<url>https://www.historichansard.net/senate/1901/19011120_senate_1_6</url>
1901-11-20
Senate.
The President took the chair at 2.30 p.m.. and read prayers.
PETITIONS
Senator FERGUSONpresented a petition from six persons, growers and manufacturers of sugar in Queensland, praying that the Senate would permit a continuance of the introduction and employment of Polynesian labour, subject to such regulations as now exist in the State in relation thereto, until such time as a satisfactory and reliable substitute is available to take its place.
Petition received and read.
Senator CHARLESTONpresented a petition from 83. residents of South Australia praying that the retail trade in intoxicants in the Federal capital should be exclusively owned and carried on by the Commonwealth.
Petition received.
POST AND TELEGRAPH BILL
Royal assent to this Bill reported.
QUESTIONS
TRANSCONTINENTAL RAILWAY
<page>7462</page>
Senator PEARCE
asked the Postmaster-General, upon notice -
Have the survey parties, which were sent out by the Western Australian and South Australian Governments to survey a route for the railway between Western Australia and South Australia, yet furnished their respective Governments with a report of their investigations ?
If such reports have been made, will the Vice-President take such steps as will enable members of the Senate to become acquainted with the nature of such reports ?
Postmaster-General
Senator DRAKE
- Telegrams were sent to the Governments of Western Australia and South Australia on the 16th instant asking for this information, but no replies have yet been received.
PARCELS POST
Senator DOBSON
asked the Postmaster-
General, upon notice -
Is the value-paid parcels post system now in force in Queensland in force in any other States? 2. How is this system working in Queensland? 3. Does the Postmaster-General propose to introduce the system throughout the Commonwealth ; and, if so, when ?
Senator DRAKE
- The answers to the honorable senator's questions are as follow: -
The value-payable parcels post now in force in Queensland is not at present in force in any other State. 2, This system is working well in Queensland. The Deputy -Postmaster-General, in a report dated the 19th instant, says - " The value-payable parcels posted in Brisbane and its suburbs, since the beginning of this year, numbered . 1,359, as against 888 for a similar period last year. The business is steadily growing, and as its facilities are becoming more generally understood, a considerable expansion is inevitable, merchants and others using the system speak most highly of its conveniences." 3. The Postmaster-General has under consideration the introduction of the system throughout the Commonwealth, as soon as the regulations can be issued, and the necessary books and forms prepared.
IMPORTS FROM CHINA : FORGED PERMITS
Senator HIGGS
asked the Postmaster-General, upon notice -
What is the method adopted by the Commonwealth Customs officials in examining invoices of goods imported from China by Chinese? 2. Are the said invoices written in the Chinese and also in the English language ? 3. Do the Customs officials accept as correct the English translation ? 4. Are any of the

Customs officials at any port in Australia qualified to interpret the Chinese written language ; it so, at what port or ports? 5. Is it true that Chinese have, during the past six months, gained access to the Commonwealth through Queensland northern ports by means of forged permits ? 6. How many Chinese are known to have gained access to the Commonwealth through forged permits during the past six months ?

Senator DRAKE

- The following answers have been supplied to the questions : -

Invoices are presented with the entry on which the necessary declarations are made. The entry is carefully checked, and in each case the contents of the packages are verified by examination. Particular attention is always paid to Chinese importations, and the officers have express instructions to be careful in regard thereto, and it is believed these instructions are properly carried out. (2) The invoices are in Chinese, and as a rule are accompanied by English translations. Much reliance is not, however, placed on such, but, as stated above, the packages and contents themselves a. re carefully examined and duty assessed by the officers. (3) No. (4) No; but wherever there is reason to do so, competent assistance (which is available) is freely made use of. (5) The information supplied is "that such bus been the case," but it may be mentioned in regard to this question and No. 6, that the matter relates to the administration of State law only, and does not come within the scope of the Department of Trade and Customs at present. (6) From information supplied from Queensland, it is believed that 203 Chinese have gained access to the Commonwealth through Queensland ports by means of forged permits between February and. September last. Since that time 26 have been detected and returned to China.

COMMUNICATIONS TO THE SENATE

The PRESIDENT

- I have received a communication from the State of Queensland through its Premier, Mr. Philp, addressed to the members of the Senate, and to myself as President, concerning a Bill which is shortly to come under our consideration, the Pacific Island Labourers Bill. I propose to lay this communication on the table, and that it should be read and printed. The procedure is, no doubt, new. The ordinary method of approaching a House of Legislature based on the British model, is by petition. But the Senate is not based on the British model, although it may have characteristics in common with that model. It is a Federal Senate, and the position of the States which form the federation must be recognised. Subject to the Constitution the Senate is bound by no rules, regulations, or procedure which it does not make for itself; but I submit that the adoption of a procedure by which a State may directly address the Senate on a matter affecting its interests and the interests of its people will not only give effect to the spirit of our Constitution, but will also be most convenient.

<page>7463</page>

Postmaster-General

Senator DRAKE

. - I think it advisable, if the Senate is to express an opinion upon this matter, that action should not be taken now. Of course, sir, the action which you have suggested would have the effect of creating a precedent which might have far-reaching consequences. It is desirable that honorable senators should have an opportunity of considering the matter in all its bearings before the Senate departs from the established usage in all British Parliaments, that a House of Parliament can be approached only by petition.

The PRESIDENT

- I may mention that I have had an interview with the Postmaster-General, and that I am quite willing to assent to the procedure which he suggests.

Senator Major GOULD

- Although this is an absolutely novel procedure, I think it would be wise for the Senate at all times] to leave itself open to receive a communication from a State Government, because, sir, as you pointed out, its position is entirely distinct in certain respects from that of the Upper House in the old country or in a State. The Senate is peculiarly constituted, inasmuch as it represents the States directly. Therefore it should be open at all times to receive any suggestions or any views which a State may desire to submit, always provided that those views are presented by the duly recognised authorities or representatives of the State.

Senator Best
- How far is the honorable and learned senator going to carry that? Would he allow any one to come to the Bar of the House 1
Senator Major GOULD
- I would carry it only so far as to allow the Government or Parliament of a State to mate representations to the Senate. I would not allow an individual society or any section of a State to make representations. I assume that if any person wished to appear at the Bar, it would be for the Senate to determine by resolution whether it would hear bini.
The PRESIDENT
- No one can be heard at the Bar except by consent.
Senator Major GOULD
- Yes. Whatever the views of the State Government may be, so long as the question is one on which the State is interested - and it would be only on a great public matter that a State would attempt to make its views known to the Senate - it is only reasonable that its communication should be received. Of course, I am aware that a State can make its views known through its representatives. But at the same time there is a recognised authority in the State - the Government of the day. If it makes a mistake in the views which it puts before a body like the Senate it will be amenable not only to the members of its Legislature, but to the people of the State it represents. I am rather sorry that the Postmaster-General should have considered it necessary to take exception to the action suggested by you, sir, on the present occasion.
The PRESIDENT
- Perhaps it will be more convenient to discuss .this matter tomorrow.
Senator Major GOULD
- I am perfectly willing that that should be done. I shall, therefore, reserve any further remarks I may have to make on the subject.
The PRESIDENT
- Strictly speaking, there is no question before the Senate, but this is a very novel position, and therefore I have- allowed a certain amount of latitude. But I would prefer that the matter should be discussed to-morrow upon some motion.
Senator PLAYFORD
- I have not heard all that has been said. Do I understand that this document is a petition ?
The PRESIDENT
- It is a document written by the Prime Minister of Queensland. It is addressed to "The honorable the President and Members of the Senate of the Commonwealth of Australia." It is a statement made by the Premier of Queensland, as representing that State, in reference to a Bill which is now before the Commonwealth Parliament. The Premier of Queensland admits that the procedure that he wishes to see adopted is novel. For the reasons I have already given, I have thought that it would be convenient and proper to allow the communication to be read. But of course it is a matter for the Senate to decide. I do not in any way. desire to take the Senate unawares. I want the Senate to have an opportunity of considering the question in all its bearings, and as a whole, and not in relation to this particular Bill.
Senator PLAYFORD
- We should be exceedingly careful about making precedents of this sort.- There is a well-known and recognised rule that Parliament can be approached only by petition.
Senator CLEMONS
- But not 'that a State Parliament can approach a Federal Parliament by petition.
Senator PLAYFORD
- A State Parliament should approach this House by petition, and- we should be able to look at the petition before it is presented.
<page>7464</page>
The PRESIDENT
- This is not a petition.
Senator PLAYFORD
- It is a communication, and it is signed on behalf of the State of Queensland. That is a marvellous thing. What right has the Premier of Queensland to sign such a document on behalf of the whole State? Before

we come to a conclusion on a matter like this, we should be very careful not to form a dangerous precedent. Possibly I shall have something further to say on the matter when I have seen the contents of the document, which I presume we shall be allowed to read?
The PRESIDENT
- I will ask honorable senators not to discuss the matter further.
Senator CLEMONS(Tasmania).- I rise not to discuss the subject, but to ask the Postmaster-General if he will give the Senate an opportunity of discussing it tomorrow?
The PRESIDENT
- I propose to lay this paper on the table.
Senator Best
- What will the motion be?
The PRESIDENT
- I propose to lay the paper upon the table. Then, if any honorable senator proposes that the paper be read, of course the Senate will decide. I admit that this is a novel procedure, and that is the reason why I have allowed a certain latitude. We must always remember that wo are a novel Parliament, and we must not be hide-bound by precedents which apply to other Parliaments.
Senator HIGGS
- If we cannot deal with the matter in any other way, I desire to move -
That the Senate do now adjourn until half-past ten o'clock to-morrow morning.
The PRESIDENT
- The business of the day has been called on, and it is not therefore in order for a motion for the adjournment of the Senate to be moved. I do not think that any honorable senator can object to the question being postponed until to-morrow.
Senator HIGGS
- Other honorable senators representing other States have been allowed to speak.
The PRESIDENT
- I ask the honorable senator, as I have asked others, not to proceed.
Senator HIGGS
- The very fact of this method of procedure being followed will mean that if we object to the communication being laid on the table we shall have to carry a vote against the President.
The PRESIDENT
- If the opinion of the Senate is against me I shall not object.
Senator Best
- Will the motion be - " That the paper be not laid upon the table"?
The PRESIDENT
- Yes, it may be put in that way if desired. I again admit that the procedure which I invite the Senate to take is entirely novel. The Senate need not take it unless it wishes to do so.
Senator Drake
- I suggest that you, sir, should lay the paper upon the table tomorrow. If a motion be then moved that it be read, the question can be discussed.
The PRESIDENT
- It can be done in that way if honorable senators like.
Senator Higgs
- The whole affair is only an insult to the Barton Government.
Senator Glassey
-Not only so, but it is also an insult to the representatives of Queensland.
BRITISH NEW GUINEA
Postmaster-General
Senator DRAKE
. - The motion standing upon the paper in my name is as follows : -
That this House authorizes the Government to accept British New Guinea as a territory of the Commonwealth if His Majesty's Government is willing to place it under federal control.
That toward the expenses of the administration of the possession, this House is willing, when called upon,

to give parliamentary sanction to an appropriation of £20,000 per year for five years as from the 1st day of July last.
As the motion was moved and carried in the House of Representatives the expression used was -
That this House is willing to vote a sum not exceeding £20,000 per annum.
I have no objection to the words " not exceeding" being inserted, if that is the desire of the Senate, to bring the motion into conformity with the resolution as carried in the House of Representatives.
Senator Pulsford
- If the Postmaster-General amends one portion of the motion, had he not better amend the rest, so as to make the wording exactly similar ?
<page>7465</page>
Senator DRAKE
- No, I do not propose to make them exactly similar, because we have had a discussion previously upon the Appropriation Bill, when we substantially agreed that this would be the proper form of expression to use. We agreed then, I think, that the proper form was not that the Senate is " willing to vote " a sum, but that the Senate is willing to give " parliamentary sanction " to the vote.
Senator Major Gould
- We recognised that the other House was the House in which initiation was to take place, but that this House had concurrent rights in voting and appropriating money. We do not merely sanction an appropriation granted by the other House.
Senator DRAKE
- I think the expression used in this motion is quite correct - that we " give parliamentary sanction " to the appropriation ; but if honorable senators attach any weight to the point, I am willing to amend the motion to bring it into exact conformity with the resolution agreed to by the House of Representatives.
The PRESIDENT
- I presume that the honorable and learned senator asks leave to amend his motion?
Senator DRAKE
- Yes.
Motion, by leave, amended to read as follows : -
That this House is prepared to join in measures for the acceptance of British New Guinea as a territory of the Commonwealth if His Majesty is pleased to place it under federal control.
That toward the expenses of the administration of the possession, this House is willing, when called upon, to vote a sum not exceeding £20,000 per annum for five years as from the 1st day of July last.
Senator DRAKE
- Section 122 of the Constitution reads as follows : -
The Parliament may make laws for the government of any territory sur rendered by any State to and accepted by the Commonwealth, or of any territory placed by the Queen under the authority of and accepted by the Commonwealth, or otherwise acquired by the Commonwealth, and may allow the representation of such territory in either House of the Parliament to the extent and on the terms which it thinksfit.
It will be noticed that the acceptance contemplated in this' section is acceptance by the Commonwealth. It was in order to prevent any possible ambiguity that the amendment in the resolution was made in the House of Representatives, because the acceptance of the territory will be signified by an Act of the Commonwealth' Parliament, and not by a resolution of the two Houses.
Senator Clemons
- " Signified " ?
<page>7466</page>
Senator DRAKE
- The acceptance will be signified - that is to say, it will be completed and ratified. " Signified " is the correct word. The effect of the resolution of the two Houses, if carried, will be to enable the Commonwealth Government to indicate to the Imperial Government that we are prepared to ask Parliament to accept the territory of British New Guinea as a Commonwealth territory. It is well known that under the Constitution Act we have power to make laws for any territory accepted by the Commonwealth. I have no doubt that when the people of Australia asked the mother country for larger powers of

self-government, and at the same time for power to make laws with regard to territories, it was hardly expected that the time would so soon arrive when it would be necessary for the Commonwealth to accept the responsibility of governing a territory. But circumstances have arisen which make it almost incumbent upon the Commonwealth at the present time to accept this great responsibility. It is, perhaps, known to the Senate that in 1883 the British flag was hoisted in New Guinea by Mr. Chester, police magistrate at Cooktown, under instructions from the Queensland Government, the Premier of which at the time was the late Sir Thomas McIlwraith. At that time, beyond some shadowy claims to the southwest of New Guinea on the part of the Dutch, no claim had been lodged by any continental power to any portion of New Guinea, which is the largest island in the world, if we regard Australia as a continent. There are many who regret that that annexation was not given effect to. However, it was disallowed, and it was not until November of 1884 that an arrangement was arrived at by which New Guinea was divided between Holland, Germany, and Great Britain, and a British protectorate established over the south-eastern portion of the island. The area of British New Guinea is about 90,500 square miles, which is larger than that of any ordinary European kingdom. It is a portion of the earth's surface that will, no doubt, be of very great importance to Australia in the future. Scientists tell us that originally New Guinea was joined to the mainland of Australia, and that only in comparatively recent years was it separated by the sea. It has a very fertile soil, as shown by its extensive forests. Although it is well up in the tropics, it has a temperature which cannot be considered so high as to be injurious to human life. The extremes of temperature range from 64 to 96 degrees, and the average is from 74 to 94 degrees. Perhaps not very much information can be obtained from the readings of the thermometer. I have been on the great island of Saibai - which is practically part of the mainland of New Guinea - in the height of summer. On one occasion I was there the day before Christmas, and it appeared to me to be a place where a white man could live and enjoy a' good deal of comfort. That is only one of the islands on the coast. The country appeared to be composed of a somewhat sandy soil, very thickly planted with cocoanut palms, which constitute the principal means of livelihood for the inhabitants. Under these cocoa palms the inhabitants had their comfortable huts, surrounded by compounds, and from the character of the weapons which I saw there, as well as, from other indications, I should say that the people are not very low down in the scale of humanity. The total population of British New Guinea at the present time is between 300,000 and 350,000 coloured people, and about 500 whites. The coloured inhabitants belong to many different tribes, and have very different characteristics. The best of them - the true Papuans, or frizzled hair people - are found in southeast New Guinea. We know more about the inhabitants on the banks of the great Fly River, which extends over 620 miles through British territory, than the people in any other part of the island. The true Papuans appear to be fairly well civilized, as inhabitants of this part of the globe go. They have tribal customs with regard to the occupancy of land which, to a certain extent, are socialistic. They are certainly a very interesting people. They are settled upon the soil, and have apparently no characteristics in common with such people as the aboriginals of Australia. At' the present time, British New Guinea has a trade of about £128,000 a year, and for some time past the expenditure has been about £40,000 a year. I shall give now an account of the estimates of the revenue and expenditure from the statement presented by the Administrator of the Possessions, to the Lieutenant-Governor of Queensland, on 21st June last, in order that honorable senators may gain an idea of the financial position of the Possession at the present time. He states -

The estimate of revenue for the coming financial year amounts to £20,900, or £5,325 over that of the present year. The principal items in which an increase is expected are - Customs, £700 ; land sales, £1,660 ; gold-field receipts, £800 ; and the sales of the new issue of the postage stamps, £500.

The only difficult items to estimate are the two relating to lands and surveys. I may state that the Chief Government Surveyor's original estimate was much larger, but the Executive Council did not consider it well to calculate on too high a problematical amount, and reduced it to the figures given above. A good deal will of course depend on whether the Government of New South Wales will withdraw its opposition to the application of the Hall Sound Company for the . 100,000 acres of land for agricultural purposes.

The company have officially informed me that unless the objection to it, of which the New South Wales Government gave Your Excellency's Government notice last year, on the first intimation of the application, is allowed to lapse, they will withdraw at once altogether from any further enterprise in the possession ; while, should their application be successful, they will be prepared to invest a large amount of capital and

proceed at once with their enterprise. In the interests, therefore, of the financial administration of the possession, I should be glad to know at an early date whether there is any likelihood of the opposition to the company's application being withdrawn. I fear that otherwise, not only shall we lose the first bona fide chance of material agricultural development which has occurred since I have been in the possession, but that others who may be intending to undertake similar enterprises will be discouraged and withdraw from them.

Senator Harney

- What company is that?

<page>7467</page>

Senator DRAKE

- The Hall Sound Company, which made application for 100,000 acres. An application was made by a British syndicate for a very much larger area - 250,000 acres, I think - but in consequence of the great objections raised by the contributing colonies, that project was disallowed. With regard to the expenditure, Mr. Le Hunte, the Administrator, states : -

The figures for the expenditure for the first quarter of the coming financial year - £8,851 5s. - are based on the present year's estimates, with certain additions, viz., (1) the inclusion, as directed, of the present survey staff; (2) the appointments made and approved during the present year ; (3) certain small increments to the salaries of subordinate officers, in no case exceeding £25, which had been promised to them from the first of July ; and (4) certain items under constabulary, gaols, &c, which are found to be insufficient for present actual requirements. With these exceptions, and the provision for the 4 per cent interest on the special survey loan of £3,000 made by the Queensland Government towards the end of last year, and the cost of the new postage stamps, the figures for 1900-I have been adhered to as strictly as possible, in accordance with what I stated in my telegraphic request for authority to pass the Temporary Appropriation Ordinance, although I was not at the time aware that the one-fourth of the total of the last Estimates, to which I intended to confine myself, except for the survey staff, would have to be exceeded.

Then he goes on to state some very substantial reasons why the former estimate has been exceeded. Having set forth so much with regard to the estimates of revenue and expenditure of British New Guinea, in order to show the importance of the possession, I should like to say a few words in regard to its government. In 1887 a conference of representatives of the Australian colonies was held in London. It was there agreed that, if the British Government would establish a protectorate, New South Wales, Victoria, and Queensland would join in making a contribution of £15,000 a year, in equal parts, towards the administration of the possession. Subsequently the British Government agreed to pay £7,000 a year for a portion of the time for the up-keep of the steamer Merrie England. Therefore there was an assistance from outside of £22,000 a year towards keeping sound the finances of the possession. Under the agreement, an ordinance and Royal instructions were issued to the Administrator of the territory in June 1888, to extend over ten years. The possession was administered in the first place by Sir Peter Scratchley, who was appointed a special Commissioner. Unfortunately he died very shortly after his appointment. The Honorable John Douglas, Government resident at Thursday Island, then administered the possession until the arrival of Sir William MacGregor, and during the remainder of the term of ten years, the affairs of the possession were administered by that well-known and highly-esteemed gentleman.

Senator Harney

- Under whose control were these administrators?

<page>7468</page>

Senator DRAKE

- Under the ordinance and Royal instructions to which I have referred it was provided that Queensland was -

To undertake by a permanent Appropriation Act to defray the cost of the administration of the Government of British New Guinea to an extent not exceeding . £15,000 per annum for the term of five years, subject to the following conditions : -

The colonies of New South Wales and Victoria to undertake by similar permanent Appropriation Acts to bear equally with Queensland any amount which the latter colony may be called upon to pay under article

i, so that each colony shall be liable for one-third of the whole expenditure to an extent not exceeding £5,000.
That was for five years, under the agreement of the Convention of 1887, given effect to in 1888. That term of five years was afterwards extended to ten years, and under Articles 19 and 20, it was provided -
The Governor of Queensland to be directed to consult his Executive Council upon all matters relating to British New Guinea.
The Government of Queensland to consult the Governments of the other contributing colonies in all matters other than those of ordinary administration, and to report to them all action taken.
The Executive Council of New Guinea consisted of the Administrator and one or two other officials. They conducted the affairs of the administration under the Executive Council of Queensland. Queensland, in all matters of importance, had to consult the two other contributing colonies. That was the form of Government which existed for ten years until 1898, when the agreement came to an end. There was then an accumulated surplus of revenue amounting to £30,000, and the contributing colonies greed, on the strength of that accumulated capital, to carry on the possession on the same lines. They carried on the possession until about the end of last year. It was anticipated that on the 30th June of this year there would be a deficit of £7,000, and the contributing States agreed that they would bear that deficit in equal shares. After that agreement was made in October of last year, it turned out that the deficit, instead of being £7,000, would be £10,000. In July, when a letter was written through the Lieutenant - Governor of Queensland, no arrangement had been made towards meeting the additional deficit of £3,000. Since then the matter has been arranged, and, to put it clearly, I shall quote from the letter to which I have referred. It will be found upon the first page of these papers. I have already alluded to the first and second paragraphs of it, and the third paragraph says -
By the " Amended Proposals for the Administration of British New Guinea,"* annexed to the Order in Council of the 17th May, 1888, which
Your Excellency will find at page 19 of the volume of "Laws and Ordinances of British New Guinea," which I transmit herewith, it was provided, generally, that the administration of the possession should be under the supervision of the Government of Queensland, and in particular -
Then follow particulars to which I have already referred. The letter goes on to say-
In October, 1900, it was agreed by the three Governments that the probable deficiency in the funds of the possession at the end of the year ending 30th June, 1901, which was then estimated at £7,000, should be guaranteed by the three colonies in equal shares, in the event of the Government of the Commonwealth not sooner taking over the financial responsibility ; and an Appropriation Ordinance, authorizing an excess expenditure of that amount was duly sanctioned and passed by the New Guinea Legislature.
The actual authorized expenditure, however, for the year ending 30th June, 1901, exceeded the available funds of the possession by nearly £10,000. No provision has yet been made for defraying the additional £3,000, but I understand that the Government of Queensland will look to the two other guaranteeing Governments to bear equal shares of the whole deficit, if the financial responsibility for the possession is not, as suggested by Mr. Philp, taken over by the Commonwealth as from the 1st of January.
There are some who consider that it would have been a fairer thing for the Commonwealth to have taken over the responsibility of the possession from the 1st January, when the Commonwealth was established. This matter has now been satisfactorily settled, in that the contributing States are willing to agree to share equally the total amount of expenditure up to the 30th June, 1901 ; that is to say, the agreement made in October, 1900, to cover the deficiency then estimated at £7,000, will be available to cover the deficiency of £10,000. So that up to 30th June, 1901, the three contributing States will have borne all the administration expenses of New Guinea. It is proposed, if this resolution commends itself to both Houses of Parliament, that the Commonwealth shall take over the responsibility and expense of administering the affairs of the possession as from the 1st July last.
Senator Playford
- Are there no debts ?
Senator DRAKE
- I understand that everything will be left clear up to the 30th June last.

Senator Playford
- Has not Queensland borrowed some money on behalf of New Guinea ?
Senator Sir Frederick Sargood
- No, Queensland has lent money to New Guinea.
Senator DRAKE
- I intend to allude to that. It is not necessary for me to refer at large to the correspondence which took place in the month of August between the Premier of Queensland, the Premiers of the other contributing States, and the Prime Minister, with regard to the Merrie England. In August the Merrie England came down to Brisbane for her ordinary annual overhaul, and the Premier of Queensland very naturally said - " Before we undertake the expense of overhauling this steamer, we should like to know whether the other contributing States are going to bear their portion of the expense." I am, of course, stating the matter very broadly. The other contributing States said that this was an expenditure which should be borne by the Commonwealth ; and it was therefore referred to the Prime Minister. The Prime Minister very naturally said he was not in a position to authorize expenditure for the purposes of the administration of New Guinea until he had an opportunity of consulting Parliament. That is how the affair stood with regard to the repairs to the Merrie England in August. Since then an arrangement has been made by which the Government of Queensland have continued to finance the affairs of the possession, with the understanding that the Prime Minister, at the earliest opportunity, should consult this Parliament, and if supported by Parliament, make good to him any expenditure that had been incurred from the 1st July.
Senator Playford
- The Commonwealth is not to be liable for this £3,000 for survey ?
Senator DRAKE
- No; it will be made good by the contributing States. I desire now to refer to the negotiations that have taken place between the Prime Minister of the Commonwealth and the Secretary of State for the Colonies. When the affairs of the States were taken over by the Commonwealth, the Commonwealth incurred a certain amount of responsibility to carry out agreements which the States had undertaken. Therefore a certain amount of responsibility in connexion with New Guinea immediately devolved upon the Commonwealth. The principal question that appears to me to have arisen was as to what form the future government of the dependency should take - whether an agreement similar to that in existence before with regard to the three contributing States should be entered into by the Commonwealth; or whether British New Guinea should be accepted by the Commonwealth as a territory.
Senator Harney
- There was no obligation upon the Commonwealth.
<page>7469</page>
Senator DRAKE
- I have mentioned that the British Government formerly contributed about £7,000 per annum towards the expenses of New Guinea, and it seemed to us not an unreasonable thing to expect that the British Government would be willing to contribute to a certain extent towards the expenses of the administration of the possession in the future.
Senator Charleston
- Why should England contribute?
Senator Sir Frederick Sargood
- It is a very small amount.
<page>7470</page>
Senator DRAKE
- It is small, but it is just as well to show how very careful the Prime Minister has been in endeavouring to conserve the finances of the Commonwealth in connexion with this matter. At page 1 3 of the papers the following will be found in a minute by the Prime Minister : -
Mr. Bartonhas been in communication with the Government of Queensland, and also with the Governments of New South Wales and Victoria, on the question of the future of British New Guinea. If Imperial Government desires that Administrator should take directions from the Commonwealth instead of Queensland, three States above-named appear likely to support that step. If you approve of the change, Ministers are prepared to bring before Parliament for proper authority. It would be necessary for the

Commonwealth to guarantee about £22,000 per annum for next five years.
That estimate is now reduced to £20,000.
In view of the difficulties imposed on early finances of the Commonwealth for the next five, and perhaps ten years, by sections 87, 89, and 93 of the Constitution, my Ministers suggest that during five years Imperial Government should find £7,000 per annum of proposed amount, being the Sum formerly contributed by Imperial Government under lapsed agreement, and covering maintenance of steamer Merrie England.
The answer to that will be found on page 14 in the next despatch.
Referring to your telegram of loth August, His Majesty's Government quite prepared to approve British New Guinea being placed under Commonwealth Government, but much regret impossible to ask Imperial Parliament for Imperial contribution towards expenses of Administration. Please obtain from Governor of Queensland my despatch, British New Guinea, No. 23, of 8th June, 1898, which explains.
That despatch will be found on page 15, and is dated Downing-street, 8th June, 1898. It is unnecessary for me to read the whole of it, but if honorable senators will look at paragraph 4,. they will see that the Secretary of State for the Colonies says : -
In dealing with these questions, it must not be forgotten that British New Guinea was annexed only in response to the unanimous demand of Australia, and on the understanding that the Australian colonies would pay for the administration of the new dependency, which was to be to all intends and purposes an Australian possession.
It is true that Her Majesty's Government have since materially contributed to the expense of the administration of the dependence, but each year it is becoming more difficult for them to induce the House of Commons to vote money for the administration of a possession in which the taxpayer of the United Kingdom has ' so little direct commercial interest ; it is felt that the time has come when the grant-in-aid which has been made for so many years should cease.
At the conference last year of the Premiers of the self-governing colonies, I reminded them that the mother country had already a great deal on its shoulders, and that the colonies could not expect it to bear burdens which were properly theirs.
Now, in the case of British New Guinea, it is. practically certain that if the possession is to be developed, it will be by Australian capital and. enterprise. What trade it at present does - amounting to less than £40,000 a year - is carried on with Australia. Experience in Fiji shows that the only enterprises which have been successful on a scale worth mentioning have been those of Australian companies or individuals, and it is unlikely that the fate of New Guinea will be different. The Australians are practically on the spot, and they have unlimited command of capital. The Australian, living in a sub-, tropical country, takes more kindly to tropical, life and work than the native of the United Kingdom. Similarly, the trade of Fiji is wholly with Australia ; and although, no doubt, some part of it is in goods from this country, or for export to this country, there is not, and probably never will be, any direct trade between the United Kingdom and Fiji. The distance is too great, and there is a sufficient market in Australia both to buy in and to sell in.
The interest of the English exporter, therefore, in the Pacific market, is only indirect. It is part of the market of his Australian customer, and it is on the Australian intermediary that he must rely for the exploitation of that market. It is too small to make it worth his while to establish a direct trade, especially when he might thereby offend a large and influential supporter.
The next paragraph refers to the proposals for the settlement of New Guinea. In paragraph 10, another argument is advanced.
Again, if, as seems not improbable, the territory should turn out to be a gold producing centre of some importance, there can be no manner of doubt that the rush to it will come from Australia, and inevitably tend to link it more closely to Australia.
The question was raised of the possibility of Australia taking up a similar position as regards the Solomon Islands, and in the last paragraph Mr. Chamberlain leaves the question open for consideration by-and-by. I will not for the present press further the proposal that the colonies should relieve His Majesty's Government.
It has been suggested that if the Commonwealth should decline to accept the responsibility of administering the affairs of British New Guinea, it might be created a
Crown colony. But on that subject the Secretary of State for the Colonies says : -

Referring to the telegram of 5th October from Governor of Queensland to me, His Majesty's Government cannot accept suggestion that British New Guinea should be created a Crown colony ; they have no objection to your Government having the fullest power of control, with regard to Possession on accepting responsibility of its administration and expenditure. If desired Such powers would include appointment of all officers from Lieutenant-Governor downwards on occurrence of vacancies. His Majesty's Government most earnestly hope that in the interests of British New Guinea, and of Australia itself, with which the possession is so closely connected as natural dependency, your Government will either take over administration at once, or will come to some temporary understanding with Government of Queensland for carrying on administration, pending arrangement of details, in order that immediate embarrassment of British New Guinea may be relieved.

I quoted that telegraphic despatch in order to show that it is perfectly clear that the British Government has made up its mind that the possession shall not be constituted a Crown colony, and that Australia, if it will accept the responsibility, may have the fullest power of control. Before leaving these papers, I should like to quote from another minute by the Prime Minister to the Governor-General, on the subject of the financial position -

Mr. Bartonpresents his humble duty to Your Excellency, and referring to your minute of 28th August, desires to inform you that your Ministers have carefully considered the despatch of the Secretary of State of 8th June, 1898, therein referred to, on the subject of an Imperial contribution towards the cost of the administration of New Guinea.

Mr. Bartonwill be glad if Your Excellency will suggest, by telegram, to the Secretary of State, flint the reasons set forth in his despatch for the refusal of a subsidy by His Majesty's Government seem to Your Excellency's Ministers, with great respect, not to preclude further consideration. These reasons imply that the whole benefit of any present or future trade with the possession will accrue to Australia ; but it is a fact that a large part of the profit must accrue to the British manufacturer or exporter, whose goods are the subject of the trade, and whose interest in the possession is none the less real because his business is, in this regard, conducted by an Australian resident.

The Commonwealth Government express the hope that the Secretary of State before he finally refuses to ask the Imperial Parliament to contribute a sum towards the maintenance of the possession, may give his kind consideration to the difficulties of the Commonwealth, in undertaking anything more than the minimum of necessary expenditure, owing to the incidence and pressure of sections 87, 89, and 93 of the Constitution, which were inserted to prevent the finances of the States from suffering during the transition period. These, while they provide security to 21 s 2 the revenues of the States, must greatly increase the caution of the Commonwealth in the undertaking of new enterprises, which involve any considerable expenditure.

Although three of the States have borne the expense of the administration in equal proportions since the discontinuance of the Imperial contribution, yet if that expense be now undertaken by the Commonwealth it must be regarded as new, and not as transferred expenditure - it not having been incurred in connexion with any of the transferred departments.

The three States which formerly contributed are very anxious that the Commonwealth should relieve them of the burden they have hitherto borne ; but it appears to be difficult, under the Constitution, for the Commonwealth Government to undertake the administration of the possession, except as a territory of the Commonwealth. Such a course will involve the Government in the liability to greater expenditure than has hitherto been necessitated.

If, owing to financial obstacles, the Commonwealth were now compelled to decline the task of supervising the affairs of the possession, it is practically certain that the three States hitherto contributors would also decline any further expense or responsibility ; and it does not seem to your Excellency's Ministers that they should be forced to make a choice between the entire burden of the administration, and the leaving of the possession in a helpless position.

One of these results must ensue if His Majesty's Government is not prepared to co-operate, in some degree, in initiating the new order of things.

If the Commonwealth found itself compelled to decline to accept the burden, the whole of it would probably fall upon His Majesty's Government, if Imperial interests are to be maintained ; and while your Ministers are most unwilling that this should be the case, they think that, in view of such a possibility, they

may venture to ask His Majesty's Government to reconsider the question.
The Senate will see that the Prime Minister, in that last communication, put the matter as strongly as he possibly could, from his point of view, that the Imperial Government should make some contribution. The reply from the Colonial-office was in these words -
HisMajesty's Government have not failed to give full consideration to Your Excellency's telegrams of the loth August and 14th September, intimating that your Ministers urge that this country should contribute towards the expenses of the administration of British New Guinea after it ha3 been transferred to the Commonwealth Government.
I would remind your Ministers that, as was pointed out in the fourth paragraph of my despatch to the Governor of Queensland, No. 23, of the 8th June, 1898, British New Guinea was annexed only in response to the unanimous demands of Australia, and on the understanding that the Australian colonies would pay for the administration of the new dependency, which was to be to all intents and purposes an Australian possession.
I also pointed out in that despatch that the bulk of the trade of the dependency was with Australia, and that this will almost certainly continue to be the case. In answer, your Ministers observe that a large part of the profits of such trade must accrue to British manufacturers and exporters, whose interest is none the less real because it is conducted by Australian intermediaries. It is undoubtedly true that some profit will accrue to the British manufacturer and exporter ; but since the total value of the imports into the possession, including specie, amounted in 1899-1900 only to about £72,000, and of these imports a considerable quantity wore articles which were, in all probability, originally produced in Australia, it can hardly be contended that the profits accruing to this country will amount to anything like the sum of £7,000 a year, which it is suggested that the United Kingdom should contribute towards the support of the dependency.
But quite apart from the question of the actual profit accruing to this country from trade with British New Guinea, His Majesty's Government cannot admit the general proposition that they are in equity bound to contribute to the expense of the local administration of any part of His Majesty's dominions with which the United Kingdom has commercial relations.
Your Ministers will, I cannot doubt, on reflection readily agree that the admission of such a principle would burden the Imperial Exchequer with indefinite liabilities, and commit His Majesty's Government to contributing, if asked, to the support of the local government in every part of the British Empire.
Your Ministers draw attention to the financial difficulties which the Commonwealth Government will have to face during the next few years owing to the provisions of sections 87, 89, and 93 of the Constitution Act, and the consequent necessity of keeping down expenditure to a minimum. His Majesty's Government appreciate the position of your Government in this respect ; but, on the other hand, they have in mind the abnormally heavy war charges which at the present time the mother country is called upon to bear, and, having regard to the powers of taxation possessed by the Commonwealth Government and the resources at its disposal, they cannot believe that the addition to the expenditure of £7,000 a year will cause any serious embarrassment. An increase of less than one-sixtieth in the annual Customs and Excise revenue from New South Wales alone would produce £28,000, and three quarters of this sum would not be required by your Government to meet the additional expenditure, and would be returned to the taxpayers through the medium of the finances of their respective States.
For these reasons, His Majesty's Government much regret that they cannot accept the arguments urged in your telegram of the 14th inst. , and they see no sufficient reason to justify them in inviting Parliament to make any grant towards the expenses of the administration of British New Guinea.
So that the British Government say that if the Commonwealth will accept the responsibility of administering the possession, it may have the fullest control, but that no contribution shall be made to the finances. Under these circumstances the Government have thought right to invite Parliament to authorize them to accept the possession if offered as a territory of the Commonwealth. If both Houses should agree to his motion, then the Government can administer the affairs of British New Guinea as at present, until such time as this Parliament passes an Act providing for the method by which it shall be governed and controlled. It is no doubt a great responsibility which the Commonwealth is called upon to accept. But the contiguity of the possession, and the necessity of providing for the proper government of the large number of people now living there, show that the Government should not hesitate to accept the

responsibility. If we accept the responsibility, we shall have to find the funds to supply whatever deficiency there may be in the revenue up to £20,000 a year, and as honorable senators will notice, the annual vote is subject to revision from a certain time. For the last three years the possession has been under a great disadvantage in consequence of its affairs not having been in a settled condition. Its development has been greatly hampered in consequence of the uncertainty .which has existed, but, in spite of that, during the ten years there was an accumulation of revenue to the sum of £30,000. Should the prospects that seem to have arisen lately of gold being found in payable quantities in some of the adjacent islands be realized, we may reasonably hope that the natural revenue from the possession may become sufficient, if not to meet the expenditure, at all events to leave only a small deficit to be made up by the Commonwealth. Provision is made in the motion that the vote may be revised from time to time if it should appear that £20,000 is not necessary.

Senator Charleston

- We shall be liable for the acts of our administrator if he spends more than that sum.

<page>7472</page>

Senator DRAKE

- No doubt we shall be liable, but we can keep control over our administrator and see that he does not exceed the vote. There is great reason to hope that the revenue of the possession will improve, and that the financial burden on the Commonwealth will not be so great as is now anticipated. I think, therefore, that there has been no reason urged up to present time why the Commonwealth Government should not accept this responsibility. I therefore move the motion as amended.

<page>7473</page>

Senator CLEMONS

- The question that has been raised by the motion of the Postmaster-General seems to me to be both urgent and difficult. The urgency of it is indicated by the second paragraph, and I do not think that any honorable senator will have any doubt as to the difficulty if he carefully considers paragraph 1. If I were inclined to find any fault with the Government with regard to their management of the New Guinea question, I should say that they had delayed the matter too long. With regard to paragraph 2 of the motion, which asks the Commonwealth Parliament to give its sanction to the appropriation of £20,000 a year from the 1st July last, it is very desirable and necessary that that should be done, Ignoring the example of the Postmaster-General, I shall assume that most honorable senators have read the correspondence which has been circulated. If they have failed to read it, they certainly have omitted to peruse a document which is very interesting; and if they have read it they will see that the present Administrator of New Guinea, who seems to be a very able man, has been tried almost to the verge of distraction and despair by the delay in connection with the settlement of this matter. It is obvious that the needs of the Administrator are very urgent indeed. The mere fact that he has had to get cheques for £700 guaranteed by the Government of Queensland because his account had been overdrawn to that extent, is sufficient indication of the straits he is in. We should, therefore, have no hesitation in passing the necessary measures for relieving him from his financial embarrassments. With regard to the term of five years, which is an ominous term so far as one Bill is concerned, it has an obvious and distinct reference to the Constitution. Five years is the period of the operation of the bookkeeping section. In spit of some objections that honorable senators might urge as to the term, I feel that if we are to vote money at all - and of that I have no doubt whatever - we should, at least, be prepared to vote the sum of £20,000 for the next five years. I should not be in favour of voting the money for any less term. Seeing that we have to face the question, and that the bookkeeping sections are what we all know them to be, a resolution that the £20,000 a year shall be granted for five years appears to me to be justifiable. When we come to paragraph 1, we have to consider a matter of very great importance. Only the other day in this Chamber it was pointed out that for the first time in our history we were dealing with legislation of an international character. It may safely be said that this is the first occasion on which the Senate has been called upon to initiate something like a foreign policy. It is also obvious that in initiating that foreign policy, if we follow the lines indicated by the Government - and I do not say that I am disposed to object to them - we shall initiate a foreign policy which will mean an expansion of our empire, if we may apply that term to the Commonwealth. At any rate, this is certainly a policy of expansion. It might be argued that all the advantages the Commonwealth would derive from the acquisition of British New Guinea would still accrue

to us if the territory were entirely under the control of the Imperial Government. I agree with that view. I further say that I should have to take some time to consider whether or not that would be the more desirable solution of the question. But the correspondence shows that there is no such option open to us. It is perfectly evident to every one who reads the correspondence that the attitude of the Imperial Government on this matter is fixed and settled, and that it has decided that it will no longer administer, directly or indirectly, completely or partially, the territory of British New Guinea. Therefore, we have no option. New Guinea has to be administered either by the Commonwealth, or by one or more of the States under the circumstances that have been existing in the past. Out of that administration very large questions will arise in the future ; and perhaps it is worth while, seeing that this motion more or less commits the Senate - as it is intended to do - to the approval of this foreign policy, that we should, even at this early stage, consider what such policy indicates to us. I say at once that this matter will become much more important, and will show very much greater prominence when we come to consider - as some day we shall have to do - our contribution to the navy and to Imperial defence generally. Because it is obvious that as we are going to acquire this additional territory we may have to undertake the responsibility of protecting it. The protection that Australia herself gets is largely that of the British Navy, and I feel that when we come to consider our contributions to the Imperial Navy, we shall have to take seriously into consideration the expansion of our foreign policy in connection with the acquisition of New Guinea and possibly also of other islands in the Pacific. I regard this as merely a step. Our expansion is going to be a matter of very serious importance to us. We cannot hope to escape with the small contribution to the Imperial navy that we have hitherto had to pay. The acquisition of New Guinea alone will have a serious effect upon the subject; and, obviously, if we acquire, as possibly we may do, other islands in the Pacific, it cannot possibly escape our very careful consideration. Therefore, we shall have to face very much greater difficulties in the future than we have before us now. Another aspect of this expansion of our foreign policy is, of course, in relation to the measures passed with regard to our own affairs. When we consider the Bills we have lately had before us, we cannot help feeling that we ought to take into account what may possibly be the effect upon the Commonwealth of acquiring so large an extent of tropical country as is represented by British New Guinea. I can clearly see ahead of us some very large and serious questions in that respect. It is obvious that sugar may be grown in British New Guinea. It is certain that there is an enormous supply of black labour there. The population has been given as between 300,000 and 350,000 inhabitants. There are further considerations arising out of another Bill which is coming before us, namely, that embodying the Tariff. We shall have seriously to consider the operation of the Tariff with regard to the new territory we are proposing to acquire, and whether, when New Guinea becomes a Commonwealth territory, it is to be affected by the Tariff just as the States of the Commonwealth are affected. I may remind the Senate of the fact, that allied with this question, there is also that of the acquisition of the Northern Territory of South Australia. I put it to the Senate with every confidence that the acquisition of the Northern Territory is on exactly the same footing with regard to the Tariff as the acquisition of New Guinea. The mere fact that that territory is within our continent does not, in any way, differentiate its position from the position of New Guinea, which is separated from us by the sea. Both territories will be affected by a Tariff. I instance these difficulties because they occurred to me directly I heard of this question. There is one other aspect of the subject, that of the administration of New Guinea. It may be suggested that the Australian Commonwealth should find the necessary money, £20,000 a year, and allow Great Britain to administrate the territory. I do not consider it in any way desirable that Great Britain should administer New Guinea, and that we should pay the £20,000 a year. I wish honorable senators clearly to understand that I do not imagine for one moment that this Commonwealth, mighty and powerful as it is, and this Parliament, proud of it as we sometimes are - even to the verge of conceit - can better administer New Guinea than Great Britain could. The reason that might be urged for the administration of British New Guinea by the Imperial Government is that if the Imperial Government did administer the territory - no matter whether we found the funds or not - Great Britain would be responsible for it defence in the case of international complications arising. If the only condition of securing for British New Guinea the defence and protection of Great Britain, were to leave the administration of it in the hands of Great Britain, I should not be in favour of the Commonwealth undertaking the task ; because I am not anxious to see the Commonwealth of Australia start out upon a large and expensive scheme of naval as well as of military defence. We are not in a position yet, at any

rate, to do that. But we can rely with the utmost confidence upon this fact - that if we do acquire British New Guinea and administer it, the onus which is upon the British Government of protecting this Commonwealth, must also be on the Imperial Government of protecting our territory. I have no doubt whatever, that if international complications should arise - and it is quite possible that they will arise, seeing that New Guinea is divided at present between three nations - we should look to Great Britain with every certainty to give us that naval assistance which we should expect from her in regard to this continent, if there were any danger of attack from any foreign power. For that reason, I should oppose the handing over of the administration of
New Guinea to Great Britain. We have heard of Crown colonies, and also of the desirability of allowing Great Britain to nominate the various officers who should administer New Guinea. If we are going to find £20,000 a year for the expenses of the possession, I think that, practically speaking, we ought to have the entire control of that expenditure. I am extremely desirous of seeing British New Guinea become a territory of the Commonwealth, but I have thought it my duty to point out the many difficulties that may arise before we finally decide upon our method of administration. Paragraph 1 of the motion, as printed, seems to me to go too far, and while the amended form iri which it has been moved more closely meets my view, I am still inclined to think that it goes a little too far. I shall support the Government in this matter. I have no desire to embarrass them in any way, but I should like to amend the first paragraph of the motion in this way -
That this House is willing to consider a measure for the acceptance of British New Guinea as a territory - and so on.
Senator Drake
- That is the form in which it has been moved.
Senator CLEMONS
-- Perhaps the Postmaster-General may think I am quibbling ; but I should like to see the motion amended in the way I have suggested. If he objects to that it must be because he thinks it would not give sufficient authority to vote and expend the money required.
Senator Drake
- Quite so.
Senator CLEMONS
- I anticipated that objection, and am glad to hear that it is so. I would point out to the Postmaster-General that neither in its original form nor in the form in which it has been put before the Senate, could the motion give the Government the authority they want. The Government are going to do something which is slightly unconstitutional ; but I do not think it is possible for them to avoid the difficulty, and I do not intend to offer any opposition.
Senator Dobson
- The proposal is only unconstitutional because it is to be done by resolution and not by Act of Parliament.
Senator Major Gould
- We .shall have to pass an Act to appropriate the money.
Senator CLEMONS
- That is the point I wish to emphasize. Before British New Guinea can come into the possession of the Commonwealth, there will have to be, in the first instance, a transfer from the British Government, by statute, or possibly by an Executive act. There will have to be on our part an acceptance in the ordinary constitutional way, by a Bill which has received the full legislative sanction of both Houses and the Royal assent. There is no other constitutional method by which the Commonwealth could acquire the territory. It is unconstitutional, to a certain extent, for this Parliament to vote and for the Executive to expend any money on the territory before it has been acquired in this constitutional way. Therefore, I am glad to hear the Postmaster-General interject, because any objection which he may entertain towards my proposed amendment is equally fatal either to the form in which the motion has been put before us, or to the form in which it originally appeared before the other place.
Senator Drake
- I did not say that. I said that the honorable and learned senator's proposition was weaker.
Senator CLEMONS
- No resolution could operate as a complete transfer and acceptance.

Senator Harney
- This is only for the guidance of the Home authorities.
Senator CLEMONS
- And also a kind of authority to the Executive to expend this £20,000. That is the full scope and intent of the motion, but it seems to me to bind the Senate too closely, and, therefore, I do not like it in its present form.
Senator Dobson
- If we used the word " accept " in the motion, I think the Auditor-General would pass the expenditure, pointing out that an Act would have to be passed to ratify it ; but if we did not do so the Auditor-General would say, probably, that there was no authority for the expenditure.
<page>7475</page>
Senator CLEMONS
- The honorable and learned senator's criticism does not touch my point. There is really no difference between my proposed wording and the wording of the motion as originally printed, or as now presented before us, so far as the question of authority is concerned. I am not speaking in any spirit of opposition, for I think it is right that the Senate should express its readiness to Consider a measure for the acceptance of New Guinea territory of the Commonwealth.
Senator Dobson
- If we say we are only going to " consider " a measure, we may reject it afterwards.
Senator CLEMONS
- Where is the difference 1 Does Senator Dobson mean to insinuate that by accepting this motion we pledge ourselves irretrievably to pass some Bill which must be brought before us later on?
Senator Drake
- To effect the acceptance, certainly. We say by this motion that we shall accept the territory.
Senator CLEMONS
- I would ask the Postmaster-General to make his meaning clear. If he wants this motion to be carried he will have to be careful - I am speaking now as the candid friend - otherwise I do not believe it will be carried in its present form. I can scarcely believe that honorable senators who are in full sympathy with the policy of foreign expansion will consent to bind themselves to pass a Bill before they have even seen it. I shall probably be in favour of the Bill myself, for I support the acquisition of this territory, and hope that a Bill will be brought down which we shall be able to carry ; but it is another thing to pledge ourselves now to accept a Bill for the acquisition of British New Guinea. A Bill cannot be spoken of in that comprehensive way. The details of a Bill are what determine us in giving our consent to it; and to agree blindly to a Bill before we see it, seems to me to be more than can be expected of us. I propose that we express our ready willingness - if honorable senators like to put it in that way - to consider a measure for the acceptance of British New Guinea as a territory. I shall vote for the granting of £20,000 for a period of five years without the slightest hesitation ; but if we are to be asked to agree to pass a Bill, it should be in terms that will not commit us hopelessly. I speak in no spirit of opposition ; but the wording of the paragraph does not appeal to me.
Senator Dobson
- How would the honorable and learned senator get over section 122 of the Constitution 1 We must accept the territory.
Senator CLEMONS
- If we accept the motion as presented to us, or even as originally printed, we shall still be without the territory.
Senator Dobson
- But we shall have to take it over in pursuance of our resolution.
Senator CLEMONS
- Senator Dobson, as a lawyer, apart from being a clear thinking senator, ought to see that we do not acquire any territory by the mere passing of this motion. There is only one constitutional way in which the territory can be acquired. Then we are going to do something illegal ; that illegality has my entire support, but I think we had better do it in a way that will not reflect upon the sincerity of the Senate. We should not be asked to commit ourselves hopelessly to something we have not seen. It is desirable that the

Commonwealth Government should ask, first of all, whether we consent to the expenditure of £20,000 a year, and whether, if we do consent to that expenditure, we are prepared to consider a Bill to make it constitutionally justifiable. The Bill will have to be retrospective in its action, in order to cover that expenditure. I am not going to press my suggested amendment, because I am so much in sympathy with the whole question that I do not want to hamper the Government in any way. I consider, however, that it is well within my duty to the Senate and to myself to point out that it is much more desirable that we should pass the motion in the terms I have suggested, if we have any regard for our self-respect. Paragraph 1 of the motion has already been modified. As printed it is very different from the form in -which it is presented to us now by the Postmaster-General.

Senator Drake

- A different expression is used.

Senator CLEMONS

- But the difference is very much greater than the change I have suggested. As originally printed, the. motion provided -

That this House authorizes the Government to accept British New Guinea - and so on. I think we shall all be agreed upon paragraph 2, which deals with the question of appropriation.

Senator Drake

- I have explained the necessity for the alteration.

Senator CLEMONS

- I did not hear the Postmaster-General explain the necessity,, but I heard him say that he found it necessary to amend his motion.

<page>7476</page>

Senator Drake

- Because the Government, cannot accept the territory. It must be accepted by a Bill passed by the Parliament, of the Commonwealth.

Senator CLEMONS

- Precisely. The Postmaster-General has amended the motion so as to make it read - -

That this House is prepared to join in measures for the acceptance of British New Guinea.

However, I do not wish to labour this point. If honorable senators are prepared to accept the motion as moved, then, rather than see any material opposition offered to the proposal as a whole, I shall agree with it, but I do not like it in the form in which it is now put.

Senator Dobson

- The Bill to be brought down subsequently must contain such terms as we approve.

Senator CLEMONS

- I find it hopeless to convince Senator Dobson. He is going further than I wish him to go, and yet he disagrees with my proposed alteration of the wording. It is exactly my point that the Bill must contain such terms as will meet with our approval.

Senator Drake

- The honorable and learned senator's amendment would bind us.

Senator CLEMONS

- Does Senator Dobson indicate that he is going to support the details of a Bill, although he does not agree with it ?

Senator Dobson

- No.

Senator CLEMONS

- Then it is to preserve his self-respect, as well as that of other honorable senators, that I have suggested the amendment to the motion. If it were amended in the way I have proposed it would leave us with a fair mind.

An Honorable Senator. - We must give authority to spend the money.

Senator CLEMONS

- We shall spend the money, regardless of the way in which this motion is framed. There is undoubtedly a question involved in the alteration of the wording. I prefer to hear what honorable senators have to say upon the matter, and do not feel inclined to pursue the question any further. I recognise that this means

the initiation of a foreign policy and possible international complications, but my own opinion is that we are placed in a position which demands immediate action. There is no time for hesitation as to whether this policy is desirable or not, and putting the thing briefly, I believe that our chief chance of safety and success lies in acting not only with promptitude, but with confidence and boldness.

Senator STANIFORTH SMITH

- In this motion the

Senate is asked to express a desire that New Guinea shall become a territory of the Commonwealth, but by doing so we must affirm a principle, and we practically bind ourselves to take what is undoubtedly a very momentous step in our Commonwealth history. It is a matter of regret that this question should be forced upon us when we are considering various important Bills. It is a proposal of such importance that we should have had some time to consider it, and in the shape of a Bill brought forward by the Government. We are told now that the matter is very urgent. Undoubtedly it is, because we know that the Administrator and his staff experience considerable difficulty through a want of funds, but there is no reason why the question could not have been brought up months before, because the same conditions obtained then as now, only in a less aggravated form.

Senator Drake

- Negotiations have been going on since the 6th of July, and we only got the final answer on the 3rd of October.

<page>7477</page>

Senator STANIFORTH SMITH

- The great importance of the question is that this is the first time in our history that we have been called upon to govern what is designated as a' territory, which is inhabited almost exclusively by aliens, and has a population of about 350,000, equal in number to the population of two States of the Commonwealth. When we come to consider the question in that aspect, we shall find it surrounded with serious difficulties. I listened with pleasure to the remarks of the Postmaster-General, who related the history of the New Guinea question up to the present time, but he failed to go beyond that. I was waiting to hear what were the intentions of the Ministry with regard to the future government of New Guinea. I wanted to know what were the general principles upon which the government would be carried out. I regret that on that important point the Postmaster-General was silent. How are these 350,000 people to. be governed ? Is it to be as a subject race without any rights whatever? The Postmaster-General pointed out that they have attained to a certain degree of civilization, and are physically and mentally infinitely superior to the aboriginals of the mainland. Are they to be governed as the negroes are governed in America, or as the Maories are governed in New Zealand, or are they to be refused any political rights whatever1? Again, it would be possible for the Government to give them autonomous government after they have attained a certain degree of civilization, such as the United States proposes to give Cuba and the Phillipines. The possession will not be analogous to a territory of the United States, because territories' of the United States have rights of representation in the Federal Parliament. It seems to me that if we take over and control New Guinea as a territory of the Commonwealth, it will, in time, be entitled to become a State of the Commonwealth. I should have liked to have had some information from the Postmaster-General as to whether the aliens we are proposing by this motion to include in the Commonwealth will be able to go from one part of the Commonwealth to another. That is a very important aspect of this question. Will they be allowed to be deported from New Guinea to Australia, or are we for all time to insist upon them remaining in New Guinea 1

Senator Drake

- If it is a territory, we have the right to make any laws we like with respect to it. I stated that.

Senator STANIFORTH SMITH

- We are adopting at the present time a policy somewhat analogous to what is termed in America the "Monroe doctrine." We are saying that the other nations of the world shall not obtain territory contiguous to the coast of Australia ; but we are going further, because we are proposing to take over these territories ourselves. We are practically doing now, in the first year of our history, what the United States is only beginning to do after 100 years of national life. We must be aware that there are likely to be foreign complications and difficulties following upon this policy. We shall be brought face to face with two European nations in this possession; we shall have a thousand miles of country adjoining territory

belonging to Germany and Holland. If great goldfields are discovered in New Guinea, which is very possible, and I hope they will be, we may have serious difficulties in defining the territory and rights of the three nations owning the island. If we have British New Guinea colonised from the Commonwealth, we shall have to decide whether we shall be prepared to defend the people we have allowed to go there to develop the country. That opens up another phase of the question, as to whether we should continue to leave that to Great Britain, or, whether, in the event of European complications, in which the British Empire is engaged, we are to take upon ourselves the defence of the possession. That matter was referred to by Senator Clemons. Seeing that Great Britain at the present time holds the possession as a Crown colony, I see no reason why she should not be able to defend that colony of the Commonwealth as she has done before. For my own part, I should have preferred British control of this territory for the next 50 or 100 years. We have in Australia a huge continent sparsely populated by a fringe of people on the coast, and for the next 50 or 100 years we could well devote the whole of our attention to the development of the vast resources of this continent. Instead of that - and owing to the necessities of the case, I am prepared to vote for this motion, - we are obliged to take over what I shall prefer to look upon as a colony of the Commonwealth rather than as a territory. This proposal will bring us into international relations, and, as Senator Clemons has said, will practically create a foreign policy for the Commonwealth. We are in this awkward position, that Great Britain refuses a subsidy, and refuses to continue this territory as a Crown colony, and we are to a certain extent committed to its administration by reason of the fact that three of the colonies, now States of the Commonwealth, have in the past taken the matter up, and have gone to considerable expense in retaining the country for the British people.

Senator Drake

- It is a dependency of Queensland at the present time.

<page>7478</page>

Senator STANIFORTH SMITH

- Under this motion we are asked to commit ourselves to an expenditure of £100,000, and although that is an important matter,' it is certainly of very much less importance than the great issues that arise, and some of which I have endeavoured to point out. There is another reason why it is advisable that we should take this burden from the States which have been carrying it. Endeavours have been made by certain financial companies and syndicates to monopolise huge tracts of country there. If that is permitted, great injury will certainly accrue to the territory. We have had some knowledge in Western Australia, and in some of the other States, of the way in which these huge land grabbing syndicates take up land at a merely nominal price, and then either sub-let it at an exorbitant rate or allow it to lie vacant in order to obtain the increase of value at some subsequent date. I sincerely trust that if the Government take over this territory, one of their first acts will be to deal with that matter. In fact, I think that the Government might stipulate, as a condition of contributing this money, that they will not allow any of the lands of the territory to be acquired by these syndicates, and that they will not permit the Hall Sound Syndicate, the Sommers-Vine Syndicate or others to acquire territory in New Guinea. I sincerely trust also that they will not allow any person to obtain the fee-simple of any land in New Guinea. This motion, if agreed to, commits us to the control of New Guinea in some form or other, to be decided later by a Bill. Senator Clemons proposes that, we shall express our willingness to consider the question. If we were to pass a motion like that we should be wasting our time. I assume that we shall always be willing to consider any measure which the Government may bring down.

The PRESIDENT

- I did not understand Senator Clemons to move an amendment.

Senator STANIFORTH SMITH

- The amendment which Senator Clemons indicated was to the effect that the Senate would be willing to consider a Bill. That would really commit the Senate to nothing, and we should be in no more forward position than if the matter had not been discussed at all. This is a question of the. greatest importance. The motion will practically commit us to a foreign policy, and undoubtedly it should receive the most careful and earnest consideration of the Senate. I regret that it has been rushed upon us. I object very strongly to panic legislation, but we are told that the matter is so urgent that we cannot be allowed time to properly consider it, and that we must pass a motion which actually binds us to a very momentous step in the history of the Commonwealth. I regret that we have to accept the government of any territory outside

of Australia for the next 50 or 100 years. We have a great work to do in developing the vast natural resources of Australia, and it would be better if we could follow in the footsteps of the United States in this instance, and not bother ourselves with the government of alien countries outside our shores until we are a large and populous nation. We are practically forced, at the very beginning of our national existence, to adopt a policy that the American nation has only adopted within the last few years. I believe that it may result in foreign complications, and in extra expenditure to the Commonwealth. But at the same time we are committed by the various States to this policy. We cannot go back upon what has been done by a section of the Australian people. I regret to find that Great Britain refuses to make the possession a Crown colony. Therefore the only action we can take under the circumstances is to carry this motion.

Senator PLAYFORD

- This question was considered by another place very fully only yesterday, and I suppose it is nearly impossible for any of us to say anything very original. I propose to take up one or two points on which some honorable senators, notably Senators Smith and Clemons, have fallen into an error. They state that this motion is the initiation of a foreign policy. We were committed to this foreign policy years ago. The action of the late Sir Thomas McIlwraith, in taking possession in a high handed manner of the largest island in the world, was approved by the whole of Australia. I never heard a person who did not approve of that step, and we were ashamed when England repudiated its annexation. The initiation of this foreign policy dates back a long while.

Senator Staniforth Smith

- We are not legally bound by what the Colonies did.

<page>7479</page>

Senator PLAYFORD

- We are bound, as the Secretary of State for the Colonies so well puts it in his despatch - I would remind your Ministers that as was pointed out in the fourth paragraph of my despatch to the Governor of Queensland, No. 23 of the 8th June, 1898, British New Guinea was annexed only in response to the unanimous demand of Australia and on the understanding that the Australian Colonies would pay for the administration of the new dependency which was to be to all intents and purposes an Australian possession.

Is that true or is it false? It is absolutely true,."and although all the colonies did not join together to defray the expense of its government at the time, three of them did, representing considerably more than one-half the population of Australia, though it has been left to Queensland for the last year or so to take upon itself the burden of Australia. The Commonwealth is bound by the action which has been taken in the past to relieve Queensland of the special burden she took upon her shoulders, in order to maintain what she believed to be the policy of the Australian Colonies for many years. The two points as to a foreign policy fall to the ground when the history of this movement is examined. I am somewhat surprised at the remarks of Senator Smith, because he told us that he had very carefully studied the history of this matter.

Senator Staniforth Smith

- I say it is the initiation of a foreign policy by the Commonwealth .

<page>7480</page>

Senator PLAYFORD

- Does it look as if the honorable senator has studied the matter 1 Certainly not. It appears to me -that he has overlooked that important paragraph which upsets the argument of himself and Senator Clemons. Then coming to another point, Senator Clemons agrees with the steps to be taken, but does not want to bind the Senate to pass the Bill, though he is willing to consider the Bill. Does he not see that that is a begging of the whole question, that we have no right to vote a sum of money on a vague promise that at some future time we shall consider whether we shall take possession of this territory. It is perfectly true that a Bill will have to be introduced, and that it will contain numerous provisions for the Government of this territory, with which we are not acquainted. But the only thing we are now binding ourselves to is that we give to the Government the power to enter into negotiations with the Imperial authorities to take over British New Guinea as a territory of the Commonwealth. It is and has been the will of Australia for many years that that possession should be governed from the mainland, and by passing this motion we are

giving effect to that will. Now that we have a Commonwealth, it is not fair that Queensland should be saddled with large expenditure on an administration in which the interests of all the States are bound up. If we were to pass the motion in the form which Senator Clemons suggests, the Home Government would very properly say - " You have obtained no expression of opinion from your Parliament that you should absolutely take over the territory. It is child's play to come to us with a resolution of that sort." We ought to say most unmistakably that we do approve of the acceptance of the possession.' The details to* which Senator Clemons alluded will be considered by both Houses when the Bill is submitted, and they will be altered or modified until they express the will of Parliament. The feature of this motion is to give the Government the right to approach the Imperial authorities, and to say- - -"If you will hand over this territory Ave have received from Parliament authority to take it on their behalf, and the necessary measures from its Government will follow as a matter of course. We have obtained a distinct promise of an annual vote of £20,000 for the purpose of its government." Senator Smith - it is astonishing what an inquiring mind he possesses - wishes to know how the territory is to be governed, as if the Ministry could give him that information. The Ministry have to bring down their Bill, and it is for the Parliament to say how the territory should be governed. The Ministers are its servants, and it is not for them now to say any more than they have said. It would be exceedingly unwise to announce their policy now, as it would raise side issues. The territory will have to be governed in accordance with an Act of Parliament, in the moulding of which we shall all have a voice. The Government would have been very foolish if they had answered my honorable friend's question. We also wish to know - and I admit that it is a troublesome point - whether the niggers will be allowed to cross the narrow strait and find their way into Australia proper, or whether they are to be kept out. This would raise a very debatable subject. I can imagine the Minister getting up and explaining what the Government proposed to do, and the long discussion it would provoke, and the very severe and harsh criticism which would be passed upon them. Then we are asked another question by this inquiring senator - whether we shall have to defend New Guinea 1 Goodness gracious ! - we cannot defend ourselves. Cannot the honorable senator see that were it not for the great fleet of England and her great power, even little Japan might come and make it warm for us ? What is the use of asking such questions ? As if the Minister were going into the whole matter of our military and naval defence for 100 years to come ! How can we hope to defend New Guinea? We are depending upon the old country, and shall have to do so for a long time ; but we shall grow, and as we grow, we shall more and more be able to establish ourselves as a military and naval power. We cannot, however, do that all at once. What we can do is to assist the mother country in the maintenance of the navy, and we shall have to do so to a greater extent in the future than in the past. We shall do it, I hope, in a quiet and an economical way, but still effectually. But to put such a question to the Minister is to put a conundrum to him, to which he should not be expected to replY. Senator Smith, having stated that he did not believe in taking over British New Guinea, proceeded to give the Senate one of the strongest reasons in favour of taking it over. He alluded to the syndicates of land-grabbers who have already tried to acquire huge quantities of land there. One of the strongest reasons . that can possibly be given as to why Australia should control that territory, is that she may prevent anything of that sort taking place. At the same time, there is another aspect to that question. If honorable senators think that agricultural industries are going to be established upon a large scale in a tropical country like New Guinea without the aid of large corporations and a considerable amount of money, they are mistaken. Such corporations cannot be induced to invest in such enterprises without grants of considerable areas of land. Men of small capital can do nothing in such a country. They are utterly powerless. Unless gold is found in anything like large quantities, there will be no industries in New Guinea except those which are attached to the soil and climate ; and unless people are allowed to go there possessing great capital, and who are in a position to acquire fairly large areas of land upon which to carry on their operations, it is not likely that the territory will be developed. So far as the white Australia cry is concerned, I understand that we have definitely decided upon this policy for the continent, even though results which I am afraid will follow, take place. We are not going to allow the importation of coloured races into any part of our territory, tropical or otherwise ; and even though cultivation in the tropics is no longer carried on in consequence - even though we have to abandon the whole of that large portion of Australia which is purely tropical to flocks and herds - we are not going to permit the further immigration of black races. That is the price we are prepared to pay for the purpose of keeping Australia white, because we know that if we allow these alien races to enter the tropical parts of Australia they will

prove to be an enormous curse, not perhaps to ourselves, but to our children, and our children's children. The majority of Australians' at the present time are prepared to pay the price for the purpose of keeping Australia white. But are they prepared to pay this price so far as concerns New Guinea 1 Are we to say that that territory is to be kept only for white men, although it has from 350,000 to 400,000 black inhabitants at present t Certainly not. I believe that we shall say that we will not allow the immigration of coloured races to the Continent of Australia, but that we will allow them free access to New Guinea, for the purpose of cultivation and industry. We do not expect - it would be folly to expect - to keep New Guinea white, whatever our policy may be with regard to Australia proper. We shall simply have to leave it to the natives. Not that I expect that much will be got out of them. They are a lazy lot, and the chance of getting them to do much work is exceedingly remote. The other point which I wish to urge upon those members of the Senate who crY out against huge land syndicates is that " circumstances alter cases." We are living within a territory where it is certainly a national curse for large areas of the most fertile land to be in the hands of one or two persons. Far better is it for the State that our land should be held in reasonably-sized blocks so as to support a large population of human beings in preference to a population of beasts. But that rule cannot be applied to a tropical country like New Guinea. To properly develop that country considerable areas of land will have to be allowed to get into the hands of capitalists. I do not wish to say any more, except that I entirely approve of what the Government propose in regard to this matter. The control of New Guinea by the British has been the settled policy of Australia for many years. Had we not been committed to it, I do not know that I should agree to what is now proposed. I can see the ' objections pointed out by Senator Smith and other speakers. I realize the difficulties that are likely to arise, seeing that we shall have upon our borders foreign powers. We. do not touch them now. We have the sea between us. But when we take up New Guinea there will only be a land-line between us and foreign powers, and I can see the possibility of complications and troubles arising therefrom. But Australia has been committed to the government of New Guinea for many years past, and the Government of the Commonwealth are only doing what is right and proper in relieving Queensland from the burden which she has previously had upon her shoulders, and in taking over on behalf of the whole of Australia that portion of the island of New Guinea which belongs to the British race at the present time.
<page>7482</page>
Senator Sir FREDERICK SARGOOD
- Senator Clemons has stated that, in his opinion, this matter is urgent. He has also described it as very difficult. I agree with him in his first statement. It is urgent, because something must be done, and that promptly. Evidently the government of New Guinea will come to a stand-still unless prompt action be taken to provide the necessary funds for the administration of the territory. Hitherto British New Guinea has been dependent upon three Australian States, but we know that now even that sustenance has come to an end, and that attempts have been made to induce the Imperial Government to agree to pay a certain portion of the future expenses of the territory. In passing, I may say that I regret very much that that attempt was made. I think it was too small a matter to try and bargain with the Imperial Government over a sum like £7,000 a year. So far from thinking with Senator Clemons that there are difficulties in the matter, I maintain that those difficulties would be far greater if we did not at once deal with the whole question so as to bring it to a speedy and successful conclusion. The history of the subject has already been outlined. In the year 1883, Sir Thomas McIlwraith hoisted the British flag in New Guinea. I was a member of the Service Ministry in Victoria at that time. We all recollect the thrill of pleasure that went through the whole of Australia when that action was taken by Sir Thomas McIlwraith. The various Governments of Australia at once telegraphed to him warmly commending him for what he had done. Telegrams were also sent to the Imperial Government backing up the action of Queensland ; and we all felt thoroughly disgusted when we found that the action of the Queensland Government had been disallowed by the Imperial Administration. But further pressure was brought to bear upon Downing-street, and ultimately they agreed to the recognition of what had been done by Queensland. Unfortunately, however, in. the meantime Germany had stepped in and. mopped up one-half of the territory that would otherwise have belonged to the Commonwealth of Australia. The funds necessary for carrying on the government of New Guinea were subscribed by Queensland, New South Wales, and Victoria, and the administration was left to Queensland. What are we doing now? The Commonwealth is stepping into the position formerly occupied by Queensland. While it is perfectly true that there cannot be any legal

demand for the Commonwealth to take that step, I do not hesitate to say that we are morally bound to take it. Mr. Chamberlain is absolutely correct in the statement he has made in the telegram read by Senator Playford, in which he refers to the fact that the annexation of New Guinea, was agreed to by the Imperial Government upon the distinct understanding that British New Guinea was to be part and parcel of Australia, and that Australia was ultimately to bear the whole expense. At that time there was no thought of asking the Imperial Government for the £7,000 a year towards the maintenance of the steamer Merrie England. That was an after-thought, and the payment of that money was a liberal action on the part of the Imperial Government. It was an expense which they were not bound to meet. I only regret that the Commonwealth Government have been bargaining over this miserable sum of £7,000. It was unworthy of the Commonwealth to do so, in view of the conditions under which the Imperial Government originally consented to the annexation of British New Guinea. With regard to the difficulty which has been pointed out that this annexation may increase the defence expenditure of the Commonwealth, I entirely concur in the statement of Senator Playford that our defence will necessarily cost us more in the future than it has done in the past, and that in fairness we shall have to contribute more to the Imperial navy than we have hitherto done. At present our arrangement with the Imperial Government is most economical and satisfactory.

We know how rapidly vessels of war deteriorate and cease to be useful. If we were to build up a navy of our own we should have such vessels thrown upon our hands, and be compelled to get fresh ones. But ' by the present arrangement we are enabled to get fresh vessels to defend our coasts. It is true that there may" be a certain amount of danger from foreign nations bordering upon our territory in British New Guinea. No doubt Senator Playford will recollect that one of the strongest arguments used in favour of the annexation of New Guinea was that it would very much facilitate the naval defence of Australia. It was pointed out by experts that if a foreign nation held the coast of British New Guinea, it would very materially increase the difficulty of defending Australia from attack. On the other hand if the land on both sides of Torres Strait were held by Australia, all that the navy would have to do would be to block up both ends of the strait. That, I need hardly say, would be infinitely less costly than if the whole of the coast of New Guinea were held by an adverse power. Therefore, upon the score of defence, I venture to say that we must welcome the action proposed to be taken by the Commonwealth as carrying out the original determination. Some question has been raised as to the wording of the motion. I do not think it matters very much how the motion is framed. As a matter of fact, we shall undoubtedly be voting the £20,000 for an illegal purpose, because under the Constitution we cannot expend any money in New Guinea at present. Wo mean by this motion to express our willingness to take over British New Guinea as soon as it can be transferred to us Dy the Imperial Government, and the more straightforwardly we do that the better it will be. In the meantime we relieve Queensland of her responsibility. The Commonwealth takes over the cost and trouble of administering New Guinea, and agrees to vote £20,000 for that purpose. That is what we mean to do, and we shall do it: The mere wording of the motion matters little.

<page>7483</page>

Senator STYLES

- I intend to support the motion moved by the Postmaster-General. I agree with Senator Playford that the Government would have been very unwise if they had taken any other course than that proposed. Tb 4 would be equally unwise if they brought down a Bill to the Senate which was not substantially in accord with the spirit of this motion.- I have not the least doubt but that with the exception, perhaps, of some minor details, the Bill dealing with this subject which they will bring forward will be satisfactory to the majority of the Senate. If it is not, then the Senate will reject it, and in that event the Government would be in a very uncomfortable position. We have heard a great deal about the Dutch and German occupation of part of New Guinea - the greatest island in the world - but I have heard no reference yet to another Power that may step in if we do not retain possession of the territory. Much has been said lately about the yellow man. Here is the largest island in the world, at his very front door, which has been lying untouched for centuries, simply because in the past the yellow man did not understand what he understands now. The yellow man, whether we include in that term the sleeping giant of the East or the active little Jap, represents the coming race. There can be no question about that. I do not intend to say for one moment that he is going to displace the race from which we spring, and of which we are so proud, but if Senator Smith lives for another 50 or 100 years he will find the yellow man very much in evidence in this part of

the world. Therefore, if for no other reason, the instinct of self-preservation should cause the Senate, or any other deliberative Chamber in Australia, to vote for such a motion as this. What object other than that of self -preservation, can we have in agreeing to pay £100,000 towards the project submitted by the Government ? It is not that we think we are going to make anything out of British New Guinea. As a matter of fact we shall make no money out of it ; but it is well to keep others from occupying the land. We must view that in the same way as the late Sir Thomas Mcllwraith did, when, with tfes true foresight of a statesman, he planted the British flagon that territory. As pointed out by Senator Sargood, I think, if I may express myself in strong language, it is almost a disgrace to the British Government that they did not support Sir Thomas Mcllwraith and the whole of Australia on that occasion. I feel bound to criticise Mr. Chamberlain's attitude upon this question, although there can be no question about the fact that he is one of the ablest men of the day. He points out what a glorious thing it would be if a payable gold-field were discovered in New Guinea. I do not think it would be such a good thing for Australia. It would he an excellent thing for Mr. Chamberlain's friends, the exporters of Great Britain, but it would mean that we should lose the greater part of our young men. Each one of them would take some money and go off to the island just as he would go to Fiji, or Klondyke, or any other country, in which a good gold-field was found.

Senator Charleston

- Would they remain there?

Senator STYLES

- Perhaps not, but it would nob be an unmixed blessing for Australia if a gold-field were discovered in New Guinea. I cannot help noticing the tone of the despatch which Mr. Chamberlain addressed some three and a half years ago to the Governor of Queensland. If I may criticise the actions of a great man, I would say that the tone of that despatch was that which he would have embodied in a despatch to a friendly, but quite independent nation. I apprehend that Brisbane is as much a part of the British Empire as is Birmingham itself, and it is just as much the duty of the Imperial Government to see that Brisbane is well looked after as it is to look after London or Birmingham.

Senator Harney

- Great Britain owes protection to Brisbane, but a great deal more to Birmingham.

Senator STYLES

- Mr. Chamberlain owes a great deal to Birmingham, and Birmingham owes a great deal to Mr. Chamberlain. I should like to know what kind of a vessel the Merrie England can be when it costs £7,000 a year for her upkeep. I notice by the correspondence that in addition to that amount all the perquisites made by her are claimed. I do not know what the perquisites may be, but anything which she earns goes into the fund for her maintenance. I hope the Government will look into this matter, as no doubt they will when they assume control of the territory.

Senator Drake

- The maintenance of the Merrie England costs £1,750 per annum.

Senator STYLES

- I understood the Postmaster-General to say that it was £7,000 a year.

Senator Drake

- No, that was the amount of the British contribution.

Senator STYLES

- In order to criticise 3Ir. Chamberlain's shop-keeping, policy - for it is nothing more or less than that - I wish to quote some extracts from his despatches. No doubt he believed he was doing right. Possibly he was, but I do not think so, and I believe I am quite right in criticising his views, as long as I do so in a proper manner. Mr. Chamberlain does not care about Great Britain advancing more money towards the administration of British New Guinea for these several reasons -

The distance is too great, and there is a sufficient market in Australia both to buy in and to sell in. The interest o£ the English exporter, therefore, in the Pacific market is only indirect.

There the shopkeeper speaks.

Senator Sir Frederick Sargood

- Who was the first to advance that argument ?

Senator Charleston

- It was advanced in reply to the Prime Minister.
Senator STYLES
- This was before the Prime Minister appeared on the scene. I am quoting from Mr. Chamberlain's despatch addressed to the Governor of Queensland on the 8th of June, 1898.
Senator Drake
- That was a reply.
<page>7484</page>
Senator STYLES
- Mr. Chamberlain said that little in the way of a market for English products could be expected from the natives of New Guinea, and that is another reason why he refused to help Queensland. He went on to say -
I feel that, as the Australian colonies will reap all the direct and immediate benefit from the development of the territory, and there are numerous and pressing calls on the Imperial Exchequer for the development of territories, in which this country is more immediately interested, I am unable to recommend that any further Imperial grants should be made towards New Guinea
We consider that the safety of this country is bound up in the possession of part of New Guinea. Mr. Chamberlain does not seem to have recognised that fact. If he did he ignored it, and I cannot think he would have done so if he held that view. He also stated in the despatch to which I refer that each year it is becoming more difficult for Her Majesty's Government - to induce the House of Commons to vote money for the administration of a possession in which the taxpayer of the United Kingdom has so little direct commercial interest ; it is felt that the time has come when the grant-in-aid which has been made for so many years should cease.
It seems to me that, because the English taxpayer has no direct interest in British New Guinea, is not a reason for ceasing the payments. Has he any direct interest in Australia ?
Senator Charleston
- Yes.
Senator STYLES
- Then Great Britain should protect New Guinea, for in doing so she will protect Australia at the same time. I take a still greater objection to a passage in Mr. Chamberlain's last despatch. It seems to me to be rather ungracious. He says -
His Majesty's Government appreciate the position of your Government in this respect ; but, on the other hand, they have in mind the abnormally heavy war charges which at the present time the mother country is called upon to bear.
That is not a reason for refusing to hold out a helping hand where such a small amount is involved, or to show sympathy with the Commonwealth, and the willingness of the Imperial authorities to assist us as we were willing to assist the mother country. Australia did not say to the Home Government - " We have no direct interest in your quarrel with the Boers in South Africa." We sent our men there, and the bones of many of them bleach beneath the sun-baked veldts of South Africa. We would do it again cheerfully, and if Mr. Chamberlain had contributed only a small amount in order to show his sympathy with the object which the Commonwealth has in view, it would have helped to tighten the silken bonds between the grand old mother country and one of her cubs.
<page>7485</page>
Senator WALKER
- It affords me much pleasure to support the Government on this occasion in the action proposed to be taken. I am also of opinion that great credit is due to the State of Queensland for the action which she has taken in this matter from the first. I am only surprised that there has been the slightest doubt in the minds of any honorable senator on the question of whether we should not at once relieve her of the responsibility she has so generously undertaken, purely out of patriotic motives, since the agreement with Great Britain ceased. I happened to be in Queensland when the late Sir Thomas McIlwraith took the action to which reference has been made. It is true that Australian sentiment was with him. It is only fair, however, to remind honorable senators that at that time the Home authorities were in agreement with Germany and France, that no one of the three countries should take any part of the islands of the South Pacific without a mutual understanding. That was the reason why Sir Thomas McIlwraith's action was

disapproved at the time. Subsequently, by agreement, Great Britain and Germany took over the balance of New Guinea Looking back at the history of New Guinea, I think it has been most fortunate in the representation of the Home authorities there. At the outset, it had Sir Peter Scratchley as special Commissioner. Upon his unfortunate death, he was succeeded temporarily by the Honorable John Douglas, a former Premier of Queensland, who is held in the highest esteem in Thursday Island, where he has been resident magistrate for many years. He in turn was succeeded by Dr., afterwards Sir William, MacGregor, a man of great eminence, who was beloved by the natives of New Guinea, and who took a great interest both in the country and the state of the natives there. Sir William MacGregor was succeeded by Mr. Le Hunte, also a man of high character, and greatly esteemed. What was the position within the past few months? The Merrie England was out of repair, and Mr. Le Hunte came down here to seek assistance. Had it not been for the courage of Queensland, it is impossible to say when he would have been able to go back, because the Merrie England was not in a fit condition to enable it to carry out its work. I shall not enlarge upon that. With regard to the action of the Home authorities, it has already been clearly shown, in the excellent speech delivered by the Prime Minister, and which, I presume, honorable senators have read, and it has further been stated this afternoon by the Postmaster-General, that it was at the request of Australia that New Guinea was taken over by the British authorities. They have acted very generously up to the present time, and I fail to see that we can blame them if they think they are no longer justified in spending £7,000 a year on New Guinea. The resources of New Guinea are not merely agricultural. There are timber resources, pearl fisheries, and gold. Woodlark Island has several gold claims in the course of development. If I may be permitted to say so, my own son was the leader of an exploration party in search of gold, and the leader of the party who discovered the Yodda Valley Goldfields. At the present time he is Goldfields Warden and Resident Magistrate of the northern portion of the British possession. I am able to certify that it is not a very healthy place, because two of his immediate predecessors died of fever, and he has himself recently been down for five weeks with fever, though he is now up again, and has returned to his duties. From what I hear, there will be gold dredging in New Guinea in the days to come. There is no doubt that there is gold there, but of course exploration in the territory has not yet been extensive. We also know that in New Guinea the great missionary societies have agreed to work upon a plan which I wish they had followed everywhere else. One section of the country is taken in hand by the London Missionary Society, whose great missionary, Dr Chalmers, was only recently murdered near the Fly River. The Church of England authorities have taken another portion, and the Wesleyan Missionary Society is also at work there. The three societies are working amicably in the territory, and, as we know, the missionary is very often the pioneer of civilization in such lands. I can see no reason why, with respect to this territory, we should not have a different Tariff from that prevailing in Australia. There must be a Tariff of some kind in order that funds may be raised locally other than the £20,000 provided for in this motion. With regard to defence, we must presume, I think, that every portion of the British dominions is in a sense under the protection of the mother country. With regard to complications with the Dutch and Germans in New Guinea, they are likely to be so far off in the future that I think we need not trouble ourselves in the slightest about them. It is very doubtful whether there are any Dutchmen at all in Dutch New Guinea. We never hear of them, although so far as extent of territory goes, the Dutch own half of the island. There are only 500 Europeans at the present time in British New Guinea, and about 100 in German New Guinea. There is not likely to be much trouble amongst them for years to come, if ever.

Senator Higgs

- What would the honorable senator do with the black labour there?

Senator WALKER

- The sugar-planters that some honorable senators are doing their level best to drive out of Australia may, in self-defence, go up there. With regard to the so-called land syndicates, it is quite true that one formed in Great Britain applied for over 200,000 acres. They sent out surveyors and had surveys made, and when their proposals were refused, they wanted their preliminary expenses refunded to them. I do not know anything about the rights and wrongs of the matter, but I believe the Government acted wisely in declining to refund their expenses. With regard to the Hall Sound Company, I probably know more about it than some honorable senators present. There has been nothing in connexion with that company from start to finish that has not been perfectly straightforward. My impression is that if they are refused the

freehold of the land for which they applied they will be willing to take it up upon, leasehold, but, of course, they will want, some security that they shall have some return on the money they spend. Some persons, think it is a sin to buy an acre of land nowadays, and, personally, I should like to seethe land legislation of New Guinea conducted on the leasing principle. But if leases are granted, they should be for 50* years or more, because if leases for only paltry terms are granted, we cannot expect people to undertake an expenditure of thousands of pounds. I hope that in this, matter we shall not adopt the miserable: views which some persons nowadays enunciate. I am so anxious to see th& business of the country go on, that I shall not intrude upon the time of the Senate: further than to say that I am cordially with the Government in the action they have taken, and I only wish they had taken it. months ago.
<page>7486</page>
Senator HIGGS
- I shall not detain the Senate at any great length.. If this was an original proposal that Australia should have anything to do with New Guinea, I think I should be found voting against it. I submit that we have enough territory within our coastline to keep us occupied for the next century. I am not one of those who are so very much enamoured of foreign expansion, and the necessity for a great navy and for placing ourselves upon a high military pedestal. If we go along the lines of peace we will, I think, do very much more good for our day and generation. I, of course, am bound in. the interests of the State I represent, to vote for this motion. I can hardly see how we can avoid taking over British New Guinea, but I do hope that when the Government bring in a Bill to govern that territory it will be a comprehensive measure, and will have for its main object the proper treatment of some 300,000 natives who are there. "What is going on in New Guinea at the present time appears to me to be very much like what took place in the early history of Australia. The missionaries have gone there with the very best of intentions, and they have been followed by traders. Some of these traders are very greedy and grasping persons, and are doing their level best in the first place to avail themselves of all native labour, and if in availing themselves of that labour they kill off a few hundred thousand, it does not appear to matter very much to them.
Senator Walker
- The honorable senator is, perhaps, not aware that persons cannot employ natives there without a licence.
<page>7487</page>
Senator HIGGS
- I do not think the honorable senator will be able to satisfy some of us that things are all right in British New Guinea. I am very much afraid that unless Parliament safeguards the interests of the natives, there will be very little benefit to the people of the Commonwealth, who will have to furnish the taxes to pay this £20,000 a year necessary to administer the affairs of that place. I should just like honorable senators to listen for a moment to the methods adopted by some Britishers who go to New Guinea, and engage this native labour which Senator Walker seems to think is so well treated. I quote from a report, dated 9th June, 1900, by the Resident Magistrate for the western district of British New Guinea. Speaking of the natives he says -
The number of native labourers employed throughout the past year has exceeded the previous year by more than one-half. The general tone and contentment of the natives employed has not been as satisfactory as it might have been. From what I have been told, and from what I have seen myself, most of the employers not only wish for the cheapest labour on the face of the earth, but they expect the natives to be bound on the expiration of their services to buy goods from them out of the small sum they receive for their labour, at a price that will enable the seller to make at least 200 per cent, profit. One person stated in the office, at Daru, when it was refused to sign on natives to be paid off at the place they were going to work at, that he thought it a shame that they could not get half of the wages paid back, if not all, in this fashion. These methods of dealing are resorted to by those employers who are living on their wits, and who only make enough from one year's end to another to exist on. The chief complaints made by the natives are insufficient food and bad accommodation. The employers complain that the natives are lazy, sulky, and obstinate. 21 t 2
The Resident Magistrate quotes a case. He says -
Over 50 natives came to Daru and complained of their food supply. The same natives had on three occasions deserted on the ground of insufficient food. They were advised to return to their employer.

Their answer was - "No, we will all go to gaol first. We get food there." The employer was questioned as to the food supply, and he stated that when rice only was supplied it was 1 lb. per day per man. He was asked if he could work in the open air for twelve months on lib. of rice per day. '* No," said he, "lam not a nigger." When sago was supplied, two bundles only were given to over 60 men - about 45 lb. per day - at a cost to the employer of about 6d. at the outside. The place of employment was inspected and the natives' statements were found to be perfectly true. For there could be seen hundreds of palms cut down in scrub by the labourers for food, and they were driven to stealing sago palms the property of the surrounding tribes. The wages of these natives was 5s. per month. Referring to the complaints by the employers of the laziness and obstinacy of the natives, this, no doubt, is a good deal due to the above treatment, to the lack of proper supervision and attention, and to the natives not understanding the orders given to them.

I shall not read any more, but honorable senators can satisfy themselves by a perusal of the complete report, as to the' sort of treatment that is meted out to unfortunate natives who are willing to engage in labour in British New Guinea. We are told that there are over 300,000 natives there, and only 500 European residents. Some of these residents seem to think that the kanaka, the Pacific Islander, and the Papuan are so much mere flesh and blood to be used up for their particular profit. If we are to take over British New Guinea it will be our duty to protect these natives who Senator Playford has told us are lazy and filthy. It must be remembered, however, that the natives have a high state of civilization as native civilizations go. They cultivate the ground, they have plenty of fruit, and they weave nets with which they are able to catch fish. There is abundance of food to satisfy them, and from all accounts there is no poverty in the place. No poverty ever is in such places until the white man makes his appearance there. Then poverty comes upon those lands, just as it has come upon the New Hebrides whence we get our kanaka labour. We must, I take it, administer the affairs of the possession in a proper manner. I hope the sentiments given expression to this afternoon will be adopted, and that we shall have a system of leasing applied in dealing with the lands of New Guinea. With regard to the land companies, Senator Walkerhat mentioned some company of which he knows as a bond fide company and all that kind of thing, but the honorable senator must remember that the Queensland Government was willing to assist a British syndicate to get 250,000 acres of British New Guinea at about ls. an acre.

Senator Walker

- It was a monstrous proposal. They wanted the choice of the best land everywhere. I am not defending that company.

Senator HIGGS

- I am very sorry to say that the Nelson Government were willing to agree to a transaction which Senator Walker describes as a shameful one.

Senator Walker

- Because they thought that there was an arrangement made to which they had to agree.

Senator HIGGS

- No. The men at the head of the Queensland Government should have consulted the Governments of the contributing States. But they did not; and it was only when the whole transaction was exposed by the Age that it was put a stop to. Although the Secretary of State for the Colonies is of opinion that only companies will be able to make anything out of the territory, we must not allow them to pick out its eyes at ls. an acre, payable over a period of five years or more. We might adopt a new system of lands administration, and encourage the men who wish to go and make a home there, and at the same time endeavour to secure to the settlers generally some of the unearned increment which enables a number of early Australian settlers to live in such great style in Paris or London.

Senator Lt Col CAMERON

- I rise to give my adherence to the proposal of the Government to take over this dependency. It is quite time that the Commonwealth should realize its potentialities and the outside interests it will have to protect in the near future. The sooner we feel our way in that respect the better.

Senator DAWSON

- And stave off the foreigner.

Senator Lt Col CAMERON

.- We wish to keep the foreigner out of this part of the world if he is in any way antagonistic to our

development, and this result can be best assured by showing that we are prepared to move forward and undertake the responsibilities of Empire, to which we put our shoulders when we formed the Commonwealth. The difficulties in New Guinea are extremely great. Not only the British but two other European nationalities have large and vital interests in the island, and it will be for us to prepare for any eventuality whereby our interests there may be threatened. This brings me to the question of how we are to gain assistance in the case of difficulties. Hitherto, and I trust it will be the same for all time, we have placed reliance on the British navy. We must be equal to our responsibilities to the Empire as a whole, and not think solely of what our duties are as Australians. I was exceedingly sorry to hear the name of Mr. Chamberlain spoken of as it has been. I may have been mistaken as to the expressions and the intentions of the speaker, but I feel sure that there is no word in the correspondence which is derogatory to the position which the Colonial Secretary occupies as a member of the British Ministry. We must look at this New Guinea question from the practical point of view of £ s. d. Who are most directly interested in this land 1 Surely it is we Australians who are directly interested. We have sufficient means, energy, and intelligence to see that that possession is properly developed. We have sufficient influence in Parliament to see that the natives are properly safeguarded, and Senator Higgs will have the whole of us with him in seeing that there is no such thing as maltreatment or slavery practised. We wish to see the material development of New Guinea progress in as solid a way as that of any other portion of the Commonwealth. I cordially support the motion.

<page>7488</page>

Senator DOBSON

- One point has not been mentioned, and that is the responsibilities which the Commonwealth will incur in adopting a motion practically compelling us to accept British New Guinea as a territory. It seems to be supposed by some honorable members, both in this Chamber and in another place, that that is a reason for our starting an Australian navy, and looking to the question of defence. I did hope that honorable senators had by this time made up their minds that the question of defence is a very important one, apart altogether from the acquisition of New Guinea. The fact that we are going to take over the control of a vast tract of territory inhabited by 500 fellow white subjects and 350,000 savages, does not affect the question of defence one atom. The question of defence, as I understand it, is all important, because what it means to me is no defence, no Empire. When the Premiers of the States were here the other day, and with unanimous voice pointed out that we must cut down the defence Estimates, I could see nothing for it but that our expenditure on defence matters must be increased. For the third time, I would point out that our proper contribution should be about £6,000,000 a year, having regard to our population and our trade, in comparison with the trade of Great Britain and other parts of the Empire ; whereas it is only £162,000. Apart from New Guinea, we shall have to seriously consider the question of defence. Some honorable senators seem to think that in the distant future certain disputes and troubles may arise between the Common wealth and Holland, and Germany. The Prime Minister ought to try to arrange between the Commonwealth and the other two powers a treaty under which all disputes as to the development, progress, and occupation of that vast tract of territory should be referred to a tribunal for arbitration. There might be one or two arbitrators appointed by each co-owner in the island, with power to appoint an umpire. If we go to work in that commonsense way, following in the footsteps of the Peace Conference, we can easily settle all disputes without recourse to an Australian or Imperial navy. If the Commonwealth should accept this territory, the Prime Minister ought to take immediate steps to see how things are going on there, to protect the natives, and to see whether there is any drink traffic at all. I hope that we shall apply to this brand-new country some system which past experience has shown us ought to be a very great improvement on the old licensing systems. We ought to make up our minds that this territory shall be a white man's land in this respect - that it shall be governed by intelligence and experience, and that the principles of what I may call a democratic Christianity shall be at the bottom of all that we do. If we cannot make an improvement with regard to the government of this vast tract of country with its enormous population of black people, we are hardly worthy of the position we are trying to take up. In the debate on the Pacific Labourers Bill in the Queensland Hansa/rd, I read a statement by a responsible statesman that the natives of New Guinea are not fitted or suitable to carry on the work of sugar growing in the plantations of Queensland. If any honorable senator can give me information on that point, I shall be obliged.

Senator DAWSON
- They have never been tried.
Senator DOBSON
- This statement was made without contradiction or limitation. If we are to develop the northern part of Queensland, if we are to take over the Northern Territory and develop it, we shall have to consider what We shall do with these 350,000 black subjects of ours. I would point out to my honorable friends in the Labour corner who hope that the laws under which we take over the territory will be broad and comprehensive, that it is quite probable that they will be broad and comprehensive, but I hope that they will be more statesmanlike, more based on humanity than some of the legislation which has passed through this Chamber. We hardly know what will be done about the question of the kanakas, and sugar growing, and the development of a land which is hardly fit for a white man to work in, and when it will be admitted that the time has arrived for us to engraft on our legislation those broad and comprehensive views which I hope will find favour with my brother senators. The use of the phrase " a territory " in the motion seems to imply that we are thinking of the territories of the United States, which, I presume, under their Constitution, have certain constitutional rights. It has yet to be considered - and a very great question it is - what constitutional rights, if any, we shall give, in the first instance, to these 350,000 black people and 500 white people. I prefer the words " part of the territory of the Commonwealth," to the words " a territory."
Senator Pulsford
- The first paragraph of the motion uses the word " territory," and the second part the word "possession."
Senator Drake
- Because it is a possession now.
Senator DOBSON
- I can see that we are going to accept a measure to take British New Guinea over as a territory, and. to vote £20,000 a year for five years to carry on the government of a possession. I prefer the word " possession " to the word " territory " ; and the words " part of the territory of the Commonwealth" to the words " a territory."
<page>7489</page>
Senator Harney
- It is not part of the territory of the Commonwealth yet.
Senator DOBSON
- I think the Postmaster-General sees what I mean. I do not wish to go one step further than I need, and that is to vote the money. We are compelled to vote the money. The taking over of this possession is practically an Australian policy, and not an Imperial one, and every word which Mr. Chamberlain uses, when he asks us to take control of it, is I think more than justified by the facts.
Senator DAWSON
- Why should we spend the money, and let someone else control the territory %
Senator DOBSON
- We are going to spend the money, and to control the territory. As Mr. Chamberlain points out, we have all the trade, and the land at our very door. We have been spending a great pu-t of the money, and now let us spend the other £7000 and control the territory ourselves.
Senator PULSFORD
- Important though this subject is, I do not wish to prolong the debate ; and I rise simply to point out a departure in the drawing of this motion from the method usually adopted in this Chamber. In each of the paragraphs of the motion the word " House " is used. In other motions proposed in this Chamber we have always referred to " the Senate." There are, I think, four notices of motion upon the business paper at the present time, and the word " House " is not used in either of them. The word " Senate " is always used. I suppose the word " House " is used here because the motion is copied from the resolution passed last night by the House of Representatives.
Senator Drake
- It is according to the Commonwealth Constitution.
<page>7490</page>
Senator PULSFORD

- I suggest that it would be better to conform to the ordinary usage, and to use the word " Senate " instead of the word " House " in each case.

Senator GLASSEY(Queensland).Rather a strange doctrine has been propounded this afternoon by Senator Clemons : that no criticism, however just, should be used with regard to the Colonial Secretary, Mr. Chamberlain. I have listened to every speech made in the course of this debate, and I certainly thought that the remarks of Senator Styles - to whom, I suppose, allusion was made - in reference to Mr. Chamberlain, were most reasonable and fair. Personally I have a great admiration for Mr. Chamberlain. I do not say that

I agree with all his past actions, but the same may, I suppose, be said with regard to the actions of any statesman. For many years past I have watched the career of the Colonial Secretary with sympathetic interest. I remember when he first entered the Imperial Parliament. I have heard him speak in the House of Commons on more than one occasion. I agree with Senator Cameron that Mr. Chamberlain is a man of great eminence and ability. He is one of the most important factors in current British politics, if not, indeed, in the politics of the world. But reading Mr. Chamberlain's despatches, more especially with regard to the £7,000 for the maintenance of the steamer Merrie England - a boat employed by the Lieutenant-Governor of British New Guinea - I think that his objection to the continuation of the grant was paltry and utterly unworthy of any man in so high an office, more especially a man of. the eminence and capacity of Mr. Chamberlain. It was a piece of muttering politics to object to that expenditure. Sir William MacGregor has been referred to in the course of the debate. He is a gentleman who has done yeoman service in connexion with British New Guinea, and every possible consideration ought to be extended to him. I am sure that there is no desire in the Senate to express prejudice concerning the Colonial Secretary. I do not quarrel with him for his policy in South Africa in the slightest degree, nor have I any feeling of antagonism to him. There are only about 500 white men in British New Guinea, and only about 100 in the portion of the island occupied by Germany. The view has been expressed this afternoon that there is no serious fear of complications arising there. I take the opposite view. In the first place, it is to be regretted that any portion of any Pacific island should be occupied by any other power than Great Britain. It is to be regretted that the Imperial Government has not in the past been more prompt in regard to the occupation of territory in the South Pacific. I was in England at the time New Guinea was annexed by Sir Thomas Mcllwraith, and I know that there was a wide feeling of regret that that act was not at once endorsed by the British Government. I am sure that many people in England thoroughly approved of the' action of Sir Thomas Mcllwraith. It is to be regretted that to-day the Dutch and German people have the slightest foothold in New

Guinea. That is exactly where our danger lies. If any quarrel should take place with Germany or Holland, the opportunity of striking a severe blow at Great Britain through the possession by a foreign nation of territory in the Pacific might be taken advantage of. Therefore, I view with some apprehension the dangers that may arise from foreign complications. I fear that there may be serious trouble there some day, and that Australia may have to ward off a blow that may be attempted to be struck at Great Britain through New Guinea. I remember that when Sir William MacGregor was retiring from New Guinea, I had a long conversation with him, largely concerning the German settlement of the island. He was then fully alive to the dangers arising from foreign powers being there alongside Great Britain. But I entirely approve of the motion proposed by the Postmaster-General, and shall give it my support. When a Bill is introduced to carry out the resolution, I shall vote for it, so long as there is every safeguard for preserving the rights and interests of the native races of New Guinea. I shall never be in favour of any legislation with the object of extracting labour from these people, who should receive from us every consideration. .

Senator DRAKE(In reply).- I am very glad that this motion has been so cordially received by the Senate. Some objection has been taken to the wording of it by Senator Clemons, but he has not pushed his objection to the extent of moving an amendment. Out of courtesy to him, I should like to point out that the reason for adopting this form, instead of the form authorizing the Government to accept, is that it has been pointed out that the acceptance of British New Guinea does not lie with the Government but with the Parliament. Therefore this form of words has been used to show that the two Houses of Parliament separately agree that they are willing to accept British New Guinea as a territory. I think that the words suggested to be inserted by Senator Clemons are hardly strong enough. To say that we will consider a measure is not sufficient. In this motion, we are asking first - though this point comes second in order - for

the authority of Parliament to do what, strictly speaking, is unconstitutional, namely that it will find the money that is now being advanced by Queensland. The Queensland
Government has no direct authority to spend the money, but they are doing that, and we are asking the Commonwealth Parliament to authorize us to relieve Queensland from that responsibility. Furthermore, we are asking both Houses of Parliament to say that, at the proper time, they will be willing in the only way in which it can be done - that is to say, by an Act of the Commonwealth Parliament - to accept British New Guinea as a territory.
Senator Clemons
- The Government ask us to join with the other House. I say that we should express our ready willingness to consider the Bill.
<page>7491</page>
Senator DRAKE
- I think we should go further than saying that we are ready to consider the Bill, because we are bound to consider any Bill that comes before us. What we ought to do is to say that we are willing to accept British New Guinea as a territory. I have also to say, in reply to Senator Dobson, that the expression here used, " The territory of the Commonwealth," is quite correct, because we want to make it perfectly clear that we do not propose that British New Guinea shall be part of the Commonwealth in the sense of being one of the States of the Commonwealth. Section 122 of the Constitution Act clearly contemplates the acquisition of portions of land as territories of the Commonwealth. Such territories will of course, not necessarily be subject to the laws of the Commonwealth, but to such laws as may be made for their government. Senator Pulsford has offered some slight objection to the wording of the motion on the ground that we have used the term " this House " instead of " the Senate." If he will turn to Part 4 of- the Constitution, he will see that the word " House " is used in relation to the Senate, as well as the term " both Houses of the Parliament." In this case we are adopting in the two Houses of the Parliament a resolution which is practically identical, and, therefore, it is just as well that instead of using the word " Senate " as we do when the Senate is acting independently of the other House - we should use the word " House " in order to bring the resolutions passed by both Houses of the Parliament as nearly as possible into conformity with each other In regard to some of the criticisms that have been offered from a naval and military point of view, it seems to me to be perfectly clear that honorable senators who look at the matter from the stand-point that we may be called upon at some future time to do something in the direction of defending ourselves, must see how very much better it is that this territory, which is so near to our shores, should be under our control than under the control of any other power. In that view of the question, it is infinitely preferable that British New Guinea should be under our control than under any other authority. The same answer may be made to those honorable senators who have spoken of the condition of the people who at present inhabit New Guinea, and the difficulties that may arise by-and-by in connexion with the employment of these natives. Is it not infinitely better that the territory, with its 300,000 or 350,000 coloured people, should be under the control of the Parliament of the Commonwealth than under the control of any other power. Before the possession can be finally accepted by the Commonwealth, it will be necessary for both Houses of Parliament to pass a Bill dealing with the matter, and it will be then for honorable members of both Houses to decide, in their wisdom, what laws are necessary for governing these people. I have not the slightest doubt that we shall pass legislation which will have for its purpose the improvement of the welfare of these people within their own territory. Senator Higgs, in referring to the condition of the natives, has done rather less than justice to the work which has been going on in British New Guinea for the last twelve or thirteen years. The government of that country, under the laws and ordinances in existence at the present time, has been very beneficial to the natives. In the earlier years of the protectorate, the people on the south-east coast were in daily dread of the raids of tribes from the eastern end, who were cannibals and head-hunters, and used to swoop down upon them and commit massacres and all kinds of cruelties in their villages. That has been stopped to a very great extent, if not entirely, and the natives are free, to a very large extent, from the fear of raids by the uncivilized tribes from the eastern end of the island. I think the establishment of the British protectorate there has been productive of good.. In introducing the motion, I said that I was on Saibai. I was there in 1892, and I found that, amongst other things, they had a missionary school in which there were some 300 native children being taught by Samoan teachers. They could sing " God save the Queen," and a few hymns, and there

were evidences that civilization was beginning to make way among the people.
Senator Harney
- The fact that they were able to sing " God Save .the Queen " is. not much evidence of their civilization.
Senator DRAKE
- I can give further evidences of their civilization which perhaps, may appeal more strongly to Senator Harney. They have a system of native police. The men receive a very small fee, and they wear a uniform composed of blue cloth and a small piece of red tape. They also wear caps, of which they are very proud. These local police certainly exercise a considerable amount of authority among the natives.. The existence of some slight authority of that kind under British law has been productive of some good in New Guinea. Whatever action may be taken in the future, I have no doubt that the Parliament of the Commonwealth will see, when it is passing laws for the Government of the> territory, that the natives are well looked after.
Question resolved in the affirmative.
PROPERTY FOR PUBLIC PURPOSES ACQUISITION BILL
In Committee(Consideration of amendments of House of Representatives) :
New clause 11a (Notification to be void in certain cases).
Postmaster-General
Senator DRAKE
. - This is rather an important amendment, but I think it is a very desirable one. The new clause provides in effect that the acquisition of property shall only be provisional in the first instance, unless, the money is available, and it shall only become absolute if neither House of Parliament objects to it. I think that an important improvement upon the Bill, and I move -
That the amendment of the House of .Representatives be agreed to.
Motion agreed to.
Clause 12 (Notice of claim for compensation).
<page>7492</page>
Senator DRAKE
- I intend to proposed that the amendment inserting the words. " or of the Supreme Court of a State " after the words "High Court " in this clause be disagreed with. The amendment is now met by a general provision in the new clause* 58a, which has been inserted by the House of Representatives, and which I shall ask the committee to agree to. I move -
That the amendment of the House of Representatives be disagreed to.
Motion agreed to.
Clause 14 -
If within ninety days after the Minister has notified the claimant that his right to any compensation is disputed, or if, within ninety days after the service of notice of claim, the claimant and the Minister do not agree as to the amount of compensation, the claimant may institute proceedings in the High Court in the form of an action for compensation against the Attorney-General as nominal defendant on behalf of the Commonwealth.
Motion (by Senator Drake) agreed to -
That the amendment of the House of Representatives inserting after " court," line 7, the words " or until the establishment of the High Court in the Supreme Court of the State" be disagreed to.
Senator DRAKE
- The House of Representatives also proposes the omission of the words - " Attorney-General as nominal defendant on behalf of the." The action is brought against the Commonwealth itself, and it is therefore not necessary, and perhaps not desirable, that those words should remain in the clause. I move -
That the amendment of the House of Representatives be agreed to.
Motion agreed to.
Clause 16 -
Unless the Justice otherwise orders, if the judgment in any such action is for a sum equal to or less than the amount of the valuation notified to the claimant, the claimant shall pay the costs of the action, but if for a greater sum or if for any sum where the right to any compensation is disputed the Commonwealth shall pay such costs.

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Senator DRAKE
- The House of Representatives propose to insert in clause 16, the following new sub-clause - (la) If the judgment or award is for a sum one third less than the amount of the valuation, the claimant shall pay the costs of the action.
Of course it is desirable that some provision of the kind with regard to costs should be inserted, and this seems to me to be a fair arrangement to make.
Senator Major Gould
- Is there any provision already in the Bill dealing with it?
Senator DRAKE
- Not with that particular matter as to cases in which the claimant shall pay costs. Whether one third is a correct proportion or not is a matter fairly open to argument, but that is the amount fixed by the amendment. I move -
That the amendment of the House of Representatives be agreed to.
Senator CLEMONS
- I do not think the committee should hurriedly agree to this amendment. When this Bill left this Chamber we decided clearly that the question of costs in all of these cases should be left to the Judge presiding, and that is in accordance with the ordinary rule of every court of law. What is attempted here is to make some arbitrary distinction. Personally, I always view with considerable suspicion any attempt to fix a thing in an arbitrary way. The old argument might be adduced, that if one-third is right, possibly one-fourth or one-half would be right. As the clause left us, it was, in my opinion, completely satisfactory in leaving it to the Judge to decide whether costs should abide the verdict or not. Unless the Postmaster-General can give the committee some strong reason, and I cannot imagine any, why we should resort to this arbitrary rule, I intend to oppose the amendment, and I suggest that the committee should disagree to it.
Senator WALKER
- Do I understand that this is to apply where a person gets one-third of his claim?
Senator Drake
- If he is awarded a sum one-third less than the amount of the valuation. If, for instance, the valuation is £3,000 and he gets £2,000.
<page>7493</page>
Senator WALKER
- It must be remembered that there are great differences in valuations, and I think this is not nearly sufficient. It ought to be one-half. We know what valuations are. I have known instances in Sydney where leading valuators have within eighteen months valued a property at only half the value they had previously put upon it, owing to certain circumstances accounting for a reduction of value. We should not punish a man for what is not his own fault.
Senator Major GOULD (New South
Wales). - I think we had better omit the sub-clause than propose to alter it, because by clause 16 of the Bill as it now stands, the Crown is amply protected against any unfair claims by individuals. If under the clause the claimant gets no more for his land than the Government offers to pay him, he is liable to pay the costs of the Crown unless the Judge otherwise orders. If: he claims £3,000, and the Crown say "We will give you £2,000," and if the jury award him £2,000 or less, he has to pay the costs of the Crown, unless the Judge otherwise directs. I think that is an ample protection to the State, and it certainly is fair so far as the State is concerned. When this clause was being dealt with, I recollect that it occurred to me that it was really rather severe as against the claimant. Where the Crown has given a certain valuation, and the jury say - " This man ought to have got the amount placed upon his property by the Crown in the first instance," I think it is reasonable that the man should have his costs. We must remember that under this Bill we are taking property away from individuals for the benefit of the State whether they like it or not. I admit that that is right, but at the same time the individuals concerned should be dealt with as tenderly as possible consistently with justice. I hope the committee will dissent from the amendment.
Senator MILLEN(New South Wales).In addition to the demerits of this proposal, as pointed out by previous speakers, I submit that before the committee should be asked to reverse its previous action.
Senator Drake

- This is not a reversal.
Senator MILLEN
- Practically it is, because the Senate has already arrived at a decision as to the attitude which it should take up in this matter. Before it should be asked to vary its previous decisions, some reasons should be advanced for the proposition. The Postmaster-General has given no reason, and I would like to hear from him what induces him to ask the committee to take the action he now proposes.
Senator DRAKE
- The object of the amendment is to put a check upon extravagant claims. It does not vary the clause as the Senate passed it, but proposes a simple addition to that clause providing for something which we did not provide for at the time.
Senator Clemons
- It takes from the Judge a discretion which we left to him.
Senator DRAKE
- It does take some thing from the discretion which we left to the Judge. Under the clause, as we passed it, everything was left to the discretion of the Judge, but we know that Judges as a rule are rather disinclined to give costs to claimants who bring claims against the Crown.
Senator Harney
- I never heard such a proposition, Why not make the costs follow the event in this case as in every other?
Senator DRAKE
- The clause as we sent it away provided that, unless the Judge otherwise directed, if the claimant received a sum equal to or less than the amount of the Government valuation, he would have to pay the costs. . This provides for a fixed rule with regard to a case where a claimant recovers very much less than the valuation and it fixes the amount at one-third. It is desirable that there should be some limit. It is a question for discussion whether one-third is the right amount to fix. The amendment really does not vary the clause, but it puts a limitation to the discretion of the Judge, so that where the amount recovered by the claimant is one-third less, he must pay the costs, and the Judge has no discretion to give the costs against the Crown, or to make an order that each side shall pay its costs. It is perfectly clear that the object of the amendment is to put a check on extravagant demands.
Senator Major Gould
- Supposing that the claim was for £6,000, that the Crown valued the land at £2,000, and that the verdict was for £3,000, the claimant would have to pay all the costs, because he had recovered a third less.
<page>7494</page>
Senator DRAKE
- It is only when it is one-third less than the valuation that the claimant has to pay the costs of the action. It is not an unreasonable amendment, and to a certain extent it will have the effect of checking extravagant demands.
Senator MILLEN(New South Wales).The statement of the Postmaster-General in no sense answers the objection which I raised. I am at a disadvantage in that the amendments of the other House are not shown in black type, as is done in every properly conducted Parliament. So far as the Bill in my possession indicates, the question which is sought to be revived by the amendment of the other House was decided in this Chamber. It came under the original clause which provided that -
If the judgment in any such action is for a sum equal to or less than the amount of the valuation notified to the claimant, the claimant shall pay the costs of the action. .
The Senate decided to leave a discretion to the Judge, but this amendment asks us to reverse our decision. What I want from Senator Drake is not a reason for the amendment, but a reason why we should reverse our action.
Senator HARNEY
- I do not think I was here when the original clause was passed, but the amendment of the other House seems to me a most extraordinary one. As I understand clause 1 6, it is intended to convey the very ordinary rule in courts of law, that unless the claimant is awarded by the court more than he was offered, he had no right to come into court, and he must pay the costs. But there may be circumstances where a person obtains less than the offer, and therefore primd facie had no reason to come into court, but still in

the opinion of the Judge it may not disentitle him to costs. That proviso was contained in clause 16. If this amendment were never made, and a person obtained one-third less than the offer, he would be deprived of his costs, because it would be the ordinary rule of law. In such a case, unless there were exceptional circumstances, it would necessarily follow that the claimant would not get his costs. The only possible reason why discretion is given to a Judge to award costs to a person when he recovers less than the offer, is the conduct of the other party, and that conduct will be equally consistent with a third, or a sixth, or a half less than the offer being allotted. The raison d'etre of clause 16 is hit at by the amendment, because it reserves a discretion to the Judge not to be exercised by reason of the difference between the amount found and the amount offered, but by reason of circumstances outside that, and such circumstances may exist where the difference between the two amounts is more than a third. I can conceive of a case which is hit at in the clause. A man has obtained from the Judge less than that which was offered, but the offer was made to him in an equivocal form. It was not a straight-out offer ; it was not made at the right time, and he did not know his position until after he had come to the court. These are some of the circumstances which would justify the court in departing from the ordinary rule. But all these circumstances will equally occur, whatever the rate of difference may be. It is a most meaningless amendment to propose, and I shall vote against it.
<page>7495</page>
Senator McGREGOR
- I think that this is a reasonable amendment because it will prevent unnecessary litigation in connexion with transfers under the Act. It is not an alteration of, but an addition to, what we have done, and a limitation of the discretion we have allowed to the Judge. As everything is laid down in the Bill leading up to the action which is to be taken, what is the use of Senator Harney talking about these equivocal offers 1 At the time we gave this discretionary power to the Judge we did all we thought was necessary. Others, who probably know as much about the Judges and the legal profession as we do, came to the conclusion that it was too great a discretionary power to put in his hand, because some person might make an equivocal demand on the Commonwealth for an amount of compensation to which he was not entitled in any circumstances. And yet, the compensation or purchase money might be so small that when it was all paid there would not be enough money available to pay the lawyers. Consequently the Judge would say, " Our noble profession must not be sacrificed by the rash action of this unfortunate man, who comes here with a trumpery case. We must make the party who has the money pay the costs." The lawyer is all right but the Commonwealth is all wrong, and consequently we have come to the conclusion that if the amount allowed is a third less than the offer, that is primd facie evidence that the claimant has been trying to milk the Commonwealth cow to too great an extent, and we shall take away the discretion from the Judge. When it goes beyond common sense and reason, no Judge or other person should have a discretionary power, but the individual should have to pay the costs. It is far better in such transactions that there should be some finality. This amendment will bar any attempt to milk the Commonwealth cow. The claimants will say - " We must mind our p's and q's, because if we are awarded a third less than the offer, all we get will go to pay the legal expenses. It is better for us to take a reasonable amount when it is offered." For that reason we should accept the reasonable amendment of the other House.
Senator CLEMONS(Tasmania).- My chief objection to the amendment is that it fixes an arbitrary sum. There can be no rough-and-ready way of arriving at absolute justice. There can be no reason adduced to show that one-third is exactly the right amount to subtract. There is an additional reason for objecting to this arbitrary rule here. We have to subtract one-third in this case, not from a standard which is beyond dispute, but from the valuation. I believe the Postmaster-General will admit that there may be considerable discrepancies or alterations in the method of arriving at the various valuations. In other words, we might occasionally get a valuation which was absolutely correct ; but, in probably ninety-nine cases out of a hundred, there would be a valuation which left a considerable amount of doubt as to whether it was correct or not. There is no fixed standard from which the one-third is to be subtracted. I can understand that it is desirable in legislation to fix a definite term, as is done here, when we refer to some ascertained value which is beyond doubt. But the fact is that the one-third is to be subtracted from a variable quantity. If that one-third is subtracted from a valuation which happens to be one-third in excess, we thereby arrive at equality ; but, if the one-third is subtracted from a valuation which may be one-third less, it will intensify the injustice done.

Senator DRAKE
- In this case the Crown valuation is the amount offered to the claimant. Consequently it does not matter what is the standard of value. Take a property where the Crown valuation is £300. If the claimant likes to take that sum there is an end of the matter ; but if he says, " I think I can get more than £300," and goes to law, and the Court only awards him £200, he has to pay the costs. He goes to law at his own risk. He is offered, in the first instance, £300, for his property. It is his own fault if he goes to law, and thereby gets less than he was at first offered. This proposal puts a a certain amount of limitation on the discretion, of the Judge. The fixing of the amount at one-third is a matter for the committee to consider, but it appears to me that if there is no provision of the kind litigation will be encouraged by claimants hoping that they will get a great deal more than they were in the first instance offered by the Crown.
<page>7496</page>
Senator FRASER
- If a claimant makes an unreasonable demand he ought to be made to pay the costs. It is for him to be reasonable in dealing with the
Crown. If he is not he should " pay the piper." It would only lead to the piling up of legal expenses if we encouraged claimants to make unreasonable demands. Therefore, I shall support the amendment coming from the House of Representatives, which, I think, is on right lines.
Senator HARNEY(Western Australia). - Honorable senators have not appreciated the point that arises in connexion with this amendment. Suppose the amount of the Crown valuation for a certain property is £300, and the judge finds for £200. Clause 16 then provides that the claimant shall not get his costs. Yet there may be circumstances that have nothing whatever to do with the difference between the Crown valuation and the finding of the court, which may entitle the claimant to costs. What is the Judge given a discretion for ? Is he to have a discretion to give or to withhold costs, having regard to the difference in the amount ? No, because the clause says that apart from the exercise of that discretion, when the amount of the finding is less than the valuation, the costs are to go against the claimant. Is it to be a discretion to be exercised having regard to the comparision between the amount of the valuation and the amount found ? No ; the Judge wants no discretion for that, because the Act of Parliament fixes . it. The Judge is given a discretion because there may be circumstances which disentitle the Crown, notwithstanding that in the matter of amount the other party would be bound to pay the costs. There may be circumstances in the conduct of the Crown case, there may be errors in the wording of their notice, or there may be a hundred other tilings which would justify the Judge in giving costs to the claimant. If these circumstances accompany a case where the difference between the valuation and the finding is a tenth, costs may be given to the claimant. Why would not these circumstances be as likely to co-exist with a variance of a third, as with a variance of a tenth ? If the reason why the Judge is entitled to depart from the ordinary rule of giving costs against the claimant, where the amount found is less than the valuation, is that the notice is not perfectly clear, why are these circumstances to be deprived of any operation in other cases? To take the case I have previously given, if the amount of the valuation is £300, and the court finds for £210, the
Judge would say, ordinarily, as a matter of law, the amount being £90 less than the valuation, that the claimant must pay the costs. But then the claimant's counsel may get up and say - "I draw your Honour's attention to the fact that a certain notice was not correctly served on the claimant, that the figures set up in the valuation were incorrect, and that the claimant was misled by the negligence of the Crown." Then the Judge would say that those circumstances, having nothing whatsoever to do with the difference between the amount of the valuation and the finding, entitled him to depart from the ordinary rule. Why should these circumstances, which are to have such an effect when the difference is between £200 and £300, have no effect when the difference is between £199 and £300, or say when the difference is between £10 or £300 ? Why should not the circumstances have the same effect ? The reason that the Judge is given a discretion has nothing to do with the difference between the valuation and the amount for which he finds. It has to do with the circumstances accompanying the case, and which would still accompany the case when the difference was any other amount. I can see absolutely no reason in logic why we should make this arbitrary line of one-third.
Senator Playford
- There is no reason in logic why a man should come of age at 21 years.

Senator HARNEY
- The difference is this. In the one case, the line is drawn because the question that determines the right is the age of the person. Here, if the line were drawn because the question that determines the right is the amount - if that were the raison d'etre - the cases would be parallel. But what I am pointing out is, that while it is the number of years that is the determining factor in a man attaining his majority at the age of 21, it is not the amount of the difference which determines the discretion given to the Judge. If the discretion given to the Judge had any connexion whatever with the largeness of the amount claimed, the parallel mentioned by Senator Playford would be perfectly right ; but when we find the discretion given to the Judge, not in connexion with the amount claimed, but solely in connexion with the conduct of the claim, and with the surrounding circumstances, then I am unable to see why we should deprive the surrounding circumstances of the privilege given to them when they occur in connexion with one amount, and not when they occur in connexion with another.
Question - That the amendment be agreed to - put. The committee divided -
Ayes 14
Noes 10
Majority 4
Question so resolved in the affirmative.
Motion agreed to.
New clause 16a -
Where the valuation of the land, or of the estate or interest of the claimant therein, together with the valuation of the damage, if any, in respect of which a claim is made, does not exceed £1,000, the compensation shall, if the claimant so desires, be settled by arbitration.
Unless the claimant and the Minister concur in the appointment of a single arbitrator, who shall be either a District or County Court Judge, or a Police, Stipendiary, or Special Magistrate, the reference shall be made to two arbitrators, one to be appointed by the claimant and one by the Minister.
For the purpose of carrying this section into effect, the laws relating to arbitration in force in the State in which the land is situated shall be applied as nearly as practicable.
The costs of and incident to the arbitration as settled by the arbitrators shall be borne by the Minister, unless the sum awarded by the arbitrators is the same or a less sum than was offered by the Minister, in which case each party shall bear his own costs incidental to the arbitration, and the costs of the arbitrators shall be borne by the parties in equal proportions ; but if the sum awarded is one-third less than the amount claimed, the whole costs of and incidental to the arbitration and award shall be borne by the claimant.
<page>7497</page>
Senator DRAKE
- This is a new clause, proposed to be inserted after clause 16, providing for arbitration where the case does not exceed £1,000. I move -
That the amendment of the House of Representatives be agreed to.
Senator PLAYFORD
- I have had no experience in the other States, but in South Australia our experience has been that arbitrations always go against the Government. So far as the Government are concerned, arbitration has been found a most unsatisfactory way of settling disputes relating to the value of land. Originally we conducted all matters relating to the taking of land for railway purposes under the law of England, known as the Land Clauses Consolidation Act, and there was power to decide the question by arbitration or to go to the Supreme Court. So badly was the Government hit, however, that we found it necessary to bring in a special Bill to prevent arbitration in the future. "We provided with satisfactory results, not only to the Government, but also to the fair claimant, that a Judge of the Supreme Court should try these cases. "We did not give the right for a jury to try them, because we found that when a question went before a jury, they were unanimously against the Government.
Senator Clemons
- Does the South Australian Act give the Judge a discretion as to costs 1
Senator PLAYFORD
- I am not quite sure of that. Our experience of arbitration was that the verdict always went against the

Government, and that amounts were awarded largely in excess of what was absolutely fair. The position of affairs was put to me at the time by the late Hon. G. C. Hawker, who was then Commissioner of Public Works. He had had great experience, because at that time we were taking a considerable area of land for railway purposes, especially in connexion with the railway which runs through the Mount Lofty ranges, and connects with the Melbourne line. Mr. Hawker said to me - " The result of arbitration is this : I, as Commissioner of Public Works, instruct my valuator to value the property that we take for the purposes of railway construction fairly, and, if anything, in favour of the owner. The owner, however, instructs his valuator to stretch his conscience to the utmost possible limit in exactly the opposite direction, with the result that the arbitrators cannot agree. Then the umpire is called in, and usually splits the difference, that difference being always against the Government to a very large extent." It seems to me that it would be unwise to revert to the system even in cases where less than £1,000 is involved. That system has been found wanting in South Australia, and as human nature is the same in all the States it will be found wanting when applied to the Commonwealth as a whole. I think it would be a mistake to insert this proposed new clause, and I shall have to vote against the amendment made by the other House.
<page>7498</page>
Senator KEATING
- I agree with the arguments put forward by Senator Playford. I find, on reading the amendment which has been made by the other House, that it contains what, to my mind, were all the evils of the systems that were in force in some of the colonies with regard to the acquisition of property by the States. We find that it is left absolutely to the will of the claimant himself in cases where the amount involved is less than £1,000, to determine whether the matter shall be settled by arbitration. If the other place had suggested that -
Where the valuation of the land, or of the estate or interest of the claimant therein does not exceed £1,000, the compensation shall, if both parties desire, be determined by arbitration,. there might have been something to support in the amendment. On pursuing further the text of the amendment, I find that it contains the principle - which has worked most ubiquitously and. detrimentally to the people of the State I represent - that where the amount actually awarded is greater than the amount offered by the Government, the Government shall pay the whole of the costs. In some instances it has been found, in the State which I represent, that where the Minister has offered an amount that is fair and reasonable to the owner of the land proposed to be' acquired, and where the matter has been determined by arbitration, the claimant's arbitrator has actually known the amount demanded by the claimant and that offered by the Minister, although in theory he should not have had any knowledge of the particulars of the negotiations, between the parties. I must say at the same time that in some cases the Government arbitrator has not been free from a. knowledge of what the Government has offered. It has often been found that the claimant's arbitrator has known the amount offered by the Minister and* the amount claimed by the claimant, and has persisted in making an award in excess of that offered to the claimant. When the matter has gone to the umpire, owing to the inability of the arbitrators to agree, it has been found necessary in many instances to have the case re-heard before him. Under the law of arbitration it is only by the consent of the parties that the original hearing before the arbitrators can be attended by the umpire, so that he may give his award upon the evidence heard by them. In ordinary circumstances the arbitrators hear the evidence, and if they fail to come to an agreement, the whole case has to be gone into de novo before the umpire. In order to save expense, in some cases the umpire has, by mutual consent, attended the first hearing, and after the arbitrators have failed to agree, he has made his award, splitting the difference in the way that Senator Playford has described. Recognising that that would be possible, the claimant's arbitrator has often in such cases awarded the claimant a sum greater than the amount he has been offered. We must recognise that in these matters the Government is frequently interested in a number of cases in which the claimants all reside in the same locality. In such cases an individual appoints as his arbitrator a man who he knows will, in the course of a few days, be himself in turn in the position of claimant against the Government, and the Government is regarded as a good milch cow. The claimant's arbitrator is determined that the man who has appointed him - and who he thinks stands in the position of something like a client to him - shall be awarded an amount in excess of that which has been offered to him. I do not say that arbitrators do this intentionally, but there is an unconscious bias. There is always the feeling that although a man is an arbitrator to-day he may be a claimant to-morrow. In many

cases, in which the amount involved was small, the compensation awarded to the claimant has been less by 50 per cent, than the amount of costs which the Government had to pay. For these reasons I must oppose the acceptance of the amendment made by the other House.
Senator DRAKE
- I think Senator Keating must have misread the fourth paragraph of this proposed new clause, because it does not provide for any case in which the whole costs shall be borne by the Crown. The worst that can happen, so far as the
Crown is concerned, is that it may have to pay its own costs, and a share of the costs of the arbitrators.
Senator Playford
- The arbitrators settle the amount of costs.
Senator DRAKE
- But the claimant runs a considerable risk in going to arbitration where this small amount is involved.
Senator Keating
- Each party bears his own costs if the amount offered by the Minister is not exceeded in the award. Why should not the claimant bear the costs when he gets no more than the amount offered by the Minister in the first instance 1
Senator DRAKE
- There is a margin of one-third. If the amount awarded is one third less than the amount claimed, the costs will have to be borne by the claimant.
Senator Dobson
- The provision as to> costs is inconsistent with clause 16.
Senator DRAKE
- No, it is not inconsistent, because the other clause relates to where the claimant goes to litigation. It is perfectly consistent, because in this case it is entirely at the option of the claimant whether he goes to arbitration or not.
Senator Dobson
- If it is right to give him' the option, why should not the costs be provided for in the same way as under clause 16 1
Senator DRAKE
- Seeing that he has the option of going to arbitration, he cannot complain if the conditions with regard to costs are more severe than if he went to the court. He can go to the court, whether the amount is above or below £1,000, but if the amount is above £1,000, he must go to the court, and being compelled to go in that case, it is right that his interest should be carefully considered with regard to costs. I think the provisions with regard to costs here is entirely consistent with the other amendment.
<page>7499</page>
Senator DOBSON
- I shall oppose the amendment for the reasons mentioned by Senators Playford and Keating. Prom my own experience, I can indorse and confirm almost the whole of what has been said by those honorable senators. If the Crown, or a railway company, tries to do what is fair in taking land, the claimant tries to get an arbitrator, or an umpire, who will bolster up the value of the land, and secure to him an over-valuation of his property. Apart from that, I think- the amendment spoils the symmetry of the Bill. The Senate has decided that a Justice of the High Court shall be the tribunal before which the claimant and the Crown respectively shall take their evidence. Why should we have this dual system proposed in this Bill ? A Judge with his judicial knowledge and experience is better than all the arbitrators and umpires a man could select. There is no reason why £1,000 should be put in that I can see, and it is a considerable sum. If the amount involved is small, and the claimant is a reasonable man, I take it that he will come to terms with the Crown without arbitration or action. But if they cannot settle it the matter should, as we have decided before, go before a justice of the High Court.
Senator PULSFORD
- I shall, without any hesitation, vote with Senator Playford upon this matter. There is no doubt that in legislation of this kind we must bear in mind what the possibilities of human nature are, and we should not accept a clause drawn up by somebody who is apparently innocent of such knowledge. I wish to point out that when Senator Drake was supposed to be replying to the remarks of Senators Playford and Keating

he referred only to the matter of costs, and did not reply to the main and serious objection raised by Senator Playford. That was the risk of adopting a method liable to be used in a corrupt way. That is the great objection to the clause, and is the ground upon which I shall vote against it.

Senator HARNEY

- I am sorry to say I shall have to support the Government in this matter. At the same time I am going to give them the benefit of the objection I take to the phraseology of the clause. I think that the effort being made throughout this Bill to effect the determination of the rights of the parties by hanging the question of costs over their heads, is entirely contrary to the spirit in which costs are given to either party. The true history of costs is really very simple. Whoever goes wrongfully to invoke the assistance of a tribunal has to pay the costs. I therefore objected to any arbitrary figure in the case of the prior amendment, because I thought the matter should be determined in the ordinary way. But we are told here that the costs of and incident to the arbitration, as settled by the arbitrators, must be borne by the Minister, unless the sum awarded by the arbitrator is the same or a less sum than was offered by the Minister, in which case each party is to bear his own costs incidental to the arbitration. What are the costs incidental to the arbitration ? If the draftsmen of this clause had ever been in court themselves, and if they understood or appreciated the interests of lawyers, they would see that in this fine discrimination they are making they are only establishing a fruitful source of litigation and piling up costs, which is the very thing they should desire to avoid. Then we are told that the costs of the arbitrators should be borne by the parties in equal proportions. Under some circumstances each party is to pay his own costs, under other circumstances the Government is to pay the whole costs, and under other circumstances the claimant is to pay them himself. Why not make a simple ordinary rule putting the two suggested amendments together? Where the amount is less than £1,000 the person might have the option of arbitration. If the arbitrator finds for less than the valuation he should pay the costs. If it is more than £1,000 he must go direct to the court, and if the court finds for less than the amount offered he must pay the costs, and in both cases a discretion might be given to the Judge or the arbitrator to vary this rule for special circumstances. Surely that would be a simple way of dealing with it. But this long-winded verbose " tiddlywinking " phraseology will lead to endless complications, and instead of preventing persons going to court it may make them say " our claim may be no good, but we will box up the costs in some way and make something out of them." I most reluctantly support the Government, because at all events the two clauses are very consistent in being so opposed to the ordinary rational rule as to costs.

<page>7500</page>

Senator DRAKE

- The gentleman who drafted the clause is not entirely innocent of human nature, and is not entirely destitute of legal knowledge and ability. I cannot see how Senator Harney can find any difficulty in the expression with regard to the payment of costs - "each party shall bear his own costs incidental to the arbitration." What is meant is that the costs incurred by each party shall be paid by each, and they are to divide the costs of the arbitrator between them, where a less sum is awarded If a larger sum is awarded the costs are to be paid by the Minister, and if the sum awarded is one-third less than the amount claimed the costs are to be paid by the claimant. So far as I can see, the clause provides for exactly what Senator Harney wants, with the exception of the last provision, which says that if the sum awarded is one third less than the amount claimed the claimant shall pay the costs, and I say that there is no hardship on the claimant in that case, because he need not go to arbitration unless he likes.

Senator PEARCE

- It is not I think a question as to whether these disputes should be settled by arbitration, but a question as to the constitution of the Arbitration Court. Seeing that where the amount claimed is over £1,000 the High Court or a Supreme Court is to constitute the Arbitration Court, I see no reason why they should not constitute the court where the amount claimed is less than £1,000. We have it upon legal authority that the Arbitration Court constituted by this clause is the more expensive of the two. I know that in Western Australia our experience in the resumption of land for railway purposes is just what Senator Playfordhas spoken of. Where the Government have agreed to offer £1,000 the owner of the property has claimed £2,000, and the arbitrator, as an invariable rule has awarded him £1,500. If the case had gone before a Supreme Court Judge and the claimant had been awarded £1,000, the costs would not have amounted to the additional £500 resulting from the bringing of the case before an arbitrator. After the very peculiar

support which the clause has received from Senator Harney, I think very few honorable senators can have any doubt, but that the wisest course to adopt will be to vote against the whole clause. As a Treasurer, having to find the money from the public purse to pay the awards, Senator Playford has had considerable practical experience of the working of arbitration courts, and that should have great weight with honorable senators who have not had that experience. Why can not claims for less than £1,000 be treated in the same way as claims for £1,000? If the High Court or a Supreme Court can deal with a claim involving £1,000, why can they not deal with a claim involving £995 ? Why should we provide a special court at greater cost to deal with the smaller sum 1 The Judge's salary will be voted on the Estimates in the ordinary way, but when a special court, such as is constituted by this clause, is provided for, we may have, to deal with two or three cases, umpires and assessors, who will have to be paid in addition to the ordinary witnesses' fees.

Senator Drake

- The honorable senator does not find that in the clause.

Senator PEARCE

- I think it follows as a matter of course. The arbitrators are going to be paid for their work. They will be paid fees which will be added to the award, and I think in nine cases out of ten the Commonwealth will have to pay them. I shall support Senator Playford if he presses his objection to a division.

Senator Major GOULD

- It has been said by Senator Pearce that if we have a Judge of the High Court to deal with a case where £1,005 is involved, it is extraordinary that we cannot trust him to deal with a case where a smaller sum is involved. I have always been under the impression that the labour party are desirous of offering the utmost facility to a man to litigate a claim against an individual at the cheapest possible rate, consistent with safety and security. In the States we have established District and County Courts to deal with cases in which small amounts are involved, and we have taken that course distinctly for the purpose of saving expense and preventing persons being dragged before the Supreme Court. If I were to speak to the amendment with a desire to assist the legal profession, I should certainly say - " Have nothing to do with the clause. Drive everybody into the High Court, where the highest possible costs will be obtainable for those whose services will be requisitioned."

Senator Sir Frederick Sargood

- Arbitration is more costly.

<page>7501</page>

Senator Major GOULD

- There is not a large number of honorable senators who will say that. You can have lawyers in an arbitration case, but you are not bound to have them. This clause is really in the interests of the smaller man, to whom the valuation of his property is probably a great deal more than it is to a wealthy man, from whom £10,000 or £20,000 worth is taken; and he ought to be given the fullest possible facility of getting a determination arrived at on his claim, in whatever court he may think fit to approach. If it will suit him to go to the High Court, he will not attempt to go to arbitration; but if he desires that it should be referred to arbitration, by all means let him have the power to go. Sub-clause (2) is the provision which would probably be availed of by persons who desired to have their cases dealt with by arbitration. A District or County Court Judge, a police stipendiary, or special magistrate are the men who, by reason of their positions, in nine cases out of ten, would be employed by the parties to a dispute. The Minister would be prepared to accept one of these men at any time, and the probability is that nine men out of ten would say - " We shall have this matter settled by a District Court Judge, or a police magistrate, and we believe that we can get it settled expeditiously and cheaply. It is my intention to support the Government in regard to this clause, because I honestly believe that it is the best course in the interests of the smaller man, who can least afford to pay for expensive litigation.

Senator WALKER

- It seems to me very extraordinary that anyone should oppose this provision, which gives the claimant a choice. There is no obligation on his part to go to arbitration. Surely it is better for. a man to have two strings to his bow than one. I shall support the amendment.

Senator DRAKE

- Senator Harney likes to have precedents quoted. The clause he objects to in regard to costs of

arbitration is almost word for word the same as the corresponding section in the Public Works Act of New South Wales of 1900. It is rather an extraordinary thing that objection should be taken to the clause on behalf of the claimant. Surely we may allow him to have the right to go to arbitration if he desires to do so.
Senator CLEMONS
- I believe that more than one honorable senator has expressed the opinion that the cost of arbitration is greater than the cost of taking a case into the High Court.
Senator Sir Frederick Sargood
- Undoubtedly.
Senator CLEMONS
- Senator Sargood is the last man from whom I should expect to hear that remark. Let me remind honorable senators of what may happen under the Bill. A claimant may be living 100 miles away from the Supreme Court or the High Court. Under these circumstances, Senator Pearce will recognise that the cost of travelling, and of bringing witnesses and all other costs incidental to living such a long distance from the court, will be so heavy as to in themselves make the claimant earnestly desirous of getting to arbitration if he can. The clause offers him that opportunity, because the persons to be arbitrators are to come from a widely extended class. He is not merely limited to a District or County Court Judge, a police stipendiary, or special magistrate, but if he is living in such an inaccessible part of the Commonwealth that no such officer is at hand, he can take an ordinary person. The costs of the arbitration will be in many such circumstances infinitely less than the costs of deciding the case in the High Court. Possibly if the claimant resided in Sydney or Melbourne, the costs of arbitration would be nearly as heavy as the costs of an action in the court. There must be an obvious reason in the mind of those who framed the new clause that arbitration may lead to cheapness? If there were not, why should the option be given? It imposes no compulsion. It does not compel the claimant to go into what honorable senators call an expensive court, but which I contend is, in nine cases out of ten, cheaper than the arbitration court.
Senator Playford
- It is compelling the Government to go to arbitration. It ought to give the Government an option.
Senator CLEMONS
- t is perfectly obvious that those who framed the clause - the Government - are clearly of opinion that they are giving a poor man a cheaper court, and at the same time securing him justice. The Bill is not devised to suit the convenience of residents of cities. Some honorable senators have said that the claimant will suffer by arbitration, because it is more expensive. I contend that,, having reference to all those persons who may live outside large cities, it is a most desirable provision in every respect. I agree with Senator Harney in differing with many of the provisions of the clause. But I am determined to do all I can to secure consistency in Bills, and I am supporting this provision largely because of the result of the division on the previous clause.
<page>7502</page>
Senator FRASER
- I understood Senator Playford to state that the Crown would suffer under this provision. It gives a claimant the option of taking one of two methods, and it provides that he shall lose his expenses if he does not get within a third of the full amount. That fact alone will make a man very cautious, and he will not go to arbitration unless he thinks that he is entitled to the money. So far as I can judge, it is a valuable amendment, which I shall support.
Senator KEATING(Tasmania). - I am rather surprised to find the Postmaster-General suggesting that the opposition to this amendment is based upon the desire to benefit the claimant. After listening to the discussion, that is not the impression that has been conveyed to my mind. The clause provides an alternative remedy for the claimant, which he may adopt at his option. Under sub-clause (1) of clause 16a, we find that the matter in dispute may go to arbitration, "if the claimant so desires," and in the event of the Government or the claimant appointing a sole arbitrator, he may be either a District or a County Court Judge, or a police stipendiary or special magistrate. So far as concerns the argument of Senator Gould, I am at one with him in thinking that it will be safe to intrust to such an official individual the determination of disputes of this character. But in the event of the claimant and the Government not agreeing upon the personnel of some arbitrator, the law with regard to arbitration in force in the State in which the land is situated is to be invoked and followed. Now the law in force in each State, where it is

impossible for the two parties to come to an understanding as to the appointment of an arbitrator, is that each party appoints an arbitrator, and the two arbitrators appoint an umpire. As to the individual in whoso interests Senator Clemons is so solicitous - the person who is resident at a great distance from the large centres of population - what would be his position ? He would be empowered to appoint a certain person to act as his arbitrator. The practice and experience has been in those States where this remedy has been resorted to for the purpose of arbitrating between an individual and the Crown, that the farther you get back from the centres of population, the stronger is the advocacy of the interests of the claimant on the part of the claimant's arbitrator. The claimant may appoint his own next door neighbour as his arbitrator. The arbitrator in that case would know exactly what was the amount claimed ; he would know precisely the amount which the Government had offered ; and he would arbitrate with the knowledge that probably next week he himself would be a claimant, when the original claimant might be his arbitrator! When the individual knows that there is a provision in the Act that if he gets one penny more than the amount originally offered to him, the Government have to pay all the costs, his remoteness from the centres of population will not deter him from bringing to appear before the arbitrators able counsel from the centres of population to argue his case in his interest. Even though the costs as between party and party may not include the full fee that has to be paid to this advocate, he is not thereby deterred from securing the assistance of counsel. Who has to bear the costs 1 The claimant may have to bear a proportion, but the bulk of them will certainly be borne by the Government. It may be said that in nearly all cases it will be found that the Government will have to pay the costs wherever resort is made to arbitration. The claimant first exercises his option. He chooses to appoint an arbitrator. Certainly he will not appoint the arbitrator the Government wish. He appoints one who will act the part rather of an advocate than of an arbitrator. If we were to have resort in every case to a District or County Court Judge, or to a police, stipendiary, or special magistrate, I could have approved of a clause of this character. Then we come to the last sub-clause. That provides that where the amount of the award is the same or less than the amount originally offered by the Government, each party shall bear his own costs. A man has a certain amount offered to him. He can go to the High Court or to arbitration. He says - " I will not go to the High Court, but to arbitration ; I shall appoint a man as my arbitrator." It may be that he will appoint his neighbour, who will simply act as his advocate and arbitrator. Perhaps he gets the amount that he was originally offered. In the event of civil proceedings, the plaintiff in such a case would have to pay his own costs.

Senator Clemons

- There is a limit to the operation in this clause.

<page>7503</page>

Senator KEATING

- But I say there should be no limit at all with regard to these matters, and that we should follow out the one principle no matter what is the amount involved. If we put it in the power of the claimant himself to invoke an arbitration at his option, we put it in his power to appoint an arbitrator for his own benefit, and we all know that he will do so. We know from the experience in the States in the past, that he will appoint an individual who will approach the matter not with a. judicial mind, but with the determination to benefit the claimant. So far as Tasmania is concerned, I can speak with some little personal experience. For many years, in' that State, the principles laid dwn in the Lands Clauses Consolidation Act of Great Britain were followed. But in 1885 it was found absolutely necessary to modify the provisions of that Act so far as concerned the construction of railways. It was found necessary in the Railways Construction Act to so modify the principles of the Land's Clauses Consolidation Act as to make it obligatory upon the claimant to pay the costs where he received an amount less than that which the Government had offered to him. Not. withstanding even that precaution, we found that, still adopting the main principles of the Lands Clauses Consolidation Act, and allowing the parties to nominate their own arbitrators, as a matter of fact, it led to their nominating advocates. Because the person who is appointed to act as an arbitrator for a claimant to day may to-morrow be a claimant himself, and the original claimant may be his umpire. That has been the experience of Tasmania in the past, and I believe that it has been paralleled in the cases of the other States. I still think that unless we are going to allow an independent tribunal, such as a court of lower jurisdiction to determine these matters, the Government may as well realise that no matter how far the claimant may be from the centres of population, he will still bring counsel to appear for him ; and

although he may not get the actual fee which he pays to the counsel, the Government will have to pay very heavy costs. It seems to me that Senator Walker, in what he has said about this measure, is simply thinking about the claimant, without regard to the position of the Commonwealth in any way whatever. He says that plaintiff would have two alternatives, and it is always advisable to have two strings to one's bow. I believe that the Government are going to be mulcted in heavy costs if this clause be passed. I can speak from my personal experience in connexion with a number of those cases which have been heard in Tasmania. With some of them I was myself professionally connected. In some cases claimants received an amount of compensation which was far less than the amount of the costs to which the Government was put. For instance, where the Government had offered the claimant £25, he claimed, say, £180, or £200, and got from the arbitrators £27 10s., yet the Government had to pay the whole of the costs. The claimant simply got an award for the £27 10s. because there was probably a neighbourly feeling on the part of the arbitrators that they would give him a few pounds more so that he would not be put to any expenses in connexion with the case.

Senator Clemons

- That criticism would not apply to this Bill, because there would be only one application from each locality under it.

<page>7504</page>

Senator KEATING

- It will be found that the Government will be taking over a great amount of property for various purposes. When the Government commence to exercise this power of acquiring property for public purposes, it will not be in isolated cases that the powers conferred by this clause will be exercised. If the clause remains iri the Bill, honorable senators can rest assured that not one of the small holders concerned will agree with the Government in determining who shall be the arbitrator, but will take the opportunity of appointing one of his neighbours, who, he knows very well, will not only look after his interests as an arbitrator," but also as an advocate.

Senator PLAYFORD(South Australia). - As to what has been said about the interests of the poor man, I would point out that acting against the public means acting against the poor people of the community as much as against the rich ; because the poor people as a rule pay far more taxation in proportion to their income than do the rich. That can be shown by a very easy sum in arithmetic. But there is a way in which I can show to the committee exactly what I desire to accomplish. The first amendment I would suggest would be in the second sub-clause to strike out the word " unless," and after the word Minister to insert the word. " shall." Then it would read -

The claimant and the Ministers shall concur in the appointment of a single arbitrator, who shall be either a District or a County Court Judge, or a police stipendiary or special magistrate.

These are officials who will be in the outlying parts of the county. The case in dispute can be brought before these tribunals, which are set apart for trying cases of less importance than those heard by the Supreme Court. I may, however, point out that in South Australia, our Supreme Court goes on circuit. The J Judges go as far north as Port Augusta, and as far south as Mount Gambier. They hold their courts in the far distant places as well as in Adelaide itself. At the same time we have special magistrates in the far north, and, in fact, throughout the country, as well police magistrates, who can try these cases very much better - with more satisfaction to the public as well as with justice .to the owners of the property - than an arbitrator would do. The experience of the whole of the States is that arbitrators invariably give their decisions in favour of the claimant as against the Government. While I contend that when we take land for public purposes we should' pay a fair price for it, and not deal with the owner in a niggardly way, I must remind the Senate that in the past the excessive prices awarded by arbitrators have been monstrous, and have necessitated an alteration in the law in two of the States. Why, at the start of the Commonwealth, should we revert to a system which has produced such bad results ? If we provide that the claimant, together with the Minister, shall have the right to select a district or county court judge, a stipendiary magistrate, a police or a special magistrate, there will be an ample field of selection in these small cases.

Senator Major Gould

- But suppose they cannot agree t

Senator PLAYFORD

- I do not think there need be very much fear that the Minister will not make a fair choice. If the claimant

cannot agree to that, then he must do without his money till he can. Probably the Minister would name two or three men, and give the claimant his choice of any one of them for appointment as arbitrator. Except in some extraordinary circumstances, it is not likely that a Minister of the Crown would do anything unfair in a matter of this kind. The money does not come out of his pocket, or it might be different. We may be quite sure that he will act fairly and honestly as between the parties, leaning as he should do towards the claimant, where the land has been taken compulsorily. If the Minister will not accept the amendment I have suggested, I shall have to vote against the amendment made by another place.
<page>7505</page>
Senator DRAKE
- I hardly think that Senator Playford can be serious in pressing his proposal. It is all very well to say that the claimant and the Minister must jointly appoint arbitrators. But what would happen if they did not agree ? People go to arbitration or law because they are not able to agree. If the claimant and the Minister could arrive at an agreement upon the appointment of a single arbitrator, they could agree probably to the amount of compensation, and there would be no necessity for any trial. Yet Senator Playford suggests that the Minister might name a district court judge, or a police magistrate, and if the claimant did not care to agree to select one of them, he should stand out of his money. That does away with the very idea of arbitration. The ordinary principle of arbitration is that if the two parties cannot agree upon the appointment of a single arbitrator, each shall appoint one, and that is the only principle upon which arbitrations can be conducted. To alter the clause in the way in which the honorable senator suggests would be to do away with anything like fairness in arbitration, and put the matter really under the sole control of the Minister. It is not necessary to insert such a provision, because if the claimant and the Minister could agree in that respect they could surely agree to the amount of compensation to be paid, and there would be no occasion for a reference to the law courts.
Senator DOBSON(Tasmania).- If there are any honorable senators who have not yet made up their minds, I hope they will seriously consider what we are asked to do. In taking land from citizens of the Commonwealth we desire to do justice all round, and in this matter justice can only be based upon uniformity of compensation. Uniformity of valuation and compensation is the only means by which justice can be done to owners of land along a proposed line of railway. The railway might be some two hundred or three hundred miles in length. If we allow two tribunals for the awarding of compensation we are bound to have a want of uniformity. The owners of land living near the centre of population I from which the proposed railway was to start would have the question of compensation decided in their case by a Judge who would follow certain lines. At the other end of the line, perhaps many miles away f roma centre of population, it would be decided exactly as Senator Keating has pointed out. Every honorable senator who is a lawyer knows that Senator Keating has not exaggerated what would happen in such cases. Under this arbitration clause we shall have the valuations arrived at by varying methods, because the judicial element will be wanting from arbitration. The man acting for the claimant will be simply an advocate trying to grab all he can get.
Senator Harney
- The arbitrators must follow principles of law.
Senator DOBSON
- How can we talk of principles of law being applied to a simple question of what is the value of certain land ?
Senator Keating
- Even the text writers on compensation say that what I have referred to is done in England.
Senator DOBSON
- Of course it is. Senator Sargood, as a gentleman with interests in the commercial world, and as the owner of station and other properties, knows something about everything, and I should like to know what has been his experience. I will give the Senate the benefit of my experience. In passing the Mainland Railway Act in Tasmania some 30 years ago, we provided for the first time in the colonies that, in assessing compensation, arbitrators should be bound to take into consideration the benefit which the railway conferred upon a claimant's property. In no case, however - although there were hundreds of them in which that provision should have been applied - was it considered. When we came to inquire into the matter we found that the arbitrators would not do it. When such a question goes before a county court

judge, or a trained magistrate, all the circumstances are taken into consideration by them. They do not act as advocates either for the Crown or the landowner. They hear all the evidence. They hear what the claimant has to say, and they give him justice. But if we allow a claimant the . option of appointing his own arbitrator in preference to going to the court, he will only go to arbitration because he thinks he can make up an extravagant claim. This will destroy that uniformity without which justice cannot be done. Senator Clemons made a very strong and able argument, so far as it went, upon the question of the expense to the poor man. But his argument really had no practical application whatever, because the Supreme Court of Tasmania, like that of South Australia, goes upon circuit. A judge goes away down to Port Cygnet in the south of the island, and afterwards to Bass' Straits on the north. Therefore, what is the use of talking about the expense to the poor man. In these days justice is taken to the door of the poor man.
Senator Clemons.^Nonsense.
Senator DOBSON
- It is an absolute fact. The pool' man has not to travel hundreds of miles in order to go to the Supreme Court and obtain justice.
Senator Millen
- He has to do so in some States.
Senator DOBSON
- I cannot speak for all States, but I know that he has not to do so in Tasmania. When we take land for the Commonwealth, it will be a fatal blunder if we allow all claims in respect of amounts over £1,000 to be decided by the Supreme Court, and all cases under £1,000 to be dealt with by Tom, Dick, and Harry, who may be appointed as arbitrators. If we do that, we shall not be able to get uniformity of valuation. We shall have one set of land -owners obtaining a certain amount of compensation, while others, perhaps, only two or three miles distant, will be allowed compensation on a different scale for land of the same quality, simply because the arbitrator will take into account something which the Supreme Court failed to do, and vice versa.
Senator Clemons
- The honorable and learned senator is not falling into Senator Keating's error of applying the provisions of this Bill to land that will be acquired for the site of the Capital.
Senator DOBSON
- Quite so. Senator Clemons wants us to fall into the error that he is making in supporting the proposed new clause without good and sufficient reasons. Is it good statesmanship to place in a Bill, under which we are going to acquire land required by the Commonwealth, two systems utterly different, and which may give utterly different quantums of justice.
Senator Harney
- The Arbitration Act will apply in all instances.
<page>7506</page>
Senator DOBSON
-Senator Playfordhas suggested a way out of the difficulty, and I do not think the Postmaster-General dealt very frankly with him, when he tried to cut away the whole of his argument by stating that his proposal would result in a deadlock. No one knows better than the Postmaster-General, that in every clause of this sort there is always a provision that if the parties cannot agree to the appointment of an arbitrator or umpire, they may go before a justice of the Supreme Court. There would be no deadlock, because, as wise and sensible legislators, we should provide that if the parties could not agree to the appointment of an arbitrator, a justice should decide the matter.
Question - That the amendment be agreed to - put. The committee divided -
Ayes 14
Noes 12
Majority 2
Question resolved in the affirmative.
Motion agreed to.
Motion (by Senator Drake) agreed to -
That the amendment made by the House of Representatives, inserting after the word "thereof," clause 22, the words "or of the Supreme Court of the State," be disagreed to.

Clause 45 - (Compensation may be reduced in proportion to population).
Senator DRAKE
- The amendment of the House of Representatives in this case proposes the omission of the celebrated clause about which there has been so much trouble. It was agreed at a conference with the Premiers that clause 45 should not be proceeded with at the present time, and I therefore move -
That the amendment of the House of Representatives be agreed to.
Senator CLEMONS
- As the Postmaster-General is well aware, clause 45 was, perhaps, the most important clause in this Bill. I do not desire at this hour of the night to call upon the Postmaster-General to give us some reasons why it should be omitted, but I should like the honorable and learned senator, seeing that it is to be omitted, to give the committee some indication as to what is going to be proposed to take its place. Is there to be a new Bill introduced, or what measure, if any, is to be proposed in substitution for clause 45 ?
Senator DRAKE
- I am afraid I am not able to add anything to the information which I know is possessed by the honorable and learned senator. At the present time, the matter is held over for further consideration at the request of the Premiers, who met and conferred together upon the question.
Senator PULSFORD
- I must confess that my feelings are decidedly hurt. When Senator O'Connor brought this measure in some two months ago, I devoted a good deal of attention to it in the matter of calculations and that sort of thing, and I gave clause 45 my warm support. I thought it a very good clause, and think so still. Without a word of regret, and hardly a word of explanation, the Minister now turns his back upon the clause, and proposes to cut it out. Then, as if that were not sufficient, a proviso is to be added to the next clause to state that nothing in the Bill shall apply to the settlement of the property that is already taken over by the Commonwealth, and which, honorable senators will remember, was the special property we all had in our minds when discussing clause 45. I think clause 45 might have been retained, with some power to hold it in abeyance for some time, in accordance with the wishes of the Premiers of the States. But to cast it aside altogether, seems to me to be unnecessary. It all shows the facility, which comes with practice, that the Government have attained in climbing down.
Motion agreed to.
Clause 46 - (Application of Act to land acquired under section 85 of the Constitution).
<page>7507</page>
Senator DRAKE
- The next amendment proposed by the House of Representatives is to add the following proviso at the end of this clause -
Provided that the provisions of this Act relating to claims for compensation, the determination of the amount of compensation, the paymen of compensation , and the mode of such payment, shall not apply to lands so vested in the Commonwealth before the commencement of this Act.
This amendment is consequential upon the last, and has the effect of leaving the whole matter open. I move -
That the amendment of the House of Representatives be agreed to.
Senator PULSFORD(New South Wales). - This amendment is not in the least consequential. It is really a new clause, and a very strong clause, because it takes out of the action of clause 44 the whole of the £10,000,000 or £11,000,000 worth of property which has already been transferred to the Commonwealth. With clause 45 omitted, that property could have been settled for under clause 44. If we now carry this amendment to clause 46, there will be absolutely nothing in the Bill from beginning to end to enable us to deal with the property which has already been taken over.
Senator Drake
- It will have to be dealt with afterwards.
Senator PULSFORD
- So it will, if we carry this amendment, because there will be no means provided in the Bill for dealing with it. I think the committee is entitled to some explanation from Senator Drake as to why there shall not be any settlement of this property under clause 44, which is allowed to remain in the Bill.
Senator DRAKE

- I think I was right in saying that this amendment is consequential upon the last, because the difficulty that became apparent in the discussion of the Bill was as to how we should deal with the transferred property taken over under section 85 of the Constitution, and supposed to be worth some £10,000,000 or more. A conference has taken place between the Premiers, and at their request the whole matter has been postponed for further consideration. We still have a Bill which is urgently required, because we have no provision at the present time for acquiring land which may be necessary for public purposes. In connexion with the Post and Telegraph department, for instance, sites are required in a number of States for Post-offices, and we have no means whatever of acquiring land for the purpose. We ask to be supplied with that means by this Bill, and we take out of the Bill all reference to the transferred property. The amendment with which we are now dealing, simply says that the provisions of the Bill shall not apply to the property transferred under section 85 of the Constitution. It is, of course, a matter which must be dealt with by agreement with the Premiers of the States, and we have consented to leave it open for further consideration. In the meantime, however, we require the Bill to be passed into law in order that we may have the power of acquiring property where it may be necessary for Commonwealth purposes.

Senator Major GOULD

- I do not regard this amendment as consequential upon the omission of clause 45 . Still I think there is a fair contention put forward on the part of the Government for the insertion of a provision of this character, as I take it, the Government, of the Commonwealth are by no means satisfied to have the mode of payments specified in clause 44 applied to any lands vested in them by virtue of section 85 of the Constitution. Having had a conference with the Premiers of the various States, and finding that they were strongly opposed to the provisions of clauses 45 and 47, they agreed, as I understand it, without giving up their own contention as to the desirability of such clauses being in the Bill, that the' properties transferred should be removed from the operation of this Bill entirely. If we had to deal with the question of payment for the transferred properties, so far as I can see at the present time, I should be prepared to give my adhesion to the mode provided for in clause 44. The Government having seen fit to propose compensation under the provisions of clauses 45 and 47, an entirely different mode of payment, I think it is a matter of expediency that we should leave these transferred properties absolutely excluded from the operation of this Bill.

Senator Clemons

- Why?

<page>7508</page>

Senator Major GOULD

- It would give rise at the present time to a very ! lengthy debate. We already have had a very lengthy debate upon the subject in dealing with the clauses originally. We know that the Premiers of the various States protested against the mode of payment proposed, and determined upon by at least one House of the Legislature under the leadership of the Government. It was only right that the Government of the Commonwealth should consider that protest of the Premiers in the fullest manner possible, because if we are to make the Commonwealth the success we all hope it will be, we can only do so by doing all we can to avoid friction with the individual States. While I Bay that, I do not advocate for a moment that we should do wrong or abrogate any principles we hold in order to meet the views of any individual State. It is, however, only a fair thing that we should give the fullest consideration to what might even be termed the prejudice of the States before we determine upon a particular line of action which we have ascertained would be distasteful to them. In this case, the action proposed appears to have been unsatisfactory to the representatives of every one of the States, and it was argued by a minority in this Chamber. I may say that I recognise the necessity of having a Bill dealing with the acquisition of property generally, and I think we should allow this particular matter to stand over to a later period. Sub-section (3) of section 85 of the Constitution provides that -

When any department of the public service of the State is transferred to the Commonwealth, the Commonwealth shall compensate the State by the value of any property passing to the Commonwealth under this section ; if no agreement can be made as to the mode of compensation, it shall be determined under laws to be mode by The Parliament.

First of all we wish to see if it is not possible to arrive at some agreement by means of which this compensation may be paid. It may be that it will have to be embodied in an Act of Parliament ultimately,

and I assume that the Government would not attempt to lay down the rule under which compensation should be made, and pledge the State to payment of compensation without consulting Parliament. Taking the whole of the circumstances into consideration, I think the wise course to adopt is the course now proposed by the Government, and to allow the question of compensation for the transferred properties to take- the form of a special Act of Parliament, after ascertaining whether it is not possible to do it in such a way as will meet with the acceptance of the representatives of the individual States.
Senator WALKER
- Personally I am delighted that the Government have seen their way to support these amendments made by the House of Representatives. I cannot forget that a minority in this Chamber strongly opposed clause 45, and as one of four who voted against the third reading, I am very pleased at the result.
Senator CLEMONS(Tasmania). - It seems to me that this amendment, which was described by Senator Drake as purely consequential, utterly destroys the whole effect of the Bill, so far as it is concerned with the acquisition of property, which has been estimated at about £10,000,000. If I interpret the amendment aright, what it does is simply to make inoperative clause 44.
Senator WALKER
- No ; clause 45.
Senator CLEMONS
- I put my argument in another way. This amendment will shelve entirely the question of payment as well as the method of payment for about £10,000,000 worth of property which the Commonwealth has taken over.
Senator Drake
- Only so far as the property which has been transferred is concerned.
Senator CLEMONS
- Precisely ; I put it in figures.
Senator Drake
- That is cut out of the Bill altogether.
Senator CLEMONS
- Does the Postmaster-General describe that as consequential?
Senator Drake
- Yes.
Senator CLEMONS
- That is consequential in quite another sense. It is not consequential as following on something else, but consequential, if you like, in being of the greatest importance to all the States. As we stand at present, there is no method to pay the States for all the properties acquired from them.
Senator Drake
- That is to be dealt with in a separate Bill.
Senator CLEMONS
- The matter is entirely shelved.
Senator Drake
- It is not shelved, but postponed.
Motion agreed to.
Clause 51 (Commonwealth may dispose of superfluous land).
Senator DRAKE
- I move-
That the committee agree to the amendment of the. House of Representatives in clause 51, omitting the words " sell, lease, or."
The amendment does not materially affect the meaning of the clause.
Senator CLEMONS(Tasmania). - Do I understand from Senator Drake that this amendment does not affect the meaning of the clause?
Senator Drake
- The words "dispose of" cover the words "sell, lease, or."
<page>7509</page>
Senator CLEMONS

- I remember that we had a long discussion on the desirability of giving the. Commonwealth the power to sell or to lease land. I regret that we have not had time to consider these amendments.
Senator Drake
- Will the honorable and learned senator, before he speaks, look at the next amendment, to insert after the word "land" the words "in such manner as the Governor-General shall think fit"?
Senator CLEMONS
- It is confusing if one has to look at the amendment ahead, before one knows the meaning of the amendment before the committee.
Senator Drake
- That often happens. The other House knocks out the words " sell, lease, or " and puts in the other words.
Senator CLEMONS
- Before we can understand the merit of the amendment before the committee, we have to look ahead, and find out the merit of the next amendment. If the clause contains any deviation from the principle we laid down as to selling and leasing, wo ought tq have time to discuss the matter fully. I ask Senator Drake, seeing that he is posted up, to inform the committee if the question of the right of selling or leasing, is involved in the two amendments conjointly " '
Senator DRAKE
- - If Senator Clemons will look at the two amendments together he will see that so far as restricting the power of disposing of land is concerned, if anything the first sub-clause extends it. It reads -
In case any land purchased or taken under this Act is nut required for the public purpose for which it was purchased or taken, the Commonwealth may sell, lease, or dispose of such land.
If the two amendments of the other House arc accepted, the concluding part of the sub-clause will then read -
The Commonwealth may dispose of such land in such manner as the Governor-General shall think fit.
Senator CLEMONS(Tasmania). - I am beginning to see that the words which effect an alteration are the words "as the Governor-General shall think fit." There was a considerable discussion in the Chamber on the question of selling or leasing land, and a definite and clear principle was laid down ; but now I find that the question is to be left, as we have left hundreds of other things, to the Executive Government.
Senator Drake
- Who can dispose of land except the Governor-General in Council?
Senator CLEMONS
- Why, if these words are necessary, were they not inserted 1
Senator Drake
- This amendment makes it rather wider.
Senator CLEMONS
- I think it does more than make it wider ; it leaves to the Executive Government full discretion as to whether the land is to be sold or leased.
Motion agreed to.
Clause 59 (Land acquired before the commencement of this Act).
Senator DRAKE
- I move -
That the committee agree to the amendment of the House of Representatives adding a new sub-clause.
This proviso has been inserted to insure the validity of a few small transactions which have taken place in connexion with the Post-office. Some sites have been acquired for the purpose of putting up post-offices, and the object of the proviso is to be sure that no question shall arise as ' to the validity of the transactions.
Motion agreed to.
Remaining amendments agreed to.
Resolutions reported and adopted.
Resolved(on motion by Senator Drake)-
That a committee consisting of Senator Gould, Senator Dobson and the Postmaster-General be appointed to prepare and bring up reasons for disagreeing to amendments 5, 0 and 10 of the House of

Representatives.
<page>7510</page>
22:55:00
Senate adjourned at 10.9 p.m.