australian Liberals to-day.

The first point to be noted is the assumption by the early authorities that the Crown has an absolute right to control the disposition of unoccupied land. "It may seem almost incredible," says Jenks, "that a question of such magnitude should be settled by "the revival of a purely technical and antiquarian fiction—the drierst "of legal fictions, a fiction, moreover, which, unlike most legal fictions, "never corresponded with fact." It is a good deal outside the purposes of this discussion to examine this fundamental principle as a maxim of political philosophy. It is true that the state of affairs in Australia was never, except for a very short period, in consonance with the theory, and that many first-comers acquired enormous areas on the easiest of terms, and to the detriment of later settlement. Occasionally, too, as when Governor Robe of South Australia demanded royalties on minerals found on private property, the principle was abused in

practice. But, without some application of the maxim, it would have been impossible for the colonies to have expanded at all. For example, it was right and just for the Crown to repudiate the transaction by which Batman bought six hundred thousand acres from the natives of Port Phillip, and somewhat similar business on the part of the New Zealand Land Company. And the securing, first by South Australia and then by the remainder of the colonies, of free trade in land by the Torrens system of registering titles was a good instance of the benefits of Government guarantee and ultimate Crown ownership.

The earliest settlements in the Mother Colony were naturally in the vicinity of Sydney. The system adopted was one of quit rents, the land grants being comparatively small and the terms being easy both for free men and emancipists. When the Blue Mountains were crossed in 1813 a new problem arose, and although Macquarie did his best to restrain the limits of occupation, the rapid development of the wool industry after John Macarthur's demonstration of its great possibilities inevitably brought about the "squatting" system. The early squatters made no effort to legalise their position on the assumption of the principle of Crown ownership. Meanwhile the policy of granting blocks of land was adopted in New South Wales and Tasmania, and the system was successful, the population increasing in six years by 22,000, and the Mother Colony becoming self-supporting for a moment in 1827. But the severe drought of the latter year discredited the quit rent or grant principle and in 1831 changes were introduced. On condition of residence and improvement the rent had never been more than 2d. per acre on country lauds, and "rent free for ever" was no uncommon privilege. The small size of the blocks and the insistence on survey before possession were good points on a system of genuine settlement. But the despotic administration of officials who were not unfortunately above corruption, the grants varying in size, caused an agitation for the remission of quit rents. Arrears were forgiven and back payments for rent were turned into instalments for freehold purchase. A sounder administration might have enabled the early Liberals to retain the system for which English Liberalism of to-day sighs in vain. Certainly, Macquarie was over-generous to the emancipists, but it is a shallow criticism which remarks that most of the land grants were made to those who were convicted and those who ought to have been. By 1831, the year of the great Reform Bill, new principles were being applied, making the task of succeeding Liberals difficult in the extreme.

It was Gibbon Wakefield who first pointed out the immense value to the British Empire of the colonial waste lands. His famous "Letter from Sydney," published in London in 1829, suggested the sale of land at a high price in order to send out labourers who would not be able to set up for themselves, but would provide the necessary means for opening up new country. He pointed out that the greatest difficulty in the way of colonisation was the scarcity of reasonably cheap labour. The idea was therefore to fix a uniform and sufficient price for land, and use the proceeds of sale to persuade home labourers to emigrate. Colonies were established on this principle in South Australia in 1836.

where the upset price of land was fixed at 12s. per acre, and in 1840 in New Zealand. One of the most Liberal features of the system was the elimination of convictism, for it was Wakefield who helped to abolish slavery throughout the Empire. Apart from this, the pastoral leases were to be for a short period and pastoral lands open to free selection, while land settlement was to be concentrated and systematic. But the South Australian scheme was for long unsuccessful owing to the arbitrary alterations in the upset price and to the opportunity afforded the labourers of obtaining cheaper land in New South Wales.

In the latter colony permission had been given to Brisbane in 1823 to sell by auction, but he had declined to make use of the opportunity. The new system, on its application in 1831, found the squatters nearest the capital buying up their runs at the public auctions, and the newer pastoralists moving westward and not attempting in any way to put themselves in the right with the authorities. The result of the new policy was a great influx of funds to the Treasury, a stream of encouraged immigration, but the decline of steady farming. The drought of 1839 and the speculation in Port Phillip lands inevitably produced the great crises of 1841-3. In 1838 the price of land in the Mother Colony was made uniform with that (12s.) in South Australia, and in 1842 the upset price of Crown lands was raised to £1 per acre. The results of unlimited land sales without the condition of bona-fide settlement, and of the over-tolerance of Bourke and Gipps towards the squatting system (many uninhabited sheep stations being mortgaged to absentee companies), were disastrous. It was impossible, however, to change the policy owing to the importance of the wool industry and to the influence of the wool growers in the N.S.W. Representative Council of 1843. Indeed, the agitation for responsible government was supported by the squatters, who detested Gipps for this firm carrying out of the order of the Imperial Government with respect to their leases, as well as by Liberals like Lowe, who condemned "the brand "new, petty, traditionless aristocracy" with their creed that "the inland pastures belonged to them, and that they would keep them."

By 1840 the Wakefield theory had caused the uniform upset price of £1 per acre throughout Australia, and as a result of the latter closer settlement advanced in South Australia from 1841 to 1843. The early failure of unlimited land grants in the Western Australian settlement was pronounced, but there was a slight improvement after 1840, as in South Australia. Generally speaking, settlement during the 'forties tended to become purely pastoral and, except near the towns, non-residential.

Although the movement towards self-government was the great question of the period between 1843 and 1856, the agitation of Wentworth and Lang had additional point lent to it by the land problem. The Imperial view was that all the waste lands belonged to the Crown, but Wentworth held that all land within the boundaries of New South Wales belonged to the colonists, and complete financial control was demanded by the representative Council which he led. The last act of the Council existing at the time of the Constitution Act of 1850 and the first act of the new Council elected in the following year were

the passing of the series of remonstrances to the Home Government in which Wentworth's claim was embodied. The whole point was that the squatters preferred local self-government to Imperial distrust of large holdings, whilst the Liberals, although cordially hating the evils of "squatterdom," co-operated with the pastoralists until a new constitution was assured. As soon as the Constitution Act was passed Liberalism was in open hostility to the Conservatives on the questions of manhood suffrage, nomineeism, and equal electoral districts. The squatters had better endured the ills they had than flown to others that they knew not of! It was Parkes who moved for the appointment of the Land Select Committee in 1855, whilst the Council was marking time on the eve of the institution of responsible Government. Just before that time Lang had said, with regard to the new colony of Victoria: "Every acre of land is that of somebody's sheep station or cattle run; and, in order to get into any sort of occupation at all, settlers must purchase the entire stock and station of some actual squatter." It was stated in the Melbourne "Age" that 650 individuals held practically all the colony, and that the squatters who had paid £10 to £20 for the lease of blocks of 50 to 100 square miles were charging from 6d. to 9d. per lb. for mutton! Certainly, in 1856, the Orders in Council of 1847 had resulted in 42 million acres of public estate in Victoria being "locked" from settlers. Speaking of the position in "Two Years in Victoria," Howitt said: "The lands are grown valuable not by your (*i.e.*, the squatters') improvements, but by the influx of the people, who have a right to enjoy the advantage. Others have laboured and you have entered into their labour."

But the idea of a tax on unearned social values was not the remedy proposed by Australian Liberals of the time, and the evidence of John Robertson (afterwards Minister for Lands) before the New South Wales Parliamentary Committee had a significance for all Australia. Speaking of the disadvantages of the system of auction, he said: "While the agriculturist has been absolutely excluded from leasing any portion of the public land, and thwarted, harassed, and dispirited at every turn in his efforts to obtain the submittal of such lands to sale, and subjected to public competition at auction before suffered even then to purchase, the grazier has been allowed to use them under a system of leases affording him the greatest possible facility of possession, and at the lowest imaginable rental . . . with the right to purchase choice spots therefrom without the slightest delay or trouble and without competition." Robertson referred to the obstacles put in the way of intending farmers by neighbours, by Government delay in survey, and by the opposition of any larger holder at the public auction. As a remedy, he suggested free selection of squatting leases before survey on easy conditions of residence and cultivation. The fact that numbers of successful gold diggers were unable to obtain land and left Australia gave an extra impetus to the new movement. Robertson became Minister for Lands in 1857, and, speaking in 1882, said: "When I took charge of the land question twenty-five years ago, the land was in the hands of a few persons who claimed and enjoyed an exclusive occupation of it. These persons even claimed an hereditary

“title to seats in the Legislature . . . it was no joke to wrest this “property from the hands of those who had no right to it and to put it “fairly in the hands of the whole people. Unlike the Liberals in “Victoria . . . we respected rights and never repudiated engagements, “but as the leases fell in the time seemed to have come when the whole “people and not the lessees should be considered.”

In 1860 an attempt was made in Victoria, at the suggestion of the “Age,” to adopt the proposal of Robertson, but the newspaper, with characteristic partisanship, described the bill as a “misshapen, emasculated thing,” declaring that “the squatting interest is not deserving “of the least consideration. It is a monopoly, and it can only be “perpetuated by the perpetuation of monopoly.” The termination of the pastoral leases in 1861 made action of some definite kind imperative. And, as the English Ministry refused to hear the appeal of the squatters over the heads of the local Legislature, the latter immediately adopted free selection before survey. Robertson was still Minister for Lands in the Cowper Liberal Administration, and after a bitter constitutional struggle between the Upper and Lower Houses the new principle was embodied. Small areas were to be settled at £1 per acre, payment to be made by instalments on condition of residence and moderate improvement. In 1862 Charles Gavan Duffy passed a somewhat similar Act, but it was not till 1869 that Victoria completely adopted the idea of free selection before survey. By 1870 Tasmania had also fallen in line, but Queensland and South Australia, although accepting the main theory, modified it in practice, and survey before selection was insisted upon in South Australia.

Except in Victoria, where the gospel of protection was gradually being accepted, the passing of the Free Selection Act was looked upon as a triumph of Australian Liberalism against Conservative prejudice. The victory of freetrade in England during the 'forties had suggested to the Radicals in the colonies the application of the same principle of liberty to the land question. “Free trade in land” was the cry, and the cry was successful. But there was to be a quick disillusionment for the Liberals, and the evils of “peacocking” and “dummyism” soon became notorious. The squatters “selected” their own land and also any other valuable spots in the vicinity, whilst many others lived on the proceeds of blackmailing the squatters. A Royal Commission reported that the system “tarnished the personal virtues of veracity “and honorable dealing by the daily habit of intrigue, by the practice “of evading the law, and by declarations in defiance of fact universally “made.” And a N.S.W. Minister for Lands, speaking thirty years after the first Robertson bill, stated that “the design of the “framers of those laws was above reproach . . . but I say that “the design has failed because human nature has failed, because “of the cupidity, the avarice, the hostility of all classes.” In the Mother Colony there were more residents in the country than in the towns in 1861; in 1891 there were twice as many in the towns as in the country! From 1847 to 1861 the squatters were not molested. After the latter year they weathered the storm of free selection, and it became evident that Liberalism would have to compromise with its

antagonists. By an Act of 1878 Victorian selectors had to live on the land for five years at least, and the clause was enforced with good results. But in the Mother Colony the residence clauses were not seriously administered, and cultivation remained almost stationary till the 'nineties. In 1884 an attempt was made to confine free selection to certain parts of the runs, and this paved the way for a long series of experiments by different Liberal Governments. The latter had discovered by bitter experience that an unrestricted "free trade" in land meant land monopoly, and that a freehold was a purchasable commodity. But the lesson was learnt, and it was seen that a new meaning would have to be given to "liberty" if equality of opportunity was to be any more than an election cry or a pious hope. The distrust of the older "laissez-faire" caused by the failure of free selection has reconciled Australian Liberalism to many forms of State interference, and notably to the adoption of Protection in the Commonwealth. And the first syllable of the cry of "Freetrade" has never appeared satisfactory enough to those selectors who lived through the evils of "dummyism" and "peacocking."

By the early 'nineties, then, it became apparent that new methods would have to be evolved for dealing with settlement. After the defeat of Robertson on the Land Bill in 1882 many suggestions were forthcoming for the solution of the problem in the Mother colony. Five out of the seven colonies of Australia adopted land taxation on unimproved values by the end of the century, and in Victoria, New Zealand, and South Australia the tax was purposely introduced to "break up large estates for closer settlement." In 1890 Mr. Cockburn, Premier of South Australia, introducing a proposal, said: "In all parts of the colony the large estates are not only holding their own, but are insidiously creeping onwards, taking advantage of every bad season and every commercial crisis—slowly but surely depopulating the country and strangling the townships."

A further remedy was tried by the medium of re-purchase laws, and bills were adopted to resume large estates at a reasonable price either by arrangement or compulsorily. The success of the latter alternative in New Zealand had its effect, and Queensland in 1894, Western Australia in 1896, Victoria in 1897, South Australia in 1898, and New South Wales in 1901 passed re-purchase Acts. The purpose of them all was unanimously approved, but the Colonial Treasuries could not meet the heavy expenses with buoyancy, and the prices of other estates naturally became inflated. The re-purchase method has, therefore, not met with much success, although it has added materially to the number of genuine agriculturists. Village settlements have been organised by the Government in several of the colonies, but greater remedies have been found necessary. Amongst similar proposals that of classifying lands or survey before selection should be mentioned.

In 1892 New Zealand commenced a scheme of settlement on a leasehold basis of 999 years without the right of purchase. The settler was required to pay 4 per cent. on the value of the land, and no provision was made for re-valuation. The project bore a strange resemblance to the original quit rent system of the early days of the

Mother Colony. In 1894 the latter, with Mr. Carruthers as Land Minister, adopted a similar proposal for perpetual tenancy of Crown lands, although it was decided not to give the name "leasehold" to the scheme. By 1900 New South Wales and South Australia had a homestead selection system on a leasehold basis, but Victoria had decided not to adopt the principle. In connection with the perpetual lease, it should be noted that New South Wales in 1899, and South Australia in 1895, passed Advances to Settlers Acts on the lines of an Act passed in Western Australia in 1895, Victoria in 1896, and Tasmania in 1898. Agricultural education has also been advanced in all the colonies, and the general result of the legislative experiments has been fairly happy, although the land question has not been satisfactorily linked up with that of immigration—the crying need of Australia to-day.

The general feeling on the latter point in Australia was certainly disappointing, but there are signs that a change has come, particularly as a result of the present European war. Seven years ago Mr. Watson, then leader of the Federal Labour party, defined its attitude on the question of immigration. "I for one," he said, "absolutely object to 'the expenditure of any large sums of the taxpayers' money on 'immigration until we have laid the foundation in proper fashion. I believe that if we spent half a million a year in inducing immigrants 'to come to Australia under existing conditions we should increase the 'value of privately-held land against our own settlers . . . I am 'prepared, and I think the Labour party is prepared, to spend any 'large sum in bringing out people of the right sort, so long as we have 'the foundation laid, so long as the land is made available, so long as 'we can be sure that, when they do come here, they will be new 'producers.'" When returned to power in 1910 the Labour party accordingly passed a graduated tax on land values with a £5000 exemption. The tax has not been unsuccessful in breaking up large estates, although it has recently been increased for another purpose.

But the great question facing the Federal and State Governments is that of leasehold as opposed to freehold. On this issue Liberalism is divided, and some consideration of the problem is essential. The objective of the Labour party in Australia includes "Land Nationalisation." The view of that party on the history of the land question was stated by the present Premier of N.S.W., Mr. Holman, in 1906, and is instructive. "Mr. Reid tells us," he said, "we had the land nationalised 'when we started. So we had. He also says we had manhood suffrage 'when we started with the land. What assertion is this? We got 'equal manhood suffrage a little over ten years ago, and since then 'there has been no wholesale alienation such as took place in the bad 'old days when the squatters had all their own way. I say that the '50,000,000 acres that have been alienated were alienated practically 'between 1861 and 1894. It was then the land was sold, and it was 'then the priceless blessings of a national heritage—like the public 'estate of New South Wales—were squandered away. Led by Mr. 'Reid, who was then on the side of the Socialists, the manhood of this 'State, in the year 1894, introduced two measures—the Land Act of '1895, which was to prevent the further alienation of land, and the

“Land Value Tax of 1895, which was to win back the land that had already been alienated. . . So long as the land remains the property of the people for ever, so long as no group of men can obtain a monopolist claim over a favoured site and exclude the rest of humanity from it, unless they pay a monopoly price for the privilege, so long are we safeguarding the rights of the producers from exactions arising out of the monopoly in land.” Differentiating the standpoint of the Labour party from that of the followers of Henry George, the present Attorney-General of the Commonwealth wrote in 1909: “To them (*i.e.*, the single taxers) it is, of course, essential that all land should be taxed. But I submit that, in the problem of land reform, we are not necessarily concerned with the incidence of taxation. What we are concerned with is that the land, which belongs to the whole people, should be available to them. At present it is monopolised by the few.” Behind the nationalisation proposals of the Labour party was the conviction of Mill, that small means do not produce small effects, but produce no effect at all; and the first principle of Henry George, that land must be made common property. Speaking on the 1909 Liberal Budget, the Hon. Winston Churchill declared that “land, without which there can be no production, is monopolised, and the competition of producers for its use forces wages to a minimum, and gives all the advantage of increasing productive power to land-owners in higher rents and increased land rates.” And both the great political parties in Australia have looked with deep interest at the new proposals of English Liberalism.

The question of origin, “How did you get it?” the distinction between the fruit of individual enterprise and wealth representing the capture by individuals of socially created values, the oft repeated ideal of taking for the use of the community the value arising from the growth of the community, the claim that society should also be rewarded for its protection of rights, that “a great part of the wealth produced from year to year is of social origin,” that the land monopoly is the mother of all other forms of monopoly—all these positions of English Liberalism have been taken up in Australia as well. Yet, a great question has been begged in the assumption that these claims are fair, and just, and reasonable, and some consideration of the matter is necessary in order to understand the question of leasehold *versus* freehold as it presents itself here to-day.

For Conservatism takes the attitude that all distinctions between earned or unearned increment of wealth are equally unfounded. “Let us say,” says Lord Hugh Cecil, “that a man gets wealth by lending his possessions or lending his exertions. A distinction may fairly be drawn between the two forms of lending, and the word ‘earning’ may be properly applied to the second method of acquisition. But if so, ‘earning’ must not be understood to connote any element of desert. for a moment’s consideration is sufficient to show that exertions are not paid for in proportion to their desert.” He instances the labour of a novelist and of a student, pointing out how ethics is beside the point and how economic “demand” influences the reward of their respective exertion.

In the first place it must be pointed out that Conservatism's appeal to "the law of supply and demand" is not convincing enough to the new Liberalism, which has long outgrown its former blind trust in the workings of "laissez-faire" and enlightened self-interest. All that Lord Hugh points out is the fact of rewards being often out of proportion to desert. But he does not add that a remedy for the parallel he cites might be found in the creation of a Literary Academy which would conceivably be able to apportion reward to desert. The mere fact of evil conduct or of wrong does not strike at the universal character of ethical forms or of morality, and a mere fatalistic recognition of the importance of economic considerations does not justify any particular individual in placing the "is" before the "ought-to-be." Where Conservatism points to sad facts Liberalism endeavours to provide remedies, and although it has not yet attempted to solve all the particular evils to which Lord Cecil refers, yet the failure of the latter to do anything more than indicate facts is typical of the position of his party.

In the second place, Liberalism distinguishes sharply between mere possession of land and individual exertion, and while it is content to do its best to mete out fair reward to the latter, it naturally shrinks from interference which might seriously affect the liberty of the individual. But Lord Cecil's deduction, "If the gains of labour depend on non-ethical considerations it is still plainer that the gains of those who lend their possessions are altogether unrelated to merit." "The whole process is non-ethical" does not by any means justify Liberalism in a careless recognition of the status quo. It is just the latter fact—that the appeal is merely to economise laws—which has made Liberals take a double attitude—that of examining the laws a little more closely and that of appealing to a higher authority than the "economic man."

Consequently the question of land values, "due to the presence, growth, and industry of the people," comes up for some consideration. Lord Cecil denies that such value depends in any real sense upon the community, except in the facilitation by the latter of the supply of all produce. But "we should note," he says, "how more than one of the strongest of human interests are stirred to promote industry and thrift by the possibility of acquiring and accumulating property; the providence which foresees a future of infirmity or old age; the affection of a parent for his child, and the desire to save the child from the hardships of life." It is claimed by Conservatism that land and property are material expressions of a spiritual individual personality; that to some extent, therefore, the embodiment of that personality is sacred, and unlike all other things on earth, except perhaps publicans' licenses.

But this is just the claim of Liberalism, and justifies it in treating the land problem from a point of view different to those it takes up in connection with other matters. Of course, the one principle of equality of opportunity for individual development was at the back of this, as of all other Liberal proposals. And when Lord Cecil says "Land is no doubt limited in amount; and land conveniently situated

“for this purpose or that is still more limited; but ‘monopoly’ is not the proper word by which to describe the limited supply of an article. The supply of everything that has value is limited—land is not the only thing of which the supply is limited—without some limit there can be no value” . . . it is as hard to reconcile his two attitudes on the relation of land to other commodities as it is impossible to agree with the second position.

Finally, with regard to a particular example taken by Lord Cecil, of a piece of land near Golder’s Green becoming more valuable owing to the construction of a railway, he points out that the claim of the unearned increment is not that of the whole State, but merely of the local inhabitants, and that the only thing Liberalism can do is to claim “that the value of everything is always created by some one other than the owner.” But although Lord Hugh says that both positions are absurd it would seem that the latter consideration is met by our distinction of land from other commodities, and the former attitude leads inevitably to the claim by the *whole* State for the unearned increments throughout the *whole* State. For it is impossible to hold that there is only one Golder’s Green, and the only practical way of enforcing the claim is by means of the State authority. But when Lord Cecil indicates that in England the railway would belong to a private company which should (admitting the justice of the claim for “unearned increment”) share in the added land values, he is on firmer ground, and there can be little doubt, as J. A. Hobson has recently pointed out, that Liberalism must approve of the resumption of all means of transport as the meaning of equality of opportunity is further developed. In Australia, however, this point is settled by the fact that the State Authority controls all railways.

The conclusion of Lord Hugh is that “taxation according to merit can seem possible only to the confused in thought.” Of course, it is not possible to fix the actual social value that has been created in any given property, and it is probably unwise to make land taxation retrospective. But the assertion that “it is impossible for the State equitably to distinguish between one kind of property and another, either on the principle that its economic value is earned or unearned or to the general principle that it has been acquired more or less meritoriously,” finds little sympathy in Australia, where questions of origin are quite easily solved, and graduated taxation has become extremely popular.

The position of land tenure in the Commonwealth to-day is as follows:—Leases are generally for pastoral purposes, but the larger stations are confined to the interior and northern parts of the continent, the rent being practically a nominal one. In addition there are large leasehold blocks in all the States not fit for cultivation. The question of leasehold as opposed to freehold in closer settlement has not yet been finally settled, but the conditional purchase is the usual method of acquiring blocks in the various States. When the terms of the preliminary lease have been faithfully observed for several years the selector is granted a negotiable lease, which is ultimately converted to freehold. In all the States there are credit systems by which farmers

can obtain advances on easy terms on the value of their improvements. Henry Parkes held that "our land should be alienated on a freehold basis," and the Liberal parties in all the States and in the Commonwealth to-day support that principle so far as small selections are concerned. The Labour parties still have the land nationalisation plank on their platform, and a few of them still hold that "it can be achieved without confiscation, without revolution, and without disturbance." But when the rural settlers' organisations became openly political and they were called upon "to try and stem the tide of Socialism," those parties who were returned to power refused to apply the leasehold principle in a thoroughgoing way, and the N.S.W. Labour Minister for Lands, Mr. Nielsen, preferring his principles to his party, resigned from office. Liberalism is undoubtedly right in limiting the freehold to small holdings, but the schemes of perpetual leases were almost as satisfactory. One thing is certain, no State Government, Liberal or Labour, will ever attempt any reckless treatment of the land question, and the unanimous support given to the irrigation settlement schemes in all the States may mark the beginning of a period in which the land and immigration problems may be raised above party interests. The gradual abandonment by Liberal Governments of the policy of re-purchasing large estates is also satisfactory.

Certainly the Federal Liberal party opposed the introduction of a graduated land tax, and some of its more conservative members made reckless prophecies as to capital's departure from the country. But the extreme wing of the 1910 Labour Government was equally bitter in its opposition to capital. Towards the end of 1912 the question of the Land Ordinance for the Northern Territory brought controversial issues to the front, as the Fisher Ministry insisted on the principle of the perpetual lease. The Liberal party, however, was not on that occasion unanimous in its advocacy of freehold, and its chief service was in indicating that agricultural areas were not treated liberally enough in comparison with pastoral areas. The Government claimed power to make re-appraisal at any time by regulation or for benefit received from public works, but such a thorough going application of the unearned increment principle was impracticable, and the clauses were withdrawn. The return of the Labour party to power again in 1914 will make the Northern Territory settlement question an interesting one, but the immediate duty of Liberalism is to insist on more adequate facilities for encouraging immigrant settlers.

CHAPTER VI.

LIBERALISM AND FREE TRADE.

The question of the economic control of the colonies by the Mother Country was not settled in favour of the former by the success of the American revolution, and in 1819 Goulburn, for the British Ministry, said that the colonies received full compensation for any hardships in the military protection afforded. But in 1825 the more important Navigation Laws were repealed, and differential dues established in favour of the colonies as against foreign countries. The policy vacillated a good deal, and Lord John Russell, in 1838, insisted on "the right of the Mother Country to compel a colony to receive (her) produce, and a right to restrict that colony in its commerce with other nations." In 1843, however, an order from Lord Stanley prohibited differential duties as between colonies, and in 1846, when the Corn Laws were repealed, Peel placed colonial and foreign corn on exactly the same footing. The last link in the old system was severed during the administration of Earl Grey (1846-52), which imposed upon the Empire a general policy of free trade. Canada protested against the new policy in 1846, but in the Australian Constitutional Act of 1850 there were provisions forbidding the imposition of all differential dues between the different colonies or between Mother Country and colonies. At the instigation of Victoria, these provisions were modified in 1873, but it was not till 1895 that they were repealed.

Up to the middle of the century free trade was the established fiscal policy throughout Australia, and it was not till 1877 that Victoria definitely adopted high protection. By that time all the colonies were drifting in the same direction, and it was New South alone (which in 1873 abandoned high tariffs) that maintained free trade until the end of its separate history. In the young and sparsely-populated colonies there were difficulties in the way of direct taxation, and it was also considered in more recent years that national development and "laissez-faire" were incompatible ideals.

The great victory of free trade in England in 1846 made that policy extremely popular with the Australian Liberals, who were fighting for responsible government, and as late as the early 'sixties very few men would have cared to pose as advocates of protection. In the famous "Treaty of Independence," proposed by Lang, one of the most important provisions was that no hostile tariff could be established against Great Britain for a period of fifty years. He pointed out that it would be inadvisable to follow the lead of the United States in the fiscal question, and that indirect taxation was synonymous with extravagance and war, and bore hard against the poorer classes. He added that local industries could hardly be encouraged in face of the fact that the N.S.W. Government, after imposing a duty on all

French brandy imported, refused to allow the colonists to make brandy in their own vintages lest the incoming dues should be disturbed! "I would propose," he said, "that all import duties and other restrictions from all foreign ports should forthwith be discontinued."

"Free as the winds and changeless as the sea
Should trade and commerce unrestricted be,
Wherever land is found, or oceans roll,
Or man exists from Indus to the Pole.
Open to all with no false ties to bind
The world should be the market of mankind."

And, as we have already indicated, the land policy of free selection before survey was considered by the early Liberalism to be a necessary corollary of the "laissez-faire" ideal.

Other forces, however, were at work to modify the views of the colonists. License fees for mining on Crown land had caused an armed revolt at Ballarat, and the representatives of the miners in the new Victorian Parliament fought for high import duties in order that the export duty on gold might be removed without diminishing the revenue. And, as the activity of the fields declined, the resulting accumulation of surplus population in the towns gradually induced a desire for regulative encouragement of local industries. The direction of the new movement is seen in the writings of James Norton in Sydney in 1860. "It is not surprising," he said, "that the career of the young colonies should be marked by errors fatal to the character of their legislators in the first few years of responsible government. If New South Wales had adopted the policy of America by taxing all articles that could be produced in the colony that measure would at once have checked the extravagant importations and provided employment."

It was considered in Victoria that no country could become rich by merely growing food and raw material for foreigners. The first tariff passed the Lower House early in 1865, and, being rejected by the Legislative Council, brought about the first great constitutional crisis in the Southern State. When ultimately it was passed the "Age" declared that "the present tariff is only a beginning, and is not by any means a protective tariff. It does not place Australian manufacturers in a position to compete on even terms with the foreigner." Various coalition Ministries carefully avoided the popular demand, and it was not till the return of the Graham Berry Ministry of 1877 that the "Age" was satisfied.

Of course, there was not wanting a free trade party in Victoria, and G. W. Cole once complained in 1871 that the organ of the party, the "Argus," was admitting that no attempt to govern the country on free trade principles could ever be popular, and Dr. Hearn, a candidate for East Melbourne in 1874, boldly declared that "free trade means great trade, and great trade means national prosperity." The election of 1877, however, resulted in an overwhelming majority for the protectionists on the single fiscal issue. There can be no doubt whatever as to the great influence of the "Age" newspaper on the rise of protection in Victoria and in all the other States, not excepting New

South Wales. Its proprietor for half a century, David Syme, declared that "When I took over the paper in the 'fifties I knew of no man in Australia who believed in protection except myself." George Higinbotham and McCulloch were both free traders until they came under the influence of that remarkable man, and Richard Seddon said that New Zealand had to thank Syme for its protective system. "I could never see," wrote the latter in an early leader, "any virtue in 'laissez-faire,' to let things alone when they have gone wrong, to render no help when help is needed is what no sane man would do with his private estate, and what no sound statesman would tolerate as a State policy. It is a policy of drift. It is just what the company promoter, the card sharper, the wife deserter, and the burglar would like—to be let alone." "A system of import duties," he boldly declared, "will develop the material resources of a country with perfect safety—if a tariff is high and drives out imports it will protect local production. But if a high tariff fails to be protective (and it will take some time to produce this effect) it will act as a revenue tariff."

Syme lived to see his ideas adopted by the Parliament of the Commonwealth, and on his death, in 1908, the free trade "Argus" admitted: "The position to which protection has attained in Victoria and Australia is largely due to the ceaseless, vigorous, and remorseless advocacy of Mr. Syme," and the protectionist Melbourne "Herald" proclaimed that "he has just accomplished a magnificent life's work." It was due in no small measure to him, it must be said, that the policy of "laissez-faire" in Australia became more or less discredited, and that the remarkable series of State experiments began during the 'eighties. But consideration of the new developments of Liberalism about that time must be postponed for the present.

Meanwhile a New South Wales Coalition Government was defeated in 1864 in an attempt to increase the nominal Customs duties to meet a deficit in the revenue, but, after an appeal to the electorate the new Parliament passed a Tariff Act levying 5 per cent. "ad valorem" on all imports. In 1873 this tariff was repealed, but in 1883 there was a strong protectionist party in the colony, and a second Act was passed. The Parkes Ministry repealed this in 1887, but early in the 'nineties its opponents were increasing in strength, and the year 1892 marking the highest point to which duties in Victoria reached, saw the fiscal issue gradually being superseded by that of federation in New South Wales.

Previously, Bruce Smith had in 1885 complained that the Victorian protection party called itself "Liberal." "You may depend upon it," he declared, "that a commercial system which is hedged round with checks and restrictions to protect it from the wholesome buffeting with outside competition will never become anything but a poor, weak, sickly thing." He asserted that the trade unions—a growing power in the 'eighties—were confusing Liberalism with a "liberal distribution of Government funds," and criticised a leading trade unionist for saying that "the introduction of goods manufactured by cheap labour should be checked as it were smallpox." Henry Parkes, too, fought a losing fight for free trade principles, until he put the issue of federation first and foremost. He said in the 1887 campaign: "We

“should raise our Customs duties under a tariff more limited than in former years, and eventually throw the ports of the country open to the civilised world.” All of Parkes’ old associates, Donaldson, Cowper, Laug, Forster, and Robinson, had like himself been free traders, and it was a hard blow to the old man to see the decline of the old Liberal principle.

There was certainly a revival in the fortunes of his fiscal policy in 1887-8, but the Sydney workmen were being weaned from the doctrine by the enthusiastic protectionist movement under George Dibbs and Edmund Barton. Meanwhile the demand for intercolonial free trade was becoming more popular. In 1873 it had become possible for the colonies to set up differential tariffs against each other, and although Earl Grey had in the following year expressed to Parkes the hope “that the other colonies will follow your (*i.e.*, New South Wales’) good example and abandon the unwise policy of protection,” Victoria broke the free trade compact after a three years’ trial, and it was not until federation that complete inter-State freedom of trade facilitated the internal distribution of the produce of Australian industry. The New South Wales free traders would not have supported federation without the handing over of full Customs control to the Australian Parliament, and, even then, the fiscal issue raised numerous obstacles to the federal movement.

But the end of the century saw the decline of free trade principles, and the Federal Parliament in 1901-2, and more emphatically in 1907-8, adopted protective tariffs for all Australia. The first two elections in 1901 and 1903 were fought on the fiscal issue, and Mr. G. H. (now Sir George) Reid led the free trade party. He was unsuccessful in all States except the Mother Colony, and only obtained office for a few months on agreeing not to interfere with the existing tariff. The State Labour parties decided during the ’nineties to allow members a free hand on the fiscal issue, but the Federal party gave modified support to the Federal tariff. Although the N.S.W. free trade party of the ’nineties had, through its leaders like Sir William McMillan, declared that “Federation would be intolerable except upon the basis of free trade with the whole world,” it soon became apparent that protection was to be the settled fiscal policy of the Commonwealth. The sudden attack made on free trade in England during 1903 failed, and the support given by two Deakin Ministries to preferential trade brought its opponents together again for a brief space. But the Australian free traders were not at heart averse to showing an economic approval of the claims of Empire, and the 1906 elections were fought on the “Anti-Socialism” issue, although the Melbourne “Age” as usual kept solely to the fiscal question, roundly condemning those it described as “fiscal tracers.”

The increasing prominence of the Labour party in the Federal Parliament was notable through its advocacy of the “New Protection.” “It was intended,” says Spence in his history of the Labour movement, “to ensure not only security for new industries and reasonable protection for manufactures, but at the same time it was intended that the manufacturer who benefits by the Commonwealth protective tariff

“should charge a reasonable price for his goods, and should distribute a fair and reasonable rate of wage and conditions of labour to his workmen.” It was considered by its advocates that the tariff might become a shield for trusts and combines, and that “real” wages would fall while “nominal” wages would remain fairly high. The provisions of the “Australian Industries Preservation Act,” 1906 to 1910, sought to prevent “dumping” and repress monopolies, whilst the “Excise Tariff Act,” 1906, gave preference to goods manufactured under “fair and reasonable” conditions, as approved by the President of the Commonwealth Arbitration Court. The High Court has, however, pronounced that both Acts are unconstitutional, as being an extension of Federal action beyond the powers granted, and an interference with the powers reserved to the States. But both Acts won the support of all parties, except a few of the old Liberal school, and it was chiefly owing to its asking too much that the Labour Ministry failed to pass amendments to the Constitution in 1911 and 1913. In the latter year indeed the extensive powers asked for were very nearly granted, and the result has been that both Federal parties are to-day (1) pledged to support constitutional alterations.

The attempt to give legislative effect to the principles of the “New Protection” was made, of course, to compromise between the doctrines of high protection and free trade, and in the abstract the compromise was satisfactory enough. But the extreme protectionists, who are not wedded to State interference, do not wish to see a series of Federal Factory Acts, whilst the Labour party is inclined to let the tariff stay as it is, until further powers are granted to the Commonwealth. At the election of September, 1914, however, the latter party pledged itself to higher or “more effective” protection without any such condition, and it has already partly made good its promise. It appears certain, however, that it will ask for extended powers during the life of the present Parliament (2), even in face of the European war.

The existing tariff is by no means of the McKinley type, and there can be no doubt that its primary object is to raise revenue. The Braddon clause expired in 1910, and the Commonwealth has no longer to hand back three-fourths of the Customs revenue to the States, who now get a fixed sum per head of population. The result is that future Parliaments will be more inclined to tap the Customs for revenue than before, but it is doubtful whether a higher tariff would free Australia from its economic dependence on the Mother Country. It is doubtful, further, whether such independence is compatible with Liberal principles. The last sentence may easily prompt the inquiry, “Is not the present tariff in conflict with the doctrine of Liberalism?” and some consideration of the question is necessary.

In the first place the answer cannot be immediate. J. S. Mill said that “the only case in which on mere principles of political economy duties can be defended is when they are imposed temporarily (especially in a young and rising nation) in hopes of naturalising a

(1) *i.e.*, in 1915

(2) This was abandoned on Mr. Hughes succeeding Mr. Fisher as Prime Minister.

"foreign industry in itself perfectly suitable to the conditions of the country. The superiority of one country over another in the matter of production often arises from having begun sooner . . . a protective duty continued for a reasonable time will be the least inconsistent mode in which the nation can tax itself for the support of the experiment." There can be little doubt but that the historical position of free trade in Britain first as a protest against unfair restrictions and, to-day, as a positive and not a negative doctrine, has altered considerably in the seventy years that have passed. When the Sydney "Daily Telegraph" could say in 1910 that the combination of the Tories and the Lords was patently one "to over-shackle England with protectionism" we must not forget the fiscal bias of that journal, and the fact that the English issue was the Budget and not tariff reform.

In the second place, the Liberal Government, which Great Britain returned to power in 1906, no longer believed in the gospel of "laissez-faire." Certainly in 1907 the House of Commons carried by an overwhelming majority the following resolution: "That the permanent unity of the British Empire will not be secured through a system of preference duties based upon the protective taxation of Hood." But Winston Churchill, speaking on the question, said that "if tariff reform or protection or fiscal reform is no remedy for unemployment, neither is free trade in itself a remedy for unemployment. . . I do not agree with those who say that every man must look after himself, and that the intervention by the State will be fatal to self-reliance, foresight, and thrift."

It had been characteristic of the doctrine of free trade that its adherents often seemed to lack the sense of proportion. A political maxim had gained an ethical and moral importance, and the mysterious harmony which was supposed to result from a free interplay of selfish motives was considered as an end of providence and a result of free competition. But the advent of trusts and the organisation of transport by Government had shown that "equality" and "freedom" could not be regarded as touchstones to political measures, unless a new import were given to the term "freedom." Wages had risen and hours of labour had shortened, but whole classes of the English community had failed to receive their share of the blessings of free trade, and the investigations of Booth and Rowntree showed that the total bulk of poverty had certainly not decreased.

Meanwhile the hedonism in morals and the individualism in politics, which satisfied Bentham and the Manchester school, and had certainly inspired much beneficent legislation, failed to stir a public meeting, and the restlessness of the 'eighties gave practical evidence that new ideas were being evolved. It would seem that the experiments in the direction of Government interference, which became common in Australia after 1880, had considerable influence on English Liberal thought, and a characteristic declaration of the present Prime Minister* of the Commonwealth, "Masquerading under the principle of freedom

* Mr. Fisher.

"of contract has been perpetrated some of the most ghastly slavery "ever known," showed the attitude of the Labour party towards the economic egoism of the older thought. The supposed immutable laws of supply and demand were being controlled in Australia, and when Mr. Lloyd-George spoke on the English Budget of 1909, saying that "the labour market *can* be stimulated and part of its surplus provided "for diseased industries *can* be cut off from the main body and the "State *can* and *should* set up a minimum standard of health and "wage," it could be said with truth that the Manchester doctrines have been transcended, and that free trade in itself was no political panacea.

Viewed in the light of the newer Liberalism, the present Australian tariff is not to be wholly condemned. It has been set up chiefly for revenue purposes, and the movement for higher duties has been modified by the demand of the Labour party for State regulation of assisted industries. The endeavour to satisfy that demand will be touched on later, but the feeling of that Australian Liberalism which owes allegiance to neither of the two great political parties is not unfavourable. It is easy enough to find obvious criticisms in the tariff system, but the work of the Interstate Commission will probably be of great assistance in future amendments, and it is unsatisfactory to find that the present Government* is rather inclined to pass over any suggestions of the Commission in that regard. The fiscal issue runs across the ordinary line of party cleavage, and there is a desire on the part of a section of the old free trade press to prefer recommendations of an independent body to the caprice of members of Parliament. But it is hardly likely that the sovereignty of Parliament will ever be challenged to that extent.

* That of Mr. Fisher.

CHAPTER VII.

LIBERALISM AND NATIONAL EDUCATION.

The early Australian Liberals were too much occupied in their efforts to abolish irresponsible government and convictism to devote much consideration to the question of a national scheme of education. In the year 1792 the first school was established by an English Church society, and was superintended by a clergyman. The importance of education could hardly be recognised until the increase in the number of freed settlers brought about the rise of the anti-exclusive party in the 'twenties and 'thirties. Until the 'forties the schools were under the control of the various local ecclesiastical authorities, and parents who could afford to do so, sent their children to be educated at one of the great English schools. The first important step in the rise of national education was taken by Sir John Franklin, Governor of Tasmania from 1837 to 1843—a man of parts who found the free colonists surprisingly intelligent, and who enlisted the support of Dr. Arnold, then at Rugby, in his “effort to make the island an educational “centre.” A Cambridge graduate was accordingly sent out, and for a few years Tasmania, still of course “Van Diemen’s Land,” was the scientific centre of Australia, Franklin even hoping that the school founded would become a national university.

But it was not the latter’s desire to divorce education from religion, and this was typical of the earliest development up to the 'forties. Bland and a few other leaders of the Australian Patriotic Association—the earliest Liberal organisation—wanted to extend the existing system, but in 1835 the Bishop of Australia had said that in any school “there must be an express understanding that the great and distinguishing doctrines of Christianity are to be inculcated—to feed “the flock of which the Lord has made us overseers.” And it was not till ten years later that the first important step was taken towards the inauguration of a national scheme. In that year the report of a Select Committee of the N.S.W. Representative Council stated that over half the children of the colony were receiving no education whatever. Robert Lowe had moved for the appointment of the committee, and he led the Liberals in their efforts to obtain a “free, compulsory, and “undenominational” scheme under State control, or, as Lang expressed it, “a national system of education on a proper basis free from all “priestly control.” But the Council was under the leadership of Wentworth, and it was not until 1848 that the Board of National Education was incorporated. Ecclesiastical and financial objections had been raised in all quarters, and it was only after pointing out the possibility of the proposed scheme affording a new argument in the demand for responsible government and “no taxation without representation” that Lowe persuaded some of the recalcitrant councillors to

withdraw their opposition. It was not yet realised by the majority, however, that a compromise between national and denominational interests was impossible, and the establishment of the Board saw the religious schools still subsidised from the State Treasury.

Moreover, the Board could not start a new school unless the parents were prepared to provide one-third of the cost of building and equipment, and the result was the neglect of education in the places where it was needed most. But the success of Liberalism in abolishing transportation and the approach of responsible government brought the principle of concurrent grants into the light of political controversy, and the 'fifties and early 'sixties witnessed a bitter fight between Church interests and the supporters of extended State control. In 1850 Lord John Russell had passed that "monument of intolerance and bad statesmanship," the Ecclesiastical Titles Bill, and the Roman Catholic outcry in England was reflected in the colonies, where that Church began its prolonged and bitter criticism of the educational demands of the Liberals. "A nation as such is a moral agent charged with a moral obligation, and is responsible to God for its official acts," the Conservatives asserted then, as they do to-day in England, and, as Roman Catholicism became for the moment identical with Conservatism (holding that the delimitation of the sphere of the State secular as opposed to the Church religious was impossible) Nonconformists like Lang raised the cry of "No Popery," and gradually succeeded in their efforts to abolish State aid to churches altogether.

Henry Parkes, who introduced and carried the 1867 "Public School Act," had declared himself thirteen years previously as "in favour of the national system," but it was manifestly impossible to change the status quo until the colonies acquired complete self-government. Even then, vested interests delayed the coming of the reform by ten years, and in 1861 actually one-fourth of the marriage certificates bore mark signatures—a sure proof of illiteracy. As Colonial Secretary in the Martin administration Parkes in 1866-7 established a Council of Education with power to set up new public schools and to assist existing denominational schools with money grants on conditions of uniformity in teaching standards, lesson books, and with the proviso that one hour only per day be devoted to religious instruction. The local obligation in the case of public schools was retained without any added powers. The other colonies had not to face the same difficulties with regard to State aid to the denominational schools, for the Mother Colony had created those for herself.

In 1875 George Dibbs proposed in the N.S.W. Assembly: "That, in the opinion of the House, a bill should be introduced . . . providing for the discontinuance upon reasonable notice of assistance from public funds to denominational schools." But there was no opportunity of obtaining a satisfactory vote when the fiscal issue was wrecking Government after Government. In the four years from 1875 to 1877 there were four different administrations, and the advent of Parkes to power again in 1878 provided the first Government which had a real opportunity of redressing grievances. In 1866 there were more denominational than public schools, but the growth of the latter

naturally led the Roman Catholic Church to support any reactionary move. In 1879 a bitter attack on the national system in general and on Parkes in particular was a pronounced failure, as the introduction and passing of the Public Instruction Act in 1880 soon went to show.

The latter Act brought New South Wales into line with three of the other States, and was in every way a mark of the Liberal triumph. The movement towards centralisation of control was undoubted, and the Instruction Act was the first of a long series of "State interference." But even more important was the total abolition of State aid to denominational schools. "The teacher became a civil servant; the school became State property; control meant State control under a responsible Minister; the schools were secularised, religion when introduced being taught on an undenominational form." Complete Government control of education was the only solution to the irreconcilable claims of Church and State, and the State system has, on the whole, worked well, although "the local member" evil is just as pronounced here as in other matters where money has to be distributed over wide areas.

In 1872 Victoria had abolished State aid, and Queensland and South Australia followed in 1875 and 1878 respectively. By 1895 every State in Australia had a national system of education without any aid whatsoever to Church schools. The rise of the Labour party in the 'nineties did not, as some of its critics suggested, result in any reactionary movement, and it was partly owing to the agitation of that body that primary education was, by 1908, free in every State of Australia. And it was the N.S.W. Labour Government which in 1912 further extended the State education system, particularly with regard to the connection between the secondary schools and the Sydney University. The latter institution had been established in the 'fifties by Wentworth, and, in spite of the unjustified criticism of Lang, did splendid work during its first half-century's history. But it was not till three years ago that a "road" was established from the primary school to it; and the Minister introducing the 1912 bill said that "if there had been a ladder of education it had been a ladder beset with difficulties. We want to make a road. It cannot be a royal road; but we hope to make it easier to the aggregate child intelligence of the State." To-day every State of the Commonwealth enjoys a local university, and amongst the interesting phases of educational activity is the establishment of the Workers' Educational Association on the lines of a similar institution in England with which many English Liberals are closely identified.

The two features of the system of national education in Australia are its centralisation and its undenominational character. Although the various Labour parties have improved on that system in several important ways, yet those two characteristics are essentially Liberal, and were achieved through the efforts of Liberals before the advent of Labour into practical politics. It is claimed by opponents of the educational policy of Australia that it is "standardised," that it is "socialistic," that it makes no provision for local effort, and that it is

“irreligious.” The last charge we shall deal with later, but it is not inopportune to examine the other three for a moment.

In the first place, the essential difference between the present English educational scheme and our own is that local government plays a large share in the former and none at all in the latter. But the policy of local subsidy without control, and also that of complete local control, have been tried in Australia without success, and the empirical argument is overwhelmingly in favour of the present system. Moreover, it cannot be said that local committees occasionally appointed to exhibit in a practical way their interest in the local school have no field in which to do good work, although it must be admitted that such bodies have not been at all active in Australia up to the present. But there can be no complaint so long as the State Authority finances the whole of the public school education, and there has not been any real demand for control on behalf of municipalities or local bodies.

The tendency in Australia is against decentralisation where centralisation means system and efficiency. The tendency in England is in the same direction, and in the future Liberalism will be found making even greater efforts than in the past for an extension of national education. The cry of “centralisation” begs a long series of questions, and it has many interpretations in Australia to-day. Sometimes it is directed at a Secretary or a Minister, sometimes at a department, sometimes at a policy, but generally at the policy of State interference in general. In all cases the assumption is that centralisation as such is a bad thing, and with this we cannot agree.

In the second place, to claim that Liberalism has introduced a “socialistic” educational system is to assume either that the new Liberalism, with its leanings towards an extension of State control, is a bad thing or that “socialism” (whatever that is) is to be condemned. With the former assumption we do not hold for a moment, but it is not best to consider that aspect till later on in this essay; with the latter we cannot deal, for a dispute as to terminology is beyond the scope of this work.

In the third place, to state that the present educational policy is “standardised” again begs a very important question. We can only say that it is generally agreed that the standard of Australian education is a high one, second, perhaps, to but one other system in the world. It is unnecessary to give further consideration to the use of terms or to the vagaries of the “*petitio principii*,” but it might be pointed out that “standards” and “forms” are not at all bad things when they are high.

That there are no faults in the present system we do not pretend to say for a moment. Time will probably show that it is unwise for an Education Department to be directly or indirectly represented on the controlling body of a university, for the latter, far more than a secondary school, has a community life which may be hindered by too systematic and too rigid an external control. On the whole, however, the position of Australia in the matter of education to-day is high, and all honour and praise must be given to those early Liberal thinkers who had before them the grand ideal of an educated democracy.

The passing of the "Bursary Endowment Act, 1912," meant that from that date State bursaries may be held at schools under church control. The Act raised a storm of critical controversy, which has not yet quite abated. The claim of the Roman Catholic Church for a complete measure of State endowment is based on three arguments which may be considered in order.

The first is a negative attack on the present public school system, which, it has been claimed, "is sowing the seeds of future immorality and irreligion." The plea assumes, of course, that since sectarian instruction is not given by the State a religious and moral spirit cannot exist in the atmosphere of the public school. This raises an important issue which, as one thinks, the process of the last three centuries has sufficiently settled. But we may say that the substitution of the study of civics and morals for formal doctrines does not mean that the opposition of morality and religion cannot be adequately resolved. Further, the *facts* on which the argument is based are seldom stated explicitly, and where implied have been denied. The better tone of a few of the leading non-State secondary schools is not an evidence of religious and moral superiority, but of sounder home training.

The second is the abstract and general argument that education cannot be separated into secular and religious compartments, but is one and indivisible, and that therefore the Roman Catholic schools should be subdivided, their schools alone giving "education one and indivisible." It is difficult to consider this statement without venturing on to religious matters that are quite extraneous to our purpose. The Roman Catholic Church claim is a logical enough one on the assumption of Catholic premises. But the Australian States are individually in disagreement with the view of education as one and indivisible. Liberalism, then, has two counter pleas, first that the large majority of the citizens of Australia, in favour, as it is, of full and complete liberty of conscience and religion, is also in favour of the present system, and its will on all democratic principles should prevail; secondly, that the aim and end of the State is secular and not religious, as the rise of the modern State illustrates, and that the function of the Government authority is to secure liberty in all things, but to leave the control of formal, sectarian, and doctrinal religion to the various churches, not one of which is established.

Thirdly, it is said that Roman Catholic citizens are taxed for an education system in the benefits of which they cannot conscientiously share, and they have to provide extra financial assistance to their own schools.

But for one thing, a large portion (nearly one-half) of Roman Catholic children attend the public schools, and for another the proportion of the Catholic population of Australia is decreasing. If the State gave support to the separatist schools it would be subsidising a body of an admittedly ecclesiastical nature at the expense of the whole community. The only solution to the question of State aid is a refusal to recognise any denomination, for that is the only method of avoiding reactionary movements in the direction of church establishment. "The

“Bursary Endowment Act, 1912,” was hardly a sacrifice of that principle, but Liberalism must guard jealously the citidel it has won in Australia.

English Conservatism is clear and definite in its outlook. “The Church” has long been one of its most valuable political cries. “The State,” says Lord Hugh Cecil, “is, as a body, to be religious. By that we mean that all who bear a part in State affairs, from the King on his throne to the humblest voter, should be reminded that beyond the visible world . . . there lies the unseen world, the temple of an Ineffable Being, Righteous, Omnipotent, and Eternal. It seems plain that a formal recognition by the State of this great truth does not lose its value, even for those who dissent from the teaching of the Church that may be established, unless their dissent reaches the point of a denial of the existence of an unseen world and of a moral Governor of the Universe.” “Disestablishment is a loss to the cause of religion, however taught.” “What was actually decided” (in the disestablishment of the Church of Ireland) “was that religious duty should be abandoned altogether. It was as though a man, being disposed to prefer worshipping in a Roman Catholic rather than a Protestant Church, should, instead of transferring his devotions, give up public worship altogether.”

Liberalism joins issue with Conservatism on all the points mentioned above, and stands opposed to existing church endowments. It finds it hard to forget that the two archbishops and the twenty-two bishops of the House of Lords have voted against nearly every piece of Liberal legislation; it does not call into question the sincerity of those men although they voted, almost unanimously, against the abolition of hanging for stealing five shillings and for poaching, and although the Archbishop of Canterbury referred to the “Schools Bill” as “an innovation that might shake the foundations of our religion.” But it does protest against the principle which will allow the representatives of one religion alone, and of any religion at all, an ex officio seat in the National Parliament; and it pins its faith to the conception of the division of labour between Church and State and to the complete secular character of the latter. If Conservatism holds that “the championship of religion is therefore the most important of the functions of Conservatism” Liberalism holds that it is wrong for the State or any political party to champion the cause of religion, let alone the cause of one religion. If Conservatism believes that “to teach no religion as true while teaching much secular learning is in fact to raise in the mind of the pupil a presumption against religion,” Liberalism believes that no education is true education which does not see the limitations of the claims of intellect. And when Conservatism says that to attack the State-aid system in England is “unhistorical,” Liberalism answers that the appeal is not to origins, but to validity and justice.

Of course, the ultimate difference between the two views as to the function of the State is a difference of outlook and of faith which

cannot be settled by any logical arguments. English Liberalism, however, points with pride to the existing state of national education in Australia, and holds that the adoption of a similar system would mean the dawn of happier days for the United Kingdom.

CHAPTER VIII.

LIBERAL PARTIES AFTER RESPONSIBLE GOVERNMENT.

In the 'fifties, when four of the six present States of Australia were granted responsible government, the Cabinet and the Executive were subjected at once to Colonial control. Governments held office by the support of the Assembly, which might be withdrawn, in which case the Opposition accepted responsibility to assume office. Of course, such a system depends for most of its value on the existence of real differences of policy, and individual rivalry and selfish interests may easily arise unless party government is based on such differences. In England there was to a greater or less extent a thread of continuity running through the varied history of the two great parties, and this fact checked the influence of selfish ends and individual caprice. In Australia, however, there did not immediately arise two such parties, and it can hardly be asserted that the party issues are quite clear even to-day. The great questions on which the British parties were at issue—and from the repeal of the Corn Laws to the death of Palmerston party lines were blurred—had not emerged in the politics of Australia to any great extent when the colonies became self-governing. Liberalism had won important victories before, and was to win perhaps greater ones, but there was never one political faction alone which might properly be termed "Liberal" and one alone which was Conservative. Fiscal sympathy was one issue, but national education and the land question were others, and there were fresh divisions of opinion as each new subject came under discussion. There was at first a freedom of political action almost as dangerous in its caprice as the rigid party system is to-day; the early combinations were often centred round local interests, and as a result they were transient and unstable. "There has been," said Duffy in 1860, speaking to his Melbourne constituents, "too little party spirit, and the inordinate boast of a candidate has been that he belongs to no party. Yet Parliamentary government as it exists in England and in the colonies must be based either on party or on corruption. . . . Party is, of course, liable to abuse, yet if we are not still to see men walk from one side of the House to the other for a consideration which generally becomes as well known as the price of stocks upon 'Change, we must have party spirit."

It is generally agreed that, until quite recently, the politics of Australia was un-American. American municipal government is unspeakably corrupt, and in Australia such government is as pure as that of the best English cities. According to Sidney Webb, the same integrity runs through all Australian politics, but the recent development of "the party machine" and the doctrine of "spoils to the victors" has given Liberalism a new problem to solve. Personal integrity, however, is not the exclusive possession of any existing party,

although the modern abuses of party government dwarf the personal factor altogether. Without payment of members, and the inducements of a highly profitable career, the earliest of our legislators were quite free from such abuses, and the difficulty was to get parties at all.

Thus in South Australia from 1856 to 1876 there were twenty-nine successive administrations, in Victoria from 1855 to 1877 there were eighteen, and in Tasmania and New South Wales during the same period there were twelve and seventeen respectively. As early as 1860 the London "Times" said that "In Melbourne and Sydney Ministry has succeeded Ministry with inconceivable rapidity, and the normal state of things seems to be that the Opposition is stronger than a Government." There was a lack of stable party organisation, and many a man had office under Premiers whom he later on helped to depose. The Cowper-Robertson and Martin-Parkes coalition in New South Wales gradually dissolved, and the Robertson-Parkes "fusion" resulted in the administration of 1875-9. Similarly the party politics of Queensland was confused between 1860 and 1880, and like those of South Australia had a purely local interest, except of course when the larger questions of protection, education, and the land came under review. But Liberalism did not have the same parties behind it on those issues, and it was not till the advent of the Labour party that stability of any real sort became possible in party fissures and party divisions. From 1876 to 1894 New South Wales had eleven Ministries, Victoria nine, and South Australia thirteen, and it was not till some years after federation that a two-party system on something like the English basis was reached.

The name of Liberalism has, however, often been used to denote the most radical of the various groups in the old colonial legislatures. In 1863 Cowper was called by one of his followers "a staunch and uncompromising member of the Liberal party," and the Opposition was termed "the Tory party which has been completely annihilated as a party, hopelessly defeated and lost." The squatting interests were dubbed "the crutch of Australia's limping aristocracy"; free selection before survey was demanded as a "Liberal proposal to abolish the land monopoly of the Tories," and when John Robertson passed the measure he was saluted as "the spokesman of Liberalism not only in the Mother Colony, but in all Australia." The two Victorian constitutional crises were brought about by "Liberal" parties which clamoured for high protection and payment of members respectively. And the Melbourne "Age" never failed to use the most philosophical of all party terms, "Liberalism," to whatever proposals it put before the citizens of that colony.

It was not till the 'eighties that there arose a demand for reorientation in respect of party titles. In 1887 the "Times" declared that "the admirable maxims which a generation ago were the watch-word of Liberalism are disappearing with an alarming rapidity from the minds of men. Long after the Prime Minister (*i.e.*, Gladstone) entered Parliament one of the chief notes of instructed Liberalism was that the best Government is that which interferes least with social affairs. Now the grandeur of that principle is questioned." In

his book on "Liberalism," published in the mid-'eighties, Mr. Bruce Smith asked for an alteration of the Victorian political party titles, because the "Liberals" in that colony supported protection and factory legislation. In 1880, too, a process was in force in New South Wales by which younger men, with no terror of the "unconstitutional," gradually deposed Parkes and Robertson from their long-enjoyed duumvirate. In 1883 a protectionist party was returned to power, and although Parkes regained the premiership in 1887 his influence had almost ceased to exist, and he soon lost the leadership of the free trade party. "Liberalism," said Bruce Smith, "is being gradually perverted "to the service of a cause which must, sooner or later, be wholly "destructive to that very liberty from which it derived its existence "as a political term." When B. R. Wise addressed Sydney audiences in 1888 on "the position of the Liberal party," saying that "I am a "Liberal because I believe in the democratic principle of Honesty, "Equality, Liberty, and Justice, and because free trade means liberty "for all," he found that abstract phrases had lost their value as political maxims.

It was at this time that Australia was realising that State interference, as such, and irrespective of any particular party, was not to be roundly condemned. The "new Liberalism," as it was termed, attracted attention in England, where it was asserted that the new principles had been accepted and introduced at the Antipodes. At the latter, of course, individual and particular movements had become associated with the name of "Liberal," carrying immediate conviction to many Australians, and although Bruce Smith and others asserted that "the aggressive function of Liberalism is over, it only remains to "preserve and guard over the equal liberty of citizens generally," it is certain that the terms "liberty" and "freedom" were being used with a wider but truer connotation than before.

Meanwhile federation was coming within the range of practical politics, and it is necessary to give a brief sketch of this movement. In 1849 a committee had reported to the English Parliament in favour of a common tariff for Australia with inter-colonial free trade, and of a Federal House of Delegates, but the separatist movement in Victoria and Queensland were too powerful for the immediate realisation of the scheme. The Constitution Act of 1850 did not, therefore, provide for union, but in 1853 the Committee of the New South Wales Council, reporting on the proposed constitution, declared that "one of the more "prominent legislative measures required by the colony and the "colonies of the Australian group generally is the establishment at "once of a general assembly to make laws in relation to intercolonial "questions." And in October, 1856, Sir Edward Deas-Thompson said: "The time I look upon it is not far distant when the colonies will "adopt some federal arrangement"; in the following year, 1857, Wentworth sent a memorial in favour of federation to the Colonial Secretary, and the Victorian Assembly appointed a committee, under the leadership of C. G. Duffy, which reported strongly in favour of union. But the adoption by Victoria of protection in 1865 raised new obstacles to federation, and "the barbarism of borderism" was shortly

to grow up. The colonies went their own way with separate Governors, Governments, and Parliaments legislating for their own internal requirements. Tariffs were imposed operating as much against the goods of fellow Australians in other colonies as against foreigners. "Victoria," said Parkes in 1880, "is not travelling in the right path, "but I would never allow any attachment to New South Wales to "interfere with the fairest consideration of any great question affecting "Australia as a whole."

Parkes' attitude was the exception and not the rule, for in the 'nineties many of the free traders still remained "retaliationists," and one of its spokesmen, the late J. C. Neild, "deprecated any form of "federation calculated to interfere with the free trade policy of New "South Wales" giving general support to the league of "prudent "federalists." In 1881 an intercolonial conference was held to consider the advisability of legislation to exclude Chinese, and from this time may be dated the hostility of Queensland to federate with five colonies who cordially detested her Kanaka policy. The result of this meeting and that held in 1883 to deal with the New Guinea question was the establishment of a Federal Council in 1885, but New South Wales and South Australia did not join a body with no executive or financial authority. In 1887 an Imperial officer reported in favour of colonial co-operation in defence matters, and from this time the new federal movement may be held to have commenced. Parkes' famous Tenterfield speech in 1889 resulted in the conference of 1890 and 1891, and, when the latter submitted its draft constitution, it was thought that union was a matter of months.

But, as has been already indicated, Parkes was by 1890 losing ground with the Parliament of the Mother Colony, and when John Robertson began an anti-Victorian movement about that time obstacles were quickly raised in the way of immediate union. "Why should we," said Robertson, "close our gates to all the world in order to trade with "those fellows across the Murray, who produce just the same as we "do?" and "all they can send us is cabbages." Parkes was openly accused of throwing over his free trade principles on the altar of federation, and almost immediately quarrelled with G. H. Reid, the new leader of the free trade party, and was defeated by the latter for a city constituency. On Edmund Barton and Alfred Deakin his mantle inevitably fell, and Reid remained what the dying Parkes had called him, "the arch plotter against federation." Societies and associations were formed for or against union, and public opinion gradually crystallised in favour of a federal form of government, which would be essentially Liberal in its scope, as enlarging the powers of self-government of the Australian people.

The New South Wales general elections of 1895 were fought on the issue of Upper House reform, and early in 1896 Parkes died. His work for federation was undoubtedly important, and he had done a great work for the cause of Australian Liberalism. In the same year enabling Acts were passed by four of the States for the election by the people of another convention. The Western Australian Parliament selected its representatives, but Queensland held aloof. In New South

Wales the decisive struggle was fought and only won after a bitter struggle, the Amended Bill of the 1897 Convention dividing the political world into the "Billites" and "Anti-Billites." The Labour party was not sympathetic to federation, as it feared the conservatism of the proposed Senate, a fear that subsequent events have falsified in an extraordinary way. There was a section, too, which looked upon federation as a step towards a closer Imperial union, and which therefore opposed the bill. The indifference shown by the old Liberals of the Manchester school to Imperial interests had been discredited by the consolidation of the German States, and, indeed, the publication of Seeley's "Expansion of England" in 1883 marked the commencement of a decline in English Liberalism as a result of its "laissez-faire" attitude towards the doctrine of Nationalism. Under the broad movement represented by the latter phrase, the movement of Australian federation must be included. But Liberalism in Australia had already outgrown the spirit which prompted Cobden's remark "Where is the enemy that would be so good as to steal such property (*i.e.*, the colonies?) We should consider it quite as unnecessary to arm in defence of them as of the national debt."

There thus arose during the 'nineties a sentiment centred round the ideal of Australia as a nation. "The crimson thread of kinship runs through us all," "One people one destiny," "Australia for the Australians," "Australia first and the States second," "Advance Australia Fair," all these phrases indicated a real and growing dislike for the pettiness of the old intercolonial jealousies. "We must," said Alfred Deakin, "direct much of the loyalty which is attached to individual colonies to a central idea of the national life of Australia. so that our countrymen . . . shall feel that what transpires in any part of the colonies has as much interest for them as the events occurring in the particular spot in which they dwell." The extension of intercolonial railways in the 'seventies and 'eighties, the anti-Chinese agitation, and the fear of German aggression in Polynesia had all helped the movement, as had the eloquent speeches of Parkes. And it was the common patriotism which enabled the federalists to sink personal and petty dislike for the advancement of national interests.

New South Wales did not find a sufficiently large majority for the 1897 bill when first submitted, but the latter was carried after certain amendments had been inserted, giving the colony several extra privileges. Queensland had taken little part in the movement, although Sir Samuel Griffith and Mr. Macrossan gave considerable help in the early 'nineties. "The Age" supported federation for Victoria, had its own ten nominees elected to the last convention, and secured the passage of the bill by a huge majority at its first submission. Campaigns in all the other States were equally successful. In July, 1900, the Royal assent was given, and in 1901 the present King—then Duke of York—set the machinery of the new Federal Government in operation.

It is sometimes claimed that Australian Liberals "were not adhering to established Liberal principles when they supported

“federation, placed nationalism before liberty, protection before free trade, and, in any case, made the High Court and not Parliament “itself the interpreter of the written Constitution.”

To this criticism it may be said, in the first place, that Liberalism cannot reconcile the phrase “established Liberal principles” with the idea of progress, unless it is understood that those principles will be modified as new economic and social factors emerge in the development of a people. Admitting that the one ideal of a provision of external means for inner moral development is always to be operative in the field of politics, Liberalism has had to modify its old “laissez-faire” attitude towards the problem of social life. The only unchangeable and eternal principle to which a sound political philosophy can hold is the ideal of moral development; and the economic doctrine of free trade as well as other political maxims have been revised as more light has been shed on the proper functions and obligations of the State.

In the second place, Liberalism cannot be accused of placing nationalism before liberty unless both terms are understood in a restricted sense. For although Liberals have held that “reasons of “State” justify nothing, and that the integrity of smaller nationalities must never be sacrificed in the expansion of a great nation, yet they are not opposed to such “nationalism” within the borders of one country; provided only that national efficiency goes along with the conceptions of justice and right. In its opposition to Russian nationalism, Liberalism supported Polish and Balkan nationalism; in its opposition to a narrow English “nationalism,” Liberalism declared itself in favour of Home Rule for Ireland, and in its opposition to Austrian and Papal “nationalism,” Liberalism sympathised with Cavour, Garibaldi, and Mazzini. Nationalism and liberty are both Liberal principles, if nationalism is based on right and liberty is not an opposition to restraint as such. It may be asserted that Australia achieved federation to the destruction of State liberties, but the answer is that the popular will prevailed in huge majorities, and that union enlarged the self-governing powers of the people.

In the third place, the fiscal issue in its relation to federation has already been discussed. Whilst not entering into consideration of the merits of protection or free trade, it can be said that the acquisition of interstate free trade was undoubtedly “in accord with the best Liberal “traditions,” and incidentally a fair and just thing. The mere adoption of a new form of Government, moreover, did not necessarily imply the death of free trade, and, before the fiscal question was settled by the Commonwealth, the people had themselves to decide on their legislators. It is a shallow wit which taunts those free traders who supported union with a surrender of their fiscal opinions. Even if, as is doubtful, they all foresaw the triumph of protection, it speaks well for the breadth of view of a Liberalism which refused to accept any economic maxim as an unquestionable dogma.

Fourthly, to accuse the Liberals of surrendering Parliamentary sovereignty to a legal tribunal is merely to state that a “federation” and not a unitary form of government was devised. It is true that several judgments of the High Court provided surprises even to the

framers of the constitution who wanted "an *enlargement* of self-government." We shall deal later on with some of the federal legislation which has been passed, and with the tendencies existing at present with regard to the extension of federal powers at the expense of the various States. But it was essentially a Liberal as opposed to a Conservative outlook which induced the makers of the Federal Constitution to provide for its amendment.

To conclude our discussion of Liberalism in its relation to party government, the rise of the Labour parties in the 'nineties at first complicated the two-party system, but, as the fiscal issue gradually went into the background, it helped to bring about that stability of parties which had been so conspicuously absent in Australian politics. The attention of all the colonial Parliaments was centred from 1890 to 1901 on the approaching federation, and both free trade and protectionist parties were divided by the new issue, although the Labour party remained a compact body, voting together on all important bills. The system of the caucus and the pledge gave it a power and weight above its numbers, and it was soon able to affect the fates of Governments and to obtain concessions in return for support. This was particularly noticeable in New South Wales and South Australia, though also to a degree in Victoria. The Queensland Labour party, under the extra-parliamentary leadership of William Lane, was the most doctrinaire and impractical of the various parties, and only succeeded in obtaining office for a few days, the Liberal-Conservative "continuous" Government remaining supreme till some years after the inauguration of the Commonwealth. But we shall give consideration to the unique position of the Australian Labour parties in tracing the development of Liberalism in Australia after federation.

CHAPTER IX.

"SOCIALISM WITHOUT DOCTRINES."

A. State Interference.

B. The Rise of the Labour Party.

C. "Socialism without Doctrines."

A. State interference.

At the Intercolonial Trades' Unions Congress held at Melbourne in 1884 some significant speeches were delivered. Without laying down any definite fiscal policy the general opinion was that "it may be said of free trade and protection that whatever suits the individual or country is the *right* fiscal policy for him or it . . . one of the dangers always menacing us is importation of labour from other parts of the world; that would be nullified if the trades' unions were united." All believed that Australia could be made a "working man's paradise" by State legislation in connection with industries. Perceiving with remarkable foresight the developments that the latter arguments might take, Bruce Smith in his "Liberalism and Liberty" (1885) entered a strong protest against interference by Government either in the direction of Factory or Early Closing Acts.

Now, as we have seen, the various colonies were assuming large responsibilities in the matter of education, and by the year 1881 all the Australian States, save one alone, had introduced the principles of compulsory attendance under Government control. Further, land transport, always a function of the community, was in the 'eighties assuming large dimensions, and the various Governments were borrowing large sums from the London market for developmental purposes generally. The State was still the great landlord, and the growing belief in protective tariffs opened up new fields for regulation and control. The Anti-Chinese Acts of 1881 showed that future measures would be based on practical and not on theoretical lines, and local option laws, land and income taxes, factory and mining Acts, and other experimental legislation, particularly with regard to the land, were soon forthcoming, so that, before 1890, when the Labour party took its official rise, Government was the chief employer of labour, the owner of the telegraph system, registering and transferring land, importing immigrants, inspecting flocks and herds, and (in Victoria) factories, and encouraging local industries negatively by taxing imported goods and positively by granting bonuses.

By such a series of enactments the Australian States were well on their way towards a greater measure of interference and control of wages and conditions of labour than exists in any other of the democratic communities of the world. When New South Wales established a Government dockyard the convincing argument was that it would bring in satisfactory revenue to the community and make semi-State vessels independent of the private owned. By the end of the century the Governments were repurchasing privately owned blocks of land for subdivision. Three of them had adopted the system of the perpetual lease, all of them had formed Departments of Agricul-

ture, and all except one passed Early Closing Acts. The State authority lent money to small settlers on the mortgage of land, and endeavoured to deal with unemployment by the practical method of State employment. Old Age Pensions Acts were becoming general, and Government was interfering to settle industrial disputes. The approach of federation made it clear that the principles of protection of local industries and of "White Australia" would be endorsed by the whole of the Commonwealth.

The first Australian Factory Act had been passed in 1873 in Victoria, as a result of a strike in 1872, but the first important measure was that of 1884, which provided for Government inspection. By 1902, when Western Australia came into line, all the States had a series of Factory or Shop Acts. Some of the Parliaments preferred to adopt Wages Boards rather than Arbitration Courts, but both were forms of interference, and the only point at issue was the best way of preventing strikes and lockouts. The State authorities, too, by contributing to the upkeep of hospitals, acquired certain added responsibilities, and by 1913 the New South Wales Government was providing four-fifths of the total cost, and its Premier* could say: "We intend ultimately to bring the whole of our hospitals under the control of the State. The stream of private charity is only the smallest trickle in the great current which flows from the State Treasury," and further measures of interference were foreshadowed on the basis that "We have no visionary or doctrinaire policy; I am asking you and the country to support a definite programme."

In the first fourteen years, too, the Commonwealth Parliament made numerous attempts to pass into law bills relating to the regulation of trade, commerce and industries, but it was found that the Federal Constitution was not elastic enough to cover all the interference that was desired. Protective tariffs, exclusion Acts, Bounties Acts, universal military training, and a graduated land tax were all passed, and the future will probably witness still more regulative control of trade and commerce by the Australian Government. The creation of an Interstate Commission with enormous powers of inquiry and report may be cited as an indication of further developments in that direction.

In England, too, Liberalism has seen fit to discard its earlier emphasis on freedom from restraint, and Mr. Lloyd George's Budget of 1909 is coloured by "Socialistic" experiments on the lines of Australian legislation. Cobden had said that "no child ought to be let to work in a cotton mill at all so early as the age of thirteen years," but he did not foresee the developments that his single admission would have in the creation of a national system of labour exchanges. Chamberlain declared in 1885 that "Government is only the organisation of the whole people for the benefit of all; the community ought . . . to protect the weak and to provide for the poor; to redress the inequalities of our social conditions, of the struggle for existence, and to raise the average enjoyment of the majority of our

* Mr. Holman.

"population," and his influence on the younger Liberals was not small. As for Gladstone, Morley's life contains hardly a reference to the social-economic issues of modern politics, and the questions of the unearned increment, of attempts to cope with sweating, unemployment, old-age destitution, and of the development of our resources of land and labour by the State are not touched on.

The development of State interference in Australia began, as we have seen, before the advent of Labour as a political power. But the various Labour parties contributed largely to the extensions of Government regulation and control, and thus reacted on Liberalism. It is therefore necessary to glance for a moment at some phases in the political development of the earlier unionism.

B. *The Rise of the Labour Party.*

We have seen that the trades' unions of the 'eighties were already asking for a greater measure of Factory and Shop Acts. The growth of unionism in Australia is an interesting and instructive portion of our history, and the wonderful organising genius that was behind such institutions as the Australian Workers' Union is reflected in the influence the latter body wields on our politics to-day. Until the acceptance of protection the unionists devoted their energies to the "squatting" or pastoral community, and shearers and station hands soon learnt the value of combination. The struggles leading to the maritime and shearers' strikes of the early 'nineties are not part of our subject; but those conflicts made it clear that the trades' unions could not succeed in their agitation for better conditions until they captured the legislatures, and the advice to take political action was, according to W. G. Spence, given by Henry Parkes.

The advice was taken, and small but compact groups, representing industrial and mining communities, arrived in the State Parliaments as the various Labour representatives. In New South Wales four Governments lived on the support accorded by the Labour members, who, adopting the pledge and caucus system, voted solidly when the party whip cracked. The land and income tax, Early Closing Bill, old age pensions, the adoption of day labour in Government works, and Arbitration Acts were the concessions this "Parnell" party received for support. "It would never have been possible," said Mr. Reid, the free trade leader, "to have introduced the day labour principle had it not been for the pressure and assistance of the Labour party," and the latter justified its attitude in the political arena by the assertion, "It might be, as some said, that in a few years there would be only two parties, but there would be no doubt of the Liberalism and Radicalism of any body that the Labour party blended with."* In South Australia and Victoria somewhat similar concessions were given for Labour support, but the bitterness of the strike days in Queensland, together with the doctrinaire views of the party in that State, put Labour into direct and hopeless opposition. Western Australia and Tasmania were not much affected by the Labour groups until after the achieving of federation.

* J. S. T. McGowen, leader of the New South Wales Labour Party, 1901.

The success of the parties which did succeed was due to their practical list of proposals and to their stressing their "fighting platform" at the expense of their ultimate aim or "objective." The earliest "objectives" were in sympathy with the ideas of German theoretical socialism, and included "the nationalisation of all sources of wealth and all means of producing and distributing wealth"; and the conducting "by the State authority of all production and all exchange; the reorganisation of society upon the above lines to be commenced at once and pursued uninterruptedly until social justice is fully secured to every citizen." But as Liberalism began to criticise this ideal on general principles it was modified, and ultimately in January, 1905, read thus: "(1) The cultivation of an Australian sentiment based upon the maintenance of racial purity, and the development in Australia of an enlightened and self-reliant community; (2) the securing of the full results of their industry to all producers by the collective ownership of monopolies, and the extension of the industrial and economic functions of the State and municipality."

In its revised form the newer Liberalism could find little to condemn in the objective, and the various Australian Liberal parties have entered into competition with the Labour parties in their common efforts to extend the powers of the community as a whole. One point on which they have joined issue is the question of immigration. Chiefly as a result of union agitation, assisted immigration was abandoned by Victoria in 1873, South Australia in 1886, New South Wales in 1887, and Tasmania in 1891, and although more recent legislation has endeavoured to cope with the problem there is no steady stream of new settlers and workers.

But there are two equally important phases of the development of the Labour party which must be considered. In the first place there is the question of the pledge and caucus, and in the second there is that of preference to unionists.

As to the pledge, the form runs: "I hereby pledge myself not to oppose the candidate selected by the recognised political Labour organisation, and, if elected, to do my utmost to carry out the principles embodied in the Australian Labour party's platform, and on all questions affecting the platform to vote as a majority of the Parliamentary party may decide at a duly constituted caucus meeting."

The justification of the pledge is made on three main grounds:—

(1) It is "sanctioned by precedent." In his "The Case for Labour" Mr. W. M. Hughes makes a good deal out of this point, and he indicates that no lodge or religious sect could carry on unless some such system as the pledge is adopted.

It is amusing to find that the Labour party, with its notorious hatred of precedents in legislation, should have to fall back on such an argument to justify a vital feature of its own internal organisation. Except in Parliamentary and legal *practice*, the sanction of precedent is unjustified. The appeal is not to origins, but to right and validity

when political principles have to be settled, and we must dismiss the argument.

(2) The pledge is "practised by nearly every association and "organisation of civilised men." This statement is to be questioned. Of course there are many games played in society, and every game has its own rules and procedure; but even there we do not find that an organisation is ever ruled by a minority, and this is quite possible under the caucus system. The second line of argument either merges into the first, which we have already considered, or else claims that the supreme government of society is to be carried out exactly on the lines of ordinary clubs and societies. We agree with the latter proposition, and affirm that most associations are governed by the majority of its members *de jure* if occasionally not in fact. We would state that where a possible analogy may be drawn between the influence of cliques and coteries in societies and the Parliamentary caucus system, then the former does not justify the latter.

(3) The pledge is "moral, expedient, and necessary." It is claimed that the younger members of the party receive a political education and discipline in caucus which is of the utmost value. But expediency and necessity do not justify a system which strikes at the principles of the responsibility of Parliament to the people, and of the freedom of Parliamentary discussion. The pledge is certainly not "moral" in any real sense of the term. It is right and just that every parliamentary representative should have certain views on certain broad questions, and that his constituents, knowing those views, should select him as their member. It is right that the caprice and waywardness of many would-be parliamentarians should be checked by a clear expression of opinion in the appeal to the electorate. In an important sense, too, party government is a valuable and a right system.

Apart from this, it is not consoling to find that Liberal parties in England, as well as in Australia, are tending towards an adoption of the caucus system. It is on this question that Liberalism should be prepared to fight once again for freedom and liberty, and it is wrong that those ideals of political and social philosophy should be sacrificed on the altar of utility and party discipline. Australian Liberalism will do well to pause in this matter and consider in what direction it is going. Certain suggestions for the betterment of the present party system we shall consider below. Meanwhile we must express the hope that the vital principle of representative government will not be sacrificed.

With regard to the question of preference to unionists, that principle may legally be applied in the judgments of the New South Wales and Commonwealth tribunals for the regulation of wages in trades. The attitude of the Federal and State Labour parties is clear and explicit. "Our policy," said the present Prime Minister of the Commonwealth* in the appeal to the electorate in September last, "is "open, clear, and plain to the public—that of preference to unionists. "If it is wrong, vote against our candidates—we have previously

* Mr. Fisher.

“ appealed to the people, and they have approved of the policy.” The Fisher Administration of 1910 required its officers to give preference to unionists for employment in Government works, and where work was done by contract a clause providing for preference was inserted in the contract. The Government also passed an amendment of the Arbitration Act permitting the Federal Arbitration Court to order preference to unionists, notwithstanding that the unions of which they were members had devoted a portion of their funds to political organisation and propaganda.

The Liberal party opposed such principle, and one of the issues of the 1914 election was the question of preference to unionists. The people endorsed the attitude of the Labour party, but it is impossible to say whether they gave it a “ mandate ” which would allow a thoroughgoing application of the principle. It will be wrong for Liberalism to accept such a verdict as final, for there is no doubt but that extreme discretion should be used in awarding preference to members of political-industrial organisations. In practice, the problem is not such an urgent one as a portion of the press would appear to believe, for unionism has extended its ramifications so far that the number of manual workers who are not trade unionists is inconsiderable. But the question of right and wrong must be discussed on general grounds, and there is no doubt but that the existing Liberal parties are vindicating the ideal of equal opportunity, even if the vacillating attitude of many of their members is not encouraging.

C. “ *Socialism without Doctrines.* ”

The last great speech of Henry Parkes in the New South Wales Parliament was a protest against the violation of “ Liberal ” principles by industrial legislation. “ Importers,” he said, “ should not be interfered with any more than persons following some industry in the fields or the mines of the country. I distinguish very broadly “ between eight hours being sufficient for a man to labour and Parliament prescribing how many hours he shall labour. The working “ classes of this country are sufficiently strong to make good their will “ to work eight hours only without asking Parliament to prostitute “ itself to exercise a power which, in all moral justice, it does not “ possess. . . . Tyranny is an arbitrary interference with your “ fellow-men to do a thing which their just judgment tells them they “ ought not to do, and whether it is a manifesto from a trades-union “ or the edict of an autocrat, it is tyranny just the same in all its “ elements.” In this way Parkes called attention to the gradual extension of the State functions during the ‘ eighties and early ‘ nineties. As we have already indicated, the process was only a semi-conscious one, and each “ socialistic ” proposal was justified by the Liberals on the ground that it was a “ fair and reasonable ” thing, and not on the ground of new and deeper principles of legislation.

Indeed, it was only some years after federation had been accomplished that there grew up the practice of appointing Royal Commissions to deal with and report on important public questions. Even then the scope of the Commissions was limited, and there was little

opportunity of an academic discussion of general principles. Federation itself was undertaken without that careful inquiry and theoretical criticism which preceded the Union of South Africa, and the Labour party, with its glorification of practical measures and practical reforms, never hesitated to express its distrust of elaborate and careful preliminary inquiry.

With Federation, however, and the surprising success of the Labour party in the larger political world there opened up, there came a certain demand for a cessation of State interference and for a careful reorganisation in respect to Liberal theory and principles. "Les partis 'ouvriers d'Australasie,' Mélin said, 'ressemblent au trade unionisme par leur charpente composée de syndicats, par leur caractère *exclusive-ment pratique*, par leur programme de reformes, menues et immédiatement réalisables, par la rareté et le vague de leur déclarations socialistes, et des principaux. D'autre part ils ressemblent à nos groupements socialistes par leur agitations en parti politique special, laquelle, n'est en Angleterre qu'à l'état de projet fort discuté. En apparence, ils sont ce qu'on appelle chez-nous mêmes un parti de classe menant la lutte contre les bourgeois; en réalité ils acceptent le patronat, le salariat, et cherchent simplement s'assurer de bonnes conditions de travail dans le monde tel qu'il est.'" Nevertheless the series of Acts passed was "socialistic" in an important way, and the alteration of the Labour party's objective in 1905 gave the Commonwealth free traders an opportunity of fighting an election on the issue of Socialism. It was only in New South Wales that Mr. Reid's campaign was taken seriously, and the tariff issue dominated the field in the other States. The Sydney press was enthusiastic enough over the negative cry of 'Anti-Socialism,' and promptly dubbed the Deakin Protectionist party "Ministerial Socialists," and the direct Labour party "Labour Socialists."

Additional point was lent to the campaign by the fact that most of the State Parliaments, when the fiscal issue was removed to the Commonwealth, naturally adopted the two-party system, and Labour came into direct opposition. But the barren pessimism of the Reid party in its single motto, "I am opposed to Socialism," did not meet with much encouragement, and it was the Labour party alone which emerged from the 1906 elections with any appreciable addition in strength.

But the Labour party itself was not unaffected, and it takes its stand to-day on what is termed "evolutionary" socialism. It is opposed to the revolutionary coup d'état of the extremists, whose economies are those of fifty years ago. "A prominent politician in the 'Federal Parliament' (writes W. M. Hughes) expressed this view 'during the last federal campaign, 'Why don't they' (meaning thereby 'the Labour party) 'bring in Socialism and have done with it; the 'sooner we have it the sooner we shall get over it.' To this gentleman 'Socialism was something like a visit to the dentist or a term in gaol, to be avoided by every means possible, but if inevitable then endured for the briefest season. These people, he prophesied, who were now crying out for it as if it were a new kind of breakfast food would, after they had experienced its delusive and hollow glories, rise up and

“with one accord heave it overboard . . . but just as a boy is less robust than a man, and in the sense that a boy is not a man, Socialism is not here now, and in the sense that a boy is a man, Socialism is here now.”

Now, Socialism presents so many aspects and embraces so many conceptions and ideas that it is something to all men and something different to each point of view. It is a philosophy and an ethical scheme, a religion, an economic interpretation of history, a legal concept, a popular and progressive movement, a revolution or evolution, the hope of mankind, or the last evil days of this world. In a sense we are “all Socialists now,” for we all believe in some form of government, and, if we don't, even anarchy embraces some of the countless sides of Socialism. So far as Australia is concerned, the age of wealth has replaced the age of faith or the age of reason, and political Socialism present itself mainly as an economic doctrine. It is unnecessary for us to press the obvious point that, as such, Socialism is incomplete, and that materialism or evolutionary ethics will hardly satisfy as a political or moral theory. From this point of view Socialism is an extravagant expression of that modern movement of thought which exalts the importance of material and economic interests at the expense of intellectual, moral, and religious principles.

Socialism first touched Liberalism in its international outlook as distinct from the nationalism and imperialism of Conservative England. But the failure of the International of the European Socialists shows that Socialism will take different forms in different countries, and the rise of the Australian Labour party shows that local conditions may contribute towards the production of a purely practical platform, advocating the extension of the powers of the State in certain well-defined contingencies. Liberalism in England has experienced a significant give-and-take with Socialism, but it still is to be distinguished quite easily from the Labour and Independent Labour parties. In Australia, even more, Liberalism has adopted the extension of State functions, and although our Liberal parties when in opposition indulge in criticism of Labour's “socialistic proposals,” they, too, offer the electorate such tempting baits as increases in the Old Age Pensions and Schemes of National Insurance.

But it is only quite recently that Australian Liberalism has seen exactly where it is going, and that the process of State interference is supported on the principles of equality of opportunity and social freedom. The danger is, of course, a mere materialism. But as Australian Labour parties have their political maxims tempered by the responsibilities of office they will become more and more dissatisfied with any Marxian scheme of reconstruction with its failure to recognise individualism and its quite frank materialism. The new Liberalism sees that doctrinaire Socialism rests wholly on a realistic view of life, and it knows that, in philosophy, Realism has lost caste, and that a constructive Idealism is gradually taking its place. The economic struggle is not everything, and it is satisfactory to note that the great question in Australian politics to-day concerns the form rather than

the content of legislation. But the issue of a federal as opposed to a unitary form of government will be considered later, and then we shall attempt to justify the new Liberalism, as it is expressed in Australian life and politics.

CHAPTER X.

THE WORK OF THE COMMONWEALTH PARLIAMENT AND
POLITICAL PARTIES SINCE FEDERATION.

The first Federal Parliament was elected early in 1901, and immediately legislated for the repatriation of the Queensland Kanakas and the exclusion of undesirable immigrants. The Braddon clause in the Constitution made some form of protection necessary, but the free traders fought hard, and the tariff agreed on satisfied no party. The first Ministry was headed by Sir Edmund Barton, and the great services of Kingston and Deakin in the fight for union were fittingly recognised by places in the Cabinet. There were three parties from the beginning, the Labour party remaining a compact body, and voting solidly on all questions except the fiscal one, on which they had a free hand. The reconstruction of the Cabinet, which made Mr. Deakin Prime Minister, made it probable that the issue for the second Parliament would be protection versus free trade, and this proved to be the case.

Both the free traders under Mr. Reid and the Labour party under Mr. Watson had short periods of office in the second three years, but the Deakin Ministry was again in power, supported by the Labourites, when the third appeal to the electorate took place. That appeal resulted in a substantial victory for the protectionists, and the tariff of 1907-8 placated the Melbourne "Age," which still controlled many of the Victorian seats. The resignation of Sir John Forrest from the Deakin Administration made it clear that changes were to come over the political atmosphere, and after Mr. Fisher held office for seven months in 1908-9 a coalition between Mr. Deakin and Mr. Cook, who had succeeded Mr. Reid as leader of the free traders, displaced the Labour party, and two parties faced the electors in April, 1910.

But, after the continued quarrels of nine years, such an artificial conjunction of forces did not satisfy the Australian people, in spite of its proverbial short memory. At the elections the Labour party obtained a commanding position in the House of Representatives and an overwhelming position in the Senate, and during its term of office, till May, 1913, carried into effect its lengthy programme, comprising amendments to the Defence Bills, providing for the construction of a local fleet out of revenue and an extension of the compulsory training clauses, a trans-Australian railway line, the fixing of the capital site, a Commonwealth Bank, a graduated land tax, a Navigation Bill, legislation against monopolies, and a Maternity Allowance Act. In 1911 it attempted an alteration of the Constitution to give the Federal Parliament extended powers over trade and commerce, but the people were strongly opposed to the idea; and when, at the general elections of 1913, the proposals were again submitted forming the main issue they were again rejected, though by a very small majority, and the Liberal party was returned to power on a majority of one in the Lower House.

The stormy session of 1913-14 is fresh in the memory of all, and the Cook Government was defeated at the double dissolution in September, 1914, possibly because the local defence scheme, although the joint work of the Deakin-Cook and the Fisher Governments, is associated in the public mind with the Labour party and its deputy leader. The outbreak of the European war and the suggestions for a political truce did not prevent the new Government from passing emergency legislation, and, incidentally, increasing the land tax.

With which of the three Federal parties of 1901-9 is Liberalism to be associated? The Sydney press claimed that its own free traders were the Liberals, and the "Age" made a similar claim on behalf of the Deakin party. In spite of their fiscal views, it is the latter group which was the more progressive in its outlook, and its "understanding" with the Labour party, resulting in the affirmation of the principle of the New Protection, brought about some useful legislation.

The main features of the Commonwealth Parliaments have been the adoption of protection, the recognition of the principle of "White Australia," and of the value of a citizen army for its defence, the legislation designed to give effect to the New Protection and the issues of States versus Commonwealth which it raised, and the inattention given to immigration, especially to settle the Northern Territory. We have to note the great influence of Mr. Deakin in the Parliaments, for, without having at any time before 1909 a majority behind him, he was the acknowledged leader of the House. His "understanding" with the Labour party was based on the acceptance by the latter of the protective tariff, and his "fusion" with the free traders was based on a similar surrender by his erstwhile opponents. The Labour party, too, increased steadily in importance, and will exert great influence on the history of Australia during the next ten years. It is the most moderate of all the Australian socialistic parties, and its practical efficiency appeals to the Australian genius. It claims to represent the ideal of the Commonwealth as a whole, and on its proposal to extend the function of the National Parliament the next great political battle will be fought. It is to be hoped that it will modify its pledge system, although that is very unlikely, and its whole-hearted advocacy of preference to unionists does not commend itself to Liberalism. The latter philosophy of politics cannot, however, identify itself with any one party in Australia, and much of the legislation of the Labour party was justified in the light of the recent re-adaptation of Liberal principles to the modern State.

So far as State politics are concerned, they have undoubtedly lost a good deal of their former interest owing to the departure of many of their best men to the Commonwealth Parliament, and to the fact that the latter deals with the greater issues of Australian politics. In all the States there are now two parties, Labour and Liberal, at one in their desire to extend the functions of Government, although the Labour parties (particularly those which have not tasted the sweets of office) are the more radical in their advocacy of reforms. Apart from this quite general desire for more State interference, the most important phase in their recent development is the unanimity with which State

Parliaments oppose any extension of Federal powers which they sweepingly term "robbery of State rights." The States, of course, have large powers reserved to them under the Constitution, such as their national education schemes, control of public works and land transport trade and commerce, except as between the States and abroad, and control of mining and agriculture; but the chief point at issue is the "trade and commerce" clause, to the amendment of which both Federal parties are pledged. But whereas the Commonwealth Labour party wants as much power as possible reserved for the National Parliament, the Liberal party has been forced to adopt a strong "State rights" policy which will take away as few powers as possible from the State authorities. The history of other federations seems to suggest that the "State rights" cry will not ultimately prevail, but it is unlikely that either party will surrender the strong views it has already expressed.

The identification of the various Liberal parties with the cult of "Anti-Socialism" has resulted in many advantages to their opponents. There are many difficulties in the way of forming an attractive policy based on a general negation of a vague-sounding term, and a prominent Victorian Liberal, and Attorney-General in the late Federal Ministry,* pointed this out in referring to a Liberal platform. "He was not "averse" (he said) "to fighting in any just cause, but he found nothing "in this platform to arouse martial enthusiasm in the most bellicose "breast. The fighting programme appeared to have been arrived at by "the simple process of elimination, by the taking out of it of anything "that could offend the susceptibility of anyone. All the bones had "been carefully removed, and nothing left but a kind of gelatinous "compound, political food for infants and invalids, warranted not to "cause the slightest inconvenience to the weakest digestion." But the more recent Federal Liberal platform was more positive and attractive, and it is unlikely that the issue of Anti-Socialism will ever be raised again as it was in 1906.

Carlyle, in "Sartor Resartus," said that "the journalists are now "the true kings and clergy; henceforth historians, unless they are "fools, must write not of Bourbon Dynasties and Tudors and Haps- "burgs, but of Stamped Broadsheet Dynasties." The various Australian Labour parties have worked to power rather by means of appeals from the platform than through the press. The only important daily in Australia which is not considerably biassed against those parties is the Melbourne "Age," and that journal, with its sure finger on the pulse of Victorian thought, is but a wayward friend, refusing support unless important concessions are made from time to time in the direction of higher protection.

But the bias of the anti-Labour papers is more than equalled by that of the Labour weekly papers, which are practically given up to propaganda work. The Sydney "Bulletin," with its frank and bitter criticism of all political parties, has a large sphere of influence, and

the following excerpt from it represents the "average" Australian's scepticism of partisan newspapers leaders. It may be explained that the "Fourteenth" is the 14th April, 1910, the day after a Labour victory at the polls:—

"The fourteenth dawned; I ventured out,
 Though horror weighed me down,
 And, pallid, joined the busy rout
 That bustled into town.

"In town I got a sharp surprise:
 I did not find the rank
 And file concerned to socialise
 The contents of my bank."

"And so I sit, fatigued yet glad,
 My daily on my knee;
 And what I ask is: "Was it mad,
 Or did it lie to me?"

Perhaps the criticism of later years is not so violent and abusive as heretofore, but there is still a good deal to be done, and it is not consoling to find that the proposed new Labour dailies threaten to be even more one-sided. The result is that the Australian press has not had much influence on Australian politics of the last ten or fifteen years, and it is rather unlikely that the public platform will lose its effectiveness as further appeals are made to the electorate.

CHAPTER XI.

THE WORKING OF THE CONSTITUTION.

In 1853, before the reform of responsible government had been instituted, the Liberals, it will be remembered, fought hard for the elective as opposed to the nominee Upper Chamber, and they were unsuccessful in New South Wales, although several of the other colonies adopted the elective principle on a large property franchise. "To the lovers of democracy," said Sir Alfred Stephen at the time, "and those who believe that all power emanates from the people, the elective principle alone was likely to be acceptable," and Parkes declared that "the inherent defects of nomineeism and the existence of class interests in the Council made that body not deserving of the confidence of the people." The New South Wales Liberals were justified in their gloomy prophecies when, in 1861, they attempted to pass the Land Bill of the Cowper-Robertson Ministry and the Council rejected the measure. The "swamping" of the Upper House by the Governor, which solved the difficulty, was repeated by Dibbs in 1888, and, in the latter year, Parkes declared that "Mr. Dibbs' appointments have doomed the nominee House to destruction." But it has not yet been destroyed, and it is not certain, even in the face of the Reid campaign of 1895, and the abolition plank on the Labour platform, that the electors would endorse any attempt to substitute a unicameral system.

Certainly all the Australian Councils, designed as Conservative bodies, have fulfilled the retarding function of a second Chamber, and nearly every Liberal proposal has had to pass through the ordeal of rejection. The Victorian Constitutional crises of 1865 and 1877 over the questions of protection and payment of members respectively showed that an "elective" Council claimed even greater privileges than those of putting a break to "hasty" legislation and ensuring full and free discussion. The extensions of the franchise, land taxation, and all forms of State interference have been strenuously opposed by the Australian Upper Chambers and "blocked by the Council" is a convenient headstone over the graves of many bills in many sessions.

In Queensland the 1907 crisis resulted in the legislative adoption of the referendum as an alternative method for settling disputes between the Upper and Lower Houses, and the political history of South Australia during the last twenty-five years—one of constant conflict between the Chambers—would seem to show that some such remedy is needed in all the States. But a Radical Government cannot be certain that the people will always endorse it in a quarrel picked with the Councils, as the defeat of the South Australian Labour Government in 1911 clearly shows.

The memory of the many quarrels between the Houses resulted in the double-dissolution clause being inserted in the Federal Constitution. It would appear from recent experience that such appeal to the people

will solve all difficulties that may arise. It would seem, too, that Liberalism should modify the State constitutions to the extent of the recent English Parliament Act; both Labour and Liberal parties have known what it is to face the capricious and reactionary tendencies of an irresponsible Upper Chamber, although, in the case of a nominee Council, there is always available the threat of "swamping." As matters stand at present the Councils are out of touch with Liberal interests, and the extreme Conservatism of the Victorian Upper House recently resulted in a proposal by the State Liberal Government to modify its powers. A satisfactory remedy would possibly be to follow the lead given by the Federal Constitution, and insist on an ultimate appeal of two elective Houses to the will of the people.

The Australian Senate has not justified the hope that it would be the guardian of "State rights" as opposed to the unitary tendencies of a single representative chamber. Some have proposed that it should be abolished, not having fulfilled the function that was expected of it. This claim is quite inadmissible, and Liberalism should be quite satisfied once a scheme of proportional representation is adopted. The latter is not far ahead, for the farces of 1910 and 1914, when the Labour candidates with a total majority in the Australian electorate of from 2 to 6 per cent. of the voters secured 100 and 86 per cent. respectively of the Senate seats, have considerably enlightened a public never keenly interested in forms of Government.

A remedy for some of the evils of the caucus-pledge system may be found, so far as the House of Representatives is concerned, in the adoption of a scheme of preferential voting, which would certainly encourage able men who cannot conscientiously follow the party leads in all matters to come forward. The Labour party has made no move in this direction or in that of proportional representation for the Senate; in the former case it depends on its own organisation and the pledge to have no "Independent Labour" candidate in the field, and in the latter it has found that the present system has worked in its favour. In both cases its aim is purely selfish, and Liberalism will endeavour to secure the passing of both reforms.

The present Labour Government of the Commonwealth is pledged* to the introduction of the "initiative referendum" on the lines of the Swiss experiment. It might be thought that Liberalism is to support such reform in view of its dependence on the maxim, "Trust the People." A closer examination of the aims of Liberals will reveal that Parliament is considered something more than a machine for registering the commands of that vague and occasionally ambiguous abstraction "the voice of the people." Apart from the absurdity of "asking the electors to send along a picture postcard and tell us what they think about the Budget," it must be remembered that Parliament is to be considered a responsible institution and not a mere delegation. The movement for the "initiative referendum" is not a very significant or powerful agitation, and only shows that a section of the people is

* *i.e.*, in 1915.

dissatisfied with a particular party, or with the inadequacy of the party system; and for those two evils there are other remedies.

By far the most important question Liberalism in Australia has now to solve is that of readjusting the powers of States and Commonwealth.

In the absence of external or strong internal pressure, the Constitution naturally reserved a very important series of functions to the States, and we find that the Commonwealth Parliament of 1906-10, practically unanimous in its efforts to introduce the New Protection with Government regulation of the conditions in protected industries, was thwarted at every step by the limitations which had been placed upon Federal powers. The rejection of the Referendum of 1911 proposing the granting of far larger powers was not final, and similar proposals were submitted by the Federal Labour party in 1913, and failed by the narrowest of majorities to pass. The significance of the latter fact has altered the attitude of many Conservatives, and, as has been pointed out, both Federal parties are now* pledged to extend the powers of the National Parliament.

The Labour party claims to be the champion of the sentiment of "Australia for the Australians," and opposed to this is the intense local patriotism of the State Parliaments, supported enthusiastically by the great portion of the press. The opposition is not between Liberty and Nationalism, but between two forms of nationalism; and the success of the defence scheme, with its appeals to a patriotism that transcends the State boundaries, combined with other factors, has immensely strengthened the ideal of Australia as "one and indivisible." It might be thought that such a sentiment is opposed to that of British Imperialism, and to a certain extent it is, and has been encouraged by the English Liberals and discouraged by the English Unionists. But there is no real antagonism between the conceptions of Australian unity and Empire unity, and recent events have clearly shown this to be the case. It seems quite certain that the cry of "State rights" will not be sufficient to prevent the Commonwealth Parliament receiving additional powers by the will of the people.

What is to be the attitude of Liberalism in this great struggle? It is not, we think, to "exclude alteration" altogether for "what the hand of man changeth not for the better, Time, the great innovator, changeth for the worse." Neither is it to support the proposals of the Labour party, which would "sneak" in a unitary form of government. Liberalism will alter, but alter in harmony with the shape of the present structure, and will find a satisfactory mean between a Socialism which would use Nationalism as a means to its own ends and a Conservatism which would rely on mere parochialism. In a word, Liberalism will endeavour to frame a newer and more national constitution, but will not do so without careful preliminary inquiry. We must see to it that empiricism does not get too secure a hold on us, and that the new form of government will be based on the principles of liberty and equality. If that ideal can be achieved one more victory will have been won by Liberalism in Australia.

* *i.e.*, in 1915

CHAPTER XII.

THE NEW LIBERALISM.

The political economy on which the older Liberalism was based has been destroyed as a scientific system. In the light of modern criticism and analysis the reasoning and conclusions of the Manchester school have been ruthlessly overhauled, and those who are most concerned to defend its reputation have exposed defects in its reasoning. The purely objective critic who bases his criticism on validity and not on history, states that the doctrines of the school were practical rather than scientific, and did not form a system at all. It is not right to sprinkle the pages of Mill and Bentham with generous interpretation clauses, and though that may show that the ideals of the older Liberalism were not without justification, it does not demonstrate their efficiency for the work of to-day. The public do not now read the economic works which supplied the theoretical basis of the policy of free trade, and would hardly be convinced by them if they did. Cobden and Bright have become mere historical figures, and Peel's famous speech on the repeal of the Corn Laws would not convince the House of Representatives. Indeed, long before his death, Bright's references to the achievement of the older Liberalism were listened to with impatience, and Chamberlain's challenge to free trade was supported by a considerable section of the electorate.

It was all very well to say that, if Government maintains external order, suppresses violence, assures men in the possession of property, and enforces the fulfilment of contracts, then the rest will go of itself. Enlightened self-interest does not lead every individual to conduct, coincident with public interest, and cold and logical facts without poetic elaboration.

“ Do you hear the children weeping, O my brothers,
 'Ere the sorrow comes with years!
 They are leaning their young breasts against their mothers,
 And *that* cannot stop their fears.
 The young, young children, O my brothers,
 They are weeping bitterly;
 They are weeping in the playtime of the others
 In the country of the free ”

brought about a change of outlook as Liberalism outgrew its first incomplete theories.

“ Laissez-faire ” rested on two assumptions. It was supposed that the individual is likely to provide for his own welfare better than the State, and that the good of the latter is best promoted by its citizens promoting their selfish interests intelligently. “ The greater the intervention of the Government,” said Dicey, “ the less becomes the “ freedom of each individual citizen.” “ At each further stage in the “ growth of this compulsory legislation,” thought Herbert Spencer,

"the citizen is deprived of some liberty which he previously had." "In a sense," declared Seeley, "liberty is the absence of excessive restraint or the opposite of over-government." It was supposed that the freedom of a community varied inversely with the number and extent of its laws, and it was not considered possible that under-government might also be hostile to freedom. It was forgotten that, on the consistent application of "laissez-faire" the anarchist is freer than the modern citizen, and that the mediæval baron and the pirate on the high seas acted in accordance with an enlightened self-interest. "What the Polish Lords called liberty," said Lord Aeton, "was the right of each of them to veto the Acts of the Diet and to persecute the peasants on his estates."

But why, if "laissez-faire" is applied consistently, should the Government ensure the protection of person and property, and why should the policeman and the stipendiary magistrate be allowed to interfere with the liberty of the individual? "*Volenti non fit injuria*" is hardly a principle that will justify the sweating of children or adults, for men will agree to many conditions when a loaded pistol is pointed at them. Freedom of contract was not seen to rest on equality in conditions of the contractors, and liberty without real equality was still a noble-sounding name, but often meant squalid results.

In spite of the facts which the economics of the old Liberalism could not meet, the achievements of that political philosophy in the nineteenth century were many and great. And, properly to realise the deeper purpose of the national life in Australia and the mother land, we must look to the innermost spirit which party creeds only serve partially to reveal. A real unity of development underlies all the political changes of the last hundred years, and the newer Liberalism cannot be divorced entirely from the old without grave injustice being done to both. We have not to deal with unrelated currents of opinion and doctrine, but with a progressive realisation of the one goal of freedom. To those, said T. H. Green, who will think a little longer about social evolution will come the conviction that the old cause of the good of the people against class interest is the one for which "under altered names Liberals are fighting for now as they were fifty years ago."

Yet on the surface the leanings of the newer Liberalism towards collectivism would seem to have alienated them from the traditions handed down by Mill and Gladstone. It would seem that it is no longer possible to draw a hard and fast line between individualism and collectivism in theory or practice. A new psychology tries to show that the nature of man is dual—that social restraints and influences also help to make him what he is. The whole tendency of modern politics to-day is towards the multiplication of the collective functions of society, and Liberalism is largely responsible for that tendency. "I should like," says Mr. Churchill, "to see the State undertaking new functions, stepping forward into new spheres of activity, participating in services which are in the nature of monopolies. I am on the side of those who think that a greater collective element should be introduced into the State and municipalities," and J. A. Hobson, in

his "Crisis of Liberalism," asserts that the true task of the Liberals is "to use the popular power of self-government to extirpate the roots of "poverty and of the diseases, physical and moral, associated with it."

Individualism grappling with the facts is driven no small distance along Socialist lines, and the history of Liberalism in Australia is clear enough evidence of this. The individual no longer takes for granted what the State does for him, and assumes the right to be in or out of the social system as he chooses. Liberalism has grown to see that democracy is founded not merely on the private interest of the individual, but also on the function of the individual as a member of the community; and so the common good is based on the common will. The value of this conception of the social will within the sphere of politics, and the fact that a State, where each individual desires to promote the common good, is a much higher and more efficient type of union than the coincidence of a multitude of individual wills, each intent on private gain, are now recognised on all sides. The trend towards an increase of community responsibility and community control has been traced in Australian Liberalism, but the movement is quite general. The "objective freedom" of Hegel, with its conception of liberty as realised in the State is of immense importance in the study of modern politics, and Liberalism pins its faith to the policy that "no one can have a right except as a member of society in which "some common good is recognised by the members of the society as "their own ideal good, as that which should be for all of them."

Conservatism, both in Australia and England, seldom enters into conflict with Liberalism on general principles; but, of recent years, it is interesting to note the stand the former doctrine has taken against the establishment of old age pensions, and, generally speaking, against any of those "charitable proposals in the nature of doles or gifts to "the poorer classes." Bosanquet is the spokesman in this adventure of Conservatism, and he condemns the "dole" because it comes "miraculously" to the recipient and not as a "definite material "representation" of himself. He claims that the sense of individual responsibility and the accompanying incentive to work are both weakened, and that the "outdoor relief" tends to break up the solidarity of family life. "Prosperity," he says, "is within the owner's "control, and is a permission to him to choose his work. But Poor Law "relief is not in the recipient's control, is a payment for idleness, and "is not sufficient to set the individual free to choose his work. A large "pension or gift of property to a man not yet demoralised would do no "harm. Great expenditure which 'sets up a man' does not as a rule "demoralise; it is the small subventions which give no freedom and "are actually consequent on the failure of the social will, that cause "demoralisation."

Of course, the assumption behind such a criticism is that every willing worker can get work regularly, and can earn and receive enough to keep himself and family and provide against accident, old age, or death. And this assumption is hardly in consonance with the investigations of Booth and Rowntree in England, and with occasional periods of depression in Australia. It is difficult to see how Bosanquet

has justified the unearned increment, particularly in the case of a "miraculous" rise in shares, or in an unexpected or expected bequest. The distinction between the smallness of the amounts received by the recipients of State pensions as contrasted with the huge bequests which give the recipients "permission to choose their work" marks a peculiar kind of casuistry; if smallness is the real objection to the pension there is a very obvious remedy. Bosanquet does not realise that destitution may not be self-caused, and that it is only on the supposition that environment affords equal opportunity for all that a test of personal and moral fitness can be imposed. The presumption of the whole argument is Monadism—a denial of a social and spiritual solidarity, and it is diluted with mere cant. He says that he is "no economist," and yet he is posing as one throughout his criticism. He shows not only a lack of feeling, but a lack of logic, and such critics as he are a valuable adjunct to the Liberal movement.

Lord Hugh Cecil does not go to the lengths which Bosanquet reaches, and is prepared to justify pensions as a matter of national charity or gratitude or expediency; but he, too, denies that there is a valid claim of justice. Liberalism claims, however, that every citizen should have full means of earning as much material support as experience proves to be the necessary basis of a healthy, civilised existence. "And if, in the actual working of the industrial system the means are not in actual fact sufficiently available, he is held to have a claim, not as of charity but as of right, on the national resources to make good the deficiency." Private charity flows in the direction of the very failures of which Bosanquet speaks, and what, on the other hand, is a matter of right "is not a handicap in favour of the one, but an equal distance deducted from the race to be run against fate by both."

Similarly, Liberalism justifies compulsion in the matter of regulation of hours and conditions of employment. Compulsion is of value when external conformity is required, and it is necessary to protect the great majority of employers who are prepared to pay their employees a living wage and to provide fair and reasonable conditions of work against a small unscrupulous minority who are not, and who would inevitably defeat the others in competition. And when the conscience of the community hold that it is a good and just thing to pay such living wage and to provide such fair conditions of employment the State will lend its powerful aid to the majority of right-thinking employers.

The new Liberalism is therefore opposed to that form of "self-realisation" in which a man makes the most of his detached and irresponsible personality. The decline of this capricious interpretation of freedom has proceeded parallel to the decline in the philosophic Deism, in which the soul of man was detached from the social environment, and had only the liberty of caprice and helplessness. It is no longer held that the individual after associating with others to form the State reserves to himself the right of complete detachment from social interests. And in the discrediting of the contractual theory of the State freedom has changed from a negative to a positive concept.

The distinction of the unsocial or negative freedom from modern Liberalism is most important. The former, with its glorification of the Monad, excludes all public control, but "social freedom "rests on constraint. It is a freedom that can be enjoyed by all the "members of a community, and it is the freedom to choose among "those lines of activity *which do not involve injury to others.*" This conception of freedom founds freedom on growth and postulates not the claim of an individual to be let alone by another, but the duty of every citizen to treat his fellows as rational beings—ends in themselves. The problem of politics is still that which the school of Cobden attempted to solve—that of realising liberty. It is in the changed view of the implications of liberty that the newer Liberalism is an advance upon the old.

The basis of the State is therefore considered to be not force but will. Freedom has come to mean a particular kind of self-determination. It is still to be defined as a realisation of the self. But the newer Liberalism also implies a distinctive view of the nature of the self to be realised—not the momentary capricious self, the creature of impulse, but the truer and more social self. The fundamental importance of liberty is seen to rest on the nature of "the good" itself, and human progress is seen to be, in the main, social progress. The result is the idea that material wealth exists for the sake of the moral development of man, not man for the sake of material wealth; and Liberalism does its best to provide the external conditions for more efficient and fuller lives. "My function," the President of the Commonwealth Arbitration Court has said, "is to secure peace and to provide that the employee "shall have a reasonable return for his labour . . . a growing sense "of the value of human life seems to be at the back of all these methods "of regulating labour: a growing conviction that human life is too "valuable to be a shuttlecock in the game of money-making and competition—a growing resolve that the injurious strain of the contest—"but only so far as it is injurious—shall, so far as possible, be shifted "from the human interest." And the great aim is to secure conditions which are necessary to the fulfilment of man's vocation as a moral being, and to the work of developing the perfect character in himself and others.

Liberalism recognises, however, that moral duties simply cannot be *enforced* by the State or any authority, and that paternalism is not to be accepted. The true ground of objection to the latter doctrine is not, however, that it violates the principles of "laissez-faire," but that it is based on a misconception of morality. And Liberals have to join issue with the Socialists on these and other great questions. The mechanical interpretation of history, the over-emphasis on the economical factor, the supposition of a class war, the construction of Utopias, which, even in theory, form a timocracy, the preference for abstractions—all these raise up many oppositions between Socialism and Liberalism. "Socialism," says Winston Churchill, "would destroy private interests. "Liberalism would preserve private interests in the only way in which "they can safely and justly be preserved, namely, by reconciling them "with public right. Socialism would kill enterprise, Liberalism would

“rescue enterprise from the trammels of privilege and preference. Socialism assails the pre-eminence of the individual. Liberalism seeks, and shall seek, more in the future to build up a minimum standard for the mass. Socialism exalts the rule, Liberalism exalts the man. Socialism attacks capital, Liberalism attacks monopoly.” “We want,” he goes on, “to draw a line below which we will not allow persons to live and labour, yet above which they may compete with all the strength of their manhood. We want to have free competition *upwards*; we decline to allow free competition to run downwards.”

In our examination of the history of Liberalism in Australia we have seen how that great principle was first identified with a purely negative protest against the evils of irresponsible Government and the horrors of the transportation system, and how it then became a positive demand for responsible government, later on extending the powers of self-government by supporting the Federal movement. We have seen, too, how the land and fiscal questions reacted on Australian Liberalism, and ultimately compelled it to reconstruct its conception of freedom and to advance beyond the dogmas of the Manchester school. Finally, during the period from about 1880 till to-day the new Liberalism was seen to have confirmed the early principle of national education, and to have supported the extension of many State functions. In its give-and-take with the Labour movement Liberalism has undoubtedly been enriched, and it is to Australia that English Liberals look as to a great community in which equality of opportunity was given a newer and deeper meaning, and in which, from the petty tyrannies of governors, there arose a great movement which to-day commands attention from the civilised world.

We have attempted to justify the principles of Australian Liberalism and to show how “the spirit of man may find *itself* in the social order; man may be obedient and yet free, and the more obedient because he is free. The social authority may be still steadfast, and the more steadfast and imperative because it is rooted in the heart of its subjects.” In these words of Henry Jones, the newer political philosophy finds its justification, and its ideals and principles, its conceptions of equality of opportunity, and of the equation of social service to social reward have found embodiment in the legislation of our young Commonwealth. Liberalism in Australia has had a remarkable development, when one considers that, when the great Reform Bill was passed in England, its own seeds were being sown in Sydney by Wentworth. Liberalism in Australia is the spirit of Liberalism taking its time to reveal itself, and teaching its adherents in the rest of the world its new possibilities in practice, and even its new implications in theory. Liberalism in Australia is not to be identified with any closed system of political maxims nor with any one political party. But that it is as much a living force to-day as when it entered its first protests against privilege and tyranny, no one who knows the ideals of Australia can reasonably doubt.

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