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FEDERATION

AS IT AFFECTS

→ Western Australia. ←

BY THE

Hon. ALEC. MATHESON, M.L.C.,

Member of the Federal Council of Australasia.

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FEDERATION

AS IT AFFECTS WESTERN AUSTRALIA.

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HON. ALEC. MATHESON, M.L.C.

Member of the Federal Council of Australasia

HISTORICAL SKETCH.

I propose to commence by giving a very short *resumé* of the history of Australian Federation. The question is an older one than most people realise, and was first mooted in 1849, when a Committee of the Privy Council of England advised the separation from New South Wales of that part of Australia now called Victoria. The idea, however, was allowed to drop, though a Bill establishing a Federal Legislature actually passed both Houses of the British Parliament in 1850. In 1853, when responsible government was first granted to Victoria and New South Wales, provision for a Federal constitution was again urged, but without success.

In 1885 an Act was passed constituting the Federal Council of Australasia, which, it was hoped, would supply the place, for a time at any rate, of a proper Federal constitution. New South Wales and South Australia, however, refused to join the Council, and partly from this cause, and partly because the Council had no executive or judicial powers, but chiefly because the members being nominated and not elected by the people, had no popular

mandate, and were in no sense representative, the Federal Council proved a failure, and has done but little work.

In 1889 Sir Henry Parkes moved in the matter anew, prompted to a large extent by a report of Major-General Edwards, strongly urging the necessity of a Federal defence scheme for Australia. A conference on the subject was held in Melbourne in 1890. As a result the Convention of 1891 was held at Sydney, and a Commonwealth Bill was drafted which has formed the foundation on which the present Bill has been built up.

In 1895, at the instigation of Mr. Reid, the Premier of New South Wales, a meeting of Premiers was held at Hobart, and an Enabling Bill having been passed by all the colonies of Australia except Queensland, delegates were duly sent to a Convention held at Adelaide in March, 1897. The delegates from New South Wales, Victoria, South Australia and Tasmania were elected by the people, and therefore carried with them the direct mandate of the people of those colonies. In Western Australia alone the delegates were nominated by Parliament, and the people of the colony were ignored.

No definite result was arrived at on this occasion, or at a further Convention held at Sydney in September, 1897, and in January, 1898, a third Convention was held at Melbourne, when the draft of the Bill to constitute the Commonwealth of Australia was finally approved.

The Bill was in June, 1898, submitted for approval to the people in the colonies of Victoria, South Australia, Tasmania and New South Wales, but failed to secure the necessary majority of voters in New South Wales. The other three colonies felt that it would be impossible for them to federate in the absence of the mother colony, though fully entitled to do so constitutionally, and matters were at a deadlock until January of the present year, when a meeting was held in Melbourne at which the Premiers of the six Australian colonies were present. As a result of their informal deliberations, it was agreed that the Commonwealth Bill of 1898, with certain amendments and compromises, agreed to by the conclave of Premiers, should once more be submitted to the

people of Australia for approval, and that a simple majority of the electors in each colony should be sufficient for the acceptance or rejection of the Bill.

In bringing the history of Federation up to date for the purposes of to-night's paper I have been obliged to condense as much as possible, and many most interesting facts have had to be omitted from record as being of no actual importance to us at the present state of affairs.

The position to-day is simply this :—

The people of Western Australia will shortly be asked to signify their approval or disapproval to the Commonwealth Bill as passed by the Convention of 1858, and amended by the Premiers. No further amendment of the Bill is possible, and no option exists to voters but either to take it or leave it as it is.

Probably no one will maintain the Bill is perfect. Students of political law will particularly criticise the position in which the Senate is left, but the fact remains that good or bad the Bill will without doubt be adopted by the other colonies, and will provide the Constitution of Federated Australia.

If therefore, you refuse to federate to-day because the Bill is not perfect from the point of view of constitutional law, you refuse to federate for all time, as the Constitution will necessarily continue to be unacceptable from your point of view.

FEDERAL CONSTITUTION.

We must now pass on to the Bill itself, as you should clearly understand its more salient points before you can fairly realise how Federation will affect this colony.

And I may remark parenthetically that the Constitutions of the existing colonies from the respective Governors downwards are left entirely untouched and unaltered by the Federal Constitution, but the Act which constituted the Federal Council of Australasia is repealed, the Federal Council ceases to exist, and any colony that refuses to federate is left without even that slight link to connect it to the rest of Australia.

The Federal Parliament will consist of the Queen, represented

by a Governor-General, a Senate or Upper House, and a House of Representatives.

The Senate will consist of six Senators from each Original State, an Original State being any colony that forms part of the Commonwealth at its foundation.

The House of Representatives will consist of double the number of the Senate, whatever that may be; each State returning a number of members in proportion to its population.

A special proviso exists, however, in favor of the smaller States, that every Original State shall be represented by at least five members.

The latest statistics at my disposal show that assuming all six colonies federate there will be 75 members of the Lower House, as follows :—

New South Wales	...	...	...	26
Victoria	...	...	...	23
Queensland	...	...	...	9
South Australia	...	...	...	7
Western Australia	...	...	...	5
Tasmania	...	...	...	5

I lay considerable stress on this provision, as it is here we find the first great advantage that Western Australia will derive from becoming an Original State. On a population basis she would be only entitled to three members in the Lower House and one in the Upper House—four in all, as against 11 under the existing provision in her favour.

The importance of this advantage cannot be gainsaid, and has been most ably explained by the editor of the *West Australian* newspaper, from whom I will quote as follows :—

“It is obvious that the advantages which we may derive from Federation in the largest degree centre . . . on the extent to which our representatives can make their voices felt.”

I have also made a most careful calculation, and I find that on the basis of a population of 170,000 in 1898 it would take 21 years at the normal rate of increase before the population of Western Australia would numerically justify the representation of

five members in the House of Representatives to which it will be entitled by right if it joins as an Original State.

A special provision exists in the Bill to enable the Federal Parliament to restrict the representation granted to any States not Original States, and it is clear that that course would be adopted.

One must not lose sight of the fact that year by year the population of the other colonies will increase at probably a quicker rate than our own, and as a result the disparity between our representation and that of the other colonies on a population basis will have a tendency to increase rather than diminish.

The first issue then before us to-day is whether we will be an Original State with 11 representatives as a minimum, or be content hereafter with the reduced number to which our population might entitle us.

The qualification of an elector for either the Senate or the Federal Lower House is that of a Lower House elector in this colony, until the Federal Parliament otherwise provides ; but in no case shall any elector vote more than once.

Here we find the second advantage that Western Australia would derive from Federation. It will become immediately necessary to prepare new rolls eliminating from the existing electoral-rolls all plural votes ; and it is reasonable to assume that the necessity for revising our local Electoral Act in the same direction should appeal to the Executive of Western Australia, if only on the score of economy, and to obviate the need for two complete and concurrent rolls.

It is moreover probable that the Federal Parliament will at an early stage provide for uniformity both in the qualification of its electors and the laws relating to electors, especial powers being provided to that effect in the Bill, it being rightly considered that national suffrage should be uniform throughout the nation, in view of the fact that the members of the Lower House should represent the whole people of the Commonwealth ; and in such a case it would be almost impossible for this colony to preserve for its local elections the restrictive and harrassing legislation that at present exists.

Federation, therefore, to my mind, holds out a promise to Western Australia of speedy electoral reform.

POWERS OF PARLIAMENT.

So much for the constitution of Parliament. We now come to its powers, and we find these strictly defined in 39 articles, all other legislation of every kind being carefully preserved to the Governments of the various States as at present.

We need only concern ourselves, however, with those particular powers the exercise of which is likely to be of direct advantage to this colony. No one will, I presume, deny the very great advantage the mercantile community of Western Australia will derive from uniform legislation with the rest of the Australian continent on the following subjects :—

- Banking
- Insurance
- Weights and measures
- Bills of exchange
- Bankruptcy and insolvency
- Copyrights and patents
- Foreign corporations
- Uniformity of service and execution of civil and criminal processes,
and the judgments of the Courts of the States
- Recognition throughout the Commonwealth of the laws and judicial
proceedings of the several States
- Cconciliation and arbitration in industrial disputes.

In social matters we shall also benefit to a large extent from Federation. The Federal Government will provide for uniformity in our marriage laws and those of divorce and quarantine ; and the introduction of aliens, undesirable immigrants and criminals will also be under federal control.

Due provision is also made for the acquisition of existing railways and the construction of new railways, both, however, requiring the consent of the State ; provision is also made that the Government may raise loans on the credit of the Commonwealth.

In this connection it is clear that the credit of the Common-

wealth in the money market will be much better than that of the separate States, and that loans to the Commonwealth will be both easier to raise and command a better price than existing colonial loans. It is, therefore, contemplated that the debts of the several States shall in part be taken over by the Commonwealth. It is unnecessary to point out the advantage this would be to Western Australia in the existing state of its credit.

EXECUTIVE POWERS OF PARLIAMENT.

So far, I have dealt shortly with those abstract powers of the Federal Parliament from which we shall in Western Australia derive direct benefit, and now I propose to deal at length with the administrative powers of the Parliament and its corresponding financial responsibilities and requirements.

There are two ways of dealing with this subject; one by confining oneself to the facts provided by the Bill, and the other by introducing assumptions both of facts and figures suitable to the conclusion you desire to arrive at; and this latter course has been the one so far adopted by the local press in discussing Federation. I propose to explain the facts in the first place, and deal with assumptions later on.

Immediately the Commonwealth is established by proclamation of the Queen, funds will be required to carry it on, and for that purpose the whole control of the Customs and Excise Departments of each Federal State will be forthwith transferred to the Commonwealth, who, however, for the first ten years of its existence may only appropriate one-quarter of the whole revenue from these sources, and is obliged to return the other three-quarters to the respective States. This arrangement will remain in force thereafter till Parliament makes some other provision.

Revenue will also be derived from the postal, telegraph and telephone systems, which will all be taken over by the Commonwealth.

Should the Commonwealth require further funds, provision is made for direct taxation.

So much for the sources of revenue.

We now come to the various channels of expenditure. They are as follows :—

- The payment of the Executive and civil service.
- The cost of collecting customs and excise.
- The cost of the postal, telegraph and telephone systems.
- Naval and military defence.
- Lighthouses, quarantine, etc.
- Interest on any federal loan debt.

It should be carefully borne in mind that the cost of all these departments is at present defrayed by the several States, and there is no reason to suppose that the cost of their management will be appreciably less under the Commonwealth. There will, therefore, be the same amount of money spent in this colony as hitherto, the only difference being that the Federal Government will spend the money, and not the Western Australian Government.

The small balance of expenditure required to defray the actual cost of the Federal Government and its Civil Service will be the only part of Western Australia's contribution to the funds of the Commonwealth which will be lost to this colony. What this will probably amount to we will consider later on.

The cost of the Federal Government embraces the salary of the Governor-General; seven Ministers of State, forming an Executive Council; the Parliamentary and Ministerial staff; the Federal Judges; and the staff of the Federal Courts of Justice.

JUDICATURE.

These will consist of a High Court and such other courts as Parliament creates or appoints.

The High Court, consisting of a Chief Justice and not less than two other Judges, will sit as a Court of Appeal from the judgments of the Supreme Courts of the States, subject to the conditions now restricting appeals from such Courts to the Queen-in-Council.

Such a Court will prove of inestimable benefit to all the States, as not only will it provide a uniform interpretation of the States law, but it will also ensure in cases of appeal decisions in conformity with the special conditions prevailing on the Australian Continent.

FINANCE AND TRADE.

It is not necessary to deal further with the other powers of the Federal Courts, and I will now pass on to the provisions of the Bill dealing with finance and trade. This portion of the Bill must be explained at some length, as it is round these clauses that the fight of Federation or Isolation must centre; and I use the term "Isolation" advisedly, as if we alone of all the Australian colonies refuse to federate, we shall find ourselves a small Anglo-Saxon settlement of 170,000 people cut off from the Australian Nation and effectually separated by a waste of water, a waste of sand, and a wall of adverse sentiment, from all participation in the only social, educational, or political progress on the continent.

All revenue raised by the Commonwealth will form a consolidated revenue fund, and will only be spent in the directions provided by the constitution, and under the appropriations made by law. The chief revenue of the Commonwealth will, of course, be derived from Customs and Excise, as I have already pointed out.

When first the Commonwealth is established, the Customs tariff existing at the moment in each colony will be continued, but as soon as possible, and at any rate within two years, a uniform tariff is to be established for the whole Commonwealth; and from that date commerce between the States is to be absolutely free—that is to say, within two years all the States will enjoy intercolonial free trade, with the exception, however, of ourselves. For this colony a very special provision has been made to meet as far as possible the supposed wishes of the country. We are, from the moment intercolonial free trade is established, to participate in all the benefits we can derive from pouring our products into the other colonies free of duty, but we are left at liberty to continue to impose our then existing rate of Customs duties on all their products for a further term of five years, subject, however, to a yearly reduction of these duties by 20 per cent., commencing in the second year. I do not think any further evidence is required of the desire of the other colonies to deal fairly with us in this matter of Federation. As a Free-

trader I question whether it is to the advantage of the colony to have had intercolonial free trade postponed for five years, even though we may reap the advantage in the meanwhile of a free market throughout all Australia for our products, but as a compromise, it should meet the views of those who consider that the loss of revenue we might incur through Federation would leave us without the means we require for our own State development.

Once intercolonial freetrade is established, the Customs revenue of the States will, of course, be derived entirely from the products imported into the Commonwealth from the rest of the world, and to prevent any undue advantage being obtained by the colonies of New South Wales and Victoria through the position of Sydney and Melbourne as distributing centres, it is provided that for five years certain, and thereafter until Parliament alters it, the duties payable on foreign goods transhipped from one colony to another will be credited to the colony in which the goods are used or consumed.

To summarise, the position then stands like this :—Until the imposition of uniform duties of Customs, and for one year after, Western Australia will continue to enjoy all the revenue she can collect from Customs and excise under her present tariff, less one quarter of the whole, which will be retained by the Federal Government, but which will be nearly entirely expended by the Federal Government in carrying on the business of the Commonwealth of Western Australia. During four years thereafter the revenue derived from Customs on intercolonial produce will be reduced by 20 per cent. each year until the end of the fifth year, and from the expiration of that year this colony will participate to the full in all the advantages of intercolonial free-trade. Judging however, by our experience in Western Australia during the last two years, it seems extremely likely that whether Federation intervenes or not, the revenue derived by this colony from Custom duties on intercolonial produce will diminish materially, owing to the fact that the local production of colonial produce is rapidly equalling the local demand, and it has been found by experience that as soon as this stage is reached the local price falls below the

price at which it will pay to import, and importation and revenue from Customs decline concurrently.

The objection has, of course, been taken that the colony will not be able to pay its way when it is deprived by Federation of its Customs revenue on intercolonial products. Of course, the assumption made here is that we should continue to derive revenue from that source if we did not federate, and as I have already pointed out, that assumption is a risky one ; but assuming that it is the case, and that our loss in that direction would amount to one quarter of our present Customs revenue, which as far as I can ascertain without the actual figures of imports, is a fair proportion to take for the purpose, I propose to quote a few figures based on our income and revenue for the year ending 31st December, 1898, to give an example of how the colony would stand. The total revenue for that year was £2,604,943, of which £924,883 was derived from Customs and excise. Deducting one quarter of this sum as estimated loss on intercolonial duties, we have left the sum of £693,662 to be collected by the Federal Government, out of which they would credit Western Australia with the sum of £520,247. The revenue from posts and telegraphs to the 31st December, 1898, amounting to £204,037 must, of course, be deducted from the general revenue, and leaves a balance of general revenue in the hands of the West Australian Treasurer of £1,476,023, which together with the amount of £520,247 which would be returned to Western Australia by the Federal Treasurer, would give the sum total of £1,996,270 available for paying the interest on the West Australian debt and for carrying on the business of the colony, which should be ample for every purpose judging by the expenditure required to carry on the business of the colony prior to the initiation of a spirited public works policy by the Works Department in 1896.

I trust that these figures will once and for all dispose of the contention that intercolonial free-trade would render it impossible for this colony to pay its way if it joined the Federal Union. The *Morning Herald* has dwelt at some length on this aspect of the case, and it will be noticed that as far as the probable total income which the Federal Government would derive from Customs and excise in Western Australia is concerned, the figure that I have adopted on a logical basis, viz., £693,662, differs but slightly

from the figure which that paper has adopted of £680,000, the general element of difference being, as far as I can see, that the *Morning Herald* to suit its own argument refuses to admit that the balance of £520,000 odd returned to Western Australia by the Federal Government, along with, roughly speaking, the 1½ millions of revenue which they may expect from other sources, nearly two millions in all, will be sufficient to carry on the Government of the country.

The further objection, grounded on intercolonial freetrade, which the *Morning Herald* raises to Federation, is the ordinary argument of the protectionist, that with a freetrade policy it is impossible for industries to be created, or for the colony's resources to be properly developed.

This argument, proceeding from the editor of the *Morning Herald* in particular, is a most remarkable one. No one has done more than that paper, or gone to greater lengths, in exposing the absolute fallacy of the protection policy which has hitherto been afforded to the farming industry. Article after article has appeared in its columns exposing the fallacy of the protectionist arguments, and emphasising the fact that the enhancement of the price of food through the food duties which have been imposed as a protection to the farmer, has done more than anything else to drive people out of the colony. Under these circumstances it is impossible to understand the motive of the *Morning Herald* when it opposes Federation on the plea that local industries should be fostered by the retention of a protective tariff. The least reflection will show that with a market in the colony limited to the 170,000 people that form its present population, the creation of artificially fostered industries would lead to an almost immediate glut through over production, as should we not enter the Federal Bond, the whole of the other colonial markets would be absolutely closed to the products of our industrial establishments, and they would have to depend absolutely and entirely on the local markets. The only assumption to be drawn is that the *Morning Herald* is speaking in the interests of those few capitalists in the colony who could afford to sink their capital in the creation of manufactories, and even they appear to have overlooked the extremely limited market which they would enjoy. It is impossible to doubt that when the advocates of protection come to

consider carefully the circumstances under which their markets would be contracted, they will find that the advantages they hope to derive from that policy are not nearly so obvious as they appear to be at first sight. Moreover, it appears from the statistics available on the subject that at the present moment Western Australia is not at all so badly situated in respect to local production as one might suppose. The value of its industrial products for the year ending June 30, 1897, was £25 4s. 9d. per head of population, as against £25 16s. 1d. in Victoria, and £26 4s. 2d. in New South Wales. There is no doubt that were later statistics available it would be found that the value of industrial products per head for the year ending 1898 would be at any rate equal to New South Wales, if not in advance of that colony.

The further argument that manufactories would afford occupation to a large number of workers, and so increase the population of the colony to the benefit of the farmers and food producers, is hardly worth considering. It stands to reason that the number of hands employed in manufactories started to supply the needs of 170,000 people would be too few to benefit the farmer to any appreciable extent, while the entire working community throughout the colony would have to pay an enhanced price for every manufactured article they used, most of which profit would find its way into the pockets of the manufacturers.

There is, in addition, a most curious fact, which I have dug out of the latest statistical records of the six colonies. It is one which I will confess came as a surprise to me, and will doubtless surprise you.

In working out the proportion that factory hands bore to population in the Eastern colonies, I found that in Victoria they were 1 to every 23 head; in New South Wales, 1 to every 26; in Queensland, 1 to every 24; while in Western Australia they were, in 1897, 1 to every 17 head.

Western Australia, therefore, is, as a matter of fact, in a better position as regards the number of hands employed in her manufacturing industries compared with her population, than the older colonies in the East.

On the Victorian basis, we should only have 7,040 operatives, whereas we have 9,689—a surplus of 2,649. What then would be the result of artificially stimulating production?

In dealing with the question of industries, I wish to call special attention to the fact that the States are left absolutely free to grant any aid or bounty they desire to mining for gold, silver, or other metals, without any reference to the Parliament of the Commonwealth. It is obvious that as our leading industry is the gold mining industry, it is of immense advantage to Western Australia that the local Legislature should be absolutely unhampered in developing the resources of the colony. It is true that it will be possible for any State to grant bounties in other directions to promote the production or export of goods, but before doing so it will be necessary for them to obtain the consent of both Houses of Parliament of the Commonwealth. Western Australia is, therefore, left in an exceptionally good position for promoting her special industry in this respect.

Before concluding my remarks on the freetrade aspect of Federation, I should like to remind you of the axiom that protective duties reduce the purchasing power of wages, and correspondingly pour wealth into the pockets of the few capitalists who can afford to start industrial enterprises. The advantage, therefore, of Federation to Western Australia in this respect is that it will increase the purchasing power of every wage earner by sweeping away protective duties, and it is to be borne in mind that the wage earner in this colony is not only the agricultural laborer and the working miner, but with few exceptions the entire population of the country.

SEAT OF GOVERNMENT.

The question of the seat of the Federal Government is not one which materially affects this colony. Provision, as you are aware, is made in the amended Bill for the Federal capital being located in federal territory, which is to be 100 square miles, or 10 miles square. Under these circumstances, it may be presumed that no town at present existing will be chosen as the site of the Federal Capital.

There is, however, a point in connection with the Federal territory to which I wish to call the special attention of the people of this colony. Nowhere have the evils of land speculation been more apparent than in the Australian colonies. Nowhere has land speculation led to more disastrous results, and in no other

country of the world would it have been easier to have experimented in the direction of land nationalisation. It is, however, rarely that such a favourable opportunity has ever occurred as now presents itself for enforcing the theory that the profits derived from the congregation of population on a given spot leading to the creation of a city, and the consequent enormous enhancement of land values, should go directly to the Commonwealth, and so to the people, and not to the land speculator. In the case of the Federal City, it is impossible to conceive what the ultimate value of the freehold may become as the years roll on and the Australian people become a nation ; and if the principle is maintained from the commencement that federal territory is the *inalienable* property of the Commonwealth, the revenue to be derived from leasing that property to those compelled by their duties to live in the Federal City would eventually, without doubt, defray the whole cost of carrying on the business of the Commonwealth, and materially reduce the taxation of the whole of the States. This is a question which requires the most careful thought on the part of every member of the community, and it is especially to be hoped that when the Federal Bill is submitted to the people of this colony for their approval or disapproval, the additional question should be asked—"Do you desire that the freehold of the Federal City should be vested in the Federal Government without power of alienation, or do you not?"

ALTERATIONS IN THE CONSTITUTION.

In view of the criticisms which have appeared in the *West Australian* newspaper as to the position in which the Senate has been left through the amendments to the Bill which were introduced at the conclave of Premiers, it is desirable to impress upon you that the constitution when once adopted cannot be altered without the consent not only of a majority of the electors of the Commonwealth, but of a majority of the States. The State control of any alteration of the constitution is therefore retained intact to a majority of the States. It follows, therefore, that under this arrangement three little States like Western Australia, South Australia, and Tasmania, with a population of 700,000, could, if they wished, entirely prevent any alteration of the constitution, even though it were supported by

the other three States with a population of three millions. The editor of the *West Australian* in spite of having had this forced upon his notice, still insists in harping upon the fact that the Senate will be ignored, and that when a referendum is sent to the people, a sufficient majority of the lesser States will inevitably be turned over to the side of the larger States. If that should be case, it is obvious that any question of a change of the constitution would have been decided distinctly on its merits, and with the approval of a majority not only of the voters of the Commonwealth, but of the States; and in that case I cannot see where any cause of complaint would lie, it being obvious that in the interests of public polity a majority should always be allowed to carry a resolution against a minority, whether you deal with individuals or States as the voting unit. Carrying out his complaint to a logical deduction, it is evident that the editor of the *West Australian* in his model constitution contemplated allowing the Senate to block a referendum to the people and to the States, which, to my mind, would be an intolerable position to allow any representative body to arrogate to itself.

This completes my *resumé* of the Bill; it is anything but a complete review of a most important political document, but I have been afraid of wearying you by going too much into detail; as it is it has exceeded the amount of space I had intended to devote to it, but as I worked from point to point in preparing this paper I found it impossible to compress any consecutive explanation of its effect on Western Australia into a smaller compass. I also want before I sit down to travel in the realm of assumptions to a small extent, both to deal with the objections raised on that basis against Federation, and with the advantages we may fairly assume we shall derive from the same source.

FEDERAL FINANCES.

I first propose to deal with the financial position in which we may assume the Federal Government will find itself, and for that purpose must trouble you with a few figures which will, I hope, dispose once and for all of the suggestion frequently made that the Federal Government will have to supplement its Customs revenue by direct taxation.

First we have the probable expenditure of the Government as follows :—

	£
Estimated cost of Federal Civil Service	300,000
Actual cost of Posts, etc., 1897-8	2,080,407
Estimated cost of Customs, Excise, etc.	220,000
Estimated cost of Defence	600,000
Estimated cost of Lighthouses, Quarantine, etc.	100,000
Interest at 3 per cent. on Loans for £10,000,000	300,000
	£3,600,407

Against this expenditure we have the probable revenue of the Federal Government :—

	£
Actual revenue from Posts, etc., 1897-8	2,067,483
Actual revenue from Customs, Excise, 1897-8, $\frac{1}{4}$ of £6,959,955.	1,739,988
	£3,807,471

I have here assumed that the total revenue under a colonial free-trade tariff will not appreciably differ from the revenue at present collected by the combined colonies under their existing tariffs ; although, as I have already pointed out, Western Australia may some seven years hence lose as much as a quarter of her present Customs revenue, and there may also be a slight shrinkage in the Customs revenue of Tasmania and Queensland, the Customs revenue of New South Wales, on the other hand (which in 1898 stood at the low figure of £1 3s. 1d. per head as against ours of £6 5s. 9d. per head), will undoubtedly be largely increased, and will, if anything, more than balance the shrinkage in the other colonies.

My reason for believing that this will be the result of the uniform tariff is that as the existing tariffs of Victoria and South Australia produce almost identical results per head of population, the members for these colonies in the House of Representatives will obviously be inclined to support each other in fixing a tariff to which they are accustomed.

The representatives of Tasmania are equally sure to support the highest tariff available, in view of the internal needs of their colony ; and Queensland, with an existing tariff of £2 14s. 7d. per head, higher even than that of Tasmania, will presumably do the same. These States have together 44 members, as against

26 from New South Wales, and it would be a matter of indifference which way the West Australian representatives voted, though they would presumably support Victoria and South Australia on this question.

As regards expenditure, I have assumed that £10,000,000 would cover, and amply cover, the primary responsibilities of the Commonwealth. Any interest required for the service of converted State loans would, of course, be provided directly by the States in question.

The result shows a probable surplus of about £200,000.

COLONIAL DEFENCE.

The development of colonial defence is likely to prove of more advantage to Western Australia than to the other colonies, if we join the federal movement. It should be borne in mind, as I have already pointed out, that it was the urgent need for military federation that led in 1889 to the first steps being taken which resulted in the Bill we have been discussing to-night.

In 1890 a military commission was appointed to look into the whole question, and during 1891 the Commission visited King George's Sound and Thursday Island, with the result that fortifications were commenced at both places. Very little, however, has been done compared to what will have to be done in the future as soon as Federation is an accomplished fact. It is to the requirements of the defence organisation that we shall look more than to anything else for the construction of a railway to Adelaide. It is clear that no scheme of defence for federated Australia would be complete that did not provide for a rapid and direct means of communication between Fremantle and Albany in Western Australia and the Eastern Colonies, so that in case of attack troops and provisions might be moved about from place to place without difficulty. This, however, is not an optional matter with the Federal Government; the Bill is emphatic on this point, it directs that "the Commonwealth *shall* protect every State against invasion." And this can only be done effectively in the case of Western Australia by means of railway communication with the East.

The opponents of Federation will tell you that in case of threatened invasion the Federal Government will leave Western

Australia to take care of itself, and devote all its energies and resources to protecting the Eastern colonies. I can only say in reply to such an assumption that it is on a par with most of the other arguments against Federation; it is based on the avowed belief that the Federal Government will be devoid of any honorable sense of its obligations, and is merely an evidence of the insular and inveterate distrust evinced by many of our oldest residents towards the people of the Eastern colonies.

As far as Fremantle is concerned, it is, I think, impossible to overrate the advantage that both this town and Perth will derive from the intercolonial railway.

In position Fremantle may fairly be compared to San Francisco. To the south and to the north along the coast you find the same fertile plains, admirably adapted to the cultivation of grapes, fruits, and cereals. Going into the interior you find the sand desert, the equivalent of the Rocky Mountains, both of them teeming with mineral wealth; and beyond that again you find the fertile and populous Eastern colonies, resembling in that respect the populous States on the eastern side of America. It is true we are a younger country, and things here are on a smaller scale, but the resemblance, as far as it goes, is complete.

We all of us know the important position that San Francisco occupies both for wealth and population. Through its harbors are poured the whole of the western-bound traffic of the United States; and the same will be the case with Fremantle. The whole of the western-bound traffic of Australia must inevitably centre at Fremantle. Within a year the harbor will have been sufficiently improved to receive the largest mail boats, and everything will be ready for the rapid accession of wealth, population, and prosperity which is bound to be the lot of Fremantle the instant the intercolonial line is completed.

Albany, it is clear, will year after year become more important as a coaling station for the Imperial and Australian Navy. The fortifications will undoubtedly be strengthened, and the permanent force will be increased. I look forward to the time when Albany will rarely be without some one or other ship of the Federal Squadron lying in the harbour; and when its undeniably excellent climate in the summer is coupled with the attractions of military bands and naval officers, I have no doubt that it will

become one of the leading health resorts of the Southern Hemisphere ; but this end can only be arrived at through Federation. Without Federation, I see Albany sinking into a deserted hamlet, abandoned by the mail boats, and with perhaps no more than one train a week to Perth. While for Fremantle I see no brighter prospect than that of an ordinary port of call for mail steamers, with perhaps a dozen or so of passengers arriving or leaving each week—an isolated port in an isolated colony, shut out from all that is civilised on the Australian continent.

You may think that this is putting the case too strongly, but I am of a contrary opinion, and I put it to every one of you in the Hall to-night to say what prospect of progress lies in front of Western Anstralia standing by itself, with no point of contact either politically or socially with the other colonies, and without even a participation, such as we have had in the past, with the Federal Council of Australasia.

And now, above all things, I want particularly to call your attention to the fact that from every colony the cry has gone up from the opponents of Federation that they are going to be ruined. This is a point that you should bear carefully in mind when you hear that this colony is going to be ruined by Federation, and you should ask the person who says so to explain definitely and distinctly how he arrives at that conclusion. I think you will find on investigation that it is little more than the cry of the discontented agitator in each colony ; and you will do well to ask yourselves if every colony is going to be ruined, "Who is going to get the plunder?" It is obviously impossible to answer the question, and I think it may fairly be assumed that in such a case where you cannot find anyone partner in the Federation absolutely satisfied that he has got everything his own way, the chances are that the terms of the partnership have been pretty fairly adjusted to meet the position in which each of the partners are.

On the other hand it did not escape the notice of the Premiers when they met in January of the present year, that it was always possible through some unexpected occurrence some one of the States might get into financial difficulties, and accordingly a clause was added to the Bill to the effect that Parliament might grant financial assistance to any State on such terms and

conditions as the Parliament thinks fit. This clause, therefore, removes any possible chance of a financial catastrophe occurring to any of the partners in the Commonwealth.

FIGHT FOR FREEDOM.

In conclusion I want to impress on you that the issue as it stands to-day is not alone a question of Federation, but of the sovereign right of the people to express their direct views by voting, and I regret to say those who are likely to betray you are to be found amongst those whom a small section of the people of the colony sent to Parliament two years ago to represent the whole colony. It is suggested by the opponents of Federation that Parliament should refuse to allow the Commonwealth Bill to be placed before the electors, and so for the third time the people of Western Australia may be denied the right of expressing a direct opinion on federal questions, and it lies with you during the next few months to make sure of freedom, or to resign yourselves to becoming the muzzled slaves of an unrepresentative Parliament. You must let yourselves be heard all through the colony with no uncertain voice, insisting on your rights, and above all things make your representatives both in the Upper and the Lower Houses realise that the man who attempts to impede the passage of the Enabling Bill through Parliament in the smallest way, no matter who he may be or what his views may be on other matters, is a marked man, a man for whom no further need exists in political life; a man, in fact, who having once attempted to muzzle the people, can never again be trusted to represent them.

I give you this as a watchword—"Down with the policy of the muzzle." Apply it as a test to every politician who addresses you on Federation in future before you listen to him; ask him, "Do you intend to leave this question of Federation to the unimpeded voice of a majority of voters or not?" If he pledges himself, then listen to him with attention; whether his views are right or wrong he will be an honest man, honestly striving to form public opinion; but if he will not pledge himself, why listen to him? He will be wasting your time with empty verbosity, while all along he means to dare to arrogate to himself the right to

express for you an opinion that he does not intend to allow you to express for yourself. The very presence of such a person addressing a public meeting on Federation would be an insult to the intelligence of his audience.

I can now only commend the whole question to your most careful consideration. I have done my best to make it clear from every point of view. And again I say, whether you agree with me or not, let every man among you insist at any rate on his right as a free Australian citizen to vote on this grand question of the Federal Unity of the Australian Continent.