

Federation and Afterwards

A Fragment of History (A.D. 1898-1912)

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Federation and Afterwards

(A Fragment of History 1897-1912)

**Which briefly sets forth some of the causes of the late abortive revolt of
the state of New South Wales against the Commonwealth of Australia**

“Better is the Enemy of Good” —Italian Proverb

Sydney

Angus and Robertson

1897

Preface

IN this little pamphlet is presented to the reader the original draft of the last chapter of the great work to which the late Dr. Ananias Honeybun, formerly Professor of Australian History in the Federal University, Melbourne, had devoted so many years of his life. It is hoped that by its publication the disaffected in New South Wales will be reminded of the circumstances under which that State voluntarily joined in the union which had been advocated so ardently by many of her leading statesmen, during the closing years of the last century; that they will be convinced of the futility of attempting to renew a vain struggle with the power of the central government; will gain a livelier consciousness of their duties and privileges as members of a great Commonwealth; and will be aided in the attainment of a high, holy, and patriotic frame of mind, when that which now they call the ruin of their country, herein chronicled, will be thankfully remembered as but the price (all too small !) which had to be paid for the glorious Union of Australia.*

JANUARY 24TH, 1915.

* Less, of course, Queensland and Western Australia. The combined populations of these two colonies are expected in a few years to equal that of the Commonwealth.

Federation and Afterwards.

WE have now arrived at the second great event in the history of the Australian colonies. It has already been pointed out that, from the dates of the granting to them of responsible government until the year 1898, no very considerable constitutional changes took place in any of the group of states. But in that year the agitation, which had persistently been carried on by several of the leading statesmen and politicians of the time, was so far successful that the colonies of New South Wales, Victoria, South Australia and Tasmania were induced to enter into a Federal Union.

It is curious to look back and to observe the undoubted fact that the Federation of these states was achieved, as far as regarded the mother colony, largely as a consequence of apathy on the part of the people. Unwilling, perhaps, to be at the trouble of examining the question for themselves, the inhabitants of New South Wales seem to have accepted without hesitation the statements made by enthusiastic public speakers as to the advantages which would accrue from the proposed union; the required number of voters were induced to go to poll; and Federation ceased to be in the air and came down to dwell upon the earth.

However disastrous the effects of this union may have been to the colony of New South Wales, and that they have been disastrous in the highest degree to that province must be admitted, no true Australian can doubt that the general benefit of the Australian continent has outweighed the particular evil. If Sydney has declined to the proportions of an inconsiderable town, the enormous growth and rapid expansion of the magnificent metropolis of Melbourne must directly be traced to the Federal movement. If the colony has practically been shorn of more than half its territory, it cannot but be admitted that the transfer has been to the manifest advantage of the districts affected, as well as to the colonies of Victoria and South Australia to which in a short time they will actually belong; and there is room for hope that the negotiations now in progress, by which it is expected that Queensland will receive a portion of the northern counties of New South Wales as a consideration for joining the Federal Union, will be successful, greatly to the advantage of those districts and of the other members of the Federal group.

The history of New South Wales, indeed, presents a striking example of

the effect which a simple change in a form of government may effect in the lines of development of a nation. It is startling to think that, considerably less than twenty years ago, the pleasant seaside winter resort of so many of the prosperous citizens of the metropolis of Australia had an import and an export trade surpassing in magnitude that of Melbourne; and that the residents of Sydney, at that short distance of time, entertained the belief that their city was destined to hold a position scarcely inferior to that which Melbourne occupies to-day. Perhaps it would not be unprofitable to inquire whether we have not here one of the repetitions of history; whether the fate that has overtaken Sydney is not an illustration of the causes which may have led to the death and decay of some of those ancient cities, whose ruins attest their past magnificence, and whose apparently sudden abandonment it is so difficult to explain. It may prove that the decay of Sydney will throw a new light upon some of these obscure problems of ancient history. Incredible as it may now seem to those who have not been eye-witnesses of the change, Sydney, less than a quarter of a century ago, was a busy and growing city, which then contained more than 400,000 inhabitants. It was the principal port of Australia; the imports and exports largely exceeding those of any other. The pleasant walks round its coves and bays, which so delight the tourist to-day, were busy quays; its blue waters were crowded with shipping; the open spaces, which now add so much to the beauty of its streets, were covered with enormous stores and offices, where the operations of a huge commerce were conducted; it was the seat of the heads of the English and of the Catholic churches; its reading public supported two important morning and two evening journals, besides numerous other newspapers and periodicals; its streets were crowded with the traffic of an industrious and prosperous population.

Its appearance to-day is too familiar to need description. Many of the unsightly structures which once disfigured the beautiful site have been pulled down, and their materials have been used to build the villas which occupy the places of once busy streets. It is a veritable city of gardens and promenades, and is, and we think must always remain, a true city of pleasure, the spoilt beauty of the Pacific, while its sterner sister Melbourne represents the utilitarian side of life,—queen and metropolis of the southern hemisphere.

But it is time that the muse of history should cease to wander amongst the pleasant by-paths of conjecture and fancy, and should return to the hard high road of fact. We resume our brief account of the progress of the federal movement and of the consequences which followed from it.

Everyone knows that in the year 1897 the colonies stood divided from one another, almost as much as if they had been separate countries. Yet

there existed a growing sense that before Australia there lay a destiny of nationhood; and a consciousness arose that this could be achieved only by a federation, if possible of all, at least of some, of the various states.

We have seen in another chapter of this history how this feeling had at first been brought into existence some years before by the exertions of Sir Henry Parkes, and of others who shared in his views. It has been shown that the efforts of the earlier advocates of Federation culminated in the appointment of the delegates to the Convention which met in Sydney in 1891, when the historic Bill was drafted which embodied a proposed Federal Constitution. After the dissolution of that Convention the scheme was allowed to slumber—murmuring fitfully in its sleep during some years, it is true, but with little sign of any awakening to renewed activity.

But when the Reid Government had succeeded in carrying out its mission of restoring Freetrade to New South Wales, and of introducing a new system of direct taxation into that colony, a fresh development took place in the fortunes of the country. New industries, notably the shifting of sand from one place to another, the cutting down of forest trees, and others of a highly remunerative character, sprang into sudden existence; and universal prosperity took the place of previous commercial stagnation. It was then that the leader of the Freetrade party was enabled to turn his attention to the neglected subject of the Federation of the various colonies. Largely as a consequence of his energetic action, Federal Enabling Acts were passed in the colonies of New South Wales, Victoria, South Australia, Tasmania, and Western Australia, and under these Acts delegates subsequently were appointed by four of the colonies named to the Convention which met at Melbourne in 1897. Western Australia at the last moment retired from the movement: Queensland already had declined to take any part in it: New Zealand had never shown any active sympathy.

The duty committed to the delegates of the various colonies was that of framing a Federal Constitution, which should subsequently be submitted for approval or rejection to the people of each individual colony; and it was felt that the performance of it would by no means be an easy task. Indeed, it was believed by many that eventually it would be found impossible to reconcile the conflicting interests of the various states. Large questions such as the unification of the different public debts, the raising of the federal revenue, the fusion of the railway systems, post office services, and many others, appeared to present insuperable obstacles to any complete agreement. Even the question of the distribution amongst the contributory states of the surpluses which might accrue to the federal revenue was hotly debated in the public press of New South Wales; and this discussion must be peculiarly interesting to the philosophical observer of history, since the

fact that after the first year or two no surplus was ever payable to that state, offers another illustration of those groundless fears which seem always to attend the inception of any new kind of legislative system.

But, contrary to expectation, it soon appeared that an agreement as to the terms of the Federal Union might be reached comparatively easily. To begin with, all the delegates were in favour of some kind of federal union; all were committed to find some common ground for it, or in some sort to confess their own incompetency for the work; happily, all were affected by the bias of the advocate to attain the end which each had long and publicly urged; all were deeply imbued with that sentiment which so often influences judgment; and some were influenced by the consideration that success would give them a strong claim to the recognition of history. There were other and stronger reasons for agreement. The Victorian delegates foresaw that splendid consummation of the hopes of Victoria, which events have so amply justified; the South Australians perceived in the movement, if not a nominal, at least a practical extension of the territory, and a vast addition to the wealth of their colony; the Tasmanians recognised the advantage of the concentration near to their own shores of a vast population in the neighbourhood of Melbourne; the delegates from New South Wales were influenced, in some cases by patriotism and the glorious thought that they would become citizens of a GREAT AUSTRALIAN NATION, in others, by the consideration that the first step was being taken towards an Australian Republic, and freedom from the bondage of England. Eventually, with minor modifications, the Constitution under which we now live was adopted.

With hardly a dissentient voice it was agreed that the territorial divisions existing at the time should be retained and respected. By this course the sensitive feelings of the colony of New South Wales were placated, while at the same time the neighbouring colonies were assured that their gain at the expense of their neighbour would not be diminished, since trade and revenue would inevitably flow through them as distributing centres to large districts of the mother colony.

As it was readily perceived that by adding their debts together upon equitable principles the joint credit of the colonies interested would largely be increased, a principal difficulty was easily and simply removed. From the railway question less trouble was experienced than had been anticipated. The southern colonies, well aware of how much they had to gain from the proposed union, were ready with concessions; and it was clearly proved that any loss which had hitherto been incurred had been due largely to a war of rates and gauges which would now cease. Moreover, if New South Wales had hitherto been successful in her railway management,

it was obvious that she would profit still more under the proposed uniformity, when the entire management of the railways of Australia would be placed under the control of her own chief commissioner. To this view some of the New South Wales delegates were not prepared at first to agree. They held that the individual control of the railways would enable the colony to some extent to protect from undue competition certain parts of it, which, from their situation with regard to the neighbouring capitals, upon the removal of all fiscal barriers, might be exploited by Melbourne and Adelaide to the detriment of the colony at large. But it was reasonably answered that, while the maintenance of this unfederal attitude would do much to diminish the value of the Union, it would only be partly effectual for the purpose indicated. If the wretched war of rates were to be continued, the other colonies, as traffic increased, might build additional railways to tap the borders of New South Wales; and it would only be a question of time for discontent and agitation among the districts affected to force the government of the colony to connect them with the new lines. Moreover, it could not be doubted that the question of uniform rates was not much less important than the question of uniform tariffs; that the loss incurred by senseless competition had been enormous in the past, and under an uniform tariff must be even greater in the future; that it would be a fatal step to allow the holders of their securities to believe that the colonies were prepared to unify their debts but not their assets. The free-trade delegates were taunted with supporting a course which had something worse than a savour of protection, and wavered; the protectionist delegates, always enthusiastic in the Federal cause, were entreated to remember that by their opposition they might imperil the glorious hope of a great and united Australia; the military advantage of the proposed course was warmly urged, and all were reminded that Federal defence was one of the first purposes of Federation. Lastly, it was argued that a division of interests in this great matter would be an everlasting blot upon the noble picture of "one people, one destiny;" an evidence of distrust where there should be perfect confidence, and of discord where there should be brotherly love. Could anyone, it was asked, call himself a federationist and doubt—Australia?

After a protracted sitting the amalgamation of the railway systems was agreed to amidst much enthusiasm.

In this conciliatory spirit all difficulties were dealt with, and with a far seeing wisdom the delegates from the other colonies were always ready to meet and to defer to the objections raised by those from New South Wales.

But the consideration which perhaps had the greatest weight in the settlement of differences was a much nobler one. It was felt that in entering

into the proposed union the most perfect and childlike trust ought to be placed in the good faith of the Federal Parliament, which could have no other desire than the general good of the whole country. The case was put with great force by the delegates from New South Wales, who, amidst much cheering, asked if it should be sought to tie the hands of that great body; if it should be distrusted, even before it came into existence. Sir Hector Rhino, indeed, ventured to dissent from this view, and to suggest that the experience of individual colonies of their own Parliaments had not been universally fortunate; and that in certain districts of his own country discontent had been expressed at the neglect of local interests. But this narrow view happily was overruled, even by his own colleagues, who pointed out that the great principle of Australian politics had hitherto been that the will of a majority should prevail, and that the wishes of a minority, however large, could not be regarded as being of any importance; that Australia was now upon the point of obtaining majorities and minorities larger than she had ever experienced before; and that therefore she had good reason to believe that she was about to attain to a form of government far more perfect than she had ever known.

It was in this fine spirit that it was decided that the question of the position of the Federal capital should be left to the decision of the Federal Parliament; and the event has proved the loyalty and sagacity of those who agreed to this course. It is possible that, rather than forego the advantages which she has received from Federation, Victoria might have consented to the selection for this purpose of so unsuitable a site as Sydney; and it is right that the unselfish patriotism towards United Australia which was shown by the delegates from the senior colony should suitably be acknowledged.

Nor should history fail to do justice to the patriotic efforts of another body of men who showed a noble desire to subordinate the interests of New South Wales to those of other parts of Australia. A notice, however brief, of the Federal movement, would be incomplete which failed to make honourable mention of the Bathurst convention of 1896.

This convention was composed of a large number of delegates, many of them very young, who came together principally from New South Wales, but also from different parts of Australia, to discuss the subject of the Federation of the colonies. It does not, indeed, appear by whom these persons were delegated, nor how they were elected. Filled with an enthusiasm which amply compensated for any want of judgment, they met at Bathurst, in the colony of New South Wales; discussed a proposed scheme of Federation, based upon the draft bill of 1891; at the conclusion of their proceedings listened in a respectful spirit to addresses delivered to

them by some of the leaders of the movement in the colony, and then departed to their own homes.

But they had done a great work. In the course of their deliberations they had succeeded in convincing themselves and each other that the Federation of the colonies was not only desirable in the abstract, but must presently be achieved in the concrete, and many amongst them were believed to have arrived at a clear opinion of their own fitness for high positions under the proposed Commonwealth. Thus they could hardly fail to be valuable auxiliaries in the after-time, when it became necessary to canvas for votes amongst apathetic voters; and largely by their exertions the number of affirmative votes (50,000) necessary to be recorded by the electors of the colony of New South Wales, in order that the proposed Federal Constitution might be accepted, was exceeded by no less a number than seventeen. The remaining steps may be glanced at briefly. The amendments made in the Draft Bill by the Parliament of New South Wales were not of a drastic nature. It has been suggested that many members were strongly of opinion that in a Federal Parliament there lay before them a larger opportunity for usefulness and a higher salary, and a majority in favour of the Bill as amended was readily secured. Some trouble, indeed, was experienced in getting the measure through the Upper House; but, upon a threat of their extinction by the Government of the day, that venerable body decided to follow the precedent set in the case of the Land and Income Tax Bills not long before, and immediately gave way. The amendments in the Bill made by the Parliament of New South Wales for the most part were accepted by the other colonies without difficulty; the second meeting of the Convention was little more than a formality; and the assent of the people of New South Wales to the measure was obtained as already stated.

The other states, who were parties to the measure, hastened to follow suit; the electors, as a contemporary record tells us, almost “tumbling over one another at the polls;” and after the necessary delay for reference to the Imperial legislature, the Bill was passed finally into law in the autumn of 1898, and came into force in Australia on the 1st of January, 1899.

It must not be supposed that this result was attained altogether without opposition, although the conflict was short, and, comparatively speaking, unimportant. In the colony of New South Wales, several ill-advised persons arose, who declared that the alleged advantages to be expected from the measure were not in fact all that they seemed to be. It was urged that, where two states had been unable to agree about so simple a matter as a common railway-gauge, it was unreasonable to expect that they would eventually prove to be at one over matters of far more vital importance,

such as an unification of debts and a community of tariffs, even if other important matters were left alone. Those who brought forward these considerations were rightly described as persons of provincial and even parochial minds; for it was replied that the proposed Union was, as it were, a marriage, where the contracting parties might have something almost amounting to a dislike to one another at first, but where it was desirable that the marriage should be consummated for the sake of the race, and the continuance of the family, with the full assurance that the parties would afterwards fall in love. It was urged, in vain, that such unions but seldom achieve the ends expected; and that often they result in individual misery, while the line of descent is not materially strengthened; that when they do not lead to barrenness, they end in internecine family conflicts. Others of the opponents in New South Wales of the proposed union were even more practical. Speaking according to their provincial ideas, as citizens of that colony, they declared that the Federation of the colonies must, upon the withdrawal of Queensland from any active share in the movement, be inimical to the interests of their own country, since Melbourne must inevitably become the Federal capital. Not only Victoria, but South Australia and Tasmania, they declared, would vote Melbourne as the Federal capital. In support of their contention they appealed to the map of Australia.

To these objectors a crushing retort was offered. The question of the position of the Federal capital was peculiarly one which should be referred to the Federal Parliament, which had the greatest interest in its solution; and no sufficient answer being forthcoming, it was agreed that it should so be referred.

Subsequent events, we conceive, have proved the value of this decision. Melbourne has justified her right to the pre-eminence which the Federal Parliament subsequently accorded to her.

But we must hasten our narrative of events.

It has already been stated that the dream of so many Australian statesmen ceased in the year 1899 to be a dream. It was an accomplished fact. It is true that Queensland and Western Australia were not included within the Federal Union; but it was felt that the question of their adherence to it was one only of time. It is also true that the unfederated colonies represented a coast-line exceeding the total of the intended Commonwealth of Australia, which it would fall to the lot of the federated colonies to defend if Federation were to be a practical means of defence. The four colonies regarded these matters as comparatively unimportant, conscious that the advantages of their expected condition must offer so powerful an appeal to those who had hitherto neglected or declined the opportunity of sharing in

them, that they too would shortly seek shelter under the mother-wing of a Federated Australia.

It must here be confessed that the hopes thus entertained have not hitherto been realised. The two great colonies, Queensland and Western Australia, have shown a growing tendency to watch rather than to avail themselves of the results of what they have been pleased to term the "Federal Experiment;" and the dealings of the Federal Government with recalcitrant New South Wales do not appear to have encouraged them, as might have been expected, to join in our great Federal Union.

Having stated this deplorable fact we proceed to notice very briefly what followed upon the adoption by the non-provincial and non-parochial states of a common constitution, under the great name of "The Australian Commonwealth." By order of the Federal Government New Year's Day was set apart as a day of special thanksgiving and of rejoicing for ever; and it was ordered that the first week of 1899 should be a week of public holiday. In city and country alike, shone nightly illuminations; the roar of pacific guns was heard on every hand, and many tons of gunpowder were peacefully burnt in celebration of the great event. In all the capitals the enthusiasm was immense; and in Sydney it reached such a height that a monster subscription list was started for the purpose of raising statues, in some prominent quarter of the city, of the ten delegates to the Federal Convention, who had done so much to assist in the great work which had just been accomplished. These effigies eventually were reared in Martin Place, and for some years they were looked upon by visitors as one of the wonders of Sydney; being held to excel even the carvings for which the Post Office buildings of the place had long been famous. They continued to occupy their honoured position for several years; but, in the outburst of popular fury, during the revolt of the colony against the Federal Government, to which allusion will be made hereafter, unfortunately they were totally destroyed.

The winter of 1899 saw the first meeting of the Federal Parliament. This event took place in Sydney. The capital of the senior colony was chosen at the instance of the Premier of Victoria; and the proposal was hailed at once as graceful, and as showing an earnest of that goodwill which had been predicted from the union. The opening of Parliament by the Governor-General was greeted with still further rejoicings, and a free banquet was provided for the humbler electors in the Domain. In Parliament itself numerous congratulatory speeches were delivered, and it was felt that the newly-effected union was about to achieve all that had been expected from it.

It was not long, however, before a cloud fell upon the sunny prospect of

perfect agreement.

It will be remembered that New South Wales had entered into the Federal Union with a declared intention, expressed on her behalf by her delegates to the Federal Convention, of loyally abiding by any decision which might be come to by the Federal Parliament as to the site of the federal capital. And this had been provided for in the Act. Now it was rightly held that one of the first duties of the Federal Parliament must be to settle this question; and, accordingly, one of the first motions of the new legislative body was moved by the Federal Premier, the Right Honourable George Joker (lately Premier of the mother colony), who, upon the principle of seniority, had been called to that distinguished position by the Governor-General. Mr. Joker then moved that Sydney be the Federal capital, and advocated the claims of that city in a speech in which wit and imagination played like lambent fires over the surface of solid reason.

It is unnecessary to follow in detail the course of the debate: it is sufficient to say that it was in every respect worthy of the august assembly by which it was conducted. As an example of human endurance it is believed to have been without a parallel; but the proceedings may be summarised very shortly.

An amendment was moved by which it was proposed that the Federal capital should be situated in Melbourne. The amendment was warmly supported by the members for Victoria and by a large majority of those who represented South Australia and Tasmania; but it was bitterly opposed by the representatives of New South Wales. At length the latter, fearing defeat, proposed that a federal district of limited area should be set apart which should become the seat of the Federal Government; but as it was intended that this district should be situated somewhere upon the borders of New South Wales and Victoria the motion met with a good deal of hostility from the members both for South Australia and Tasmania, and the original amendment finally was carried by a very large majority in both Houses of the Federal Legislature. That the conclusion arrived at was a reasonable and proper one cannot now be doubted; and it is to be regretted that during the course of the debate some of the members representing New South Wales were guilty of an intolerance of language—amounting to the open expression of disloyalty to the Union itself—which sowed the first seeds of discord, and, as it were, directed that unhappy colony towards the course which afterwards was so disastrous to the happiness and best interests of its inhabitants. That the determination arrived at by the Federal Parliament was one of the greatest moment to their colony will afterwards appear; and it cannot be doubted that, if the effects which were to follow had been foreseen by the people of the colony, an effort would have been made at

the time to break away from the Union; and it is even conceivable that such an attempt might then have been successful. But the decision of the supreme power was acquiesced in, although with the expression of a great deal of discontent in all parts of the colony. The action of the Senate, in particular, was made the subject of hostile criticism. It will be remembered that each colony sends an equal number of representatives to this body; and the fact that the members for Victoria, South Australia, and Tasmania then were, as they have been ever since upon intercolonial questions, at one, as against the representatives of New South Wales, was made the pretext for a charge of hostile combination against the interests of the latter colony. It is surprising that time, and the opportunity for reflection, have failed to convince her statesmen, even up to the present day, that the majority of the Senate have solely been moved by a regard for the great principles of the greatest happiness of the greatest number, and of the right of majorities to coerce minorities in any way which, to the majority, may seem desirable. These, we repeat, have been, and we trust will always be, fundamental in the government of Australia.

It is not our intention to follow the course of Federal legislation at present. We shall briefly refer to two principal measures, and state as shortly as possible some of the more important effects which followed from them.

We speak of the fiscal issue and of the establishment of the great railway centre in Melbourne.

The belief had always been held, really or professedly, by the freetrade party, which for so many years had been dominant in New South Wales, that Federation would be a direct step towards the adoption of a general system of freetrade, alike between the colonies themselves and with the outside world. That such a belief was sincere we now can hardly believe. That it can have been supposed that the leading men of three colonies would consent to acknowledge that they had been in error for years, and would bow to the wisdom of those of one, seems incredible enough; but that it should have been thought possible that those whose vested interests were already open to possible encroachment to some extent, in consequence of intercolonial freetrade, should have been expected to consent to throw down all barriers of competition with the outside world, is beyond all reasonable comprehension. Yet this belief was professed by the party in power in New South Wales at the time of the Union. It seems hardly to be necessary to recall the fact that it proved to be entirely unfounded. Moreover, it became needful to find some means of raising revenue to meet the large additional expense which was occasioned by the introduction of the new form of government. It is true that at the time it

was generally expected that the new constitution would eventually result in increased economy. But money had to be found in the meanwhile; direct taxation could not be resorted to; and the custom-house provided the only reasonable resource. These considerations, coupled with the determination of the majority of the states to continue the system under which they had so long lived, led to the imposition of a heavy protective duty upon all imports into the territory of the Federated states, and created one of several classes of malcontents in the colony of New South Wales. The mercantile community were bitterly disappointed, and highly indignant at this interference with the freedom of their trade. On the other hand, the manufacturing interests were proportionately jubilant; although, as will be seen, their rejoicings were short-lived.

And here it becomes necessary to refer to the adoption by the Commonwealth of a common railway gauge.

A measure by which this great boon was conferred upon the Federated states was amongst the earliest of those passed by the Federal legislature; and it was determined that the centre of the system should be placed in Melbourne. This was resisted by the representatives of New South Wales who, we regret to say, from the first, appeared actuated by a selfish and provincial spirit wholly at variance from that displayed by their delegates at the great convention of 1897. Melbourne was the natural centre; and to have administered the railways from Sydney would have been as great an injustice to South Australia as the control of them from Adelaide would have been to New South Wales. Nay, greater; for the remarkable development of South Anstralia in recent years, through her situation with regard to the western districts of New South Wales, has placed her in a position whose superior importance to the older colony was only dimly foreseen, even by the most intelligent minds in the southern colony. Moreover, Victoria already possessed large locomotive works, and had long been building, while New South Wales had been importing. It was urged, indeed, that branch railway works might be established in Sydney; but the proposal was negatived upon the ground that in this kind of manufacture centralisation contributes alike to efficiency and economy. The shops at Eveleigh were continued for the carrying out of necessary local repairs; and large numbers of the employees were transferred to the works at Ballarat, and to those which gradually grew up in Melbourne.

Thus began that steady transference of industry from Sydney to Melbourne which has made those two cities what they are to-day. A common gauge had long been desired, and at last it was attained, but unfortunately not without a further display of that unfederal spirit which was rapidly becoming characteristic of New South Wales. The effect of

this reform, when completed, was very striking. Commerce began to find its natural inlets and outlets. No longer hindered by such artificial barriers as Customs duties and special railway rates, it began to flow through its proper channels. Already for a long time those parts of New South Wales which included Wagga Wagga, and the country to the west of it upon the main line between Sydney and Melbourne, had looked to Melbourne as their real, although not their nominal, capital, and now the latter city may have been said to have become the actual capital; and the whole of the Riverina district, though still compelled to pay the local taxes, for all purposes of trade was practically annexed to Victoria. Broken Hill and the neighbouring country, under a freetrade policy, had contributed comparatively little to the revenues of New South Wales; and the entire loss of their trade was less severely felt than that of the western districts of the colony, which, by means of the Darling and Murray Rivers, aided by the spirited railway policy initiated by the Federal Parliament, passed into the hands of the two neighbouring colonies.

For it was rightly felt that the time had come when it should be sought to develop Australia, and not merely any part of it; and with this end in view, the Commonwealth largely availed itself of the increased credit, which was expected from the Union, to obtain loans for the purpose of developing the resources of the country. It was urged that the railways of Australia had always been regarded as amongst the most valuable of her assets, and that their reduction to a scientific system, which would afford the greatest facilities for traffic to the most convenient ports, would immensely increase their value. To objectors it was very properly replied, that one of the great objects of Federation had been the breaking down of artificial barriers drawn upon the map, with which geography had nothing to do; and they were pertinently asked what system they would propose to substitute for that which promised the most efficient service for the whole country. Obviously, from her outlying position, it would be absurd to endeavour to centre trade in Sydney, and, moreover, the colony already was served by a railway system which, under the new conditions, would probably be more than sufficient for all her reasonable needs.

We must freely confess that in this case the advantage of the Commonwealth at large was productive of some hardship to New South Wales. While she was made responsible for the increased debt incurred by the Commonwealth, she gained no individual advantage from the expenditure; and the demand for labour attracted to Victoria a large number of her working population, leaving available for her own needs only the unemployed and the less energetic of the industrious workers. Wages rose, it is true, for a time to famine rates; but as a consequence her

industries languished; and eventually many of her factories had to be closed—in some cases temporarily, in more, permanently—since the operatives drifted away to the busier centres in Melbourne and Adelaide. Capitalists, in view of the decline of the Sydney trade, were unwilling to face the competition of those great and growing manufacturing centres, and the wages of those of the workers who were unable to move elsewhere again suffered a heavy decline.

Thus, then, those conditions began to arise which the merchants of Sydney found so difficult to face. The areas commanded from Melbourne and from Adelaide grew rapidly, while those left open to the competition of New South Wales speedily diminished. Meanwhile, the population of the chief city of New South Wales quickly fell away. As the capital of the Commonwealth, Melbourne became the chief social centre of Australia. The wealthy classes, no longer willing to live in the obscurity of a provincial town, were attracted to it in large numbers; those engaged in active commercial pursuits by the hope that they might transfer their interests to a city upon which shone so bright a sun of prosperity; others because the gaieties of the court of the Governor-General were an attraction; and many because they desired to establish their families in a position where they would have the greatest opportunities for advancement. In addition to these, the most energetic minds of New South Wales saw in Victoria the best scope for their activities; and with their secession the *personnel* of the population of the older colony began to deteriorate. Then the wise policy of a reduction of the harbour dues, applied to the port of the capital, and the expenditure which increased prosperity allowed to be made, without difficulty, upon the improvement of the port itself, led to an enormous advance in the number and tonnage of the ships visiting it; while the diminished imports and exports of New South Wales caused a rapid decline in the shipping trade of the port of Sydney.

Meanwhile a cause, operating from the landward side, began to affect that city most injuriously. Mention has been made of the diversion of trade from those parts of New South Wales which were most conveniently situated for communication with the ports of Melbourne and Adelaide; and it will readily be understood that the increase of traffic over the railways leading to those cities caused a corresponding diminution of the receipts of the lines connecting the districts in question with Sydney. In other words, the railways of New South Wales began to show a considerable yearly deficit. Even apart from the provision in the Commonwealth Act, following that adopted by the Bathurst Convention, by which gains and losses by state railways were to be credited or debited to the respective

states, it would doubtless have been held unjust that the other colonies should be called upon to make good this deficiency. The Victorian and South Australian lines were beginning to be highly profitable; and such a proceeding would have been grossly unfair to Tasmania, whose railways, although within the Federal control, had no direct connection with the system. It became necessary, therefore, to increase the charges for freight in New South Wales; and, as a consequence, the agricultural and pastoral interests of the colony were placed at a heavy disadvantage as compared with those of the other states, while a further diversion of traffic was caused to the neighbouring capitals from places outside of the radius which had been affected in the first instance. Pastoralists, agriculturalists, storekeepers, and the merchants in Sydney who had been accustomed to supply their needs, alike suffered; and a further decline took place in the fortunes of the capital; while in the country many who had been employed in the various producing industries, and whose labour was of little value for other purposes, were thrown out of work. The mining industry, also, which a few years before had shown strong signs of revival, was greatly hampered, and its development was either stopped or seriously delayed by increased rates, protective duties, and growing taxation.

But, as will easily be perceived, the agriculturalists were the greatest sufferers, except where their situation enabled them to send their produce directly to the great markets of the South: for those who had hitherto found a market in Sydney discovered that with the decline of that capital supplies very soon exceeded demands; prices fell to figures at which, more especially with increased railway rates, it was impossible to make a profit upon the spot, while the cost of freight destroyed any hope of competition with those who supplied the southern markets directly.

Against these losses may be set the fact that for a time the trade of Newcastle showed signs of considerable activity, and it was once believed that the town would become a great manufacturing centre; but its distance from the populous parts of the Commonwealth, and the development of the southern coal-fields which has been stimulated by the magnificent increase of manufacturing industries in the metropolis of Australia, have militated against this expectation. Its trade with Sydney has become inconsiderable, and but few of the great steamships which once visited that city now find it worth their while to proceed beyond Melbourne. Even at the time of the union the getting of coal had ceased to be a very profitable industry. Repeated strikes had caused a serious shrinkage of foreign trade, and the fear of their recurrence has prevented any large investment of capital, upon the spot, in industries dependent upon coal; but, as with the northern parts of the State, where, under the Federal tariff, a considerable increase took

place in the production of sugar for export to the southern capitals, industrial enterprise has greatly been checked by the heavy taxation which the conditions of the colony have required, and to which it will be necessary to make short allusion presently.

Nevertheless, Newcastle has continued to be a place of considerable importance; and her trade is now larger than that of any city in New South Wales. She is the chief producer of iron in Australia. The demand, however, is not very great. There is no export trade, and unless there should be a sufficient reduction in the present price of labour it is not likely that there will be any; while even the limited internal market suffers, in spite of the duty, from heavy outside competition. The industry, however, is of value of New South Wales, and has helped her to a certain extent to bear up against the burden of taxation which her conditions hitherto have rendered necessary, and when, by the labours of the Royal Commission now sitting, the State shall have been limited to her natural boundaries, the iron industry will bear a more just proportion to the value of her other products.

In considering the facts which have here been set forth, it is impossible not to feel some regret at the unmerited misfortunes which have overtaken the mother colony. But we must remember that they were the necessary outcome of that glorious destiny of a Federated Australia, which has so nobly been achieved; and we cannot doubt that her leaders in the Federal movement must have foreseen the conditions which subsequently arose, and must have patriotically determined to sacrifice all provincial considerations to the good of their country, remembering that though the individual might wither Australia would grow more and more. At the same time it is curious to speculate upon the different course which the story of Australian history might have taken if Queensland had been a member of the Federal group; and if Sydney, with its magnificent harbour—now, alas, little better than a pleasure-ground—had been almost at the centre, instead of almost at the circumference, of the Federal circle.

It must not be supposed that the decline of New South Wales to a subordinate position among the Federal States, which we have chronicled so unwillingly, took place in a moment of time, or that it proceeded without local discontent or criticism. For the sake of brevity we have endeavoured to compress some of the principal results of the passage of several years into the briefest possible retrospect. Long before the year 1913, when the ineffectual revolt of the State took place, there had been a widespread expression of the popular discontent; and this had found utterance in the columns of the principal journals, up to the time when so many of those literary enterprises ceased to have any existence

At the time of the Union there were published in the capital of the State four daily journals of the strictly “newspaper” class—namely, **The Sydney Morning Telegraph**, **The Daily Herald**, **The Evening Star**, and **The Australian News**. In addition to these, two newspapers were published on Sundays.

It is right to say that it was largely by the unselfish efforts of the proprietors of the four first-named newspapers that Federation was accomplished; that the dim spark of brotherly love was fanned into a consuming fire; that the flagging interest in the question of the Union was kept alive; and that the electors subsequently were driven to the polls to give their assent to it.

The effect of the establishment of the Commonwealth upon these organs of public opinion was almost immediate. With the establishment of the capital in Melbourne, they were reduced to the rank of provincial newspapers; while the great Melbourne dailies took their places as leaders of the public thought of Australia. Let history do justice to the noble view taken by the proprietors of those four journals. They put patriotism before profit; and when, a few years afterwards, the **Daily Herald** Newspaper Company went into liquidation, a testimonial was presented to the chairman by the united press of the southern metropolis. The Sunday newspapers, it must be confessed, were less altruistic; and, though they shared in an ever-glorious ruin, their proprietors were not able to solace themselves with the thought that they had deliberately achieved it in the cause of an United Australia.

By the year 1909, then, the decline of trades and industries in New South Wales had been so great that out of all the newspapers mentioned the **Sydney Morning Telegraph** alone continued to exist. The journal was a very old established one. For a large number of the families of New South Wales it had been the chronicle of the births, marriages, and deaths of two or three generations; and sentiment, as well as utility, helped to preserve its diminished circulation. Its younger rival, the **Sydney Herald**, had no such claims for public support; and the company by which it was published was wound up in 1908. The Sunday papers had already succumbed to the general stagnation, and the shrinkage, alike in circulation and in the advertising power of the community, had led to the extinction of the evening papers after they had made a gallant but ineffectual struggle. It is true that before passing into silence each and all of these journals had violently attacked the new constitution, and had deplored the effects of the union which they had once so earnestly advocated; but their respective circulations were so contracted that their outcries made no impression upon the great public of Australia. One by one they passed out of existence, until

at last the **Sydney Morning Telegraph** was left as the sole representative of metropolitan journalism in Sydney.

At last this great newspaper awakened, and announced the fact that it had observed that of late there had been a decline in the prosperity of the State of New South Wales; and it declared its intention of advocating reform. The effect upon the community was electrical. The circulation of the paper rose rapidly, until the daily issue reached no less a number than five thousand copies.

We will glance briefly at some of the conditions which **The Sydney Morning Telegraph** had to record, and note some of the classes who murmured their discontent most loudly. The condition of the mercantile classes was deplorable. The heavy protective duty had destroyed the greater part of the general trade of Sydney, while that with Queensland may be said to have been totally lost; since what was left of her commerce with the federated States went direct to the great distributing market in Melbourne, which then was, as it always will be, the great centre of the wool trade. Even the northern sugar districts of New South Wales forwarded their productions directly to Melbourne.

As a consequence of the widespread depression, and the enormous depreciation of real property, alike in city and country, the three leading local banks had been compelled to suspend payment, and a large number of persons had been ruined.

The bulk of the shipping trade had been diverted to Melbourne; and even the mail steamers no longer found it worth their while to go round to Sydney.

Agriculturists no longer found a market for their products; they and the pastoralists alike suffered from increased railway rates and the heavy direct taxation; and enormous areas of Crown lands had gone out of occupation, causing a corresponding deficiency of revenue.

Under that taxation, and in consequence of their distance from the great centres of population and commerce, manufactures had declined.

Enormous reductions had been made in the Civil Service by the Public Service Board, and numbers of families were reduced to a state of utter destitution.

While there was a brisk demand for labour in the neighbouring colonies, the local market was overstocked; and the wages of those of the workers who had not sufficient means to leave the colony had fallen heavily. The number of unemployed was such that there was no longer room for them to meet, as they had been accustomed in old days to do, at the top of King-street, Sydney, and they had been compelled to adjourn to the Domain; and this in spite of the praiseworthy endeavour of the Government of the State

to preserve an appearance of neatness by having the sand upon the foreshores of the colony swept up into heaps.

Clerks had everywhere been thrown out of work.

The spending power of the community had been so much diminished by the rise of prices, and by the reduction of incomes consequent upon the general depreciation in the values and returns of all local investments, that tradesmen all over the colony, but particularly in Sydney, had been overwhelmed by disaster and ruin.

Until the State Government, upon the failure of the sand-shifting industry, initiated its policy of resuming the city lands at the low prices prevailing, and of turning them into ornamental spaces, as a means of utilising the labour of the unemployed, empty houses, stores, shops, and offices met the eye everywhere.

In order that they might be more in touch with the great centres of population, it had been found necessary to transfer both the Catholic and Anglican Archbishops to Melbourne; and the local adherents of the respective creeds were proportionately dissatisfied.

Necessary retrenchment had deprived the University of Sydney of all Government assistance; and the attendance of undergraduates at that seat of learning had fallen away to such an extent that its maintenance became a farce, and at last it was amalgamated with the great Federal University in Melbourne.

Something must now be added with reference to the taxation of the State, and that deterioration of the local Parliament with which, of necessity, it was associated.

It was obvious, of course, that the government of the Commonwealth could not be carried on without a considerable expenditure of money; and, as happens almost invariably, the sum required largely exceeded that which had been estimated. In addition to the cost of the Parliament itself, the salaries of Ministers, members, a large staff of officials, and the interest payable upon the loan expenditure, which had been incurred in erecting magnificent parliamentary buildings, constructed in a manner worthy of the august assembly which they were to accommodate, it became necessary to pay for a new civil service for the administration of the government in regard to Federal matters, as well as a Federal Court of Appeal. Under-Secretaries were appointed for the different departments, and complete staffs of officials were found necessary for each of them. Accommodation had to be found for the various offices, and land, which had rapidly advanced in value in Melbourne after the decision of the Federal Parliament upon the question of the Federal capital, was resumed for the purpose and for the building of the Houses of Parliament, at greatly

advanced prices. To all this the great cost of the buildings themselves was added. Nor was it found that the withdrawal of matters, falling within the Commonwealth Act, from the control of the local legislatures, resulted in any great saving to the various States, since many of them were of a description which hitherto had permitted of distribution over various departments, and of administration conjointly with other necessary services. The departments to which they had previously been referred for the most part had still to be maintained; and the saving of a few minor salaries was all the economy which union effected for the individual States.

Again, nothing was more natural than the ambition which was entertained for the possession of naval and military defence forces worthy of a Nation; and there was a rapid increase in the estimates and in the sums granted by the Parliament for the department of the Minister for National Defence. It was argued that Australia ought no longer to be dependent upon so distant a country as England for her protection by sea, or upon ships which in a time of national peril might be required for service elsewhere, even in the interests of Australia herself. It had long been the ambition of Victoria to have a navy of her own; and this patriotic spirit spread to the representatives of the other southern States, and the nucleus of the present Australian fleet was formed at considerable expense to the country.

Nor were the land forces neglected. It was clearly seen that if an enemy should attack our shores we must be prepared to meet him with appliances no less perfect than his own, and large sums were spent upon the purchase of the most improved kinds of light and heavy artillery and magazine rifles, and upon the development of an army which should be something more than a name.

The means of defence, indeed, both by sea and by land, rapidly grew to dimensions out of all proportion to the populations of the Federal States, for it was obviously necessary that provision should be made for the defence, not only of the shores of the Commonwealth itself, but also for those of the States which had refused to join it, since the landing of an enemy in any part of Australia would have imperilled the safety of the whole country.

To all these causes of expenditure must be added the fact that the increased indebtedness of the Commonwealth was not characterised by the expected diminution in the rate of interest which had been anticipated. The advances required for the purposes which have been mentioned were so considerable that investors began to ask themselves whether Australia were not, in popular language, going ahead too fast, particularly when it was considered that the fresh loans had been spent in directions where the

expenditure, however necessary, could not fairly be called reproductive. The value of the national securities, therefore, showed a tendency to decline rather than to improve, and the benefit expected in this direction unfortunately was not realised.

It will readily be understood that the burden of supporting her share of the Federal Government pressed particularly hardly upon New South Wales, with her falling population and declining industries. In Melbourne matters were different; the population was increasing rapidly, and large sums were being spent on behalf of the Commonwealth, in which Sydney had little or no share. South Australia already was reaping a rich harvest from the western districts of New South Wales. It may be added that, since contribution to the funds of the Commonwealth was proportioned upon a population basis, and since it was impossible to take a census every year, a State with a declining population necessarily paid more than its share of the general taxation, as compared with a State whose population was increasing, until the next census enabled the proportion to be corrected, after which the same process recurred.

But, in addition to the heavy weight of taxation imposed by the needs of the Commonwealth, New South Wales groaned under a self-imposed burden which threatened the utter ruin of the country. It will be remembered that when the colony rushed into the Federal Union it did not possess a system of local government; and much of the expenditure for local needs which ought to have been controlled by local authorities was left in the hands of her Parliament. Even during the days of her existence as an independent province the "roads and bridges" member was not entirely unknown; and the claim of a member to his seat, in some instances, was held to depend upon the extent of his ability for milking the State cow for the benefit of his constituents. At the same time there were returned to the local parliament a certain number of men who were influenced by patriotic feeling, or by motives of not ignoble personal ambition; and many of these were men, not only of integrity, but of ability.

Now an early effect of the establishment of the Federal Parliament was the drawing away of the latter class from the local legislature, while the former class began to preponderate in it. Men of ability and force, in particular, very naturally preferred to seek a larger field for their energies than was presented by the State Parliament, where debates were becoming daily more parochial in character. Reference has been made to the fact that the development of the southern metropolis had already robbed New South Wales of many of her best and brightest intellects; and a like process led to the transference to the Federal Parliament of many of those who hitherto had raised the intelligence of her legislative chambers somewhat above that

of the ordinary vestry. With the loss of its best minds the State legislature sank to a condition which was truly deplorable, and this at a time when the solution of the problems presented by the condition of the State itself might well have taxed the ingenuities of the ablest of her statesmen. In her social sickness she sought every political quack remedy, and was delivered over into the hands of noisy empirics whose only claim to consideration was their blatant self-confidence and the bold advertisement of promises which, it is needless to say, could not be fulfilled. In the struggle for a voice in the affairs of the State the loudest cries were most listened to by thoughtless electors; and in the absence of men of force and character the affairs of the country fell into the hands of demagogues, each of whom was anxious to urge and to try his own patent nostrum of new taxation, and to reward those who had voted for him by an expenditure of public funds which would diminish, if not relieve, the depression existing in his own electorate. As will readily be imagined, the direct taxation of the wealthier classes was the favourite remedy; and this method of raising revenue was adopted to such an extent that capital no longer found remunerative employment in the State, and sought investment elsewhere. Pressed down by this burden and the heavy protective tariff, the industries of the country were crippled, and even the natural advantages of the territory, such as the possession of magnificent deposits of iron and coal, and of large tracts of pastoral and agricultural land, to a very considerable extent were lost to it. Yet, though we may inveigh against the misgovernment of that unhappy State, it must be confessed that it was not easy to suggest a remedy. Money had to be found; the customs had been handed over to the Commonwealth; the revenue from Crown lands was greatly diminished, and, as we have already stated, many of them had gone out of occupation; the railways were worked at a loss which was chargeable to the State; and depression and depopulation had led to an enormous shrinkage in the sums receivable from stamp, death, and other duties: with the falling away of trade the amount received through the customs fell short of that debited by the Federal Government for the share of expenditure incurred on behalf of New South Wales, and a heavy annual deficit had to be made good by that State; and in addition to these troubles she was met with the expense of administering the government of a large part of her territory in the west and south, from the products of which, under a system of freetrade with the neighbouring colonies, she received little or no return. It is easy, we repeat, to find fault with those to whom the government of the State was entrusted: it is very difficult to suggest any practical course which was open to them.

It must not be supposed that the representatives of the State in the Federal Parliament were blind to the condition of their country, or that they

failed to urge its claims to consideration. In season and out of season they were insistent, and they employed every means allowed by the constitution to forward their aims. But the obstructive tactics which had met with some success in other legislatures were of but little service in the Parliament of the Commonwealth. So greatly did the interests of New South Wales diverge from those of the united colonies that that isolated State never was able to achieve the balance of power which alone could have given value to her as a supporter of any Government policy, or have caused her to be feared as an opponent of it. The only result of the efforts of her members, coupled with the unhappy condition of the country, was the perpetration of a historical joke. It was gravely proposed that the name of the State should be changed from New South Wales to "New Ireland."

And yet a grim truth underlay this sorry jest. Overtaxed by the superior government of the Commonwealth; weighed down by local burdens; her industries almost destroyed; her population falling away; suffering from the fatal haemorrhage which goes on when local return for capital is unable remuneratively to meet the demands of foreign investment; her pastoralists, agriculturists, and manufacturers alike financially broken down by the burden of increasing taxation; it is no wonder that in the condition of the State there was found an analogy to that of the unfortunate country of the old world, many of whose sons had been amongst the most earnest advocates of federation in the new. For it is a strange but undeniable fact that, amongst the leaders of federation in New South Wales, were to be found those who were most anxious to forward the cause of Home Rule in Ireland; who were most sensible of the evils of the existing legislative union of that country with England; and who joined in the protest made at the time against the excessive taxation, which it was alleged was exacted from her for the general benefit of the Empire.

But the aspect of the Federal Union accomplished in the year 1899, here set out, now hastens towards a conclusion. It has been viewed, we hope sympathetically, chiefly from the point of view of New South Wales. In chapters of this history, hereafter, we trust, to be written, will be set out the brighter story of the development of Australia as a nation; and it will appear that thus, as ever, the great principle was illustrated that the apparent loss of the individual means the advancement of the race; it will be shown that the decline of New South Wales was but an illustration of it; and that, as had been foreseen by the leaders of the Federal movement in that province, Australia profited even though the fortunes of their native country were given over to disaster and decay.

But, before we reach our account of this glorious consummation, it becomes necessary to notice very briefly a dark period in the history of the

senior colony, and to speak of a time when the selfishness of a section of her citizens caused an attempt to be made to overthrow the great constitution which had been built up with so much difficulty and labour. We allude to the revolt which, trifling as it was, indicated a desire on the part of that unhappy province to rebel against the glorious destiny of an United Australia; to forget the motto of "one people, one destiny;" and to endeavour to return to that policy of provincialism and parochialism which had characterised the earlier history of the Australian continent.

The causes for discontent in the State, which existed even in the earliest years of the present century, have already been set forth sufficiently; and reference has been made to the disloyal tone adopted by the **Sydney Morning Telegraph** so early as the year 1909. And as time went on, the spirit of dissatisfaction continued to spread. The continuity of the policy of a country is always maintained by those classes in it who have something at stake. If they preponderate, there is stability; if, on the other hand, there is an excess of those who have nothing to lose, the State will become revolutionary.

Now, at the time when the above-mentioned journal made its great discovery, New South Wales was full of owners of estates whose properties brought them no return; of landlords who were without tenants; of professional men who were without clients; of merchants who had lost their business connections; of tradesmen who were without customers; of working men who were without work. To these were to be added pastoralists, agriculturalists, and manufacturers whose industries had ceased to be remunerative, and those who, if they still remained in their employment, received merely starvation wages as a remuneration for their labour. Beyond them there remained a floating population of journalists, jockeys, domestic servants, and other ministers of mere luxury who, in old days, had been so magnificently rewarded for their services. Amongst all this social tinder the journal in question had come as a fire-brand, and had lighted up the prevailing discontent until it became a devouring flame.

The first signs of the coming social conflagration were manifested at the polls. A national spirit, which, alas, was not a federal spirit, commenced there to be manifested; and hostility to the Commonwealth was freely urged as a claim to the suffrages of the electors. New South Wales began to return to the Federal Parliament men of provincial and even parochial views, who thought it to be consistent with their duty to the Commonwealth to oppose an enlightened policy of Federal expenditure, and, in the pretended interest of an isolated State, to endeavour to block by senseless obstruction measures intended for the good of the country at large. It is needless to say that these tactics were not successful; and the

timely application of the closure enabled Federal legislation to proceed with comparatively little interruption.

But in the State Parliament matters began to assume a far graver complexion; and, but for the continual vigilance and the foresight of the Federal cabinet, affairs might have proceeded to the point of serious disaster to the Union. It had chanced but rarely that any representative of New South Wales had been included in the government of the Commonwealth; and, fortunately, as it happened, no member for that colony was regarded as being influential enough to have a claim to cabinet rank, at the time with which we have to deal. The government of the Commonwealth, therefore, was able to act when the emergency arose, not only with dispatch, but with secrecy.

For the truth must be confessed that the local Parliament had become little better than a merely seditious gathering. The State, blind to the great interests of the Commonwealth, and led astray by the utterances of selfish agitators, began to ask itself what it had individually gained by that Union which had been greeted with so much enthusiasm; and at the elections men found favour who did not scruple to urge that New South Wales ought to intimate her intention of retiring from the National Federation.

At first the government of the Commonwealth, secure in its unassailable position, paid but little heed to all this wild talk. But matters advanced rapidly. It had been easy enough in the Federal Parliament to silence or to disregard the protests of the representatives of New South Wales; to point out to them that they had refused to accept a proposal, which had more than once been made, to lighten the burdens of the State by attaching to Victoria and to South Australia those portions of the colony which, geographically considered, ought to belong to them: it was more difficult to take effective action to repress the seditious utterances which in the Parliament of the State itself were listened to with demonstrative sympathy and satisfaction. At last, in the year 1912, the discovery of a widespread conspiracy, extending over all those districts which still owned Sydney as their capital city, the purpose of which was the throwing off of the yoke of the Federal Government, convinced the central government that effective steps would have to be taken to prevent the occurrence of serious disturbances within the province.

Matters were in this position when an event, ordinary enough in itself, precipitated that revolt— or perhaps it might more properly be called that riot—to which the revolutionary spirits of New South Wales have sought to give the more honoured name of rebellion.

It has been pointed out that the great decline in the customs receipts of New South Wales, consequent upon the fact that the trade of a large part of

her territory had been diverted to the southern capitals, coupled with the loss upon her railways, left her, as a contributor upon a population basis, annually a debtor instead of a creditor when the expenditure for Federal purposes had to be apportioned. And at the moment when the discontent of the country had reached its highest point, the debt thus incurred was placed upon the estimates by the State Parliament. The item was violently opposed; the grant was supported in the most lukewarm manner by the Ministry of the day, who felt that their very seats were at stake; and the vote was refused by the Parliament. The Ministry resigned, only to be succeeded by a cabinet pledged to a policy of immediate separation; and a resolution declaring the independence of the State was immediately passed with acclamation by the Legislative Assembly. The Governor, a subordinate official of the British Colonial Office, who, in consequence of that policy of necessary retrenchment which had led to the abandonment of the old Government House of the colony, had resided in Macquarie-street, took refuge at Moss Vale; the members of the Upper House, faced by another constitutional crisis, fled in all directions; lawless gatherings met in the open spaces of the city; disloyal mobs paraded the streets and destroyed the effigies of the ten patriots who had effected the Federal Union of the colonies; anarchy threatened to obtain everywhere. A vast and representative public meeting was held at the Town Hall, which passed an unanimous resolution calling upon Sir Hector Rhino, the colonel commanding the National Guard of the colony, to place himself at the head of the local troops and to declare, and if necessary to maintain by force of arms, the independence of the colony of New South Wales. The veteran responded, and—

[EDITOR'S NOTE.—At this point in his narrative Professor Ananias Honeybun died suddenly, leaving his great work uncompleted. This is not the place to express the grief of his admirers at the sad event. It is enough to say, here, that what he had intended to record is matter of contemporary history. It is well known that the rising, the beginning of which he has chronicled, ended in disaster to the unfortunate State by which it was countenanced. The *coup de main* will long be remembered by which the army of the Commonwealth, long and secretly held in readiness for the event, seized upon the railways and roads leading to Sydney; while the Federal Navy, which had been supposed by the leaders of the revolutionary movement to be cruising in the neighbourhood of New Zealand, suddenly took possession of the local arsenal upon Cockatoo Island, and also prevented all approach to the port from the sea. To avoid Imperial complications, the whole affair was treated as a riot; the Federal forces had been sworn in as special constables, and nominally were under the command of the Inspector-General of the Federal police. The rebels in the country were unable to effect a junction with those in the city; and it became apparent that no more active measures would be necessary, since Sydney must

quickly be starved into an undignified surrender. The rioters in the city were but ill provided with munitions of war; their numbers fell quickly away, and resistance to the power of the Commonwealth was seen to be out of the question. In spite of the fiery eloquence of Sir Hector Rhino, Sydney capitulated; the Federal troops took possession of the town; order was rapidly restored; and the leaders of the revolt were placed under arrest. Partly by intimidation and the fear of fine or imprisonment; partly, it has been suspected, by promises, or even bribery; partly by the support of the members representing the districts directly in touch with the southern capitals, who saw only one way of relieving the burden of taxation under which their electorates suffered—a majority was secured in the State Parliament which not only agreed to the unpopular vote, but passed a resolution in favour of the appointment of that Royal Commission which is still sitting to devise the scheme for the new demarcation of the boundaries of New South Wales, which it is expected will shortly be adopted by the Federal and State Legislatures.

Although it is probable that under the contemplated measure the State will lose more than one-half of her territory, it is certain that the burden of taxation will be very considerably diminished in that portion which will remain to her. It is hoped that she has learnt her lesson; that it has been proved to those of her citizens who still nourish discontent that it is idle to attempt armed resistance to the will of the Commonwealth of Australia; and that their only hope of altering existing conditions lies in the employment of the proper constitutional means which have been so successful in Ireland. But we may cheerfully expect that all feelings of rancour will now die away; that for New South Wales a new era of prosperity is about to dawn; and that, with her beautiful coast and magnificent mountain country, she may yet rival Tasmania as one of the best loved holiday grounds of those who dwell upon the Australian continent.]
