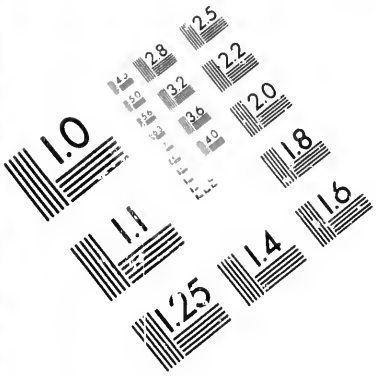

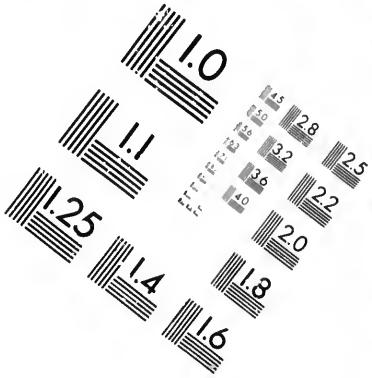

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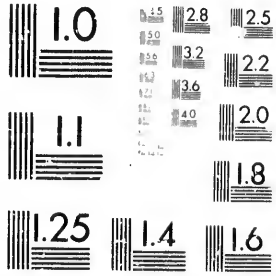

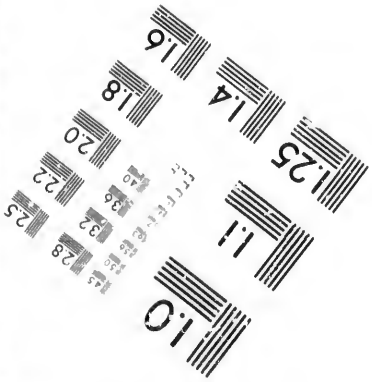

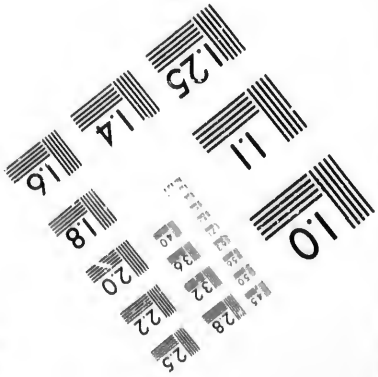

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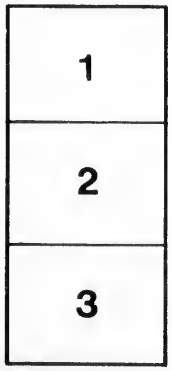

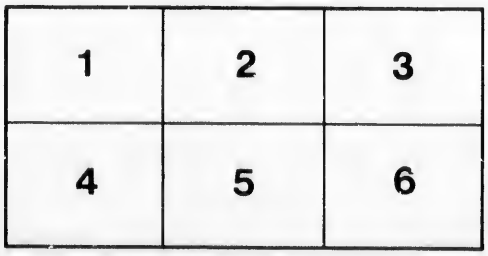

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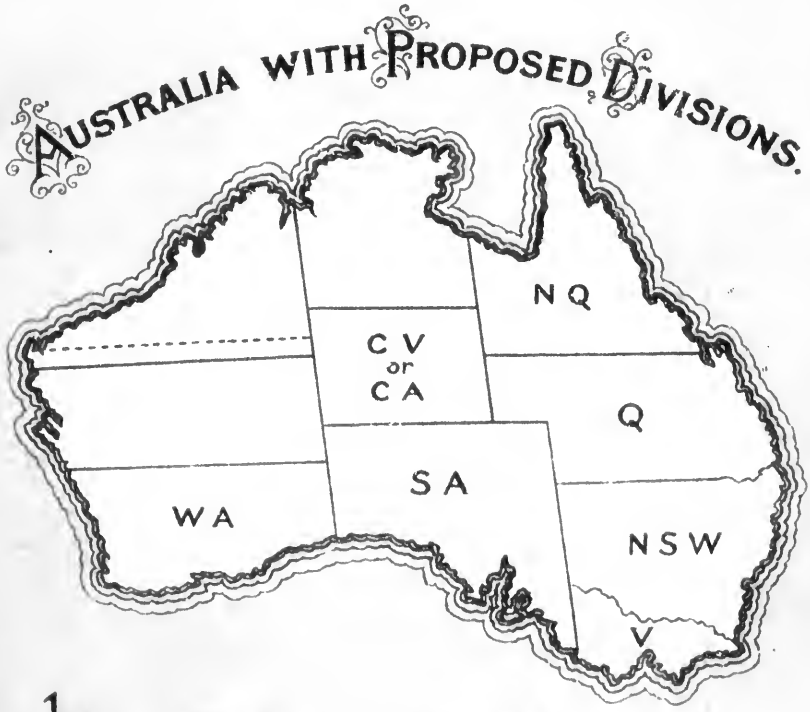
Federation

Colonial & British



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FEDERATION,

COLONIAL AND BRITISH.

Being an Exposition of the Federal Systems of Switzerland, the United States of America, Canada and Germany,

in aid of the formation of suitable Constitutions for the effectuation of Australasian and British Federation, with suggestions as to many direct and indirect advantages.

BY C. STUART-CANSDELL,

BARRISTER-AT-LAW, OF THE INNER TEMPLE AND SUPREME COURTS OF NEW SOUTH WALES, QUEENSLAND AND TASMANIA; AND FORMERLY JUDGE OF THE WESTERN DISTRICT COURTS OF NEW SOUTH WALES.

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PREFACE.

The object of this little work is to arouse public interest in a subject of vital importance to the British peoples; whether of one hemisphere or the other. In view of what other nations have done, the British must Federate or fall back in the race. With Federation they will preserve pre-eminence, without it they can never hold their place. Germany with its forty millions of Federated peoples threatens British trade, and America with its sixty millions, who know the value of unity, already outrivals Britain in many productions and industries.

Two great questions depend upon British Union. Defence and Trade. Federation, and Federation only, can secure the integrity of the British Dominions. Federation, and Federation only, can preserve the trade of the British peoples for themselves. The most favoured nations should be those of their own possessions. These ends secured, then, trade following the British alliance flag will secure developments, over Dominions exceeding 10,000,000 of square miles, which can never be approached by any save the United States, themselves British in race, and rivals only in progress.

Colonial Federation is a large, important and needful part of Union, but British-Colonial Federation can alone secure Colonial safety and a continuity of British supremacy. On the other hand British or Colonial indifference will court destruction of British trade and disintegration of the British possessions.

And yet the movement has but limited support on either side of the world. The Britisher and the Australian-Britisher are equally too intent upon the profits of their own daily concerns to see how nearly the question affects them. One threat of a common foe would doubtless find them united to a man for defence. But a little enquiry would show them, why and how, other great nations have federated, and with what better effect, even for the purposes of defence, than a mere hasty alliance could give. To assist this enquiry, an epitome is here presented of so much of the histories of those countries which have developed their own federation as will teach us what to adopt and what to reject.

Upon a wise determination of these points will depend whether the British peoples maintain their position or degenerate into an inferior power. Every man, aye, and every woman, should study the question—the great question of the day—and conventions of the peoples should alone decide.

C. S. C.

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The federation of the Australasian Colonies having been brought into prominence by proposals for a fitting scheme, the publication of an Exposition of the various methods of Federal Union now in operation and capable of development, seems to be the necessity of the hour.

And more especially so, because, while no question of greater importance ever engaged the attention of the present generation, there is perhaps no proposal of equal weight which is so little understood, even by some who affect to lead upon the question.

Much misunderstanding of the matter has been induced by the terms, Colonial and Imperial Federation, being commonly treated as identical. Few seem to realize the truth, that though allied subjects, they are actually distinct. And yet, while, so distinct, that either might exist without the other, they are nevertheless the natural complement of each other. Unfortunately however, the whole subject has been so much discussed under the title of "Imperial Federation" as to have favoured objections which would otherwise never have been raised.

Some look upon it therefore as covering a scheme, by which much of the parliamentary rights and privileges of each colony to govern itself, will be taken away and given to an Imperial or at least a Federal Senate, forgetful of the fact, that no such sacrifice can be enforced save with their own assent.

Some regard it with favour, but with only a vague idea of the advantages it will give, or of the unreasonable price at which, if initiated under bad counsels, it may perhaps be purchased.

Some look upon it with disfavour but for no more weighty reason, than that they possess an overweening confidence in the power of their own particular colony to bear its own burdens and protect itself against any foes.

Some regard it as promoted by sister colonies who see in it a means of keeping out British goods, by imposing heavy duties thereon, and then by a system of intercolonial free trade, to compel the purchase of their own manufactures at advanced prices.

And some fancy they see in the proposal, a scheme on behalf of and in the interests of the Mother Country, by which her rulers hope to resume a supremacy, which she long since most generously relinquished.

Of all these objections none are more absurd than this last. The Mother Country has freely given her Colonies full ownership of their lands and the privilege of self-government under their own independent parliaments and she is glad to be relieved for ever, of the responsiblities of directing their local affairs.

The Mother Country has really no interests which are antagonistic to those of her Colonies. Imperial interests, about which sometimes, much is vaguely urged, as if they were matters exclusively advantageous to Britain, are really chiefly centered in the preservation of its commerce, and that necessarily includes the commerce of its enormous and widely scattered dominions. In this duty, Imperial and Colonial interests are reciprocal and their joint action, is a fitting subject for Federal Union.

The unemployed capital of the Mother Country, in swelling colonial investments by constantly increasing millions builds up new industries and develops new resources. Her merchants, in importing the varied products of her illimitable possessions must enrich Colonial producers. Her countless ships, which are ever passing between her shores and those of the young nations she has founded, bear to and fro, tens of thousands of her peoples day by day, and rich freights, the products of her mills and works, in profitable exchange, for those of her colonial lands and mines. In that enormous trade, larger than was ever realized at any prior time, within the history of the world, we may see the solid and enduring interests, not less valuable to her colonies, than to herself, which bind them together in the golden bonds of mutual profit. This trade which now totals beyond a thousand million pounds in each year, is destined to a prodigious enlargement in the future.

But the riches which comprise this trade, afloat and ashore, and in which she and her colonists are mutually interested, would

afford grand prizes to the rapacity of an enemy. They therefore need to be assured of protection, both at sea and on land. Suppose war to break out, and, unless known to be well prepared, break out it will and just perhaps when it is least expected,—what disasters, what stagnation of trade, what losses will then ensue not only to British merchants but to Colonial producers? And those losses, great though they will be to England, will be greater still to Colonial enterprise. To the merchant princes of the Mother Country, the heaviest losses of even a prolonged war would be but a small part of their great wealth: to Colonial interests they would be overwhelming. For this reason and for this reason alone, even if all others were deemed insufficient, is both Colonial and Imperial Federation needed; since nothing short of that, can secure adequate powers of defence.

But the title of "British Federation" is greatly to be preferred to that of "Imperial", because the prefix Imperial is misleading, as seeming to many, to imply an intention of the Crown to reassume in part, the Government of Colonial affairs. No one who has perused the proposals, of the men of mark, who constitute the "Imperial Federation League," will believe that the Crown desires to take away one jot of the present independence of the Colonies. Still, it cannot be too strongly urged that the word "Imperial," implies a drawing of all together, under one head, which is very different to an union for special purposes only. It savours too much of sovereign power, to sound pleasantly, in the ears of those, who have now the right to govern themselves and know how to value the privilege. And as association of ideas, has much influence in the formation of public opinion, a word, which may but only seem to support the suspicion of ill-wishers, and so invites opposition, is best avoided.

For these reasons it is a matter of regret to many loyal supporters of an United Empire, that the broader and more truly august title of "British Federation League, for promoting an Union of all British races" was not chosen; and it would be well to amend it now. Such amendment would remove the unfounded doubts of many and give a great impetus to the cause.

The British public, by whom the political constitution of the Australian Colonies is still but imperfectly understood, will better appreciate the spirit of this suggestion, if they bear in mind, that those Colonies have each so long enjoyed, the practically unrestricted right to govern themselves, in accordance with the laws of their own separate parliaments, that it may be accepted as certain, they will never yield to the supremacy of any Federal Council or Senate, or even to the Mother Country, one iota of those rights of Self-government, which they have received as her generous gift, beyond what is absolutely necessary to secure an approved system of Federal Union—British and Colonial,

If federation be accepted, its powers will have to be limited to such matters as are absolutely necessary to federation and which the parliament of each Colony may be pleased to surrender. These will comprise arrangements to secure combined action in case of war, and but little beyond that. Those who are cautious, stipulating perhaps for the right of withdrawal, save as to matters of defence, whenever any Colony shall express such desire by a two-thirds majority of its adult population.

And "British Federation" is to be preferred because it implies an union, which may it is hoped, be one day the means of drawing together all English speaking races. The old saying "Union is Strength" could find no more perfect verification than in such an union of nations, which, while preserving their separate independence, would give a strength to the whole, no former alliance has ever equalled. Such numbers, such wealth and such powers, would command the peace and prosperity of the whole world.

The Mother Country, it should be observed, has no special advantage to gain, by the federation of her dominions. Considering her insular position and command of men and money, she is practically unassailable It is scarcely possible that she can be open to conquest or even to contribution at the pleasure of any combination of her enemies. She may lose men and ships and much property by the misfortunes of war, but no possible alliance of other nations is likely to deprive her, of her command of the seas or of the commerce of the world. Her enormous wealth, will enable her to sustain herself in the direst of wars, far longer than the treasuries of any combination of other powers and she will come out of any war as powerful as ever.

But it would not be so with her Colonies, however rich in moneys and lands. These very riches have doubtless already exposed them to the eager cupidity of a possible enemy of the future. It should be borne in mind that riches, especially unoccupied lands, without large bodies of trained men, and war material of the most perfect kind, and ships to protect our coasts, present temptations to aggression which could not be resisted, save under a well devised system of federation.

And what is a well devised system of federation? few subjects admit of greater variance in their circumstances. Commonly spoken of and approved or disapproved, as though a matter of known and fixed conditions, Federal Union may range from that supreme legislative power, under which a central parliament possesses the sole right to legislate wholly or partly, for all the parts, of which, separately or in groups, such Union is composed, to that of a simple alliance, in which as to all matters save defence, each of the allied parts, retains its own powers of Self-government.

These various possible forms of Federal Union, will perhaps be more readily appreciated, by a perusal of the following summary of them and their examples.

1. IMPERIAL LEGISLATIVE UNION OF STATES *with* representation in the Imperial Parliament, which legislates upon *all* matters for all the States comprising such Union.

Example: The United Kingdom of Great Britain and Ireland.

2. IMPERIAL LEGISLATIVE UNION of possessions *without* representation in the Imperial Parliament, which legislates upon *all* matters, save as to any powers they are permitted to exercise by their respective Governors and Executive Councils, nominated by the Crown.

Examples: Cyprus, Gibralter, St. Helena, New Guinea and Western Pacific Islands.

3. LIMITED IMPERIAL AND LOCAL LEGISLATIVE UNION *without* representation in the Imperial Parliament which legislates *only* as to *national* matters, the possessions so governed having their own local Councils or Councils and Assemblies nominated by the Crown or partly nominated and partly elected, which legislate as to all local matters.

Examples: India, Ceylon, the Straits Settlements, Hong-Kong, Labuen, Lagos, Fiji, Mauritius, Natal, West African Settlements, Bahamas, British Honduras, Barbadoes, Bermudas, Windward Islands, Jamaica, Leeward Islands, British Guiana, Trinidad and Tobago, Turk Islands and Malta.

4. LIMITED IMPERIAL AND LOCAL LEGISLATIVE UNION OF SEPARATE SELF-GOVERNING STATES *without* representation in the Imperial Parliament which legislates *only* as to *national* matters, such states having separate Parliaments elected by their own peoples, which legislate as to all other matters.

Examples: New South Wales, Victoria, Queensland, Tasmania, South Australia, New Zealand, Cape Colony, Newfoundland and Western Australia.

5. LIMITED IMPERIAL AND LOCAL LEGISLATIVE UNION OF STATES OR COLONIES *without* representation in the Imperial Parliament, which legislates only as to *national* matters, but with representation in a Federal Parliament which legislates as to nearly *all* matters, each State or Colony having a separate local Parliament of but very limited powers.

Example: The Dominion of Canada.

6. LIMITED IMPERIAL OR CENTRAL AND LOCAL LEGISLATIVE UNION OF FEDERATED STATES *with* representation in the Imperial or Central Parliament, which legislates *only* as to Defences and a few other purely national matters, the Local Parliaments retaining all other Powers.

Examples: Switzerland, The United States and the Germanic Empire.

This power embodies what is usually described as Home Rule. It is sought by many for Ireland, Scotland and Wales and it would also perhaps satisfy a large portion of the peoples of Australia, as saving the cost of a Central Federal Government.

7. LIMITED IMPERIAL WITH LOCAL GOVERNMENT OF SEPARATE STATES *with* representation of each State, in both Imperial and Local Parliaments. The Imperial Parliament legislating only as to defences and other strictly National matters and the Local Parliaments as to Local matters; each State retaining independent powers as to all such subjects.

This plan, which it is the object of this work to support, would give the broadest basis of government and the most complete representation and at the same time take little legislative powers away from each State.

Such are the many forms of Union which may exist between a Mother of Nations and her various possessions. Another form of Union is that which is generally described under the term

of "Federation" under which any group of such possessions might themselves unite to form what is known as a Federal Union between themselves for certain limited purposes, and quite independently of the Mother Country. Such an Union may be described as Inter-Colonial. But the independent powers already given to each of the Colonies and which Federation may enlarge, need a more comprehensive word, to express their all but sovereign rights. Inter-Provincial, implying inferiority of the parts to some superior power, does not clearly represent these separate rights. Inter-State seems alone capable of describing an Union of independent States.

Each of these forms of Union may exist separately. But complete Federation would require that combination of both, which as set forth in the seventh of the foregoing paragraphs, would constitute British Federation of the most liberal type.

Beyond this there is the yet unknown but possible condition of that Federal Union under which each State by its own legislature or each federated group of States by their own federal legislatures, may unite with that larger government of the Mother Country for some purposes of mutual advantage. There is as yet no example of this government outside of other governments. It remains for the British race to initiate such a system, under which, any number of possessions can be holden together like the separate strands of one vast cable, each powerful in itself yet giving greater power to all. The Mother Country only, can consummate this union and by an enabling statute, which must proceed from her own parliament.

But the Federal Union of a group of States must emanate from themselves. The best examples are found in the Federal systems of Switzerland, the United States of America and the Germanic Empire. It is therefore proposed, by the light of their experience, to see how they in varying ways, meet the difficulties and provide for the necessities of Federal Union.

THE SWISS FEDERATION.

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The history of this Confederation, which is the growth of centuries, affords much valuable experience in aid of the formation of a perfect Federal Union. Such Confederation, of which each State was profoundly distrustful, was forced upon them entirely by the fact, that from remote times, they were constantly subject to hostile incursions by the Northern races. Under such circumstances they could only find safety in following the examples of the Etruscan and Achæan Leagues, which had in turn been founded many centuries before, for a like purpose. But while the Swiss submitted to be allied for mutual defence, each Canton always insisted upon retaining its own independent right to make its own laws and administer its own affairs. And some of them even declined to forego their rights, as independent States, of entering at their own pleasure into treaties with foreign nations and of declaring war or making peace.

Such Confederations were only at first, alliances between particular Cantons; some, which by their geographical position were not threatened, selfishly holding aloof. Still, though the powers of such alliances were only limited to mutual defence and the securing of internal tranquillity, these objects alone were deemed so valuable, that it continued to exist century after century, from the founding of "The League of the Three Cantons" in the year 1291. The people were however so unwilling to recognise its authority as a matter of law, that the terms of its constitution were not reduced into writing for over a century.

But though successful, in many a struggle with powerful enemies, the central authority continued too weak, for the prompt action which is needful in matters of defence. Until amended in comparatively very recent times it was without legislative, executive or administrative powers, which could be enforced against the several Cantons. It had neither army nor treasury and what was of the greatest moment in the case of Federation, it had no coercive powers of procedure.

The Diet, which was at first, the title of the executive of this Confederation, being thus denied effective powers, assembled for little more than deliberation. As it was a mere council of advice it was necessary to refer its decisions to each Canton for approval, It soon became evident that powers so limited, would not enable that prompt action, which the constantly disturbed condition of the surrounding countries demanded. And so towards

the close of the seventeenth century, (1688), the authority of this Diet, was enlarged and in the case of urgent danger, it was empowered to call on the several Cantons, to supply troops for the defence of the Federated States, in such numbers from each Canton, as such Diet, having regard to their several populations and resources should require.

This was the first approach, towards the establishment of a Federal army, and though a great step in advance, a central authority of much greater power was found to be necessary, in the troublous times which followed.

These troubles were external and internal. The Cantons had not only enemies without, to do battle against, in defence of their existence as a nation, but they had scarcely less difficulties at home. But though, while the liberties of the Cantons were threatened by foreign aggressors, they were ready enough to unite in common defence, local disputes and jealousies, and religious and civil wars of the most terrible kind, were not always sufficient to secure united action.

Passing then through many phases, the Swiss Confederation, commencing with the "League of the Three Cantons," formed in 1291; its federal powers increased by the "Confederation of the Eight Cantons" in 1353, and again further strengthened by the "Confederation of the Thirteen States" in 1513 and by enlarged powers given in 1688, managed to support the cohesion of the Cantons, more or less effectively through internal discords, religious wars, and revolts for over four centuries, but always with many difficulties, from need of sufficient central power, to enforce the commands of the Diet.

But so averse were the Swiss to centralization, that even the limited powers, with which the central authority had been endowed, had almost ceased to meet with recognition, towards the close of the eighteenth century. In consequence of struggles for pre-eminence or other local dispute, the separate States had become more divided than ever amongst themselves. As the natural result of this state of discord, the government of some of the Cantons had passed into the hands of wealthy patrician families, to the almost entire exclusion of the mass of the people; and these new rulers, assumed the right to govern their fellow inhabitants at their own pleasure and in some cases with considerable tyrrany. Other of the Cantons however remained democratic and the central government being practically powerless, they settled all their Cantonal differences by means of the "Landesgemeinden" which was a local general assembly of the peoples, of very ancient origin.

At this period, the Swiss Confederation seemed, in the absence of war or some other matter of national interest to die out altogether. But the needful stimulus, to a revival of healthy

federal action, was not long absent. It was found in the breaking out of the French Revolution of 1789.

There is a tendency amongst Nations, as amongst men, to follow the lead of others and the Swiss, who in general, had always been extremely democratic in their institutions, began to consider the desirability of setting up a new government altogether, which should put an end to patrician or religious or any other party domination.

France had for a long time exercised considerable influence in the affairs of Switzerland. Louis the XVI had entered into a defensive alliance with the 13 Cantons in 1777, and his envoys possessed considerable powers, in directing the actions of the Swiss Diets.

These influences were encouraged by Buonaparte and when in 1798 the Canton of the "Pays de Vaud" declared for independence, he, with selfish and ulterior designs despatched a French army to its aid. Revolution instigated at the same time by French emissaries, broke out in many parts of the country and so prevented united action. The Bernese however met and defeated the French, but being in turn defeated by superior force and their capital taken and occupied, the ancient Confederation of Switzerland came practically to an end.

Up to this time there had been only simple alliances between the different Cantons without sufficient Federal power. Now, in imitation of the French Republic, the "Helvetic Republic, one and indivisible." was established in 1798 by a Federation of fourteen Cantons. Fostered as it was by foreign influences and power, it was offensive to those feelings of independence which seem to be inherited by the Swiss. It was also not less objecttionable, as tending to reduce the conditions of the hitherto sovereign States, to that of mere prefectures. And it erred on the other side in giving too much power to the central body. As a natural consequence the entire country was convulsed by hostile factions. A minority who were distinguished as "Centralizers" wished to lodge the whole of the supreme power in one central authority, and the majority called "Federalists," demanded a return to the federal conditions under which each of the Cantons were sovereign States.

At last, Buonaparte, in 1805, summoned deputies to Paris and dictated to Switzerland, a new constitution, which was called the "Act of Mediation." Under this Union nineteen Cantons federated with separate constitutions and a central Diet. But the source from whence it sprang was not approved and the limitations of Cantonal powers which it imposed, rendered it very unacceptable.

The fall of Buonaparte revived the old federal spirit and removing the domination of France, brought about the reunion

in 1830, of twenty-two Cantons under an entirely new constitution, which, restoring to each Canton a large part of its sovereignty, remained in force subject to some revisions in 1832, until 1848, when a new Federal Constitution was adopted.

Up to this point the history of Federal Union in Switzerland shows that the central authority has always been too weak. Such restriction was the outcome of the extreme views the Swiss had always entertained and still entertain as to the sovereign rights of the people. It was not enough, in their estimation, that the Diet, their own chosen parliament, had determined upon some course of action. The people argued that though elected by the people, such representatives might have been corrupted or their judgment be at fault. They therefore limited their own chosen parliament, to the duties of a mere council of advice, and reserved to themselves the right of final approval or rejection of all measures.

But the advantages and necessity of a better system, of one which would permit of prompt action, was so apparent as to bring about a modification of these extreme views. This change found expression in the provisions of the Constitution formed as before mentioned, in 1848, on the basis of that of the United States. By this measure the governing powers are entrusted to a "Federal Assembly" (Bundes Versammlung) consisting of a "Federal Council" (Bundes Rath) of seven members, having sole executive administration and advisory powers, and two chambers, "The Council of the States" (Stande Rath) and "The National Council" (National Rath). The Council of the States consists of forty-four members, two for each of the twenty-two Cantons, who are severally nominated for three years by the local government of his Canton. The "National Council" consists of 145 members elected for three years by the people entitled to vote. The number of members of this house are fixed for each Canton and are, at the present, in the proportion of one member for every 20,000 voters. Every man of the age of 20 is entitled to vote and is eligible to be a member of this Council.

This Executive or "Federal Council" is elected by the whole Assembly; that is by the two Legislative Chambers sitting and voting together. It consists of seven members who are elected for three years; they are eligible for re-election and are often re-elected. Their selection is made with special reference to their known business qualifications and generally from one of the Legislative Chambers, but not necessarily so, as persons outside parliament may be preferred. Each member takes the management of a department, and one of their number is elected to the office of President of their meetings but only for a year; so cautious are the Swiss in providing against the possibility of any abuse of power. And for a like reason such President, unlike the President of the United States, has no personal privilege as

to a double vote, or power to veto any act done by the Council, of which he is merely the chairman. He may however be re-elected as President, and is generally President also of "The Council of the States."

The services of the members of this Executive or "Federal Council," who are all engaged in trade, are paid; the President receiving the very modest salary of £540, and the other members £480 each per annum. The members of "The Council of the States" are not paid, except as to such allowances, as may be made by the Canton by which they are respectively elected. The members of "The National Council" are paid, at the rate of sixteen shillings for each day of attendance during any sitting with an allowance for travelling expenses, at the rate of twopence half-penny per mile.

It is no part of the business of the members of either chamber to introduce any measure. Every new federal law must be initiated by and be submitted by some member of the "Federal Council," to each of the legislative chambers in turn. For this purpose the members of the "Federal Council" have right of speech in each chamber but no seat or vote. Every new law to become valid, must have the concurrence of both chambers, which as before mentioned constitute the "Federal Assembly," and when prompt action is needed, sit and vote together.

Any proposed revision of the constitution must be initiated by a vote of the "Federal Assembly", that is of the two chambers sitting and voting together, or else on the petition of not less than 50,000 people entitled to vote.

And notwithstanding any revision of the constitution or any new federal law, be passed by majorities in both chambers, it must under the power known as the "Referendum," be submitted for the approval of the people, should 50,000 voters so require.

To the "Federal Assembly", that is, the two Legislative Chambers sitting and voting together, are assigned great powers. It has, by a majority of the members of such two chambers the right of making alliances; of entering into treaties with foreign nations; of declaring war and of providing for its cost by levies on each of the separate Cantons; of proclaiming peace; of regulating the coinage and of controlling the postal system.

The Swiss Federal Judicial System.

Should any question arise as to Federal matters, it must be submitted to the "Federal Tribunal," the decisions of which are final. This Tribunal, or as we should call it, "The Supreme Court of Appeal," was instituted in all its present powers only in 1848. It had however, grown out of some such institutions, empowered by the former alliances of 1291 and 1315. But in 1351 it was agreed that disputes should be settled by arbitration

and this plan continued until 1848. The system of arbitration had not however, been found to work in a satisfactory manner, and the "Federal Tribunal" was instituted in 1848, upon the lines of "The Supreme Court of Appeal" of the United States.

At first, this Court sat alternately, in different cities of the Cantons, but upon the adoption of the amended constitution of 1874 it became necessary, so increased was its functions and business, to give it a permanent abode.

The Judges are appointed by the Federal Assembly, that is by the two legislative councils. They are nine in number and are elected for six years. They can be and are often re-elected for successive terms of office. The Federal Assembly appoints one to be President and another to be Vice-President of such Tribunal. And so careful are the Swiss to provide against the possibility of wrong, that the rules provide that no Judge can sit in any matter in which he, or any relative, in either a direct or a collateral line, up to and including his first cousin, or the brother or husband of his wife's sister, have to any extent, any direct or indirect interest; nor in matters when any such relation, or his ward, or even his Canton or commune of origin, is in any way concerned in any matter before him.

This Court is not only a Federal Tribunal for deciding federal disputes; it is a court of civil and criminal justice in National matters and of appeal in civil and criminal cases, and it decides all questions of public law.

The Swiss Fiscal System.

The condition of Switzerland, presents a most notable example of the perfect triumph of human industry, over natural obstacles of the most difficult kind. Possessed of little cultivateable land she has had to import nearly all her food supplies. Her pastoral pursuits have also been limited by the same cause Her industrial pursuits have therefore been restricted mainly to manufactures, and, as in aid of such employments, she yields naturally, no staple productions, she has had to import nearly all the raw materials required for her factories. Being without coal, she has had to utilize her mountain streams, for the movement of her manufacturing machinery, and without means of transit by sea or navigable streams, she has had to provide carriage for raw materials inwards and her manufactured goods outwards, by means of roads and railways, constructed at a great cost over a most impracticable country. And yet, with so many impediments to progress, she shews a rate of exports per head, far in excess of even Britain or Belgium.

This extraordinary measure of success, is the result of that indomitable industry and determination to succeed, against all odds, which has marked the character of the Swiss peoples for centuries past.

And though the industries of Switzerland, have suffered greatly from the protective policy of other countries, notably of Germany, France, Italy and Austria, such measures are but sparingly used by the Swiss government and only as a means of coping with any restrictions imposed by a foreign state. For this purpose the "Federal Council" is authorized by the "Federal Assembly" "under extraordinary circumstances and especially in times of "scarcity, or when the commerce of the country becomes the "object of undue restrictions on the part of any foreign state to "make any temporary changes in the Tariff, which may seem "desirable, under reserve of the approval of the Federal Assembly "in the next session." And though little has yet been attempted in this direction, there are many signs of an intention to adopt a strictly protective tariff.

One very peculiar source of National Revenue is that arising from the annual tax imposed on those who are exempted from Military service. Even foreigners who are settled in the country are not exempt from this tax, and every Switzer resident out of the country must also pay for his exemption. The tax amounts to a charge of six francs, together with a supplementary charge rising in proportion to the income of the person exempted. But in no case is the charge to exceed 3000 francs which is about £120. The tax produces a revenue of about £100,000.

There is one other very peculiar item of their fiscal system, which demands particular notice. The Swiss were always large manufacturers of spirits and spiritous liquors, of which considerably over 1,600,000 gallons are annually distilled. Competition for so large and lucrative a trade, brought about the establishment of over 20,000 distilleries, with the result that in endeavours to secure large profits, great adulturations were practised by many manufacturers. The Swiss Government, with the double motive of protecting the public, against the poverty and crime occasioned by habits of intemperance, but doubtless at the same time, in the hope, of realizing a considerable revenue, stepped in and possessed themselves of a monopoly of the manufacture and sale of spirits and spiritous liquors. This monoply which commenced only under a law passed in 1887, is expected to yield a very large addition to the national income, as soon as the full amount of indemnification to the original manufacturers has been paid off.

Beyond this source, the Swiss are depending very much for a public revenue upon a progressive income tax. And this is the form of taxation, which we might well expect a people so eminently practical and democratic to favour.

The Swiss Federal Defence Force.

The Swiss people are by nature a soldierly race. Exposed as they have been for centuries to war, each generation has been nurtured in the exercise of military duties, and so, though also

eminently commercial in their pursuits they have by constant service attained to a high degree of military experience, so high indeed, that competent observers describe their army as not inferior to any European nation.

Being designed for defence only, and the population limited, service is compulsory, few capable persons being permitted to claim exemption.

The whole of their Military forces are divided into three classes. The Elite or Active Army, in which all are liable to serve from the age of 20 to 32 ; the Landwehr or First Reserve, composed of men from 32 to 44 ; and the Landsturm, consisting of men from 17 to 50, who are not incorporated in either of the other classes.

All recruits are passed at once to one of the "Ecoles des Recrues" and are kept there for periods ranging from 45 to 80 days ; after which, they are drafted into the different arms of the Service, and with the exception of the Cavalry, who are called out for a course of training every year, the remainder of the Elite or Active Army, is only called out every second year.

Under this arrangement, every Swiss soldier has five periods of training, to make up his ten years of service in the Elite or Active Army. Of these five periods, he serves in the first year as a recruit 45 days, which, if he is found to be insufficiently educated, may be extended, and in each of the 3rd, 5th, 7th and 9th years he has to serve 16 days, making altogether a period of 109 days training.

Every recruit is required to pass an examination in arithmetic, geography and Swiss history. And such is the fair state of education in the country that in 1887 not two per centum of the recruits, failed to come up to the standard. Should any do so, they must attend the Recruits School for proper instruction.

A drill of only 109 days, spread over ten years, may seem too short a period to attain or maintain efficiency. But as from the time every Switzer attends school, he is constantly trained in military and gymnastic exercises, he becomes proficient even while a mere boy, in company and battalion drill. He is therefore capable, of entering upon service as a recruit, at the age of 20, with such a practical knowledge of soldierly duties, that a short service is sufficient to transform him into a servicable unit of the national army. And, such is the effect of early training, that coupled with the fact, that as every Switzer taking a pride in being an expert rifleman, is ever to be found at the butts of his division, a few days drill, from time to time, keeps him in effective condition, during the ten years, in which he continues a member of the Elite or Active Army, to fall into the Reserve at the end of that term.

Formed of all classes, from the peasant to the professional man, every possible endeavour is made, to utilize their separate qualifi-

cations. Bakers and butchers are drafted in to the Commissiriat; tailors to the clothing department; civil and mechanical engineers, smiths and other like artizans are located with the engineer forces; veterinary surgeons, farmers and others accustomed to horses are enrolled in the cavalry, and doctors and chemists are put to hospital and ambulance work. And though, as the necessities of the country, compel the keeping up of a large standing army, as well as an extensive reserve, the strictest economy has to be observed, the Swiss Army is acknowledged by competent authorities, to be absolutely complete in all its needful details. Its commissariat, medical, ambulance and veterinary departments, are kept in perfect readiness. Every soldier is in constant possession of his rifle, uniform and complete kit, and these he is bound under heavy fines to keep in servicable condition, ready for inspection, which may be made at any moment. Upon any alarm being given, he is required to present himself without delay, at the proper depôt of his territorial division, in full marching order, ready to proceed at once, by railway or other conveyance to the head quarters of the army division to which he belongs, or else to the specially notified place of rendezvous.

As an intelligent, and in most cases a well educated man, he knows his duties and proceeds to enter upon them with that determination, for which his race have always been distinguished.

To preserve good fellowship and encourage emulation and those feelings of native pride, which is so much fostered by companionship from boyhood, the country is divided into eight territorial divisions, and the recruits are passed, as much as possible, into the Cantonal regiment belonging to the army territory, in which they were brought up. And to encourage these sentiments, the Government of each Cantonal division, appoints all officers under under the rank of a Commandant of a Battalion, from the residents of such Canton.

All Commandants of Battalions and other officers above that rank, are appointed by the Federal Council, under the advice of its Federal Military department.

The Federal Council also selects all the officers of the general staff, but in the event of war, to the Federal Assembly is reserved the right of nominating the General who is to take sole command.

That the system is economical, is shown by the fact that the annual cost of a Swiss soldier is but £7 as against about £93 in the British; £43 in the French and German; £45 in the Austrian; £38 in the Italian; and £32 in the Russian Service.

As to some Peculiarities of the System.

In forming a judgment as to the peculiar form of government adopted by the Swiss, it must be borne in mind that there is no such thing known in Switzerland, as government by party, as

under the British Constitution. The several councils which constitute the Swiss government are appointed for three years only, during which time the "Federal Council" and the two chambers constituting the assembly are independent of each other. As the "Federal Council" is the sole executive and administrative power, it remains in office until after the "Council of the States has been re-appointed and the "National Council." re-elected, at the conclusion of each term of three years. If the members of such "Federal Council" or executive have been approved, they are sure of re-election. They not only possess sole administrative powers but they also cause to be prepared, all measures which are to be submitted, to the two legislative chambers. Even if any new law, or any revision of any old law, or any amendment of the constitution be proposed, by a member of either of the two chambers, it must be prepared and submitted by the "Federal Council," or Executive. For these purposes though they have neither seat nor vote, they can address either of the chambers, on any subject and take part in the debates and should their advice on measures be rejected, they do not resign, being merely advisers, and may proceed to suggest other measures, during the remainder of the three years for which they are elected.

Subject to the special powers, given as before mentioned to the "Federal Assembly," which is composed of the two chambers sitting together, the local councils of each Canton have severally sovereign rights, to make their own laws in respect of all other matters, with no restrictions, save, that they are prohibited from making separate treaties or alliances among themselves or with foreign states, and from maintaining a permanent force of more than three hundred men.

But even these restrictions, were not sufficient to satisfy the habitual precaution of the Swiss. Although this extremely democratic Constitution had been passed by both chambers, it had to be submitted to and receive the approval of a majority of the Cantonal parliaments and also of a majority of the people, before it could become law. And though it needed these majorities to confirm it as binding, provision was also made, that it might be subjected to revision by the "Federal Assembly" upon its own initiation or that of the Federal Executive Council, or on the written demand of eight Cantons or of 50,000 of the people entitled to vote. And for still greater security against hasty or ill-considered demands for revision, it is required, that every such revision of the constitution, shall before becoming law, be also approved by a majority of the votes of the Cantonal Parliaments and of the people also.

This right of ultimate decision by the people, is peculiar to the Swiss form of government and is known as the "Referendum". It would seem to be utterly opposed to Representative govern-

ment, as it practically takes away all absolute power from the two chambers and reduces the members thereof, to the capacity of mere delegates. It may however be regarded as a third chamber or parliament, outside the parliament, to be invoked only when corrective powers are needed. Being essentially democratic, as giving effect to the directly expressed wishes of the people and yet eminently conservative, in preventing hasty or ill-considered legislation, it is not allowed to slumber. In 1872 a revised constitution was passed by the two chambers, but rejected by a majority of the Cantons and the people, voting by virtue of the "Referendum". And in 1876, two laws, relating to military taxation and State Banking Laws, were thrown aside by like votes.

Its powers have not however been abused, for since the passing of the revised constitution in 1872, out of ninety-nine new measures, the "Referendum" was only demanded in respect of seventeen, of which it succeeded in reversing thirteen. It affords in its operation, an exemplification of the very singular fact, that the exercise of democratic powers, by the voices of the people, is generally found to support the Conservative view.

The objections that have been raised to it, is, that as to questions relating to legislation on scientific, technical or other special educational and abstruse subjects, good results can hardly be expected. And as the members of each council know that the results of their deliberations may, and probably will, in matters of moment, be challenged by the people and submitted to their votes by a "Referendum," they feel themselves practically relieved of all responsibility and possess but a diminished interest in their political duties.

It may here be noted, that the "Referendum" is not generally applicable. It can only be enforced within seven, out of the twenty-two Cantons, and it does not extend to the approval or disapproval of Foreign Treaties. Probably for the obvious reason, it would not be possible to submit such matters to the votes of the peoples. Nor would it seem to be applicable, to any but adjacent countries and those too, of limited territory, such as the Swiss Cantons, which have only an area of 16,000 square miles and a population of only 3,000,000. The experience of its operation in France in the shape of a Plébiscite, show it to be unworkable, with any certainty of purity, in its decision of a question, by large populations. It seems also, to be altogether impracticable of application to colonies with areas, as is the case with Australia, each far in excess of those of Germany or France and separated by long railway and ocean journeys.

So elaborate a scheme for the passing of federal laws, must also offer some objections on the ground of delay. The submission of measures, approved by the two Federal Chambers, to the local

parliament of each state, would seem to give sufficient protection. But not so, in the opinion of the Swiss people, who will agree to nothing, until finally approved by themselves. The only concession they have yet made, is effected by the revision of the constitution in 1874, by which it is now provided, that the "Referendum" is not to be insisted upon except upon the demand of the local governments, of eight Cantons or else of 30,000 voters.

And the exercise of such extreme caution by the Swiss, will hardly surprise, when we reflect that their Union has been accomplished under conditions, which may well have engendered suspicion and fear. Terrible sufferings by War, Civil Commotions and Religious dissensions, together with the many physical difficulties by which they are surrounded, have all assisted to intensify such condition of mind. It is a land occupied by several races, diverse in their origin, speaking several languages and having religions, customs, industries and material interests of varying kinds. In the numerous countries of which it is composed, all kinds of governments, aristocracies, oligarchies and democracies, have been in operation for centuries, side by side. These peculiar conditions of existence, and inhabiting as the Swiss do, countries, where nature exhibits itself in its grandest and yet wildest forms and divided as they are into separate communities by almost impassable mountains and other formidable barriers, have without doubt induced deeply grounded feelings of disunion, caution and distrust. But besides these, other not less cogent reasons exist, to account for their determination to keep the reins of power, in their own hands. They are not only a well educated people, but almost every adult male, possesses a direct interest in the soil, for out of about 600,000 families, about 570,000 are landed proprietors.

And so it happens, that every form of federation which the Swiss have entered into, has always been based upon the idea, that the powers relinquished to a federal or central government, should be limited, to but little more than matters of defence; and Australia will do well to act with a caution, influenced by their example.

But as to the advantages to be gained, by a federal union of even so limited a kind, Switzerland offers a striking example of its value. Through its adoption, instead of being divided and destroyed, as happened under similar circumstances to the Etruscan, the Achæan and the Italian Republics, the Swiss Cantons have secured and are able to maintain, not only their existence as separate Sovereign States, but an unassailable position, as an independent Nation.

Of the Cost of the Switzerland Government.

As to the money cost, at which they have been able to accomplish this very satisfactory system of federal union, materials are not

available in detail. But the entire expenses of government, including that of the "National Council," the members of the "Council of the States" receiving no pay, and that of the "Federal" or "Executive Council" and of an army numbering a standing body of 85,000 men with a reserve of 115,000, are fully covered by charges, amounting in all, to an annual cost of 40,000,000, of francs. This small outlay distributed amongst a population of 3,000,000 gives a cost of about eleven shillings per head, a rate which affords to Switzerland, the right to boast, of being, perhaps, the most economically governed country in the world.

THE AMERICAN FEDERATION.

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The present Union of the States of America, was not the inspired constitution, which it is usually believed to be. In common with other perfected systems of government, it was founded upon earlier systems and has been much amended as experience demanded. Conceived, like all other Federal Unions, chiefly as a protection against war and especially to maintain the independence, which the States had been forced into declaring, it was, when established in 1776, a mere alliance, or, as it was called "a league of friendship". It had a central authority it is true, but was possessed only of powers which were insufficient to to compel obedience to its commands. There was no Federal Executive, or Judiciary, and so, while the articles provided for a common treasury "to be supplied by the several States in pro-"portion to the value of the land granted or surveyed for any person," there was no means of compelling obedience to the order.

The natural result was, that if a State did not obey, the tax might be levied and yet no moneys would reach the Federal treasury, and being a mere alliance, each State was not only able to refuse its quota of taxes with impunity, but could impose whatever tariff or excise duties it pleased, and secede altogether from the Union at pleasure.

Such an Union was obviously too imperfect. It could not be relied upon for defence against a foreign foe or in the suppression of sedition at home. And the great differences in the tariffs of each State, the largest of which had not an area equal to one sixteenth part of the territory of Queensland, offered considerable hindrances to freedom of trade.

Without power to compel obedience, put down revolts, and regulate internal commerce, confederation was as Washington said, "no better than anarchy." The States had arrived at such a condition of indifference, that they cared nothing for the resolutions of congress and congress was itself unable to obtain a quorum for weeks together. Distress abounding and insurrections prevailing, government was practically suspended from 1776 to 1779, and a complete dissolution of the Union seemed imminent.

But the peoples becoming alive to the difficulties and dangers of the position, began to seek a remedy. It was therefore deemed necessary, to remodel the constitution and in so doing to

provide, that "all duties whether of imports or excise should be alike throughout the Union," in other words, that there should be an uniform tariff; that each State should have an area of about 40,000 square miles; that the union should be indissoluable; and that the central authority should have administrative and executive power to compel obedience to its lawful orders.

As these powers were more, than some of the States were willing to concede, congress was evidently incompetent to frame a new plan of government, because, its members, being dependent on the States they represented, dared not concede any power which would be objected to by their constituents. At this step, the idea was conceived, of submitting the duty to a party altogether independent of both Federal and State parliaments and so congress admitting its own inability, the country may be said to have drifted into an arrangement, under which the States were to send delegates to a convention. Twelve of the States, all in fact but Rhode Island, sent delegates and the convention met at Philidelphia on the 14th May, 1787. Washington was chosen to preside and the delegates disregarding their instructions and as one of their number afterwards said "because it was easier to make a new one, than to amend the defects of the old," debated the formation and proposed an entirely new federal constitution.

At this point a new difficulty arose. The delegates divided into two contending parties. The representatives of the smaller States, were anxious to protect the State they respectively represented, from any predominating influences on the part of the larger States, by giving as much power as possible to the Central government. On the other hand the larger States were desirous of retaining as much power as possible, to their provincial legislatures. Questions, as to whether the basis of the plan should comprise one or two houses and whether to be composed of representatives of an equality in number, for each State or varying with the number of electors were raised. Divisions also arose as to the mode of electing the President and as to many other matters, not the least of which was as to the continuence of slavery. This last question was compromised, by agreeing not to prohibit it for twenty years. This and other compromises being submitted to, the labour of the convention resulted in the drafting of a constitution, in which, while popular sovereignty was to be the basis of the Federal government, the complete independence of each State, in all but National matters, was to be fully preserved, and morever, as the old constitution provided that no change should be made, except upon the assent of the leglislature of every one of the States, which were then thirteen in number, the new constitution provided, that its plan, should become law upon the ratification of nine of them.

The convention appointed consisted of 59 delegates, chosen from men of acknowledged ability and who were mostly outside

of parliamentary life, whether of congress or any State Legislature. The convention sat five months, conducting its deliberations in secrecy, in order to avoid comments and influences, which it was feared might impede the prompt conclusion of a work, which could not be fairly criticised while in process of formation.

The convention having completed its work adjourned on the 17th September, 1787, having first resolved, that the draft of the new constitution should be sent to congress, with the recommendation, as its own articles provided, that it should be submitted to conventions of each of the States for consideration and ratification. In other words, to bodies specially chosen by the peoples of each State and not being necessarily members of any State parliament. The articles provided, that when nine of the then thirteen States had approved of it, congress should appoint days for the popular election of electors, for the choice of President and Vice-President by the electors and of Senators and representatives to be chosen under the new plan of government; and that the new Congress and President should "without delay," proceed to execute the constitution.

Congress complied with these suggestions and this was all the approval which their new constitution ever received from that body. Both congress and the convention were desirous of avoiding any further contentions, as to either the merits or the legality of the mode of changing the form of government adopted. And so, all parties were of one mind, to leave its ratification to conventions of the peoples of each State.

The submission of the new constitution to these bodies, produced two hostile parties. One of these was favourable to a Central government with considerable powers, and the other was opposed to such a system, on the ground that it would absorb too much of the separate independent rights of each of the States, endanger the liberties of individual citizens and extinguish all local government. The disputes on this matter ran high in each State and the majorities by which the new constitution was finally approved, were very narrow. So close indeed, that but for the necessity for Federation, in view of war with France, Spain and England, with each of which countries disputes were then imminent, the new constitution might never have been adopted at all.

But these fears greatly assisting, Deleware, Pennsylvania and New Jersey accepted it, Georgia, Connecticut and Massachusetts soon followed their example, Maryland and South Carolina then joined, and while Virginia and New York were debating, New Hampshire, the required ninth State, ratified, and the new constitution became law.

Such is the interesting story of the genesis, of the present grand Federal constitution, of the United States of America.

Based chiefly and avowedly by its authors on the experiences of the British constitution, there is little absolutely new in it, and much indeed that dates from Magna Charta. And if not perfect, it may nevertheless be regarded, as a wonderful example of legislative ability, and one indeed, which may be of great service in forming a Federal constitution for the Australasian communities.

The present Union comprises forty-two States, (four having been recently added,) and seven territories, which have not yet arrived at the dignity of a State. It has increased since its commencement from thirteen States to its present number and every decade will probably see an increase for some time to come. Each of these forty-two States, has sovereign powers as to local matters, within its own borders. Each has its own separate constitution; its own parliament consisting of Senate and House; its own President; its own courts and judges and its own militia. All the rights of a separate and independent country belong to each State, except such as it has expressly delegated, or rather in common with its sister States relinquished and granted to the Federal central authority, the national government sitting at Washington.

These powers so granted to the Federal government may be thus grouped :—

1. Provision for defence, including the organization and employment of the army, navy and militia, comprising power to tax and borrow money for the payment of the debts, incurred in respect thereof, and of all other Federal matters, by the levying of customs and excise duties and other taxes.

2. The regulation of foreign and internal commercial relations by the imposition of uniform tariff and excise duties, including the ratification of foreign treaties and declarations of war or peace by the President, and regulations as to the granting of letters of marque and military and naval captures.

3. The control and regulation of coinage and weights and measures.

4. The control of the postal system and post roads.

5. The granting of patents and copyrights.

6. The punishment of offences against the law of nations and against Federal laws relating to coin or national securities.

7. The power of enforcing all Federal laws.

The firstly mentioned powers, as numbered from 1 to 5, are within the powers of Congress: the two lastly mentioned powers are within the powers of the Supreme Court of the United States.

It will be seen that the Federal legislative functions, are limited to matters in which the whole nation, is not only interested, but, of which the management, can only be satisfactorily carried out, by one accredited body on behalf of such nation.

But it must be observed, that, as no system or powers could possibly serve all the purposes of a growing nation, unless capable of extension, so as to meet the exigencies of such growth, a very much wider interpretation has been put upon the several powers of the Federal government, as enumerated above, than they would at a first glance seem to imply.

Thus the powers given to tax and borrow money, have been construed as giving power to the Central government, to charter a National Bank, with branches in the several States, with exemption of its notes from State taxation; to create a Customs House and establish a uniform tariff.

And the powers granted, as to the regulation of commerce have been deemed to include leglislation, regarding every kind of transportation of goods and passengers whether from abroad or from one State to another; regarding maritime navigation, pilotage and maritime contracts; the control of all navigable waters, not wholly within the limits of one State; the construction of all public works helpful to commerce between States or with foreign countries; and the control of interstate Railway and other traffic.

Under these arrangements, all local and internal affairs, are matters for the States to deal with and all external and national matters, are for the Federal government. As the constitution clearly defines what matters are in charge of this Federal head, and makes provision, that all others are to be dealt with by the States, it is difficult to see how any dispute can arise. Only one serious question has ever been mooted. That was, as to whether a State can secede from the Union. This the Federal Supreme Court of Appeal (the powers of which are more particularly described hereafter) disposed of, by proclaiming the Federation to be an "indestructible Union of indestructible States."

The Federal leglislative department consists of two chambers. The Senate and the House of Representatives, which both sit at Washington. Each State sends two members, who are elected by the legislatures of the several States. The term of office is six years.

The Senate has large powers. All laws must be confirmed by it, after having been passed by the House. No treaty with a foreign power is valid without its approval, by a two-thirds majority. And all appointments by the President must be confirmed by it.

The House of Representatives, is composed of three hundred and twenty-five members. Every State sends members in exact proportion to its population, as shown at each decennial census. The number of members is never increased, the number of electors to each vacancy being raised as population increases. At the last census in 1880, each Electoral Roll contained one hundred and fifty-four thousand electors to each seat. Each member holds office for two years.

The Federal executive power is lodged in the President, who for four years is the most powerful ruler in the world. He is not only the Chief Magistrate, but also Commander-in-chief of the Army and Navy, and of the Militia of all the States. He

selects of his own will and without interference, the members of his cabinet, as the British Prime Minister does, and they are removable at his pleasure.

One difference between the United States of America and Britain in regard to the cabinet is, that while the British cabinet sits in one or other of the Houses and communicates orally with it, the members of the cabinet of the United States do not, as a rule, appear in person before the legislating House, but report to it in writing.

The President can, if he so desires, appear in person and address congress at the commencement of each session, but the plan of putting before it a written message, as often as is deemed necessary, is usually adopted. There is however, nothing but custom, to prevent any member of the cabinet from appearing and making their statements in person, but they cannot take any part in the proceedings of the legislature. A change to the British practice has been proposed, but it is not generally favoured, because the separation of the executive and legislative departments, is held to be of great importance.

The Senate or the House can call upon the President for information at any time. But, as the call must first have the approval of the chamber requiring such information, the government is freed from the petty annoyances, which is in the power of any injudicious member, to inflict, under the British and Australian rules of parlimentary procedure, by a system of constant questioning.

The President in like manner has access to congress. And indeed, it is his duty to report to it, from time to time, upon such matters, as to which, he thinks, congress should be advised. And he can also recommend measures for its acceptance.

The President has also a veto power over all the acts of congress. But such veto is of no force should the measure be passed again by a two-thirds majority of both Houses.

In the President resides also the power to pardon offences. And he represents the nation in all foreign matters, receives all ambassadors, appoints all representatives at foreign courts and declares war or makes peace. But no minister can be appointed to a foreign power, nor can war be declared or peace made, except with the approval of the Senate.

In this review of the three branches of the government, judicial, legislative and executive, for which the constitution of the United States of America provides, it has been shown that each is a check upon the other. While the President has more power than the Sovereign of any constitutional monarchy, the Senate has in most cases a right of approval of his acts, and while he can veto any act of the legislature and initiate measures in accordance with

his own views, the Senate may as before mentioned, reverse his veto by a two-thirds majority.

But besides this system of check and counter-check, there is the supreme judical power of the Federal Supreme Court of Appeal, which more particularly described hereafter, can be readily invoked, in case the executive or legislative bodies should attempt any action, which is deemed contrary to the spirit of the Federal constitution.

But beyond these duties, which immediately appertain to its management of Federal and Foreign affairs, the Federal government at Washington, has organized a national bank of issue system and several non-political bureaux which render great services. Of these "The Agricultural Department" has in its service about ten thousand persons, disposed all over the States and even in other prominent parts of the world. From their reports, is compiled a monthly record, of the area and condition of crops in all parts; the cost of transit to home and foreign markets; the prices prevailing; the stocks on hand; the requirements of consumption; the sources of supply; the prices of labour in different localities; and other like valuable information. It also procures analyses of grains and fruits and of soils and fertilizers, so as to determine their quality and value. It also obtains information as to diseases amongst cattle and plants and diffuses such and other like information amongst those interested in such matters.

"The Signal Service Department," is another of these great organizations which by means of telegraphic communications, obtains from and consigns to all parts, full reports of the direction and velocity of the wind, barometric pressures, dewpoints, rainfall and other atmospherical and meteorological phenomena, which must be of service to mariners, farmers and others.

Beyond this, it causes the rise and fall of rivers to be watched and gives timely warning, not only of coming frosts, storms and floods, but of locusts, grass-hoppers and other insect scourges.

Stations are placed at intervals along the coast line of over eleven thousand miles, and these are connected by wire with each other and with Washington, from whence information is readily given on enquiry by captains of ships, at various ports, round the coast as to coming storms.

In addition to this valuable service, it has control of nine hundred light-houses and light-ships, a thousand beacon lights, and more than four thousand buoys, fog signals and other aids to safe navigation.

Beyond these matters, the Federal government is empowered to take upon itself, the passing of all laws relating to patents and the registration of all patented inventions. The policy of the Federal governments is to make the patent laws, a real aid to

inventors and not a means of mere revenue. The importance of this department, is shown by the fact, that over three hundred thousand patents have been issued since 1836 and they are increasing at the rate of many thousands a year.

The American Federal Judicial System.

When the States of America first entered into a confederation in 1776, it was, as before stated, a mere alliance, without power to compel obedience to its orders or requisitions. It especially lacked the authority of a Judicial Court, whose writs would be enforceable by Federal powers, when based upon the orders of the Federal executive, appointed by and responsible to the Federal parliament or congress, as it is called.

The establishment of such a court, which, supreme, in its interpretation of Federal law, should keep the Federal and State governments, each within its own proper limits of action, was therefore found, to be absolutely necessary, to the effective management of the affairs of the Union. It was in consequence, provided by the new constitution, which was agreed upon in 1789, that not only was such constitution to be paramount over all State constitutions and State laws, but that a "Supreme Court of Appeal" should be established and empowered to give effect to all lawful orders of the Federal Executive, being careful to see that such Federal powers were not extended beyond the constitutional limits accorded, and that no State law was passed, which would be incompatible with the rights secured to such State under the constitution. Besides these powers, such court, was also empowered as the High Court of Appeal, to decide all disputes between the Federal Executive and any State, or between any of the States, or between any State and any citizen of the Union. Within the lawful exercise of these powers, it has necessarily an authority higher than either the Senate or House or President, to negative any measure which is inconsistent with the Federal law. It is a mistake however to suppose, as is sometimes stated, that the judges of this Supreme Court of Appeal, have powers which are absolutely supreme. They have no power to make or alter a law. They are in no wise superior to the law. Their duty is limited like all other judges, to declaring and applying the law as they find it. As to all Federal laws, it is their duty to enforce them, when such enforcement is necessary and as to all laws passed by any State Legislature, it is their duty to refuse to act upon them, if they find them to be inconsistent with the constitution.

In providing for the necessity of a Federal Supreme Court of Appeal, the founders of the constitution of the United States, remembering the enormous area of the then United States,—an area which has been since very considerably extended,—and the great difficulties, which would necessarily be encountered by the

States or citizens of remote parts, in seeking its decision, with much fore-thought, met such difficulties, by providing for the establishment of Federal Circuit and District Courts, having co-ordinate powers with the Supreme Court of Appeal, and which being ambulatory, would afford opportunities to all States and citizens, of obtaining decisions upon Federal matters, with great economy of time and money, in being saved from a journey, of perhaps many hundreds of miles, to Washington, where the Federal Supreme Court of Appeal is permanently located.

The jurisdiction of these courts extends to all questions arising under the Federal laws, relating to the constitution, foreign treaties, ambassadorial and consular matters, public questions arising out of admiralty and maritime jurisdictions, disputes between two or more of the States, or between a State and a citizen of such or any other State, to which may be added a criminal jurisdiction, as to all offences against Federal law.

Under the assumption that the judges of the State Courts might, in respect of matters relating to sister States, become, or what would be almost as bad, might be suspected of being a partial tribunal, the constitution provided, that all the judges of the "Supreme Court of Appeal," should be nominated by the President, subject to confirmation and appointment by the Senate.

They are also appointed for life, being irremovable save under impeachment. They are therefore independent of congress or party, which is the best warranty against favoritism and the most perfect bar to coercion on the part of any government.

The Federal "Supreme Court of Appeal" sits at Washington from October to July in each year. The presence of six out of the nine judges, is required in pronouncing a decision. The sittings are held in the capital and every case is practically considered twice over, before a final decision is pronounced. First, by the whole body, to ascertain the opinion of the majority, and again, when the written judgment, which the law requires, should be prepared, is submitted for the final adoption of the court.

Each Circuit Court, of which there are nine, is composed of one Supreme Court of Appeal Judge and one Circuit Court Judge, or in some cities one Supreme Court Judge sitting alone or with a District Court Judge. An appeal lies to the Supreme Court of Appeal at Washington.

Each District Federal Court, of which there are at present 55, is charged only with Federal cases of a purely local kind or in respect of which the parties concerned, are willing to accept the decision of a District Court.

By these well considered means, have the United States of America, provided against the difficulties and dangers which were first experienced, by recalcitrant States refusing to obey the orders

of the Federal Executive or by any State government exceeding the limit of its own constitutional powers.

The American Federal Fiscal System.

The Federal Revenue is raised by Congress, by indirect taxation and chiefly by customs and excise duties. But the powers of Congress are not really so limited. During the civil war stamp duties and other direct taxes were levied. And many other kinds of taxes have been imposed at various times. The excise duties have varied but little year by year. The bulk of the Federal Revenue being chiefly raised, by the imposition of a very high tariff.

The preparation of bills for the raising of moneys by taxation for Federal purposes, is remitted by Congress to a committee of ways and means, consisting of eleven members, the chairman of which occupies a position, similar to that, of the Chancellor of the Exchequer, in the British Parliament.

It is a very peculiar condition of things, under the legislative system, adopted by the United States, that this committee of ways and means, performs its duties and reports to the House as to the taxes it recommends, without any reference to any estimation of the sums, which will be needed to discharge the cost of the Federal government. That is a duty entrusted to another committee. Such an extraordinary and apparently reckless way of dealing with the finances of the country, would probably lead to financial disaster, if it were not well acknowledged that the duty of the committee of ways and means, of the Federal government of the United States, is concerned, not so much with the raising of sufficient revenue, as with the question of aiding the development of the trade of the Federal Union, by means of a protective tariff.

The duties placed upon all raw materials are fixed at rates as high, as the possibility of profit upon their utilization will permit and enormously high duties are imposed on all manufactured goods.

Under such a system of high tariffs, there are always large surpluses accumulating year by year. And yet no reductions of the tariff are made, because such reductions would permit of foreign manufacturers securing the supply of the American home markets, which is at present the main support of its own local manufactures.

The business of arranging for the expenditure of the revenue so procured, is given to another committee, who report to the House as to their views, without reference to the committee of ways and means. Such a system has been condemned by many and it is one that would, without doubt, break down except under

a system of extremely high tariffs, which is sure to produce a surplus every year.

How, it may be asked, and especially by free-traders, was such an exceedingly high tariff adopted and how is it permitted to continue? Many things conspired to induce the adoption of such system.

In the first place, the people of the United States, have always been inclined to a protective system. It was acknowledged at a very early day, in the history of its independence, that unless manufactures were protected into a condition, which would enable them, to at least, supply their own wants,—which with a then population of about 35,000,000 offered a large and fast increasing market,—they could only hope to supply European nations with cereal and other food materials, receiving in exchange the manufactured goods of such peoples.

It had been long urged, that the supply of their own home market and of such part of the European demand for food products, as they might be able to command, would not employ one third of their own labour. Mining, carrying and other occupations might engage another third; but without manufactures, it was estimated, that at least one-third of their number, must be always out of work. And, as it was evident, that manufacturers could not hope for success, against the low waged productions of Europe, save by the imposition of duties, which would produce a margin sufficient to pay for skilled labour, and the best of machinery, a tariff, which was really intended to be prohibitive was much supported.

The national mind being thus inclined towards protection, the desire was much strengthened by the depressed state of trade, consequent on a reckless over-issue of notes, by many of the banks in 1859—60, on securities, which, good for ultimate realization, such as land mortgages, and railway and other shares were not readily convertible into cash. The contraction of credit which followed, caused the failure of numerous banks and mercantile firms, and these troubles, followed by the outbreak of the civil war causing a drain of specie, compelled the suspension of specie payments.

This suspension of specie payments, together with the necessity which the civil war disclosed, of being compelled to import much material which it was believed could be as well supplied at home, had considerable influence towards the initiation of a high tariff. Such importations intensified the desire to become a manufacturing nation, and the wish was favored by the general rise in prices, which naturally followed the drain of specie, caused by a long period of depression and the outbreak of the civil war.

It was hoped by thus stimulating manufactures and the establishment of a National Bank of issue, to make the United

States independent of foreign markets, both as regards goods and money. The price of gold in paper currency ran up from 102·5 in 1862, to 170 in 1863, and 285 in 1864. As a natural consequence prices, rents and wages were raised to prices, which, it was believed, would favour a large scheme of manufactures. The tariff which in 1860—61, prior to the civil war, averaged £12 per centum and ran as high as £18 per centum on dutiable goods, was raised higher and higher during the war, until before its close it reached an average of £25 per centum, and ran as high as £50 per centum, on dutiable articles. The submission, during such war, to such a enormous tariff, was taken advantage of by the national party, which used its influence with Congress, to continue such system, for the double purpose, of finding means, wherewith to pay off the National Debt and also to compel the establishment of more National industries. Whatever may have been the cost paid by the public, in the shape of increased prices, the advantages were so general, that the plan succeeded. Manufactures of all kinds were commenced and continued with the greatest possible success, employment was thus found for a large part of a large population, which could never have been so profitably engaged in growing food only. Under no other system could manufacturing industries have flourished, for at least many years. Under the system in question a large number of agriculturists grew food for themselves and that other large part, who were engaged in manufactures; while those who had thus secured an employment, which, but for a high tariff, would otherwise have been wanting, were engaged in providing manufactured goods of all kinds for themselves and such agriculturists. All classes were benefited and thus, war developed a national prosperity, which, with but one interval of depression, has produced, for more than twenty years such an amount of trade as entitles the United States, to rank as the largest manufacturing country of the world. No tariff system, however high, can be accounted as altogether bad, which, in supplying an enormous amount of employment, has advanced the position of the United States amongst other nations, by at least a century, with the following magnificent results.

Besides growing over one-fourth part of the whole world's crop of cereals, the United States produced in 1889 7,603,000 tons of pig iron as against 8,245,000 the output of Great Britain, and the United States is known to be increasing their production of the article so steadily, that there is no doubt, the statistics of the current year (1890), will show them to have already become the leading pig-iron producing country of the world.

In the production of Bessemer steel, the comparison is even more striking. In the production of Bessemer steel ingots and also of rails, the United States have conpletely distanced the United Kingdon. As to Bessemer rails, the supremacy of the United States was achieved in 1879. As to steel ingots, the race

was only won by the United States in 1884. The present output of each was for 1889, of Bessemer steel ingots 2,930,204 tons by the United States, as against 2,140,793 by the United Kingdom; and as to Bessemer steel rails, 1,510,057 tons by the United States, as against only 943,048 by the United Kingdom.

But, it is not only in the production of pig iron and Bessemer steel ingots and rails, that the United States takes the lead; she is far ahead in the supply of cotton and woollen manufactured goods and in cereals, flour and meat, and she is advancing in the production of all such items, at rates of annual increase, which seem to promise, that the United States are destined to feed and clothe not only themselves but the whole of Europe.

In these results is presented, a complete refutation of the statement constantly made, that if manufactures are encouraged by a protected policy, the result is, that the people are improperly driven away from the development of pastoral and agricultural produce, which it is assumed are the [illegible] proper productions of a young country.

No doubt, pastoral and agricultural pursuits are, naturally, the first employments, which should engage the attention of the peoples of a new country. But the whole question is one dependent on numbers and as soon as population is in excess of the number, which is sufficient to grow sufficient food for its consumption, than some other occupation, must be sought, for the employment of such surplus population.

This was the condition of the United States. She had a surplus population, for whom it was necessary to find employment, and so, such employment having been induced by the imposition of a high tariff, statistics show, that while, she has now 26 per centum of her greatly increased population employed in agriculture, as against 14·5 per centum by the United Kingdom, she has also over 23 per centum employed in manufactures as against 20 per centum in the United Kingdom.

These results show, that the development of manufactures is not injurious to the development of pastoral and agricultural pursuits. This is clear, because, comparing the foregoing per centages with the relative populations of the United States and the United Kingdom, it will be seen, that while America employs in agriculture nearly three times the number, so employed in the United Kingdom, she also employs nearly twice as many in manufactures. But while exhibiting this profitable result, it cannot fail to raise the question in every statesman's mind, as to what would have been the fate, of very nearly, one fourth part of the population of the United States if they had not been employed in manufactures. As the United States, with about one-fourth of her population, has for many years always produced more food than she could consume, such other fourth part now well em-

ployed in manufactures, must have swelled the ranks of agricultural and other labourers, to the great reduction of wages and of the market price of cereal or other productions, which would have been so unduly stimulated.

As a matter of fact that country is best off, in which, the numbers employed in agriculture are about equal to those otherwise employed. In such a country wages will be high and the purchasing power being good, both manufactures and food producers will command fair prices.

But it is not so, when these conditions being reversed,—there is a large excess of the population engaged in manufactures or in agriculture.

Mulhall in his "History of Prices" states that the "Prices of grain and meat are invariably lower in countries, where the bulk of the people are engaged in agriculture, than in those which are given chiefly to manufactures. On the other hand all manufactured goods are cheaper in countries, where agriculture is of less importance. In the one case, there are not sufficient purchasers of the food produced, in the other there are not sufficient purchasers of the manufactured goods."

As the United States has a larger ratio of her population engaged in agriculture than in manufactures,—the ratios being as compared with the United Kingdom, in the case of agriculture, nearly three to one; and in the case of manufactures nearly two to one, it follows, that Americans can get more value for a pound in both food and manufactured goods, than an Englishman can, as the following statistics quoted from the same authority will show. The average amount of labourers wages in the United Kingdom is put at 31s.; the cost of food is estimated at 14s. the surplus being 17s. per week to meet other demands. The average amount of wages in the United States is estimated at 48s.; the cost of food at 16s. and the surplus consequently available for other demands is found to be 32s. or nearly double.

And though it may be true, that the average wages paid in highly protected trades, taking in those of woman and children who are largely employed in the cotton, silk and clothing industries, are lower than those in trades which are not so highly protected, the facts remain beyond the possibility of dispute, that the general average wages of adult American men are about 17s. per week higher, than the average paid in the United Kingdom; that while this is the case, the cost of food is less. in protected America; and further that while new employments are induced by such high tariff, for nearly 24 per centum of the adult population of America, who, but for such new employments would crowd out and reduce the wages of that other 26 per centum, which is engaged in agricultural pursuits, a large surplus revenue is secured year by year.

For a series of twenty-two years, the tariff of the United States has produced very large surpluses. The smallest in 1874, when, counting the dollar at four shillings, it amounted to £468,888, and the largest surplus was produced in 1882, when it amounted to the enormous sum of £29,910,000. The surplus of 1888 was a little under this sum, but it is expected that the surplus of succeeding years will exceed it.

And yet, though it might be well to rest, be thankful and not tempt a reaction, this high tariff continues and more, should the Mackinlay Tariff become law will be greatly increased This increased tariff may do good service, so far as it is intended to foster the production of tinned plates, for which a fast increasing trade in canned fruits is causing an enormous demand, and other new industries which some desire to establish. But if having succeeded in promoting manufactures the tariff be unnecessarily increased all round, it may possibly lead to a great change in the fiscal policy of the United States. The mischief must however be very manifest and very general to bring this about; since if a high tariff were objectionable to the mass they are powerful enough to compel its reduction. But the fact is, the bulk of the population of the United States are interested in its continuance. The 24 per centum of the adult population engaged in manufactures of course approve of it. The 26 per centum engaged in agriculture are glad to secure a large number of consumers in receipt of high wages and who would not otherwise exist: the traders, wholesale and retail, whose profits depend upon the distribution of the products of such labour, knowing that high wages, represent increased purchasing power, favour the system; the great owners of the mines of iron, coal, silver, copper, lead, zinc, &c., the great wool raisers and the great forest owners approve. because they are paid under such system an enormously increased price for their raw materials; the manufacturers are satisfied, because they know they will receive an exorbitant profit on their goods, to meet the increased cost of a high tariff; and Government and other official and trade employees are satisfied, because their salaries are necessarily increased to meet the increased cost of rent and wages and manufactured goods.

But another matter is a great help to the manufacturer and even to the agriculturist. The working men of the United States are so intelligent and industrious, that they are regarded as a class, to be the cheapest workers in the world. They are so, because they render, the greatest possible results, for the higher wages paid. If they earn more than the workmen of other countries, they give better service and their higher wages become in effect more economical. They do earn more, but they produce more in quantity or quality or both, otherwise the system would not succeed.

And if any here ask what have the results of protection to do with the subject of this work, its application is found in the fact,

that only under Federation, could the United States by such or any other means, have attained the proud position, of being the largest agricultural and manufacturing nation of the world.

The American Defence Force.

It is well known that the United States, avoiding all foreign complications and eschewing all desire of increase of territory by foreign conquests, does not pretend to eminence as a military or naval power. Her standing army consists of about 30,000 men, spread over a continent as large as Europe. And yet, though not professing either military or naval power, it must still be in the remembrance of the present generation, that but little more than twenty years ago, she was able to call into the field, a well equipped army of two millions and an extemporised navy of over six hundred war ships. Of the military and naval ability of the men so employed, history affords undoubtable evidence; terrible and heartrending as was the civil war in which so many heroes fought against kith and kin, in support of the "indissolubility of the union," enough prodigies of valour were performed, both on land and sea, and enough science was displayed, to warrant the belief, that if the need should unhappily arise, the United States will be able to face any combination of nations which might have the temerity to assail her.

It is a mistake to suppose, as is commonly asserted, that the United States has an insignificant place as a maritime power. The fact is, that in mere tonnage of shipping, she ranks next to the United Kingdom. Her carrying power is about half that of the Mother Country, and four times that of either France or Germany. And indeed, in tonnage, she has a capacity more than that of France, Germany, Italy, Spain and Norway combined. But this maritime power has not manifested itself so much, as has that of other nations, for the simple reason, that while the carrying trade of the United Kingdom, and other European countries is employed in foreign and colonial commerce, that of the United States is chiefly used in the service of her coastal and internal trade. Her home traffic is enormous. It exceeds the combined foreign commerce of Great Britian and Ireland, France, Germany, Russia, Holland, Austria and Belgium. And though the tonnage of her carrying power by her shipping on her coast, rivers and canals, supplies a total run of about twenty thousand miles, it would be altogether insufficient but for her railroads, which transport more tonnage and receive more in freightage, than all the railways in Great Britian, France and Italy combined; and indeed, more than is carried by all other shipping in the world.

And though, in tonnage capacity she at present ranks but second, and though her ships are not as a rule of that high class ocean-going character, which gives to Britain her superiority as the first of maritime powers, yet, when the United States after

providing for the wants of her own large population, now over 63,000,000 and fast increasing, shall have need to export largely and to bid for the carrying trade of the world, no one can doubt that she will be able to secure a large share of it.

As to the current state of its defensive powers, it may be noted that the Federal army of the United States consisted in June, 1887, of 2,176 officers and 25,640 men in the regulars, and 6,535 officers and 75,175 men in the organised militia.

The personal of the navy consisted at the same date, of 750 officers, 163 surgeons, 111 officials in the pay department, 228 in the engineer department, 64 on the staff, 185 non-commisioned officers and 8,250 men and boys. There is also a marine corps of 73 officers and 1,500 men.

To this it may be added, that proposals are now before congress for the construction of a navy, which will enable her to take rank, as a naval power second only to Great Britain herself.

As to the Cost of the American Federal System.

The intention of this review, as a means of enabling the public to form a proper estimate, of the working of the various systems of Federation, would be incomplete, without some information, as to the cost of Federal Government under a republican form, which is usually credited with being extremely economical.

The President is eligible for re-election at the conclusion of each term of four years. Several have been elected for two such terms and there is no law to limit the number of re-elections. His salary is now £10,000 with £5,000 for house expenses and an official residence is provided for him at Washington and a country house a few miles from the city

The election of the President and Vice-President is not by a direct vote of the people but by a vote of the States, in an election, in which each State has as many votes as it has Senators and representatives in congress, that is, in proportion to its entire population.

The Vice-President receives £1,800 and handsome allowances. The Senators, seventy-four in number, and the representatives or members of the lower House of Congress or Federal Parliament, three hundred and twenty-five in number, each receives £1000 a year, and travelling allowances of ten-pence a mile, which amounts to about £15,000 a year and averages about £421 each; and stationery and newspaper allowances which amount to about £10,000 and gives a further average of about £25 per annum to each member. The expenses of the Federal Parliament of the United States of America, or as it is called "Congress," cannot therefore, with the salaries of officials and printing, be now less than £450,000 per annum. But it may be observed, that the cost, enormous though it may seem to be, yet counting the population at 63,000,000 only, is less than one shilling and sixpence per head.

THE CANADIAN FEDERATION.

This Federation, or as it may with greater truth be described, this Legislative Union, so extensive are the powers given to its central government, was effected by an act of the Imperial Parliament in 1867. Prior to the year 1841, Upper and Lower Canada had been self-governed under separate parliaments. This arrangement, which gave full play to the special views of the inhabitants of the two Canadas, Upper Canada being chiefly English, and Lower Canada chiefly of French origin, had however tended to keep alive a spirit of insubordination, through the mutual jealousies of the two races. This unhappy state of things induced the idea of an Union under one parliament, as tending to bring them, into better touch with each other.

To this end they were in 1841 united by an Imperial Act under one Parliament, but with results very different from what had been expected. Those of French origin, chafed under the taking away of their separate Parliaments, and the English were equally dissatisfied. Rebellion broke out, and though subdued, disagreements continued and petitions were presented, praying for the establishment again, of separate Parliaments. Upper Canada had increased more quickly in population than Lower Canada, and in consequence demanded an increase of members, in the Lower House, at least. This being resisted by Lower Canada, the government came to a dead lock. As a necessary consequence a dissolution, and an appeal to the country, took place. But this only resulted in another dead-lock. Between 1861 and 1864 there were no less than five changes of Ministry. The demand for a Federal Union, which had been before mooted, but chiefly by and between the maritime provinces, became more determined. Upper Canada supported the proposals, in the hope by an Union of adjoining colonies, to overcome the racial difficulties between them and their fellow colonists in Lower Canada. Another reason was even more potent; the great American War between North and South was then raging. The possible conditions of things between the northern American States and the Canadas, presented a very threatening aspect, in consequence of the destruction of ships and commerce by the celebrated "Alabama," which had been built and equipped in England, ostensibly for private owners but as it afterwards appeared, by and on behalf of the Southern States. Canada, anticipating that war would break out between America and England, expected to be attacked

by the Northern States. And, though war was averted, the Canadians had nevertheless to endure a condition of things, which not only interfered with their commerce, but kept them constantly exposed to annoyances but little worse than actual war. In winter, the whole of the trade of Canada with Europe had to pass through the United States, its own rivers and lakes being frozen. The Northern States of America, out of spite for the doings of the "Alabama," put every possible obstacle in the way of the Canadians getting their goods in "bond," by shipments through New York. Now, for some years before, the construction of a railway had been mooted, from Halifax to Quebec, to enable the Canadians to carry on their foreign trade, without passing their imported goods through American territory, and, though such an undertaking was too great at that time for Canada alone, the belief that Union with other provinces, would not only enable them to accomplish this great work, but to provide for the defence of the frontier of 3,000 miles, between them and the United States, did much to force on, the question of Federation. These troubles and other serious obstacles to trade, presented by the different tariffs in force in the several Canadian colonies and constantly threatened hostilities, by the United States, at length induced the meeting of a Federal Convention in Quebec. This was formed of delegates from Canada and the maritime provinces, and the result of their deliberations was the drafting of a bill upon terms, which it was believed, would not only provide for defence against aggressors and remove the obstacles to trade produced by hostile tariffs, but by the construction of the proposed railway, would afford the means of carrying on their trade with Europe, without trespassing upon the territories of the United States. The hopes engendered by the prospects of securing all these advantages, did much toward forcing an assent to Federal Union. But the proposed withdrawal from each of the provinces of so much of their self-governing powers and the virtual confiscation of so much of their provincial properties was so objectionable to many, that the proposed Union would never have been carried, had not other circumstances happened which secured a reluctant assent. At this time and while the Convention were sitting in Quebec, an invasion was made from the United States of America upon the frontier of Canada. Whether this raid was purely Fenian, as some alleged,—or whether it was fomented and assisted by a section of the people of the United States, who were always hankering after the subjection of Canada, is immaterial here to consider. It failed in its object, but naturally tended to hasten the cause of Federation, by showing the need of Union to protect national interests. These feelings were also strengthened as regarded the maritime provinces, Nova Scotia and New Brunswick, by promises of the advantages of being allowed to levy duties on their exports of wool and coals. Prince Edward Island too, was also promised advances of British moneys to purchase out landowners who had obtained large

monopolies of lands, which obstructed settlement. The central provinces too, were also influenced by suggestions of the advantages which would be secured, by bringing into the Union, the extensive tracts of land known as the Hudson Bay and North-Western territories, and by the profits to be secured, by the large expenditure of British capital, under the guarantee of the Imperial Government, to the extent of £3,000,000, in the construction of railways and in the perfecting of a great system of canals, from the Saint Lawrence to the Great Lakes, but it was the abrogation by the United States of the "Reciprocity Treaty," which finally determined the question. The Federation of Canada was greatly feared in America, and it was hoped that the loss of its trade, by the abrogation of reciprocity, would compel an union with the United States. It had however, the effect of driving the Canadians to adopt Federation combined with protection, as the best means of preserving and developing their own home trade.

Thus was brought about, but with much hesitation, a tardy acceptance of the act of the Imperial Parliament, whereby Canada, Nova Scotia and New Brunswick were united under the name of "The Dominion of Canada," provision being made for the admission of Newfoundland, Prince Edward Island, British Colombia, Rupert's Land and that part of the North-Western Territory now known as Manitoba. All the colonies have since joined, with the exception of Newfoundland.

The Imperial power is restricted to the right of the Queen, to be Commander-in-Chief of the army, navy and militia forces of the Dominion, and to be the head of the executive, acting by her representative, the Governor-General. Besides this, her Majesty may alter the seat of the Federal Government; may veto such Dominion Acts as are inconsistent with British laws; and may add at any time six members to the number of senators constituting the senate.

This command of the forces of the Dominion is the only material addition to the powers which are still retained by the Crown in all the British Colonies, to which responsible government has been given. But it is a mere nominal command, for it can only be exercised upon the advice of the Governor-General and the approval of the Privy Council of Canada.

The Executive power is entrusted to a Governor-General acting with a council styled "The Queen's Privy Council for Canada", the members of which are chosen and may be removed by the Governor-General.

The power to add six members to the Senate is no more than the power assumed and constantly abused by the government for the time being of most of the Colonies, possessing responsible governments. And it is a power less likely of abuse, when

restricted to user only by the Crown and in cases of moment, which arising between the Senate and the House, may hinder the carrying out of the government.

It is not likely to be abused. In 1873 the Canadian Privy Council, for the purpose of removing difficulties then encountered by the ministry of the day, agreed upon a recommendation to the Governor-General, to advise Her Majesty to exercise the privilege. The Colonial Secretary for the Colonies declined to do so, on the ground that Her Majesty could not be advised to take the responsibility of interfering with the constitution of the Senate, except in the case of a matter, so serious and permanent, that it was clear the government could not be carried on without such action.

And if such course be ever adopted, the Dominion act requires that the addition is only to be temporary; and that no further appointments be made until the Senate is reduced to its usual number.

All the powers exercised, before the Union, by the governors of the Federated provinces are now exercisable by the Governor-General, and such Privy Council of Canada.

The Federal legislative power is given to a Parliament consisting of the Queen, an Upper House, styled "The Senate", and the House of Commons of Canada.

The powers given, are such as may be defined, by an act of such Parliament of Canada, but are never to exceed those of the English House of Commons, and a session must be held every year.

The Senate is a nominee House, consisting of eighty members, styled Senators, who must be not less than thirty years of age, be subjects of the Queen and holders of a freehold of a net value of four thousand dollars, and personal property of the like net value, and be a resident of the province for which they are severally elected.

The Governor-General has sole power, from time to time, to nominate and summon a sufficient number of persons to be Senators for life. And on his recommendation, Her Majesty may, as before mentioned, appoint six additional members.

The Federal House of Commons consists of two hundred and fifteen members, all of whom are elected for five years, unless parliament be sooner dissolved; a decennial re-adjournment of the members is to be made and the number of members increased, provided the proportional representation of the provinces be not disturbed.

The Rules as to the imposition of any tax, and as regards money votes and other matters are similar to those of the English House of Commons. The Gevernor-General has power in the

Queen's name to assent to any Bill, or to withhold his assent, or to reserve the same for signification of the Queen's pleasure. And the Queen in Privy Council within two years of receipt of a copy of any Dominion Act, may disallow any assent so given. In other words may veto any Act, thus practically retaining or rather assuming full control over all Dominion legislation.

The Federal powers given to the parliament of Canada comprise all matters, not coming within the subjects assigned exclusively, to the Provincial Legislatures. And for greater certainty they are declared to extend to *at least* the following :—

1. The public debt and property.
2. The regulation of trade and commerce.
3. The raising of revenue by any mode of taxation.
4. The borrowing of money on the public credit.
5. The postal service.
6. The census and statistics.
7. The militia military and naval service and defence.
8. The fixing of and providing for the salaries and allowances of civil and other officers of the Government of Canada.
9. Beacons, buoys and lighthouses.
10. Navigation and shipping.
11. Quarantine and the establishment and maintainance of marine hospitals.
12. Sea, coast and inland fisheries.
13. Ferries between a province and any British or Foreign country or between two provinces.
14. Currency and coinage.
15. Banking, incorporation of banks and issue of paper money.
16. Savings banks.
17. Weights and measures.
18. Bills of exchange and promissory notes.
19. Interest.
20. Legal tender.
21. Bankruptcy and insolvency.
22. Patents of inventions and discovery.
23. Copyrights.
24. Indians and lands reserved for Indians.
25. Naturalization and aliens.
26. Marriage and divorce.
27. The criminal law, except the constitution of courts of criminal jurisdiction, but including the procedure in criminal matters.
28. The establishment maintainance and management of penitentiaries
29. Such classes of subjects as are not expressly given to the legislatures of the provinces.
30. And any other matter coming within any of the foregoing subjects.

The Federal parliament of Canada is also empowered :—

31. To make provisions for uniformity in the laws relating to property and civil procedure in the whole Union but without effect in any province until approved by the legislature thereof.
32. To make laws as to agriculture and immigration to have effect in all or any of the provinces.

33. To appoint a general court of appeal for Canada and such other courts as may be needed. But with a right of final appeal to the privy council of England.

To perform all obligations as part of the British Empire towards foreign countries under treaties therewith.

The judges of the Supreme, District and County Courts of all the provinces, are all appointed by the Governor-General. But their salaries, allowances and pensions are fixed and provided by the Federal parliament.

The revenue and taxation for Federal purposes, is all raised under the authority of the Federal parliaments. And all the customs duties and revenues which each province was before the Union, empowered to raise, now forms one consolidated revenue fund, except such portions as are reserved to the use of any province.

Such consolidated Federal revenue is charged with the costs of collection, and the interest of the united public debt of the Union, as first charges.

The annual interest of the public debts of the several provinces forms the second charge therein.

The salary of the Governer-General forms the third charge.

And subject to these charges, the said co[illegible]lated fund is to be appropriated by the parliament of Canada [illegible] the public service.

The Federal government is liable under the Dominion Act for the debts and liabilities of each province, and undertakes to pay towards the revenue of each province a fixed yearly sum reckoned according to the population, for the support of the separate governments and legislatures of each province and further annual grants in aid of the revenue of each province, not exceeding the rate of eighty cents per head. But in return for these obligations the Federal government took over at the time of the Union.

1. All the stock, cash, bank balances and securities for moneys belonging to each province at the time of the Union.
2. All canals with lands and water powers connected therewith.
3. All public harbours.
4. All light houses and piers.
5. All steam-boats, dredges and public vessels.
6. All river and lake improvements.
7. All railways and railway stocks, mortgages and other debts due by railway companies.
8. All military roads.
9. All custom houses, post offices and all other public buildings.
10. All property transferred by the Imperial government and known as ordinance property.
11. All armouries, drill sheds, military clothing, munitions of war, and
12. All lands set apart for general public purposes.

Besides which, each province is made liable to the Federal government for the amounts (if any) by which the respective public debt of each province exceeds a certain stipulated sum, such sum bearing interest payable to the Federal government.

It will be seen that but little powers or property is left to the provinces. The Federal government has the lion's share.

The executive power of each province consists of a Lieutenant-Governor appointed for each province by the Governor-General in council and an Executive Council consisting in number as they existed at the time of the union.

The Legislative powers of each province consists, in Quebec, of two Houses, styled "The Legislative Council" and "The Legislative Assembly." And for all the other provinces of one House styled "The Legislative Assembly."

The powers of each provincial parliament are now limited to—

1. The amendment of the constitution of the legislating province except as regards the office of Lieutenant-Govenor.
2. Direct taxation within and only in aid of the revenue of the province.
3. The borrowing of money on the sole credit of the province.
4. The appointment, tenure and payment of provincial offices.
5. The management and sale of the lands and timbers of the province.
6. The establishment, maintainence and management of public and reformatory prisons for the province.
7. The establishment, maintainence and management of hospitals, asylums, charities and eleemosynary institutions for the province other than marine hospitals.
8. Municipal institutions in the province.
9. Shop, saloon, tavern, auctioneer and other licenses in aid of a revenue for provincial, local or municipal purposes.
10. Local works and undertakings, except such as are of the following classes:—
    a. Lines of steamers or other ships, railways, canals, telegraphs and other works and undertakings connecting the province with any other or others of the provinces or extending beyond the limits of the province.
    b. Lines of steam-ships between the province and any British or Foreign country.
    c. Such works as, although wholly situate within the province are, before or after their execution declared by the Federal parliament to be for the general advantage of Canada or for the advantage of two or more of the provinces.
11. The incorporation of companies with provincial objects only.
12. The law relating to the solemnization of marriages in the province but not the law of marriage or divorce.
13. The laws of property and civil rights in the province but subject to the laws of the Federal parliament.
14. The adminstration of justice in the province, including the constitution, maintainance and organization of provincial courts both of civil and criminal jurisdiction including procedure in civil matters in these courts: but subject to the laws of the Federal parliament.
15. The imposition of punishment by fine, penalty or imprisonment for enforcing any law of the province made in addition to any matter coming within any of the classes of subjects enumerated in this section but subject to any law of the Federal parliament.
16. Generally to all matters of a merely local or private nature within the province.

Education. Each province may make laws in relation to education within such province. But no such law may prejudicially

effect any right or privilege with respect to any Roman Catholic or denominational or dissentient school. In the case of any violation of this condition, appeal may be made to the Governor-in-Council, and remedial measures may be taken by the Dominion Parliament.

The Dominion and Provincial legislatures have concurrent powers of legislating on agriculture, immigration and some other matters; but the provincial law only has effect so far as it is not repugnant to the Dominion law.

The property and revenues permitted to be retained by the provinces consists of:—

1. All lands, mines, minerals and royalties belonging to each province; and all sums due or owing, or payable for such lands, mines, minerals or royalties—but subject to any trust or claim existing in respect thereof.

2. All assets connected with such portions of the public debt of each province as are assumed by that province.

3. All the respective public property of each province not otherwise disposed of by the act of Union. But subject to the right of the Federal government of Canada to assume any lands or public property required for fortifications or other defences.

4. And such portions of the duties and revenues of each province before the Union as are reserved by the act of Union to each province, and

5. All duties and revenues raised by each province under the special powers conferred upon them by the act of Union.

Fiscal arrangements. All articles, the growth produce or manufacture of any of the Provinces, are admitted free into each of the other Provinces.

The customs and excise laws of each Province which were at the time of the union to continue in force until altered by the Federal parliament have been since so altered, and assumed as solely within Federal powers.

In the case of importations of goods, as between any two Provinces, such goods are exportable on proof of payment of the custom duties leviable thereon in the Province of importation.

It will be seen that while under the Federal constitutions of Switzerland, America and Germany, all powers not specifically granted to the Federal government, are retained by each State; under the Canadian constitution, the arrangement is reversed and all powers not specifically retained by the Provinces, are to be held as given to the Federal government.

This reversal of the usual condition, was adopted with the express intention, of strengthening the central power and to prevent any question arising as to the rights of the Provinces and their peoples. To complete this spoilation of Provincial powers, the central government is committed to a Governor-General and a nominee Central Executive Privy Council and Parliament, all officials and representatives, including all the Lieutenant-

Governors of the Provinces, and all Judges of the Supreme, District and County Courts being appointed by the Governor-General, or in some few cases by the Governor-General in Council, save the House of Commons which is elective.

And besides this, as if with the view of making this divestment of Provincial rights as difficult of alteration as possible, the constitution of Canada provides no means of amendment, save by an appeal to the Imperial parliament, which it will be readily believed, will not be easily moved, as against the influence of a Governor-General and such an army of nominee supporters.

Such despoilment of the powers of the several Provinces has already induced considerable dissatisfaction, and there are alarming indications of a strong desire to resume some part of their original rights, of which more particular information is given hereinafter.

Still, it must be admitted, that notwithstanding the existence of so much dissatisfaction, in consequence of the absorption by the central government of so much of the original rights of self-government by each of the Provinces, Canada has greatly progressed since federation, but mainly, as will hereafter be shown, through the national system of protection, towards which such federation greatly assisted.

The Canadian Federal Judicial System.

Profiting by the experience of the United States, and following the example of Switzerland, which has also profited by the like experience, the founders of the Canadian constitution, provided for the establishment of a general Court of Appeal, which will in most cases, prevent the necessity of an appeal to the Privy Council of England.

The Federal parliament of Canada, was for this purpose authorised by the "Dominion Act," to "provide for the constitution, maintenance and organization of a General Court of Appeal for Canada, and for the establishment of any additional courts which might be required for the better administration of the laws of Canada. Under these powers, a Supreme Court of Appeal; an Exchequer Court for Crown Cases; a Court for the trial of controverted elections and a Maritime Court have been founded.

The Supreme Court of Appeal of Canada, was not however, established until 1875. The Judges consist of a Chief Justice and five Puisne Judges. They are appointed by the Governor-General and hold their offices for life, subject to removal only by parliament, upon successful impeachment, for improper conduct or for incapacity from age or otherwise.

Its appellate jurisdiction, as to Federal matters, comprises controversies between the Dominion and any Province, and

between any one Province and another. and in all suits, actions or proceedings, in which the parties thereto have raised by the pleadings the question of the validity of any act of the parliament of Canada, or of any legislature of any Province thereof, when in the opinion of the Judge who presides, the question raised is material.

Its appellate jurisdiction in questions not relating to Federal matters, extends to all final judgments, special cases, motions on points reserved or for new trials, or in respect of decrees in equity, motions to set aside awards, proceedings for writs of *Habeas Corpus*, motions in all criminal cases and in appeals in respect of maritime cases and controverted elections, in cases decided by the courts appointed for such matters and in all cases decided by the Exchequer Court, which court has a primary jurisdiction in all Crown cases.

Its jurisdiction and powers extend throughout the Dominion, and the Provincial Sheriffs of Canada, and all other provincial officers, for convenience and economy are appointed *ex officio* officers of such Supreme Court, and also of the Exchequer Court. But, except as to questions arising in respect of Federal disputes between the Dominion and any province, or between one province and another of them, neither its jurisdiction or powers, nor the jurisdiction of such Exchequer Court, extend to any of the provinces, unless the local legislature thereof, has, by an act of its parliament, agreed to abide by the appeal jurisdiction of such Supreme Court. And the like provision applies also to the jurisdiction of the Exchequer Court.

But this "Supreme Court of Appeal" is not Supreme in the full sense of the term, as is the case with the "Federal Tribunal" of Switzerland; the "Supreme Court of Appeal" of the United States or the "Reichsgericht" of Germany. All these courts are necessarily supreme and final in their decisions, because the realm from which they severally derive their powers possesses no other court of superior authority.

But that is not the case with regard to the Supreme Court of Appeal of Canada. The Dominion, though possessing an independence little short of supreme, is still but a "realm within a realm" and except as to matters, in respect of which the judgments thereof are declared to be final, the Supreme Court of Appeal of Canada is necessarily subordinate to that higher judicial authority of the Realm, from which the Dominion owes its existence.

For this reason, and because no subject of the sovereign can be deprived of his right to appeal to the Privy Council of England unless such right has been limited by some act of a competent parliament, the Canadian act, establishing the "Supreme Court of Appeal of Canada" provides, that the judgment of such court shall be final, "saving any right which Her Majesty may be

"graciously pleased to exercise, by virtue of the Royal Preroga-
"tive".

Under this right, an appeal lies to the Judicial Committee of the Privy Council of England, but only by permission of such Judicial Committee. In advising as to whether or not to allow an appeal, the Committee will have regard to the importance of the point, rather than as to any sum of money involved.

The judges of this "Supreme Court" act also as a Council of Advice to the government. As the House of Lords has in England, the power of consulting the judges, a like power has been conferred on the Canadian Privy Council. The Governor-General in Council may refer to the Supreme Court of Canada, any matter which it is thought desirable to refer, and the court is required to certify its opinion in writing. And the Senate or the House of Commons of Canada, may also refer to such Supreme Court, or to any two judges thereof, any private Bill, Petition, or other matter, and the court or such judges are to examine into the same, and make their report thereon.

This "Exchequer Court" has by its constitution as a Federal Court, an exclusive and con-current jurisdiction with the Supreme Court of Canada, in respect of all claims against the Crown; and a con-current jurisdiction therewith in all cases relating to revenue, patents, leases or other instruments relating to Crown land; in all cases where relief is sought against the Crown, or any officer thereof, and in all suits in which the Crown is a plaintiff or a petitioner.

The court is held before one judge, and an appeal lies to the Supreme Court of Canada when the amount in controversy exceeds £100, but when the amount involved does not exceed that sum, no appeal lies, except the question involves the validity of an act of the Federal Parliament of Canada or of a Province or relates to some fee of office, duty, rent, revenue, or sum of money payable to the Crown, or to some title to land or tenement, annual rents or such like matters or things, where rights in future might be barred. But in all such cases, leave to appeal, must be obtained from a Judge of the Supreme Court.

Another Federal Court has also been established, for the trial of controverted elections. And in 1877 the Dominion parliament appointed a Court of Maritime Jurisdiction, in respect of matters arising out of navigation, shipping, trade or commerce.

An appeal lies also from these courts to the Supreme Court of Canada.

The Canadian Fiscal System.

The borrowing of moneys on the public credit and the raising of moneys by any mode or system of taxation, including custom or excise duties, is granted by the Canadian constitution to the

Federal parliament as its sole right. But such right is subject to the provision, that "all articles of the growth, produce or manufacture of any one of the Provinces, shall from and after the Union, be admitted free into each of the other Provinces."

Each of the Provinces is limited to borrowing moneys on its own sole credit and to the raising of a revenue for the local purposes of such Province, by direct taxation or by saloon, shop, tavern, auctioneer, and other business licences.

As before mentioned, the abrogation by the United States of the "Reciprocity" treaty, with the intention of forcing Canada to enter its own Federal Union, induced the adoption by Canada of a system of protection, under the designation of the "National" system.

This new system became law in 1879, and it will be especially interesting to Australians, to note the effect of such a momentous change, in the fiscal arrangements of Canada.

The per centage of the duties, calculated on the total value of all imported goods, whether dutiable or free, averaged in 1868, at the date of the Federation of the Canadian Dominion, £12 per centum, and prior to the commencement of the national system of protection, the average rate had been gradually increased to £13 15s. per centum. These average rates arose, it should be understood, out of the much higher rates which were charged on dutiable articles, so it will be seen that Canada, and especially some of her provinces had always favoured protection.

It followed that in 1879, protection was established as the fiscal system of the dominion and a general increase of the tariff, was sanctioned by its Federal Parliament. In 1880, the amount of duties paid on the total value of all importations, whether dutiable or not, had risen to the average rate of £16 6s 8d per centum, and in 1887, such average had increased to about £20 per centum. As the value of the articles imported free in 1880, the year following protection, formed at least 20 per centum or one-fifth of the total imports, the average rate upon the dutiable goods, would of course be in most cases much higher than £16 6s 8d and as since 1886, the value of the articles imported free, chiefly raw materials, formed about 35 per centum of the total imports, the duties paid, spread over all imported goods, averaged £20 per centum and in dutiable goods, was and still is, about £35 per centum.

And what has been the effect of these high duties? The results here given are extracted from official documents. Since 1879 the developments of manufacturing interests have been such, as to thoroughly justify the action of Canada in establishing a "National" system of protection. Federal Union enabled the Canadians to secure to themselves, the employment and profit,

which they clearly saw, must arise by undertaking the supply of their own wants.

Upon this point the following statistics will speak for themselves.

	1871		1881
Capital invested,	£15,538,824	...	£33,060,526
Wages paid	8,170,013	...	11,885,886
Value of manufactures	44,323,554	...	61,935,220
Hands employed	187,942	...	254.935

And the following figures also taken from official documents, and showing the diminution in the importation of certain classes of manufactures, and the large increase in the importation of raw materials, afford further evidence of the progress made in home industries.

Imported Manufactures.	1875		1885
Iron and steel	£3,819,143	...	£2,331,438
Other metals	298,277	...	461,954
Silk	443,832	...	461,033
Cottons	1,966,167	...	1,248,257
Woollens	2,553,515	...	1,810,725
Other manufactures	4,223,998	...	3,451,702
Food and drink	5,808,594	...	3,617,988
	£19,113,526	...	£13,383,097
Imported Raw Materials	2,130,574	...	4,007,153

The increase shewn by the first of the above tables, in the amount of capital invested in manufactures; in the amount of wages paid; in the gross value of the goods manufactured, and in the number of hands employed, exhibit in the plainest manner the great progress which was made in national industries immediately after the adoption of protection, even while the tariff had not been greatly increased.

And the figures in the second table also offer indubitable evidence of progress. An examination of the official figures there presented show, that notwithstanding a large increase of population and though the average rate of the tariff had only been increased from £12 to £16 6s 8d per cent., the gross value of imported manufactured goods decreased from £19,113,526 in 1875, to £13,383,097 in 1885, giving a difference in favour of Canada of £5,730,429. Coupled with this decrease, in the importation of manufacturod goods, it is shown, that the importation of raw materials was nearly doubled, within the first five years following the adoption of protection. The importation of raw cotton was more than quadrupled in that first period. The importation of pig iron was also more than doubled in the same time, notwithstanding the large quantity which was manufactured in the Dominion, as soon as a paying local demand sprung up. And so also the importation of wool was more than doubled in the same time, and has since been nearly quadrupled, notwithstanding the large and increasing quantity grown at home.

But these figures, taken from official documents, do not come later than the close of 1880. The tariff has since been gradually increased, until it ranges up to an average of 35 per centum, yielding in 1887 a revenue of £4,000,000. The statistics of the Dominion up to the end of the current year, will not of course be available for some time, but enquiries recently made, warrant the statement, that the result of the ten years succeeding the adoption of a protection tariff, will show an increase in the amount of capital invested, of from about £30,000,000 to over £50,000,000; of wages paid, from about £10,000,000 to £16,000,000; of the value of manufactured goods, from about £60,000,000 to at least £117,000,000 and of hands employed, from about 240,000 to over 400,000.

The export trade of the Canadian Dominion has also very largely increased. In 1868, just prior to Federation it amounted to £11,513,577. In 1887, notwithstanding a long period of depression, and the fact that the Canadians were fully and profitably engaged in providing for their home trade, their exports reached to £17,903,162 of which minerals yielded £761,192; fisheries £1,375,162; timber £4,096,949; animals and their produce £4,849,387; agricultural products £3,765,247; and manufactures, in excess of the supply of the wants of her own peoples, to the extent of £651,994.

These favorable results, do not however, embrace the enormous business, which takes place between the several provinces of the Union. As there is free trade between them, there are no custom or excise duties, to supply an index to the amount of this interprovincial business and no other statistics are available, by which it may be estimated. It is easy to guage the progress of trade in countries that are not manufacturers and which must therefore import a large part of the goods they require. But it is not so easy to ascertain the progress made, in countries engaged in providing for their own wants, under a system which permits of the free interchange of commodities, without customs or excise duties to mark its increase. There cannot however be a doubt, that the manufacturing and other industries of the Canadian dominion, having had the advantage of such free interchange, under a system of protection, throughout a vast territory, have been stimulated during the past ten years to an extent, which, according to the latest available report of the Canadian government statistician, may in his own words, "be safely estimated, as having already increased the out-put of the Dominions, to at the least *thirty times* the amount done, in the year prior to the Union."

The Canadian Defence Force.

In accordance with the "Dominion Act" the command of the military and naval "Militia," by which limited title is the Canadian army and navy described, is given to Her Majesty, or to the

Governor-General, as her representative; the Crown appointing a Major-General to take command.

All males between the ages of 18 and 60 are liable to service, save the judges, clergy, professors in colleges and universities, teachers in religious orders, keepers of penitentiaries and asylums, persons disabled, and the only son of a widow, being also her support, and, except in case of war, invasion or insurrection, half-pay and retired officers, sailors employed in their calling, pilots, and members of public and common schools, actually engaged in teaching, are exempt, though capable of bearing arms, but in case of a *levee en masse*, all capable persons may be required to serve.

Canada is divided for military purposes into twelve districts; each district into regimental and brigade divisions, and each regimental division into company divisions.

The captain of each company division, has by actual enquiry, at each house in his division, to ascertain the persons liable to serve, and must periodically compile a roll accordingly.

The men are divided into four classes; those between 18 and 30 who are unmarried or widowers, without children; those between 30 and 45, who are married or widowers, with children; those between 18 and 45, who are married or widowers, with children; and those between the ages of 45 and 60.

When called out, if a sufficient number of men do not volunteer, the men of the first class settle by ballot, who are to serve. If more are required, the deficiency is made up by ballot from the next class, and so on, supplying any deficiency from the other classes in turn. Substitutes are however permitted.

The entire force is divided into (1) the active militia, and (2) the reserve.

The active militia serve three years in time of peace, and one year in time of war.

The reserve is composed of the whole number who are not serving, for the time being, in the active militia.

The reserve may be called out in any year by Her Majesty for not less than 8, nor more than 16 days.

The active militia may be called out

1. By Her Majesty in case of war, invasion or insurrection.

2. By the Lieutenant-Governor, if a disturbance of the peace occurs in the North-West Provinces,

3. By the officers commanding any military district or division, in case of invasion, insurrection or any sudden emergency.

4. By the officer of any military district, who may call out the whole of the active militia in aid of the civil power.

5. By order of the Governor-General in council but as to the active militia only, to serve as guards of honour, escorts and sentries.

As to the Cost of the Federal Union.

Particulars of the annual charges incurred, in the adminstration of the Federal government of the Canadian Dominion are not available in detail. The total cost of the two Houses of Parliament is however, not a sixth of that expended in carrying on the Federal government of the United States of America.

The present cost would seem to amount to about £75,000 annually, which is made up of £10,000 to the Governor-General; £2,000 to the High Commissioner representing the Dominion in London; £20,000, the allowances to the 14 ministers of the Crown who constitute Her Majesty's Privy Council in Canada; £1,000 to the Speaker of the Canadian House of Commons; £22,000 being the estimated allowances to the 295 representatives at the rate of £2 per day and travelling expenses, and £20,000 for salaries of the necessary officials, and printing and stationery.

But adding to this cost, all other charges for Legislation and Civil government, the total amounted to £437,830 for 1886-87, which spread over the then population, would make the cost of Federal government, a little less than £1 per head.

THE GERMANIC FEDERATION.

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The Federation of the German Empire, affords another example of the facts, before adverted to, that independent principalities as well as Republican States, though extremely unwilling to relinquish their rights of self-government, are continually impelled to Federal Union, as the best means of protection, not only from aggressive wars on the part of adjoining nations, but also from the evils of internal dissensions.

Long prior to the Reformation and during that part of the middle ages which may be said to have come to an end at the time of the death of Maximilian I. in 1519, the Empire had ceased to be looked upon as an universal monarchy, and though there were still Emperors and Kings of Germany, such potentates exercised very little real power and had indeed no certain revenue. This condition of things arose from the fact that during these times, the peoples of Germany were divided into a large number of separate States, many of them of very limited area, the ruling princes of which, having acquired independence, owed only a nominal allegiance to the sovereign. And though they were not absolute rulers, since in almost every principality there were "States" or local councils holding the same relation to the prince that the Diet held to the king yet each principality practically governed itself. Each one had its own Houses of Parliament, composed of the nobles, the landed proprietors, the clergy and the representatives of the people. And even the election of Charles V. to the Crown of Germany, did not alter this state of things, for although, being already King of Spain and the Two Sicilies, the Low Countries and Burgundy and Arch-duke of Austria, he by such election became by far the greatest sovereign who had ever reigned in Europe since Charles the Great, his power was little more than nominal, for he had to sign a formal deed before his election, confirming the States in their rights and privileges.

The troubles of the Reformation, which commenced in 1517; the peasant's war, which was entered upon with the object of relieving the people from the oppressions of the princes; the sufferings which arose out of the Religious Wars, which continuing from 1517 to 1555, when a sort of peace was patched up but only to be broken by the fearful civil struggles known in history as "the terrible thirty years war," all tended to the greater enfeeblement of the Imperial power and the advancement

of that of the principalities which became more independent than ever. The larger half and some authorities say, two thirds of the entire population of the Germanic States had perished in these wars. Many of the German cities were in ruins, the country districts had been laid waste and commerce had almost ceased. The Diet too had lost much of its power and the religious feuds of the age were so bitter and the rival churches so equally divided that no proposal could hope for support. The Empire existed only in name, for the Emperor Ferdinand III. had, at the "Peace of Westphalia" which was concluded in 1648, been compelled not only to recognise the independence of the many small States then existing but to consent to an increase of their powers.

It was agreed they should have the right of making treaties with foreign States, if not directed against the Empire or the Emperor; the power of making war or of proclaiming peace and of raising troops; and the power of passing laws which had formerly belonged to the Emperor, was made over to the Diet.

Germany was now broken up into a large number of petty States, each possessing sovereign rights. A confederation so loose, that it existed only at the pleasure of those who were pleased for the time being, to act under it, and which gave no controlling power to any central government, resulted as might have been anticipated, not only in the destruction of all Imperial power but in making the princes of all those numerous petty states, absolute rulers within their own territories. The previous wars which had continued for a century, had so ruined the small nobles and the peoples, that parliamentary government fell into disuse. The princes at the head of each State thereafter assumed the right of ruling with absolute sway. Each had his own courts of justice, raised his own troops, levied what customs, tolls, and other taxes he pleased, made war against whosoever offended him, imposed on his subjects whatever religion and laws he approved and obeyed the behest of his Emperor only as he pleased. Most of these princes were unfortunately very bad rulers. Guilty of great extravagances to sustain a pompous state which was absurdly incongruous to the requirements of such insignificant territories, they nevertheless imposed heavy taxes on their suffering subjects to meet such charges and spent their lives and treasure without stint in profitless contests, in seeking to gratify their own love of power, and to revenge petty jealousies between themselves.

Space permits only a mere cursory review of the history of this period. But it is sufficient for the purpose of this work, to show, that Germany affords no exemption from the fact which history teaches, that confederations, under which no power, even as to matters of defence, is given to the control of a central government, cannot be worked with advantage. Without some power of compelling concerted action under an acknowledged

head, Union proves itself at every time of trouble to be a mere delusion. It cannot be too much to assert that if the German States had from the first given suitable powers to their central government, hundreds of thousands of lives would have been saved, an enormous amount of property would have escaped destruction and commerce would have been developed to a degree which would have advanced the position of Germany by a couple of centuries. It may perhaps be urged that much of the troubles from which she suffered during this period, were caused by religious dissensions, and that a strict form of Federal Union would at that time of intolerance, have left the country either Catholic or Protestant. The answer to this is found in the history of Switzerland, where as has been shown, the population of a large number of States—half Protestant and half Catholic, with a better appreciation of the necessities and duties of Federal Union, managed at the same period of time to preserve not only their national independence but their personal religions as well.

The evils of such petty sovereignties and the cruelly oppressive conduct of these petty princes, led however to a strong desire to control their powers by a central government. From the conclusion of the "peace of Westphalia" in 1648 the Union of the Germanic States into a new and stronger Empire, was the constant hope of the peoples.

But two centuries passed before the realization of this hope. Two whole centuries, of a succession of wars of the direst of kind, had to pass, before a multitude of petty States, potent enough for mischief but impotent without Federal Union for protection against foes, were able to understand that an Union without a central power, must ever be powerless for defence. The history of the Grecian and Italian Republics might have taught them this, but the mass were uninformed then, and were blind followers of bad leaders. Two whole centuries, witnessing a succession of wars with France, Hungary, Turkey, Russia and Austria, had to pass before this lesson, written in blood and conned in suffering was learned by the people.

But in the meantime and far within the second of these two centuries, the Germanic races experienced abundant proof of the statement, that a mere confederacy, without a central government empowered to compel united concert, presents a condition which may fail of cohesion at any moment of trial. They also learned by bitter experience, that States, existing under an imperfect Union, without a central power to direct and enforce united action, have not only an imperfect capacity for collective operations against a common enemy, but may secede altogether in face of that enemy or for other selfish ends.

Let us hope there are few who would do this. But it was done, to their shame, in 1806 by a number of the German princes. In that year Prussia, in the hope of securing favour from the

enemy, determined to remain neutral, and a number of German princes under a League known in history as the "Confederation of the Rhine," formally declared themselves to be under the protection of that scourge of Europe, Buonaparte, and undertook to aid him with an army against their own Fatherland. By this gross act of cowardice and treachery, the ancient empire of the of the Cæsars fell to pieces, and Francis II resigning the Imperial Crown, Germany continued to be, for another half century, a disunited number of States without an acknowledged central head or power.

But for this perfidious action, the course of Buonaparte might have been cut short at once. It is worthy of remark, in illustration of the great benefits of Federal Union, to pause here and note, that had the German States enjoyed at that time the perfect Federal Union under which they now live—Buonaparte would never have entered Berlin, and the Peace of Tilsit, under which Prussia, paying dearly for her selfish desertion of the States in the hope of personal gain from the usurper, lost the better part of her territory,—would never have been signed.

But the bitter experiences, through which Germany had passed, brought forth good results. These sufferings and the recollections of the struggles of the Revolution, through which France had passed, in order to relieve that country from the evils of despotism, followed, as it was, by the declaration of "the rights of man," by the Americans and their battles for independence, had influenced the peoples of the several States of Germany, to believe, that they had equal rights and ought to be consulted, on all matters, affecting their government. But their rulers still showed no disposition, to concede any such demand. Moved chiefly, by petty jealousies of each other, they desired nothing but the gratification of their own greed, for annexations of territory. Prussia wanted the whole of Poland, which had been robbed of its nationality, Posen, Pomerania, Saxony, Westphalia, Berg and the Rhine Country, between Mainz and Aachen. Austria hankered after her former Italian and Illyrian possessions and the Tyrol, Saltzburg, Voralberg and the Innviertal. Bavaria, Hanover and other of the States, also hungered for more lands to enslave. These were the demands, sought to be enforced, at the "Congress of Vienna," which met in October, 1814. But none of them gave a thought to the founding of a Federal Union, which would protect the lives and properties of their subjects, from future aggressions and give them the liberal Constitutions, so long desired. The Emperors of Austria and Russia and the King of Prussia, who concluded a treaty, known as "The Holy Alliance," deemed it all sufficient to undertake to "advance Religion, Peace and Righteousness," such were the terms used, and these promises, they afterwards construed, as meaning "paternal rule," which in practice found its interpretation, in government of the most despotic kind.

But, while these powers were wasting time, having sat at this Congress for six months and done nothing but squabble, about the divisions of certain territories, to an extent which threatened to lead to another European War; that scourge and robber of Europe, Buonaparte, who had been informed of their disagreements, suddenly escaped from Elba, and gathering round him the military strength of France, prepared for another war, but only to find himself, happily for the peace of Europe, thoroughly and permanently crushed by the great victory achieved at Waterloo.

It will be evident to those who follow this very condensed history, that had Germany and Austria previously entered into a Federal Union of the most limited kind, the peace of Europe would never have needed to depend, as it did, on the risk of a single battle, and risk it was, for though bravely contested, Waterloo, at one time practically lost, was only won by the indomitable determination of the British troops.

But though the jealousies of Austria and Prussia prevented the unification of the Empire, the terrors of the hour now compelled the States of Germany to join in a great confederation. It was made up of thirty-nine States. Each was to remain independent in matters affecting itself alone. The Confederation was to undertake the regulation of those National affairs which were common to all the States. A permanent Diet of Representatives of each State, was to hold its sittings at Frankfurt, the representative of Austria presiding. The States agreed never to declare war against each other or to form alliances in any way detrimental to the interests of any other of such States. All disputes between any of them, were to be settled by the Diet, and each State was to contribute, according to its population, to the cost of the Confederate Army, of which the Diet was to appoint the Commanders. Besides these agreements, the princes present, promised to grant the most liberal of parliamentary constitutions to their respective States but not one of them redeemed his promise. Still, in this Confederation, though, chiefly through the mutual jealousies of Austria and Prussia, it was not destined to a very prolonged existence, we may trace the germ of the Federal Germanic Union of the present day.

As instances of the necessity of reforms, it may be stated that at this time, all "Courts of Justice" in Germany, were conducted with closed doors, and complaints were constant, that their proceedings were administered with much partiality. The peoples, disgusted with such injustice, clamoured, not only for responsible government, but also for open courts and for trials by juries of their own countrymen and many demanded freedom of speech and of the press. Up to this time (1830), no book or newspaper could be published or sold in Germany, until it was

first read and approved by the public officer, appointed for the purpose.

At length, the peoples became so resolute, that some of the smaller princes conceded under fear, that which they had before refused; and granted constitutions to their subjects, but of a very limited kind.

But Austria and Prussia refused to make any concessions and the peoples of these and some of the other States, to which but little or no concessions had been made, continued, it may be said, in a constant state of revolt. And the happening of the French Revolution of 1830, so alarmed the German potentates, that further concessions were made. But the Emperors of of Austria and the King of Prussia, learning no lesson of prudence from the temper of the age, still set at defiance, the resolute determination of their peoples and continued to refuse to grant the constitutions demanded.

But the King of Hanover not only refused to listen to the joint demands of his subjects; he most unwisely, abolished the very limited constitution, which he had previously granted. This retrograde step aroused the people and caused a very general demand for an appeal to the Diet of the Bund of Frankfurt. This Confederation, however, determined, that being established, only for other and very limited federal purposes, it had no power to interfere in the internal affairs of any State. This decision, destroying all confidence in that body, the people then united to compel the election of a National Court of Appeal and their determined efforts were, after many struggles, rewarded by the establishment of the "Bundesrath," or "Federal Council" of Germany.

And the efforts of the people gained another victory. The commerce of Germany had long suffered great obstruction, through the hostile tariffs of the several kingdoms and principalities of which it was composed.

In estimating the folly of such a system, it should be remembered, that the whole area of Germany did not then exceed 200,000 square miles and as this was cut up into 26 independent states, many of them were not equal in area to a small squatting estate on the Continent of Australia. And yet all goods manufactured and all produce grown in any one of these territories, were subject to heavy duties upon their importation into another of them. This naturally led to an enormous amount of smuggling and every state was put to great cost, to protect its frontiers from illicit trading. Besides this, commerce was also crippled by the most arbitrary rules, coupled with high and most unequal duties, and as each State imposed whatever rate of duty it pleased and on nearly everything which was imported or exported, commerce was not only obstructed by high rates and many

variations of them, but the transit of goods was also greatly impeded by the many custom houses, which were necessary on the borders of each petty State.

The peoples of several of these States succeeded at last, in compelling their rulers to unite with Prussia, in removing these local impediments to trade and the "Zollverein," or German Customs' Union was formed. This, commencing under a treaty between but two States in 1828, was followed by Prussia and though the arrangement was not compulsory, by many others, one after the other, and so in 1837 nearly all the German States had joined it. From this time the stream of German commerce, released from tariff anomalies and obstructions, began to gather a force, which has since increased in volume, year by year.

With reference to the bearing which this Customs Union may have, upon the establishment of a Federal Tariff for Australia, three matters should be noted. Firstly—All the German States did not join the "Zollverein." Secondly—all have not joined to this present day, and lastly;—some States which did join it, were not then and still. are not identical with those constituting the Germanic Empire.

The French Revolution which followed in 1848, sounded notes of warning to the whole of Europe, and the governments of Prussia and the smaller principalities of Germany were greatly alarmed, for it was known that the whole country was in earnest and ripe, for an organised revolt. Every State was practically in rebellion, and the peoples demanded with no uncertain voices; freedom of speech: freedom of the press; the right of the people to bear arms and to assemble when and where they liked; trial by jury, in open court; the abolition of the Bund Diet and the constitutional re-organization of every State.

These demands created a reign of terror amongst the petty potentates. But the results were promising. Many of the princes of the smaller States conceded all demands. But the King of Prussia and the Emperor of Austria most unwisely still refused to yield.

As a natural consequence the whole of the peoples took up arms. The Emperor Ferdinand of Austria abdicated in favour of his nephew Francis Joseph. The Crown Prince of Prussia (the lately deceased Emperor) flew to England and after much fighting and great loss of life, a constitution was granted, on the lines desired, so far as regarded Prussia.

But the peoples as might be expected were not satisfied with this concession. They continued to demand the abolition of the old "Diet of the Bund" and the institution of a "National German Federal Parliament," which should alone have the power to declare war; possess sole command of the armies and militia of each State and be at the same time a Court of Final

Appeal in case of any dispute between the federated principalities and other States, all of which, except as to matters purely national, were to retain their rights of independent government. In aid of this demand for national unity, six hundred representatives assembled at Frankfurt in March, 1848, to arrange preliminaries and to call together such a National Federal Assembly, each member of which was to represent 50,000 people.

These representatives constitued themselves a provisional parliament, and having decided that thenceforth the new law code, which had been previously prepared on the basis of the code Napoleon, should be applicable to the whole of Germany; that the whole of the States forming the German Empire, should unite in forming a Federation under a single House of Representatives; and that Frederick Willian of Prussia should be the first Emperor, handed over their powers to their president the Arch-duke John of Austria, and dissolved the Assembly.

The Confederate Diet did not interfere, being satisfied the movement had the approval of the nation, and the Diets of the various States having been communicated with, the elections were quickly made, and on the 18th of May, 1848, the "National Assembly" was opened in Frankfurt.

Frederick William of Prussia however, refused to accept the title of Emperor of Germany, on the ground, that such a title was a violation of the rights of the other princes of Germany. This refusal led to an insurrection, so determined were the people to secure their liberties by a Federal Union under a new code of laws, which securing them a voice in national and foreign affairs, would free them from the caprices and tyranny of their rulers.

The insurrection, as this struggle for justice was called, was put down by military force. For some three years all attempts on the part of the people to obtain a satisfactory constitution and a Federal Parliament, were frustrated by those who had command of the armies of separate States. And thus ended an Assembly, the opening of which, had seemed to patriotic Germans, like the coming of a new era for their country.

The desire for unity was however so strong and the demand of the people so earnest, that the Prussian Parliament consisting of two chambers, was summoned to meet on the 26th of February, 1849. No understanding could however be come to with the Government and it was dissolved. A new Parliament met in the following month of August. Concessions were made and on the 6th February, 1850, the King of Prussia pledged himself to maintain the new constitution.

But this related only to Prussia, and meanwhile the King had been trying to unite Germany under a new Confederation which should exclude Austria. This step was naturally distasteful to

Austria, and on the very day the representatives of the States which accepted the leadership of Prussia, met in Berlin, those which supported Austria met at Frankfurt, and what should have been an United Germany, was split into two hostile factions.

Civil dissentions to an extent which threatened a civil war ensued. The rival Diets struggled for the mastery; but good counsels prevailing and the peoples persevering in their demands for a complete union, the old "Frankfurt" Diet or "Bund" was acknowledged by Prussia and the other States, and re-assembled in 1851. The peoples gained something by this, but not the union they desired on liberal constitutional principles. The time was only ripening for that perfect Federation. They had to wait a few years more, as patiently as their determination would permit.

The "Frankfurt Diet" continued to sit for a time, but without much advantage, as the fires of the old feud still smouldered and were ready to break out into flames at any time. This was however averted by the war with Denmark, in which Prussia and Austria made common cause for the moment.

But when the Danes, though fighting bravely for their Dutchies of Schleswing, Holstein and Lauenburg were compelled to succumb, the victors quarrelled over the spoils of war. Prussia with a selfishness, which she had before so often evinced, claimed to annex the whole of these Dutchies. To this Austria objected and the dispute ultimately led to war, of which the Dutchies were only the nominal cause. It was really, a last struggle for supremacy, between Prussia and Austria. Prussia refused to recognise the "Frankfurt Diet" and announcing a federal scheme, from which Austria was to be excluded, hostilities commenced.

The Prussian measures had been well planned by Bismarck. The army advancing in three divisions. occupied Hanover, Hessen-Cassel and Saxony; crossed the Bohemian frontier and uniting under the command of King William, gained several important engagements, followed by the decisive victory of Sadowa, or as the German call it Königgratz, and marching on towards Vienna, the Austrians submitted to terms, settled by "The Peace of Prague." Under these terms, Prussia received large indemnities in moneys and lands, while Austria renounced all claims to form part of the Germanic Confederation. At the same time. some of the Southern States, though remaining independent, entered into a secret alliance to give Prussia the command of their troops in case of war. The result of this struggle, commencing on the 16th June, 1866, and ending on the 26th July, and known as "The Seven Week's War," testify to the value of Federal Union.

The States north of the Maine, were now formed into a Northern Federation, at the head of which was Prussia. Those South of that river, were formed into a Southern Federation. And so, Austria being excluded, everything was making ready for the long hoped for union of North and South.

But it needed another war before the States, still blinded by jealousies of each other, could be brought to see, that the chief advantages of Federal Union could be secured, without any sacrifice of their own separate and independent government.

The Constitution of the North German Confederation was soon settled. The Diet met for the first time on the 24th February, 1867, and on the 1st of July of the same year it was finally agreed upon. Although a great advance on the old state of things, it did not satisfy those who desired the complete union of North and South. Prussia was still feared by the Democratic parties of the South, for its despotic tendencies and by the Ultramontanes for its Protestantism, and so, perfect concord seemed impossible. But suddenly an event happened which helped to bring about the desired result.

The victory of the Germans at Königgratz, their march to Vienna, and the subsequent submission of Austria, had created great consternation in France. And Louis Napoleon believing that Prussia was exhausted by continued wars, that Austria would be ready to seek vengance for the results of those wars, and that the Southern States were still ready to oppose Prussia, made the false step of sending an ultimatum, demanding the territories on the left bank of the Rhine and the fortress of Mainz as a counterpoise to the acquisitions which Prussia had made. Germany assured of the great strength which Federation gave and satisfied that the Southern States would remain true to their pledge, of giving Prussia the command of their troops in case of invasion, determined to accept the ultimatum of war, and Louis Napoleon, deeply disconcerted at finding that the Federal Union of Northern and Southern Germany was a combination he could not meet, withdrew his ultimatum with apologies and much consequent loss of prestige, on the ground that it had been preferred in error at a time of his sickness.

The Federal Union of many small powers into one powerful combination, had, for this once, saved Europe from the horrors of a great war. But from this time, the relations between Germany and France became strained and fate, tempting Louis Napoleon to his destruction, a Franco-German War was always imminent, and on occasion offering, the explosion came off in 1870.

At the request of the Spanish government, and with the assent of King William of Prussia, Leopold of Hohenzollern was proposed for the throne of Spain, France objected, and making this

proposal a pretext, declared war, which was averted by the refusal of the proposal by the Prince.

Louis Napoleon, still unable to realize the effects of the new spirit of federation which had at last welded Germany into a most powerful combination, continued to hope, that if the Southern German States did not join France, they would at least remain neutral. To his complete confusion, the Southern States continued true to their pledges and made common cause with the Northern Federation. They had learned by bitter experience, the value of union. A general mobilization of troops took place, and within a few days, more than a million of trained men were in arms. Such is the power of federal union.

This was a force, far beyond what Louis Napoleon could command. But rashly bent upon a struggle to regain the waning supremacy of France, he counted upon the aid of Austria and the perfect state of his own army, but only to learn when too late that Austria would remain neutral and that, in the pride of his supposed power, he had declared war before his army was ready for the conflict. After a slight success at Saarbrück, the the French experienced a series of crushing defeats. Victory after victory was gained by the Germans. Within but a few days from the commencement of the struggle, the French army had surrendered at Sedan, the French Emperor was a prisoner and the German army was marching on to Paris.

It is worthy of note here, that but for the union of the Northern and Southern States of Germany, the issue might have had a very different result. France might have been triumphant, in whole or in part, and in either case, a large part of Europe would have had to suffer again all the horrors of war.

And if any think that this historical review is beyond the question, let it be remembered, that the object is to show that war has always been the chief incentive to federation, and that federation offers the best exemplification of the fact, that to be well prepared for war is the only way to ensure peace and safety.

It was war, which drew the Northern and Southern federations of Germany together, reconciled mutual dislikes, and disputes and taught them the value of concerted action. Had the German States learned this lesson but a few years earlier, Buonaparte's forced occupation of the country, while passing through to Russia would have been impossible; the fearful sufferings caused by demands for labour, lodgings, cattle, horses, vehicles and rations, to supply the necessities of an army of 400,000 men, could never have been imposed; tens of thousands of valuable lives would have been saved, and the ambition of that cruel despot, cut short in an early stage of his career. And besides this, all the losses and sufferings which Germany had sustained through the jealousies and rivalries of sister States would also have been prevented.

But the time came at last. Lessons written in the blood of the people are well conned by those who suffer. That nothing succeeds like success is true of nations as well as of men. The advantages of united action having given the victory to the Germans, the Southern States agreed to sink all local jealousies and federate with the Northern States under one imperial head, "in one eternal union for the protection of the territory of the Union and the care and welfare of the German people."

Summary of the Germanic System.

Thus was the great Germanic Federation brought about. It was agreed that each State should retain its right of independent self-government, and that matters only of national interest should be remitted to the authority of a parliament, consisting of the Emperor, advised by the Chancellor of the Empire, who is alone responsible to the Emperor without the aid of any ministry, and two chambers, the "Bundesrath" or Federal Council and the "Reichstag" or Federal Parliament.

The "Bundesrath" consists of 59 members nominated for each annual session by the governments of each of the twenty-six States which are comprised in the Union, each State having a certain agreed number of members fixed by the Constitution, in proportion to the number of its respective population.

The "Reichstag" or Federal Parliament consists of 397 members, elected for three years, by universal suffrage, under the principle of the ballot, each state having an agreed number of members in the proportion presently and approximately of about one member to each 120,000 of those entitled to vote.

The votes in the two assemblies are settled by the Constitution as follows. Prussia has 17 in the Bundesrath and 236 in the Reichstag; Bavaria has respectively 6 and 48; Würtemberg 4 and 17; Saxony 4 and 23; Baden 3 and 14; Mechlinberg-Schwerin 2 and 6; Hesse 3 and 9; Oldenburg, Saxe Weimar and Hamburg each 1 and 3; Brunswick 2 and 3; Saxe-Meningen, Saxe-Coburg-Gotha and Anhalt 1 and 2 and the remainder 1 vote in each assembly. Alsace Lorraine has 15 votes in the "Reichstag" but in the "Bundesrath," it is represented by 4 Commissioners without votes appointed by the Stattholter. To the "Bundesrath" is appointed 59 votes and to the "Reichstag" 397, and as each vote is exercised by a separate member, the the number of voting members is thus fixed.

The Chancellor is *ex officio* president of the "Bundesrath;" the "Reichstag" chooses its own.

The "Bundesrath" or Federal Council is convened and dissolved at the will of the Emperor. No measure can be introduced into the "Reichstag" or Federal Parliament without its previous sanction, nor can any measure be subsequently passed by the

"Reichstag" so as to become law without its concurrence. It generally sits if possible at Berlin, when the Prussian provincial parliament is not in session. A simple majority is sufficient to carry a vote in the "Bundesrath," and this council acting under the direction of the Chancellor of the Empire, in addition to its legislative functions, represents also a supreme administrative and consultive board and as such has eleven standing committees viz. :—for the army and fortresses; naval matters; tariff, excise and taxes; trade and commerce; railways posts and telegraphs; civil and criminal law; finances; foreign affairs; Alsace-Lorraine, which reckoned as Reichs-land (State land) has not at present any provincial assembly; matters affecting the constitution; and the arrangement of business. Each committee consists of representatives of at least four States of the Empire besides the president; but the foreign affairs committee includes the representatives of Bavaria, Saxony and Würtemburg and of two other States annually selected by the "Bundesrath."

To the "Bundesrath" or Federal Council is also assigned the the settlement of all disputes between the Federated States, the granting of any decree against any recalcitrant State and the approval of all decisions of the "Reichstag."

To the "Reichstag or Federal Parliament is given the right to decide upon the general defences; the organization, mobilization and employment of the army and navy, which are formed of the united forces of the several States; the imposition of taxes and the employment of the moneys so raised for defence purposes; the ratification of foreign treaties or declarations of war or peace; the reversal of any act of the Emperor; the control of posts and telegraphs (except in Bavaria and Würtemburg); the right of fixing or amending the tariff, (except as to two dissenting States); the construction (but not the management) of such railways as it considers necessary to the defence of the country; and the right to decide upon all modifications of the constitution. But all laws, before they can take effect must have been passed by majorities of the two councils.

The "Reichstag" must be convened annually, but cannot be assembled unless the "Bundesrath" is also in session. Its proceedings are public and the members are unpaid but enjoy various privileges and immunities. A dissolution of the "Reichstag" before the end of three years requires the consent of the "Bundesrath" and the new election must take place within sixty days, and the meeting of the new "Reichstag" within ninety days after the dissolution. The legislative sessional period has very recently been increased from three to five years. The "Reichstag" elects its own president. The members of the "Bundesrath" have the right to speak in the "Reichstag" but not to vote. And no one can be a member of both assemblies at the same time. All national laws must receive the votes of

an absolute majority of both assemblies, and to be binding must in addition have the assent of the Emperor and be countersigned when promulgated by the "Reichskanzler" or Chancellor of the Empire.

The Constitution provides that whenever the laws of the Empire come into collision with those of the parliament of any State, the latter must be held as abrogated and in all disputes between individual States, the imperial jurisdiction, that is the Emperor and the "Bundesrath" in Council is supreme and final. Changes in the Constitution can only be effected by imperial law and they are held to be rejected if fourteen votes are given against them in the "Bundesrath."

There is no Executive Council. The executive power resides in the Emperor on his order alone, aided by the advice of the Chancellor, who must countersign all orders.

But to assist in the management of imperial affairs, a number of officials, but not possessing any ministerial power, have been appointed from time to time, for the management of the different departments of the State.

According to the Constitution, to the Emperor is given the making of foreign treaties, the declaration of war, the proclamation of peace and the appointment and reception of ambassadors, but subject always to ratification or reversal by the "Bundesrath," save as to a declaration of war in case of invasion, in which case the Emperor's declaration alone is paramount; and by the "Reichstag" as to all other matters or orders.

To this very complete system of Legislative, Administrative and Executive government has been added, the assistance of the "Reichsgericht," a Supreme Court of Appeal, the powers of which as the crown of a very perfect system of judicial authority, more particularly described hereafter, can be invoked in case the Emperor or any State should attempt any action, or either of the Legislatures should pass any measure which shall be contrary to the spirit of the Federal Union.

And besides the foregoing provisions for the proper carrying out of Federal Government, the Emperor and the Federal Council and Parliament have organised a National Bank of Issue, and following the example of the Federal Government of the United States, have, since the year 1871 established in Berlin an Imperial Bureau for Statistics which does excellent work having published many volumes and charts giving much valuable geographical, statistical and typographical information.

The Germanic Federal Judicial System.

The present Federal Judicial System was adopted upon an uniform basis by the several Statesin 1879, under the Federal

measures known as the "Judicature Acts of 1877 and 1878." Up to this period the "Bundesrath," or Federal Council had decided all Federal disputes, for which reason the constitution then required that every member of such Council should be a lawyer or at least be entitled to practice as one. The pressure of the demands of this nature which were ultimately made upon the "Bundesrath" became so great, that the creation of a new court, to which would be specially assigned the settlement of all national questions, and all disputes between the various States was found to be absolutely necessary. This led to the establishment of the "Reichsgericht" which is the Federal Supreme Court of Appeal of the whole Germanic Empire. This Court which was established in 1879 and sits at Leipsic, takes the place which the "Federal Tribunal" holds in the Swiss Union and that which the Federal "Supreme Court of Appeal" holds in the Federal Union of the United States of America. It settles on appeal all disputes between the Federal Executive and any State, or between any States as to Federal matters, and has power to decree execution against any State which neglects to fulfil its obligations to the Empire. Such decrees are carried into effect by the order of the Emperor. Appeals lie to this court even from jury trials. It possesses original jurisdiction in the case of treason. It is divided into Civil and Criminal Senates with a General president, Senate presidents and Councillors appointed by the Emperor on the recommendation of the "Bundesrath." Seven members are required to be present in order to give a valid decision in any of the Senates (which is another name for a divisional court.) And in the *plenum*, or meeting of the full Court, which is necessary in all questions affecting the Federal Constitution a third of the entire number of its members must be present to constitute a egal quorum.

There are twenty-one judges of the "Reichsgericht" or Supreme Court of Appeal who are appointed by the "Bundesrath" or Federal Council.

The Judges of the other Courts are appointed by the several States and under the new Judicature system these courts consist of the "Amstsgericht" which with one Judge tries small civil causes and minor offences. The "Schiffengericht" which with one judge and two assessors tries maritime causes and offences; the "Landsgericht" which divided into Civil and Criminal Chambers with a President and two Directors tries civil causes to be tried without a jury, or with three judges and twelve jurymen tries more important civil causes and the more serious criminal charges; and the "Oberlandsgericht" which divided into civil and criminal Senates, each composed of a President and four councillors has revising jurisdiction over all the foregoing courts. But in most cases there is a right of direct appeal to the "Reichsgericht" or Federal Court of Appeal.

The Penal and Commercial codes are now uniform throughout Germany, but the civil code is still administered in Lorraine and Rhenish Prussia; the Prussian laws in the greater part of Prussia and the German Common law in Saxony, Bavaria and part of Prussia.

The Germanic Fiscal System.

Up to 1879, a free trade policy may be said to have prevailed throughout the German Empire. But by a law passed in July 1879 the Germanic Union committed itself to an extreme protective system. All import duties were greatly increased and duties were imposed on many articles hitherto free. The Government hoped by such increases not only to stimulate enterprise and give increased employment but to secure a gross Federal income which would relieve the Federated States from any necessity to contribute to the expenses of the Federal government. An examination of the results of this scheme as exhibited in the following statistics will show that the hopes of the Federal government have already been well fulfilled and promise a much greater success in the course of another decade.

The average imports and exports immediately before the adoption of a policy of protection were respectively £187,100,000 and £125,200,000. In 1888 they had increased respectively to £257,690,300 and £247,739,400. These figures show that the trade of the country was nearly doubled in less than ten years.

The customs and excise duties yielded in 1877-78 the sum of £5,768,000. In the budget for the current fiscal year ending on June, 1890, they were estimated to produce £26,404,345.

In 1878 the profits on the note issue of the Imperial Bank yielded £100,000. In 1888 they increased to £852,500.

In 1878-79 the net profits on the railways, postal and telegraphic services were only £1,332,220. In the budget for the year 1890 they were estimated to produce £2,418,325.

The Germanic Federal Defence Force.

The army system as settled by the Military Organization Bill of 1888 compels every German from seventeen to twenty-nine and from thirty-nine to forty-five to serve in the Landsturm, a force which is not to be called out except in case of great necessity. From his twenty-first year to his twenty-eight year he must be a member of the Standing Army. Of this time, seven years, three must be spent in active service and the remainder in the Army of Reserve. Those who pass certain examinations, only require to serve one year with the colors. After this, from twenty-eight to thirty-two, he spends five years in the first-class of the Landwher and from thirty-two to thirty-seven he belongs to the second class Each State has the right to nominate all the regimental officers subject to the approval of the Emperor.

The whole land forces form one united army bound to obey unconditionally the orders of the Emperior. On a war footing the army comprises about 2,267,000 men, exclusive of the Landsturm. The cost for 1889-90 was about £22,750,000.

The German navy consisted in 1889 of 77 vessels with a tonnage of 186,196 tons. Of these 12 are sea-going ironclads; 14 armour clad boats; 18 frigates and corvettes; 3 gun-boats; 7 despatch boats; 4 unarmoured cruisers; 10 training ships; and 9 others. This fleet is manned by 15,246 men and boys, 10 admirals, and 688 other officers and 90 surgeons. The sea-faring population are liable to serve in the navy instead of the army. They are estimated at 80,000 of whom 48,000 are serving in the Merchant Navy at home and 6,000 in foreign navies. After three years active service, each seaman spends four years in the first-class of the Seewher, which corresponds to the Landwher of the army. Seamen who have not served in the navy belong from seventeen to thirty-one to the second class of the Seewher. The estimated cost of the German navy for 1889-90 was £2,555,395.

Summary of Results.

This grand federal union which was the work of Bismarck, was was modelled on that of the Northern German Confederation, with the idea of interfering as little as possible with the sovereign powers of the several States. And it must be a matter of gratification for us to know, that Bismarck said of it "Our Constitution possesses a self-constructive faculty resembling that to which the British Constitution owes its formation."

In one respect however it follows somewhat after the lines of the Swiss Federal Union system. There is no responsible ministry under the Germanic Federal plan of government and so, like the Swiss system the government is independent of all changes in the relative strength of the various parties in the Federal Parliament. But while under the Swiss Federal system there is an Executive of seven members, the Emperor, with the Chancellor of the Empire as his adviser, form the sole Executive in Germany, and initiate whatever alliances they please on behalf of the government, first, with the one party and then with another, according to the object in view, and if defeated, the government as is also the case under the Swiss system, is not required to accept the result as a defeat or to dissolve parliament, but may submit other measures from time to time until a dissolution takes place by effluxion of time.

Upon this plan of Fed[illegible]ation, since completed by the establishment of the "Reichs[illegible]ht" or Supreme Court of Appeal, the Imperial Crown was [illegible]red to the King of Prussia, and on the first day of January, 1871, William of Prussia was elected Emperor of an United Germany by the representatives of twenty-six States, of which it is worthy of note twenty-two are Monarchical, three Republican, and one an Imperial power.

Such a powerful combination seems to afford a solid guarantee for peace. While it secures the United Empire from being again weakened by internal civil dissensions, to which while disunited the several States had been exposed for centuries, it has made for itself an unassailable position in Europe, which could never have been obtained by a mere alliance of separate countries.

And such will be the result of a Federal Union of Australasia. It will give the combined States an acknowledged power in the world, and will make Australia as "the Sea Queen's Youngest Daughter," the Vice-Regent of the Southern Seas.

As to the Cost of the Germanic Federal Union.

The Federal revenue of the German Empire is derived chiefly from customs, excise and other dues on tobacco, salt, beet-root, sugar, brandy and malt, stamps, the profits of the railways, posts and telegraphs which are nearly all State properties, the profits made on the note issues and the general business of the Imperial State bank and a contribution from the Federated States. It was estimated for 1890 at £48,402,691, towards which the customs and excise contributed about £26,254,320; the net profits on the railways, postal and telegraphic services yielded about £2,418,325; the profit on the business of the Imperial bank £857,550; and the Federal States the sum of £11,057,028. The estimated expenditure was £47,267,870, of this £871,200 was absorbed in discharging the cost of Federal government at home and abroad; £3,000,000 in military and other pensions; and over £28,000,000 in the cost of the army and navy expenses.

But the expenses of the Federal government with which the present work is concerned is by no means heavy, considering that there are twenty-six Federated States represented by 456 members. In the Federal Parliament the members of the "Bundesrath," or Federal Council, being appointed by the government of the several States, have no claim on the Federal government, and as to the members of the "Reichstag," or Federal Parliament, the articles of the constitution specially provide that no member shall receive any salary or other compensation for his services. The entire cost of officials, and papers, and printing are estimated in the budget for 1890 at £19,176 for the Reichstag, and of £7,118 for the Chancellery. These sums cover the salaries of the Chancellor of the Empire; of the twelve departmental Secretaries; of the President of the "Reichstag;" of a large staff of officials of both councils, and the travelling expenses of the members of both houses. Adding expenditure on foreign affairs £425,942, and on home affairs £418,658, the total cost of Federal government alone is but £872,000. Reckoning the population at 50,000,000 this charge amounts to less than five pence per head, but including all military, naval and other charges it is increased to about eighteen shillings.

SUMMARY OF THE FOREGOING REVIEWS OF THE VARIOUS FEDERAL SYSTEMS.

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The preceding reviews of the four chief Federal constitutions clearly shows that the preservation of national existence has been the leading inducement of every such Union. For no other cause would any separate peoples forego any of their own separate rights of local government. The main question, which must present itself to every citizen, when it is proposed that his country should federate is assuredly this:—How many matters of legislation now dealt with in the parliament of my own country, under my own observation will federation presently and ultimately take from such parliament and give in future to the sole determination of a central or Federal parliament, sitting it may be, at some remote distance?

This question demands the most serious consideration of every Australian who is now living under the enjoyment of a liberal system of self government. It is a subject fraught with deep importance. It is too momentous, to be allowed to become the battle-dore and shuttle-cock of party politics. It should not be left to the representatives of the people. It is essentially a question for the peoples themselves; for them to study and for them and them only to decide.

Some sacrifice of local legislative powers, must of course be suffered, by each federating State, to secure the advantage of Federal Union. But it behoves all of the present generation, to proceed with the greatest caution, and to be sure on behalf of themselves and of those who will succeed them, that no larger powers be conceded than are absolutely essential to Federal Union; and none which are incompatable with the continued independence of each colony, in all matters of local self-government.

To enable the peoples to form a sound conclusion, upon their own unbiassed judgment and not as mere blind followers of some political leader, tabulated statements are submitted, which will show at a glance how much of their legislative powers, the four nations, mostly experienced in Federal Union have relinquished to their respective central governments.

The Swiss Federation.

Constitution. A "Federal Assembly," (Bundes Versammlung,) consisting of the "Federal" or Executive Council (Bundesrath) of seven members, and two chambers "The Council of the States" (Standes Rath) and the "National Council" (National Rath). Every Federal law must be initiated by, or in, and be submitted by the "Federal Council" to the two chambers, which must concur in the same, sitting and voting together when prompt action is necessary. The "Federal Council" has the sole command of the army, but its direction in the field is committed to a General appointed by the "Federal Assembly," i.e., both chambers.

Legislative Powers to be exercised by both chambers.

1. General Defences, with power to make levies on each Canton.
2. Foreign Treaties.
3. Declaration of War or Peace.
4. Regulation of Coinage.
5. Control of Postal System.
6. Amendment of Federal Constitution.
7. Tariff, Excise and Income Tax.
8. Appointment of a Supreme Court of Appeal.

Executive Powers. These are given to the "Federal Council" of seven members, elected for three years by the two chambers sitting together. The President possessing no special power or vote or veto.

Legislative and Executive Revision Powers. All revisions of the constitution must be initiated by the "Federal Assembly," that is, the two councils sitting together; or on the petition of 50,000 voters. Every such revision and every action of the councils, is liable to be defeated by a majority of the votes of the people, taken under the principle of the "Referendum"—if demanded by 50,000 voters.

The "Federal Tribunal" (Bundesgericht), instituted on the lines of the "Supreme Court of Appeal" of the United States settles all Federal disputes between the Cantons, and acts generally as a Court of Appeal.

The American Federation.

Constitution. A Federal Parliament consisting of the President and a Cabinet, consisting of 7 Ministers and two chambers. "The Senate" and a "Lower House." The two houses are together styled "The Congress." The President can veto any bill passed by Congress, but such veto can be reversed by majorities of two-thirds of both houses.

The President is Commander-in-Chief of the navy, army and militia.

Legislative Powers of "The Congress."

1. General Defences, with powers to impose taxes on each State for such and all Federal purposes.
2. Foreign Treaties.
3. War and Peace.
4. Coinage, National Banks of Issue, and Weights, and Measures.
5. Postal System and Post Roads.
6. Amendment of Constitution.
7. Tariff and Excise.
8. Patents and Copyrights.
9. Railways (Interstate) and Public Works helpful to commerce.
10. Navigation and Shipping (Foreign and Interstate).
11. Legal Tender.
12. Criminal Law, relating to Federal and Foreign National matters.
13. Reversal of action of President.
14. Signal Service (Beacons, Buoys and Light Houses).
15. Agricultural Department.
16. Appointment of "Supreme Court of Appeal."

Executive Powers. These are given to the President on his order alone, but subject to reversal, as above mentioned, by majorities of two-thirds of the "Congress."

Legislative and Executive Revision Powers. The Supreme Court of Appeal, consisting of nine Judges nominated by the President and appointed by the Senate, has powers superior to Senate House and President combined, and can negative all measures inconsistent with the constitution, at once; and make decrees against any recalcitrant State.

The Canadian Federation.

Constitution. A Federal Legislature consisting of a Governor-General, a nominee Privy Council, and a Senate consisting of eighty members also nominated by the Governor-General for life; and a House of Commons of 215 members elected for five years.

The Imperial Government retains full control over all Federal Legislation, under a right of disallowance as to acts passed, if exercised within two years.

The Queen has command of all naval and military forces.

Legislative Powers of Federal Parliament.

1. General Defences, with power to impose taxes on each province for such and all Federal purposes.
   Foreign Treaties :—An Imperial Power.
   War and Peace : An Imperial Power.
4. Coinage, Currency, Banks, and Weights and Measures.
5. Postal Service.
   [Amendment of Constitution :— An Imperial Power.]
7. Tariff & Excise;—[some provinces, excepted.]
8. Patents and Copyrights
9. Inter-provincial Railways.
10. Navigation and Shipping:—[Foreign and Inter-provincial.]
11. Legal Tender.
12. Criminal Law :—[Inter-provincial, Federal and Foreign.
14. Beacons, Buoys and Light-houses.
16. Appointment of a Supreme Court of Appeal.
17. Consolidation of Public Debts of Entire Dominions.
18. Census and Statistics.
19. Federal Salaries.
20. Quarantine,
21. Sea Coast and Inland Fisheries.
22. Ferries.
23. Savings Banks.
24. Bills of Exchange and Promissory Notes.
25. Interest.
26. Bankruptcy and Insolvency.
27. Naturalization and Aliens.
28. Marriage and Divorce.
29. Management of Prisons.
30. Any other matter not assigned to provincial legislatures.

Executive Power. The Governor-General and a nominee Privy Council of 14 members.

Legislative and Executive Revision Powers. The Governor-General can veto any "Provincial" or "Dominion" Act, and the Queen in Council can veto any Dominion Act, although the same may have been assented to by the Governor-General.

The Germanic Federation.

Constitution. A Federal Legislature consisting of the Emperor, aided by the Chancellor, acting without any Executive Council or Ministry, and the "Bundesrath" or Federal Council, and the "Reichstag," or Federal Parliament. All laws must be originated in one of such chambers, as mentioned below, and must be passed by a majority of both chambers.

The principle of any new law must be first approved by the "Bundesrath," before submission to the "Reichstag," and on being passed by the last, must be confirmed by the first mentioned council.

The Emperor is Commander-in-Chief of the united forces of all the Federated provinces.

Legislative Powers of the Two Chambers.

1. General Defences, with power to tax each Federal State. Legislation to be originated in the "Reichstag."
2. Ratification of Foreign Treaties made by the Emperor. To be originated in the "Reichstag."
3. Ratification of war or peace declared by the Emperor, To be originated in the "Bundesrath."
4. National Bank of Issue. [Regulation of Coinage left to each State.]
5. Control of Posts and Telegraphs. Legislation to be originated in the "Reichstag."
6. Amendments of Constitution. To be originated in the "Bundesrath"
7. Tariff and Excise : except as to dissentient States.
   [Patents and Copyrights left to each State.]
9. Approval of Railways necessary for Defence. But not the construction or management of. Legislation to be originated in the "Reichstag."
13. Reversal of action by the Emperor. Legislation to originate in the "Reichstag."
15. Agricultural Department.
16. Appointment of the "Reichsgericht" or "Supreme Court of Appeal."

Executive Powers. The order of the Emperor countersigned by the Chancellor; subject to reversal as above No Executive Council.

Legislative and Executive Revision Powers. All amendments initiated in the "Bundesrath."

The "Bundesrath" determines all disputes between States.

The "Reichsgericht" is the Supreme Court of the nation, and enforces all orders and decrees of the Emperor or the Councils.

The powers which have been relinquished by Switzerland, America, Canada and Germany to their respective Federal governments have been placed and numbered in the preceding tabulated statements, in the same order, so that a glance may show how far they agree and in what respect they differ.

It will be seen that while each Canton of Switzerland, each State of America, and each principality, dukedom and republic of Germany have only relinquished such matters of national interest, which it is good for all should be committed to a central government, the Canadian provinces have surrendered the bulk of their own legislative powers. They have submitted to a process of amalgamation, which is very different to Federal Union. They have, in fact placed themselves in the same position with respect to their federal government, which Ireland holds under the union with respect to the Imperial government: and with this additional disadvantage, that while the most remote part of Ireland, is but a few hours removed from the British parliament, many of the Canadian provinces, are too far away, to permit of suitable representation, in a federal parliament sitting at Ottawa.

It cannot therefore be a matter of surprise, that with such a proposed relinquishment of their self-governing powers, several of the Canadian provinces, notably those of insular position or remote from the centre of the seat of government, stood out for a long time against union, Newfoundland still preferring to remain independent.

Under these circumstances, the Canadian federation, which dates from 1867, at first included only Upper and Lower Canada, Nova Scotia and New Brunswick. The joinder of Manitoba, which originally formed part of the Hudson Bay Territories, or Rupert's Land was effected in 1870. British Columbia which included Vancouver's and Queen Charlotte's Islands, followed in 1871; Prince Edward Island in 1873, and the remaining part of the North Western Territories and Rupert's Land joined under the name of the North Western Territories in 1876.

It is however probable, that even this tardy assent to such a complete centralization of government, would not have been secured but for the concurrence of several powerful inducements.

Fears of possible aggression on the part of the American States and their actual withdrawal from all reciprocity in trade, combined to impel the Canadians to enter upon a national policy of protection. By these means they hoped to make up for the loss of American markets, by securing the profits of their own home trade. But for such change of fiscal system, Canada must have become the "slaughter house" for the surplus productions of America, to the certain discouragement of Canadian manufactures. And it was the very obvious fact, that such a change,

under which it would be necessary, to guard their "home trade" along a very extensive frontier, could not be accomplished without Federation, coupled with promises of a large outlay of British capital in the construction of railways and canals, which mainly brought about the Canadian Federation.

But the assumption by a central government of nearly all authority, must always carry with it, an element of disintegration, in the discontent, which will assuredly follow. It cannot be expected that the nations, which, in a few years will grow up in the far outlaying provinces, will rest satisfied to be governed by a Parliament, sitting perhaps, two thousand miles away. Would Great Britain submit to be ruled by a House sitting for example at Cyprus?

Under such circumstances it will not surprise that at a conference at Quebec in 1887, a series of very sweeping constitutional changes were proposed, which indicate, that a system of such complete centralization of powers, will not be permitted to continue. Besides this, Newfoundland still refuses to join, and very recently Nova Scotia has threatened secession, unless her provincial powers of government are restored.

But the resumption of powers once surrendered, may only be accomplished after much suffering and if bad counsels prevail, not perhaps without the horrors of a civil war. Australians will therefore do well, to take to their hearts, the lessons of prudence, which a comparison of the several systems of Federation afford and refuse to submit to that sacrifice of local legislative powers, which some leaders would force upon them, in urging Federation upon the plan of the Canadian Dominion.

Such an extreme centralization of government should be avoided and especially so by Australia. The separate colonies of which she is composed and those which have yet to be founded within her enormous area, cannot possibly hope for satisfactory rule by a central government, on any but defence and other purely national matters. If Ireland or Scotland has grounds of complaint, that a central parliament, sitting but a few hours journey away, is incapable of proper legislation for its local requirements, how would it be possible for a central government in Australia, to deal with the local needs of provinces situated many days journey from the seat of Federal government? How could Kimberley or Perth in Western Australia, or Cooktown, or Cairns in Northern Queensland, be properly represented in a Parliament sitting say at Albury? Excellently well in matters of defence, oceanic and intercolonial postal contracts, and in all matters of national interest but most imperfectly as regards local requirements.

But there are other objections to the grant of unreasonable powers to a central government in Australia. There are ques-

tions arising out of the climate and natural productions of Northern Australia and consequently relating to labour, which no central government could ever hope to deal with, unless the Imperial government, with a proper sense of the necessity of developing the great tropical wealth of Northern Australia, be pleased to establish several crown colonies there and to make it a condition of their establishment, that notwithstanding Federal Union, some Asiatic race should be employable in such colonies, under proper restriction as to numbers and solely in field work and only as far south as say, the twenty-fifth degree of south latitude.

Upon this point it may be observed that while the white man cannot labour in the open in the tropics, the employment of every thousand of Asiatics, would necessitate the employ of at least one hundred white men as overseers, clerks, engineers, and store, and draymen and besides this, would bring business to a large number of merchants, storekeepers and others. This was the result of the employment of kanaka labour in the sugar districts of Queensland and provision could be made by law, that such labour should only be employed in the open, in forestry, plantation, canal and irrigation works.

Unless some such arrangement be made, before Federal Union be accomplished, a full fourth of the richest part of the great continent of Australia will remain for ever undeveloped.

But whatever may be ultimately done on this point, the enormous areas of some of the present colonies of Australia and their differences of climate and possibilities of development, demand, that prior to Federal Union, a division be made into manageable areas and with separate and independent powers and parliaments.

These powers so far as they are intended to be absolute and unalterable should be limited, both as regards Federation between the colonies and between them and the mother country, to matters of defence only, with authority to enforce a tax for such purpose, not exceeding some small sum per head, leaving all other matters as to which Federal action may be necessary, to be entered into from time to time at the pleasure of each colony. In this way a full and complete union as to all needful matters will be arrived at more quickly and with greater satisfaction, than by forcing any immediate and more comprehensive system. If permitted to be thus self-developed, the Federal Union of Australasia following the lines of the Federal systems of the United States and Germany, with such variations as are more in consonance with British Constitutional government, will doubtless ultimately take the form suggested in the following outline of a Federal constitution, to which all or any part of Australasia might well subscribe, without loss of individual power.

PROPOSED OUTLINE OF THE AUSTRALIAN FEDERAL UNION.

CONSTITUTION. A Federal Legislature, consisting of a Governor-General and a Privy or Executive Council of an agreed number of members, nominated by the Governor-General, and elected for life by the two Houses of Parliament sitting and voting together. And a Parliament, consisting of a Senate composed of one member for every 250,000, or fractional part of such number, of the population of each State, elected by the holders of some agreed freehold, leasehold, university or professional qualification; and a House of Commons, consisting of one member for every 100,000, or fractional part of such number, of the population of each State, elected for five years by the votes of the adults of each sex. No such fractional parts to count for an increase of the Senate unless over 100,000, nor for an increase of the House of Commons unless over 50,000.

The Imperial Government to retain all its present rights as regards each State, and State legislation, and to have like powers as regards Federal legislation as to vetoing measures if repugnant to British laws in respect of Marriage and Divorce and other agreed subjects.

The Government of each State to retain all its present rights save as to the following:—

LEGISLATIVE POWERS OF THE FEDERAL PARLIAMENT.

1. General Defences, with power to impose and enforce taxes required by the British or Imperial Government, and authorised by the Federal Parliament for outside Defences and other agreed purposes, or by the Federal Parliament alone for local Federal purposes, but not in any case exceeding an agreed limit.
   [Foreign Treaties:—An Imperial Power.]
   [War and Peace:—An Imperial Power.]

AND AS TO ANY STATE THAT MAY PLEASE TO CONCUR IN RESPECT OF

4. A National Bank of Issue with branches in each concurring State.
5. Control of Oceanic and Inter-state postal, telegraphic and telephonic contracts, but not the management of such operations in any State.
6. Amendment of Federal Constitution subject to approval of British Parliament.
7. Tariff and Excise duties as to such States as agree.
8. Final Approval and Issue of Patents and Copyrights, first approved by each State.
9. Approval of all railways, canals, and irrigation systems, and other public and private works not wholly within one State: the sole control of all riparian rights and the construction of all Federal works.
10. Navigation:—Foreign and Inter-State.
11. Legal Tender
12. Criminal Law relating to Federal and Foreign National matters.
14. Signal Service, including Beacons, Buoys and Light Houses.
15. Agricultural Department, as in the United States and Germany.
16. Appointment of Supreme Court of Appeal.

EXECUTIVE POWER. The Governor-General and Privy or Executive Council.

LEGISLATIVE POWERS. The right to veto any action of the Governor-General and Privy Council of Australia which may be inconsistent with or in excess of Federal Powers, by a two-thirds majority of both the Houses, for such purpose sitting and voting together. Any measure within Federal Powers may be originated in either House, but both must concur.

LEGISLATIVE REVISION POWERS. The Supreme Court of Appeal, consisting of a Chief Justice and an agreed number of Judges appointed by the Governor-General in Council. The Court to have power to veto all measures inconsistent with any Federal or Imperial law relating to marriage and divorce and other agreed subjects and to enforce all orders and decrees of the Federal Parliament.

There now remain some matters which if not essential to a proper system of Federation are yet so necessary to its complete development, that it is proposed to consider them as fully as space will permit. And in the following order:—

1. Of equality in State areas.
2. Of an uniform tariff.
3. Of the appointment of governors.
4. Of a Supreme Court of Appeal.
5. Of consolidation of the public debts.
6. Of a Federal Capital.
7. Of an uniform railway guage.
8. Of transit and irrigation canals.
9. Of forest plantations
10. Of fruit culture.
11. Of National Banks of Issue.
12. Of British or Imperial Federation.

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1.—OF EQUALITY IN THE AREA OF EACH STATE.

Although the area included within a Federal government. cannot well be too extensive provided its powers be limited to defence and other strictly national matters, the separate areas committed to the local governments of the Federated parts, should be limited to boundaries from which a common centre can be quickly reached.

Not the least difficulty of the many, which America had to encounter, when, after obtaining independence, she desired to preserve it by Federal Union, was the correction of the great inequalities which then existed in the areas of her several states.

Without setting up any rule in a matter not always capable of precision, it was agreed that all the States should have an area as nearly equal as circumstances would admit; and that none should be so large as to tend to unequal representation or power.

Under this arrangement some states were divided, others enlarged and the whole so dealt with, as to divide it into States averaging about 50,000 square miles.

But the errors of those who advised in respect of the early divisions of America, have been greatly exceeded with regard to those of Australia.

New South Wales had at first an area of over 1,000,000 square miles. Out of this. Victoria was formed, with only 80,000 square miles. And then Queensland was detached, with an area

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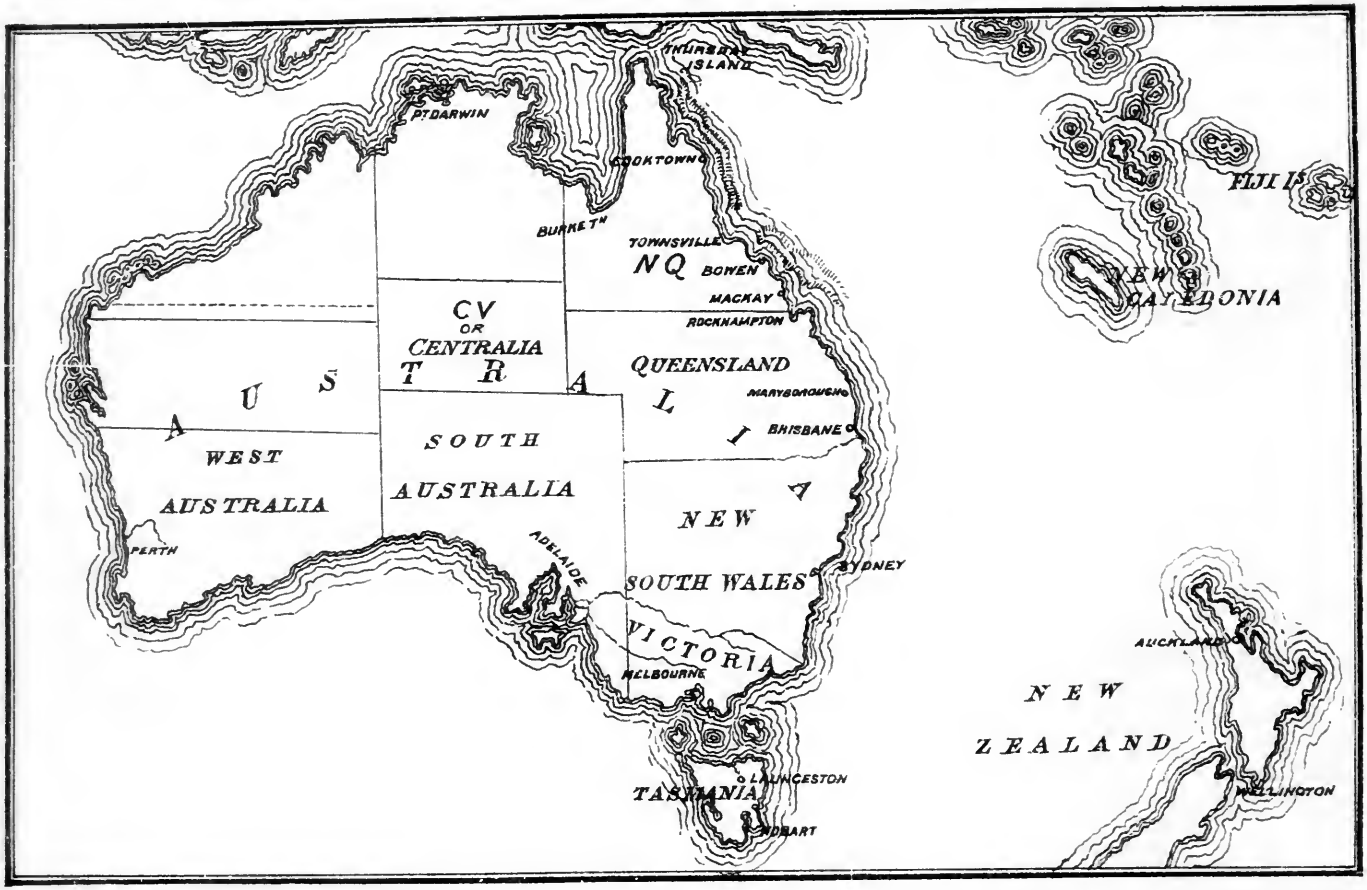
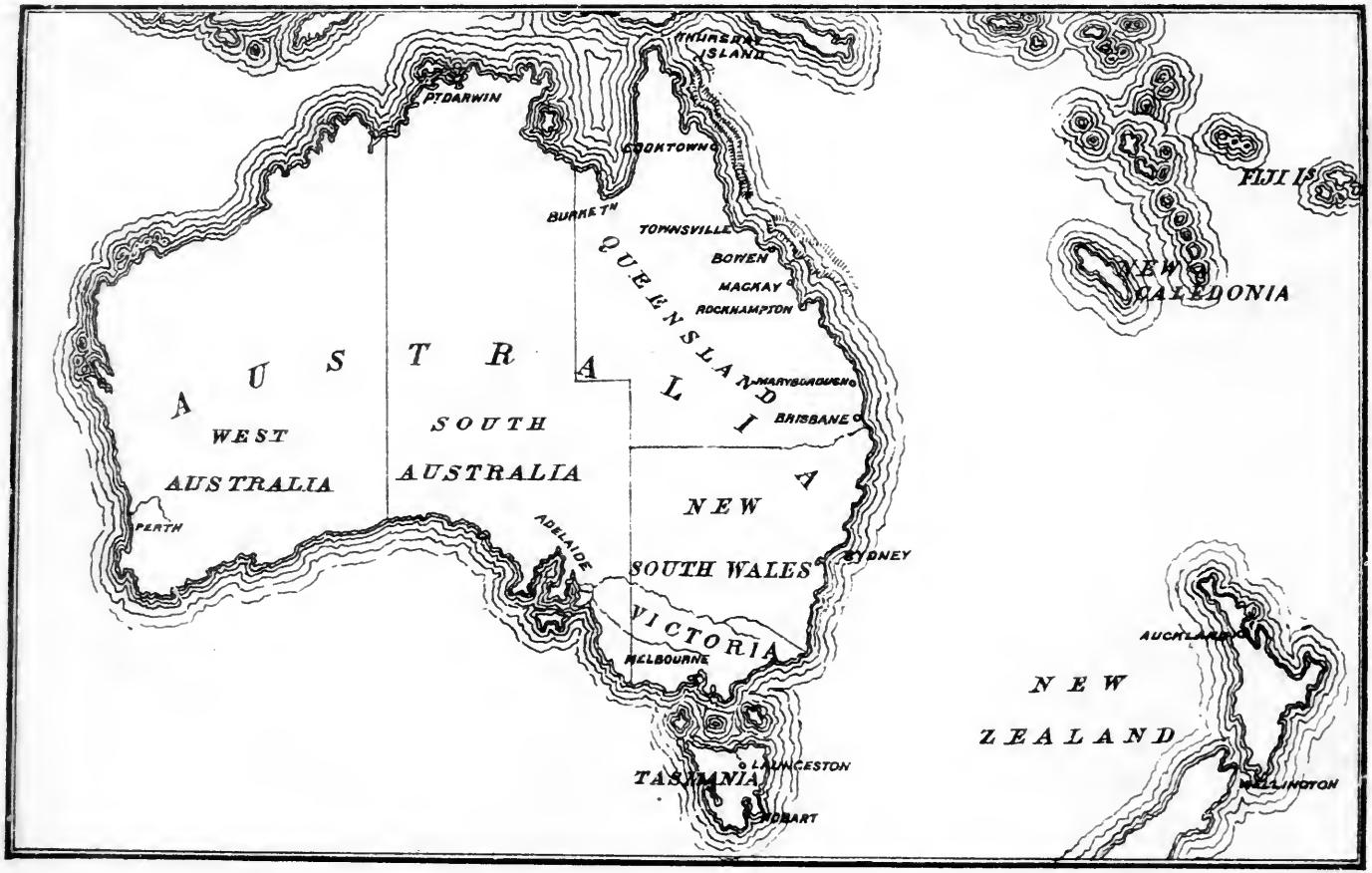


AUSTRALIA WITH PROPOSED DIVISIONS

AUSTRALIA WITH PROPOSED DIVISIONS



AUSTRALIA AS NOW DIVIDED

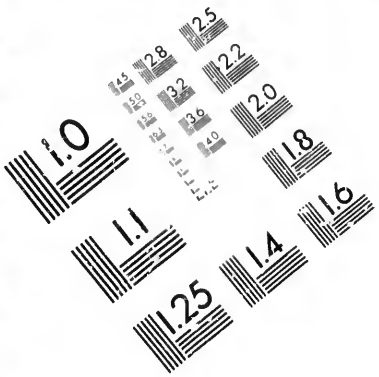
of 678,000 square miles leaving the mother colony with a territory of 323,000 square miles, which is just equal to the combined area of Germany and Italy.

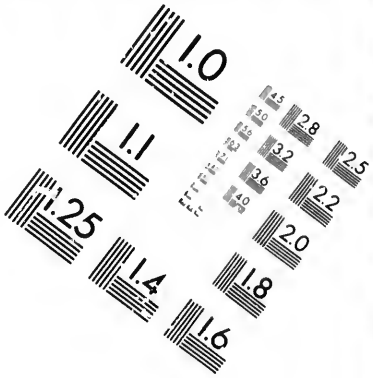
South Australia, although originally formed with an area of 300,000 square miles, was enlarged in 1861, by the addition of 80,000 square miles, being a strip of land lying between that colony and Western Australia. This combined area, exceeding six times that of England and Wales and more than equal to seven of the States of America, was again enlarged by the addition of the Northern Territory comprising an area of 523,630 square miles. This extensive country having a magnificent harbour, many rivers and a soil capable of growing tea, sugar, spices, coffee, silk and every kind of tropical produce and rich in gold, copper, tin, and lead, should have been erected into one or more crown colonies. Instead of this it was most unthriftly put under the management of South Australia! under the management of a colony which can only reach it by a voyage of upwards of five thousand miles!

Had this magnificient country been created into a separate colony, its productions, with the aid of Asiatic labour, directed by British capital and intelligence, would have yielded an enormous return. While its area is one third that of China, is most fertile and possesses a more equitable climate, the present result of the undertaking given by the South Australian government, to form a new colony, shows only after an occupation of over thirty years a population of less than four thousand! and of these nearly nine-tenths are Chinese.

Another example of the folly of apportioning to young colonies, areas of land far beyond their powers of development, is exhibited in the case of Western Australia. This colony has been permitted for the past sixty years to hold the still larger territory of 1,057,250 square miles. Such an area is best realized by the fact that it is nine and a half times that of the United Kingdom of Great Britain and Ireland; over five times that of France, five times that of the German Empire and over ten times that of Italy.

Through the wonderful progress made by the Australian Colonies affords most commendable evidence of energy and enterprise it must be obvious, that the present divisions are mostly too large, to permit of satisfactory development. It is indeed as unfortunate for the Australian Colonies, as it is for the superabundant population of the mother country, that some one, well acquainted with the enormous capacity of Australia, for the founding of prosperous homes had not a seat in the council of the Empire, when such divisions were made. It cannot be doubted, that great as is the present development of most of the Australian Colonies, a division into twenty or better still, thirty States intead of five, would have induced more settlement, led to





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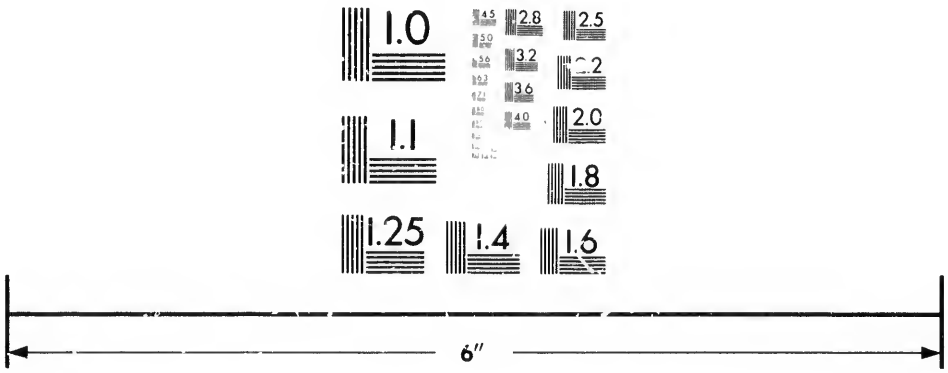

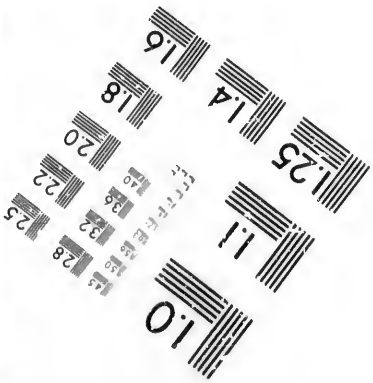

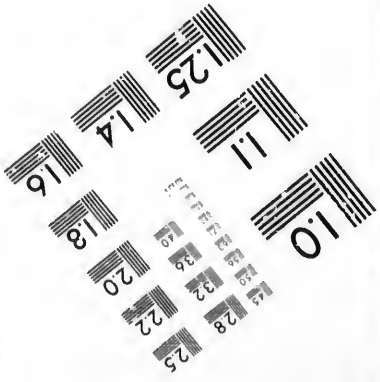

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more discoveries of wealth and accomplished much greater progress.

It may be urged that these enormous divisions are only tentative. That as regards New South Wales, it has already suffered two detachments from its original area; that it was always intended to divide Queensland; that as regards South Australia, its Northern Territory is only held in trust, until the Imperial government erects it into one or more separate Colonies; and that Western Australia recently divided into two will hereafter be divided into three parts. But tentative arrangements are apt to become practically permanent and then vested interests and public debts are pleaded in opposition to any division at all.

Thus it is that Queensland and South Australia resent any proposed division. It would be well indeed both for the old country and the new, should some powerful influences at head quarters determine, that the unsettled parts of Australia, shall no longer remain undeveloped. Undeveloped they are profitless. Unsettled they invite aggression. Let new Colonies of reasonable areas be erected and those existing be divided. Let this be done promptly and before Federal Union. Then will Australia truly become, as suggested by the writer many years since, to the then Secretary for the Colonies, "the brighest jewel of the British Crown."

The difficulties to be encountered in governing large areas, was well anticipated by the founders of the American Constitution. Their experience, from which, we should profit, taught them that if the area of a State be too small it will be unable to bear the charges of government: and if too large, it will develop so as to become beyond management. As the population of a colony extends to remote parts, it is found that suitable representatives cannot be accredited to a parliament sitting many hundreds of miles away. And if its area comprises much variety of climate and consequent differences of soil and productions, it is not possible for a far off government to give that assistance to local requirements, which is essential to proper development.

For these reasons the founders of the United States gave but little legislative powers to its central government, limited the area of each State to an average of about 50,000 square miles, and placed the capital of each State, as nearly as possible in its centre.

And although in this age of railways and telegraphs, the area adopted by the government of the United States may be very considerably enlarged, without disadvantage to effective representation, efficient government and prompt development, it cannot be well extended much beyond 250,000 square miles.

The earnest struggles of the people of Northern Queensland, during the past eighteen years, in which the writer took an

early and active part, for that separation from the Southern portion of that immense Colony, which according to a statement made by His Grace the late Duke of Newcastle, to the writer in 1859, and confirmed by a subsequent despatch, was always contemplated, and the efforts made by the residents of Central Queensland, for a further division; and the more recent attempts of the people of the Clarence River District of New South Wales to procure separation, clearly show, that excessively large Colonies, cannot give satisfaction to the whole of their populations. Such constant efforts for division bear testimony to the evils of an unmanageable area.

And though inequalities of population, may, in any Federal Parliament, be fairly well met, by limiting the number of representatives for each colony, without regard to population, yet land being the basis of wealth, any great inequality of area will ultimately lead to predominating influences, apart from mere numbers, which may disturb the balance of power, so desirable amongst federated countries.

Under this view it is desirable that all present inequalities should be amended and of these the limited area of Victoria, 80,000 square miles, when contrasted with the enormous areas of all her sister States, demands special attention. It is not possible now, nor desirable, to reduce the areas of the other Colonies to her very limited dimensions, but it is possible, while increasing her territory, to bring all to one very nearly equal measurement without much disturbance of present interests.

But to effect this, large divisions must be permitted. The present area of New South Wales is about 323,000 square miles, divide Queensland as was originally intended, for which division there is, as before mentioned, a very justifiable and determined demand, into Northern and Southern Queensland and it would make two provinces each averaging about 339,000 square miles. Restrict South Australia to her original dimensions of 300,000 square miles; divide the 1,057,250 square miles hitherto holden by Western Australia into three Colonies of about 352,000 square miles each; take from South Australia 300,000 square miles of the Northern Territory which she is quite incapable of developing and there will still be left 300,000 square miles in the interior of the continent of Australia formerly known as "Alexandra Land" and sometimes as "Stuart Land."

As an irrigation Colony it is capable of great development. Erect it into a Central Province and give it to Victoria, which would then with her present territory possess an area of 380,000 square miles. It may be named "Central Victoria," or "Centralia," and if needed, access to the coast and a harbour may be secured by reducing the area of the two herein proposed new Western Colonies, by taking in a strip of land between

their proposed boundaries. The route of such way as also of the main central transit-canal hereinafter proposed is sufficiently indicated by the dotted lines on the annexed maps of Australia, which also show the present and proposed divisions thereof.

There would, under such re-adjustment, be nine very equally divided Provinces, instead of five most inequitable divisions. Or should Victoria decline to accept this accession of territory, there would be ten Colonies, unless for want of access or other objection, it was found necessary to divide this central land of 300,000 square miles, between Northern, Southern and Western Australia, in which case, the number of separate provinces would still be nine. To these may be added New Zealand, Tasmania, the Fijian Islands, New Guinea and all other possessions in Oceana.

The small area of Tasmania, 26,000 square miles, is a matter of nature and beyond remedy, but her strategic position is so important, that any central power would find it absolutely necessary to aid in her defence, or else in case of war, she would be a source of constant danger to the mainland of Australia.

Some such re-adjustment of the Continent of Australia is obviously necessary, whether federation be carried out or not, and if it be urged that equal divisions are not absolutely essential to Federal Union, seeing that there are enormous differences in the areas of the States which form the great Germanic Federation, varying as they do from 137,000 square miles, with a population of 30,000,000, to many having less than 500 square miles, with populations under 50,000, it must be remembered that while such irregularities could not be remedied, in the case of independent principalities, with whose rights no one was empowered to deal, the example is not one which should be followed.

2.—OF AN UNIFORM TARIFF.

The opinion frequently advanced, that Federation necessitates the adoption of a common tariff, is not supported by facts. Doubtless the tendency of Federal Union is to that end. But the Swiss were federated for centuries without a tariff, and though they have recently adopted one, it is not enforceable upon all the Cantons. The United States is often quoted as having federated under an uniform tariff. But on the contrary, all its then thirteen States had each its own tariff, and were permitted to, and did retain them for the first twelve years. Undoubtedly differences in the tariffs of numerous contiguous States, many of very limited area, were found to be obstructive

to trade. And this was one of the causes, but it was by no means the chief cause, of the new Federal constitution in 1787.

Nor had a common tariff anything to do with the founding of the great Germanic Federation. It has been shown that this was the growth of a desire for an United Empire; for the purposes of defence, and that the Zöllverein or customs union is an arrangement completely outside of Federal Union; and though in recognition of the value to be attached to a common tariff, the "Reichstag" or Federal Parliament of Germany had granted to it the right of fixing the tariff of United Germany, such right is only binding on such of the States as are pleased to adopt it. Most of them as might be expected have done so, but some still refuse, and retain their own tariffs.

And a very similar condition of things existed and still exists among some of the provinces, which constitute the Canadian Dominion. Although the Federal Government was empowered to fix a national tariff, it was provided that the customs and excise laws of each province should continue in force, until altered by the Federal Parliament. And the several provinces having federated with many diverse tariffs, continued to act in union for many years, without a common tariff, and after a lapse of over twenty-three years, some still retain their own customs and excise laws,

It cannot therefore be contended that agreement to a common tariff must precede any scheme of Federal Union. This view is urged both by protectionists and free traders, because the leaders of each school believe the demand now growing for federative action, affords a favourable opportunity for pressing their special theories. But a common tariff is at most a subsidiary item in any plan of Federal Union. And it is of much less consequence in any federation of the Australian Colonies, because unlike Switzerland, the United States of America and Germany, the federated states of which, are mostly of small areas, the Australian Colonies even under any new adjustment, will present separate territories so extensive that but the minimum of inconvenience may be expected from diverse tariffs.

And though a common tariff, as a main assistant to the development of national industries, is greatly to be desired the question may well be left to the pleasure of each State, without delaying the advantages of Federal Union for the more important purpose of Federal defence.

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3.—OF THE APPOINTMENT OF GOVERNORS.

Under the Canadian Federal Union the Governor-General is appointed by the Imperial Government and as to such matters

as are reserved to the local parliaments, (if they may be so dignified), Lieutenant-Governors are appointed by the Governor-General in Council.

Now the appointment of Lieutenant-Governors in place of Governors as before Federation, is indicative of the condition to which the local governments of the provinces, have sunk by accepting such terms of Union. If it were otherwise the Dominion Act might have left to each province, the semblance of separate power, by retention of the title of Governor.

And beside that, the Governor would have been the proper rank and title of officials intended to rank next to a Governor-General. The fact too, that their appointment rests entirely in the hands of the Governor-General is also objectionable on the ground, that to secure independent officials and not mere creatures of the central government, the choice should have remained with the Imperial government.

The matter is of interest only, as illustrating the tendency of all central governments, to assume as much power as possible. And when the Australians thoroughly grasp the subject of Federal Union, there cannot be a doubt, they will insist upon each Colony retaining as much of its present independent powers as is possibly consistent with Federal Union, for matters solely of national interest.

Any one able to gauge the sentiments which animates Australian opinion, will anticipate the most perfect accord on this point And it is to be hoped, they will also see, the advantages of the British Government retaining the right of appointing, not only the Governor-General but the Governers of each Colony.

Their appointment by the Governor-General from among those residents who may possess influence with the Colonial executives, will assuredly not secure the approval of those who know how deeply private interests would probably influence their selection. On the other hand the advantages of the choice remaining with the mother country is sufficiently obvious. We may rest assured that men of position and experience will always be appointed to the duties of such an important office, free from all personal or local party feelings or family interests. It has also the advantage of attracting to each Colony men and capital which would otherwise never reach it.

But it would be well for the Imperial Government to undertake the payment of the salaries of all such officials. The writer many years since, suggested to the then Secretary for the Colonies and very recently to Lord Carnarvon, that this should be done, or otherwise some dissatisfaction might be expected on the part of Colonists, who, while having no right or voice in the selection, are called upon to pay the salaries of their Governors.

And when the amount of trade done by British merchants with Australia, now considerably above £100,000,000 per annum, is contrasted with the total of the salaries of the Australian Governors and it is seen that the cost to the British taxpayer, would not reach sixpence per centum per annum on such trade, coupled with the certainty that extensions will reduce even that small charge, to an infinitessimal rate, there should be no hesitation on the part of the British Government, in undertaking the payment of the salaries of its own representatives.

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4.—OF A SUPREME COURT OF APPEAL.

The preceding history of the developments of Federal Union, clearly show, that without a power which is supreme in the interpretation and execution of federal law, a central government might assume too much authority or a recalcitrant State might refuse to obey the laws of the Union or the orders of the Federal Executive.

Such histories also show that assumption of power by the Federal Executive; refusals to conform to the laws of the Federal Union; quarrels between two or more Federated States and disputes between the Federal Executive of one State, with the Federal Executive of another State, have happened and would again happen with little hope of adjustment, unless some power supreme in all Federal disputes, be empowered by mutual agreement to finally decide such matters.

It has been shown, that the settlement of Federal disputes was at first granted to the Executive Council or else to the Parliament of the Federal Union. But it was soon perceived that no such Executive or Parliament could properly fulfil the duties of an administrative or deliberative body, coupled with those of a judicial court. The Swiss peoples found this to be the case, when they endeavoured to control the many disputes which in early times, happened between their several Cantons, or between some of them and the central government. They essayed but generally in vain to settle such disputes by the issue of orders from their "National Council," which such council had no power to enforce or perhaps even to make. And the American Executive during the period of the first confederation of the States, experienced the like difficulties, in finding they had neither the necessary legal training to decide nice questions of Federal laws, nor power to compel obedience to any judgment when made.

It was also soon perceived, that no Supreme Court of any one of the Federated group of States, could be entrusted with such powers. However just its decisions might be, the fact of it being but one of several State courts, having equal status would expose it to jealousies and mistrust. And besides this, the fact of its being under, or assumed to be under, the immediate control of the government of its own State, would favour the fear that it might be coerced into an interpretion or judgment in concurrence only, with the interests of such State.

The erection then of an independent and Supreme Court, which altogether removed from the influences of either a central or provincial executive or legislature, should be so constituted as to be the authorised final exponent of all Federal disputes was found to be a necessary step by the founders of the new American Union. It was however evolved like most perfect works, by a process of experience. All Federal Alliances had more or less failed from the want of such a power And so out of failures, was created that needful complement to Federal Union, a Supreme Court of Appeal; which supreme only in its interpretation and execution of Federal law, should give security and permanence to Federal rights.

If imitation be the sincerest form of flattery, it is no less the evidence of unfeigned approval. The advantage of such a court was acknowledged by the Swiss, who finding the imposition of judicial duties upon their National Council as to Federal matters to be a failure, established in 1848 the "Federal Tribunal" with supreme judicial powers. In 1867 the Imperial Parliament in passing the Dominion Act of Canada empowered the establishment of a Court of Appeal upon the Swiss lines. And in 1879 the Germanic Federal Parliament which had for some time followed the example of Switzerland, in endeavouring to administer the working of its own Federal Union, by according judicial powers in all Federal matters, to its own National Federal Council, the "Bundesrath," abandoned such arrangement and established the "Reichsgericht" or Federal Supreme Court. Finally if more evidence be needed, of the value of such an institution, we have the testimony of Lord Salisbury, who speaking in 1882 of the Supreme Court of Appeal of the United States, said, "I confess I do not often envy the United States, but there is one feature in their institutions, which appears to me the subject of the greatest envy,—their magnificent institution of a Supreme Court. In the United States, if Parliament passes any measure inconsistent with the constitution of the country, there exists a court which will negative it at once, and that gives a stability to the institutions of the country, which here we look for in vain."

An excellent model for the establishment of such a court for Australasia, is then to be found in the constitution of the

Supreme Court of Appeal of the United States, and the erection at the same time of a co-ordinate court of the like powers as those of the Exchequer Court of the United States, with an appeal to the Supreme Court of Appeal, would enable that court to be permanently located in some central place, otherwise it would perhaps be necessary for it to sit alternately in the principal cities of the Federal Union.

And such a court is not less necessary as a more ready means of appeal from the ordinary decisions of the Supreme Court of each Colony, than is now available by the slow and costly course of an appeal to the Judicial committee of the Privy Council of England. The necessity for such a court has been urged by the writer and others on many occasions within the last quarter of a century. But it is submitted that it will be well, as under the Canadian Federal Act of Union is provided to preserve to appellants, the right of taking their cases direct to the Privy Council of England, and perhaps in cases of great magnitude or where the Judges of the Colonial Court of Appeal are divided in opinion, or see grounds to permit such course, to resort to the Privy Council of England, as the Court of final appeal.

Disputes relating to Federal matters which the Supreme Court of Appeal for Australia may be unable to decide must of course be remitted to the Privy Council of England.

As to the cost of a Supreme Court of Appeal for Australia, it is worthy of note that since it will be chiefly employed, in appeals from decisions of the Judges of the Supreme Courts of the Federated Colonies, in civil causes, the proportion fairly chargeable, as against Federal matters would be inconsiderable and should not weigh against Federation.

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5.—OF CONSOLIDATION OF THE PUBLIC DEBTS.

The consolidation of the Public Debts of the Colonies, advocated by some, as a necessary part of Federal Union, seems to be neither practicable upon equitable terms, nor desirable, if it could be accomplished.

Unlike the Public Debts of European Countries which have been mostly incurred in wasteful wars, the Public Debts of the Australian Colonies, are public investments, and sound investments without a doubt. About five-sixths of their amount, have been spent or are now being spent in railways and other works, which, besides being presently worth a great deal more than their cost, have enormously increased the value of the public estate.

But though such public estate affords ample security, to the public creditor, the conditions of such investments vary so much as to each colony, as to give little possibility of a reconcilement, which would be satisfactory to all parties concerned. The populations of some of the Colonies are so sparse, and vary so much in their number per square mile, that the rate of debt runs from £30 to over £70 per head. And though the bulk of the moneys, have been spent in reproductive works, the proportions so spent, vary as to each Colony. Besides this many of such works, notably those in the younger and largest and most indebted Colonies, have been but recently constructed, or are in course of construction and wait development. And some as might be expected, have been conceived with better judgment and carried out with greater economy than others. In the case then of a consolidation, the investments of each colony would have to be examined into and compared with reference to their nature, workmanship and cost, and compared with reference not only to their present value, but as some would doubtless claim, with reference to their future developments. And supposing all these matters to be settled, the total value of the public works of each State, would have to be considered with reference to the extent and value of its unalienated public estate and consequent possible developments of population and trade. It must be evident that differences amounting to £40 per head, arising out of such diverse circumstances, would not easily admit of that equitable adjustment, which might hope to be satisfactory to all parties.

And though the public creditor be satisfied with the security of the Colony, in which he has shown his faith, by an investment of his moneys, it does not follow, that he would be willing, to accept consolidated stock. He could not be forced and is not likely to consent to do so, except upon terms, which would give him some advantage.

And where is the skill which could be trusted, to produce a scheme for such consolidation, which would satisfy the distinct interests of the public creditor, the Central Federal Government, which would have to take over all such liabilities and the numerous Colonies concerned. The difficulties of adjustment, great in themselves, would be increased by the fact, that each Colony would have to be satisfied, not only with the value put upon its own present assets, and all possible developments thereof, but with the value put upon those of all its sister Colonies. What hope could there be, of any reconcilement of the many disputes which would be certain to arise.

And supposing all the suggested difficulties could be overcome, still, no consolidation could well be carried out, unless the whole of the public estate and railways and other public works in each Colony, were made over to the central government. Would such an arrangement satisfy the public creditors? All of

them; for all would have to be satisfied. But a far more important question would remain for solution. Would it satisfy the peoples of the several Colonies? Surely no free peoples, would consent to give over their public land and works, to a central government.

And for what gain? It is thought by some, that moneys may be borrowed on better terms by a Federal government, than by the government of each separate Colony. The suggestion is open to much doubt. Well established Colonies, whose credit is sound could hardly expect to borrow on better terms, because they have associated themselves with new members of the group. The only gain would be by young and undeveloped Colonies. They might be advantaged, by getting moneys at slightly lower terms, by reason of being members of a Federated community. But the possible gain may lead to a loss. As a separate Colony they may contract for and obtain the use of moneys independently of any superior power, but as a member of a Federal Union, the obtaining of a share in any public loan, will depend very much upon the strength of their influences, with the central government.

The proposal has moreover, nothing to do, with the main objects of Federation. There was no consolidation of the separate debts of the Cantons of Switzerland, or of each State of America, or of each kingdom, principality and republic of Germany. It was adopted under the Canadian Federal system, but upon terms to which Australia will assuredly never agree, and even in such case, with a debt of less than £10 per head, the difficulties experienced in carrying out the arrangement, were so great, that they were only overcome by the making over of all public works and customs and excise duties, to the central government.

The loss of separate power and prestige, which each colony must suffer, under any system of consolidation of the public debts, is surely too much to pay for the possible saving of a sixteenth or even an eighth per centum per annum.

6.—OF A FEDERAL CAPITAL.

It has been asserted that among the social changes which federation might be expected to produce, would be the choosing of a federal capital in one of the colonies in which the Governor-General would take up his residence, and the consequent departure to England of some half a-dozen Governors, each with his private secretary, aides-de-camp, and other officials, and the closing of an equal number of Government Houses. And it is alleged that in place of those departed Governors we should have

an equal number of Lieutenant-Governors, about whom not much expense would be incurred, and from whom no hospitalities would be expected.

This is, no doubt, a true picture of the social change which would happen under the conditions which it pre-supposes, of a federal Union on the lines of those of Canada. If the people take no heed of a matter so threatening to their interests, the trade now stimulated, the social life now enjoyed, and the employment now induced, in the capitals of each of the Australian colonies, by the courteous and liberal way the representatives of the sovereign discharge their social duties, will be utterly lost, and more than this will be lost. Vice-regal hospitalities greatly stimulate the hospitalities of others. Every tradesman and every struggling seamstress knows the difference between a good and a bad season. Even the parsimony, under which the people are sometimes deprived of the pleasure of doing honor to the birthday of their beloved Queen, is productive of considerable loss to tradesmen. At such and other holiday times, not only town but country residents, are tempted into a liberal expenditure, and the hundreds spent in a Government House entertainment means as many thousands outlayed amongst tradesmen and their employees. All these advantages must be lost if each colony permits itself to be reduced to the condition of a mere province of a Central Government.

And much more will be lost. Each capital is now the centre of a political and cultured busy life. But with one central capital all intellectual developments and all trade will aggregate to such one capital and impoverish remoter parts. Imagine, if possible, all such influences attracted to one capital in the centre of Europe, what would be its effect on London, Paris, and other cities. And, remembering that Australia is as large as Europe, and that each colony is larger than any European Empire, save Russia, consider what would become of Sydney, Melbourne, Brisbane, Adelaide, and other cities, if excluded from the honour of being the Federal Capital, they are also robbed of the advantages of being the centre of vice-regal government.

A Federal Capital is not absolutely necessary to Federal Union. Neither Switzerland nor the United States, nor Germany possess a Federal Capital. No group of countries, determining as they have done to preserve their own sovereign rights of self-government, would submit to have the status of their own capitals so interfered with. A federal city was imposed upon Canada, and the imposition is another evidence of the arrogance of a central government, which has absorbed the self-governing rights of the Canadian provinces to a degree, to which it is hoped Australia will never submit.

There is a great difference between the capital city of a country and the capitol or place in which a Congress or Federal

Parliament hold their sessions. In choosing Washington, then almost in its virgin condition, as the Capitol of their Congress the Americans avoided all offence or cause of jealousies. But in other respects it proved a failure. Chosen for its central position, it is no longer central. After a century it has not a population of 100,000. It is the mere home of federal officials and the temporary residence of members of Congress. As a city it has never been a success either socially or otherwise Nor is this regarded as a matter for regret, seeing it is the natural outcome of the astuteness of the people of the several States, who, in determining to retain as much of their self-governing powers as possible, sacrificed in no degree the standing of their respective cities, and fixed the position of the federal government as the centre of federal power, but not as the central capital of the nation.

A central position for the capital of Australia, which would be easy of access to all, is scarcely possible. Central to-day, succeeding decades would bring about changes which would make it no longer central.

But there is really no need of a Federal Capital, nor even of a Federal Capitol. The Federal Government of Switzerland meets in one or other of the Cantonal Parliament Houses, sometimes at Berne and sometimes at Lucerne; and the Federal Parliament of Germany meets sometimes in Berlin and sometimes at Leipsic. In these cases the Federal Parliament avails itself of the Parliament House of some state which does not happen to be in session. Why should not Australia do the like for some time at least.

Nor should the place of residence of the Governor-General raise any difficulty between the colonies. But few could support any claim to the advantage. And of these the mother-colony has rights which should be readily conceded. Wherever fixed, such residence could only be of doubtful permanency, since the probable desires of the holder of the office, the expectations of the people, and the travelling facilities now available will enable and induce him to give the honour and advantage of his presence to the enlivenment of the season and the stimulation of the trade of each colony in turn.

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7. OF AN UNIFORM RAILWAY GAUGE.

The advantages to be derived by an uniform railway gauge is another matter to which much greater importance is attached by some people than it deserves. An increase of the narrow gauge to that of the English, as laid down in New South Wales, or

better, to that of the Irish gauge adopted in Victoria, would give a distinct gain in speed and perhaps in comfort. But it must be remembered, on the other hand, that had a wider gauge been used in Queensland, Tasmania, and New Zealand, the cost in such mountainous countries would have been raised from an average of £7,000 to at least £20,000 per mile, and the large mileage now available would have been reduced in proportion.

An extension of the gauge in all the other colonies to that of Victoria, or a reduction of that of Victoria and an increase of that in use in Queensland and South Australia to that in use in New South Wales, would cost an enormous sum of money, which would be far better spent in extending the railways round the coast line of Australia, and as quickly as possible.

An alteration of the gauge could only be of advantage just so far as it would permit of an increase of the speed with which troops and material could be massed.

The fact is that General Williams, to whom the colonies are much indebted for his outspoken report upon the state of the defences of Australia, realising to the full the great advantage of the uniform and wider gauge in operation in Great Britain, made too much of the point, forgetful of the fact that between the capitals of each colony, and between each of such capitals, and many other cities and townships on the mainland of Australia, there are runs of 500 miles and more without a break of gauge. No great loss of time could therefore happen in the transport of troops through a necessary change of carriages after successive runs of 500 miles, say from Adelaide to Melbourne, from Melbourns to Sydney, from Sydney to Brisbane, and from Brisbane to Cooktown, or even beyond such limits, when the coastal railways are further extended, as they will be.

Nor would the transport of war material be much delayed by any present break of gauge, since at a very small cost, compared to what would be encountered by a change of all the present gauges to an uniform one, provision could be made for the removal of the bodies of loaded carriages to other frames adapted to the gauge of the next intended journey, or axles capable of extension or retraction to suit any gauge could be used.

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8. OF TRANSIT AND IRRIGATION CANALS.

It has been shown that the promise of the Imperial Guarantee, of the interest on an expenditure of £3,000,000, in the construction of the International railway across Canada, had much to do with securing the assent of the Canadians to federation.

Canada had need of such an impetus to her development. Australia, has like need of a canal, which, starting from a favorable point on the north-western coast of Australia would be capable of combining irrigation with the quick passage of passengers and mails coming via Suez, to some central point in the continent of Australia, from whence the southern, eastern, and northern provinces could be conveniently and expeditiously reached. Such a work would save a long sea voyage round the western and southern coasts, and would afford a desirable complement to that circle of direct communication with Europe now open via Suez, but which the ship-canal, now under construction in Central America, will, in the course of a few years, complete by way of Nicaragua.

A ship-canal is neither presently possible nor absolutely necessary. The first and more pressing requirement in furtherance of Australian interests, and one capable of early accomplishment, is the construction of a novel undertaking which, serving the combined purposes of a railway and a canal, and starting from, and utilising so much of the Ashburton River on the north-western coast, as may be found practicable, and trending along a route which may be very nearly indicated by the 24th degree of latitude, and utilising on its way the numerous lakes, creeks, and other natural watercourses and depressions which, abounding on the route, could be adopted, and adapted to such purposes with considerable advantage and economy, will pass southwards to, and, perhaps, through Lakes Eyre and Torrens, to some point from which communication may be promptly made with Adelaide, Melbourne, Sydney, and Brisbane. Such a work, while it would, as a railway-canal, give very quick despatch to passengers, mails, and light goods, coming or going to Europe via Suez, would also, as a canal only, by union with, and the feeding of a large number of subsidiary canals and other water channels, permit of a most comprehensive system of irrigation. The effect of such a comprehensive system of irrigation need hardly be enlarged upon. It would very favourably influence the climate and change the entire face of the country. The now generally waterless and desert central lands would be converted into vast pasturages, and ultimately some large parts into semi-tropical farms and plantations, in which all the productions of India and China will flourish.

It is beyond the scope of this work to pursue the suggestion in detail. The scheme has occupied much consideration, and is only a question of time, money, and men. It is a national task, and, however costly it may be, it is capable of accomplishment with a certain and enormous return.

And the advantages would not be confined to the districts through which such canals and their subsidiary watercourses would traverse. Queensland and New South Wales would be

much benefited by the connection, which would be easily made of these irrigation and traffic canals with their main rivers. While conserving the enormous rainfall of these colonies, much of which now runs to waste, it would not only save them from much loss by the carrying off of flood waters, but by affording a constant supply of water, coupled with the improvement and locking of such rivers, enable the use of the natural highways of the Barcoo, the Diamentina, the Murray, and the Murrumbidgee, for traffic throughout the year.

Here is a good work for a Central Goverment. Next to arrangements for defence it is essentially a national work, because while it must be planned with reference to the natural contour of the entire continent of Australia, it is one in the cost of which each of the colonies must share in proportion to the direct and indirect advantages it will secure.

Without entering into details it may be fitly pointed out that the reports of all those enterprising explorers, Livingstone, Burke, Wills, Forest, Giles, Sturt, Favenc, and others, who have crossed and re-crossed the Australian continent in the prosecution of their arduous travels of discovery, and the statements of those who were employed in erecting the telegraph line from Adelaide to Port Darwin, completely refute the long-entertained opinion that central Australia is a mere profitless desert. It is now ascertained that it only needs water to convert its arid plains into rich pasturages and plantations.

But the opinions of competent authorities, offer more evidence than this, in support, of the suggestions here made. The soil is good, and wherever water is in constant supply vegetation flourishes. There is abundant evidence also that the rainfall, if conserved, would be fully sufficient for irrigation purposes. Besides this, there is an illimitable supply beneath the surface, in the shape of swift-running rivers and sunless reservoirs of enormous capacity. And, fortunately, beyond these advantages, there is one other discovery which is of the greatest possible importance in the utilisation of such rainfall and subterranean reservoirs, in a comprehensive system of irrigation and traffic canals. It is now known that the configuration and surface condition of the whole of Central Australia is excellently well adapted to the carrying out of such works.

From the mountainous regions running along the northern coast line, out of which the many rivers of that district, which find exit into the ocean, take their rise, there is a gentle slope from the north to the south. Over an extensive area, extending some 1,200 miles from east to west, with an average of about 600 miles from north to south, the surface presents an enormous plain, with a gentle slope southward. The country offers no obstacles which cannot be easily dealt with or avoided, and is but little broken, save by lakes, creeks, and smaller depressions, which, though dry,

when the rainfall is carried off, eminently adapt its surface to canalisation for irrigation or traffic purposes. These natural water channels pointing the way through which much of the rainfall finds vent, will also, by their indications, save much engineering difficulties in laying down the ground plan of the requisite main and subsidiary canals, and much manual labour in their construction.

There is no need to fear a want of sufficient water for all these purposes. The ordinary rainfall properly conserved, and used in irrigation, would, of itself, be sufficient to convert the arid plains of the interior of Australia into one vast pasture. But beyond this conservation of the natural supply, it is well proven that great flowing rivers and enormous reservoirs, below the surface, can be drawn upon for supplies by means of artesian wells, which would not only fill all main and subsidiary canals, but convert numerous and extensive lakes, now frequently dry, into permanent inland seas.

Such is the rough outline of a scheme, which, having regard to the extent of the area, over which it must operate, and the special interests which all the Australian colonies would have in its construction and use, must, of necessity make it a federal work.

While some of the colonies would, of course, be more interested in such an undertaking than others, all must be benefited in some degree, directly or indirectly, by the traffic and trade it must induce. But a federal work it must be, and this, not on account of its cost, which the increased value of the lands so irrigated will recoup, but because if carried out under a sufficiently comprehensive plan, it must necessarily be so constructed, as to be capable of being put into communication with the river systems of the Australian continent—feeding them in dry seasons and taking off all overflows in times of flood.

Its value for traffic and irrigation purposes, and as a powerful means of climatic influence, can hardly be over estimated. Where now are lakes and watercourses, dry throughout the greater part of the year, and in times of great drought for longer periods, the constant presence of water will permit of the planting of profitable forests, and the now arid and barren plains will be changed into fertile pasturages and plantations. The moisture, first abstracted and again evolved by trees and vegetation, will reduce the average temperature by many degrees, increase the average rainfall, and favour growth by refreshing dew falls. Every acre of this extensive, but now profitless territory, will be made as capable of supporting human and animal life as any elsewhere, and, as a natural consequence, will acquire a money value fivefold that of the cost of such improvements.

Upon these points, it may be here remarked, that science shows that trees and vegetation not only temper climate, but

improve the soil. The normal temperature of all living vegetation is about 45 degrees, a little less than half the average temperature of animals. An increase or decrease of this normal temperature of either plants or animals to the extent of 15 degrees, would result in death if nature did not, in the case of cold, conserve the natural heat of life by closing the pores, or, in the case of excessive warmth, by opening the pores, and so promoting the exhalation of moisture. The effect is, that in winter, by the contact of a cold wind, say, at 25 degrees with trees having a temperature of 45 degrees, the air by absorbing some portion of this higher temperature, is actually made warmer. On the contrary, suppose the country to be covered by belts of trees, and a hot wind blowing, at a temperature of 100 degrees, or more, then the contact of such hot winds with a large mass of vegetation, having the low temperature of 45 degrees, would cause such hot air to be considerably cooled—partly by absorption of the lower temperature of such trees, and partly by the fact that when a hot wind, gathering heat as it comes over an unbroken plain, comes in contact with a belt of trees, such wind first forms a "cushion" against such trees, and then mounting over such cushion is deflected into an upper stratum of air, and is cooled in some degree by absorption of the colder temperature of such trees, they being much cooler than the surrounding air. The improvement of the soil by trees is effected by the leaves, which, falling on the surface, absorb moisture, and continually, though slowly, increasing in depth and decomposing, form what is called "humus," which is taken up by the roots of the trees, to be again evolved in the shape of renewed leaves and moisture. On the contrary, when forest land is denuded of its trees, this "humus" gradually disappears. This being absorbed by the heat of the sun, carbonised, in point of fact, and part being carried away by the rainfall, the soil is left in a very impoverished state, unless improved by pasturage or cultivation. Hence the necessity of forest conservation.

Upon these points abundant evidence is forthcoming, and none, perhaps, more satisfactory than are to be found in the paper read by Dr. Schlich, Professor of Forestry, before the Society of Arts, in London, early in 1890. In this paper, while the physical advantages arising out of the presence of forests in affording shelter to stock, in reducing high temperatures, and in assisting the production of oxygen and ozone, and the natural supply of water are shown, much is also advanced in support of the great profits to be realised by moneys expended in such improvements.

It should be borne in mind, that as regards irrigation alone it would not be necessary to complete the whole scheme before obtaining returns; because every mile of a main irrigation canal, will feed numerous subsidiary streams, and thousands of acres of lands around. Still the total cost of so comprehensive

a system of works would reach a large sum. For this reason it is desirable that provision should be made in any scheme of federation, for the guarantee by the Imperial Government, of the interest upon some part of the needful outlay. And, if reason existed for such guarantee, upon an expenditure of £3,000,000 in railways, in Canada, reasons not less powerful, can be adduced for a like aid, in the carrying out of a system of canals for irrigation purposes on the continent of Australia. While there is no doubt that Australia can offer ample security for any necessary outlay, it is no less certain that the means of developing the fertility of her enormous central territory by the aid of irrigation, will yield returns far in excess of interest upon the capital required, besides affording also a sinking fund sufficient to recoup it. And while, indeed, the riches presently, and hereafter developed by such works in Australia would make such guarantee a mere formal undertaking, without the slightest risk to the Imperial Government, the merchants and manufacturers of Great Britain would secure large and constantly increasing profits out of the trade which such a canalisation of Central Australia would necessarily develop. The risk need be nothing, but the gain would be certain.

And what would be the ultimate cost? Ultimate cost is suggested, because a work so enormously extensive must necessarily be the work of many years—of several generations in fact. But it has this advantage, that every completed mile of any irrigation canal will yield immediate profits.

Any route which such main transit-canal would take, from some favourable point on the north-western coast of Australia to Lake Eyre, would give a run of about 1,600 miles. Of this distance about one-sixth is partially provided for by nature in numerous lakes, creeks, and watercourses.

A ship canal is impracticable and unnecessary. All that is needed is a railway-canal, having a width at top of about 8 feet, with a depth of about 3½ feet. Such a canal, while offering sufficient capacity as a feeder of subsidiary streams for irrigation purposes, would carry swift vessels of a special construction, of about 50 tons burthen, and capable of doing at least 25 miles per hour. As to the rate of speed, a plan is now maturing by which such a railway-canal system could be utilised for transit purposes at the rate of 70 miles per hour, or even at a higher rate, and with greater safety and more economy than by any present method of conveyance. The cost of construction, with the sinking of artesian wells, to give a proper supply of water, may be estimated to amount to £3,500,000. To this sum, if the completion of the whole of the proposed system of irrigation be considered, would have to be added, but from time to time and necessarily spread over a long series of years, the cost of the vast net work of subsidiary canal and other water channels which would be needed. Of this, it is difficult to make any but the very roughest

estimate, save that, in America, the expense of constructing subsidiary irrigation channels has been found to average £2 per acre. Now, the block of land contained in Central Australia, which is suggested as fit to be ultimately included in such irrigation area, amounts to at least 1,000,000 square miles, which, being equal to 640,000,000 acres, would, at a like cost of £2 per acre, require the gradual outlay of £1,280,000,000.

Such a sum may seem to be beyond all possibility. But when it is remembered that Great Britain, with an area of scarcely the thirtieth part of the continent of Australia, has incurred a public debt of £800,000,000, for the most part in wasteful wars, and a further expenditure of £1,200,000,000 in the construction of railways alone, without counting the cost of nearly 4,000 miles of canals and other public works and all this, mostly within two generations, it is not unreasonable to anticipate that Australia would be able to accomplish such an outlay within three generations—within, in point of fact, the lifetime of some of her children now living. Her present indebtedness of £46 per head is by no means overwhelming, but by the time the suggested system of traffic and irrigation canals could be completed, her population, rapidly increasing with such proposed improvements, will amount to perhaps 100,000,000, in which case the whole cost of the proposed scheme, without taking any credit for profits, which, by that time, would have recouped the amount, will not exceed the rate of £12 10s. per head.

But though the completion of such a work must be left to the enterprise of succeeding generations, the construction of the main central railway-canal, at a cost of about £3,500,000, is presently practicable, and would prove eminently profitable. Such an undertaking, while affording a quick and safe passage fo passengers, mails, and light merchandise, would save at least six days to Adelaide, seven to Melbourne, eight to Sydney, and nine to Brisbane, as against the time now occupied in proceeding round the western and southern coasts to Adelaide, and thence per train to the other capitals. And, while securing this advantage, it would, at the same time, afford means of irrigating, at the least, 10,000,000 of acres in its course. It is no small point in estimating the practicability and profits of such undertaking, to consider first, that as the Suez Canal now pays dividends of £18 per centum, upon an expenditure of over £20,000,000, the proposed work constructed at a sixth part of such cost must prove very remunerative. It is not assumed that the whole traffic would be secured; far from that. Heavy goods would still be conveyed by ocean steamers round the coast. But the bulk of the Anglo-Australian passenger and mail and light goods traffic would doubtless be attracted by it; and this business, which, large as it is at present, is yet only commencing its development, would ultimately yield very large dividends. When the necessity arises, fast steamships will run for passengers and mails, fruit, and light goods

traffic, between some north-western Australian port and the continent of Europe. By such, and the proposed railway-canal, the passage from Adelaide or Melbourne to London will be reduced to at most a twenty-days' trip. Thousands will then be travelling for every hundred now.

But the profits to be realised by the transit of passengers, mails, and light goods, is not, by far, the entire gain which will come of such a work. The rent to be obtained for the supply of water for irrigation purposes to the proprietors of alienated lands along the route of the canal, and the increased rent which will be secured by the Governments of the several colonies for public lands so irrigated and let upon lease will yield further large profits.

Assuming such canal to be only capable of irrigating 5,000,000 acres, the charge for such irrigation, or the rent for land so irrigated, assumed at five shillings per acre, a very low rent for irrigated land, would produce the annual rental of £1,250,000, and this sum, after paying interest at say £10 per centum, on say £3,500,000 would recoup the entire capital outlayed in less than four years.

But it will be urged, and must be admitted, that such works must take years to complete, and further that so large a quantity of irrigated land could not be leased for many years, even were the system of irrigation already completed. The answer to these prudential suggestions, for they could hardly rank as objections, is found in the fact that every mile of irrigated land would be capable of earning profits as soon as completed, and there can be no fear that 5,000,000 of irrigated land finding occupiers, when we consider that with a present population of under 3,000,000, over 7,000,000 of acres are under cultivation upon the continent of Australia. As the population may be expected to double itself, nay, in view of such improvements, to treble itself within the next twenty years; there need be no fear of the supply of irrigated land exceeding the demand.

This will manifest itself if we bear in mind the many sources of profit which the irrigation of Central Australia will open up. It will enable large extensions of pastoral pursuits and enormous developments of timber, bark, and fruit culture.

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9. OF FOREST PLANTING.

It is scarcely necessary to dilate upon the importance of forest conservation, save in reference to the proposed system of irrigation. Many, and the writer amongst the number, have, at various times during the past quarter of a century, enlarged upon the folly of permitting the cutting down of valuable timber with-

out establishing a forest conservancy and planting department under officials of experience, whose duties would be, not only to take care that the stores of timber, of which all the lands of the Australasian colonies are being constantly denuded, are as constantly replaced by a well-organised system of planting, but to introduce valuable timber and other trees from other countries. Upon this point it is a matter of considerable satisfaction to know that South Australia, New South Wales, and Tasmania have each established a department for these purposes. It is scarcely possible to over-estimate the profits which may be secured by forest planting.

But it is not so much with the conservancy of the timber forests of Australasia, by replacement of what has been destroyed, as with the planting of new forests where none have yet flourished, that these pages have to do. If it be true that he is a great benefactor who makes two blades of grass to grow where but one grew before, it cannot be less true of those, who shall make it part of their duty, to cause plantations of timber, fruit, and all profit giving trees to grow within the present arid plains of Central Australia by means of irrigation.

Of the physical and climatic advantages, of the proposals here advocated, nothing more need be advanced. But of the commercial side of the scheme, of the profits to be made, which is more likely to interest the capitalist, very much remains to be written.

Materials are not to hand as to the progress which has been made in Germany, Austria, France and India in forest conservancy up to the present time. But an account of the profitable results of the resources derived from the State forests of those countries up to 1871, an early period in their growth, will afford some index to the greater profits which the more matured growths of present times show.

In Prussia the State forests, out of an area of 6,200,000 acres, obtained a total revenue of £2,100,000 giving, it is stated in Government documents, an annual net profit of over £1,000,000, which, it was anticipated, would be largely increased in future years. In Saxony 395,000 acres gave a net profit of £249,000. In Hanover 900,000 acres secured a net profit of over £160,000. In Bavaria 3,000,000 of acres yielded a net profit of £785,000. In Austria 1,576,600 acres yielded to the State a clear profit of £90,000, beyond a farther profit equal to another £50,000 per annum, which are received by persons who have claims beyond those of the State. And France, out of 2,500,000, secured a net annual profit of £1,250,000. Here, then, we find, that these European nations have made a net annual profit of £3,534,000 out of 10,471,000 acres.

But, beyond what has been accomplished in Europe, State forestry is carried out in India on a most extensive scale, and in

the most scientific manner by the large and trained staff attached to the Indian Forest Department. Many thousands of people are employed, and though the detailed results are not available, Government documents show that a large sum is annually netted by the service, the Inspector of forests having recently stated the timber of the eucalyptus is so valuable that at ten years' growth a tree is worth £20.

Since these large profits can be secured by the State Forestry in Europe and India, will it be doubted that like results can be secured in Australia? and especially in combination with a system of irrigation. A large home consumption for timber trees may always be counted upon in a country, which, as extensive as Europe, has demands for building purposes, which must grow with its own growth. But, beyond this, the mother country, which is estimated to require a yearly supply of timber to the extent of £170,000,000, cannot fail to be a profitable customer.

But it is not alone to the growing of trees for timber purposes that Australia should confine her efforts in the planting of State forests. While belts of the eucalyptus for health and shade growing purposes, would line the margins of the proposed transit and irrigation canals, plantations of jarrah for its valuable timber, of cork and wattle for their valuable bark, of the olive for its fruit and oil, of the castilloa elastica for its profitable yield of India rubber, and the protection its shade affords to the cacoa, coffee, tea and spice-bearing shrubs should also be cultivated. If 10,000,000 acres of State forests yield a net annual profit of £3,500,000 in Europe, what may not be expected, in course of time, from the establishment of State forests and plantations, within the almost illimitable area of an irrigated Central Australia.

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10. OF FRUIT CULTURE.

As to the profits which may be secured by the cultivation of tropical, semi-tropical, and many other more hardy fruits, it will be well to consider that with the facilities which the proposed central railway-canal, will give for reaching the continent of Europe within twenty days, as before mentioned, a practically unlimited market will be secured.

If we desire information as to the value of fruit industries, we may seek it with advantage in California. The climateric conditions of that country are very like the central portion of the continent of Australia. A characteristic of the climate of California, is the extreme variability in the amount of rain which falls from year to year. Some years are so dry that the crops are

almost an entire failure, except where artificial irrigation is practised; others are so wet that serious inundations occur. The variability is far beyond any recorded variability in Australia. Much of the soil, too, is indifferent. And, yet in the face of climateric difficulties, which would seem to be prohibitory to such cultivation, California has developed an enormous employment in the cultivation of fruit, and the manufacture of wines. The progress of the development made, counts from the commencement of facilities for transportation. Before 1871, less than 1,000,000 pounds of fresh fruits were sent away; in 1888 this had extended to nearly 60,000,000 pounds; the dried fruit industry, which commenced only in 1880, reached, in 1888, a supply of over 20,000,000 pounds; canned fruit rose from a small output to 340,000,000 pounds in 1888, and wine has risen from less than half a million of gallons in 1871 to 17,000,000 of gallons in 1888. And all this has been accomplished, in spite of a most unfavorable climate. But this unfavourable condition has been turned by an intelligent adoption to great advantage. The extreme dryness of the climate, is availed of in the case of dried fruit, to facilitate the drying of the same in the sun without the assistance of artificial means; and the water necessary to the growth of the crops is supplied by means of irrigation, and in a manner, be it borne in mind, more perfect than could be well accomplished by the most regular rainfall. In some cases the needful water is pumped from rivers, in others it is provided from reservoirs, supplied by artesian wells, and in others it is led long distances in open channels or concrete pipes. An inch or an inch and a half pipe is sufficient for the irrigation of 10 acres. This quantity of land. thus watered, is deemed to be sufficient for the support of a family. Authorities state that nowhere else will the same acreage produce such a variety and quantity, as on the irrigated and otherwise barren lands of Southern California.

But if California has been able to develope such wonderful results, what may not Australia accomplish by the like means, with the advantage she possesses in her seasons, which, being the reverse of those Europe, permit of the sending of fresh fruit to markets, where it will command the highest prices, and where dried and canned fruits and young wines for blending and maturing may command an almost unlimited sale.

What a boundless prospect of profitable labour is here suggested. Millions of money must in time be used, but many great industries will be established and many millions of men must be employed.

But if millions of money will be needed for the completion of such works, the objection will, doubtless, be raised by some, that the cost is beyond what the colonies could possibly afford. The answer to such an objection is that for want of a system of irrigation the mother colony of New South Wales has already,

during the droughts which extended over the six years ending 1888, sustained losses comprising 1,294,350 head of cattle, and 30,245,000 of sheep; the value of which could not be less than £12,000,000 sterling. This enormous loss would probably be doubled if the losses sustained by Queensland, South Australia, and Western Australia were counted in. And, yet, these colonies thrive, and continuing to thrive, their herds and flocks will increase, and so, if a system of irrigation be not undertaken, will assuredly incur still larger losses, by the droughts which will follow in future years. It is not true that the colonies cannot afford the great cost of the proposed system. On the contrary, they cannot afford to do without it. It is a question of providing for the outlay of five to ten millions by instalments, spread over several years as against submitting to a dead loss from future droughts averaging about £3,000,000 per annum in perpetuity. On the other hand, if the proposed works be carried out, not only will losses far beyond the cost of such works be saved, but large profits will be made. Who can doubt this when it is known that the rainfall in a good year is enough to provide for the wants of seven years, if the numerous rivers, ana-branches, creeks, lakes, and other natural watercourses and reservoirs are locked or dammed, or otherwise converted into safe receptacles. Who can doubt the wisdom of the proposal when we consider the marvellous results which have followed the sinking of artesian wells in Algeria, at Kerribee, Dunlop, and Mildura, and in some parts of Queensland. Who can doubt that it would pay, and pay well, to float a special loan of even £10,000,000, for the purpose of carrying the entire scheme, hereinbefore suggested into effect, when, in the rearing of stock alone, it would obviously be capable of recouping its total cost in less than ten years, in such mere savings. Taking only the average of past droughts in ten years, the colonies on the Australian Continent would save at the least £30,000,000. But to this great saving must fairly be added the profits to be made on the same outlay, by the transit of passengers, mails, and light goods, and the increased rental for irrigated lands.

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11. OF AN AUSTRALASIAN NATIONAL BANK OF ISSUE.

One, and not the least one, of the advantages, which will be capable of development as soon as federal union is accomplished, is the establishment of an Australasian Bank of Issue.

Such a bank, without in any way interfering with the business of other banks, will enable the government of each state, as well as the federal or central government to carry out railways, irrigation, and transit-canals, and other public reproductive works with great economy. While the proposed system will, from the first

materially increase and ultimately double the power of every future public loan, it will practically reduce the rate of interest thereon by at least one-third, and when time has matured the scheme and induced confidence, by as much as one-half. And it will do this without diminishing the security of the public creditor.

The establishment of a National Bank of Issue has been mooted, on many occasions, by able financiers during many past decades, not only for and in Great Britain, but also in, and for the benefit of the Australasian colonies. But the subject is one so uninteresting and inexplicable to the ordinary public, that but few venture to master the arguments in its favour; and those who have done so are fully aware that it would need a strong power to contend with the opposition of existing institutions.

Amongst others who have written upon this subject, the author may claim to have placed before the British public, many years since, a plan for a National Bank based upon Government securities, which then very favourably commented upon by the British press, has since been adopted by the Government of the United States of America.

Amongst other approvals, an eminent financial authority suggested, that the plan was well deserving of adoption by the government of a new colony, wherein no vested interests could oppose its establishment. But vested interests are quick of growth, even in the newest of colonies, and so, though the subject has been suggested at various times, first in one colony and then in another, it has remained undeveloped.

But, as federation not only favours, but almost demands the formation of a National Bank of issue, a renewal of the proposal is here made and on a plan which will not invite opposition, because its operations will avoid ordinary banking business, and be limited to providing a guaranteed note issue, and the facilitation of public works.

Happily the basis of the proposed system is so simple that it will be unnecessary to encumber its exposition, with financia technicalities. And particularly so, because, while securing for the use of the colonial treasuries the large profits which can be made upon the issue of bank notes, based upon the guarantee of government, as in the case of Germany, France, Austria, and the United States, it will be free from all the risks which affect ordinary banks through the fluctuations of commerce.

The utility of a National Bank, which can reduce the interest upon the cost of public works must be admitted. The people will only require to be assured that the system possesses the very needful requisite of safety. As to the main point, safety, it is no straining of the truth to assert, that the basis of the proposed bank would be sounder than that of the National Bank of Issue of England, France, or Germany, and even of that of the United States.

The truth of this statement will appear upon comparing the subjoined exposition of the plans upon which the lastly mentioned banks are founded, with that upon which it is proposed to establish a National Bank of Issue for Australia.

Shortly stated, the history of the Bank of England is as follows:—In 1694 the government of William and Mary, being in need of money to carry on a war with France, certain promoters founded the bank and lent such government, in what may truly be described as a perpetual loan, the whole of its then capital, £1,200,000, receiving for such aid a charter conferring very valuable privileges. Other loans were afterwards, from time to time, made to the British Government, until they amounted to £11,015,100, for which sum the bank is permitted to issue negotiable notes, which circulate as a legal tender, without gold or indeed any security being held in reserve. It has since been permitted to issue notes for an additional sum of £5,184,900 upon securities other than gold or silver. The amount of notes, therefore, which, under the Bank Charter of 1844, is now allowed to be issued by the Bank of England, without bullion being held in reserve against them, is £16,200,000. For all notes above that sum, bullion in the proportion of not less than three-fourths gold to one-fourth silver, must be deposited in exchange.

Now the amount of the capital, long since advanced by the Bank of England to the British Government, without security or even a guarantee, but practically as the purchase price of its charter, being £11,015,100, it follows that when the notes issued are equal to £22,030,200, the Bank has not, necessarily, according to law, more gold wherewith to meet its notes, if all were presented, than would be equal to ten shillings in the pound sterling. When its note issue amounts to £25,000,000, which is about the usual average of the amount of its note issue, it has not necessarily, more bullion than would be equal to about eight shillings in the pound, and when the notes issued amount to £33,045,300, an issue which the demands of commerce has sometimes compelled, it would not, necessarily, at such a moment, have more bullion in its vaults than would suffice to pay one-third of its current note issue.

But the Bank of France, which is managed jointly by representatives of the shareholders and the Government, which shares in the profits, does not, so far as the convertability of its note issue goes, offer a security which is equal to even this extreme condition of the Bank of England. The latest available accounts (1888) show that the Bank of France has a paid-up capital of £7,223,958. It had at this time liabilities to the extent of £145,000,000, of which £112,000,000 was represented by its notes, which circulate as freely as gold. Admitting its convertible assets to be equal to all its liabilities, it had, and it usually has, an over-issue of notes in excess of bullion held in reserve, very nearly twice that of the Bank of England.

This fact does not, however, militate against the soundness of the Bank. It only affects the immediate convertibility of its notes in case of extreme pressure. This large issue of notes is caused mainly by the fact that it is optional with the Bank of France to pay in gold or silver. Gold being usually at a premium, notes offer a more economical means of payment, and are more convenient than silver. For these reasons there is always a large note issue. The establishment has, however, the confidence of the public, and is the main instrument of credit in the country. It keeps 99 branches and 112 subsidiary offices in its service, and has more than once supported the French Government by loans in difficult circumstances. The Government, which holds a great number of its shares, is, therefore, interested in its preservation, and, when money is unusually scarce, gives to its notes, whatever may be the over issue, the value and privileges of coin, by decreeing, under what is called the "cours forcé," that they shall be accepted as a legal tender.

This measure was resorted to during the late Franco-German war, and throughout that period confidence in the Bank of France remained unshaken. This is shown by the fact that though the result of that war compelled the payment of an enormous sum, as indemnity to Germany, the shares of this Bank always maintained a price which gave a premium of over two hundred per centum. This confidence during so trying a time, was the outcome of the knowledge that the Bank, being semi-national, had the nation at its back; and that, as there was no limit to the note issue in the discounting of approved trade bills, there was no unreasonable rush for discounts, and consequently no panic.

And the Imperial Bank of Germany, established since federation, under the superintendence of the Government, which shares in its profits, does not, so far as the convertibility of its note issue goes, offer a security equal even to this last example. The latest available accounts (1888) show that it has a paid-up capital and reserves equal to £7,067,800. Against this it had liabilities to the extent of £55,000,000, of which £35,000,000 were in respect of its note issue. Of this issue £12,500,000 is permitted without cover by bullion. The excess must be covered by Government securities, or cash, to the extent of one-third, and the balance by approved bills, not having more than three months to run. Admitting its convertible assets to be equal to all its liabilities, it had, and it usually has, an over-issue of notes in excess of bullion in reserve, nearly four times that of the Bank of England.

But this issue does not represent the entire floating currency of Germany. Besides the Imperial Bank, there are also 32 other banks, which are permitted an over-issue to the further extent of £6,750,000 without cover by bullion, and additional issues if covered by Government securities or cash, to the extent of one-third, and the balance by approved trade bills.

And beyond these issues, the Government, under a law passed in 1874, has the right to issue notes of small amount, to the further extent of £6,000,000. The entire over-issue permitted without cover of bullion is therefore £25,250,000 a limit which is very liberal compared with that permitted to the Bank of England. And the knowledge that under such a liberal system of issue, the discount of good paper can always be obtained, coupled with the fact that the rate of interest must never exceed £7 per centum, tends to prevent that pressure, which, under a restricted issue, is always intensified during a crisis in England.

But the banking system of the United States, after passing through many phases, has settled down to the establishment, not of one, but of as many national banks of issue as commerce may demand, and upon a plan which merits special approval.

Under the "National Bank Act of 1864," provision was made by Congress for one uniform national currency, by the issue of only one description of bank notes, issued upon and secured by the deposit of United States bonds, but to the extent of only ninety per centum of their value, excluding any premium value above par, coupled with conditions to prevent the possibility of an over-issue.

There is not, as the title of the American enabling Act seems to indicate, a National Bank of the United States. Under the provisions of the Act, any number of banks may be established in each of the States, and as such and all other banks have since adopted this national system of note issue, they may all be regarded as National Banks, and they are so in the sense, that they are all founded on one national and uniform system of note issue, under which they are each limited to the issue only of bank notes, based on Government bonds.

Concisely quoted, the act provides, that to prevent an over issue of notes, the entire amount shall not exceed £70,800,000; that the notes so issued shall not exceed one-third of the paid-up capital of each bank; that such notes shall always be covered by a deposit of United State Bonds, reckoned, to provide for any possible fluctuations, at only ninety per centum of their market value, but excluding all premium value above par; that the remaining two-thirds of the paid-up capital shall be held in reserve in cash; that if the deposits made with any bank shall exceed two and-a-half times its united capital in guaranteed notes and cash, it shall at once increase its capital; that should the amount of cash in reserve, fall, at any time, below one-fourth of the total amount of its note issue and deposits, the Comptroller of the Currency may call upon the bank so in default, to make good such reserve, and on failure to do so, within thirty days, he may, with the concurrence of the Secretary of the Treasury, appoint a receiver to wind-up such Bank.

The enabling act also provides in the case of any depreciation n the market value of the deposited United State Bonds, an additional deposit of such bonds must be made to cover the amount of such depreciation; hat the amount loaned to any corporation, firm, or person, by any such bank, shall not exceed one-tenth of its paid-up capital; that monthly, and, if desired, weekly statements of its resources and liabilities shall be made to the Comptroller of Currency, that no bank shall make any loan or discount on the security of its own capital stock; nor directly or indirectly pledge or hypothecate any of its notes; nor withdraw or permit to be withdrawn in the form of dividends or otherwise, any portion of its capital; and that any malfeasance of any director or any violation of the provisions of the Bank Act, shall be ground for a winding up, but leaving any participatory director personally liable.

On the other hand, the Act provides, that all notes so issued shall circulate as money in the United States; and that they shall be received in payment of taxes and excises as purchase moneys of public lands, and in discharge of all other dues to the United States, except for duties or imports, and also for all salaries and other debts and demands, owing by the United States to Individuals, Corporations, and Associations, within the United States, except interest on the public debt, and in redemption of the National Currency. It follows, that as no other kind of notes are permitted to circulate as money and as the total amount of the authorised Note issue is far below the total amount of the taxes, excises, receipts for rents, and purchases of lands and other dues, which have to be paid to the United States in each year, the Note issue of the Government National Banks of the United States are not likely to depreciate in value.

In support of the establishment of an Australian National Bank of Issue it is as well to point out, that the profits netted by the Government out of the business of the Bank of France, averages about £700,000 per annum. The share of the profits obtained by the Government out of the business of the Imperial Bank of Germany, although, but recently established, already amounted to about £800,000 per annum; besides which such bank makes very considerabte additional profits by the issue of Government Bank Notes, which they have the power to do without cover, as before mentioned. But the commissions paid in respect of the combined issues of the National Bank of the United States, bring very much larger additions to the Federal funds. The Government, is entitled to receive from each bank, a duty of one per centum, payable half-yearly, upon the average amount of its notes in circulation; a duty of one-half per centum, payable half-yearly, upon the average amount of its deposits; and a duty of one-half per centum, payable half-yearly, upon the average amount of its capital stock, beyond the amount invested in United States Bonds under deposit. For many years such issues averaged

£65,000,000; the paid up Capital, in excess of such note issues amounted to £130,000,000; and the "Cash" Deposits averaged above £400,000,000; and the commissions and duties at the rate before mentioned, brought an annual average profit to the Public Treasury of £3,300,000.

Such were the average results for many years; but the amount of issue, and consequently the amount of commission, are now under a very singular state of circumstances, much reduced. Since the paying off of the bulk of the National Debt of the United States, the need of a ready investment for trust and other funds, has caused United States Bonds to rise to such a price, as to make it unprofitable to deposit them as security for notes. The present note issue is therefore now, only half of what it was, and the commission, while such a state of things exists, will be reduced to about £1,650,000 per annum.

But there is practically no loss to the Government, for this diminuation in the note issue, has been made up by the issue of Government Notes payable on demand and gold and silver certificates, upon which notes may be issued, which being used as money for Government purposes, saves interest on loans and the present note issue being equal to £140,000,000, the amount of gains direct and indirect must be larger than before.

It will be obvious, that the three points which claim especial attention in the establishment of a Bank of Issue, are well provided for under the National Bank System of the United States. These points are:—Protection against the possibility of an over-issue of notes; provision for their ultimate redemption in full, if the necessity should arise; and the provision of a sufficient amount of bullion in reserve, to meet any probable demands for immediate payment, and beyond these advantages it is shewn that large profits can be netted in aid of National Revenue.

It is suggested, that upon Federal Union being accomplished, the Federal Government shall be empowered to authorise the establishment of a National Bank of Issue for Australia, having branches in the principal cities or towns of each colony or state. The business of the Bank would be:—Firstly, the management at the Central Office of the banking business, relating to the Federal Government, and the providing of means for the carrying out of all public works, promoted by or in which the Federal or any Local Government may be concerned, and the issue in aid of such business and works of a special note issue, based upon the security of such works, the Federal Revenue and the moneys borrowed on the debentures issued under the guarantee of all the Federated Communities; such issue to be so limited that bulllion shall always be retained to an extent, never less than ten shillings in the pound sterling.

That such issue shall be of a special character and distinguishable from all others, being initiated to meet payment of wages incurred in the prosecution of public works, shall be issued in notes of such amount as may be deemed advisable ; one-half or some agreed part being issued for sums of ten shillings each.

That no commission be chargeable on the issue of such notes, but shall be payable only on presentation for payment in cash. The affect of this arrangement will be to keep such issue in circulation and to check their unreasonable presentment for redemption, by or through ordinary Banks, in preference to their own issues, upon which they would have already paid a commission at the time of issue.

The other special business of the proposed National Bank would be the providing of a note issue for the service of all ordinary Banks, upon the terms identical with them adopted by the National Banking System of the United States s, a before set forth.

Upon this issue—the value of each note, being never less than one pound—a commission will be charged at the time of issue and so on year by year.

Under these arrangements, following those adopted by the National Banks of the United States, all Notes would only be issued on Government Securities and cash to the extent of one-half or two-thirds as arranged, and while with ordinary care its securities in the shape of discounted bills or other advances, would be as capable of satisfactory realization, as any held by the Banks of England, France, or Germany, the several Colonies or States, as they would under any federal system be doubtless called, while making large profits on such issues would offer also to the holders of their notes, the additional security of unalienated public lands and railways and other public works, of a value, greatly in excess, by many millions, of any probable issue.

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12. OF BRITISH AND IMPERIAL FEDERATION.

Up to this stage, the present work has been limited to observations upon the method and effects of Federal Union, as in force elsewhere, with the view of ascertaining the best method to be adopted, in effecting Federation between the Colonies themselves. Another point to be now considered, is the effect of the Federal Union of the Australian Dominions, upon the relations between them and the Mother Country.

This is a phase of the question, which does not present itself in the Federation of the Swiss, or of the Uuited States of

America, or of the kingdom, principalities, and republics of Germany. Possessing no self-governing colonies, these countries have made no provision in their federal constitutions for a condition of things, which, as yet, has no existence. Of these federated countries Germany is the only one which is making efforts for the establishment of colonies upon a basis much beyond that of military occupation. It is, therefore, idle to speculate upon what course she may adopt between her own federal government and her colonies, when established to a sufficient extent. But looking for evidence in the past, though she has recently taken steps towards affording her colonies some representation in her Imperial Federal Council, we may be pretty sure that no other country, not even Germany herself, nor France, nor Italy, will ever grant to their colonies those free and independent powers of self rule which Britain has given to her own. We may, therefore, expect that no foreign colonies will ever advance beyond the condition of Crown colonies of the severest type.

But not so with Britain. The secret of her success in colonisation is, that even to her Crown colonies she has given a measure of self-government, little inferior to that perfect system of responsible and virtually independent sovereignty, which the Australian colonies enjoy. Under these liberal powers conflicts between the mother-country and her colonies have been very unfrequent, and federation will do much to prevent them altogether. And with complete success, if, besides self-rule upon local matters, the colonies are permitted to have also a voice in the Imperial Council and Parliament in the settlement of all national questions.

Those, therefore, of the British Press, and others, who write sometimes so freely about the necessity of providing for the protection of Imperial interests, do so, because they have not yet grasped the important fact that the colonies, to which Britain has granted responsible government, are happily as independent of interference by that great Mother of Nations, as she is herself from the interference of her continental neighbours. British or Imperial interests cannot have any separate or antagonistic operation against those of her colonies. They are, in fact, identical, and limited as they are to commercial dealings, and in times of trouble to acts of mutual assistance, no reason can exist for any such provision. Let but the colonies take care in any system of federation, to protect themselves from the evils which might arise, from the grant of too much power to their central governments, and they will have nothing to fear from Imperial or British rule. The Imperial authority must, however, be retained in the case of any necessity to amend the federal constitution by appeal to the British Parliament, and in the case of any disputes upon federal matters, which "The Supreme Court of Appeal of Australasia" cannot settle with satisfaction, to the Privy Council of England.

But while Imperial interests will require no extension of power under federal conditions, it is not so with Australian interests. Shut out, hitherto, from any actual participation in the councils of the Empire, each colony, or, at least, each federal union will reasonably require to be heard in matters relating to war or other national questions affecting their special interests. How this shall be brought about, whether by representation in the Privy Council of the Sovereign, or in the British Parliament, or in both or in a new Imperial Council, or partly in one and partly in the other of such methods, is a matter to be considered and arranged. Nothing is, however, more certain than that the Australians will never be satisfied with that mere amalgamation, miscalled "federation," under which the Canadian colonies are now associated, nor with that mere shadow of British or Imperial Union which, in such instance, exists only in name.

But while nothing less than actual represen ation, in the councils of the nation, will satisfy the aspirations of loyal Australians—because they feel that any other form of federation will, sooner or later, lead to separation—they will not be found pressing for an undue share of representation. They will remember with gratitude that their Queen has sent good and able men as her vice-regents, who, in returning to their seats in the Houses of Lords or Commons of England, will prove capable and willing representatives of Australian interests. And especially will they remember one who, in the able discharge of his onerous duties, has made the name of Carrington beloved throughout Australia. And confidently do they, with much faith, knowing how completely he is in touch with the capabilities and necessities of Australia, hope to find him leading the question of federation in the councils of the nation, and returning at no distant date to receive the hearty welcome of the people as Governor-General of Australasia.

But it remains to consider how any system of British Federation can be best brought about. The opinion has been broadly circulated that Colonial Federation must precede Imperial. This is one of those statements which, freely made, without full consideration, is received and adopted as a positive and unchallengeable fact. Such idea, though possibly the better plan, is nevertheless not absolutely necessary. It might with as much, and, perhaps, more reason, be contended that the separate federation of separate colonies with the mother country would be a better introduction to the federal union of contiguous colonies. British or Imperial union is not, necessarily, connected with colonial federal union, though, doubtless, one condition is the natural outcome of the other.

There are many colonies so situated that they can never form part of any group. Are they to be precluded from the benefits of federation? Let us hope not. No one would deny

the possibility of an alliance for defence or other purposes between Britain and any number of foreign nations. Why then should her many colonies, too far removed from any others to be grouped with them, be debarred from advantages which foreign nations are capable of enjoying? It may be contended that such an union is unnecessary, because Britain is bound to protect them. But the union contended for, would go far beyond such mere moral obligation of protection. It would be asserted as a right under a mutual contract, affording representation in a British or Imperial Council and Parliament, in return for submission to an agreed small tax per head for defensive purposes only. Imperial or British Federation is impossible upon any terms which would long endure, without representation in the councils of the nation.

The federation of the mother country and separate colonies might not be as complete or as workable as one with groups of colonies having central executives to deal with. But it would give all that Imperial union can alone give, the means of a prompt and common defence in the case of war. And while it might in so doing, afford all that is perhaps absolutely needed at the moment, without disturbance of present interests, or re-adjustment of territories, it would quickly lead to complete federal union of those naturally associated together.

It is more than probable that better progress would be made if the British Parliament were to move in the matter alone by passing an act, enabling any of her colonies to enter into a closer union with the mother country upon the terms suggested, than by waiting for the prior federation of groups of her colonies. There is no reason, however, why one should wait for the other. And first or last, such an enabling act will be needed; for no federal union can be regarded as complete which, accepting groups of colonies, leaves isolated possessions without equal rights of representation and protection.

In furtherance of this suggestion that it would be well for the Imperial Parliament to move at once in the matter, an outline of a form of constitution submitted to the Secretary for the Colonies in 1861, and which, it is thought would meet the approval of those concerned, is here inserted on following page:—

THE PROPOSED OUTLINE OF THE BRITISH EMPIRE FEDERAL UNION.

CONSTITUTION.—The Queen in command of all forces Naval, Military and Militia in time of peace, and by her appointed representative in active command in time of war.

EXECUTIVE.—The Queen-in-Council (in which each Colony or group of Colonies should be represented) empowered to—

To enter into Foreign Treaties and Alliances.

To Declare War or Proclaim Peace.

To Make Requisitions on each Colony or Group within certain fixed limits agreed to and imposed by the Parliament of any colony or group of federated colonies, to discharge such agreed proportions of such cost of such General Defences, as have been supplied by the Imperial Government, under agreement with such colonies.

To fix and alter any seat of a Federal Government.

To veto the Acts of any Federal Parliament, or of any Unfederated Colony, passed in violation of current Imperial Law, as to Marriage or Divorce, and other agreed subjects.

To appoint Governors-in-General and Governors.

To settle Federal Disputes by final appeal to the Privy Council.

LEGISLATIVE POWERS.—The Queen and the Houses of Lords and Commons of England, in which each colony should be represented.

To Regulate Coinage and Currency.

To consider and confirm any proposed amendments or modifications of any Federal Constitution, which may have been initiated in any Federal Parliament.

To regulate the terms upon which representations may be had by any Colony or Group of Colonies in the British Parliament.

To legislate in respect all other matters within the ordinary powers of the British Parliament.

As the laws of Australia, and, indeed, of most communities of British origin, follow very closely those passed session after session by the British Parliament, it would be very advantageous to have them considered from colonial points of view from their initiatory stage. This is another strong point in favour of colonial representation in the British Parliament.

And what would be the needful limit of taxation for British federal purposes? The cost would be inconsiderable. It should be regarded as a premium for assuring the trade of the British peoples, the integrity of the British dominions, and the blessings of peace. The required tax would be but a small premium for such grand results. Assuming the peoples of the British Empire to number 250,000,000, the rate of one penny per head would give an annual income of over £1,000,000. But confining the enquiry to Australia, a self-imposed taxation in aid of British Federation of threepence per head would yield over £60,000, more than would be sufficient to protect her trade and her enormous coast line, which, far in excess of that of Europe, is her present great weakness. And be it remembered, future settlements will quickly reduce even this small rate to an infinitesimal charge. Is there no statesman with ability enough to take up this great question and weld together all the British nations? The task is a noble one and by no means difficult, if handled with due consideration for the rights of all parties to such an union.

Under the arrangements outlined in the foregoing skeleton draft of a British Empire Federal Constitution, any number of separate colonies, or groups of colonies, or other possessions, may federate as to defence and other matters of purely national interest, while preserving to themselves their several sovereign rights of self-government in respect of local affairs. Under this plan, an union of all English-speaking countries—the United States not even excepted—would be perfectly practicable, and without abating one jot of their separate rights. One great good which would come of such an extended federation would be the accomplishment of a much to be desired purpose, the freeing of all the countries joining in such an alliance from the horrors and waste of war. A federal union of nations for the enforcement of peace is not impracticable. All federations, however limited, must tend towards that purpose ; and the time is fast approaching when the English-speaking races in Europe, Asia, Africa, America, and Australia, will be sufficiently powerful, without foreign allies, to realize the condition of that happy age when "Swords shall be turned into ploughshares," and the peace of the world be no more disturbed. Yet, without such a powerful union, towards which the federation of the Australian dominions is a great advancement, let no one, while the great civilized powers of the world are armed at all points, and spending the prodigious sum of £150,000,000 in each year, upon men and war materials, be deluded into vainly waiting the day when

> "The drum shall beat no longer
> And the battle flags be furled."

Rather let us, with wholesome prudence, expecting that some ill-considered action or some purposely-assumed wrong will give real or pretended cause to some reckless agressor to "Cry Havoc ! and let slip the dogs of war"—take prompt means, as best we may, to protect our country and our lives. Of all the British possessions, none will be more exposed to the onslaught of her enemies than Australia. At once the richest and the most valuable of her possessions, she will excite the cupidity and invite the direct hostility of the foe. All men who study the question are agreed that the time has gone by for a war of long duration. There will be no "seven years war," in which those caught unprepared may find time to recruit and save their fortunes. The war of the future may not be counted by as many weeks, or even by as many days. An unexpected shot may be the first declaration of the next war. It is more likely to be fired at Britain through Australia than otherwise. And should it find Australia unprepared by federation for resistence—mere talkers and not doers—what prizes she will offer to share amongst a combination of foes, and what horrors will be suffered by the vanquished. Doubtless, if the conditions of the war of the future would give us note of preparation, as in days gone by, the first

great scare would bring about federation in a hurried and bungled way. It is with nations, as with men, to be well prepared—to be known to be capable of resistance—is the only sure means of avoiding attack. Let us then wisely prepare in no imperfect or unsatisfactory manner and without delay. Let us hope for, and aid, as much as lies in our power, the bringing about of a well-considered scheme of Colonial federation, which, not despoiling us of our rights of self-government in local matters, will with an equally well-devised scheme of British Federation, enable us to hold our own against any combination of foes, and to take high rank in the greatest union of nations which the world has ever known.

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