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DEMOCRACY IN THE DOMINIONS

DEMOCRACY

in the

DOMINIONS

A COMPARATIVE STUDY IN INSTITUTIONS

By

ALEXANDER BRADY

Professor of Political Science
University of Toronto



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PREFACE

THIS book is an introduction to a large subject. It undertakes to discuss and compare the political institutions of the four overseas Dominions, and of necessity it has related them to physical environment and social heritage. Its theme is a democracy that consists, not in abstract thought, but in operating institutions, built by a highly empirical people in conformity with the British parliamentary pattern, and exhibiting a variety determined in each case by the whole cast of national life and the intricate interplay of history and geography. In these countries democracy in its essentials means government by the free exchange of opinion, the free choice of electors, and the free activity of parties; it means all those civil and political liberties that took active form in three centuries of British history, along with the rich mental inheritance whereby alone parliamentary institutions can properly work. Nationality and democracy are here on the whole happily married, and in their development have intimately reacted one upon the other.

Some readers may ask why the institutions of Ireland were excluded. Their exclusion was determined, not by the question as to whether Ireland was a Dominion or whether she was even in the Commonwealth, but merely by the circumstance that in character she is different from the young nations which developed from colonies in the last century and whose people experienced the social transformations of settlement in new and often severe lands. The basic unity of this book dwells in its concern with a study of inheritance and environment in countries widely separated, colonized since the beginning of the Industrial Revolution, and deeply influenced by the domestic vicissitudes of such colonization. The unity of the volume would have been impaired by the inclusion of Ireland.

When some years before the Second World War, I began to study the comparative politics of the Dominions, I had

planned a work of somewhat larger dimensions, but I have decided to publish at the present time a single volume in modest compass which will survey the subject in its more general features.

I am conscious of many debts and obligations. I wish in particular to record my gratitude to the Canadian Institute of International Affairs, which appointed me as a delegate to the unofficial Commonwealth Relations Conference at Lapstone, Australia, in 1938, and assisted me in meeting a part of the expenses for travel in Australia and South Africa in that year; and I would add my recognition of many kindnesses received from the Institute's permanent staff. I am deeply grateful to the officials, journalists, and scholars in the Dominions, too numerous to name, who generously gave me information and guidance. In the Select Bibliography and foot-notes I acknowledge my debt to others who have written on aspects of Dominion institutions. To my friend Professor A. S. P. Woodhouse I owe much on this as on other occasions for a patient and discerning criticism that helped to reduce the number of flaws in my writing. To the editorial staff of the University of Toronto Press I am grateful for an enjoyable collaboration in the technical production of the book and to Miss Margaret Avison for the compilation of the index.

Finally, I wish to express thanks to the publishers for permission to use certain sentences from essays that I contributed to *Canada in Peace and War* (Oxford University Press, Toronto, 1941) and *Problems of Modern Government* (University of Toronto Press, 1941).

A. B.

The University of Toronto
February, 1946

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DEMOCRACY IN THE DOMINIONS

Chapter One

INHERITANCE AND ENVIRONMENT

1

The overseas Dominions embrace a large area of the globe where for some generations parliamentary democracy has operated with remarkable stability. Throughout their settlement and development in the nineteenth and twentieth centuries, these communities have adapted parliamentary practices inherited from Great Britain, emphasized in their constitutions the civic and political rights of the individual, exalted voluntary associations, lived by free debate, and accepted gradualism as the mode of reform consistent with their type of democracy. They share two common socio-political elements: first, extensive and sparsely peopled territories, situated chiefly within the temperate latitudes, where politics and social life have been penetrated in various degrees with the spirit of a frontier; and secondly, political institutions, mainly derivative, rooted ultimately in the law, culture, and liberal philosophy of the British people. Despite significant variations in experience they have gone through much the same colonial evolution, absorbed in the tasks of nation-building, and responsive in all cases to the basic and interacting influences of physical environment and cultural inheritance.

In the Dominions a moving frontier of settlement has exerted a commanding influence upon the thought and methods of the community, and in particular has created a political democracy in temper somewhat like that of the United States. To Frederick J. Turner and his influential American school, the frontier was "the hither edge of free

land," where the man of little means obtained a homestead as the foundation for economic security, where gradations in wealth were slight, where any sense of social superiority crumbled before the emergence of a strong equalitarian spirit, and where the culture introduced from older countries was tested and often transformed in a rigorous school. Turner doubtless attributed too much to "the transforming influence of free land," overemphasized the power of the frontier in itself to generate a democratic ideology, and minimized the all important cultural inheritance from Europe.[1] But, as an area of unmatched opportunity for the common man, the frontier region provided the congenial conditions for democratic thought. There such thought could equip itself with suitable institutions and, unimpeded, further ends which in Europe were achieved only with more strenuous struggle.

In their settlement the Dominions no less than the American republic had an environment unusually favourable for the maturing of democratic ideas. None of these countries possessed the rich equivalent of the fertile Mississippi valley, with the wide scope which in the nineteenth century it gave to the growth of a farming frontier, where millions of independent or semi-independent cultivators created a rural melting-pot with idioms of life different from those prevalent at the seaboard. But during the last century all the Dominions had a hinterland to conquer. All of them had a frontier of opportunity to exploit, with social effects similar to those in the United States. In all of them mining developments exerted a profound social influence. The rude homestead, the isolated ranch, the freedom of the back-country, and the life of the mining-camp had a common place in their history. In each a pioneer and immigrant people, restless in occupying fresh lands, reckless in exploiting virgin resources, and active in extending its material wealth, overcame the social inhibitions of the homeland. In the seventies an observer of democracy in Victoria remarked that the progressive thinkers of England were incomparably more influential in Australia than at home "because when an idea, right or wrong, has once filtered into the public mind through

[1] F. J. Turner, *The Frontier in American History.*

the press, it is much easier to apply it in a new country than in the old, in a country where the retarding forces are small, than in one where they are all-powerful."[2]

There was social as well as physical virgin soil. The peculiar class distinctions and hierarchies of Great Britain in the nineteenth century did not long survive in the tide of immigrants who settled in the forest clearings of Canada, the mining camps of Australia, or the sheep-runs of New Zealand. The pioneer had to battle with a grim physical environment of stubborn forests, barren soil, insect plagues, and merciless drought. Hence the intrinsic quality of the individual was esteemed more important than the accident of birth in blood or wealth. Manual effort won a dignity greater than in the old land. The ideal of equal opportunity, grounded in a favourable economic situation, became no less deeply entrenched than in the society of America. Under the circumstances of settlement a democracy of fact existed, whence grew a powerful sense of common purpose, along with the many mental traits of the pioneer—optimism, aggressiveness, instability, a minimum of introspection, the cult of material success, and a hostility towards a distinct ruling class or prescriptive privileges. In brief there developed an Anglo-colonial culture which in some respects at least was much closer to American than to British culture.

These facts were luminously revealed in those Canadian colonies, where in the late eighteenth century the imperial authorities hoped to establish a hereditary, colonial aristocracy as a barrier to the democratic pressures then commonly interpreted at Westminster as responsible for the American Revolution.[3] Even so progressive a Whig as Fox considered that "it was a principle never to be departed from that every part of the British dominions ought to possess a government in the constitution of which monarchy, aristocracy, and democracy were mutually blended and united."[4] Yet so unfavourable were the local social conditions in North America and so dominant were the working classes among the

[2] *Fortnightly*, XXV, new series, 690.

[3] See W. P. M. Kennedy, *Documents of the Canadian Constitution*, 1st ed., 196-200; A. L. Burt, *The Old Province of Quebec*, 489.

[4] *Parliamentary History*, XXIX, 409.

immigrants that the attempt to create a colonial aristocracy was not carried through. There emerged only an oligarchy of bureaucrats, which was attacked and finally swept aside in the reformist struggles of the thirties and forties. "England is an aristocracy," wrote Goldwin Smith in 1863, "while the whole frame of society, to which political institutions must conform, is in Canada democratic."[5] The views of the generality of citizens determined the behaviour of parties and shaped the action of governments, while a remarkable degree of social equality existed.

All the colonies, especially on achieving self-government, became characterized by this absence of a genuine governing *élite*, or any rigid stratification on lines of social class. They were without an aristocracy, deriving authority from property and social influence, much as if they had passed through the fires of a revolution devastating like the French. In fact, however, they underwent no such revolution, nor were they inspired by a revolutionary ideology; they experienced only the prosaic and levelling circumstances of a pioneer community with few historical obstacles. Here, as in the United States, no special respect for aristocratic tradition or social superiority restrained the emergence of democratic leadership; no established church like that in England exercised a subtle influence on rule; and there was no entrenched and privileged bureaucracy of the type common in Europe. In his novel *Kangaroo* D. H. Lawrence suggestively remarks of a character in Australia that he was

> English by blood and education, and though he had no antecedents whatsoever, yet he felt himself to be one of the *responsible* members of society, as contrasted with the innumerable *irresponsible* members. In old, cultured, ethical England this distinction is radical between the responsible members of society and the irresponsible. It is even a categorical distinction. It is a caste distinction, a distinction in the very being. It is the distinction between the proletariat and the ruling classes. But in Australia nobody is supposed to rule, and nobody does rule, so the distinction falls to the ground. The proletariat appoints men to administer the law, not to rule. These ministers are not really responsible any more than the housemaid is responsible. The proletariat is all the time responsible, the only source of authority.

[5] Goldwin Smith, *The Empire: A Series of Letters*, 138.

2

However profoundly fashioned by physical environment and pioneer circumstances, the autonomous colonies possessed a large and solid institutional inheritance from the British Isles, because there had been no revolutionary severance, nothing to stem the full flood of cultural diffusion for over a century. The frontier society in Canada and the United States differed in that the former always developed within a definite framework of law and order, made secure ultimately by the imperial power. Military and official influences were invariably potent. The colonies were essentially political projections of Great Britain; they passed through analogous stages from governance to self-government, and inherited not merely British political forms in the narrow sense but a whole empirical way of life. The express imperial policy after the American Revolution, reflected notably in the Constitutional Act for the Canadas in 1791, was to assimilate the representative colonial legislatures to that of Westminster, while maintaining through the executive strict imperial control. Responsible government, achieved during the forties in Canada and the fifties in Australia, was merely a further step in the march of such assimilation under incessant colonial pressures, and especially in response to the logic of Joseph Howe, Robert Baldwin, and other colonial leaders who emphasized "the rights of Englishmen" in the colonies and advocated the complete transplantation of British self-rule. In the apt words of Durham, responsible government was merely "administering the government on those principles which have been found perfectly efficacious in Great Britain," especially on the principle that the active executive must retain the daily confidence of the legislature. As in the mother state, these principles were introduced in the colonies by convention and precedent rather than by statute; they came piecemeal in conformity with the gradualism of the whole political evolution, rather than by one stroke of a pen. Moreover, they came less from the logic of the schools than from practical necessities, necessities which changed steadily with time. Thirty years after Lord Elgin had recognized the principle of responsible government, Edward Blake was

forcibly arguing for changed instructions to the governor-general in order to ensure in Canada a closer imitation of the British cabinet system. At any rate, no Dominion failed to create an intimate partnership between executive and legislature; none attempted to build on the American model of separated powers. All took over the varied and delicate rules and procedures of British parliamentarism; all differ from the United States in creating constitutional régimes grounded less in a single fundamental law, different from the ordinary law, than in many statutes, declarations, and conventions. Likewise, they differ in that the rights of the individual against the state are subject to the enactments of a parliament; they are not inalienable and natural rights binding even upon the legislature. It was unnecessary in these countries to formulate within the constitution the theoretical postulates of a revolution because none was a revolutionary creation. Here the conviction was deeper than in American democracy that the state was an organism, developing naturally from the old into the new, discarding the past or quietly assimilating it into the dignified formalities of government.

More spectacularly, the Dominions differ from the United States in taking over from Great Britain the symbolism of a constitutional monarchy, which is, however, divorced from a supporting artistocracy or court society, and less directly expresses a personal influence by the wearer of the Crown. This monarchical constitutionalism, with simple utility and with little ostentation, has not hampered the essential procedures of democracy. It helps to ensure in the state a strong executive, endowed for critical occasions with a reservoir of powers and privileges. The public in the Dominions is probably less monarchically minded than the British, but it has an undoubted sentiment for the monarchy however difficult to assess. To most citizens the King in the twentieth century, especially since the accession of George V, has been a father figure, in the Frenchman's phrase "The Crowned Bourgeois," above the bickerings and passions of party struggle, immune from political challenge, and hence a potent symbol of unity within the Commonwealth. In the Dominions, the King acts only indirectly through governors-

general, who are virtual viceroys. But in the life of the state, the legal concept of the Crown is scarcely less significant a reality than in Great Britain, and under it the widest functions of government are exercised. These countries assimilated also the British techniques of partisan politics, including the facile opportunism of parties in adopting and perpetuating the measures of opponents in response to the resistless current of public opinion. They established with significant variations the elements of British local government. They carried over the civil liberties won in the two preceding centuries of British history, although in some respects these liberties have been perhaps less fully secure than in England. British immigrants imported political programmes and doctrines which shaped legislative enactment. In Australia, from the fifties of the last century to the First World War, the dynamic political creeds were those of British Chartism, Irish Nationalism, and land reform on the lines prescribed by John Stuart Mill and the early Fabians. At different times each became significantly infused within Australian political thought, contributed to positive achievement, and was expressed in the aggressive idiom of the southern continent, without losing the convincing evidence of its origin. American ideas also had their influence, especially in the nineties when the constitution of the Commonwealth took form, and early Australian socialists were much inspired by Henry George and Edward Bellamy. In Canada, besides the infiltration of British thinking, the ferment of social thought in the neighbouring United States had a profound effect, and increasingly the dominant Canadian political philosophies, especially those tinged with agrarianism, were North American, shaped by the spirit of the continent. In two Dominions, traditional and potent influences other than the ideologies and customs of the English-speaking world are present; French culture and legal concepts in Canada and Dutch in South Africa. But, while the French and Dutch have contributed to the general stream, Dominion democracy has primarily resulted from an ascendancy of British liberal ideas in a social environment receptive to them. It has been the flexible democracy of transplanted Britons concerned with both conservation and progress.

No less evident in these countries than in Great Britain and the United States are the large and energetic voluntary associations—religious, economic, philanthropic, and educational. Colonial society in the nineteenth century was a projection of British voluntary society, composed of spontaneous associations, zealous to act apart from the state with a purpose and *élan* of their own. Such associations could flourish only where democracy was interpreted in the British sense as something beyond mere majority rule or the coercion of absolute numbers; where, in other words, it was associated with tolerance towards individual and group diversity. These free and competitive groups, like the political institutions, became fashioned by the local environment, and in turn helped to explain the distinctive features of political thought and the form of social action. Hither in particular came that rich variety of religious groupings which flourished in nineteenth-century Britain, High- and Low-Church Anglicanism, the different forms of Scottish Presbyterianism, the Wesleyan, Primitive, and other divisions of Methodism, Congregationalism, and that striking evangelical product of the English industrial city, the Salvation Army.[6] The religious minorities of England had here a more generous scope. The frontier itself bred heterodoxy. Political movements became saturated with the impulses and reasonings of British evangelical Christianity, with its liberalism, practical bent, and passion for self-improvement. Along with the medley of Protestant denominations came Roman Catholicism through the medium of Irish immigrants (in Canada to be added to an existing French Catholic population), and marked by that democratic and often radical temper which has characterized modern Irish Catholicism in its endeavour to provide leadership to its adherents. In the early nineteenth century the principal churches, like those in contemporary England, were concerned not merely with religious aspiration in the narrower sense, but with education in both the primary and higher stages and in some degree with general social development and services. They founded colleges important to the present day in higher

[6]See K. S. Latourette, *A History of the Expansion of Christianity*, V.

education. They assumed a prominent role in land settlement: in New Zealand the Church of England took the lead in settling the Canterbury district and the Church of Scotland the district of Otago, while in French Canada agencies of the Roman Catholic Church have long been active in colonizing the hinterland of Quebec and in establishing co-operative societies among tillers of the soil throughout the province.

The churches in different and subtle ways fostered democratic attitudes expressed in politics and social usage. The spiritual energy of their evangelicalism inspired a sense of social responsibility, emphasized the supremacy of moral issues, created a cult of self-discipline, and hence contributed to the success of self-government. The dissenting sects, prominent among the immigrants of the middle and lower classes, brought with them that political liberalism which characterized the dissent that had its spokesmen in Price, Hall, and Priestley. Methodists were numerous among the miners who in the fifties toiled in the gold-fields of Victoria and New South Wales. These migrants with their ministers from Cornwall and northern England were resolute in denouncing class privilege. Methodism influenced the colonizing activity of the South Australian Company. In Upper Canada under zealous leaders like Egerton Ryerson it attacked vested interests and strengthened the drive for general reform. In brief the liberal-democratic zeal of nonconformity in nineteenth-century England was promptly transmitted to the colonized lands across the sea. In Canada, moreover, evangelical Protestantism manifested some of those features evident on the frontier of the United States, especially the tendencies to multiply religious sects, to be whirled along in bursts of revivalism, and to launch crusading campaigns for moral reformation by law.

The many attempts to effect a church establishment of the English type failed, for the social milieu of a frontier was hostile to the claims of Anglicanism to a legal superiority over dissent. No enduring religious hierarchy could be joined to a political hierarchy, although Anglicanism commanded much social prestige. The different Protestant bodies as well as the Roman Catholic competed virtually on an equal

footing, enhanced their influence by aggressive efforts to retain their flocks, and, rooted in British tradition, fostered tolerance towards cultural diversity. The Church of England itself had long pursued the ideal of comprehension and a unity amid differences, while, since the seventeenth century, nonconformist bodies had persistently contended for free association within the state. Such cultural inheritance helped to establish firmly in the overseas communities the ethics of liberal-democracy, emphasizing, not formal declarations of fundamental rights, but attitudes of mind reflected in a tolerance towards diversity, a disposition to accept compromise, and the achievement of ends through voluntary assent.

Among economic associations trade unions of the British type did much in Australia and New Zealand to determine the nature of political parties and the forms of industrial control by the state. Herein the development on the Canadian and Australian frontiers was significantly different. The eager and militant unions of Australian shearers and bush men had no counterpart on the frontier of Canada, where the toiler was a small and individualist farmer, not a class-conscious wage-earner. In the two southern Dominions trade unions helped to create that intricate structure of industrial law which recognized the role of workers' and employers' associations in the achievement of labour standards. The pioneering trade unions throughout the overseas Dominions were originally branches or affiliates of British unions, and represented substantially the social philosophy of the British working class modified by the new environment. Those who fought trade unionism in the early years were unfriendly to this British importation. The liberal *Globe* of Toronto complained in 1872 of "the gratuitous introduction from the old country into Canada of those industrial wars which were the natural consequence of the antagonism of classes and the depressed condition of the workingmen of England but which have no justification here."[7] Co-operative societies frequently influenced the development of industry

[7]Quoted in F. H. Underhill, "Political Ideas of the Upper Canada Reformers" (*Report of the Canadian Historical Association*, 1942, 112).

and commerce, and shaped the content of political debate. The active role of varied and spontaneous associations expressed the crucial distinction in British civilization between state and society. Thus democracy in the Dominions showed no leaning to the political cult fathered by the French Revolution of maximizing the role of the state and minimizing that of free associations. From the outset it developed on pluralist lines, and repudiated a statism which would devour independent group life. It throve on the varied activity of organized groups, developing in response to their purposes and appealing to the opinion of the many.

Parliamentarism after its establishment in the Dominions evolved on similar institutional lines to that in Great Britain; it has conformed to the same inexorable logic in Ottawa, Canberra, and Pretoria. Here also, for example, the active executive in the interests of efficiency has come to control virtually all parliamentary business and has certainly escaped those unfortunate weaknesses of the executive in the French Parliament during the Third Republic. Power and responsibility have been concentrated with striking clarity in party chieftains and public servants, on whom the ultimate check is public opinion, voiced in Parliament, aired in newspapers, expressed through the media of varied associations, and reflected in periodic elections. "The loyal party opposition," remarked Lawrence Lowell, "which assumes the responsibility of ruling when a change of popular opinion occurs, is the greatest political invention of the last two centuries, and the essential principle of democracy on a large scale."[8] Since the triumph of responsible government in the nineteenth century, this invention has been consistently applied throughout the self-governing Dominions, where political leaders have lauded it no less zealously than did Lowell. "Constitutional government," wrote Laurier early in the present century, "founded on the existence of parties is still the best system which has been invented by man."[9] In contrast to the United States, with its separation of powers, constitutional limitations, and bills of rights, the Dominions rely

[8]A. Lawrence Lowell, "The Evolution of Democracy" (*Foreign Affairs*, Oct., 1938, 33).

[9]O. D. Skelton, *Life and Letters of Sir Wilfrid Laurier*, II, 316.

little upon legal checks to control the abuse of political power. Even senates and legislative councils, devised originally to protect special interests, are today of minor consequence in thwarting the erratic actions of lower chambers. The real restraint upon the misuse of authority is public debate, directed by vigilant parties. The leaders of a party in office have tremendous weight. The prime minister directs the executive and is at the same time the dominant figure in the legislature. Yet he and his associates are responsive to the changing tides of public opinion, which their opponents are just as free to influence and guide.

3

The Dominions are distinguished from one another by the character and aims of their political parties, the varied activities of their governments, and the different degree of importance attached to certain institutional symbols. In Canada the two national parties, although they took their names from the parties of Great Britain, have conformed broadly to the models in the neighbouring republic. They seek to represent in the country different regions, races, social classes, and even religious groups. They live by comprehension rather than by a specialized purpose or rigid doctrines. Thus they reflect the dominant forces in a continental state with many heterogeneous social elements. Somewhat in contrast are the parties in Australia and New Zealand, which respond less to racial cleavages and regional tensions; they are more fully preoccupied with the interests of social classes, and, in the case of one party at least, the aggressive furtherance of social amelioration. More closely than in Canada they resemble the political parties of Great Britain, and in disciplines and creeds are shaped by the kind of contest in which they are engaged. In South Africa parties hitherto have struggled over the emotive issues of colour, nationalism, and the symbols of nationalism, creating a political atmosphere saturated with an emotion, divergent from that prevalent in the Dominions of the South Pacific.

In economic activity, government has responded in the Dominions to many geographic and socio-economic forces. At first it was influenced by the powerful impulse of these countries to trade extensively with the rest of the commercial world, especially Great Britain. But increasingly it has been affected by a growing industrialization and collectivism. The type of liberalism dominant here has never deemed the state to be merely a necessary evil which should be rendered impotent in economic affairs. These pioneer economies required a large import of capital, especially for the extensive provision of public works and construction, with the inexorable tendency towards public ownership and operation of utilities such as railways. In the past this absorption in the construction and operation of national utilities differentiated Dominion from British politics, made electors concerned more often with the local benefits derived from public contracts than with national policy, created intricate issues in administration, and resulted in institutions which attempted to relieve the strain on Parliament and to reconcile political liberty with efficient management. In varied forms the public corporation has been widely used. Apart from the building of railways, ports, irrigation projects, and other undertakings imperative in any pioneer community, there are distinctions between the Dominions in the activities of government, rooted in the social structure and in the physical environment which in turn influenced the social structure. At the Imperial Economic Conference of 1932, Mr. R. B. Bennett, then Prime Minister of Canada, remarked that "state-controlled standards of living, state-controlled labour, state-aided dumping dictated by high state policy, conflict in theory and in practice with the free institutions of the British Empire."[10] In view of the many experiments of Australia and New Zealand for a generation it was hardly accurate to claim that all the Dominions abstained from "state-controlled standards of living, state-controlled labour." Yet Mr. Bennett was right in his contention that wide range was given to free enterprise. State collectivism intruded only where private initiative failed to serve general needs,

[10] *Report of the Imperial Economic Conference*, 69.

and herein pronounced differences existed. Canada, for example, was originally a small farmer community, and the yeomen who constituted the bulk of its electorate on the achievement of autonomy sought little from government, except essential public works and the curbing of financial and commercial monopolies. Distrust of state action like that of the American Jeffersonians was prevalent, although in the twentieth century Canadian farmers, especially in the West, have been eager for government to obtain stable markets, build public railways, and construct public elevators. But this agrarian collectivism laid little emphasis on social services of the ameliorative kind, and, in the absence of a powerful labour movement, the development of social democracy was tardy. By contrast, in both Australia and New Zealand, the physical and social environment tended early to foster strong propensities towards Chartist ideals and social legislation. In Australia from the days of the gold diggings, proletarian pressures have been more dominant than elsewhere in the Empire, and social democratic ideology more impressive. By further contrast, in South Africa the social democratic concepts have been confused by the complex loyalties of colour and race, although certain grim features of the physical environment compelled the state to undertake directly much social supervision and entrepreneurial activity. Yet all the Dominions, however different in pace, have tended to develop a democracy with well-advanced social services, and with elaborate collectivist trends in economic life. All conform to the inexorable democratic logic in an age of widening industrialism; all reveal the characteristic Anglo-Saxon zeal for practical social accomplishments.

In their federal régimes Canada and Australia have been inevitably affected by geographic environment and profoundly influenced by the political model of the United States. They obviously differ in constitutional structure from Great Britain in that there is no legislature which can promptly change the law by the ordinary modes of legislation. Each country in its own way attempts to achieve a balance between autonomy and centralization over a continent, and each possesses provinces or states designed to be partially

independent as social laboratories, profiting from one another's experiments. Each also has its large and distinctive corpus of legal interpretation built round the attempted divisions of power. Federalism has simply been a form of democratic organization for a land of vast spaces, endowed with diverse natural resources and regional groups whose interests often collide; it seeks to guarantee local political liberties in place of legislative and administrative centralism. It means consideration for other wills than the will merely of a bare majority of voters within the nation. It recognizes and protects in the constitution the views of regions and minorities. The right of absolute numbers must partly yield before other claims. Under universal suffrage, therefore, federalism singularly exalts the necessity of compromise as basic in democratic rule. It is needless here to assess its relative success in the British Commonwealth, other than to emphasize that, despite its genuine triumphs, it has created acute issues in the working of parliamentary democracy. Federalism, especially in Canada, makes it difficult to bring public opinion to a quick focus when it is nationally imperative. It slows the action of the body politic with the restraints of legalism in an age demanding increased and prompt economic control. At times it gives shelter to the potential elements of national discord, and throws a major strain on party leadership. Advancing industrialism has continued to disturb the balance between centralization and local liberties, and, as the functions of government grow, the search for a more satisfactory balance proceeds with little hope of a permanent equilibrium. In the meantime there is a perennial tug and pull between the various sections. While the sectionalization of these countries is primarily the product of their extensive area, federalism in turn by its formal and rigid division of power doubtless tends to harden sectional sentiments among the populace and create a circle of intractable cause and effect. But despite these defects it is a system of government that the liberal-democrat in the Dominions naturally and logically defends.

Although true federalism exists in only two Dominions, a substitute for it among the others is the careful devolution

in order to ensure the existence of elected local bodies with administrative responsibility. New Zealand, when it abolished its quasi-federal provinces in 1876, promptly replaced them with an elaborate system of local government. South Africa, when it created a union on non-federal principles in 1910, provided for provinces with generous jurisdiction, and in urban centres at least has given substantial authority to local councils. Democracy in the Dominions has thus nowhere attempted to operate through a rigid centralization. It shrinks from the bureaucratic Leviathan of a highly unified state, and, while pressed by economic and social forces to yield to a centripetal trend, it anxiously conserves in some form the British principle of local autonomy. To the Dominions is applicable the discerning description by Gladstone of the common political traits of Great Britain and the United States. "They mistrust and mislike the centralization of power; and they cherish municipal, local, even parochial liberties, as nursery grounds, not only for the production here and there of able men, but for the general training of public virtue and independent spirit."[11]

4

The institutions of the Dominions emerged and grew within the hundred years between the Durham Report and the outbreak of the Second World War, a century marked by two features which greatly aided their democratic development. First, the *pax Britannica* throughout much of this period guaranteed for these communities, except South Africa, an almost undisturbed peace. It permitted them to escape the most difficult issues of foreign and military policy, and enabled them to divert their nascent energies into the pursuits of economic expansion and self-government. British sea-power, aided at the outset by the disorganized character of the Asiatic and African continents, controlled the exits and entrances to the strategic seas, policed the trade routes of the world, and ensured even to New Zealand, 12,000 miles

[11]William E. Gladstone, *Gleanings of Past Years*, I, 208.

from the mother state, the freedom to develop in almost complete security from external aggression. Except for the years of the First World War, neither Great Britain nor the Dominions found it necessary to maintain large land armies. Conscription in time of peace, imperative in the small democracies of continental Europe, was deemed needless except in a qualified form in Australia prior to 1914. Unattached to the Empire, the Dominions would have been highly vulnerable because of their relatively small populations and rich natural resources, tempting to imperial powers. But in fact their communication lines were guarded by the Royal Navy and protected from the beginning of the twentieth century by Anglo-American solidarity at sea. Screened by British power, they were states in the happy position of not requiring positive foreign policies, able in the main to proceed with political and social experiments unhampered by any serious threat from without.

The second main feature of the century, no less favourable to liberal-democratic institutions, was the technical and industrial innovations of modern capitalism, which brought to the Dominions a remarkable development and prosperity. The transportational revolution in particular, created by railways, steamships, refrigeration on ships, and the Suez and Panama canals, drew them closer to the markets of Great Britain and Europe, stimulated the use of their virgin lands, encouraged a generous inflow of capital and men, made possible the pulling together of diffuse territories, notably in Canada and Australia, and added a new value to natural resources deep within the interior. The development of hydro-electric power speeded industrial expansion within those areas of Canada and New Zealand richly endowed with water, while the generation of electricity from steam had a like effect in Australia and South Africa. Rising standards of living in Great Britain and the continent of Europe created a growing market for wool, meat, wheat, fruit, and dairy products of which the Dominions produced a profitable surplus. The rapid growth of world trade and the entrenchment of a gold standard under British leadership promoted the mining and export of gold in South Africa and

the other Dominions, and attracted a vast inflow of capital, accompanied by the most advanced industrial techniques. Base metals were mined and exported to meet the demands of an age growing increasingly metallurgical. The consequent industrial expansion with abundant opportunities for the common man reduced the frictions within the social systems of the Dominions and facilitated that compromise between the claims of social classes which lessens the strains on parliamentary democracy.

Social struggle existed almost from the outset, but was never intense enough to imperil parliamentarism. It did not destroy, either the quality of political moderation brought from Great Britain by the first settlers and repeatedly renewed, or the profound respect for political precedent and practice. Expanding markets abroad stimulated economic development at home, fostered a potent optimism which coloured democratic experiment, instilled faith in social engineering, and promised satisfaction for the material wants of all. Thus the political and social life of the Dominions has been profoundly influenced by circumstances external to themselves and by the distinctive forces of contemporary civilization. Few countries have responded more intimately and quickly to the course of world history.

PART ONE
CANADA

CHAPTER TWO

REGIONS AND NATION

1

CANADA is favoured by geography over the other Dominions in its superior strategic situation relative to the major land masses of the two hemispheres and the controlling centres of the western world. Closer to Great Britain and Europe, more accessible to trade and the mobile people of the North Atlantic region, it has abundant and rich territory in the temperate zone where the European race has been most dynamic. This significant position has had profound effects upon its settlement, growth, and political institutions. It shares half a continent, the less richly endowed half, with the United States. An intimate mingling of the two peoples has consequently existed for a century and a half, with notable influences on Canadian democracy. Propinquity, morever, has resulted in a border trade annually greater than that between any other two nations, and facilitated a perennial exchange in the elements of culture, which in particular has enabled the junior community to develop readily the most advanced features of western industrialism.

In comparison with the other Dominions, Canada has more varied and richer resources. In area it actually is larger than Australia, or even then the United States, but lacks the concentration of the latter. In the northern hinterland of muskeg, forest, and rock, unimportant except for furs, timber, and minerals, it has a counterpart to the dead heart of Australia in the illusions traditionally fostered by space on the map. But even in this grim north there are resources. Canada has more than twice as much cultivable land as Australia, with some 550,000 square miles present and

potential.[1] Compared with both Australia and South Africa it has a superior rainfall for agriculture and forest. Except in the southern prairie region and some valleys in British Columbia, drought is rarely a serious menace. Bodies of water are abundant, from the vast lakes of the St. Lawrence system to the countless tree-enclosed ponds and rivulets in the east and north. The notable contrast with the waterless quality of Australia is reflected in the different type of agrarian development and in the range of necessary collectivism within the two countries. The waterway of the St. Lawrence, thrusting its rivers and lakes to the heart of the country, reduces the costs of transport, and facilitates the development of the interior. Metals, coal, water power, and timber, both utilized and potential, are in quantity greater than those in other Dominions. The probable coal reserves per head of population are the largest, except perhaps for those in South Africa; potential water power is more extensive, although the much smaller New Zealand is a close competitor in amount of water power per capita; and iron ore reserves are exceeded only by those of South Africa. Canada has a total forest area more extensive than that in the other three Dominions combined. Its forests embrace 1,150,000 square miles as compared with 30,000 in Australia. Similarly, it has deep sea and inshore fisheries greater than those of all other countries within the Empire except Great Britain itself.

Yet Canada suffers from some deficiencies in the quality and juxtaposition of her natural resources. There is no extensive empire of contiguous and fertile land comparable to that of the Mississippi valley, which insures the great prosperity and material power of the United States. The farming belt in the lowlands of the St. Lawrence is shut away from the plains of the West by the rocky Pre-Cambrian Shield, which occupies approximately half the country and offers little scope for cultivation. The capacity of the soil is restricted in range of latitude. Unlike its neighbour, Canada has no sub-tropical in addition to northern crops;

[1]Estimates of cultivable area are of course arbitrary, resting on variable assumptions about the standard of life and the extent of markets.

in only a few areas outside the Maritime Provinces, southern Ontario, and coastal British Columbia does the frostless season exceed a hundred days. Its resources of iron ore are evidently not as extensive as those in the region south of Lake Superior; nor has it coal so admirably situated and excellent in quality as that in the Appalachian fields of the neighbouring republic. Three-quarters of its large reserves of coal is lignite, situated in the extreme east and west, remote from the industrial population concentrated in the valley of the St. Lawrence. Yet despite such limitations when compared with its neighbour, the resources of Canada are sufficiently abundant to enable the population, growing at its present rate and widely applying the most advanced techniques, to achieve and retain a high standard of living and a diverse industrial life.

2

Regionalism, the inevitable offspring of a continental state, profoundly influences the working of Canadian democracy, and is reflected in the five main regions or sections, the Maritimes, Quebec, Ontario, the Prairie Provinces, and British Columbia. These areas do not correspond strictly to physiographic cleavages; they are created by accidents of human settlement as well as by geology, although a relief map readily shows how much geology has affected history. The Maritime Provinces of Nova Scotia, New Brunswick, and Prince Edward Island jut north-eastward from the Appalachian structure, standing off on the flank of the main entrance to Canada. Short communications by sea, shorter and safer in the past than those leading up the St. Lawrence, have forged close bonds between them and the New England States, and hence for nearly two centuries population has restlessly moved back and forth. Prior to the American Revolution, New Englanders migrated from their cramped settlements to Nova Scotia which they regarded as a legitimate frontier, created farms and fishing villages in its fertile valleys, and brought hither the churches and schools of

Puritan America. United Empire Loyalists later moved in to found New Brunswick and further to reinforce the New England stock in Nova Scotia. In the nineteenth century, especially in the post-Confederation period, the prosperity of these Provinces was seriously impaired by the advent of the steamship and the exploitation of greater wealth in the Canadian interior. The building of sailing ships, which had been a flourishing industry throughout the region, dwindled with the appearance of the steamers, and numerous emigrants from the Maritime Provinces drifted south to Massachusetts and New York. Bonds of kinship and intercourse were forged with the people of the Atlantic states rather than with those of the upper St.Lawrence valley. The sense of separation from the remainder of Canada was accentuated by the circumstance that the Protestant descendants of New Englanders were flanked to the north and west by French Roman Catholics. In recent decades the French with their prolific families have penetrated into northern New Brunswick, where they now constitute one-third of the entire provincial population. These facts, combined with a feeling among Maritimers in the last sixty years that their provinces suffered peculiarly from the incidence of the Canadian tariff and the National Policy, have helped to forge a strong regional consciousness. Meagre natural wealth as compared with that in Central Canada has retarded the growth of population, which in Prince Edward Island has actually declined since 1871, and inevitably created a twin feeling of jealousy and distrust of the more prosperous provinces further west.

The Maritime Provinces have not merely a long tradition as a strategic part of British North America; they have also a lively sense of distinct political evolution (Nova Scotia had received representative institutions prior to the American Revolution and itself achieved responsible government), which endows their inhabitants with a sturdy local pride, never quite extinguished by the federation of 1867. For them the sea is a highway and a source of wealth. It has so fashioned their economic interests that they feel separated from their more continental fellow citizens to the

west, belong more clearly to the North Atlantic world, and share directly its shipping, trade, and communications. Nova Scotia, in particular, with a thousand miles of coast and a very short land frontier, has looked upon itself almost as an Atlantic island. Remote from continental Canada, it had by 1867 come to possess the initial and glimmering sentiments of a distinct nationality, and in federation was hurt in spirit by the shattering of its hopes.[2] In specific aims and policies, the three Maritime Provinces have not always been united, but geographical and historical forces have fostered among them a significant regional outlook.

Quebec and Ontario are not differentiated by physiographic structure; they share the fertile lands of the St. Lawrence valley and the rocky, mineralized Pre-Cambrian Shield or Laurentian Uplands to the north. Their strategic and rich territory contains over 60 per cent of the Canadian people, 80 per cent of the manufacturing production, and in Montreal and Toronto the largest cities, wherein the great commercial corporations are established. The two world wars of the twentieth century reinforced their industrial hegemony, and quickened the exploitation of the nearby mineral, hydro-electric, and timber resources of the Pre-Cambrian Shield, which like a vast horseshoe covers northern Quebec and Ontario. Thus, although their resources and position enable these two provinces in the St. Lawrence area to dominate the remainder of Canada, their people are sharply separated into two social segments by history and culture, and frictions between them often strain the working of Canadian democracy. Eighty per cent of Quebec's inhabitants are of French extraction, are distinguished particularly by a strong traditionalism, and possess customs, language, law, education, and religion different from those in the remainder of Canada. They view with distrust the spirit of ruthless change which has characterized the rest of North America. Their culture is French, but detached from France for two centuries and hence little influenced by the profound forces operative in modern

[2]W. M. Whitelaw, *The Maritimes and Canada Before Confederation*, contains an illuminating study of the historical background to the regionalism of the Maritimes.

France, especially the Revolution, whose anti-clerical tendencies they deplore. In philosophy they are conservative, more truly devoted to the ultra-conservative principle than any other part of the continent because, as a relatively small community struggling to survive in an Anglo-Saxon environment, their primary law of life is to cling to what they have, their language, law, and customs. Louis Hémon voiced their ancient faith: "We bore overseas our prayers and our songs; they are ever the same, . . . Within these limits all we brought with us, our faith, our tongue, our virtues, our very weaknesses are henceforth hallowed things which no hand may touch, which shall endure to the end." This passion to survive as a cultural entity has hitherto been fostered by the prevailing agrarian character of their society and by the simple mores fashioned patiently for three centuries by a rural people. Compared with the farmers of Ontario, those of Quebec are more traditional, more deeply rooted in the soil, less commercial in thought, somewhat less endowed with the goods of this world, finding on the land a way of life and not merely an occupation. For generations they have retained a high birth-rate. Among them the powerful impulse to found large and cohesive families is sedulously fostered by the church, and encouraged by the fact that children are a valuable aid to parents in the year-long labours on the farm. In 1939 the Quebec birth-rate was 24.8 per 1,000 (compared with 17.1 per 1,000 in Ontario), a relatively high figure which helps to maintain the crude birth-rate for Canada as a whole above that in the other leading states of the Commonwealth. Yet significant changes occur. The French community perennially experiences cultural corrosion from English-speaking America, and in particular has become affected by industrialism. From 1881 to 1931 the urban population of Quebec increased six-fold while the rural population merely held its own. The advance of urbanized industrialism, with the wider use of hydro power and metals, tends to break down the traditional behaviour, reduce the birth-rate, free thought from its former restraints, and bring the popular

habits into more unison with those throughout the continent. But at the same time it generates sharp tensions in the working of Canadian democracy; it creates urban masses responsive to nationalist as well as proletarian agitations.[3]

Distinctive in the life of the French throughout Quebec is the unifying role of the Roman Catholic Church, which is here more intimately associated with the state than in any other part of North America. Unlike the Church of France it has encountered no serious secular challenge since its establishment in the days of Richelieu. Neither in the extent of its power nor in the privileged position it enjoys in education and social services has it any genuine counterpart in the varied and competitive religious denominations of neighbouring Ontario. It possesses virtually the same interests as the nationality, for it has always recognized that to keep the people French is to keep them Catholic. The church was the sage guide of the *habitants* in the early period of the British conquest when the fate of their nationality appeared to hang in the balance. It then aided them to survive as a cohesive national group, and it remains their chief mentor, although its influence has shrunk with the hurried growth of a more urbanized and industrial society. On the frontier its leadership continues to be real. There the curé, the most educated and respected member of the community, not merely guides his parishioners in matters of the spirit, but supervises their education, directs them in municipal affairs, and advises them on the numerous details of practical colonization. He encourages them to attack the forest, inspires them to multiply parishes, and teaches them to preserve their culture and Catholicism as a distinct people. The village church is here the symbol of social unity, while over the years the message of the hierarchy to their flocks has varied little: do not become over excited about political issues, be calm and stoical, till your fields, raise God-fearing children, do not surrender your language or your culture, and strive for what is essential

[3]On social change in French Canada see E. C. Hughes, *French Canada in Transition*; also Horace Miner, *St. James: A French Canadian Parish.* A briefer and more recent analysis is that by Mason Wade, *The French-Canadian Outlook.*

in preserving your community. In this calm and characteristic Norman philosophy dwells the chief secret of the survival of French Canada.

Ontario at the outset was the creation of the United Empire Loyalists and post-Loyalists from the states of New York and Pennsylvania, who migrated either from loyalty or for fertile land. Subsequently it absorbed numerous immigrants from the British Isles, and today has a population almost three-quarters of British origin, a ratio exceeded only in Prince Edward Island and Nova Scotia. Ontario has a developed power in manufactures equal almost to that of the remainder of the Dominion, and the spirit of material achievement is everywhere present. Its southern portion, the most densely populated and the most productive, juts into a highly industrialized section of the United States, accessible to the coal of Pennsylvania and by lake transport to the iron ore of Minnesota. This area is able to share in the hydro power of Niagara, and is attractive for American and British branch plants. Protestantism is predominant in contrast to the prevailing Catholicism of Quebec. An inflow of French in the eastern and northern sections has generated frictions, notably on the issue of bilingualism in education, but the most heated contests have occurred over the imperial connection. In contrast to Quebec, Ontario has many and profound contacts with the world outside. In particular it has emphasized an unwavering attachment to the Empire, and the South African and two world wars introduced sharp cleavages between the two provinces on the desired degree of collaboration with Great Britain. In the pull and tug of diverse loyalties the *Quebecquois* affect to be the true Canadians since their attachment is only to Canada, whereas the Ontarians respond also to a sentiment for a larger community extending beyond Canada. The very real lack of integration between the thought of the two peoples intrudes to a major extent into the debates and manoeuvrings of political parties, strains the working of federalism, and in critical times makes difficult the formation of national policy.

The Prairie Provinces of Manitoba, Saskatchewan, and

Alberta, separated from the St. Lawrence valley by the wedge of the Pre-Cambrian Shield, constitute a distinctive region, with common physiographic features and a common economy evolved to conform with these. The broad plains, beginning in the Red River valley and stretching westward for over eight hundred miles to the foothills of the Rockies, are not entirely uniform in soil, fertility, rainfall, or even contour, but in the generation after the completion of the Canadian Pacific Railway (1885) the southern and treeless portion was rapidly settled to produce cereals, especially wheat, and after 1906 the peculiar interests of the wheat economy dominated its life. In 1901 the population was about 320,000; it quadrupled by 1911 and increased sixfold by 1921. Immigrants poured into this agrarian frontier from eastern Canada, Great Britain, continental Europe, and the United States. Capital flowed freely from the St. Lawrence valley and abroad, and created the restless mentality of a debtor community. Prior to 1939 over 50 per cent of the employable men were engaged in agriculture. The railways, owned and managed by corporations established in the cities of the East, came into friction with farmers who produced for export, and who looked upon railways as almost the crucial issue of their economic existence. The trading banks, the mortgage companies, the manufacturers of agricultural implements, the textile producers, and all the other varied interests engaged in supplying a rapidly expanding frontier were centred in the metropolitan areas of the East, and were viewed as eager to exploit the toil of the wheat grower. Tension between western buyers and eastern sellers was heightened by the zeal of the latter to control by protective tariffs markets on the expanding periphery. Wheat growers, primarily concerned with European sales, were hostile to what they regarded as the ruthless economic nationalism of the eastern industrialists. Time has somewhat modified the sharp conflict of aims and interests. Manitoba, with its large urban centre in Winnipeg and its mines in the north, is more interested now than twenty-five years ago in secondary industry and a national economy. Alberta, with resources

of oil and coal, has developed a stake in moderate economic nationalism. But there is still a clash of interest and outlook between the industrial capitalism of the St. Lawrence and the prevailing agrarianism of the prairie region.

Prairie regionalism is further influenced by the mixed racial elements of the people. With the opening of the West a flow of settlers from the eastern provinces, especially Ontario, helped to create some sense of a Canadian community beyond the Lakes, but large numbers, probably a majority, migrated directly from Great Britain, continental Europe, and the United States, and were neither familiar with nor specially attached to the older Canada. The West as a rural melting-pot quickly absorbed their loyalties. Significant was the migration from continental Europe with a culture strange to Anglo-Canadians. In the three Prairie Provinces the proportion of European stock other than British and French is now four times greater than in the eastern provinces. By 1921 those of European origin other than British and French had become 39 per cent of the population in Saskatchewan, 32 per cent in Manitoba, and 31 per cent in Alberta.[4] Since then owing to the greater fertility of the European groups, these percentages have increased. The national significance of this racial heterogeneity of the prairie population is not easily assessed. But it doubtless contributes to the complex of influences which weakens the sense of unity with eastern Canada. These people of varied origin are Canadians without the prefix British. Although they readily assimilate most of the folk-ways of British Canadians, they preserve also elements of their own culture. Sometimes they retain in the first generation at least the ideological and national conflicts of Europe. The Ukrainians break into pro-Russian and anti-Russian groups, between which there is bitter contention. Their loyalties are not precisely those of Canadians of British extraction, who in Ontario retain sentiment for an ancestral land and its culture as well as for Canada; they respond, for example, less promptly to an emotional appeal

[4][W. B. Hurd], *Origin, Birthplace, Nationality and Language of the Canadian People*, chap. IV; W. B. Hurd, *Racial Origins and Nativity of the Canadian People*.

to preserve the British Commonwealth, although they may respond just as promptly to an argument that it is in the interest of Canada to preserve it.

The social cohesion of the prairie region itself has weakened since the First World War, owing to the varied development of its natural resources, the growing maturity of its economic structure, and the havoc wrought by trade depression in the thirties. That portion of Manitoba suitable for mixed farming has been encouraged to enter upon agrarian diversification by the nearby metropolitan market of Winnipeg. The material interests of the mixed farmer are not identical with those of the specialized wheat grower, and the two are often reluctant to collaborate. Moreover, the rise of industries other than agriculture, especially mining in Manitoba and Alberta, has made the economy of the region less purely agrarian. The collapse of the world wheat market in the early thirties shook the whole community, reduced its total income, and abruptly terminated that remarkable progress which had begun in the West a generation earlier. Southern Saskatchewan, which in successive years experienced a searing drought as well as low prices, suffered most, and here former standards of living were shattered and the structure of local government undermined by debt. Many from the prairie, especially the young, hastened eastward to the towns of the St. Lawrence valley, and Saskatchewan actually lost population between the censuses of 1931 and 1941. Within this period, the Prairie Provinces as a whole, while they achieved a small absolute increase in numbers, failed to retain their natural increase. This recession reduced their bargaining power within the Dominion, and accentuated internal fissures, reflected in the struggles over cheap money, social credit, and similar policies. Yet these three provinces remain a distinct region; they still respond intimately to the fortunes of the grain trade; they still believe that they have a common interest and a common fate, and continue as a unit to exert influence in the political life of Canada.

British Columbia as the fifth and most westerly region embraces an extensive Cordilleran belt of mountains, table-

lands, canyons, and valleys, which constitutes a physical and mental barrier between it and regions to the east and fosters a strong local sentiment. Topography and a highly varied rainfall in different areas distinguish its natural resources and industrial structure from those of the prairie. The forest, particularly dense in the southern coastal area, is a source of much wealth, exploited hitherto by the vigilant interests of private business. In the valleys of the interior and in the delta of the Fraser, agriculture resembles that in south-western Ontario, with small mixed farms and fruit plantations. In the more remote and northern valleys semi-subsistence farming prevails, like that in the frontier fringe of the other provinces. Owing to its mountainous topography, British Columbia is handicapped as an agricultural province. The present croplands amount to little over half a million acres or approximately the same acreage as that of the smallest province, Prince Edward Island, while of the five regions in Canada, British Columbia has the smallest portion of its population engaged as farmers or farm workers.[5]

From early days mining has been significant, and with abundant coal and immense water-power British Columbia has an interest in secondary production. The province ranks next to Ontario and Quebec in capital employed, number of employees on salaries and wages, power installed, and manufactured values. Topography and industrial structure have combined to concentrate 70 per cent of the population in Vancouver and an area within a radius of seventy-five miles. The diversified industrial structure bears sharp contrast with the more precariously specialized economy of the prairie region. A social heterogeneity is created by the diverse industrial pursuits in the mining camps of the north, the cattle ranches of the Cariboo, the fruit orchards of the Okanagan, the mixed farms of the Fraser valley, the logging camps of Vancouver Island, and the fisheries and fish canneries of the coast. The presence of forests and metals has provided a richer opportunity

[5]Griffith Taylor, "British Columbia: A Study in Topographical Control" (*Geographical Review*, XXXII, 372-402). A comparative analysis of the rural population of each region is contained in Leonard Marsh, *Canadians In and Out of Work*, 107.

than is available on the prairie for the accumulation of large fortunes. Concentrated wealth on the one hand and uncertain earnings of workers and semi-subsistence farmers on the other introduce a sharper domestic social schism than is evident in the prairie community, sharper perhaps than in any other region of Canada. Sporadic revolts in politics and labour, sometimes inspired from the States to the south, characterize the British Columbian scene. History, as well as geography, determines the regional attitudes. Prior to its entrance into the Dominion in 1871, the pressure for settlement came, not from eastern Canada but from the American states. In the late fifties and early sixties a potent stream of miners and traders from California entered the Fraser valley and the Cariboo district in search of gold, and since then the social relations with the American Pacific region have been intimate. The landforms favour ready ingress from the south, and cities in California, Oregon, and Washington are much nearer than those of central Canada.[6] Frequent intercourse along the natural north-south axis of communication facilitates a wide exchange of ideas and idioms of life.

British Columbia is also distinguished by a peculiar racial composition. More than 70 per cent of the population is of British origin. Indeed the province leads all others in the number of the British born.[7] Significant also is the fact that prior to 1942, when large numbers of Japanese were forcibly moved eastward, some 8 per cent of the population was of Asiatic stock, whereas in no other province did this percentage exceed 1 per cent. The inflow of Chinese and Japanese created periodic tensions in the ranks of labour and small traders, especially early in the present century, when the potent anti-Asiatic sentiment prevalent among the people of the American Pacific coast had its counterpart in Canada, frequently aroused there by representatives of the Oriental Exclusion Leagues of the United States.[8] The voters of British Columbia have often believed that the government at Ottawa was tardy in restricting

[6]See S. B. Jones, "The Cordilleran Section of the Canada-United States Borderland" (*Geographical Journal*, May, 1937).

[7]*Racial Origins and Nativity of the Canadian People*, 78.

[8]C. J. Woodsworth, *Canada and the Orient*, 79.

Oriental immigration, or even in appreciating the social tensions which such immigration created, and they have been less ready than the electorate of eastern Canada to accept the principle of racial equality.

The regionalism of Canada is writ large in the actual functioning of the democracy and in the character of the nationality. Political struggle has been primarily along horizontal rather than vertical lines. The domestic and external policies of the national parties are inevitably compromises between the disparate attitudes and interests of the regions. The crystallizing of a unified public opinion is difficult, especially when sectarian and racial prejudices reinforce regional interests. Behind the façade of formal doctrine, the essential aim of each major political party has been to satisfy a sufficient number of interest groups within the different regions in order to command parliamentary power. The claims of parties beyond this have usually screened the realities of political persuasion. Regionalism in its principal manifestations has perhaps grown neither stronger nor weaker, for the basic facts of geography on which it rests are influenced, but not necessarily neutralized, by modern technological forces. The sense of local tradition dies hard, regional economic interest changes slowly, and in any case technical developments have tended to strengthen the metropolitan centres in the St. Lawrence valley, quickening thereby the prevalent suspicions of the regions on the periphery. Moreover, the development of national autonomy with the growth of national consciousness after 1918 has on the whole bolstered rather than weakened the competitive pressures of the regions. Neither a province nor a region can any longer look across the sea for an arbiter between its claims and those of the rest of Canada. It is compelled to measure its bargaining resources with those of other provinces or regions and rely more upon the weight of social and economic argument than upon influence from without. Its sense of cohesion with other parts of Canada is not thereby always enhanced, and it may experience tensions from the sub-regions within it, for there are rival centres of power in all the regions.

3

The growth of national consciousness among the Canadian people proceeds from the gradual economic integration of the regions, the breaking down of local specialization, the slow intermingling of inhabitants from different provinces, and the interchange of thought throughout the half-continent through the radio and other media of communication. Despite these realities, the achievement of a cohesive nationality is hampered by lack of real isolation from the outer world to assure a deep independence of spirit, and by the heterogeneous origin and culture of the people, especially the cleavage into French and British. Compared with Australian, Canadian nationality is notably less cohesive, less simple, much less rooted in a few cardinal physical and social circumstances, and more influenced by a neighbouring nation not under the British Crown. The presence of dual cultures raises complex problems in the building of a genuine nation. The two peoples, with different ways of life, are one at all only in virtue of the historical necessity and contemporary expediency of sharing a common polity in a common country. The vitality of the emergent supranationality called Canadian, with its English and French streams of culture, contracts and expands with circumstances; it rests on a highly delicate and yet enduring balance. Successful collaboration in government over generations will inevitably create a deeper sense of community than at present, issuing in a more real cultural nexus, just as the sense of community today is stronger than when Lord Durham wrote in his famous *Report* that the two races "combine for no public object; they cannot harmonize even in associations of charity." While such a sense of community steadily grows, especially under the impact of industrialism, the national coherence hitherto achieved within Canada is admittedly much weaker than within the homogeneous and unilingual Australia.

Furthermore, Canadian in contrast to Australian nationality is profoundly influenced by the neighbouring United States. That influence is twofold, and has operated by repulsion and attraction. In the first place it has stimulated

the growth of Canadian nationality by the challenge of republican institutions. This challenge has been potent from the early years of the nineteenth century when the United Empire Loyalists struggled with steadfast spirit to build in North America new political entities under the British Crown. Eventually the will for a national state, much encouraged by Westminster, found expression in the Confederation of 1867, and since then has rarely flagged, even in times of trying economic distress. Why is there a Canada? The political answer is clearly enough revealed in one hundred and fifty years of history, especially in the determination of Canadians to have a political creation no less distinctive than the United States, with institutions superior. In the twentieth century Canadians show no wavering in devotion to their political inheritance and the experiment upon which they embarked in 1867.

The second influence of the United States is that exerted through the ceaseless flow of ideas across the three thousand miles of land frontier which has tended to weaken an exclusive sense of nationality and at times to strengthen the forces of Canadian regionalism. Unlike the separate regions of Australia, those of Canada are neighbours to specific areas in the United States with which they share intimate bonds; such, for example, as Nova Scotia's with New England or British Columbia's with the American Pacific slope. Many Canadian provinces provide frontiers of settlement for states to the south; they furnish new lands and fresh resources to lure the American settler and entrepreneur whenever the range of opportunity shrinks in their own territory. Indeed, historically all of Canada, except perhaps Quebec, has been a social frontier of the United States, where cultural influences as well as population oscillate back and forth. Here British and American influences of every kind intermingle, and create the peculiar Canadian balance between them. Canada is in North America. It is also in the British Commonwealth. The profound and interacting inplications of both facts explain the nature of Canadian nationality. Social distance relative to the United States tends to lessen with the advance of

modern invention. In Australia all regions, however intense their regional sentiments, are unified by recognizing that they have no close and friendly neighbours on whom to rely; they must export staple products half across the globe, and to preserve their race they must be united in face of the alien cultures and teeming millions of nearby Asia. Outlying regions of Canada, even when they exhibit no overt and serious infidelity to federation, are at times envious of American prosperity and material growth. Proximity to American markets and a ready north-south axis of communication not merely quicken the exchange of goods and ideas, but create a complicated pull and tug of loyalties which occasionally makes national consciousness ambiguous and uncertain. Australians occupy a continent exclusively by and for themselves; Canadians merely share a continent, occupying the less wealthy and populated portion, and perennially feel the weight of their powerful partner.

In the past, more than in recent decades, the great urban centres of the United States were a potent magnet drawing away much native Canadian talent which might have added vitality to the culture at home. In the eighties and nineties, when an Australian group of writers made the Sydney *Bulletin* a significant vehicle of nationalism, Canadians were streaming south across the boundary. In 1901 slightly more than one-fifth of all persons still living who had been born in Canada were resident in the United States. American urban expansion was in full flood, and the pull of opportunity upon certain elements of the Canadian population was strong, with numbing effects upon the pride of the community. Robert Barr, a disgruntled journalist of Ontario who found a career abroad, exhorted fellow Canadian writers in the nineties to "get over the border as soon as you can. . . . Shake the dust of Canada from your feet, get out of a land that is willing to pay money for whiskey, but wants its literature free in the shape of Ayer's almanac." In the same period Goldwin Smith was writing that "the breasts of some of our Canadian birds of song throb with patriotism, but on opening an American magazine you will find them, at least as soon as they are feathered, warbling

on a foreign bough." The eighties and nineties were the most wintry decades for Canadian nationality, not least because the country was overshadowed by the material progress of the republic in the confident stride of its industrialization. Many then despaired of seeing a distinct Canadian nation in the sense so dear to nineteenth-century romantic nationalists. "It has seemed to me," wrote Edward Blake in 1892, "that, by the courses which of late years Canadian politics have taken, we have been drifting ever nearer to political union with the United States."[9]

But that era passed. The twentieth century brought notable development and prosperity, changed through achievement the outlook of Canadians, increased their self-confidence, and made them more assured of the political survival of their country. The movement of population to the south relatively lessened; that to the Canadian West increased. A swelling tide of migration from the United States took place, especially into the prairie region, and by 1931 every tenth person whom the ordinary active Canadian was apt to meet had come, either on a visit or for permanent residence, from the United States.[10] There was wider conscious acceptance of English-speaking Canada as a blend between American and British ways of life, while in turn the French were profoundly influenced by that blend. Canadian nationality is most positively reflected today in the common will of both British and French to make no complete surrender to North American continentalism, a will which is particularly strong among the French. Rooted deep in the St.Lawrence valley and linked intimately with the cultural tradition of European Catholicism, the French community has feared much the continental melting-pot and the social thought of North America. Thus, whatever its differences with the English-speaking provinces, it has an interest in the unity and integrity of Canada, if for no other reason than that thereby it can preserve its own identity.

[9]Quoted by F. H. Underhill, "Laurier and Blake, 1891-2" (*Canadian Historical Review*, XXIV, June, 1943, 149).

[10]R. H. Coats and M. C. Maclean, *The American-Born in Canada*, 44.

Chapter Three

THE FEDERAL EXPERIMENT

1

The federalized state in Canada was a characteristic and direct product of the applied science and political liberalism of the nineteenth century. Its founders sought, through the union of wide territories, the industrial and commercial advantages of steamships and railways, but they were equally concerned to preserve in local areas the responsible government and popular rule, recently won by colonial legislatures. More remotely the Dominion was a by-product of the American Revolution, a consolidation of those scattered colonies which had remained within the Empire and which alongside of the republic had inevitably to become united in order to survive and develop at a pace in any degree comparable to that of their neighbour. The Fathers of Confederation were alternately attracted and repelled by American federalism; attracted by the grandeur of the general design, repelled by some of its details. Sir John A. Macdonald lauded the American constitution as "one of the most skilful works which human intelligence ever created." But he and his colleagues in Canada were less imitative of that skilful creation than the Australians thirty years later; and in the federal systems of Europe, such as the Swiss, they revealed little interest. Empiricists in temper, they made no evident excursions into abstract political theory. They looked mainly to the experience and traditions of the English-speaking peoples, to the federal structure of the United States, to their own trials in colonial government, and to the union of Scotland and England wherein Macdonald found the germinal idea of federalism in the recognition of diversity and unity.[1] He

[1] *Parliamentary Debates on the Subject of Confederation*, 31.

and his associates were zealous to develop this germinal concept into a new and bold experiment, something distinct from but no less distinguished than the American union.

2

The four colonies which in 1867 became the federated provinces of Ontario, Quebec, Nova Scotia, and New Brunswick were little more than scanty pockets of settlement, subsisting on farms, fisheries, forest industries, and localized manufactures. They possessed only three cities—Quebec, Montreal, and Toronto—with more than 30,000 inhabitants, and little more than 12 per cent of the people were in towns with a population of over 5,000. The centripetal forces, both economic and political, which pulled them together broadly resembled those operative in Australia at the close of the century. Federal union was desired as a means of achieving an extensive area of free trade, wherein interprovincial commerce would stimulate economic development beneficial to all the struggling colonies. The collapse of imperial preferences in the forties and fifties and the abrogation of the Reciprocity Treaty by the United States suggested the need of new and extraordinary measures. Extensive railway construction was seen to be more feasible when sponsored by a large political unit commanding substantial credit, and railways would enable eastern British North America to flourish with the opening up of the western lands, much as the American cities of the Atlantic seaboard prospered with the settlement and exploitation of the Mississippi valley. Thus, in national planning, the Fathers of Confederation were anxious to emulate the methods and impressive achievements of the neighbouring republic. They responded to the dominant thought of the energetic middle class, with its bankers, contractors, wholesale merchants, small manufacturers, shopkeepers, and farmers. Railway contractors, financiers, and steamship companies, eager for the triumphs of private business, were specially powerful, but there existed no significant working-class movement with

aggressive democratic aims like that which was active thirty years later in Australian federal development. In the sixties the Canadian wage-earners had little group consciousness, and separately were unimportant in effecting federal union, which was determined primarily by the neo-mercantilist thinking of the middle class.

The political purpose of federation, scarcely separable from the economic, issued from the desire to achieve greater protection against the imperial pressures of the United States, and from the anxiety in both Canadas to transform the defective union of 1841 into something stronger and more harmonious. Canadian leaders feared the powerful forces of American expansion. As the Civil War pursued its grim course their fears were sharpened by the frank and minatory utterances of public men in the North and the militant spirit everywhere prevalent there. They sought to merge the existing fragments of settlement into a single nation, and, mindful of the fate of Oregon, they endeavoured to secure through such union the vacant territories of the West. "Half a continent is ours," urged Alexander Galt, "if we do not keep on quarrelling about petty matters and lose sight of what interests us most." Weaknesses in the union of 1841 also dictated the federation of 1867. Originally intended as a legislative union, this earlier system came to resemble a *de facto* federation since the two Canadas had equal representation in the legislature, passed special acts for each section, possessed a hyphenated premiership, and received fairly equal grants of public money. Yet the separate cultures of the two peoples complicated the working of responsible government, and created endless frictions which resulted in political deadlock, sudden ministerial changes, and general instability. The demand in the more populous Upper Canada for representation according to numbers threatened to upset a delicate political balance, because the French in the neighbouring province feared it as an attempt to destroy the cultural dualism whereby alone they could survive as a distinct community. True federation, with a generous measure of provincial autonomy, seemed to be a logical way of escape from a union wherein

the full fruition of responsible government was impaired by cultural fissures. It promised to harmonize the diverse cultural groups in a larger political unit. For the French it was a means of preserving their identity; for other colonists it was an escape from colonial inferiority to self-government on a generous national plane, with an ever-widening horizon of expansion.[2]

Federation was not the child of an aggressive democratic impulse or a powerful mass pressure. The colonial leaders, although they championed self-government, shrank from anything like a levelling democratic polity. They were Whigs or contemporary British Liberals rather than Jacksonian democrats. "In our federation," remarked Sir Georges Cartier, "the monarchical principle would form the leading feature, while on the other side of the line, judging by past history and present conditions of the country, the ruling power was the will of the mob, the rule of the populace."[3] The monarchical principle was interpreted as a necessary restraint upon the excesses of a volatile democracy. Characteristically, the draft constitution, unlike that of Australia later, was not submitted to the direct judgment of the people but was merely passed upon by the colonial legislatures. Delegates at the Quebec Conference evidently accepted the plea of a New Brunswick member that it would take too long to educate the mass of the people to accept federation and hence it should not be submitted directly to a popular vote.[4]

The Canadian Fathers sought to create a genuine federation, a state wherein legislative powers would be so logically divided that the Dominion government would be competent to deal with all matters of national concern and the provincial governments with all those of local concern. Their intentions are clearly enough indicated in their speeches in the Parliament of the Canadas, in the Quebec Resolutions, in the London Resolutions, and in the British North America Act itself. But they were federalists with a definite bias

[2]See F. R. Scott, "Political Nationalism and Confederation" (*Canadian Journal of Economics and Political Science*, August, 1942).
[3]*Confederation Debates*, 59.
[4]Joseph Pope (ed.), *Confederation Documents*, 60.

towards those concepts which characterized the Hamiltonian tradition in the United States. They were determined to possess a strong central government, and indeed some hoped that their projected system would ultimately evolve into a unitary régime. The menacing circumstances of the American republic in the throes of civil strife and the rapid transformations of the new industrialism explain this sway of a centralist impulse and the fear of attenuated power. The long and acrimonious controversy from the days of Jefferson over state rights, culminating in the tragic schism of war, made Canadian leaders anxious to learn from the apparent mistakes of their neighbours. "Here," said Sir John A. Macdonald confidently, "we have adopted a different system. We have strengthened the General Government. We have given the General Legislature all the great subjects of legislation. . . . We have thus avoided that great source of weakness which has been the cause of the disruption of the United States."[5] But American constitutional experience aside, the need for a strong central authority seemed urgent then in order to facilitate intercolonial railways, to obtain stable institutions of credit, to stimulate a larger flow of capital from abroad, to speed the absorption into Canada of the western lands, and generally to augment national prestige and power in order to ensure survival in face of the large and aggressive American republic. The new technology seemed in the sixties to exalt the principle of centralism, and profoundly influenced Canadian federal thought.

The desire for a federation with a centralist bias is clearly reflected in the power of the Dominion to appoint the provincial lieutenant-governors, to fix and provide their salaries, to disallow provincial acts, to nominate for life members of the Senate and judges in the provinces, and to direct Parliament in passing remedial legislation, if necessary, pertaining to separate schools within a province. The Senate, unlike its namesakes in Australia and the United States, does not provide equal representation for the provinces large and small; indeed half the members are drawn from the two heavily populated provinces of Ontario and Quebec. In

[5] *Parliamentary Debates on the Subject of Confederation*, 33.

other words the Canadian Senate was not intended wholly or mainly to be protective of provincial interests.

More important was the evident endowment of the federal Parliament with a residual authority in matters beyond those assigned to the provinces. The opening sentences of Section 91 of the British North America Act empowered the national Parliament "to make laws for the peace, order and good government of Canada in relation to all matters not coming within the classes of subjects by this act assigned exclusively to the legislatures of the provinces; and for greater certainty, but not so as to restrict the generality of the foregoing terms of this section, it is hereby declared that (notwithstanding anything in this act) the exclusive legislative authority of the Parliament of Canada extends to all matters coming within the classes of subjects next hereinafter enumerated." Illustrating the general power, whereby Sir John A. Macdonald and his associates evidently hoped to achieve a union powerful at the centre, is a list of twenty-nine subjects. Lord Carnarvon, Colonial Secretary, in defending the bill before the House of Lords, thought that "the residue of legislation, if any, unprovided for in the specific classification . . . will belong to the central body."

3

A federal constitution, however, is what the judges declare it to be. The Supreme Court of Canada and the Judicial Committee of the Privy Council, faithful to the traditional rules of statutory interpretation, have been concerned with the literal meaning of the words in the British North America Act without reference to historical facts or the intentions of the Fathers of Confederation. But since 1867 unfortunately they have not pursued a straight line in interpreting the residual or general power.[6] In the early years, decisions of the Supreme Court and the Judicial Committee, notably in

[6]The most cogent criticism of the judgments of the Judicial Committee is contained in *Report on the British North America Act*, prepared for the Senate of Canada by Mr. William F. O'Connor, K.C. Other useful references are listed in the bibliography of the present volume.

Russell vs. *the Queen* in 1882, attached importance to the general power of the Dominion, but from the mid-eighties, especially with the dominance of Lord Watson and later Lord Haldane on the Judicial Committee, the drift of interpretation changed. The general power of the Dominion came to be minimized and its authority restricted to the twenty-nine specific subjects enumerated in Section 91. Such was the essence of accumulated decisions, notably those so separated in time as *Tennant* vs. *Union Bank*, written by Lord Watson in 1894, and *Snider* vs. *Hydro-Electric Commission of Toronto*, delivered by Lord Haldane in 1925. Lord Haldane contended that the residual power of the Dominion could not be employed to encroach upon the "property and civil rights" power granted to the provinces except in the case of an extraordinary national emergency.

Minimizing the general power of the Dominion was scarcely more than the reverse side of enlarging the scope of property and civil rights in Section 92. In the Confederation debates, the political leaders did not disclose the specific meaning attached to property and civil rights, perhaps because they were concerned with the traditional and familiar civil rights of Quebec, pertaining to the French system of property, inheritance, leasehold, and the private right of citizen against citizen within the province.[7] But in notable judgments the Judicial Committee interpreted the subsection in such a manner as almost to place the real residuary power in ordinary times of peace within the words "property and civil rights in the province." Hence they restricted the power of the Dominion to legislate on peace, order, and good government, a fact illustrated notably in the *Snider Case*, and thus minimized the Dominion aspect of civil rights.

For more than a decade it has been a practice of many Canadian writers on the constitution sharply to criticize the Judicial Committee for what appears to be their provincial bias, or perhaps even their obtuseness, which has frustrated the intentions of the Fathers of Confederation. Yet in all justice to the Judicial Committee they probably did no more

[7]See William F. O'Connor, "Property and Civil Rights in the Province" (*Canadian Bar Review*, May, 1940).

than what the majority of Canadians in the earlier period desired. They gave judicial expression to the upsurge of provincialism, evident from the early eighties to the decade after the First World War, and associated with the rapid growth of land settlement, the varied exploitation of natural resources, and the steady expansion of secondary industry, particularly in Ontario. The economic weakness of the provinces in 1867 had disappeared. Their extensive territories, into which flowed a stream of immigrants, tended to heighten their ambitions, and spur them to contend in the courts for that legislative competence and initiative essential for the development of their resources. The growth of a sense of security throughout Canada, in contrast to the military dangers and insecurities of the sixties, also doubtless helped to strengthen provincialism. Some judicial decisions ran counter to the general trend, notably *Russell* vs. *the Queen* in 1882, the judgment of Lord Birkenhead in the *Canadian Pacific Wine Company* vs. *Tuley* in 1921, and some judgments in the thirties, especially the *Aeronautics* and *Radio* cases of 1932.[8] But the earlier cases favouring the Dominion had little effect in moulding the constitution. The judgment in *Russell* vs. *the Queen*, for example, was virtually disclaimed in many subsequent decisions of the Privy Council.

Whatever its legal merits, the prevailing interpretation of the British North America Act shaped the constitution into a loosely joined federation, wherein during times of peace a substantial legislative power dwells with the provinces. Indeed in some of their judgments the Judicial Committee seemed to suggest that it was their special duty to protect provincial autonomy. In *Tennant* vs. *the Union Bank* Lord Watson complained that "to attach any other construction to the general power which, in supplement of its enumerated powers, is conferred upon the Parliament of Canada by Section 91 would, in their Lordships' opinion, not only be contrary to the intendment of the Act, but would practically destroy the autonomy of the provinces."

Not of least importance in the judicial interpretation

[8]See V. C. MacDonald, "Judicial Interpretation of the Canadian Constitution" (*University of Toronto Law Journal*, I, 277).

which exalted the status of the provinces was the early establishment in *Hodge* vs. *the Queen* (1883) of the view that, within the range of subjects in Section 92 of the British North America Act, the provincial legislatures were truly sovereign law-making bodies, capable like the Imperial and Dominion Parliaments of delegating powers to bodies of their own creation. Similarly it was established, notably in *Liquidators of the Maritime Bank* vs. *Receiver-General of New Brunswick* (1892), that the lieutenant-governor on his appointment becomes as much the representative of the Crown for purposes of provincial government as the governor-general is for purposes of Dominion government. Lord Watson on his death was eulogized by Lord Haldane as having "completely altered the tendency of the decisions of the Supreme Court, and established in the first place the sovereignty (subject to the power to interfere of the Imperial Parliament alone) of the legislatures of Ontario, Quebec and the other Provinces. He then worked out as a principle the direct relation, in point of exercise of the prerogative, of the Lieutenant-Governor to the Crown. In a series of masterly judgments he expounded and established the real constitution of Canada." With the zeal of a true disciple, Haldane himself completed this work of interpretation.

But only less significant than judicial interpretation in shaping the constitution into a more accentuated federalism was the development of convention, determined by the attitudes of mind prevalent among those with political authority. The power of the lieutenant-governors to reserve provincial bills for the approval of the Dominion government coupled with the right to disallow provincial acts within a year after their receipt from the province endowed the government at Ottawa with a control over provincial autonomy more extensive than, but broadly resembling that which the Imperial government was assumed to exercise over the autonomy of the Dominion. The power to disallow was often used. Sixty-five provincial acts, for example, were disallowed in the first thirty years; twenty-nine were victims in the first decade. Between 1867 and 1938 more than a hundred acts were disallowed in all, and in order to avoid

disallowance much other projected legislation was carefully revised by the provinces under pressure from the Dominion.[9] Thus the provincial legislatures operated under the vigilant eye of Ottawa. Despite the judicial decision in *Hodge* vs. *the Queen*, Sir John A. Macdonald, the most dominant statesman of the early period, candidly viewed these legislatures as minor bodies, while he regarded the lieutenant-governors whom he appointed much as a chief factor might look upon his subordinates, and he expected them to behave as dutiful servants of the Dominion. Macdonald set the precedent of disallowing provincial acts whenever they conflicted with the interests of the Dominion as a whole, contravened sound law, violated private and property rights, or appeared to be unconstitutional and *ultra vires*. With varying emphasis and no rigid consistency, subsequent Dominion governments have exercised the disallowance power on these broad lines, but all of them have been much less prone than Macdonald to use the power at all.

The early Liberal party, particularly as represented in the person of Oliver Mowat, prime minister of Ontario (1872-96), persistently fought this wide use of Dominion authority, and eventually vindicated the view that within their spheres of jurisdiction the provinces had autonomy no less complete than that of the Dominion. In 1887 the mounting volume of dissatisfaction with centralist policies in Ottawa was voiced in a conference at Quebec, where the representatives of five provinces agreed that federal jurisdiction should be curtailed, that the power of disallowance should be abolished, that lieutenant-governors should be considered representatives of the King rather than servants of the Dominion, and that each province should nominate some members to the Senate. These declarations repudiated a federalism with a centralist bias. They reflected a fear of centralization prevalent in the community, to which the federal Liberal party, when it assumed office in 1896, was

[9] *Memorandum on Dominion Power of Disallowance of Provincial Legislation*, Department of Justice, Ottawa; also Eugene Forsey, "Disallowance of Provincial Acts, Reservation of Provincial Bills, and Refusal of Assent by Lieutenant-Governors since 1867" (*Canadian Journal of Economics and Political Science*, February, 1938, 47-59).

more responsive than its predecessor. At any rate broadly from the mid-nineties the power of disallowance was less frequently used and the principle more commonly recognized that the Dominion was neither obliged nor entitled to correct the mistakes or injustices committed by provincial legislatures, such correction being inconsistent with the responsibility of provincial governments. The true judge of the abuse of power by a legislature was the electorate.[10] Yet ministers at Ottawa, whenever they consider that a great injustice has been committed by legislation, are still ready to disallow provincial acts. Certainly they have never considered that the disallowance power was obsolete, although increasingly they look upon it as an extreme medicine of the constitution. As late as 1937 a Liberal Government in Ottawa disallowed three acts passed by a Social Credit majority in the legislature of Alberta, and thereby testified that even the Liberal party, despite its traditional zeal for provincial rights, will occasionally use this medicine.

4

The first decade of the twentieth century in Canada was one of notable expansion, abundant immigration, construction of railways, multiplication of towns, and substantial prosperity. Throughout all this expansionist era the cause of provincial autonomy easily triumphed. But the outbreak of war in 1914 created new and grim problems, set in motion powerful and unifying pressures, and for the first time in history forced upon the national government the task of marshalling Canadian resources for a great collective effort. The public looked to Ottawa for leadership as never before. A fresh army of federal public servants moved rapidly into new offices in the capital and assumed new and decisive powers. The Board of Grain Supervisors, the Food Control Office, and the War Trade Board significantly regulated the economy. In its war-time effort the government was not

[10]See especially remarks of Sir Allen Aylesworth in *Memorandum on Dominion Power of Disallowance of Provincial Legislation*, 22; W. P. M. Kennedy, *Essays in Constitutional Law*, 63-80.

hampered by constitutional limitations, for in war the Dominion power for emergency and defence amplifies with speed. A War Measures Act on the British model gave legality to a stream of orders-in-council regulating many sectors of the national life.

After the war, economic and social forces raised the issues of federalism with fresh insistency. Greater industrialization introduced a pressure for government controls and social services. The financial plight of three railway companies forced the Dominion to take them over and thus to create a measure of state capitalism. Inequalities in income produced by war generated new discontents or inflamed old ones, and the discontented looked to Ottawa. An attempt of the Dominion directly to control prices failed with the decision of the Judicial Committee in the *Board of Commerce Case* (1922), wherein legislation to cope with prices and industrial combines was adjudged unconstitutional, while a movement for national social services was similarly brought to nothing. The most feasible procedure involved co-operation between the Dominion and the provinces, well illustrated in the Old Age Pensions Act of 1927, which provided for distributing the costs of service between the Dominion and the provinces under provincial administration. Some provinces were reluctant to provide costly old age pensions because powerful pressures for this service were absent. But payment from the federal treasury to those provinces which were ready to co-operate exerted a coercive influence on the others. Provincial governments were hesitant to deny their electorates a service enjoyed by their neighbours and partly paid for through federal taxes. But, since this complicated collaboration could not be extended to many services, most social and labour legislation in the twenties was enacted by the provinces. The depression of the thirties brought the federal issue under discussion as never before, subjected all governments to sharper financial strains, and exposed serious weaknesses in the existing federal structure. At the outset the Dominion was not held responsible for the burdens of relief and public works, and the provinces, which had to carry these burdens, were without expansible financial resources, being

restricted to direct taxes and licences. The federal problem in a nutshell was that the provinces had a legislative power out of proportion to their fiscal power, while the Dominion, with abundant fiscal power, had inadequate legislative power to control fully the national economy.

The difficulties and embarrassments of the existing distribution of legislative authority were accentuated by the massing of industrial and financial wealth in Ontario and Quebec. In the twenties and thirties these two provinces benefited directly from the exploitation of minerals and woodpulp in the Pre-Cambrian Shield, the presence of automobile production and other secondary industry in southern Ontario, and generally the development of a large hydro-electric economy in the valley of the St. Lawrence. Thus in the third decade of the century they possessed some 60 per cent of the total population and almost 70 per cent of the net values of production. Ontario alone was responsible for over 40 per cent of the net values of production in Canada and over 50 per cent of the gross values of manufactured products. The heart of industrial and financial management is concentrated within that portion of the St. Lawrence valley extending from Montreal in the east to Windsor in the west, embracing the metropolitan centres of Toronto and Montreal. Upon this area and its cities, the outlying regions on the periphery—the Maritimes, the Prairie Provinces, and British Columbia—are in an uneasy dependence, enforced by the tariff and other national policies.

The provinces on the periphery, dependent on the production of staple commodities, experienced a sharper impact from depression in the thirties than those at the centre because of sudden fluctuations in their income with changes in international prices. In Saskatchewan, for example, the average farm price of wheat per bushel dropped from $1.03 in 1929 to 47 cents in 1930 and to 35 cents in 1932. Wheat is here the dominant source of wealth. The total cash income of the farmers declined from $334 million in 1925 to $66 million in 1931. These sharp contractions brought economic ruin to the community, reduced standards of living, lowered the quality of social services, and made acute the problem of

solvency in municipal and provincial finances.[11] One area of the province was also harassed by drought. Apart altogether from depression the provinces on the periphery had a taxable capacity inferior to that of the provinces at the centre. The yield of income taxes, succession duties, and corporation levies in the frontier provinces of Saskatchewan and Alberta was inevitably much smaller than that in Ontario and Quebec because of less concentrated wealth. In 1930, for example, Ontario and Quebec with 60 per cent of the total Canadian population, collected 87 per cent of the total succession duties. The head offices of banks, manufacturing companies, and the larger commercial houses are situated mainly in the metropolitan areas of the centre, and from the taxation of these Ontario and Quebec are able to maintain more generous public services. Inequality between the provinces in the capacity to maintain the services of modern government is a product of inequality in economic power and exploitable resources.

The needs of the depressed thirties led Mr. R. B. Bennett, then Prime Minister (1930-5), to attempt some far-reaching measures concerned with labour law, social services, and commodity control, and known at the time as the Bennett New Deal. Three of the measures were designed to establish national standards for a weekly day of rest in industry, limitation of working hours, and minimum wages, and they were enacted in conformity with Draft Conventions of the International Labour Organization, to which representatives of Canada had agreed. Another act provided for a national system of unemployment insurance in specified industries, supported by compulsory contributions of employers and employees and by payments from the Dominion treasury. A fifth dealt with the marketing and distribution of natural products by a Dominion Marketing Board. But in 1937 all five were invalidated by the Judicial Committee of the Privy Council on the ground that the Dominion had inadequate legislative power and that the acts affected property

[11] W. A. Mackintosh and others, *Economic Problems of the Prairie Provinces*, 26-8; G. E. Britnell, *The Wheat Economy*, chaps. V-VII.

and civil rights in the provinces. These decisions signalized the fact that, despite the new and grim necessities of Canada in the thirties, the constitution as interpreted by the Judicial Committee for more than forty years still stood. Economic life was divided between the Dominion and the provinces, and the major responsibility for labour and social legislation lay with the provinces. The Dominion must either make its policy narrowly conform with the existing distribution of power or obtain amendments of the British North America Act. Such was the basic circumstance of the federation.

The strains of federalism at the time led to an elaborate investigation by the Sirois Royal Commission on Dominion-Provincial Relations, which was appointed in 1937 and reported in 1940.[12] The primary concern of the Sirois Commission was finance, since the unequal distribution of the national income between the people of different regions created difficulty and discord, and would continue to do so as long as the existing fiscal system remained unchanged. The Commission recommended the achievement of a new federal balance, which would involve an easing of provincial burdens by the shift to the Dominion of full responsibility for the relief or aid of unemployed employables, the assumption by the Dominion of all provincial debts, the relinquishment by the provinces of claims upon the former federal subsidies, and of their rights to impose succession duties and personal and corporate income taxes. These fiscal measures were designed to enable every province to carry out its normal functions of government and to ensure social services equal to an average Canadian standard without imposing on its residents a fiscal burden greater than the average for Canada. Provinces unable to provide social services up to the average Canadian standard without too heavily burdening their citizens were to receive annually from Ottawa national adjustment grants, determined at five-year intervals by a special finance commission. The Royal Commission also made many auxiliary recommendations to improve the federal

[12] *Report of the Royal Commission on Dominion-Provincial Relations* (Ottawa, 1940), 3 vols. with appendices.

structure. It suggested a greater flexibility in delegation, whereby the Dominion might delegate power to the provinces or the provinces to the Dominion, an improved co-ordination of activity in agriculture between the Dominion and provinces, and a new co-ordination and consolidation in the controls over Canadian transport, preferably under the Dominion government.

The significance of the Sirois Report is that it indicated the point reached by Canadian federal thought seventy years after the establishment of the Dominion and on the eve of war in 1939. It reflected the growing sense of nationhood which demanded a more truly national instrument of government. Yet it was also the work of men who as liberal-democrats were anxious to avoid an extensive contraction of local liberties, who had no desire to exalt a central bureaucracy at Ottawa, and who in any case were not permitted by their terms of reference to consider whether federalism in Canada was a failure. Despite a swing of the pendulum away from provincial particularism, the dominant opinion of the time did not seek to substitute a unitary for a federal equilibrium; it merely sought a new balance between local and central authority. Even the new balance recommended by the Sirois Commission was then successfully resisted by the strong provinces, although concessions soon came. The effect of the Second World War was once more to strengthen the centralizing impulse in the federation, illustrated in the relative facility with which an amendment of the British North America Act was now obtained to provide a national scheme of unemployment insurance. Sweeping powers were allowed the Government at Ottawa by the circumstance of war emergency, and the public increasingly looked to the national capital for guidance and service. Those who carried a leadership in war were evidently zealous to maintain a leadership in peace. The Dominion Government projected a series of measures in the sphere of social service which emphasized the pressure for centralization and stressed more than ever the necessity for a redefined equilibrium of powers between Dominion and provinces. Notable was the establishment (1944) of family allowances paid from the national treasury.

5

Since, unlike the constitutions of the United States and Australia, the British North America Act included no definite provisions for its own amendment, the procedure actually followed since 1867 is the child of convention rather than law. The reason for this omission from the Act is not clear. It was probably not, as is sometimes assumed, a mere oversight by the Fathers of Confederation. More likely it issued from their confidence that the residual power dwelt with the Dominion and embraced an untrammelled discretion to propose amendments. They left to the provinces the amendment of their own constitutions, except changes affecting the office of lieutenant-governor, and evidently assumed that it was unnecessary to prescribe any special procedure for changing strictly Dominion institutions. They little anticipated the numerous difficulties of federalism.

From 1871 it became the dominant practice that when the Dominion sought a constitutional alteration it proceeded by an address from the Senate and House of Commons to His Majesty, requesting the passage through the British Parliament of an amending act. The Parliament at Westminster has been forced to act as a mere automaton; it has quietly and quickly passed the proposals as a matter of form. In most amendments hitherto, the Dominion government has not consulted the provinces. In the earlier decades it was evidently assumed, even by so genuine an exponent of provincial rights as Edward Blake, that the position of the provinces would be adequately protected by obtaining assent for amendments from both Senate and House of Commons.[13] Blake and his contemporaries in the seventies and eighties saw no reason for any direct consultation of provincial governments. But their Liberal successors today think differently. The first clear instance of consultation occurred prior to the amendment of provincial subsidies in 1907 because Laurier, who was then prime minister, was genuinely jealous for provincial rights and ever anxious to placate sentiments in his native Quebec. Since then it has many advocates especially among those provincialists who claim that federation is a compact and that any change in its terms must be acceptable

[13]See *Parliamentary Debates*, 1871, 65.

to all the provinces. Yet in fact no binding convention exists requiring a unanimous consent of the provinces or even the consent of a specified number. Provincial consultation is still merely a matter of political expediency, dictated by the strength of provincialism in modern Canada. Mr. Bennett gave an attentive ear to the provinces, especially Quebec and Ontario, before the passage of the Westminster Act because of its profound implications for the constitution. Similarly Mr. King obtained the consent of the provinces prior to enacting in 1940 the unemployment insurance amendment. In the twenties he had sought their agreement to the Dominion's taking action in the sphere of unemployment insurance.[14] It is clear that provincial consultation on questions of amendment has come not merely or mainly from academic federal theory but from the party tactics of harassed leaders anxious to win as wide support as possible.

The growing emphasis upon a strict federalism in opposition to unitary tendencies has resulted in the twentieth century in the advocacy of some standard method of amendment like that in the United States and Australia whereby it would be compulsory to consult the provinces on changes affecting their jurisdictions and interests. This federal conception would lift the amending procedure from the status of convention to that of law. It would introduce, in harmony with orthodox federal philosophy, an element of provincial veto on certain types of constitutional change, and thereby create more rigidity in legal rights in addition to the existing rigidity in political fact. This phase of federal thought is nurtured, not merely by provincialism, but by the parallel and rival growth of Canadian nationalism, especially by the zeal of nationalists to have constitutional amendments achieved within Canada through a formal method grounded in national agreement. But a change in existing procedures has encountered a formidable conservatism, and up to the present no action has been taken to create a fresh method of amending the British North America Act.[15]

[14] *House of Commons Debates*, 1940, 1116.

[15] Much discussion has taken place on the amending procedures. See especially the *Minutes of Proceedings and Evidence of Special Committee on the British North America Act*, 1935.

6

Municipal institutions lie wholly within the jurisdiction of the provinces, and their fortunes are locked with those of the provinces. Although their local self-rule is genuine, they are inseparable auxiliaries of the provincial system of administration, share in a corpus of functions that pertain to that system, and evolve under provincial law in response to the peculiar necessities of their respective regions. In the two provinces of Prince Edward Island and British Columbia, the greater area is still not organized for local government and is directly under provincial departments. It was Ontario which pioneered in municipal institutions under potent streams of influence from Great Britain and the United States. The United Empire Loyalists and their descendants in Upper Canada successfully pressed for those elements of local administration with which they had been familiar in the Thirteen Colonies and which had British roots. Hence, before Confederation, Ontario with its townships, counties, cities, towns, and villages, all in possession of elected councils, became the flourishing centre of municipal rule, and after Confederation its network of local institutions profoundly influenced the rise of those in other provinces, especially in the West. British ideas were most evident in the early civic corporations. Thus in 1832 at its first incorporation, Montreal resembled in form an English borough, and its charter was signed by His Majesty. Significantly, neither Montreal nor any other city of Quebec has been obviously influenced by the civic administration of modern France; local government here is not French, but British and North American.[16] Similarly the incorporation of Toronto in 1834 conformed to a British pattern, wherein aldermen and councillors combined to elect a mayor from the ranks of the aldermen.

More recently the pervasive influence of the United States upon the forms and practices of civic rule has outweighed that of Great Britain. Here the perennial impact of American culture has been most pronounced. Contiguity has brought about a close association of city leaders and

[16]A. J. Pick, *The Administration of Paris and Montreal*, 92-3.

officials from both sides of the international boundary with evident effects on accepted thought and current procedure. Social environment has triumphed over British inheritance, and Canadian democracy has come to assimilate numerous institutional elements from American democracy, notably the annual election of councils, direct election of mayors, elected boards of control in many cities, payment of elected officers, and frequent delegation of administrative functions to nominated commissions or boards whose powers are conferred by provincial statute. These bodies deal with such matters as police, parks, and transport. Notable are the elected school boards, rooted in a remote Canadian past, which spend a substantial portion of the money raised by local taxes.[17] This partiality for independent administrative commissions, with its effect of diffusing responsibility, is a striking departure from the British system, wherein administrative and legislative functions are generally concentrated within the one council, and responsibility is not split into fragments. Thus, in its urban units, Canada pays tribute to the principle of checks and balances in a divided authority, so much cherished in the United States. Taxation of real estate has been almost completely reserved to the municipalities, and assessment of property is on the American rather than on the British plan, imposed upon capital instead of rental value. A zeal for varied experiment and diverse forms has marked the municipal institutions of Canada only a little less than those of its neighbour. Although there is a tendency to imitate American innovations, there is also a disposition to carry out changes more slowly, and sometimes, as in the case of annually elected civic councils, Canadians cling to what originally had been American practices long after they had lost favour in the United States. The peculiar social milieu of the different regions profoundly influences municipal structures.

The system of Ontario with its townships and counties, when extended to the West, was altered somewhat in adapting it to an area of sparse settlement. Hence the common rural

[17] In the cities of Ontario the expenditure on education has generally constituted between 25 and 35 per cent of the total municipal budget.

unit in the Prairie Provinces is a blend between a township and a county. The county itself varies in organization in the different provinces. In Ontario the county council is made up of elected officials from the townships, villages, and towns within the county, whereas in New Brunswick and Nova Scotia the members of the equivalent body are elected directly by the ratepayers. Differences also exist in municipal franchises. In some municipalities the franchise is restricted to property owners; in others it is open to all adults irrespective of their property. Thus wide differences prevail throughout Canada as to what democracy should mean in municipal terms.

A significant trend in the twentieth century has been towards centralization and enlarged control by the provincial authority, involving a contraction in genuine local self-government. Such development began in western Canada with the extravagances of municipal expansion in the era prior to 1914, and became even more urgent in the thirties with the havoc wrought by depression upon municipal finance and the resultant necessity to rebuild its structures. Sometimes the provincial direction is no more than effective advice tendered to municipalities in order to increase efficiency in the collecting of taxes and the keeping of accounts; sometimes it is a rigid control of municipal procedures or the absorption of power by provincial departments. In Ontario, for example, the Municipal Board appointed by the government has power to require municipalities to conform with the law without recourse to the courts, power to deal with defaulting municipalities, and other authority of a supervisory nature over capital expenditures and permanent improvements. Like bodies in other provinces have similar powers. The advance of industrialism has increased the number of public tasks, especially in regard to the provision of social services, which municipalities are incapable of performing without aid and guidance from provincial administrations. The development of the motor vehicle created a need for highways which the local units could ill provide, and the provinces, eager to stimulate the tourist trade, increasingly had to shoulder the mounting expense of such highways.

Similarly in education a steady rise in costs has involved a shift in expenditure and control from the locality to the province. Great disparities exist between the capacity of different areas to meet the expenses of education, disparities indeed greater than those between the provinces themselves. Consequently there is a persistent pressure in the democracy to have the deficiencies of one area corrected by the abundance of another, and this attempt to equalize educational opportunities means an enhanced provincial control and responsibility.

7

Federalism is the most distinctive venture of Canadian democracy and its most notable achievement. Its successes and virtues are manifest. It has hitherto made possible within a continental state marked by much diversity, the presence of friendly rivals in political experiment, of autonomous areas responsible for the development of their own resources and the maintenance of government in harmony with their prevailing social philosophies. The provinces have been no less distinguished laboratories of separate legislative experiments than the states of the American union, a fact illustrated especially in hydro power policies, social services, education, municipal institutions, and labour law. Legislation and administration are here readily adjusted to peculiar regional circumstances and needs. The legislative ingenuity of one province is tested to the advantage of all, and a wholesome emulation in political ideas is secured. Local discontents have a local vent. Moreover federalism has gone far to regulate effectively the dual stream of English and French culture and to facilitate among heterogeneous elements the growth of a common national consciousness, although the day is doubtless remote when these diverse elements will be completely merged in a single Canadian nationality. The success of this federal experiment has depended finally upon a popular readiness to accept compromise, to be patient with the expediencies of the moment, and to trust in the perennial working of political persuasion whereby

a rough harmonization of provincial interests is normally achieved. It rests, in brief, upon the same psychological foundation which alone can enable parliamentarism to survive and through this circumstance it is intimately linked with parliamentarism. Its difficulties and disharmonies, indicated in preceding pages, are not simply due to a constitutional rigidity, although such rigidity exists. They arise from the effort of the community to adhere strictly to the federal pattern of politics in the face of centralizing economic pressures, and from the conviction that federalism has a virtue in itself as a form of liberal democracy.

In the future the maintenance of federal government will increasingly make exacting demands upon the political capacity of the Canadian people. With advancing industrialism the need in particular of efficient economic controls on a national basis and the need for a transfer of purchasing power from the wealthy areas to the less wealthy will not decrease, and under democracy can be satisfied only by successive and sage compromises within the present régime. Unfortunately the achievement of such compromises takes time, and some economic problems grow worse with delay. Canadian experience has demonstrated that federalism is an excellent instrument for popular rule in a continental state, but also that it is not a simple instrument.

Chapter Four

PARLIAMENTARY INSTITUTIONS

1

The parliamentary institutions of Canada both Dominion and provincial are profoundly influenced at every turn by their North American milieu and the federal system within which they operate. The interaction of British inheritance and American environment is variously reflected in Parliament, the executive, the modes of financial control, the political parties, and municipal government. Yet more notable than the inevitable imprint of North America is the extent to which Canada has preserved the basic elements of the British parliamentary régime, especially the symbolism of the monarchy, the intimate tie between executive and legislature, the presence of parties disciplined by parliamentary leadership, and the very meagre reliance upon direct appeals to the people in referenda. The constitutional system, despite the impact of political movements in America from the Declaration of Independence to Franklin Roosevelt, is clearly an adaptation of the institutional development of Great Britain, particularly that development in the two centuries from the Puritan Revolution to the ministry of William Gladstone.

The democracy of Canada, unlike that of its neighbour, is without a revolutionary tradition. In its history, from the small and parochial colonial legislatures of the eighteenth century to the modern national Parliament, there has been no sharp break in the steady institutional growth, no profound eruptions from below, no heroic enunciation of independence, and no declaration of rights. The subtle sense of continuity is here very strong. The one critical turning-point in the

political evolution was the triumph of responsible or cabinet government in the middle of the nineteenth century, which to the Tories of the time appeared as a catastrophe, but which was in the logical course of evolution towards a further assimilation of colonial institutions to those of Great Britain. There was no bitter struggle for the extension of electoral rights. Almost from the genesis of representative legislatures in the Canadian colonies, the franchise had rested on a liberal property basis, and in a country of abundant land a large number of citizens possessed the required qualification. Here no less than in the United States there was what de Tocqueville called "the equality of condition." Such conflict as broke through the surface of the existing social order was without revolutionary spasms, except in the rebellion of 1837. The sharpest tensions were generated in the French community where cultural and political traditions were less favourable to democracy, where a clearer break was made with a semi-feudal past, and where democratic claims were fused with those of local nationalism. But the guidance of such sage and skilful leaders as Lafontaine, Cartier, and Laurier effected a transition with only moderate irritations. Apt today is the remark of André Siegfried that "the French-Canadians are democratic, but in the Anglo-Saxon manner."

In the neighbouring republic, the constitution as a single written document has been from the outset the ark of the covenant, the sign and seal of the state, whereby civil and political order is preserved. Its very creation was a break with the past, and it has been cherished as the major symbol of the nation. But in Canada the constitution has never been viewed in such a light, because in many significant features it is much older than the British North America Act. It is grounded deep in British law, precedent, and convention, and has assimilated the miscellaneous elements of the British constitution. Similarly there is less formal emphasis in Canada upon the ideological foundations of the democracy, upon the equality of all men and their inalienable rights to freedom, justice, and opportunity. In the United States this creed was written into the Declaration

of Independence, the Preamble of the Constitution, the Bill of Rights and the constitutions of the several states. For generations political leaders, especially in times of crisis, have made it the source of national stimulus and morale. But Canadians, despite their proximity to the remarkable American experiment, are disposed to take the ideological basis of their democracy for granted. Their democratic ideals are commonly an unexpressed premise. At any rate they rarely expound their doctrines with a sense of mission. They have a British diffidence about formulating principles to guide political conduct, a diffidence due perhaps primarily to a profound sense of inheritance and the absence of a revolutionary tradition.

2

The symbolism of the Crown, whereby the realities of rule are hidden behind a screen, has many implications for Canadian democracy difficult to assess. As in other autonomous nations of the Commonwealth the Crown helps to ensure within the state an effective and responsible executive. It may even occasionally, in virtue of its reserve power, act as the guarantor of constitutional conventions beyond the ordinary capacity of Parliament, courts, and people to guarantee. There is a subtle distinction between the role of the King and that of his representative. The governor-general, who has long ceased to act as the mouthpiece of the Imperial government or to preside over the active Canadian executive, represents the Crown. But since he has been virtually nominated by the Canadian government, and, since he comes and goes within a relatively short interval, he cannot enjoy the national prestige of the actual monarch. Sir Robert Borden not inaptly described him as "in effect a nominated president." His powers of personal magnetism will inevitably vary with his personality, but seldom can he appeal to popular sentiment in the same magnetic way as the monarch. However much he may graciously act as the King himself would act, he is still a substitute. Consequently he loses much as a potent symbol

and mirror of the nation. For such a symbol, Canadians must look beyond him to the King in person. (Sir Ernest Barker has remarked that much of the influence of the monarch in England dwells in the circumstance that to his people he is the custodian of social ethics. The governor-general in Canada can hardly substitute for him in this respect, as his moral influence is less powerful. But at any rate he may offer informal counsel to ministers, although not from the same ripe experience as the King. He can wield, moreover, that discretionary power which still dwells with the representative of the Crown to dissolve Parliament or to refuse a dissolution to a responsible minister provided that he finds another to assume responsibility before Parliament. Lord Byng in 1926 rejected the request from Mr. King for a dissolution, although the Liberals in Canada have doubtfully argued that the electoral return of Mr. King shortly afterwards settled the issue of whether the governor-general could constitutionally refuse a dissolution.[1] We may assume that the discretion of the Crown is no less present in Canada than in Great Britain, South Africa, or Australia; it helps to ensure that neither Parliament nor King is a mere creature of the Cabinet.

3

The Senate in structure and character illustrates some of the diverse political ideas which influenced Canadian parliamentarism in its formative stage. Unlike its namesakes in the United States and Australia, it was not planned to perform a strict federal function, and is not viewed today as an organ which peculiarly represents the provinces. Its twenty-four members from each of the four regions are appointed for life by the Dominion government, and hence in no sense are regarded as (directly responsible to the provincial legislatures or electorates.) The provinces, large and small, are much less concerned with representation in the Senate than with representation in the Cabinet, which

[1]The Byng incident is fully and ably examined by E. A. Forsey, *The Royal Power of Dissolution of Parliament in the British Commonwealth.*

in Canada is a truly federalized institution. The character of the Senate was peculiarly shaped by the political circumstances in the sixties, particularly by that Whig distrust of "pure democracy," entertained by the Fathers, whereby they meant complete dependence upon an elected majority. When at the Quebec Conference Sir John A. Macdonald affirmed that their aim was to "work out constitutional liberty as opposed to democracy,"[2] he had in mind a constitutional system wherein naked popular majorities would not solely dominate and wherein the sudden gusts of popular passion would be controlled. He and his associates were anxious to preserve minority rights, and to erect bulwarks against the democratic tide. To this end the restraining supervision of a Senate was to play its part. They sought a second chamber reflecting the will, not of mere numbers, but of those with social position. "The rights of the minority," remarked Sir John, "must be protected, and the rich are always fewer in number than the poor." He claimed that all colonial leaders at the Quebec Conference believed that the basic principle of the British constitution should be conserved, namely that classes and property should be represented as well as numbers.[3] A colonial counterpart of the House of Lords with life but not hereditary tenure was regarded as the desired norm. The chief spokesman for French Canada, Sir Georges Cartier, sought in the Senate "a power of resistance to oppose the democratic element," while a fellow member of the same community argued for a second chamber "to protect the people against itself and against the encroachment of power." In accepting an appointed chamber with a special property qualification distinct from that of the lower house, these men discarded the precedents of the United States, wherein second chambers with rare exceptions were elected. They were prone indeed to attribute the contemporary ills of the republic to an excessive dependence upon the elective procedure. They were confident that an appointed Senate would be closer to the British type and would ensure the

[2] Pope (ed.), *Confederation Documents*, 54-5.

[3] *Parliamentary Debates on the Subject of the Confederation of the British North American Provinces*, 39.

nineteenth-century Whig ideal of a balanced representation of social interests.

From 1867 to the present, the Senate has remained virtually unchanged, fixed in character by the conceptions of the Fathers. All the subsequent confidence in the elective principle, however dominant in North American democracy, has not altered the appointment of senators for life by the Government of the day. When in 1927 an inter-provincial conference discussed senatorial reform, it decisively rejected the American practice of election; the second chamber must continue to be nominated.

The relative success or failure of the Senate is a matter of opinion. Its virtues have usually been unhonoured or even unrecognized; its defects well publicized. It has failed to rivet on itself wide popular attention and esteem. It is commonly neglected by newspapers, and seldom does it influence profoundly policies and legislation. Its relative lack of popular favour is partly attributable to the fact that its appointments have been frankly drawn into the system of party spoils. From the earliest years, with rare exceptions, the prime minister of the day has followed the practice of nominating only orthodox members of his party, especially those who have served the party long and well. Whatever the ability and zeal of appointees or the depth of their experience—often they are men of distinguished achievement—they can seldom escape in the public mind from the stigma of receiving a reward rather than a call to service. Former members of the House of Commons who have suffered electoral defeat or are too old to battle further for office, affluent men who after successful careers in business contributed to campaign funds or in other ways aided their party, constitute a considerable number of the appointees. Leftist critics have never failed to emphasize the high percentage of senators who sit on the boards of powerful commercial corporations. The inner corps of large Canadian business at any rate has an adequate voice, a fact related to the mode of appointment. Owing to its composition, the Senate in debate has commonly that air of superannuated indolence which Lord Bryce discerned in the British House

of Lords. Much competence exists in its ranks, but a competence which unfortunately possesses only a limited chance for effective work.

It is not merely or mainly party appointment for life which has prevented the Senate from exerting a profound influence on policy and legislation. More fundamental is the circumstance that, despite the formal equality of the two chambers, the ministry is responsible to the lower house as the prime guardian of expenditure, and survives only as long as it commands support from that house; hence it is there that it introduces all important legislation and defends its policies. Prior to the twenties, usually one and occasionally two or even three members of the Senate received portfolios in the Cabinet, but with one exception, since the precedents set by Mr. Mackenzie King in the twenties, only a single minister without portfolio sits in the Senate, a fact which reduces its significance in the enactment of law and in the control of policy.[4] Ministers introduce all the crucial legislation to the commons, where they sit as members, while in the early part of a session the Senate has to wait patiently or adjourn until the legislation of the session comes before it. "Year after year," complained Senator Arthur Meighen, "the services of this house are allowed to slumber for a good portion of the session."[5] Moreover, the Senate realizes only too well that, while it may criticize and amend, it must finally yield to the dominant views expressed in the popular chamber. Under the British North America Act it was endowed with an absolute veto providing it with co-equal power, but in fact its veto becomes merely suspensive and delaying because it ultimately surrenders before a potent and consistent pressure of public opinion reflected in the votes of the commons. With rare exceptions it cautiously avoids a clash with the lower chamber.

The senators have performed a creditable service in revising and amending legislation. They are frequently charged with partisanship, especially when a majority is

[4]For pertinent remarks on these circumstances by Sir Allen Aylesworth see *Debates of the Senate*, 1934, 161-3. Actually also in the first Borden administration no senator held a portfolio.

[5]*Debates of the Senate*, 1939, 37.

hostile to the party then in office. Yet ordinarily they are less motivated by party loyalty and less regimented by party discipline than members of the commons. They are not without partisan spirit, and divide into the Government group and the Opposition, seated to the right and left of the speaker. But they are more impartial in discussing bills, and in committee pursue their tasks with impressive care. With no specific electorate to placate, they are less inclined to oppose merely for the sake of partisan ends, and speak less to the gallery, for in truth there is seldom a gallery. The investigatory work of their standing and special committees is often distinguished, while they greatly improve by revision many public bills received from the lower house. Moreover the Senate as a whole has contributed something to the delicate task of reconciliation among the divergent groups and interests throughout Canada. Prime ministers have often placated the temporary irritations of minorities by appointing to it a Roman Catholic from Ontario, a Protestant from Quebec, or a Frenchman from the West. Appointments to the Senate thus constitute at times a political convenience for national leaders, harassed by the problems of winning consent.

From early years senate reform has been periodically discussed, but the difficulty of devising a satisfactory second chamber is no less acute here than in other parliamentary states, and in the path there are special obstacles. Even without structural changes, the present chamber could be utilized to better advantage by having more bills initiated within it and by being organized into more investigatory committees. Its capacity for major committee work is not fully utilized. But any extensive structural change is difficult because such change would threaten influential interests in the federation. The population of the Maritime Provinces is more generously represented than any other main section of Canada, and would be unfriendly to a reduction in the number of its representatives. Quebec would be no less hostile to any considerable senatorial reform because it is suspicious of every constitutional innovation, traditionally on the defensive, guarding its culture and

institutions against interference from English-speaking Canada. Thus the Senate remains as it is because no strong interests seek, and many would oppose, its reform and the indifference of the multitude gives it security.

4

The Canadian House of Commons, although it is not the oldest among the legislative chambers patterned upon Westminster, is the first wherein representatives from federated colonies convened, the inheritor of parliamentary tradition from the colonial legislatures which attained responsible government in the nineteenth century, and the forum for some eighty years where men of French and British descent have discussed their common affairs and achieved that delicate balance of interests on which the Canadian national state rests.

In structure, rules, procedures, and ceremonial the Canadian House of Commons inherits the accretions of British parliamentary custom and usage. The practices of Westminster are scrupulously followed unless specifically modified or replaced by decision of the Canadian house.[6] In a rectangular chamber divided, as in London, by the traditional gangway, the Government and Opposition parties contend in debate. But it is doubtful whether their discussions exert an influence on national thought and political behaviour comparable to that of their overseas prototypes, or whether the House of Commons performs adequately the function which Walter Bagehot so much emphasized, that of teaching the nation what it does not know. The federal Parliament would seem to be less effective than the British in providing to the nation real leadership and political education. It adds to the stirrings of thought, but among the populace its influence is restricted by the endemic penalty of federalism, namely the dissipation of public attention between the national and the provincial legislatures, between federal and local issues. Provincial

[6] Arthur Beauchesne, *Rules and Forms of the House of Commons of Canada.*

politicians are always zealous to attract attention to themselves; the most skilful succeed. The provincial is often more impressive than the national stage because it is in nearer view. (Fishermen in the coastal villages of Nova Scotia or farmers in the Kootenay valley of British Columbia look upon Parliament in Ottawa as something very remote. ts discussions do not always appear related intimately o their lives.) It is inhibited by the geographic magnitude and heterogenous nature of the state, and its task in some respects is rendered more difficult than that of the British Parliament by the diffuse and sprawling quality of the democracy. It too like Westminster receives in the metropolitan press the fierce light of publicity, but in the more local and regional press it commonly obtains scant attention except when its debates pertain to regional affairs or when some nation-shaking issue is involved. Among the French of Quebec it is always under the veiled suspicion of being ruled by the prejudices and interests of the English-speaking electorate. (Thus the regionalism and dualism underlying Canadian life hamper Parliament in becoming that uniform focus of national thought which is the peculiar asset of the British Parliament.) More rarely than in England is the public restless to have it meet in order to debate some issue disturbing an anxious community. It is deemed a less indispensible forum of discussion than its overseas parent. It is not the same centre of political illumination. Less often does the arousing of public opinion force the Government to modify policies, for the prompt marshalling of a truly national opinion in Parliament is much more difficult.

In organization and parliamentary practice there are also notable distinctions, illustrated especially in the speakership and in the character and achievements of committees. In Canada the speaker is less divorced from the entanglements of party. At the beginning of a Parliament he is proposed by the prime minister, whose proposal is seconded by another minister. Unlike his British counterpart, who may retain office during successive Parliaments and is not necessarily affected by a change of ministry, he sits merely for the duration of a Parliament. In general elections

he has to conduct a partisan campaign to secure re-election, whereas when acting as speaker he is expected to be strictly impartial in his rulings and generally fulfils this expectation. The dual nationalism of Canada is expressed in the practice that a speaker of British origin is in the subsequent Parliament followed by one of French extraction, and the deputy-speaker always differs in racial origin from the speaker. These differences are something more than dignified formality; they indicate in the proceedings of Parliament the ever prominent role of party and the pervasive sense of bi-nationalism.

(In the constitution of its committees, the Canadian Parliament follows procedures broadly like those of Great Britain, but it misses some virtues of the British system and is without compensatory qualities.) Here again are evident the stubborn impulses of federalism, the aggressiveness of party, and the awareness of cultural cleavages. As in Great Britain, the ordinary standing committees reflect in their composition the strength of parties within the house, but, unlike those in Great Britain, they must also represent provinces and races, sometimes unfortunately to the extent of minimizing competence and experience. Public bills, after being read twice in the house, are referred to one of the standing committees, or in some cases to special committees, empowered to overhaul the whole bill and even change all its provisions, provided that they do not alter the essential principles adopted on second reading. All bills prior to the third reading are referred to a committee of the whole house. Most evidence suggests that in the last quarter of a century, with the multiplied tasks of the federal government, the potentialities of either the standing or select committees have not been utilized. Too commonly select committees have not been appointed until the latter part of the session, when their work is hurried and unsatisfactory, and when in any case the energies and interests of members are flagging. Moreover, the attempt to make them widely representative of provinces and interest-groups results in their often being constituted by men with too scanty knowledge and experience for the given task.

The most notable weakness pertains to the treatment of finance. As in England the house, acting as a committee of the whole, scrutinizes and passes the estimates submitted by the Government, and in action reflects the principal merits and limitations of its British counterpart. The most serious omission is the virtual absence of a Public Accounts Committee of the British type, able to inspire in departments a wholesome respect for its inquiry into irregularities. Although such a committee exists in name, it does not meet regularly to review the public accounts and to examine criticisms by the auditor-general. It is convened only when there are alleged abuses to investigate, and years have sometimes elapsed between its sessions. In any case it is too defectively constituted to perform its tasks well. Unlike the British committee, which convenes annually under the chairmanship of a member of the Opposition, it is presided over by a prominent representative of the Government party, and it is large and unwieldy, with a membership often ranging in the past as high as eighty compared with fifteen members in the British committee. Not since 1908 does it seem to have made any useful suggestions on the accounting system of the Dominion.[7] The heavy expenditures of the war resulted early in 1941 in the appointment of a special committee on war expenditures, resembling that in the British Parliament. It consisted of twenty-four members, sixteen of whom belonged to the Liberal party in contrast to the fact that in the parallel British committee the Opposition and the Government were equally represented except that the chairman belonged to the Government party. Although the Canadian committee performed useful work, it was inevitably accused of partisanship because of its composition.

The broad fact is that Canadian democracy has never possessed a powerful impulse for retrenchment comparable to that in Great Britain during the era of Gladstone when the modern mechanisms of financial control were perfected. The art of national bookkeeping was never as sedulously cultivated as in the motherland. There was no aristocracy

[7] *Debates of the House of Commons*, 1939, 2099, 2102.

zealous to improve administration as the essential price of its own survival. Sydney Buxton remarked that to Gladstone ("any expenditure was an evil, though sometimes a necessary evil.") Such a rigorous spirit of economy was certainly not characteristic of Canadian politicians in the same period. On the contrary the parliamentary régime at Ottawa took form when the potent currents of colonial expansion ran counter to retrenchment, when political parties in office were sustained by patronage, when the electorate pressed for extravagant spending on public works, and when popularity was not to be won by assiduous attention to the minutiae of efficient administration. The institutional imprint of that lax and optimistic era has never been effaced, nor rigorous financial control by Parliament fully achieved.

5

The relations of Cabinet to Parliament in Canada broadly resemble those in Great Britain and the other Dominions. The prime minister and his colleagues constitute the apex of the Government, determine all important policy and legislation, and possess an authority founded on bonds of party discipline, which here resemble even more than in London links of steel. Rarely indeed do men cross the floor of the house to vote against their own party in office. Beyond the direct influence of public opinion upon the Cabinet, expressed through the newspapers and in the open debate of Parliament, an important control upon leaders is provided by the discussions of the caucus, and a caucus may be strong or weak according to the calibre of the ordinary members who at the time constitute it.

For more than a generation in Ottawa no less than in London, it has been complained that Parliament is a rubber stamp used by the Cabinet, that true parliamentary control is a myth, and that the sole business of a private member is to vote as he is told. These complaints in both Canada and England are commonly exaggerated and misleading; they unduly simplify the mutual, intimate, and complex

relations between Cabinet and Parliament, and they minimize the subtle influence of those miscellaneous currents of opinion voiced by parliamentarians. Yet there is little doubt that the power of the prime minister and his colleagues under Canadian conditions is immense, and in a time of crisis, such as that of war, it may be exercized with little serious restraint by the suasion of parliamentary debate. In the first eight critical months of war, 1939-40, Parliament sat for only six business days. In such a short session any exacting scrutiny of public business was impossible, although crucial policies were executed by the Government. In the first three years of war, the Canadian Parliament sat for forty-two weeks compared with the 127 weeks of the British Parliament. In Canada the parliamentary week ordinarly involves more days, but there is still a discrepancy in the length of sessions and adjournments, which in turn affects the force of the parliamentary check on the actions of the Government. The sessions in Canada have been extended during the past forty years, but members still dislike long sessions because in Ottawa many of them may be a thousand miles from home, and during a prolonged absence business or professional work may suffer. Professional politicians among the rank and file are still few although they grow in number. The longer the session, the shorter is the time left for the ordinary member to perform his non-parliamentary tasks.

While the rules and procedures of the Canadian House of Commons resemble those at Westminster, they have not been applied so effectively in order to influence the executive through discussion. For this purpose general speech-making on set occasions is less useful than discussion restricted to specific topics, and at Ottawa the private member likes to indulge in the general and time-consuming type of oratory permitted on three or four occasions throughout the session, especially during debates on the speech from the throne the budget, and the estimates. There is much miscellaneous talk, mainly to edify home constituencies rather than to influence the administration. A member pertinently complained in 1943 that there was no satisfactory daily allocation of time for discussion, like that in the British house, although

such allocation was quite feasible under the existing rules;[8] hence the most useful type of analysis was not achieved by parliamentarians. Similarly the question period in the Canadian house, although it exists, never seems to have been so astutely adapted as its counterpart in Westminster to indicate minor fumbles in the policy of a Government, to expose administrative abuses, and to restrain the bureaucracy. A British parliamentarian has remarked that the question hour "is dreaded more than any other hour by the civil servants, and [that] it keeps them up to the mark."[9] In Canada it has no such grim and significant role.

The Canadian Cabinet by convention is federal in being always designed to represent the principal races, religions, and regions of the country. The representativeness of a member is sometimes much more evident than his ability. An effort is usually made to obtain at least one Protestant and English-speaking representative from Quebec, three or even four French, a Roman Catholic of Irish extraction from Ontario or another province, and other members from as many of the nine provinces as possible. Such members are chosen to represent the diverse social interests of their regions, especially the interests of primary producers in the Maritime Provinces and the West, the manufacturers and merchants of Ontario and Quebec, and the urban workers of Canada as a whole. It is even a convention that in the larger provinces certain sections should receive distinct representation. In the French province the cities of Montreal and Quebec have long been regarded as entitled to a minister apiece, and in Ontario now the northern area makes a separate and emphatic claim. Politicians are often invited to the federal Cabinet directly from the arena of provincial politics partly for their administrative talent and partly for the local political support which their presence may bring to the Government. Far from being a gracious formality, this conscious and planned representativeness is deemed imperative in order to strengthen the executive in a fissiparous community. It helps to ensure that in reaching decisions,

[8] See remarks of Brooke Claxton, *House of Commons Debates*, 1943, 291-7.
[9] Quoted in Ivor Jennings, *Parliament*, 95.

the Cabinet will hear the voice of the major interests and recognize the deep-seated complexities of the nation. "I feel," remarked Mr. Mackenzie King in 1922, "that the whole purpose of Confederation itself would be menaced if any great body of opinion, any considerable section of this Dominion of Canada, should have reason to think that it was without due representation in the shaping of national policies."

While a Canadian Cabinet differs from the British in the presence of this federalism, it is on the other hand strikingly like the British in the thorough manner in which it accepts the pre-eminence of the prime minister along with the rules of secrecy, unity, and collective responsibility. British tradition, reinforced by the circumstances of leadership, has emphasized the necessity of these attributes. No British leader could have stated more strongly the case for unity of view and collective responsibility than Sir Wilfrid Laurier, who contended "that the necessity for solidarity between the members of the same administration is absolute; that the moment a policy has been determined upon, then it becomes the duty of every member of that administration to support it."[10] His actions always conformed to this principle. As an unquestioned master he demanded and obtained unity and secrecy and his successors have no less rigorously insisted upon these traits of Cabinet rule.

Among the significant distinctions between British and Canadian Cabinet government, more pronounced perhaps in the past than today, is the relatively wide range of routine labour carried directly by Canadian Cabinet members. Sir George Murray, when in 1912 he reported upon the public service of the Dominion, was impressed by "the almost intolerable burden which the present system of transacting business imposes on ministers themselves. They both have too much to do and do too much."[11] There was excessive concentration of responsibility in the whole Cabinet instead of a reliance upon the discretion of individual ministers. A steady stream of orders came before the

[10]Quoted in R. MacG. Dawson, *Constitutional Issues in Canada*, 119.
[11]*Report on the Organization of the Public Service of Canada*, 7.

governor-in-council for approval, pertaining often to the most trivial matters. Canadian governments at the time had scarcely learned that the function of a minister is not to administer but to direct policy, and that Cabinets should have abundant opportunity to deliberate. Since 1912 important changes have occurred to alter this situation, but it remains true that Canadian statutes still continue to confer many and varied powers directly upon the governor-in-council whereas British statutes more commonly delegate powers to individual ministers. A move to rescue ministers from much executive routine as well as parliamentary pressure was introduced during the Second World War in the appointment of parliamentarians as under-secretaries or as political assistants to ministers, a move which was in the direction of the long-established British institution of parliamentary under-secretaries. Similarly in 1940 the clerk of the Privy Council was appointed as a secretary to the Cabinet with the evident purpose of introducing more order in Cabinet business by formulating agenda and preserving records, a purpose clearly achieved by the secretariat for the British Cabinet after 1916. At the same time efforts were made to reduce the immense labours of the Privy Council as a whole by having special committees dispose of routine matters. In all these procedures Canada was belatedly following previous developments in British institutions. The tardy innovation in these as in other features of the Canadian parliamentary régime is rooted in the complicated circumstances of federalism and the political caution which federalism has fostered. Changes at the centre become difficult because much of the national interest is diffused at the circumference. What looks like inertia of thought thus exists at the capital, which is disturbed only by the swift and powerful stimulant of a crisis, such as that of war.

6

The profound influences of federalism in a North American environment are also evident in the growth of a permanent

public service and in the modes of political patronage. Since 1867 the permanent public service of Canada has passed through two major stages of evolution, marked off broadly by the years from 1867 to 1908 and from 1908 to the present. In the earlier period the service was naturally that of a small and sparsely peopled colony, wherein the functions of government were relatively limited, the range of action for public servants narrow, and the method of recruitment predominantly that of party patronage. The federal principle promptly came to influence the manner whereby the patronage was distributed. The regions and provinces demanded representation in the Cabinet; they no less demanded a place for their sons in the public service and a fair share of public contracts. The minister or ministers who represented a given province in the Cabinet had the dominant voice in distributing patronage for the province, even to the extent of recommendations for vacant senatorships and judgeships. In the constituencies, patronage committees composed of members of the party then in office were insistent in pressing their recommendations. This system of partisan spoils on a regional basis was scarcely less all-pervasive than in the contemporary democracy of the United States; it was an analogue with ill effects upon public employment and sometimes with a similar ugly influence on public morality. "Every government," remarked Sir John A. Macdonald in 1878, "selected for the civil service their own friends and no one could object to it."[12] During the next three decades the dictum of Macdonald remained valid, despite the perfunctory tests of civil service examinations which were qualifying rather than competitive. Patronage was then the principal cement of parties. Public offices were used as political inducements or rewards, and were often multiplied merely to employ friends of influential politicians. In 1880 the service was described by a royal commission as too commonly "a refuge for people, who by reason of their indolence or lack of intelligence, could not succeed in other employment."[13] Low salaries and party

[12]Quoted in R. MacG. Dawson, *The Civil Service of Canada*, 30.
[13]*Ibid.*, 44.

patronage created an atmosphere repellant to the able and ambitious, rendered the public servants timid and insecure in office, and fostered an unwholesome servility to politicians.

The movement of reform was inspired by British and American precedents, especially the former. In the seventies and eighties George E. Casey, a persistent parliamentarian, made himself the chief apostle of reform on the lines adopted in Great Britain and prescribed by the Northcote-Trevelyan report. But not till the appointment of a Civil Service Commission in 1908 did any significant reformation take place. The new Commission, independent of government, was empowered to organize the service, to recruit by open competition for the inside offices at Ottawa, to enlist other candidates by qualifying tests, and generally to supervise admissions and promotions according to merit. Thus a notable break was made with the past. In 1918-19, under the compulsion of a public opinion aroused by the events of the war and by the disclosure of corruption in war contracts, the work of building a modern civil service was extended by bringing under the Commission a large number of the public officials outside Ottawa. These enactments did not come easily, and did not entirely destroy patronage in appointments, for many minor and some important offices were left to the disposal of patronage committees. Hence, as in the United States but in contrast to the more progressive states of Europe, the rival principles of merit and spoils endured side by side, although in the federal service the foundations of the merit system became sufficiently buttressed to withstand hostile assaults.

Speeding the need for reform in the first quarter of the twentieth century were the growing activities of federal administration, evident especially in the establishment of a Labour Department, the creation of machinery for industrial conciliation, the expansion in the Department of Trade and Commerce, the inauguration of a Commercial Intelligence Service, the organization of a Dominion Bureau of Statistics, and the introduction of new machinery for tax collection in the Income Tax Branch, a direct product of the First World War. The enlarged area of government stimulated public

interest in civil service reform and made its justification irresistible. The increase of federal employees from 20,000 in 1912 to 40,000 in 1928 provided in itself a potent reason for new and improved methods of recruitment and promotion.

The quality of the Canadian service did not and does not depend merely upon methods of recruitment but also upon circumstances in the social and political environment. The existence of ten competing and unco-ordinated services in the provinces and Dominion is a disability to be set against the advantages of federalism. During spurts of rapid commercial expansion, like those in the first and third decades of the present century, glittering prizes of acquisition were to be won in private business, and it was difficult to attract young men of first-class talent into humble and ill-paid government offices. No long and sturdy tradition existed like that in Great Britain and most countries of Europe, where the prestige of a public service outweighed its meagre material rewards. Such securities as those of permanent tenure and a pension made less appeal to the ambitious youth in a country with an expanding frontier, where economic risk was taken as a matter of course. Yet in the early and depressed thirties the current of social forces helped to redress the balance. The contracted opportunities in private business at a time when the responsibilities of the state increased forced many of the young and able into the civil service, and made public employment a prize for the energetic. Canadians discovered the state afresh, and became eager to enlist in its service. Young men were attracted from the universities, and for the first time the practice was adopted of recruiting them into departments wherein they might be trained for important administrative work.

The Canadian service has evident and crucial features which derive from British parliamentarism. Ministers carry the political responsibility for their departments, while anonymously the public servants pursue their significant role of administering and advising, subject to the ordinary courts for offences against the law. The politician and the civil servant work harmoniously together because political

impartiality within the service has now become as in England a cherished and rarely broken rule. Yet the merit system in the public service of Canada has obvious distinctions from that in Great Britain. The bi-national character of the community creates an anxiety to achieve a tactful balance of national elements in different departments, a circumstance which sometimes bedevils efficiency. Even in appointments to the bench the claims of the two chief races and religions must be scrupulously respected. Technical distinction is not permitted to override the representative principle. Between the British and Canadian civil services subtle but significant differences derive also from their divergent backgrounds and traditions. The British service in its administrative division was originally built upon a distinct social class, whereas the Canadian has always been recruited, not from one social stratum, but from the ordinary ranks of the democracy. The administrative branch of the British service is sometimes criticized for being a sheltered, vocational preserve; the Canadian, on the contrary, is open to the charge of being too close to the social market-place, too little fostered as an aristocracy of talent, too much an easy refuge, especially in the past, for miscellaneous and ordinary men who failed to establish it on a strong professional basis. The Canadian service can hardly be censured as an arrogant bureaucracy, lusting for power; it has been too fearful of political intervention and too uncertain of itself to exhibit the desire to dominate. In the past it might more often have been charged with timidity.

Candidates for the higher grades of the public services have been tested for special rather than broad cultural knowledge. They have undergone the specific job type of examination, for Canadian authorities possess the North American zeal for the details of technical information. A modification in this practice was the creation in the mid-thirties of the fourth grade clerkship, a category made up of young university graduates judged by whatever general knowledge they might possess. It was intended that these candidates should be trained for administration, and, while the plan was not executed with decisive attention to all

significant details, it brought a wholesome infusion of competent youth into old departments. War in the years after 1939 had a more sweeping effect. It introduced men with every type of practical experience, but it did so at the expense of previous methods of recruitment, promotion, and award. Despite the resulting turmoil, the ultimate outcome in the civil service was doubtless beneficial. A new and potent significance came to be attached to national service. Permanent offices at Ottawa achieved a fresh prestige greater than at any time in the past.

While undoubted progress has been made in coping with the problems involved in organizing the public service, there is still large scope for improvement. The Civil Service Commission, despite its value, has dissipated responsibility for the promotion of personnel. It has assumed partial responsibility for promotions and has thus divided the total responsibility with departmental heads. Similarly its concern with organization has made some deputy ministers neglect that significant phase of the service. In the years after the establishment of the Commission in 1908, the impulse to borrow administrative methods from Great Britain was strong, so strong indeed that the imitation of British practice was often undiscriminating, notably in the attempt to superimpose a system of treasury control on the controls exercised by the Civil Service Commission, with crippling effects on administrative action. The peculiar necessities of the Canadian situation were not appreciated.

7

The issues of parliamentary democracy and national unity are interlocked. The crucial test of liberal democracy is the facility with which public agreement, resting upon compromises between different interests, can be achieved in common discussion. In Canada, as an aggregation of sectional communities, it is seldom easy to achieve national consent for an important policy, and a facile confidence cannot be placed in the rule of a simple majority. The

society as well as the state is federal. Its minor diversities must be respected in the interest of the larger unity. The opinion of the whole must be sought in part in the opinions of regions and minorities. A careful searching of different minds becomes imperative, and conclusions are not reached quickly. Disruptive of cohesion and hampering consent is the racial cleavage into French Canadians and English Canadians, with their different political attitudes and temper and their defective means of intellectual communication with one another. Since 1867 the solid fact of French nationality in Quebec has affected for the entire Dominion the manner in which democracy works. On crucial matters, for example, the French are not prepared to accept the majority principle as an immutable norm; the survival of their nationality often makes a superior claim. The English-speaking Canadians are readier to accept the majority principle partly for the obvious reason that they constitute a majority. But they have wisely learned that on occasion national unity and democratic rule require that this principle should not be rigorously applied.

Seldom, it may be admitted, have the French minority threatened by intransigence the enforcement of a law backed by a majority. The only significant instances appeared during the two world wars over the issue of conscription for overseas military service, when the harsh demands of armed conflict acutely strained Canadian unity. The election of 1917 on the question of conscription led French Canada to act as a bloc more decisively than ever before, while the attempt to enforce conscription was resisted to the extent of riots and bloodshed.[14] A portion of the French thus repudiated the parliamentary right to compel military service outside Canada. The very term conscription became a verbal irritant, which for a generation incited racial passion and hampered collaboration for national ends. A cleavage on the same issue occurred during the Second World War. Reasoned discussion on the needs of defence became obscured for French Canadians by the conviction that to accept conscription for action in Europe was to capitulate to

[14]Elizabeth H. Armstrong, *The Crisis of Quebec, 1914-1918*, 229-30.

imperialism and to be drawn into the maelstrom of foreign involvements from which they had traditionally recoiled. Here again, as in the years 1914-18, the sharp divergence of opinion on the sacrifices deemed necessary aggravated other differences between the French and Anglo-Canadians, accentuated a separate nationalism in Quebec, aroused a sharper criticism of the French in neighbouring Ontario, and generally made more difficult a common agreement in federal politics.

Such differences pertain not merely to the procedures of democracy but also to its values. English-speaking Canada is imbued with the liberal-democratic ideas which came to dominate the Anglo-Saxon world in the nineteenth century, rooted in the traditions of the English Reformation, stimulated by the American Revolution and the American experiment in government, and fostered by the sure progress of democracy in Great Britain. French-speaking Canada, on the contrary, although much affected by the social forces of North America and by British constitutionalism, was never profoundly immersed in the thought and ethics of liberal-democracy. It experienced no Reformation with its Puritan impulses and political accompaniments. Not merely was it uninfluenced by the French Revolution; it was repelled by that vast ideological upheaval. Innately conservative, it reads history differently from English-speaking Canada. Most of its written history is concerned with its own cultural survival rather than with the growth of democracy. It has cultural roots which feed it with other thoughts and contrary impulses. Its Civil Code, formulated originally by jurists of sixteenth-century France, gives it a distinct legal structure, with subtle effects on modes of thought and social usage. Its Roman Catholicism received an original impetus from the missionary zeal of the counter-Reformation and retains a faith more ultramontane than is common in the Anglo-Saxon world. The pervasive Catholic social philosophy, emphasizing a corporate rather than an individual concept, and the positive leadership of the clergy did not always shape the political outlook of the people favourably to the attitudes and methods of liberal democracy. The ideal of

a distinct French Catholic state founded on Conservative principles has never ceased to intrigue some intellectuals. In the nineteenth century the hierarchy of Quebec feared specially an infiltration of secularist thought from the republican and revolutionary thinkers of France. It was then hostile to a genuine liberal-democratic party, and roundly condemned *L'Institut Canadien*, formed in 1844 to extend intellectual and civil liberties. It viewed liberalism, in the words of Laurier, as "a new form of evil, a heresy carrying with it its own condemnation." Hence in his early struggles to reconcile liberal ideas with Catholicism, Laurier was ever anxious to emphasize that he represented, not the secularist and anti-Catholic republicanism of France, but the sober and constitutional parliamentarism of England. "The French," he protested, "know but the name of liberty, they know not liberty itself."[15]

In the twentieth century, despite the existence of strong anti-democratic elements, the French community as a whole has become more appreciative of the methods and purposes of liberal-democracy and less apprehensive of its implications. Yet it still thinks differently from English-speaking Canada and is guided by a deep sense of its own distinct traditions. Its attitude in the past towards female suffrage and feminine rights reflects this difference of outlook, which narrows with time. Female suffrage was enacted in the other provinces of Canada during and immediately after the First World War, Manitoba, Alberta, and Saskatchewan assuming the lead by their legislation of 1916. But not till 1940 were the women of Quebec granted the franchise in provincial elections, and the recognition of their legal equality also lagged. While the issue had never been of major importance, the very indifference to the absence of female suffrage for a generation after its adoption by other provinces was a symptom. Moreover in Quebec there are always small minorities who are zealous to exalt authority even to the extent of destroying political liberty in order to further the ends of religion and race. In the thirties young men under Adrien Arcand expounded fascist ideas and appealed, as Premier Godbout

[15] *Lecture on Political Liberalism*, 22.

expressed it, to the "deadly, narrow spirit of the province." Many others, although democratic enough in sentiment, thought in terms of a Roman Catholic corporative system, which would absorb into a hierarchy trade unions and other associations. In the forties Maxime Raymond organized the Bloc Populaire in order to challenge contemporary liberalism and to champion an uncompromising nationalism, and drew to its support the corporatists. An indifference to the civil rights of parliamentary democracy, notably free speech, explains such incidents as the acceptance of the controversial Padlock Law, passed in the late thirties by the Quebec legislature to combat the spread of communism by the prohibition of certain public meetings. A like indifference made possible the Bouchard incident of 1944 and the acquiescence of the general public in the prompt dismissal of Senator Bouchard from an important public office because in a parliamentary speech he had warned his people of the perils in an extravagant and sectarian nationalism. Many *Canadiens*, whose liberalism was unquestioned, doubtless defended the dismissal of Bouchard because they resented his exposure of the domestic cleavages among the French, and felt that he had violated the amenities which should govern their affairs. In itself this circumstance was significant in illustrating that the French in seeking to protect their pride as a cultural minority sometimes become blind to the refined points in civil liberties and democratic procedure.

But throughout the entire Canadian community such liberties are not as meticulously respected by governments and people as in Great Britain. Unlike civil liberties in the United States, they are not guaranteed in a written constitution. The citizen is presumed free to act, think, write, or speak whatever he pleases provided that he does not break the law. The Criminal Code of the Dominion is framed on the British model in its prescribed freedom of meetings, freedom of the press, and freedom of association. But local regulation may take on a more restrictive character, as illustrated in the Padlock Law of Quebec, or in the claim of some municipalities to permit the distribution of circulars

only under licence. Much significance attaches to the spirit in which the actual law is enforced, and that in turn is influenced by current social circumstances, especially by the vigilance or indifference of public opinion. Certainly in periods of social tension, such as the early thirties or during the two world wars, there has been much less of that generous freedom exhibited in the Hyde Park of London. On such occasions many citizens come to regard the suppression of minority views as a patriotic duty. Many more are indifferent to how the views of a minority are treated; they attach little importance to the niceties of civil rights. Hence the police power is then exalted; the dossier is elevated to a special importance. A notable instance of a questionable treatment of civil rights was the investigation of Russian espionage in 1946, when certain citizens were detained for many weeks and questioned in secrecy without legal counsel by a Royal Commission, composed of two judges of the Supreme Court. Later the evidence so gathered was used in their trial. The Defence of Canada Regulations are on the whole more rigorous than their counterparts in Great Britain both in the penalties prescribed and in the permissive power to detain a person without trial.[16] In small ways there is less tolerance of diverse opinion, which at times results in more readiness to impose a harsh surveillance on thought and activity. The plea of the official for public discipline goes more unquestioned. Thus unfortunately the associations which exist for protecting civil liberties have usually had sufficient duties to justify their survival. It may seem incongruous that Canadian democracy, which in broad structure is federal and which of necessity has to recognize many diversities, should in these administrative matters appear more intolerant than that of Great Britain. In this respect Canada differs little from Australia, which at least enjoys the advantage of greater racial and social homogeneity. The circumstances of rapid development in both these colonized communities have instilled a peculiar fear of social incendiaries and subversive action, and have reinforced in official thought the demand for discipline.

[16]See *Harvard Law Review*, LV, April, 1942, 1006-18.

Doubtless also in both countries the federal system itself weakens the security of civil liberties since it often leaves it uncertain where responsibility should lie and where protection should be sought. Such liberties have usually civil and criminal aspects, and under the Canadian division of legislative power they may fall within both Dominion and provincial jurisdiction, with confusing results. Moreover civil liberties in these countries are weak perhaps because they were not fought for and won in the same sense as Englishmen fought for them. They came as part of a great cultural inheritance, and there is no epic tradition concerning their triumph in Canada and Australia. That tradition belongs to the British Isles. At any rate there is here a prompter appeal to law than in England, not owing to a greater exaltation of the state, but simply to an indisposition to trust the good sense of citizens. All such differences dwell in subtle shades of thought and in slight divergences of practice. They must not be unduly magnified, for, it is almost needless to add, the broad conception of civil freedom in the Dominions is the same as in England.

Chapter Five

PARTIES AND CONTENDING INTERESTS

1

The national parties in Canada have been large combinations of the diverse and significant groups within the community, marshalled and directed by the familiar methods of group diplomacy; their growth since 1867 reveals the varied currents of opinion and attitude within Canadian democracy on the crucial issues of national development.

In 1867 Canada was mainly an agrarian and small commercial state, wherein the principal social elements were the farmers and farm workers (about 50 per cent of the gainfully employed were in agriculture), the skilled and casual labourers, urban traders, contractors, bankers, and manufacturers. Farmers were numerous and influential in all significant political associations, but did not constitute a distinct bloc, with clearly defined and agreed aims. In the English-speaking portion of the country their pressure was usually exerted towards that type of reformism which in the nineteenth century characterized the frontier and agrarian society of North America. Labour was ill-organized, without capacity or ambition for direct political action. The leading manufacturers, contractors, and financiers, were potent in politics because they could broadly agree upon the goals of public works and material expansion and were adept in the devious arts of lobbying. Apart from cleavages according to social class and material interest, the community was divided into religious and racial groups, which were always alert to the implications of political action. In Quebec especially these groupings expressed themselves in alignments, shaped then and since by circumstances different

from those in other provinces. Owing to the impressive role of the Roman Catholic Church and the ceaseless struggle of a small nationality for survival, the crucial issues in French Canada have always been viewed from a peculiar ideological position, and the whole mental nurture of the French fostered a different political outlook. The leaders, educated in classical colleges under clerical control, were polished orators, disposed by training to reduce argument to a sharp dialectic. For some twenty years after Confederation three factions in Quebec struggled for power, and were distinguished by politico-religious ideas of little significance outside the province. The Castors were conservative and ultra-clerical, scarcely less intense in ultramontane fervour than Louis Veuillot and his followers in France. Their zealous descendants in the twentieth century were once described by Laurier as "the Pharisee end of Canadian Catholicism," composed of those "who handled the holy-water sprinkler as though it were a club."[1] The Blues resembled French Gallicans, and the Rouges, a minority fighting an uphill battle, were anti-clerical, inspired by the French liberals of 1848. The pervasive influence of the Church was then on the side of a stubborn conservatism, and conservative indeed was the bulk of the community. "We are French in origin," remarked Sir Georges Cartier, "but French of the old régime."

Out of these conflicting groups there emerged in the twenty-five years after Confederation a two-party system, welded by leaders through skilful use of political patronage and through astute compromises between the rival claims of economic interests, geographic sections, and cultural entities. The Liberal-Conservative as the first national party was fashioned by Sir John A. Macdonald to embrace the main urban interests of Ontario and other English-speaking provinces, including those of finance, business, and to some extent labour, along with a large bloc of both urban and rural members from Quebec, led at Confederation by Sir Georges Etienne Cartier, and supported by the Roman Catholic Church. This composite party drew under a single political roof a medley of Canadian interests. It reached its acme in

[1]Skelton, *Life and Letters of Sir Wilfrid Laurier*, II, 337.

political comprehension when Macdonald combined in his Cabinet the chief representative of ultramontanism from Quebec and the Grand Master of the Orange Order from Ontario. The party sought an autonomous and balanced nationality over the half continent, respected cultural diversities, emphasized the intimacy of bonds with Great Britain, and pursued measures that would enhance economic expansion. Macdonald built a party as he sought to build the nation by magnifying the elements shared in common between the divergent groups. He stood for the politics of equilibrium. His party, in English-speaking Canada at any rate, was not conservative in the British sense, and was not grounded in any true conservative philosophy. Although Macdonald himself had a partiality for Disraeli over Gladstone, the party under his leadership was not concerned with such old-world causes as defending the monarchy, the established church, and the House of Lords. Its members, like English Canadians generally, believed strongly in the beneficence of material progress, and were primarily interested in the methods of achieving it. In its ranks were the Tory-minded and the defenders of vested interests, but its leaders from Macdonald onward were concerned with the realistic policies of nation-building, and these inevitably implied change.

The Liberal organization was slower in making a national appeal. At the outset it embraced in particular the Clear Grits, who represented "the honest and intelligent yeomanry" of Ontario, and were inspired by the combined philosophy of American frontier democrats and of British Liberals. Along with them was a small minority in Quebec, the Parti Rouge, made up mainly of professional men swayed by an anti-clericalism derived from Europe. Both groups found a common political sustenance through their faith in the native integrity and potentiality of the ordinary man. They emphasized democratic concepts, criticised the large corporations, especially the banks and the Grand Trunk Railway, and in the Maritime Provinces won allies among those critical of federation. But the Liberal party was compelled to widen greatly its appeal in order to become

national, and this process was hastened in the eighties by the North-West Rebellion and the execution of its leader, Louis Riel, which shook the supremacy of the Conservatives in Quebec and aided the fortunes of the Liberals. The rebels of the Saskatchewan valley were linked by race and creed with French Canada, which defended them against the hostility of neighbouring Ontario, and the execution of Riel, despite pleas for clemency from Quebec, brought upon Macdonald French resentment. The hanging of Riel, remarked *La Minerve*, a Conservative journal, "wounded a whole people."

Of more ultimate importance in party alignments was the accession of Wilfrid Laurier to the Liberal leadership in 1887. Brilliant and a master of political tactics, Laurier weaned his countrymen from their Conservative loyalty, attached them to his own Gladstonian Liberalism, and sought no less skilfully than Macdonald to win support throughout the whole country by emphasizing the policies of material expansion. He exalted the spirit of compromise whereby alone a national leader in Canada can survive. Above all he purged the Liberal creed of the dogmatic anti-clericalism of the Rouge group, and thus securely anchored his party in the French province. In Mr. Mackenzie King he had a successor who followed his tradition with strict fidelity and who obtained in Quebec even more unqualified support. For some sixty years the Liberal party had only two leaders compared with nine for its opponent. From this unbroken continuity of political strategy it derived great prestige and formidable weight. It continues to the present to retain its strength in Quebec while at the same time it obtains enough support in other regions to be the most truly national party in Canada.

2

The issues and doctrinal differences over which the national parties contend have reflected those rival philosophies of Jefferson and Hamilton which in the nineteenth century coloured the political struggles of the neighbouring

United States. The agrarian Grits of Upper Canada and the Liberal-Progressives of the West were in their respective periods inspired by Jeffersonian ideas, while Sir John A. Macdonald and his successors in the leadership of the Conservative party often paid genuine tribute to Hamiltonian doctrine. But whatever the underlying philosophies, the concrete issues of combat have mainly arisen from the practical problems of nation-making—the colonization of the half continent, the exploitation of its resources, the adjustment of federal government to the demands of diverse regions and racial groups, and the relations of Canada to the outer world, especially the British Empire and the United States. Each party is loosely attached to formal attitudes and ideas, and is supported by the social groups and regions which out of long habit or temporary interest favour the stand taken. But the distinctions between their policies are often confused and blurred as leaders try to discover where most electoral aid lies and where an equilibrium between different interests can be achieved. Within a decade the parties may unblushingly interchange programmes. Sir John Willison wrote out of an extensive if cynical knowledge of Canadian affairs that "no man in Canada has been more inconsistent than the man who has faithfully followed either political party for a generation." This circumstance derives inexorably from the internal necessity of the parties to make a universal appeal, to dramatize the fact that they stand for a synthesis of interests within the nation, and to alter their programme with the shifts of opinion throughout the country. As one party or the other manœuvres into a fresh position, the partisan battle-ground changes. The leaders who succeed in making the widest national appeal are those who rule. This is the bedrock of democratic politics in a country constituted like Canada. From it there can be no escape as long as the parties seek to win office by the liberal procedure of debate and persuasion.

The colonization of the country from the Maritime Provinces to British Columbia resulted in policies for and against railway construction and operation which have always been the substance of party controversy. "Consult

the annals of Canada for the past fifty years at random," remarked Paul Lamarche in 1917, "and whatever party may be in power, what do you find? The Government is building a railway, buying a railway, selling a railway, or blocking a railway." Whatever the Government was doing, the Opposition was opposing. In the seventies and eighties the Conservative and Liberal parties battled as to whether the transcontinental line should be constructed and operated by the state or by a private company. The decision to build a railway, its route, and its terminus, were issues which profoundly affected regional interests and resulted in that intricate bargaining between the representatives of regions, which from the outset characterized Canadian politics. Governments, unlike those in Australia, were not compelled to be collectivist to the extent of acquiring all lines. Here the physical and economic circumstances of the country did not necessitate such action; they provided more opportunity to private enterprise. But the issue of public *versus* private ownership and operation was rarely absent, and neither party could be said to take a rigid stand. The conservatives under Macdonald built the Intercolonial Railway as a public undertaking, whereas they sponsored the Canadian Pacific as a private enterprise, bonused by the state. Despite the fact that they became associated with the interests of the Canadian Pacific, they followed Sir Robert Borden as their leader in his emphatic argument in 1906 for the public ownership and operation of railways and other major utilities. "In future dealings," he contended, "our public domain must be regarded as including not only the natural resources and facilities with which Canada has been abundantly endowed, but also great national franchises and public utilities. These of right belong to the people and they must be administered and exploited for the benefit of the people."[2] This doctrine was correct and popular in a period when the reformist sentiment throughout the continent ran powerfully against the large utility corporations. In Ontario and the West, opinion politically exploitable grew steadily in favour of publicly owned utilities. It was a provincial Conservative

[2]Borden, *Memoirs*, I, 171.

party, responding to such opinion, which established after 1906 the Hydro-Electric Power System of Ontario as a collectivist effort of the province to free itself from a precarious industrial dependence upon American coal. This venture in public control struck the popular imagination elsewhere in Canada, and derived abundant support from a growing sense of nationhood. In the West in the same period, the grain-growers, irritated by the semi-monopoly of the Canadian Pacific Railway, were championing public ownership of utilities as the logical method of developing a new country, and the government telephones in the Prairie Provinces testified to their faith. When Laurier in 1911 sought to retain western support by offering reciprocity of trade with the United States, Borden attempted to win it with proposals for provincial control of resources and public ownership. But no national party could permit the other to monopolize a doctrine likely to win adherents, and the Liberals were soon lauding public ownership themselves. The grand expediency of the current time and circumstances has been a more important factor in determining party attitudes in Canada than a rigid principle.

Besides railways, all the major policies designed to achieve a national economy have involved a like party attitude and a similar party combat. From the late seventies to the present day the Conservatives have championed a protective tariff to diversify and integrate the economy. At the outset they regarded it as an imperative shield, protecting the national growth against the strong competitive pressures from the United States on the one hand and Great Britain on the other. Until the late nineties the Liberals claimed devotion to free trade, a logical enough claim in a party which then relied mainly upon the suffrage of primary producers, especially farmers. But even before the Liberal party had attained office in 1896, most of its leaders advocated freer rather than free trade. Protection had quickly come to be backed by a powerful corps of vested interests, with much public sanction. Small manufacturers in the towns supported it as well as farmers, who received some protection themselves against American competition. The French in

Quebec welcomed it as a means of keeping the surplus population of their parishes within the province and checking the much deplored seepage to New England. Hence the Liberals had no wish to risk their political fortunes in a move to destroy it. So distinguished a Liberal as Edward Blake spoke in its favour. Nevertheless, in regions of primary production such as the prairies, the Liberals continued to pose as the supporters of free or freer trade, and sponsored imperial preference at the turn of the century to demonstrate their fidelity both to the Empire and the cause of lower tariffs.

Pressed relentlessly by the primary producers, especially those in the West in revolt against the existing tariff, the Liberals in 1911 precipitated the issue of reciprocity of trade with the United States, while the Conservatives readily took up the challenge with the claim that reciprocity would shatter that national economy erected on east-west commerce and fostered by the protection initiated by their party more than a generation earlier. The election of 1911 also tested the clashing loyalties of those who cherished the ties with Great Britain and those who had or were alleged to have a stronger leaning towards North American union. The Conservatives enlisted the support of electors in central Canada who had vested interests in protection or who, out of attachment to the Empire, were hostile to a greater intimacy with the United States. In all this cleavage there was nothing fresh. In the nineties the Liberal Opposition in declaring for unrestricted reciprocity with the United States had their loyalty attacked by the Conservatives. Since the early years of Confederation, the Liberals were readier to promote a south-north axis of trade and culture, whereas the Conservatives emphasized more an east-west axis within Canada, combined with the maintenance of intimate relations with Great Britain. Neither party has been extravagantly devoted to its chosen position, and the difference between them becomes a matter of emphasis. In fact as well as in theory there are always two axes not mutually exclusive. Inevitably the social groups least interested in close relations with the United States are most commonly Conservatives; those least sympathetic to an imperial outlook are usually Liberals. Such

grouping is not grounded in distinct social classes, but in ancestry, inherited views, and to some extent sectarian affiliation.

Linked to the issues of trade are those of national status on which both the Conservatives and Liberals have adopted attitudes often ambiguous. Both parties have sought to make a Canadian nation; both would claim today that they made the nation. Both in different ways have exploited national sentiment, without fostering grandiose national ambitions. Both have quickly responded to the resistless pressure of economic, social, and cultural forces making for the political recognition of nationality. The Conservatives have long revealed their nationalism in economics, especially in devising and defending the protective tariff, in building and upholding railways during the first trying decades of federal union, and in attacking and defeating the reciprocity proposals of 1911 as a menace to a national economy erected on east-west trade. But in the more purely political sphere, the Liberals have led in pressing for those measures that would assert the national status and independent action of the Dominion. They have been more status-conscious than the Conservatives, more zealous for the symbolism of an independent nationality. In the first twenty-five years of Confederation, Edward Blake, much more than his rival Sir John A. Macdonald, attacked the colonial mentality of his countrymen and when in office sought to remove the institutional vestiges of colonial inferiority. In all this he was inspired by the nineteenth-century philosophy of liberal nationalism, with its hostility towards centralized power and centralized empires.

Sir Wilfrid Laurier, as the successor to Blake in the Liberal leadership, no less reflected in thought the traditional liberal credo on colonial destiny. "My opinion," he remarked in 1892, "is that in the course of time the relations of Canada with Great Britain must cease, as the relations of colonies with the mother country do cease, by independence, just as a child becomes a man."[3] He was not persuaded that such time had then come, but even in its contemplation he

[3]Skelton, I, 364.

exhibited an attitude that few Conservatives either shared or would have expressed. Time modified his outlook. By 1912 he could declare in the House of Commons that "any thought of separation from Great Britain, if any such thought exists anywhere, and I do not believe it does, would be a folly and a crime."[4] Nevertheless in the twentieth century the Liberal party of Laurier and his successor continued to be the exponent of a zealous political nationalism. Much longer in power at Ottawa than its opponent, it had more opportunity to initiate measures responsive to a growing nationalist sentiment and appeasive of the feeling among those groups in the population, especially the French, whose electoral support it required.

Yet the most notable stimulus to political nationalism occurred during and after the First World War, when the Conservative Prime Minister, Sir Robert Borden, directed Canadian policy with a genuine emphasis on the claims of national stature. No Canadian leader did more to plead the cause of political nationality. None had a greater opportunity. When Bonar Low doubted whether increased consultation with great Britain was practicable, Borden promptly replied to Sir George Perley, Canadian minister in London, that "it can hardly be expected that we shall put 400,000 or 500,000 men in the field and willingly accept the position of having no more voice and receiving no more consideration than if we were toy automata." His argument on this and subsequent occasions was effective, notably in establishing the Imperial War Cabinet and in obtaining the right recognized in July, 1918, of the Dominion prime ministers to communicate with the prime minister of the United Kingdom and *vice versa*. Similarly he opposed centralization in military and naval matters, which would have reduced the control of Canada over its fighting personnel, and created in England virtually a Canadian war office overseas.[5] Representation of the Dominions at the peace conference and their separate membership in the League of Nations were achievements to which he contributed much.

[4] *Parliamentary Debates*, 1912-13, 1034.

[5] F. H. Soward, "Sir Robert Borden and Canadian External Policy" (*Report of the Canadian Historical Association*, 1941, 72).

In all this he responded to the forces of national sentiment aroused by the war, and demonstrated that in Canada no leader of a national party can cling to a rigid traditionalism.

The significant distinction between the nationalist conceptions of the Conservative leader and those of his political rival, Laurier, dwelt in the greater interest of Borden in a close and consistent collaboration with Great Britain in order to ensure a Canadian voice in, as well as a Canadian responsibility for, imperial policy. He had a deeper faith in the interdependence of Great Britain and the Dominions. Unlike Laurier he was not reluctant to be consulted on British foreign policy; he wanted to be consulted. He envisaged a Commonwealth which recognized the national status of its members while it gave them a voice in the crucial issues of peace and war. Never certain or precise on the best *method* of asserting a Canadian opinion, he was emphatic on the *need* of asserting it. His views became those of the Conservative party, and were reflected in the utterances of his successors, Mr. Arthur Meighen and Mr. R. B. Bennett. Both men were zealous in stating the case for close co-operation with Great Britain and the other Dominions in external policy, without however restricting real autonomy. But the Liberals under the leadership of Mr. Mackenzie King pressed in the twenties for the symbols of nationhood, with much less attention to the need of co-operation or to the obligations of imperial membership. They were more concerned with the internal than the external aspects of imperial relations, with mutual freedom than with general collaboration.[6] Yet their doctrinal difference from the Conservatives was again a matter of emphasis, a fact which in the twenties inspired the quip of Henri Bourassa. "Mr. Meighen is in favour of the unity of the Empire and the autonomy of Canada; Mr. King is in favour of the autonomy of Canada and the unity of the Empire." Despite their traditional reluctance to make imperial commitments, the Liberals in 1939 were prompt in leading Canada into war alongside of Great Britain and the other overseas Dominions. They realized that the English-speaking population would

[6] A. G. Dewey, *The Dominions and Diplomacy*, II, 296.

accept no other decision, and were convinced themselves that no other decision was possible. They were scarcely less emphatic than their Conservative opponents that complete collaboration with Great Britain was then the major responsibility of Canada.

In a federal state it is inevitable that an ever recurrent theme of party debate should be that of centralization *versus* decentralization, or the claims of the Dominion *versus* those of the provinces. For some decades after 1867 the Liberals championed provincial rights, while the Conservatives under Sir John A. Macdonald leaned to a centralist policy which threatened to reduce provincial governments to the status of little more than dependent and minor agents. This issue of partisan cleavage arose from the circumstance that Macdonald was in power during most of the first quarter century of the Dominion (on his death in 1891 he had held federal office for nineteen years), and in his centralizing policies was opposed by the Prime Minister of Ontario, Sir Oliver Mowat, a Liberal who championed what in the United States would be called state rights. By successful actions in the courts over many years Mowat blocked legislative measures initiated by Macdonald, and gave to Liberalism the doctrine of provincial rights, which Blake and Laurier in Dominion politics were zealous to uphold. Laurier was specially eager to defend the claims of the provinces because thereby he could readily obtain the support of his French compatriots, who looked upon provincial autonomy as the chief bulwark of their distinct culture. He came to power in 1896 in the championship of this cause, and after 1896 he and the Liberals specially demonstrated their attachment to provincial rights by refusing to disallow provincial acts except under extraordinary circumstances.

Since the turn of the century the two parties have been less clearly and consistently divided on the issues of federalism. The Liberals perhaps still remain more partial to provincial autonomy, mainly because of their strong French corps and their continued anxiety to retain French support. But the very weakness of the Conservatives in Quebec,

especially since 1917, restrains them from centralist policies that would still further alienate the French. Consequently in this as in many other matters, the two parties avoid a rigid stand which might embarrass them in the ceaseless quest for wide support in the two populous provinces. In the thirties the federal system underwent the sharpest tensions in its history, yet neither party was then ready to advocate courageous and precise reform; neither would make a particular type of federal change an issue on which it would stake its fate. Under Mr. Bennett (1930-5) the Conservatives put their trust in a possible change of mind in the Privy Council; and the Liberals who succeeded to power in 1935 were soon content to appoint a royal commission of inquiry, and were foiled by their own party in Ontario when they tried to implement its recommendations. The more thorny and contentious the political problem, the more the two main parties are likely to shrink from a direct prescription. In them the complexity of federalism has bred a chronic caution. It is almost needless to add that whatever party is in power in a provincial capital, especially in one of the old provinces, it will be provincialist, while whatever party is in office at Ottawa it will exalt the authority of Ottawa. The vested interest of political power is a stubborn fact always present and rarely sacrificed. It hampers a national party from pursuing a rigorous and consistent policy on federal-provincial relations, for its various leaders in the different provinces are likely to adopt different attitudes according to whether they are in or out of office.

The parties have not been content to appeal merely to sober principles. Whatever tribute they pay to the idea of rational discussion, they have occasionally been assisted in the climb to power by skilfully exploiting sectarian and racial jealousies, especially on the issues of bilingualism and denominational schools. Sectarianism early intruded into Canadian politics and below the surface remains a force, periodically exploited in all provinces, especially when it is linked with racial prejudice. It has been specially evident in the political strife of central Canada. A Nova Scotian by birth, Sir Robert Borden, on becoming leader of the

Conservative party in 1901, was dismayed by the violent sectarianism in Ontario and Quebec. "The awakening of so intense a feeling," he remarked, "was for me a novel experience." Here the clashing claims and divergent attitudes of Catholic French and Protestant English had come from their close juxtaposition in the valley of the St. Lawrence and their memory of bitter struggle in the past. The Orange Order and kindred associations were then active in sustaining sectarianism within the Conservative party, but their influence, although far from spent, has since declined. In Quebec Roman Catholic associations were at times no less energetic in feeding the fires of sectarian and racial passion. Yet despite these divisive influences, the national parties have on the whole assuaged the antagonisms of race and sect. They have stood for agreement much more than for division. Their national leaders, if not always their lesser politicians, would all undoubtedly act according to the declaration of Laurier in the nineties, a period of intense sectarian feeling. "Each time that it is my duty to take up an attitude on any question whatever, I shall take it up not from the standpoint of Catholicism, or from the standpoint of Protestantism, but from motives which may animate all men who love justice, liberty, and toleration."[7] To include within one organization members of different races and creeds is in the long run the master strategy of the leaders, and can be successful only if the rule of tolerance is accepted.

Lord Bryce a generation ago described Canadian politics with the unflattering and often quoted comment that "in Canada ideas are not needed to make parties, for they can live by heredity and, like the Guelfs and Ghibellines of Medieval Italy, by memories of past combats." Their impulsive belligerence is ever present, but it is certainly not true that they ignore ideas. In their own way they pay homage above all to the dynamic concept of national unity; in attempting to combine divergent elements within the one party they are agents of social peace. It is in the counsels of these national associations that the political

[7]Quoted in André Siegfried, *The Race Question in Canada*, 194.

equilibrium of the country is attained, and herein is the most impressive and all-important achievement of Canadian politics. Thus the parties stand, however at times undramatically, for a cardinal idea in parliamentary democracy everywhere, the reconciliation of contending interests. This circumstance explains why they exalt their leaders. In the democracies of the English-speaking world leaders ordinarily receive a commanding authority, and in none more than in Canada, for in a Canadian party the balance of diverse elements is usually so precarious that potent leadership is much cherished and feeble leadership is promptly repudiated. The subtle arts of party command are here at a premium. A masterly skill is imperative, not merely in the give and take of public debate, but in reconciliation, and loyal support is given to the individual who has it. Federalism has decentralized the organization of the parties, and has federalized partisanship. Consequently a national leader has perhaps a more difficult task than in Great Britain for he has to cope with the federal complexities within the party itself. He commands a partisan army which in the nine provinces has nine other commanders, jealous of their prerogatives, and naturally concerned with their own personal triumphs. He must be competent to collaborate with each and all. His prestige and distinction must be such as to inspire their ready respect and loyalty. In turn his fate is affected by their good or bad judgment. At times he may get along, as it has been claimed that Mr. Mackenzie King has got along, by being merely a master of evasion, but the critical occasions come often when inventive imagination is imperative. Modern Canada could not have been created simply by the arts of evasion.

While the higher ends of a democratic society are served by the national parties, their own local foundations are not always well and strongly built. They seldom possess an organization perennially active in the constituencies. The local units spring into life before an election, but in the intervening periods they usually sink back into an impotent lethargy. Consequently the discretion left with parliamentary leaders, provincial and federal, is great. On them rests

the obligation of sustaining and enhancing the vitality of the party.

3

From the consolidation of the national parties in the eighties and nineties to the commencement of the Second World War third parties have periodically arisen to challenge the claims of the older associations to represent adequately the diverse interests within the nation. Especially since 1918 the dual party régime has been under severe attack. Hitherto the revolts against it have originated mainly with the agrarian interest, which has always had substantial electoral weight and at intervals has been led by a militant ardour to assail the privileges real or alleged of urban areas. More recently labour has also played a restive role in attempting to destroy the existing two-party system and to repudiate the idea of comprehension on which the national parties have been built. Some scrutiny of the agrarian and labour interests is imperative for an understanding of Canadian democratic politics.

For two decades after Confederation the property franchise then prevalent favoured the farmers as against the urban workers. Further it became (and has remained to the present) the practice at the decennial redistribution of seats to make the unit of population for parliamentary representation larger in the cities than in the country and to disturb as little as possible the county boundaries, enhancing thereby the weight of the rural voters. At the time of writing it would require 60,000 electors to choose a member in Toronto and 20,000 in Glengarry. This arrangement, common in the democracies of the British Commonwealth, has been defended on the ground, reasonable in the nineteenth century, that the difficulties of campaigning are greater in rural areas. But while their votes have a special electoral weight, the farmers suffer from other political handicaps, especially the difficulty of presenting anything like a united front.

In its broad features Canadian agrarian society is

relatively homogeneous, built upon a family-farm economy like that in the northern United States, and without the agricultural proletariat of the cotton belt in the south or the sheep runs in Australia. The average size of the farms is from 100 to 200 acres. Some farmers are poor and some are prosperous according to the quality of their land and its situation. But no sharp social cleavages appear. Despite this homogeneity the mass action of the agrarian class is subject to those acute difficulties implicit in a continental and federal state, wherein the feelings of section, race, and sect are strong. Sectionalism in particular profoundly affects agrarian attitudes, and makes it difficult for dwellers on the land to achieve coherence in aim and vigour in action.

In the Maritime Provinces farmers have been separated from those in other regions by a strong local sentiment and by their peculiar economic experience within federation. Similarly in Quebec the cultivators have the distinctive traits of their region. For two centuries French society had been cast in a feudal form purified of its European abuses. By 1867 a family-proprietary system had emerged, and is today more firmly rooted there than anywhere else in Canada, but with peculiar distinctions of its own. Less labour is usually employed from outside the family, the domestic crafts have exhibited more longevity, and mechanization has not extended so widely. The habitants resemble a European peasantry in deep attachment to the soil, in loyalty to a traditional life, and in the simple but impressive cohesion of their parishes. They have the peasant reluctance to change which impressed Louis Hémon. "Nothing shall change, for we are here to bear witness. This is the only clear idea we have of ourselves and our destinies, to persist." Despite this rugged conservatism, innovations are quietly introduced, and an assimilation to the agrarian type elsewhere in Canada takes place.[8] But formidable still are the walls of language, race, and religion, which partially shut off the French farmers from those in other provinces, and make them disposed to concentrate upon their own cherished virtues. Among themselves they have shown a striking

[8]Hughes, *French Canada in Transition*, chap. II.

co-operative energy, illustrated notably in the Caisses Populaires and the many societies for the co-operative marketing of produce and purchase of supplies. But here agrarian society continues to possess a culture different from that elsewhere and significant as a separatist influence.

Ontario farmers, being near to many small and prosperous towns, rely more on a local and domestic market, accept more readily the protectionist ideas of the manufacturers, and thus in interest and outlook are different, not only from the farmers of Quebec, but from the grain-growers of the West. In the western wheat belt, cultivators have constituted since the turn of the century a group whose dominant interest in the production and export of grains has facilitated their co-operation for economic and political ends, but it has not been easy for them to make common cause with those of other regions whose immediate interests are much less specialized. Their vigorous co-operative organizations from the formation of the Grain Growers Grain Company in 1906 to the Wheat Pools of the twenties have exhibited a commercial and aggressive collectivism, stronger than anything of its kind among the individualist farmers of Ontario and the Maritime Provinces. In the valleys of British Columbia, cultivators, concerned either with fruit or diversified production, have problems distinct again from those east of the Rockies. They stand somewhat aloof, and cannot readily collaborate with their fellows of other provinces. Sectionalism has thus widened social distance and sapped the vitality of agrarian movements in seeking to influence national policy.

The more conscious efforts in Canada to express a rural interest have throughout drawn inspiration and guidance from similar ventures in the United States. They have been no less continental than the labour movements, responsive to a north-south axis of cultural influence. Such in steady succession have been the Grange, the Patrons of Industry, the Farmers' Unions, and the Associations of United Farmers. All of them flowed and ebbed with the seething currents of agrarian insurgency in the neighbouring country, which quickly swept across the frontier. The

stimulus from the south was specially important in the early years of the present century when thousands sold their farms in the Western United States and sought free homesteads in Canada, bringing with them the social concepts of their native land. Hither, for example, came Henry Wise Wood who zealously introduced to his adopted Alberta ideas which helped to fashion a powerful agrarian revolt.

The Grange was the first extensive organization in Canada to express an agrarian interest and the fertile parent of others. It was not, in the same degree as in the United States, fostered by indignation at the freight charges of railway companies and their stock jobbery, but it was inspired by American example and concerned with most of the proclaimed causes of the American movement: monetary reform, tariff reduction, banking legislation, control of the middleman, municipal renovation, and public control of railways. Its principal achievements were to crystallize the thought of agriculturists, to discipline them by organization, and to prepare them for enlistment in the Patrons of Industry, who in the nineties attempted that political action from which the Grange itself shrank. Following the example of the Populists in the United States, the Patrons attacked the two national parties and attempted to create a grand alliance of farmers and labour. They won an unexpected success in 1894 when they captured seventeen seats in the provincial election of Ontario. But their decline was as swift as their rise. In the federal elections of 1896 they met a sharp repulse from which they never recovered.

The attempt of the Patrons to achieve a firm alliance with labour was for evident reasons a failure. In the nineties Canadian labour, both in ideas and organization, was too feeble for political action. In any case, apart from common beliefs in democracy and the need for controlling powerful corporations, there were few specific ends then or later upon which farmers and labour could readily or long agree. Whenever union leaders looked beyond the claims of their organization for legal security, they were concerned to achieve through the state a shorter day, higher wages, and

social betterment. But cultivators who throughout the year toiled from dawn to dusk were not interested in a shorter day for urban workers in which they did not themselves share, and shrank from social services because they feared higher taxes. They were entrepreneurs and employers in a small way. With a traditional adhesion to laissez-faire, they consistently emphasized in their programmes the need for reduced costs of government, whereas urban workers sought ends which involved increased costs. As late as 1919 a leader of farmers in Ontario complained that many agrarian ills resulted from the control of the legislature by those who were too profligate in spending public money.[9] Farmers and workers under the social conditions of Canada are not like-minded. They are more conscious of cultural difference than of cultural kind. They live and move in different social environments, and have different mores. In some of their economic programmes they are even mutually antagonistic, and hence from the nineties to the present their attempts at political combination, outside the national parties, have been unstable.

With the disappearance of the Patrons as an active challenge to the national parties, the attempts to foster and express an agrarian interest soon took new forms. Indeed the most active ferment since Confederation occurred during the era of the expanding wheat economy, from the founding of the Territorial Grain Growers' Association in 1901 to the impressive federal victories of the Progressive party twenty years later. On the western frontier wheat growers scrutinized costs more closely than cultivators in the older settlements of the east. Collective action, either through government or co-operatives, became a means of reducing costs and was readily resorted to by settlers familiar with the forms of such action abroad. A further incentive to the agricultural ferment was the sharper struggle of competitive interests in a community growing every year more diversified in structure. By 1914 large metropolitan centres had arisen, with interests well marshalled to exert on policy an influence which disturbed even the most

[9] L. A. Wood, *A History of Farmers' Movements in Canada*, 330.

lethargic farmer. The Canadian Manufacturers' Association, born in the early years of federation and greatly strengthened by its reorganization in 1900, was feared by western grain-growers as the spearhead of protection, while the Canadian Bankers' Association, permitted by the Bank Act of 1900 to supervise many activities of the banks, assumed to the farmer the grim appearance of a strangler of agrarian credit.

From the formation of the Territorial Grain Growers' Association to the wheat pools of the twenties, the most formative influences were the peculiar circumstances whereby the western farmers made a living, especially the prevalence of one-crop agriculture, the dependence upon the vagaries of a competitive world market, and the role of powerful corporations as intermediaries in the grain trade. Such influences did not operate to the same degree elsewhere in Canada, and did not apply a similar stimulus to organizing effort. The shift of the agrarian interest to politics was readily made, and was adumbrated prior to 1911 in the pressure upon the Liberal Government at Ottawa for reciprocal commerce with the United States and for public ownership in basic utilities. Although the establishment of the Progressive party in 1920 was immediately due to exceptional circumstances in the recent era of war, it was more remotely due to the concern of the farmers with government policies, evident from the turn of the century. The rural leaders of the West, fearful of the massing of organized urban power, resolved that they must step directly into politics in order to protect themselves from the avid interests of eastern industrialism.

In 1919 the first notable agrarian success was won by the United Farmers of Ontario, who received sufficient electoral support to form a government for four years. In two of the Prairie Provinces the farmers created régimes of longer duration. In Alberta, where the old parties always had a precarious footing, they held office continuously from 1921 to 1935, when they were overwhelmed by the Social Credit party under William Aberhart. In Manitoba the agrarians entered office in 1922 and under adroit leadership retained for á series of years a powerful weight in the

government. The most signal success of the Progressives was in the federal election of 1921, when they gathered up sixty-six seats in a house of 235 (sixteen more seats than the Conservative party), and thus confronted the two older parties with the sharpest challenge since 1867. To a large degree this tidal wave of protest was sectional. The agrarian groups were most successful in the three provinces of the prairie region where agriculture was the all-important industry. However, the Progressive party did not on the whole seek to be narrowly a farmers' organization. Its principal leaders endeavoured to win support from other classes interested in its social aims. But its attack upon the fiscal system of protection appealed to the bulk of rural voters in the West, where protection has always been under criticism as favouring the eastern industrialist. This circumstance, combined with the dominant agrarian composition of the prairie community, resulted in nearly two-thirds of the sixty-six Progressives being elected in the three Prairie Provinces.

Apart from demands for a low tariff, the Progressive party, with a strong faith in the virtue of the people, wished to develop Canada as a political democracy on Swiss and American lines, with a frequent use of the initiative, referendum, and recall. Some members, especially those from Alberta, were suspicious of centralized leadership and caucus discipline. In truth the party reflected the democratic tradition of the American frontier from the days of Andrew Jackson, and shared the serene confidence of the Populists that the initiative and referendum would promptly curb the power of irresponsible legislatures and frustrate the machinations of industrial interests. In addition it advocated the nationalization of railways and other transport, and thus paid tribute to a mild collectivism, which was not however an innovation in Canadian politics.

Except in Alberta and Manitoba the agrarian movement did not long retain vitality. By 1926 the Progressives in the federal House of Commons had dwindled to thirty-one, and this remnant in turn was divided into three fragments which repudiated a united leadership. In the thirties the disintegration went deeper. Some Progressives were then

absorbed into the Liberal party as Liberal Progressives. Others became the parliamentary nucleus of a new farmer-labour alliance in the Cooperative Commonwealth Federation. Others again were drawn into the ranks of Social Credit under the spell of a novel prophet, William Aberhart, who in Alberta made an irresistible appeal to religious sentiment and secular interest. Thus the agrarian revolt begun at the end of the First World War was spent as a distinct political movement, although the agrarian interest which it championed retained exponents under other political labels. The Social Credit following of William Aberhart, for example, was frontier in its spirit and agrarian in its prejudices, especially in its concentration on the alleged diabolism of bankers and national finance. It rose and flourished by exploiting more effectively than any other party in the thirties the smouldering resentment of a debtor community. Despite the fond ambitions of its leaders, it never became more than a provincial party, but in Alberta at any rate Aberhart assumes a logical place in the history of agrarian politics.

4

Organized labour has played a much less active and creative role than the farmers in the political struggles of Canada. Prior to 1939 the labour movement, in striking contrast to its counterparts in Australia and New Zealand, was industrially and politically weak, and produced no party with sufficient electoral strength to achieve more than a meagre representation in some legislatures. In no province did labour command sufficient support to win office or seriously to challenge the two national parties. This relative impotence resulted from the agrarian structure of the nation, certain geographic and ethnic divisions, popular thought concerning the range of economic opportunity, the absence generally of a cohesive class consciousness, and the influence of the United States. Since the casual labour scattered widely on the small farms was incapable of creating a rural trade unionism like that of

Australia, organized labour could emerge only in industries other than agriculture, especially transportation and the manufactures of the cities and towns. Varied circumstances here hampered its integration and undermined its strength.

The magnitude of the country has interfered with those intimate personal relations commonly essential for trade union growth, and the north-south ties of the trade unions tend to restrict their national consolidation. Many unions emerged as branches of larger units in the United States, subject to perennial direction and influence from across the frontier. Others in structure and control were purely Canadian, and thus the issue of international *versus* national unionism caused frequent jurisdictional conflict, weakening the general movement. Such rifts kept the unions from possessing one representative council to present their common views before the government. At least two separate and rival bodies came to exist, now nearly equal in strength: the older Trades and Labour Congress and the younger Canadian Congress of Labour. The Trades and Labour Congress represents mainly the skilled crafts, and has long sought to preserve the intimate and traditional links with American unions. Like the American Federation of Labor, it is hostile to any direct and unified political action, although it gives considerable liberty to its individual members in political decisions. The Canadian Congress of Labour, which is readier to sponsor direct political action, embraces more of the new industrial and also of the purely national unions, and its international units are not so intimately linked with associates across the frontier.

Trade unionism among the French developed slowly. On its appearance it was partly diverted by the potent influence of clerics into Catholic unionism, distinct in character, unfriendly to the weapon of the strike, and lacking close institutional links with the secular unionism of the English-speaking provinces. The church in Quebec sought to guide labour in the spirit of the papal encyclicals, not simply because of a jealous regard for its authority, but because it had always accepted the wordly mission of preserving the cultural identity of French Canada, menaced

in this instance by the growth of international unions with their Americanizing effects.

To such retarding influences upon labour organization is added the temper of Canadian workmen, fashioned by the socio-economic environment of the continent, which provided opportunities for the individual and fostered a sanguine philosophy of progress. In Canada prior to 1914 an open and expanding frontier with abundance of free land, and a prosperity stimulated by successive bursts of mining development, favoured the belief that the proper and feasible goal of the energetic worker was to become a capitalist and that in economic expansion there was a grand beneficence. Faith then in self-made success was strong. Population moved into the West, built roads and railways, erected towns, and established family homesteads. In this hurried era of nation-building, social conditions did not foster a lucid and vigorous class consciousness or create a coercive need for labour organization. In the twentieth century, many immigrants from continental Europe without unionist traditions, had slowly to be assimilated into the associations of the new country. In this assimilation the task of Canada was more difficult than that of Australia and New Zealand because a higher proportion of the immigrants were non-British and politically inept. A slowing-down in the pace of settlement after 1918 created more favourable conditions for labour to exert itself as a conscious industrial and political force.

This new strength of labour was revealed in the general federal election of 1921, when two representatives of provincial labour parties, James Woodsworth and William Irvine, were elected to the House of Commons from Winnipeg and Calgary respectively. At different stages in his career, Woodsworth was Methodist minister, social worker, longshoreman, adroit parliamentarian, and throughout, an ardent crusader who during twenty years in Parliament did much to further the aims of his group.[10] Yet, despite his extraordinary zeal, Woodsworth was unable to create a significant labour movement in politics until the depression of the

[10]Olive Ziegler, *Woodsworth: Social Pioneer.*

thirties sharpened the lines of social class, persuaded the workers to apply the political tactic, and shook their allegiance to the orthodox political creeds. What then emerged was not a genuine labour party, but the Cooperative Commonwealth Federation (or briefly the C.C.F.). This party was formed in 1932 by men determined to create a farmer-labour alliance that would seek social amelioration in a co-operative and socialist state. Although Woodsworth depended for his own success upon the votes of labour in the polyglot North Winnipeg, the parliamentary movement under his leadership relied from the outset mainly upon western agrarians, particularly members of the United Farmers of Alberta. In machinery and technique the Cooperative Commonwealth Federation, like the Australian Labour party of a generation earlier, introduced innovations. It organized local clubs in towns and cities in order to derive electoral support from varied social classes, and to provide, what the local associations of the two national parties had rarely done, effective political discussion and indoctrination. The frequent provincial and national conventions of the party offered a more manifest element of democratic discussion than had characterized either Conservatives or Liberals. Nevertheless, for many years the central organization, a mere loose federation of separate political groups, was too weak to make any substantial electoral impression.

The first formal platform of the Cooperative Commonwealth Federation, drafted at Regina in 1932, was a fusion of Fabian, agrarian, and Christian Socialist ideas, and was influenced a little also by the New Deal in the United States with its eclective social philosophy. Fabianism came mainly through the medium of university men, many of whom were Rhodes scholars; agrarianism came from the traditional programmes of those rural movements of the past forty years; and Christian Socialism was derived from that body of social idealism prevalent for more than a generation in certain religious sects of the United States and Canada, especially the Methodists. Many ministers of the United Church, as exponents of the social gospel, zealously encouraged the party or even ran as its candidates.

In its response to evangelical Protestantism and in its repudiation of Marxist materialism, the Cooperative Commonwealth Federation is a spiritual brother of the British Labour party. Its links with Canadian agrarianism of the past were manifest in its early years. In its first platform, the Ontario Council of the Federation, like the Patrons of Industry in an earlier day, favoured local autonomy in sale of beer and wine, farm relief, extension of public ownership, and abolition of the lieutenant-governorship. But it was more emphatic in advocating social services and measures to ameliorate unemployment, sickness, accident, and old age. Moreover, it was more nationalist than earlier revolt movements. In foreign policy its thinking was confused and lacking in unity, not unlike that of the Australian Labour party in the same period. Many of its leaders in the thirties supported the League of Nations, others accepted a North American isolationism, and still others, including its national leader, were candid pacifists. In their views on imperial relations all were more autonomist than the leading Liberals.

The notable contrast of the Cooperative Commonwealth Federation with the older parties is its acceptance of an elaborate programme designed to achieve socialism or a collectivized economy. But it is pertinent to note that the two national parties have never shrunk from collectivism when it was deemed necessary for the provision of transport or the development of resources. The wide range of public ownership in the utilities of the Canadian economy, relatively greater than that in the economy of its neighbour, was gradually introduced by the national parties to meet special situations. Thus the early policy of assisting private railways with land grants and loans led inexorably to the creation of the Canadian National Railway System, owned by the public and managed for them by a corporate organization. Canals on the St. Lawrence were from the outset built and administered by the national government. The Canadian Broadcasting Corporation, patterned upon the British Broadcasting Corporation, stands in contrast to the great commercial broadcasting systems in the neighbouring United States. In this instance public ownership

(which does not entirely exclude private broadcasting companies) was considered a more effective instrument in furthering Canadian national interests. Throughout the provinces a wide variety of utilities are publicly owned and operated, including in particular the hydro-electric power system of Ontario, the Timiskaming and Northern Ontario Railway, the telephone systems of the three Prairie Provinces, and increasingly the hydro power plants within all the provinces.

This piecemeal collectivism has come from the peculiar needs of a young and developing economy, especially from the urgent need of collectivizing the risks of development, from the expediency of achieving a larger concentration of capital through public borrowing, and from the popular fear of private monopoly. Such enterprises, combined with the steady growth of social services and industrial law, have created a substantial collectivism which is now taken as a matter of course and is not made the subject of ideological debate by the major parties. The Cooperative Commonwealth Federation has sought to make a cleavage in its programme by the principles of socialism *versus* capitalism, but, as a parliamentary party attached to the procedure of gradualism, its daily working ideas show less sharp distinctions from those of its two older rivals.

During the thirties at any rate, outside Alberta and Saskatchewan, the Cooperative Commonwealth Federation made little effective appeal to the agrarian electorate, and in Alberta it was severely defeated by the movement of Social Credit in the elections of 1935. In Ontario and British Columbia, where the party polled substantial votes in the provincial elections, the main support came from the workers and middle class of the towns. Exposed on the prairie to the full onslaught of the depression and to the insecurity of one-crop production, the farmers were more responsive to new and collectivist ideas, whereas in the older regions of eastern Canada they were more traditionalist, and shrank from radical social change. In Ontario especially, loyalty to the old parties was deep and difficult to undermine, and, despite periodic agrarian eruptions,

the political thinking of farmers was scarcely different from what it had been in the nineties. The family farm as an economic and social unit, the bulwark of security for its members, had fixed their political loyalties, and nothing short of a profound revolution in its whole structure could bring a ready agreement with the political aspirations of urban workers.

The Cooperative Commonwealth Federation benefited from the rapid growth of organized labour which accompanied the Second World War and its sharper interest in the actions of government and the issues of politics. In 1918 organized workers in Canada numbered 248,000. By 1937 they totalled 384,000, a number which represented only 15 per cent of the wage earners. But from the outbreak of the Second World War the enrolment in unions rose to 600,000 by 1943. The Cooperative Commonwealth Federation was quick to exploit labour discontent with government policy. Its success was notable among the younger industrial unions linked with the Canadian Congress of Labour, some of whose leaders were much impressed by the political role of British labour. "The British Labour party," declared a Congress leader in 1941, "stands to-day as the saviour of democracy." In 1943 the Congress endorsed the Federation as its political arm and urged its member unions to affiliate with the party. But frictions appeared among the workers owing to this call for support.

In Ontario the Federation came close to being a trade union party, and the strength thus acquired contributed to its success in the provincial elections of 1943, when it placed the second largest group in the legislature and for the time being became the official Opposition. The rapid advance of industrialism in Ontario and British Columbia seemed to give a momentary hope that these provinces would become the strongholds of political labour. But it was in rural Saskatchewan in 1944 that the Federation, after a sweeping victory at the polls, actually constituted the first provincial government. Similarly in the Dominion elections of the following year, the principal success of the party was in Saskatchewan and Manitoba, not in Ontario,

where it failed to win a single seat.[11] In Quebec its socialism was frowned upon by the Roman Catholic Church, and in any case the attention of French voters was being diverted afresh to nationalism with its own ideas on public ownership. Thus by the close of the Second World War and after more than a decade of struggle the Cooperative Commonwealth Federation resembled the Progressives a generation earlier; it was in fact although not in aim scarcely more than a successful western revolt against the national parties. Its achievements in this region were the political expression of recurrent instabilities in the western economy. Ontario and Quebec, although they may sporadically encourage third parties, continue to cherish a deep and traditional loyalty to the old party system which their electorates associate with economic stability and national progress. But the growing power of organized labour in Ontario is likely in time to give more strength to the Cooperative Commonwealth Federation or to result in the creation of a distinct labour party on the British pattern.

5

Of revolutionary labour parties, little need be said. Some revolutionary elements in Canadian labour have always existed, and have usually originated either in the United States or Europe. Prior to 1914 the Industrial Workers of the World, with an emphasis on class warfare rather than trade consciousness, had recruits in the lumber camps, mining towns, and construction gangs of the frontier, but the period of their vigorous career was relatively short. More influential was the One Big Union, which originated in 1919 as a western revolt from the Trades and Labour Congress of Canada, and like the Industrial Workers of the World sought escape from the craft organization in order to combine workers in one comprehensive and revolutionary unit. But despite the militant enthusiasm of its

[11] In the dominion election of 1945 only one of the twenty-six seats won by the C.C.F. was east of Manitoba. Yet singularly nearly one-third of its total vote was in Ontario.

founders, the One Big Union within a few years shrank in membership, grew conservative, and exerted no significant influence. Its emphasis on class struggle signally failed to appeal to the bulk of Canadian workers.

The most revolutionary force in Canadian labour in the twenty years between the wars (1919-39) was the Communist party, which emerged from small Marxist groups, formed by European immigrants prior to 1914. It arose early in the twenties as the Workers' Party, with a membership mainly of foreign extraction, especially Ukrainians and Finns. But increasingly it enrolled Canadians of British descent, to whom the leadership duly passed. In 1931 its legality was successfully attacked in the courts, and its principal leaders were imprisoned for more than two years, a fact which probably increased rather than diminished its prestige among the rank and file. During the thirties the party grew in vitality and activity, shrewdly exploited social discontent in the years of depression, sought with varying success to elect members into strategic offices in trade unions and municipal government, and endeavoured to discredit the Cooperative Commonwealth Federation and its methods of reformism, although such hostility was modified when the Third International encouraged a United Front. With like tactics, the Communists in Canada have played much the same role as their namesakes in other English-speaking countries. Their influence has perhaps been relatively greater than in Great Britain and Australia because they have not had to face a unified and powerful labour movement, capable of spurning their interference and blocking their efforts.

PART TWO
AUSTRALIA

Chapter Six

FORMATION OF THE COMMUNITY

1

The democratic state in Australia has been conditioned by facts of land, climate, and history different from those in Canada. The penal settlement at Sydney Cove in 1788, with which the British occupation began, and the steady stream of convicts for fifty years were without a counterpart in the colonization of British North America. At the outset the convicts were a majority supervised by the government. After their sentences they might become free labourers and farmers, a fact which, combined with the unrestricted entrance after 1793 of other settlers, prevented the colony from being exclusively a prison. But until transportation was discontinued in the forties, the grim presence of chain-gangs and penal barracks profoundly affected the political régime, made it imperative to exalt the role of government, and endowed public servants with authority over enterprises freely undertaken in North America by individuals or private corporations. The traditions of a centralized paternalism became entrenched and never entirely disappeared, for they were further fostered by stern and unchanging facts in the geographic environment, particularly the scanty rainfall, periodic drought, and much aridity. Thus Australia, earlier and more easily than the other Dominions, became a land of collectivism, accepted the state as a positive force, and relied upon it for initiative in the development of the community.

In a sense not duplicated by any province of Canada, New South Wales was a mother community from which four of the six states in the present Commonwealth originally seceded: Tasmania in 1825, South Australia in 1836, Victoria

in 1851, and Queensland in 1859. Western Australia, the only colony never governed from Sydney, was constituted in 1829. These secessions were dictated by the necessity for decentralized administrations at the chief trading ports in which settlers congregated, or through which they passed to the interior. But the common political genesis of the settlements, their relatively homogeneous population, the early presence of convicts in all except South Australia, and the dominance of pastoralism and mining in their industrial structure made them a more unified community than those diverse and scattered colonies which grew into the provinces of Canada. All of them except Western Australia achieved self-government in the fifties, with the usual British legacy of bicameralism and responsible executives.

Federation came more gradually than in British North America, although the ultimate drive of political and economic forces was similar. This tardy development was due to a prevalent feeling of cohesion and security, and the absence of that sense of urgent danger evident in the Canadas during the sixties. Australian union ultimately emerged from the necessity of a common defence in the Pacific with the rise of a new and militant imperialism in Europe, the growing inconveniences of intercolonial tariffs, the need of common policies for immigration and quarantine, and not least a nascent sentiment of Australian nationality which demanded definite expression in a continental state. In 1885 the first step towards closer union was achieved in the Australasian Federal Council, a body with legislative functions but without executive power or financial control. Weak in internal structure, the Council was rendered almost wholly impotent by the non-cooperation of New South Wales, and its sole significance was to provoke perennial discussion on the necessity of a genuine federation. More notable was the meeting of the National Australasian Convention at Sydney in 1891, which represented all the colonies, dealt with the essential issues of organization, and embodied in a draft bill an agreed federal scheme. Political exigencies and economic tensions during the early nineties delayed action. In the interval leaders of the cause, in particular the energetic

Australian Natives Association, stirred colonial opinion into a compelling force for unity. Under this increased popular pressure a second National Convention in 1897-8 formulated a draft federation broadly upon the lines of that in 1891 but with more generous concessions to the democratic idea. In mode of inception the Australian federal constitution was more democratic than that of Canada. It was drafted by men elected directly by the people for the specific purpose of framing a constitution (except those from Western Australia who were chosen by the two legislative houses), it was freely and vigorously debated on hundreds of platforms throughout the continent, and was submitted to the electors for approval. On its first submission to the citizens of New South Wales, it failed to obtain the required number of votes. Further amended to meet the criticisms of labour and to conform more fully with democratic logic, the projected union was duly accepted in New South Wales and the other colonies, embodied in a British statute, and brought into operation on January 1, 1901, under the significant title of Commonwealth, with its long-established English connotation of a state founded on law and the common good.

2

The Australian community has been shaped by pastoralism, determined in turn by geography and climate. In the first quarter of the nineteenth century merino wool became the basic staple, fostered by abundant pastures, by a climate which made shelter for flocks unnecessary, and by the high value promptly placed by British manufacturers on the Australian fleece. By 1818 a fine and strong wool produced on the dry pastures of New South Wales sold in London at nearly double the price of the Spanish product, and by 1850 Australia provided 39 million pounds of the total British imports of 74 million.[1] The wool industry and trade continued to expand until by the thirties of the present century Australia produced almost a quarter of the world's total wool

[1] *Encyclopaedia of the Social Sciences*, XV, 479.

supply, and nearly two-fifths of that made into cloth. Wool represented 40 per cent of the exports, and its production was still the mainspring of economic development.[2]

The grazing of sheep and cattle, under peculiar geographic and climatic conditions, led to the rapid occupation of nearly all the economic lands of the continent, created a rural industrial structure significantly different from that in Canada, and profoundly affected the development of Australian democracy. Instead of fashioning a society wherein the typical agrarian unit was a farm worked by an individual family, it gave rise, especially in the dry interior, to extensive and highly capitalized pastoral stations, where sheep were grazed over tracts of land ranging sometimes in the nineteenth century from 200 to 300 square miles.[3] Attempts at closer settlement, except in certain coastal areas, were defeated by the stubborn facts of geography and climate, especially the vast stretches of semi-arid land, relatively light rainfall, rapid evaporation, and recurrent drought.[4] One-third of the continent has a precipitation under 10 inches, 66 per cent under 20 inches and 87 per cent below 30 inches. Such average figures do not reflect the crucial fact that in some areas, especially in the north-west and the interior, the rain is unreliable or concentrated within a short period of the year, with months or years of subsequent drought. Roeburne in Western Australia, cited by Griffith Taylor, had in one year 0.13 inches of rain, in another, 42 inches. Here the land is alternately scarred by drought and flood. Even a fair annual average of rain has little economic significance, for reliability and proper seasonal distribution are paramount needs. Such climatic facts made essential extensive rather than intensive grazing lands, and promoted the expansion of wool-growing through the acquirement of fresh and numerous acres. Australia of all the continents has the lowest average density of population per square mile.

The pastoralists with their flocks pushed further from the

[2]S. M. Wadham and G. L. Wood, *Land Utilization in Australia*, 149. The rise of the Australian wool industry is described by S. H. Roberts, *The Squatting Age in Australia.*

[3]James Collier, *The Pastoral Age in Australia*, 68.

[4]These factors are described in Griffith Taylor, *Australia, A Study of Warm Environments*, 62-70.

coast, penetrated the mountains and crossed the grey and sunbaked plains in eager search for new and extensive pastures on which to squat. They found little challenge in occupying the land, readily overcame the impoverished aborigines, who were culturally in the Stone Age and had been virtually defeated by the continent itself before the coming of the white man, and during the first half of the nineteenth century successfully fought the battle of responsible government, although their tenure of undisputed political power was short-lived. The large pastoralists constituted an economic aristocracy in sharp contrast with the many small yeomen whose pioneering tasks in the same period constituted the chronicle of Canadian settlement. They resembled more the planters of the southern United States, or the ranchers of Texas, than the farmers of Canada and north-eastern America. The peculiar structure of their industry created on the land different relations between capital and labour from anything in British North America. Spacious sheep stations, occasionally grazing as many as 100,000 sheep, required in the early years shepherds, and after the fifties, when fencing was adopted, boundary riders. In certain seasons extra and skilled workers were employed for shearing, who like the shepherds and boundary riders were strictly proletarian, shut off from an easy transition to the status of pastoralist.[5] In this extensive pastoral frontier, in contrast to the agrarian frontier of Canada, land offered little opportunity to the poor man for it required much capital to stock. Drought brought risk which only the capitalist could face. Rarely could station hands and shearers be inspired by the hope of becoming proprietors, while the grim isolation under which they collectively lived and toiled helped to foster class cohesion and breed discontent. In the shearing-sheds of the lonely stations they discussed their common lot, and in the later years of the nineteenth century organized militant trade unions to struggle for economic betterment.

In a continent remote from the closely populated areas of Europe and America, labour has never been abundant, and

[5] The sheep holdings have declined in size. In 1891 in New South Wales each of seventy-three holdings carried 100,000 sheep; in 1920 only one station had such a large flock. Griffith Taylor, *Australia*, 307.

the rural trade unions soon became relatively powerful. Among the most vigorous and influential was the Shearers, formed in 1886 by William Spence, a Scottish-born migrant to the Victorian gold-fields, who became the most effective organizer of workers in Australian history.[6] The Shearers grew into the Australian Workers' Union, which took as its model Robert Owen's historical Grand National Consolidated Trades Union, and by 1904 had achieved a membership of 50,000. A federation of rural crafts and unskilled bushmen, reinforced later by other workers, it became an impressive force throughout the continent, and deeply influenced industrial and political action, especially in the expanding frontiers of Western Australia and Queensland. The evangel of trade unionism among the bushmen of the outback was such, in the enthusiastic claim of Spence, that "hundreds of men have worn their boots and clothes to tatters seeking work upon Union terms; and not finding it, have gone without for a year—remaining penniless, but independent and proud that they had not degraded themselves."

Rigorous geographic controls still make large-scale pastoralism the economical method of utilizing most of the land, especially on the interior plateau. The advent of refrigeration on ships in the eighties encouraged cattle-raising for meat in territory where grass was sufficient, and dairying then also had a chance to develop exports. Some 55 per cent of the present area of the Commonwealth is used for pasture, 40 per cent is waste, 2 per cent is forest, and 3 per cent is cultivated as crop and orchard soil.[7] Besides the social results already mentioned, pastoralism has tended to scatter the population thinly, to restrict the number of small towns, and to centralize most of the commercial and industrial activity at the great ports, especially Melbourne and Sydney, whence the wool and other staples have been shipped to Europe. Other circumstances have reinforced these conditions. Possession of a common seaboard has made all the states anxious to utilize low-cost oceanic transport in interstate as well as in foreign trade, and therefore industry is

[6]See William G. Spence, *Australia's Awakening.*
[7]S. M. Wadham and G. L. Wood, *Land Utilization in Australia*, 8.

concentrated at the ports where such transport is present and where coal and other power resources are usually available. Thus more than three-fourths of the Australian people live in a coastal fringe within fifty miles of the sea. The absence of navigable rivers, except the Murray for part of its course, further hampers the growth of inland towns. Consequently New South Wales has less than one-third as many towns with over 10,000 people as Ontario, its Canadian counterpart, but it has a more populous capital. Indeed throughout the whole of Australia there are fewer towns of 10,000 people than in Ontario alone.

A few large metropolitan centres have long been a distinctive feature of the community. As early as 1833 the inhabitants of Sydney constituted 27 per cent of those in New South Wales, and since then in all states except Queensland and Tasmania, most of the urban dwellers have been massed in the capitals and chief ports. By 1933, 47 per cent of the Australian population (then 6,629,000) dwelt in the six capital cities, about 17 per cent in the urban areas outside the capitals, and 36 per cent in definitely rural areas. In Victoria as high as 54 per cent were in the metropolitan centre, and in South Australia the percentage was little less.[8] The whole urbanized population of the Commonwealth, including that in the smaller as well as in the larger urban areas, is 64 per cent of the total, compared with 53 per cent in Canada. Sydney and Melbourne, which alone contain more than one-third of the whole population in the Commonwealth, rigorously continue to drain people from the country. This highly accentuated metropolitanism has significantly affected politics and social movements, and in particular has helped to create a powerful labour movement interested in the goals of social democracy.

Australian labour has been stronger, more resilient, and more effective in determining political and social ends than that in any other Dominion. By 1914 the total trade union membership was 523,000, whereas in the same year Canada, with a population larger by 2 million, had 166,000. In 1937

[8]The percentage figures for all the states: Victoria, 54; South Australia, 53; New South Wales, 47; Western Australia, 47; Queensland, 31; Tasmania, 26.

about *one* Australian in every *seven* was a trade unionist in contrast with *one* Canadian in every *twenty-eight.* By 1940 the membership of unions in Australia had reached 955,000 in contrast with 365,000 in Canada, although in the subsequent years the Canadian growth greatly narrowed the gap. Today in the Commonwealth some 48 per cent of the male and 33 per cent of the female wage-earners over twenty years of age are trade unionists, and even these percentages have been exceeded in earlier years.[9] Unionism has come to embrace musicians, journalists, civil servants, and teachers, while women are freely enrolled in the ordinary unions, and predominate in the clothing and textile units. Out of this comprehensive working-class movement with twin support in town and country there issued, not merely collective bargaining in industry, but political action, leading ultimately to Labour Governments in the Commonwealth and all the states and to extensive social controls. Throughout its history Australian labour, steadily reinforced by artisans from the homeland, has been inspired mainly by the sober and realistic philosophies of British labour. As early as the fifties, organizations in the building industries of Melbourne and Sydney, led by former British Chartists or by those under Chartist influence, struggled successfully for such objectives as the eight hour day.[10] Yet, while consistently receptive to the current ideas from Great Britain, Australian labour has long been fired by a sturdy spirit of political and economic nationalism.

3

Democracy was also significantly shaped by the alluvial gold discoveries of the fifties in Victoria and New South Wales, which quickened the stream of immigrants, diversified the economy, and undermined the exclusive political dominance of pastoralism and the pastoralists. Mining and subsidiary industries stimulated by it now came into prominence.

[9]See annual statistics in *Labour Report*, published by the Commonwealth Bureau of Census and Statistics.

[10]Brian Fitzpatrick, *The British Empire in Australia*, 293-4; J. T. Sutcliffe, *A History of Trade Unionism in Australia*, 23-5.

At the outset, general manufacturing was hampered, since the abundant gold facilitated the purchase of goods from Great Britain, but ultimately mining speeded the growth of both population and domestic industry. Within the decade, 1851-61, the population nearly trebled, and in the year 1861 between 40 and 50 per cent of the inhabitants in Victoria lived on the gold-fields.[11] In contrast to pastoralism, agriculture was fostered by the larger home market, while rail transport was encouraged by the new and wider opportunities for freight.

Far-reaching were the political and cultural repercussions of gold. The diggers were more cosmopolitan, enterprising, and aggressive in politics than previous immigrants. By coincidence, the decade of the gold-rushes immediately succeeded the collapse of radical and revolutionary convulsions in Europe, notably Chartism in Great Britain, liberal nationalism in Ireland, and social democracy on the continent. Gold-seekers imbued with the political ideologies of the Old World intermingled with others from California, who introduced the American creed and temper of frontier democracy. In the mining camps of Ballarat and Bendigo men of diverse occupations and status were thrown together, levelled by common pursuit and mode of life, and inspired by the code of a genuine if rude democracy. There emerged the independent and redoubtable "digger," who remained a cherished tradition in Australian popular thought, stood in politics for a rugged liberty, and terminated the era of squattocracy. Under his weighty pressure in the fifties the colonies rapidly extended that framework of political institutions for which in the previous decade British Chartists had vainly striven. Manhood suffrage was introduced to South Australia in 1855, Victoria in 1857, and New South Wales in 1858. Considerably more than a decade prior to its introduction in Great Britain and Canada, the secret ballot was established in Victoria and South Australia in 1856, New South Wales in 1858, and Queensland in 1859.[12]

[11] W. P. Morrell, *The Gold Rushes*, 251.

[12] *Cambridge History of the British Empire*, VII, part I, 259. The leadership of South Australia in the reform movements of the early period is discussed by G. V. Portus in *The Centenary History of South Australia*, chap. XIX.

In South Australia triennial parliaments were instituted in 1856 and in Victoria in 1859. Long before the British Act of 1911, the payment of members in the legislature was accepted by Victoria in 1878 and by New South Wales in 1889. In 1895, more than twenty years before England and Canada, South Australia, followed soon by other colonies, gave women the parliamentary vote. Thus, in the half century after the discoveries of gold, Australia made rapid and comprehensive progress in the mechanisms of political democracy, and came to be regarded as the most advanced political laboratory of the English-speaking world.

Not the least significant result of the gold-rushes in the fifties was the subsequent unemployment and disillusionment. The early alluvial diggings gave a unique opportunity to the man of little means, but the exhaustion of surface deposits made capital more imperative, and a contentious employer-employee relationship evolved.[13] Quartz-mining brought a greater emphasis upon the new capitalist nature of the industry, created thousands of restless workers in the mines, and periodically reduced them to dependence upon the precarious employment offered by other industries, especially pastoralism. In a country carved into immense holdings, with a thin scattering of cattle and sheep, the labourers were compelled to move from job to job. With scant hope of attaining independence, they were conscious of the gap between wealth and poverty. This was the era of those grim figures described in the verses of Henry Lawson:

> All day long in the dust and heat, when
> summer is on the track,
> With stinted stomachs and blistered feet, they
> carry their swags Out Back.

The painful contrast between the search for Eldorado and the struggle for employment fostered ideas, especially an ill-defined egalitarianism and a special care for the "underdog," which have characterized Australian democracy ever since. There emerged that active ideal of mateship, each

[13]Brian Fitzpatrick points out that as late as 1865 some 80 per cent of the Victorian gold miners were still working on the alluvium. *The British Empire in Australia*, 162.

for all and all for each, celebrated in the popular poetry of Lawson and depicted by Joseph Furphy in his character Tom Collins.[14] It influenced struggling, unsettled station hands, shearers, sundowners, bushmen, and disappointed gold-seekers. This uneasy humanity was the equivalent of the frontier democracy in contemporary America, but unlike the latter it was unable to swarm into homesteads because of the nature of the interior, subject to frequent drought and rabbit plagues. More truly proletarian, it soon assisted those economic and political thrusts directed towards social democracy, evident especially from the nineties with the rise of a militant trade unionism and a Labour party.

4

In this struggle for social betterment, a central impulse is reflected in the emphasis upon a protected standard of living for the white workman, which for more than a generation has been a dominant religion of the Australian people, illustrated explicity in state wage-fixing and in rigorous immigration laws. The White Australia Policy, which began in the era of the gold diggings, has been crucial in fashioning the community. In stimulating a general and rapid economic development the diggings secured for the workers a high wage level. Remoteness from Europe restricted the supply of labour and enhanced its reward. Nearer than Europe dwelt the teeming and non-white peoples of the South Sea Islands, India, and China, whom Australians soon resolved to exclude. Exclusion first came to the fore as an issue in the fifties when thousands of Chinese entered the diggings of Victoria and New South Wales, and threatened to undermine the wage-rates and living standards of the white miners. Racial bias and fear of intense economic competition combined to create a powerful popular protest, which forced Victoria and the other colonies to reduce the migration of the Orientals by entrance licences, poll taxes, and rules forbidding ships to

[14]Vance Palmer (ed.), *Such is Life*, Being Certain Extracts from the Diary of Tom Collins. See also on the social importance of Furphy's work, C. Hartley Grattan, "Tom Collins, Such is Life" (*Australian Quarterly*, Sept., 1937).

carry more than one Chinese to every ten tons registry. When the alluvial gold-fields became exhausted, the special incentive for the Oriental inflow was removed, and many of the restrictive laws were repealed, but these early measures signalized the legislative genesis of the White Australia Policy.[15]

The subsequent development of the policy in the seventies and eighties was occasioned by the further migration and threatened migration from the congested lands of the Pacific basin. The cardinal issues then turned on the obtaining of cheap labour for the sugar plantations of tropical Queensland, whence Kanakas were imported from the South Sea Islands, and the development in the northern part of the same colony of gold mines which attracted additional thousands of Chinese. The trade unionists for traditional reasons deprecated this migration, while other citizens were made critical by reports then highly publicized by an American federal commission, of the acute social problems created by the Chinese in California. Queensland imposed restrictions more or less imitated in other colonies. New South Wales tried to stem a renewed stream of Chinese which reached such volume by 1887 that they represented 15 per cent of the total population. A special irritant was the presence of Chinese sailors on the intercolonial ships of an Australian company. A protest strike of white seamen with wide support resulted in the exclusion of Oriental sailors. Queensland set a significant precedent for the future Commonwealth in the decision that mail subsidies would be paid only to steamship companies which employed neither Asiatic nor Polynesian sailors. Although restricted immigration was occasioned by the threatened inflow of Chinese, the colonies were equally determined to exclude all non-white people, a sweeping policy bristling with difficulties since it affected other subjects under the British Crown, particularly the East Indians. Influenced partly by the example of Natal faced by Indian immigration, and partly by pressure from Joseph Chamberlain they adopted in the late nineties an educational or dictation test, which reduced to the minimum intra-imperial

[15]Myra Willard, *History of the White Australia Policy*, 17-36.

irritations by avoiding discrimination directly on the obnoxious basis of race and colour. It lessened provocation not merely among British Indians but also among the Japanese, whose friendship was then an imperial interest.

Thus prior to the birth of the Commonwealth the principal Australian colonies were already restricting immigration in order to create a white and socially homogeneous people. The desire to construct around the whole continent a uniform dike to stem the inflow of coloured labour was a potent argument for federal union. After federation the new Australian Parliament promptly proceeded in 1901 to weld the colonial policies into a national system, of which the basic elements were embodied in the Immigration Restriction Act and the Pacific Island Labourers Act. The former prescribed a dictation test whereby migrants were prohibited entry who were unable to write out at dictation, before an official, a passage of fifty words in a European language, later changed to placate Japanese susceptibilities to "any prescribed language." The Pacific Island Labourers Act terminated the use of coloured and indentured labour in Queensland, where hitherto Kanakas had been imported from the South Sea Islands. Deftly used, the dictation test was effective, since the prescribed language might always be one of which the migrant was ignorant. Although intended for use only against Asiatics and South Sea Islanders, it could at need be applied against Europeans. An additional exclusion within the act pertained to labourers who under contract might come to work for wages injurious to Australian employment. This provision, which was not a dead letter, aptly illustrates the firm resolve of the Commonwealth from the outset to maintain standards of living by restricted immigration.

All political parties have supported the White Australia Policy mainly with the contention that a high standard of living would be jeopardized if coloured and low-standard races were freely admitted. Labour leaders in particular emphasize that an effective trade unionism and the controls for which it stands, such as the fixation of wages by the state, are bound up with racial homogeneity. While social cohesion

is the proclaimed and rational objective, race or colour prejudice has also been present, commonly rationalized in the plea that dilution of the existing stock would imperil cherished portions of the culture. Such racial fear has been much fostered by the geographic and ethnological isolation of Australia and by the fact that the nearest lands are crowded with alien races: the Netherlands Indies with 60 million, India with over 350 million, and China and Japan with some 500 million. Thus Australians readily think of themselves as a remote and threatened portion of the white race in the Pacific, whose best defence is the rigid exclusion of dark or brown stocks. "We are a white island," pleaded William M. Hughes, "in a vast coloured ocean. If we are not to be submerged we must follow the example of that indomitable people the Dutch, and build dikes through which the merest trickle of the sea of colour cannot find its way."[16] Earlier still Alfred Deakin was convinced that "the unity of Australia is nothing if it does not imply a united race." Australians, as another remarked, gloried in the "process of consanguineous peopling of the land." This eager, aggressive desire for racial and social cohesion, which has never been so articulate in Canada, is the most characteristic feature of Australian democracy. Low-paid coloured migrants, when enfranchised, are considered to be a menace to free institutions as they are subject to political as well as economic exploitation. Democracy implies the recognition of equality among citizens, and racial divisions would involve tensions and struggles, impairing the spirit of compromise on which such equality must rest. Queensland in particular is hostile to the free admission of a coloured race because within its tropical belt the competition of coloured and white workers would bear harshly on the whites, and likely produce a "poor white" problem as complex as that in South Africa. Moreover, in guarding the northern marches of the continent, this state views the White Australia Policy as an auxiliary measure of national defence. It takes perennial pride in the success of its white people who have settled a tropical area, and themselves provided the strenuous bodily labour for sugar farms without

[16]W. M. Hughes, *The Splendid Adventure*, 364.

being defeated by the diseases, moral and physical, which elsewhere afflict and often devastate white workers in the tropics.[17] Without restrictive immigration, supported by fiscal protection for domestic sugar, this achievement in tropical settlement and acclimatization would be imperilled. Thus, the White Australia Policy is the product of the community's geographic position, social ideas, and unflagging zeal to be master of its racial destiny.

Homogeneity is both a direct result of the White Australia Policy and an incentive to maintain it. In the census of 1933, 99.2 per cent of the people were of European extraction, and 99.1 per cent were British subjects. The last mentioned figure includes not merely the Australians of British descent, but also those of European ancestry other than British (some 10 per cent) who have become British subjects.[18] The fact that between 88 and 90 per cent of the Australians are of British stock presents a significant contrast with the peoples of Canada and South Africa. No important linguistic minorities exist. Australia is probably the most unilingual large country in the world, more unilingual than Great Britain itself. In religion also diversity does not reach troublesome proportions. In 1933, 38 per cent of the people were nominally Church of England, 17 per cent Roman Catholic, and 22 per cent belonged to the Methodist, Presbyterian, and Congregational churches. The Roman Catholics are mainly of Irish descent, and by acting in unison, especially to preserve their Catholic schools, have occasionally exercised a separate political influence. But in the main the merging of Irish, English, and Scottish elements has proceeded far, and the cleavages of party politics are along lines other than those of nationality or religion. The homogeneity of the people has enhanced the political and industrial strength of Australian labour which, unlike American labour in the past, has never had to cope with the intricate problems of educating into democratic unionism a large mass of heterogeneous

[17] See A. Grenfell Price, *White Settlers in the Tropics*, chap. VI.

[18] See P. D. Phillips and G. L. Wood, *The Peopling of Australia*, chap. VI; also J. Lyng, *Non-Britishers in Australia*. A clear and concise treatment of the non-British Europeans in Australia is provided by W. D. Forsyth, *The Myth of Open Spaces*, chap. XIX.

immigrants. Though the whole associational life of the democracy has derived strength from its racial unity, something perhaps is lost in the subtler spheres of culture. There is doubtless monotony in a vast continent with such little diversity of human type and opinion, where the idioms of life are so alike from the north of Queensland to the southern shores of Western Australia.

5

Australian nationality has been shaped by the aforementioned political, economic, and social circumstances, although it is no easier than in the other Dominions to give the precise date of its birth. It was evident, however, in the eighties and nineties of the last century, when it was intimately related with the rapid advance of political democracy and the early struggle of the workers for a secure standard of living. The social circumstances which created a demand for popular government and social betterment no less fostered national feeling. Australians came vividly to believe that they had common problems to solve and unique political experiments to make. They were ready, as it has been remarked, to accept the "vision of replanting civilization in a virgin soil where it might be isolated from the growths which have fastened themselves like fungi on the older stock."[19] They were fired with a popular idealism somewhat like that which James Truslow Adams has called the American dream. To them the national *ethos* was to be a humanitarian democracy, and in the eighties, nineties, and early years of the twentieth century they reflected this aspiration in journalism and literature. In the characteristic verse of Bernard O'Dowd, Australia was the "Delos of a coming Sun-God's race," and the poet could zealously address his countrymen:

> Our place is in the van
> With those crusaders who
> Maintain the rights of man
> 'Gainst despot and his crew.

[19] *Round Table Studies*, first series, no. 11, 92.

In 1881 a group of sturdy and often flamboyant nationalists founded and contributed to the Sydney *Bulletin*, and through the *Bulletin* expounded a nationalist doctrine which extolled the democracy of Australia as superior to what they liked to call the decadent aristocracy of Great Britain. In its early years, the *Bulletin* leaned to republicanism because it considered that monarchy involved "fulsome adulation, snobbery, and lip-loyalty."[20] It somewhat smugly emphasized that England of necessity had to take an interest in militarism, whereas Australia had the more humane task of reclaiming a vast continent from savagery. Up to 1900 at least the *Bulletin* favoured colonial separation in order to save the colonies from embroilment in the futile military struggles of Europe. Such faith in the virtues of colonial democracy was a spring-head of nationalism. It was evident in the utterances of all the political fathers of the Commonwealth. Sir Henry Parkes, a veteran in the struggles for both self-government and federation, expressed in his autobiography the sanguine view of his time in the remark that "if there is any part of the habitable globe where men are free, it is Australia."

This conception of the continent as a bold and generous centre of social progress was joined to an emphasis on its physical uniqueness, occupied only by one people, and linked to the destiny of that people alone. No other Australian politician ever uttered a slogan which so strongly fired the popular imagination as Edmund Barton, first Prime Minister of the Commonwealth, "a continent for a nation, and a nation for a continent." Novelists and versifiers have been zealous in emphasizing the "wide inheritance of sun and sky," and the vast, sparsely populated hinterland which has received the varied and characteristic names of the outback, the bush, the never never land. This vast physical frontier of grey plains and gum trees, varying little throughout the whole large island, has subtly shaped and continues to shape Australian national thought. It is the common inheritance of all states in the federation, pressing upon the fringes of settlement and the scattered cities along the coast, and

[20]Henry S. Hall, *Australia and England*, 27.

presenting Australians everywhere with like problems and like conditions of life. It is the basic and central fact in the national tradition.

Chapter Seven

FEDERALISM AND LOCAL RULE

1

Australian federalism was originally fashioned by social and political circumstances different from those in the Canada of the sixties. Isolated in the Southern Pacific, the six Australian colonies in the nineties, although they sought security through union, faced no immediate peril, and felt no potent compulsion to make the central authority strong. Already they shared among themselves the whole continent, and there remained no unappropriated region which required a centralized power to promote its development or to guard it against an imperialist neighbour. For more than a generation, they had extended the frontier of settlement, built railways to draw traffic to their ports, constructed systems to conserve water in a dry climate, experimented with novel methods of land tenure, and created statutory corporations to further public works. In their lively self-consciousness, they were anxious to remain autonomous in those varied developments already begun, and sought in federalism only a common administration of matters, inconvenient or impossible for separate states to manage. "I hold it to be a basic principle of this federation," said Richard O'Connor in the Convention at Adelaide in 1897, "that we should take no power from the States which they could better exercise themselves, we should place no power in the federation which is not absolutely necessary for carrying out its purposes."[1]

The Australian leaders, able lawyers and men of affairs, were amply mindful of what had been attempted in other

[1] *Official Report of the National Australasian Convention*, 50.

federal systems. "We have had the American constitution," complained a member of the Sydney Convention, "the Swiss constitution, and slabs of the Canadian constitution hurled at us from all sides *ad nauseam.*"[2] But the coercion of their own political and social circumstances made them peculiarly receptive to American federal ideas which they found fully expounded in the pages of Bryce. "We at once naturally," wrote Alfred Deakin to a Canadian correspondent, "and indeed inevitably turned to the precedents from the United States rather than to your own."[3] They eagerly sought what Lord Haldane considered to be a constitution "federal in the strict sense of the term," built upon the American rather than the Canadian model. Doubtless they did not always interpret Canadian institutions accurately; they understood them only through scanty book knowledge. Moreover, no Bryce had written in laudation of Canadian federalism, and up to that time Canada had exhibited no impressive material expansion, like that of the United States. Its modest federal beginnings had no opportunity to win a comparable prestige. Hence Australian draftsmen were not disposed to look to Ottawa and were frankly critical of what they found in the British North America Act, especially of those provisions whereby the provincial lieutenant-governors were appointed by the national Government and the provincial acts were subject to the veto of that Government. "I am quite sure," pleaded Sir Richard Baker of South Australia in the Adelaide Convention, "that no one who has studied this question of a federal form of government will contend that the essence of federation exists in Canada."

The powers of the Commonwealth, described in fifty-one, fifty-two, and other sections of the Australian Constitution are *exclusive* and *concurrent.* Where the Commonwealth alone may legislate, power is exclusive; where the states as well may legislate, power is concurrent, and in such cases the legislation of the Commonwealth under Section 109 supersedes or invalidates that of the states. Until the Commonwealth acts, the states may legislate within the concurrent

[2] Quoted in E. M. Hunt, *American Precedents in Australian Federation*, 163.
[3] Alfred Deakin in a letter to J. Castell Hopkins, *The Globe*, December 1, 1898.

field, as they have done notably in marriage and divorce. Since the states alone legislate on matters not prescribed within either the exclusive or concurrent powers of the Commonwealth, they possess the residual power. The Commonwealth deals with such matters as trade and commerce with other countries and among the states but not intra-state trade; taxation which does not discriminate between states; bounties on the production or export of goods uniform throughout the Commonwealth; the borrowing of money on the credit of the Commonwealth; postal, telegraphic, telephonic, and other like services; naval and military defence; currency, coinage, and legal tender; census and statistics; banking other than state banking; also state banking extending beyond the limits of the state concerned; the incorporation of banks and the issue of paper money; insurance, other than state insurance; also state insurance extending beyond the limits of the state concerned; marriage and divorce; invalid and old age pensions; immigration and emigration; external affairs; the control of railways for the naval and military purposes of the Commonwealth; the acquisition, with the consent of a state, of any railway in the state; conciliation and arbitration for the prevention and settlement of industrial disputes extending beyond the limits of any one state; and matters referred to the Commonwealth by state Parliaments.

Although most powers of the Commonwealth are concurrent, a few, such as the borrowing of money on the public credit, are exclusive by implication. Others, like those pertaining to the national seat of Government, are exclusive by specific mention. Section 81 is significant when interpreted by Canberra to mean that Parliament may appropriate money for any purpose deemed necessary for the national good. By such means the Commonwealth on occasion has attempted actions not listed within the Act.[4]

Many significant powers resemble those of the Canadian Parliament under Section 91 of the British North America Act. They are those which any truly national government

[4]See Mr. Justice H. S. Nicholas in *Proceedings and Minutes of Evidence of the Royal Commission on the Constitution*, 14-15.

under modern necessities must inevitably exercise, especially, control over international trade, currency, defence, and external relations. But the enumerated powers of the Commonwealth are more complete and more varied, partly because they are assigned as formerly mentioned, and partly because the needs of a later age lifted new services to a national importance and hence made them suitable for federal jurisdiction. In Canada during the sixties, there were no social pressures to specify "invalid and old age pensions" as a subject for either provincial or federal jurisdiction. But in Australia during the late nineties, a Labour party was insisting upon social measures in a manner difficult for the draftsmen of the constitution to ignore. Similarly the important sub-section concerning conciliation and arbitration was produced by the sharpening cleavage within Australia between social classes in the mining and pastoral industries and the emergence of aggressive trade unions, with tactics menacing to industrial peace. Although the arbitration power pertains only to those industrial disputes extending beyond the boundaries of one state, it has been a significant instrument of the Commonwealth in determining the standards of living in national industries.

In Australia the national Parliament no less than in Canada is endowed with legislative competence for all the emergencies of war. Section 51 of the constitution enables it to make laws for "the naval and military defence of the Commonwealth and of the several states." Thereby it may in war-time fix prices, distribute coal, and purchase and export wool. Indeed, if deemed essential for defence, it may undertake a totalitarian control over every phase of the economic and civil life of the community. Apt is the remark of Sir Robert Garran that in a federal constitution "specific matters, if widely enough expressed, and if not subject to excessive qualifications, can be relied on as the basis for a strong central government."

The states possess residuary powers over such matters as public lands, irrigation and closer settlement, public health, mining, trade within state boundaries, railways, education, police, local government, and industrial and labour relations

except in so far as these are not covered by the arbitration power of the Commonwealth. With the last mentioned exception, the states control hours, wages, and the status of trade unions, and thus deal with many crucial issues of economic and social interest, although at almost every turn their performance is profoundly affected by the powers of the Commonwealth especially by its control over tariffs and finance. During the first federal decade, the states ambitiously but vainly claimed that frequently they and not the Commonwealth should deal with the Imperial Government, that the Commonwealth was merely their agent, and that they should be invited to the Imperial Conference of 1907 because certain subjects on the agenda, such as immigration and land settlement, concerned them. Significantly their constitutions were left as they had existed prior to union, alterable only in accord with the original laws passed in colonial times. Their legislation, unlike that of the provinces in Canada, cannot be vetoed by the Commonwealth. A state may change considerably its character in the union, and may surrender any part of its territory to the Commonwealth, as South Australia in 1910 surrendered the Northern Territory. A new state may be formed out of territory from an existing state with the parliamentary consent of the latter, or may be formed by merging two or more of the existing states with the consent of their Parliaments. In constitutional theory at least, the states have their own distinct and ample spheres of life; they are not designed to be subordinate. But, as the financial relations of the federation indicate, the constitutional theory of the Fathers does not reflect all the hard realities of today.

2

In Australia no less than in Canada and the United States, judicial interpretation has profoundly influenced federalism by developing and unfolding the constitution, and by clarifying the distribution of power relative to the swift change in political and economic circumstances. The judicial

system has blended American and Canadian features. On entering federation the states retained their courts, headed in each case by a Supreme Court, while the new constitution provided for a High Court of Australia, and also enabled the federal Parliament to constitute whatever other courts were deemed necessary. Thus, in recognizing structurally at least a dual system, the constitution followed the precedent of the United States.[5] But, in empowering the Commonwealth to invest state courts with federal jurisdiction, it leaned to the precedent of Canada. The High Court possesses both appellate and original jurisdiction. As an appellate tribunal it is intended to be supreme within the Commonwealth, but, in matters arising under the laws of a state, a litigant may appeal from a state Supreme Court either to the High Court or to the Privy Council. On questions involving the distribution of legislative power between Commonwealth and states, an appeal from the High Court to the Privy Council is permitted only with the assent of the former. This restriction upon the right of appeal makes the High Court virtually the final interpreter of the constitution.[6] It reflects the hostility of Australian nationalists at the turn of the century to an external court and the sturdy conviction of those who drafted the act that a federal constitution is best understood by jurists who live under it and daily witness its operations. The original jurisdiction of the High Court pertains to such special matters as those arising under a treaty, affecting consuls, or in which the Commonwealth is a party.

In the interpretation of the constitution by the High Court, the two major periods are broadly from 1901 to 1920 and from 1920 to the present. In the earlier period the Court had a majority of Justices, notably Griffith, Barton, and O'Connor, who as politicians had played distinguished roles in the federal movement. As students of comparative federalism, they were profoundly influenced by the methods

[5] See E. M. Hunt, *American Precedents in Australian Federation*, 185.

[6] The early attempts to appeal from the Supreme Courts of the states to the Privy Council in constitutional cases and the blocking of such attempts by legislation are traced by Sir Robert Garran, "Development of the Australian Constitution" (*Law Quarterly Review*, XL, 213).

of judicial interpretation in the United States, and as judges leaned heavily upon the principles of American jurisprudence with significant results in a series of famous cases. In *D'Emden* vs. *Pedder* in 1904, the High Court accepted the American doctrine of the immunity of state instrumentalities by deciding that the State of Tasmania was powerless to tax the receipts of a federal officer for payment of salary from his Government. "When a state," it declared, "attempts to give to its legislative or executive authority an operation which, if valid, would fetter, control, or interfere with the free exercise of the legislative or executive power of the Commonwealth, the attempt, unless expressly authorized by the constitution, is to that extent invalid and inoperative."[7] Other and subsequent cases entrenched this principle, specially those concerned with the jurisdiction of the Commonwealth Court of Conciliation and Arbitration, established in 1904. In the *Railway Servants' Case* a majority of the High Court decided that the jurisdiction of the Arbitration Court did not cover the railway authorities of New South Wales; in other words the Commonwealth was prohibited from interfering with an instrumentality of a state, as conversely in *D'Emden* vs. *Pedder* a state was prohibited from interfering with an instrumentality of the Commonwealth. Strict federalism implied that the constitution embodied a compact and must be construed as a compact. The governments must respect the principle of mutual non-interference.

After the First World War the current of judicial interpretation changed. The original Justices, influenced by American jurisprudence, were no longer a majority, and the new court, responding doubtless to the nationalism of the post-war era, reversed in the *Engineers' Case* of 1920 the position taken in the *Railway Servants' Case* and others prior to 1914 by rejecting the doctrine of immune instrumentalities. Like judgments followed. The Parliament of the Commonwealth could now exempt federal loans from state income tax while state officers must pay federal income tax.[8] Statutory

[7]Quoted in F. C. Brennan, *Interpreting the Constitution*, 31. This study is sympathetic to the early methods of interpretation.

[8]The cases of *Commonwealth* vs. *Queensland* (1920) and *Davoren* vs. *Commissioner of Taxation* (1923).

interpretation of the Constitution Act similar to that applied to ordinary British statutes, rather than interpretation by implication, prevailed. A limitation in Commonwealth powers in order to be recognized must be strictly expressed in the Act rather than implied, and no agency benefited more than did the Arbitration Court. The jurisdiction of the Court widened although it was not rescued from what Mr. Justice Higgins criticized as "the Serbonian bog of technicalities" which surrounded its activity, owing mainly to the specific character of the power granted. "It is astonishing," he ironically remarked, "what a wealth of learning is involved in the meaning of the word 'dispute' and the words 'extending beyond the limits of one state'."[9] The fresh interpretation of the constitution by the High Court after 1920 resulted in a shift from American precedents to those of the Privy Council; in other words, to those which commonly govern Canadian cases. In 1932 Sir W. Harrison Moore remarked upon "the substantial disuse of American authorities in argument today, while in the earlier years of the Court, the Reports of the Supreme Court of the United States formed part of the library of every man in leading practice at the bar."[10] Yet caution is necessary in generalizing upon the trends in interpretation. It is not to be assumed that in the earlier period the High Court was simply hostile to an expansion of Commonwealth power and that in 1920 it promptly changed front. As previously indicated, some of its earlier decisions restricted state as well as Commonwealth action. While interpretation by implication limited in some important matters the scope of the Commonwealth Arbitration Court, yet in other respects it generously extended its range. But even after 1920 the High Court still had to recognize the basic distribution of power. In analysing recent High Court judgments, a distinguished public man and former justice of the High Court remarked that "there is neither a tendency towards, nor yet away from, Commonwealth supremacy over the states. The constitution itself stands."[11] The original

[9] H. B. Higgins, *New Province for Law and Order*, 29.
[10] *The Cambridge History of the British Empire*, VII, part I, 482.
[11] H. V. Evatt, "Constitutional Interpretation in Australia" (*University of Toronto Law Journal*, III, no. 1, 22).

constitution literally read remains the fundamental instrument in distributing power.

But modern economic and social developments bring about fresh Commonwealth action by giving a new meaning to old clauses. The "external affairs" power of Section 51, for example, has assumed a new and greater magnitude. The power pertaining to "postal, telegraphic, telephonic, and other like services" is now more important when it is interpreted to embrace radio broadcasting. Many of the other grants of power are likewise more significant because of changing circumstances in the community. While the terms of the original grant to the Commonwealth remain the same, their importance ever widens with the pressures of an evolving society.

Yet in many instances the powers described in Section 51 and other sections were widely regarded long before 1939 as neither extensive enough, nor clearly enough defined, for genuine national needs. The attempt to follow American example in dividing the commerce power, created confusion and litigation. The Commonwealth could not deal with some of the crucial national issues concerning intra-state commerce. Moreover, Section 92, which prescribed absolute freedom of trade within the Commonwealth, appeared to conflict with Section 51, which stipulated that the federal Parliament should legislate with respect to trade and commerce among the states. The conflict might be resolved by assuming that Section 92 was not applicable to the Commonwealth and not restrictive of its powers, but this interpretation by the High Court seriously hampered the states in dealing with matters of intra-state trade, especially marketing, and resulted in a series of disturbing and contentious cases.[12] The provision regarding company law also led to embarrassments. The Commonwealth might regulate trading companies, but was powerless to constitute them or to make a comprehensive company law for the whole of Australia. Likewise the Commonwealth had jurisdiction over quarantine

[12]See, for example, K. H. Bailey, "Interstate Free Trade: Some Interim Comments on James V. Cowan" (*Australian Law Journal*, Nov., 1932); W. A. Holman, "Section 92—Should it be Retained" (*ibid.*, Aug., 1933); P. E. Joske, "The Present Position of Section 92" (*ibid.*, April, 1934).

but not over public health in general, with ill consequences, especially in the circumstance that the burden of hospitalization was left with the states despite their inadequate income to carry it. Many issues of transport became increasingly of a national rather than a local character, but the Commonwealth, except for war-time defence and for peace-time action approved by the states, was powerless to deal with them in their entirety. Shrewd nationalists in the constituent conventions of the nineties had clearly foreseen the difficulties of this incapacity. Higgins, for example, had complained that a federation which did not control the railways would be like playing Hamlet without the Prince. To him the railways as the arteries of the continent should be controlled like the navigable rivers. Moreover the Commonwealth, although it could profoundly influence industry through the tariff and through its conciliatory and arbitrational powers in inter-state disputes, lacked a general authority over industrial conditions in other and more direct ways. It could not, for example, in time of peace cope with industrial strife except by conciliation and arbitration which are not always effective. Unlike the states, it was unable to establish representative wage boards to regulate industry. It could not by direct legislation fix minimum rates of pay and maximum hours of work. The existence of the Commonwealth Arbitration Court and various state tribunals led to much overlapping of jurisdiction and a confusing multiplicity of industrial awards. Thus the constitution in its attempt to distinguish between national and state powers has left in dispute many frontiers of authority, and since its birth, proposals for constitutional reform have been frequent.

3

It is a truism as old as Justice Marshall that in a federation the crucial power is the power to tax. Like a potent magnet it draws to itself the other elements of real sovereignty. The taxing authority, under social and economic pressures, has increasingly tended to make the action of the Commonwealth decisive in Australian affairs. "As the power

of the purse in Great Britain," prophesied Alfred Deakin in 1902, "established by degrees the authority of the Commons, so it will ultimately establish in Australia the authority of the Commonwealth. The rights of self-government of the states have been fondly supposed to be safeguarded by the constitution. It left them legally free, but financially bound to the chariot-wheels of the Commonwealth. Their need will be its opportunity."[13] The history of the last forty years has revealed the force of this prophecy.

The exclusive right of the Commonwealth to levy customs and excise duties deprived the states of their former chief source of revenue. At the outset they sought compensation for this loss through Section 87 in the original act, known as the Braddon clause, which provided that for ten years not more than one-fourth of the net revenue from customs and excise was to be annually expended by the Commonwealth, while the balance was to be paid to the several states, or applied towards the payment of interest on their debts assumed by the Commonwealth.[14] These terms were supplemented by Section 96 which permitted the Commonwealth to assist any state on conditions prescribed by Parliament. But for all parties concerned, the Braddon clause was unsatisfactory. It deprived the Commonwealth of revenue necessary for its growing national services, and failed to satisfy some states in the proportion of revenue granted them. After ten years it disappeared, and henceforth the Commonwealth agreed to give each state 25*s*. per head of population and to pay to them in proportion to population all surplus revenue at the close of each financial year. This financial scheme endured till 1927, when under the peculiar circumstances of the time new arrangements were made.

All governments throughout the period 1910-27 had increased their activities. In the Commonwealth, old age and invalid pensions were extended, an Australian navy was created, compulsory military training for home defence was undertaken, and a Commonwealth Bank was established,

[13] Quoted in W. Murdoch, *Alfred Deakin*, 234.

[14] The clause was proposed by Sir Edward Braddon, a Tasmanian, and hence a representative of the small states which peculiarly depended upon customs duties.

which did not itself increase expenditures but illustrated the wider strides of Commonwealth action. Labour vainly tried to quicken such strides by pressing for constitutional amendments to enlarge the jurisdiction of the Arbitration Court, magnify the powers of the Commonwealth over trade, and nationalize monopolies. Nevertheless, amendment or no amendment, the First World War forced the Commonwealth to augment its activity, since upon it fell the task of marshalling the human and material resources of the nation. With rising expenditures it was driven to tap sources of income beyond the customs duties, and thereby to encroach upon the narrow fiscal territory of the states. Hitherto the only federal direct tax was the land tax of 1910, which had been mainly intended to break up large holdings rather than to reap revenue. Now the Commonwealth was forced to impose taxes on income, entertainments, war profits, and postage. Of these some lapsed with the return of peace; others, including the income tax, survived, and sharpened the difficulties of the states in raising revenue from the same sources.

After 1918 the states assumed heavier financial burdens owing to a costly growth in social services and extensive borrowing for public works at a time when the Commonwealth was invading their fiscal territory. The Financial Agreement of 1927 was designed to give relief by creating a new relationship between the Commonwealth and the states. It abolished the per capita payments, made the Commonwealth assume the debts of the states (July 1, 1929), and for management of the debt and control of future borrowing established an Australian Loan Council, which was to consist of a representative for each state, the Commonwealth having two votes and a casting vote and each state a single vote.[15] Thus the states and Commonwealth would exert a joint direction over borrowing and development. Authorized by an amendment of the constitution, the Agreement was duly submitted to the electorate, approved in November, 1928, and for the future cannot be altered without consent of all the contracting parties.

[15]R. C. Mills, "The Financial Relations of the Commonwealth and the States" (*Economic Record*, May, 1928). See also the survey in the *Report of the Royal Commission on the Constitution*, chap. XIX.

The Loan Council resembles a super-government, not responsible immediately to any individual parliament. Its establishment might in the first instance appear to restrict the autonomy of the Commonwealth no less than that of the states, since its control over borrowing also extends to the Commonwealth. But in the long run it actually strengthened the national Government, which in the Council has a significant voting power (with the support of two states it commands a majority) and is empowered to enforce the Financial Agreement. Moreover the Loan Council relies on the Commonwealth for currency control and central bank management.

With good reason the representatives of the states were alarmed by the Financial Agreement, especially when in 1932 the Government at Canberra proceeded to enforce its terms rigorously against New South Wales, then under the erratic premiership of J. T. Lang. In seeking to impose on the overseas creditor the burden of reduced state revenues, Lang had violated the Agreement by refusing to pay interest to the Commonwealth for transmission to London. The Commonwealth passed legislation in order to reimburse itself from certain revenues of New South Wales for the unpaid interest of which it was the guardian, and the governor of the state dismissed Lang for violating the law. The Commonwealth Act clearly revealed the sharp teeth in the Financial Agreement. Sir Herbert Nicholls expressed the alarm of some leaders in the states in remarking that "unless this act is repealed or allowed to expire, the federation of Australia will exist or cease at the choice of the Commonwealth parliament and the ministry of the day."[16] The Financial Agreement did not entirely terminate the contentious fiscal issues between Commonwealth and states, since the vexed question of double taxation still remained, and the controls of the Loan Council were not applicable to state-instrumentalities or local authorities. Prior to the Second World War, it was uneasily recognized that the loans of semi-government authorities amounted to little less than the borrowings of the states. By some it was deemed desirable that the Council should review the

[16]Quoted in G. V. Portus (ed.), *Studies in the Australian Constitution*, 139.

place of public borrowing throughout the whole Australian economy and relate it more clearly to other economic phenomena, such as employment and monetary policy.

4

Apart from the Financial Agreement of 1927, the Commonwealth under Section 96 of the constitution may assist the states by direct grants in terms prescribed by Parliament. In 1901 Quick and Garran, the distinguished commentators on the original constitution, considered that this section was intended "for use as a safety valve, not as an open vent; and it does not contemplate financial difficulties any more than a safety valve contemplates explosions." Despite the modest intentions of its inventors, the safety valve for more than thirty years has been constantly used. The claimant states of Tasmania, Western Australia, and South Australia, like the Maritime Provinces in Canada, have suffered in one degree or another from special disabilities, and have consistently pressed for financial aid from the Commonwealth. Dependent upon a few staple commodities sold abroad, they are insecure as compared with the more populous and industrial states. When swift market changes reduce commodity prices, their public finances are thrown into confusion. In the past, acute disturbances in their financial condition occurred all the more readily because of extensive borrowing for railways and other public works, necessary to settle the land and to develop primary production. The inevitable losses on such works were magnified after the First World War, when the level of world prices for primary products made land settlement a grim liability and motor transport embarrassed the railways. Western Australia, struggling under the difficulties of developing its semi-arid plateau, suffered much from such losses, disrupting the equilibrium of its public finances.

Their reliance upon staple commodities has limited the benefit derived by the claimant states from such major economic policies of the Commonwealth as the protective

tariff. Western Australia, for example, has commonly considered the tariff an embarrassment. It produces wheat and wool for unprotected world markets, where it has to earn the credits necessary to pay for commodities purchased in the highly protected home market. It cannot develop much secondary industry itself because of its limited power resources and its isolation through miles of desert from the markets of eastern Australia. Separation from the other states of the Commonwealth helps to explain the recurring tensions in Western Australia, most dramatically expressed in the secession movement of the early thirties and in the referendum whereby the electors of the state by a majority of almost two to one declared for secession.[17] The logic which in 1900 had restrained New Zealand from joining the Commonwealth explained in 1932 the attempt of Western Australia to withdraw: an isolated community engaged in primary production saw an advantage in being free to frame its own commercial relations with the outer world. But ameliorative measures, especially financial aid, helped to keep the state within the federation.

The tariff has, therefore, made certain sections of the population critical of the Commonwealth and has occasionally impaired federal cohesion. Its more immediate benefits are conferred on New South Wales and Victoria whereas its major costs are concentrated in the outlying states, dependent directly and almost exclusively upon the export industries. Other Commonwealth policies have accentuated the sense of economic divergence between the centre and the periphery. The Navigation Act has particularly irritated Tasmania and Western Australia. Passed in 1912 and enforced first in 1921, it has had the broad effect of restricting much of the trade between Australian ports to Australian ships. Tasmania, with a high per capita import and export commerce and dependent on sea transport, especially disliked the restriction. South and Western Australia no less complained of excessive rates, the paucity of ships, and the injury to the tourist trade. To meet this flow of criticism, the regulations

[17]Ninety-one per cent of the electors exercised the franchise. See *The Case of the People of Western Australia*; also F. R. Beasley, "The Secession Movement in Western Australia" (*Australian Quarterly*, Mar., 1936).

were often modified, but the sense of grievance never entirely disappeared. The Navigation Act and its supplementary regulations have been looked upon as favouring mainly the strong shipping interests of eastern Australia, and though this view may ignore compensatory factors, there is no doubt of its fixed and significant presence in the attitudes dominant in the outlying regions.

The claimant states are admittedly marginal areas on the economic fringe of the continent, hampered by limited resources and hostile geography. Four-fifths of South Australia and about one-half of Western Australia have a rainfall under 10 inches and a high rate of evaporation. Consequently desert is abundant, and agrarian or pastoral development within the lands not strictly desert is often precarious because of the slim margin of necessary rain.[18] Tasmania has ample rainfall, but rough topography limits production. In providing services, such sparsely settled states can obviously not keep pace with those more densely populated and more richly endowed, and they resent the fact that their services are inferior to those of other communities within the same federation. This resentment, combined at times with acute budgeting difficulties, early created a powerful pressure on the Commonwealth for special and compensatory aid out of the national treasury.

Western Australia received its first special grant in 1910, which was followed two years later by one to Tasmania. Throughout this period the financial embarrassments of Western Australia were reflected in the uninterrupted annual deficits from 1910 to 1926, and the surplus of the latter year was an isolated incident in a dreary tale of financial disequilibrium. The depression of the thirties piled up the difficulties of the weaker states, and made federal aid more imperative. The former expectation of political leaders that special grants would be temporary and that the states would soon outgrow the need was shattered. Recognition of this fact in 1933 led to the establishment of a Commonwealth Grants Commission to report upon the applications by

[18]The influence of geographic factors on the prosperity of these states is treated in the *Third Report of the Commonwealth Grants Commission* (1936), 37. For a discussion of the desert see Griffith Taylor, *Australia*, especially chap. VI.

claimant states and to advise the Commonwealth. The onus now lay on a state of proving that without special assistance, its disabilities rendered it unable to discharge ordinary responsibilities. But, rejecting the policy prevalent in the past, the Commission refused to recommend grants to compensate for any assumed injuries from federal policy, such as those inflicted by the tariff or the Navigation Act. It proceeded on the basis that while some federal policies doubtless involved injury, others no less conferred benefit, and on the whole the Commonwealth spent more in all the claimant states than it collected. Similarly the Commission contended that a state should not be compensated for impoverished resources but receive grants solely on account of financial need from whatever cause in order to maintain its public services at a minimum standard for Australia. The Commission has broadly sought to translate the socialist maxim "from each according to his power, to each according to his needs" into a federal principle governing the financial relations of the states. "The determining condition of finance," it remarks, "is independent of the cause. The necessity to keep a state solvent is paramount, whatever the cause may be."[19] Intricate methods of judging this minimum need were devised by comparing expenditures and revenues. The task, difficult under any circumstances, was rendered more so by an anxiety to make the states responsible for their own efficient management.

Opinion differs as to the methods and success of the Grants Commission. The most weighty criticism has concerned the attempt to determine the needs of the claimant by reference to the average financial condition of the non-claimant states, rather than by the average condition of all. Under different methods, for example, Queensland might be entitled to a large grant because it has imposed the severest taxation in Australia.[20] Yet more significant than weaknesses in details was the success of the Commission in making

[19] *Second Report of the Federal Grants Commission* (1935), 37. *The Third Report* is the most satisfactory treatment of the aims and methods of the Commission.

[20] See Robert Jay, "Queensland's Interest in Special Grants" (*Australian Quarterly*, Dec., 1939); also J. A. Maxwell, "Problems of the Grants Commission" (*Economic Record*, Dec., 1938).

the federal system function by diverting funds to certain states in response to need, thus easing federal tensions and preventing the disintegration threatened in the thirties by the secessionist movement of Western Australia. By more ample grants the Commission strove to ensure that the less favoured states should receive the necessary means to operate responsibly and without serious difficulty. Its methods and recommendations were designed to cope with the foremost issue of all federations, the relating of finance to function.

5

Local government in Australia is a major responsibility of the states, and is remarkably integrated with their administration. The early governors attempted to establish local units of rule precisely like those in Great Britain, but the environment of penal colonies was not congenial to much municipal freedom, and in any case geography with its restraints on close settlement was hostile. A tradition of centralization developed from the outset, and has survived to the present. Today the Australian states permit less municipal autonomy, even in the cities, than is customary in Canada, the United States, or Great Britain. In rural areas scanty settlement still makes central assistance and supervision imperative, although it seems to hamper but little the multiplication of local units. The whole state of Victoria is divided into municipalities, classified as cities, towns, boroughs, and shires. In New South Wales somewhat similar municipal divisions embrace over three-fifths of the total area, and only the thinly settled territories in the west are left unincorporated. In this state the shires range widely in area from 50 to 5,000 square miles. In Queensland the entire state, except some islands skirting the coast, is also organized into cities, towns, and shires. In South Australia the settled portion has its cities, municipal corporations, and district councils. In Western Australia the divisions consist of cities, municipal councils, district road boards, and local boards of health; but, as in South Australia, they exist only

where warranted by sufficient population, and in both states large areas are too lightly peopled. Tasmania is divided into municipal districts, while the cities of Hobart and Launceston are incorporated under separate acts.

Although the local authorities in the six states differ in minutiæ, they are broadly alike in their legal framework and in the functions prescribed. Shire and district councils usually provide for roads, bridges, public health, and sanitation. Libraries, art galleries, museums, and recreation grounds may be maintained, or at least supported, by the local bodies, but police and education significantly both in country and city are directly administered by the state and paid for out of state revenue. Strange indeed to the Canadian is the absence of local school authorities and local educational rates. Yet this highly centralized system is not without substantial benefits. It keeps down the administrative costs of education in contrast with those in Canada and England. It gives teachers a more secure status as paid servants of the state, promoted according to uniform rules, and moved from one area to another without a necessary loss of salary. Not least important is the fact that it facilitates education in the remote and thinly settled frontier, a circumstance which has much impressed visiting American scholars.[21] But the drawback is that which may afflict any centralized system: the people are not brought close enough to the concrete problem of providing for their educational services, and lack of intimate responsibility tends to sap interest.

The local authority is supervised in many matters by the state Government, and its approval for by-laws is required. In South Australia, for example, a by-law must be submitted to the Crown solicitor, and, if he deems it within the competence of the council, it is forwarded to both houses of the state Parliament. Usually, however, a simpler arrangement exists.[22] The state supervises the methods of municipal

[21]See I. L. Kandel, *Impressions of Australian Education*, 6.

[22]For the South Australian law see *Local Government Act* (1934), Sections 674-5. A much simpler method is provided by the *Local Government Act* (1936) of Queensland, Section 31. The contrast between Australian and Canadian law in this matter is evident. J. A. Maxwell, "Problems of the Grants Commission" (*Economic Record*, Dec., 1938).

book-keeping, the preparation of financial statements, and the provision for an audit of accounts. It appoints municipal inspectors or auditors who carry out investigations and report irregularities. The rating system is usually applied to the annual rental value of property, but, where the rates do not meet all the municipal expenditure, aid is provided from the state treasury, and some municipalities derive revenue from public utility undertakings, such as electricity service. Councillors, who are commonly elected for a term of three years, select a mayor and president or chairman from among themselves, and like councillors in England they are ordinarily unpaid for services.

The cities, with some exceptions, derive power from special statutes, and are not supervised by the local government department. Sydney is governed by a council of twenty unpaid alderman, four from each of five wards elected triennially, who like the councillors in Melbourne follow British precedent in annually selecting a mayor from among themselves. The council receives no direct grant from the state, levies rates upon the unimproved value of property, and has authority to maintain the streets (the traffic is regulated by state police), establish markets, provide for public health and sanitation, inspect food, and maintain parks and libraries. In the administration of Sydney, as of other Australian cities, one encounters *ad hoc* boards, like the statutory authorities in nineteenth-century England, which provide specific services for the city and neighbouring municipalities. Such are the Board of Fire Commissioners of New South Wales, the Metropolitan Water Sewage and Drainage Board, and the Sydney County Council Electricity Undertaking. In the Melbourne metropolitan area of more than twenty cities there are similar *ad hoc* boards with specific functions. The Melbourne and Metropolitan Board of Works, for example, is a statutory corporation representing twenty-two municipalities, which deals among other matters with water supply, sewerage, and rivers and streams within the urban area. By contrast the Melbourne and Metropolitan Tramways Board has no representatives of the local councils, but has seven members appointed by the state

Government, which also approves the by-laws of the Board and may enact by-laws without its sanction. It is clear that local autonomy is more severely restricted in Australia than in Canada. The administrations of city and state are more intimately joined, and the instrumentalities of the state are responsible for many of the functions which in Canada are performed by local authorities. Indeed in the city of Perth water, sewerage, and the main drainage system are managed by a state department without representatives of the city. In Adelaide also, including its metropolitan area of 400 square miles, water supply and sewage disposal are under the State Engineering and Supply Department.

6

Apart from being adapted to changing circumstances by the courts, the Australian constitution may be directly amended through a method intended to be simpler than the American and more democratic than the Canadian. It is of legal rather than of political interest that as an Imperial act the constitution can be amended by the Parliament at Westminster. The first eight or covering clauses can evidently be amended only by that Parliament.[23] But for the general structure of government an alteration within Australia is effected through a bill passed by an absolute majority in each house, or in certain circumstances by an absolute majority in one house, and approved in a popular referendum by majorities in four states and in the Commonwealth as a whole. In certain cases a majority is required in the state or states affected by the amending bill; for example, where the parliamentary representation is altered or where boundaries are changed. In the national conventions it was much emphasized that for a hundred years it had been difficult to effect important changes in the constitution of the United States, and American jurists, including Chief Justice Marshall, were quoted as critical of the amending method. The

[23]See A. C. Gain, "Existing Provisions for Altering the Commonwealth Constitution" in G. V. Portus (ed.), *Studies in the Australian Constitution.*

Australian draftsmen were determined, therefore, that their own procedure should be simpler and more flexible, and that it should recognize the federal principle on the one hand in the required approval of four states and the democratic principle of the majority on the other. In the interests of simplicity they made no provision, as in some federal constitutions, for the calling of a special convention to consider and pass upon amendments.

However, contrary to expectations, the procedure adopted has not facilitated change or realized flexibility. In truth the Australian is no less rigid than the other federal systems of the English-speaking world. Within the first thirty-five years of the Commonwealth, some fifty-two bills amending the constitution were introduced to Parliament, of which only sixteen were duly submitted to the electors and of these only three were accepted by the necessary popular majorities.[24] In 1937 and 1944 significant proposals were rejected by the people, including those designed to enlarge the powers of the Commonwealth to deal more effectively with commerce and industry. The popular referendum has been a conservative institution mainly because the majority of the populace are slow to appreciate constitutional embarrassments, and fear centralization in a continental state. Uncertain of what a drastic change may involve they uphold the existing constitution.

It has been maintained that adequate steps are not taken to educate the public on complex constitutional issues, which to the layman are usually dull and baffling.[25] An elector who does not understand a question is likely to say no. Campaigns prior to the referenda are hurried and hence ineffective in combatting the prevalent complacency and in overcoming the instinctive loyalty of the ordinary Australian to his state. Moreover, proposed amendments have normally been brought within the heated arena of partisan controversy, and the popular decision has been determined as much by party loyalty as by the reasoned merits of the proposal. Labour has been the principal advocate of change, yet its ranks have

[24] G. S. Knowles, *The Commonwealth of Australia Constitution Act*, iv.

[25] See remarks of R. G. Menzies in *Debates of the House of Representatives*, November 22, 1938, 1820-1.

rarely been solidly united on an agreed plan. Prior to 1914 the Commonwealth Labour party was thwarted in its efforts by Labour in New South Wales, which was then fearful that centralization at Canberra might give the rural and conservative interests a better opportunity to block social reform. The vested interest of politicians in power at Sydney doubtless also had an influence. In any case the territorial extent of the states, the highly developed capital cities as centres of state life, and the apparent remoteness of Canberra restrain the people from an easy surrender of state authority. Despite the automobile and the aeroplane, the fact of space remains important. Electors wish to be relatively near their government, deprecate remote control as feeble and irresponsible, and shrink from centralization as meaning more Canberra bureaucracy and a sacrifice of genuine freedom. To preserve the position of the states has hitherto been viewed as a means of ensuring local liberty, and avoiding what the Royal Commission on the Constitution in 1929 described as "paralysis at the centre and anæmia at the circumference." An all-powerful Canberra might be blind to the minutiæ of local realities and needs. For this reason most proposals for federal change include the retention in some form of the state system. In the moderate proposals the present states would survive with restricted powers; in the more radical ones, commonly set forth by the Labour party, they would be replaced by a number of new political units, with authority like that of local governments.[26] A plan sponsored by a leading member of the Labour party suggested twenty provinces, each possessing a council for local matters. But apart from mere inertia as an impediment to change, there has been a prevalent fear that any radical centralization would weaken democracy.

The grim pressures of war after 1939 brought extensive federal changes. All the broad range of emergency powers came into operation as in the First World War, and once

[26]Proposed changes are surveyed by Ulrich Ellis, "Federal Reconstruction" (*Australian National Review*, Apr., 1939); K. H. Bailey, "The Reform of the Commonwealth Constitution" (*The Australian Quarterly*, Mar., 1939). An interesting analysis is contained in D. H. Drummond, *Australia's Changing Constitution*.

again public attention was concentrated on Canberra. In 1942, faced by the threat of Japanese invasion, the Commonwealth made itself the sole income taxing authority for the duration of the struggle, and was upheld in this action by the High Court.[27] In the same year a convention was called to amend the constitution in order to endow the Commonwealth with the power deemed necessary for post-war reconstruction. It consisted of twelve members from the Commonwealth Parliament along with the prime ministers and leaders of the Opposition in the six states. It did not propose a permanent amendment immediately, but recommended a transfer of certain powers from the states to the Commonwealth for a period of five years after the war, when the public in a referendum would then decide whether to transfer such powers permanently. The agreed loan of authority covered such varied matters as the establishment of returned soldiers, employment, organized marketing, trusts and monopolies, prices and profiteering, distribution of secondary manufactures, overseas investment, uniform railway gauges, and national works in co-operation with the states. Although the ultimate effects of this probationary transfer of jurisdiction might be profound, the Convention did not envisage the early demise of Australian federalism. But in any case the bill which incorporated the proposals was rejected by the legislatures of all except two states. Hence in August, 1944, the Commonwealth submitted its proposals somewhat amended in a referendum directly to the people, who as a majority in the Commonwealth and in four states rejected them. Once again the Labour party although in office in Canberra failed to present in all the states a united front, and the Opposition was implacably hostile to the proposed changes. A prevalent weariness with the administrative regimentation of the war economy evidently also influenced the popular decision. A more favourable response was obtained from the electorate in 1946, when one out of three

[27] In 1946 the states agreed to vacate for an indefinite period the field of income tax in favour of the Commonwealth in return for subsidies larger than those paid during the war. The subsidies are to increase according to a formula based on the increase of population in each of the states and the increase in the national income of the Commonwealth.

proposed amendments was accepted, enlarging the power of the Commonwealth in social legislation, including maternity allowances, hospital benefits, unemployment benefits, child endowment, and widows' pensions.

7

The federal system of Australia, apart from contrasts in the distribution of legislative power, differs from that of Canada in being less deeply rooted in social diversity, and without the difficulties of dual cultures, bilingualism, and significant racial minorities. Here federalism has operated in a peculiarly favourable environment, the most favourable among the English-speaking federations, and hence it has contributed richly and quickly to that integrated political life which is the purpose of federal government everywhere. Although the states are distinct and rival laboratories of social experiment, they have commonly pursued similar paths. Some divergence exists in labour legislation, but more obvious is the profound similarity in pattern and the rapid spread of innovations from one to all. The present White Australia Policy grew out of a White Queensland Policy. The compulsory industrial arbitration of South Australia in the nineties soon influenced other states and later the Commonwealth, and the public ownership of utilities is prevalent in all the six communities. Municipal institutions also conform to a common type. With this solid bedrock of similarities, it is not surprising that in Australia the trend towards co-operation is stronger than in the two federations of North America, and it is well illustrated in that institution of co-operative federalism, the Loan Council. Similarly, the Premiers' Conference, which meets often to discuss the mutual issues of Commonwealth and states, the Commonwealth Agricultural Council, which is a valuable channel of communication between the various Governments on agrarian matters, and the Council for Scientific and Industrial Research, which performs the broad functions indicated in its title, have all variously represented fruitful

collaboration. The co-operative impulse is widespread, and has grown steadily in vitality, but it still operates within a genuine federalism which the Australian people show no disposition to destroy.

Chapter Eight

PARLIAMENTARY INSTITUTIONS

1

Australian parliamentary democracy has evolved under the three interwoven influences of British inheritance, American example, and the peculiar environment of the continent which has shaped the course of social development.

As in the other Dominions, the British inheritance is most evident in the fact that the Crown is the prime symbol of the state, constitutes the formal executive, and is represented in the Commonwealth by the governor-general and in the states by the governors who exercise in its name the ill-defined but important powers of discretion. For students of constitutional law the royal discretion in Australia has an illuminating history both in the states and in the Commonwealth. It was illustrated significantly in the Commonwealth by the refusal of the governor-general on three occasions (in 1904, 1905, and 1909) to dissolve Parliament as requested by the ministry of the day.[1] In 1914 the governor-general of the time granted to his ministry a dissolution of both houses, but it is evident from the circumstances that in doing so he exercised his independent discretion. A striking instance in 1932 in New South Wales of the exercise of the Crown's prerogative was the dismissal of the Lang Ministry for violating the law in withholding interest on its Australian loans. In this case the governor of the state called upon Lang and his colleagues to justify their action in law or resign. On receiving a blunt refusal, he dismissed the Ministry on the ground that the Crown could not be a party to illegality.

[1]The cases are discussed in H. V. Evatt, *The King and His Dominion Governors*, 50-4.

Here also as in the other Dominions statute law is virtually silent concerning the position and functioning of the Cabinet or active executive. (Neither the Cabinet nor the prime minister is even mentioned by name in the Australia Constitution Act.) There is reference merely to a federal executive council to advise the governor-general and to embrace those officers appointed by the governor-general to administer departments of state. Such officers, who for practical purposes constitute the modern Cabinet, are required by the Act to become members of either the Senate or House of Representatives within three months after the first general election. Although the Australians embodied little in statutes about the everyday methods of cabinet rule, they assimilated the solid fabric of British conventions concerning responsible or cabinet government, which ensures what Walter Bagehot described as "a close union and nearly complete fusion of the executive and legislative powers." In this body of conventions the Australians find most of the rules governing the constitution of the Cabinet, the occasions when it must resign, the proper relations within it between the prime minister and his ministerial colleagues, and the numerous other vital matters involved in its operation.

But the peculiar political and social circumstances of Australia have inevitably created special conventions to govern the Cabinet. It must, for example, contain representatives of the main segments of the continental federation, although it is less meticulously federalized than its counterpart in Canada. The imprint of the Australian environment is specially evident when Labour assumes office. A parliamentary caucus composed of the party members in both houses then nominates a panel from which the leader appoints his ministerial colleagues, and, throughout the entire life of the ministry, the caucus continues profoundly to influence its policies and to direct its parliamentary action. The power of the caucus was dramatically illustrated when Mr. John Curtin died during his premiership in 1945. The deputy prime minister assumed office until a permanent successor was duly nominated by the caucus, which by a

large majority expressed its preference for Mr. Joseph Chifley, the former treasurer of the Commonwealth. Thereupon the governor-general accepted its choice and entrusted Mr. Chifley with the formation of a new Cabinet. Thus the action of the Crown was guided by the caucus decision.

In the early years of the century when the Labour caucus system arose, gloomy prophecies were made as to its fatal effects on the future of cabinet government. But actually its revolutionary influence has been less than was anticipated. It has merely changed some of the conventional rules of procedure without altering the basic nature of the Cabinet as the instrument of a single party, responsible for the government of the country as long as it commands a majority in the legislature. Caucus may deliberate in camera, but what it decides upon must finally issue in measures for which the Cabinet is fully accountable before Parliament. Nor has the role of caucus meant that leadership is taken away from the prime minister, for he and his Cabinet colleagues have an effective whip in the power to advise a dissolution, a whip which almost invariably will bring the recalcitrant critics into line. Yet admittedly he has not such a free hand as those who preside over Cabinets in England and Canada, since sometimes he has to accept from the panel individuals whom he would not freely choose as colleagues and on whose loyalty he may not be able to rely. In turn such individuals do not usually feel as responsible to him as they would feel if originally they had been his own choice for cabinet rank. Yet here, as may be expected, the weight of a powerful personality counts decisively. Despite the restraints imposed on him, the man of penetration and skill will exert his ascendancy in the office of prime minister. When backed by caucus and the party machine, he may indeed become, like some Labour leaders in the states, notably Lang in New South Wales, an autocrat. But if his policy runs violently counter to what the labour movement wants, revolts within the caucus and Cabinet will quickly bring his downfall, and of such revolts there have been many as the next chapter will show.

The attempted control by caucus over the ministry and

the periodic rebellions within the Labour ranks have doubtless contributed something to the ministerial instability which has characterized Australia in contrast to Canada. From the establishment of the Commonwealth to the formation of the second Curtin ministry in September, 1943, there were twenty-four distinct ministries and thirteen different prime ministers, whereas in the same period in Canada there were nine ministries and only five different prime ministers. But for this situation other influences than that of the caucus are also responsible, especially the peculiar play of political forces in the Commonwealth and the character of the political parties.

2

The bicameral Parliament of the Commonwealth reflects the triple influences mentioned. British inheritance gave an impetus in the National Convention to the creation of a two-chamber régime, and American example reinforced it. There was much of the time-honoured argument on the necessity for a second chamber as the instrument of what Deakin called "fuller and further consideration." But more important than the weight of political logic was tradition, especially the fact that both Great Britain and the United States had second houses and showed no inclination to abolish them. Real and heated discussion centred, not on the need of a Senate, but on its desired structure, and herein local environment exerted its power. Unlike the architects of Canadian federation with their Whiggish ideas, the Australian founders decided on a chamber that would be both democratic and federal, modelled upon the Senate of the United States, consisting of six members from each state, elected directly for six years under the same franchise as members of the lower house, and drawn from the same social milieu. To them clearly the example of the House of Lords counted for little, and that of the Canadian Senate they ignored. They responded to the democratic leaven which had steadily grown more potent

in the community since the gold discoveries of the fifties; they were specially influenced by the social forces of the nineties which were strongly tending towards democracy. Moreover their own experience with legislative councils predisposed them to elected rather than nominated bodies. The veteran statesman of New South Wales, Sir Henry Parkes, had written as early as 1874 that "the title to legislative authority in a country like this must be derived from the people themselves, and the only principle by which strength can be given and confidence secured is that of election." With this dictum few members of the National Convention would have disagreed. Nothing but a second chamber chosen by and accountable to the electors would satisfy them.

Yet, from the days of the National Convention to the present, the attempt to achieve an equal representation for the states along with popular election has not escaped criticism. With ample reason, the thinly peopled states have been disappointed because the Senate has not become their aggressive defender. Concerned with the industrial and social issues which enter into the partisan warfare of the nation, the senators are inevitably more loyal to their parties than to their states. Success for a senatorial candidate in his campaign is difficult without the endorsement of a party and without the power of its machine, for which he must pay the required price of unquestioned fidelity to its leaders. Nevertheless, as in the American republic, the smaller states are more truly protected in the Senate than in the House of Representatives. The parity of representation ensures that the chamber becomes their principal stronghold. But of course such parity also violates strict democratic principle. Tasmania, with only 2 per cent of the people in the Commonwealth, has a voting power in the upper house equal to that of New South Wales, with 39 per cent. Moreover the state-wide constituencies give a special advantage to party machines and militate against the representation of minority opinions. Only loyal men of the party have any real chance of entering the Senate.

In ordinary legislation the chambers have co-ordinate

powers, but the lower house has greater financial authority, since it originates all proposals for appropriating revenue or imposing taxes. While the upper chamber may reject outright, it cannot amend tax bills or those appropriating revenue for the annual services of government. It may, however, through a message to the house suggest amendments in financial measures beyond its own power to effect and, if its suggestions are not accepted, reject the bill outright.[2] Unlike the Canadian and American constitutions the Australian provides for a method of resolving continued differences between the chambers on proposed legislation.[3] After a dissolution of both houses the contentious bill may be submitted to a joint sitting wherein the verdict of an absolute majority prevails. The cumbersome requirement of a dissolution before a joint sitting was intended as a democratic safeguard to make consultation of the people imperative. Some of the draftsmen of the act, influenced by Swiss and American ideas of direct democracy, proposed a popular referendum to resolve conflicts between the houses. But in face of opposition from the champions of the small states, hostile to any deadlock provisions as weakening to the chamber, the present method was accepted as a compromise. The Australian founders were herein influenced less by the positive elements of the American constitution than by its omissions; they were almost unanimous in complaining that the American Senate was not equipped to resolve deadlocks.[4]

The Senate has played no more significant role in legislation than its counterparts in the other Dominions. It also conforms to the iron law of British parliamentarism; it is completely overshadowed by the primary house. It has no great prestige, initiates few important bills, marks time in the early part of a session until measures are forwarded from the lower chamber, and then deliberates hastily and hence often unsatisfactorily. The inclusion of

[2]For an informative discussion see J. E. Edwards, Clerk of the Senate, "The Powers of the Australian Senate in Relation to Money Bills" (*Australian Quarterly*, Sept., 1943).

[3]Section 57.

[4]E. M. Hunt, *American Precedents in Australian Federation*, 155-67.

one or more of its members in the ministry fails to endow it with much legislative initiative, for inevitably the ministry is responsible to the House of Representatives as the guardian of the public purse. Patterned principally upon the Senate of the United States, it received none of the special powers of that body, such as the ratification of treaties, the approval of appointments, or the trial of impeachments. With no distinctive tasks, it has become, as the large states intended, subordinate. To endow it now with special powers would have the appearance of enhancing the political weight of the small states, and any such attempt would be rigorously opposed by New South Wales and Victoria. As a debating chamber its influence is difficult to assess. But, elected on the same franchise as the lower house, it is more responsive than the Canadian Senate to the changing currents of public opinion, and provides private members with an ample forum before which to introduce and defend their motions.[5]

3

The House of Representatives is curiously restricted as nearly as possible to twice the membership of the Senate (it now has seventy-five members), partly for economy and partly to prevent it from overshadowing the Senate in joint sittings. The smallness of the house tends to heighten the fervour of party warfare within a cramped arena, hampers the formation of adequate committees, makes divisions sometimes too close for the dispassionate work of Parliament, and also makes the fate of an important measure or even of a Government depend upon the hasty verdict of one or two representatives. It may even bear some little responsibility for the relatively short life of Australian ministries, mentioned in a previous section. But no increase of members is attempted because of a peculiarly conservative attitude towards Parliament and the fear that a larger chamber would make it more difficult to obtain a sufficient

[5]For the standing committees of the Senate see *Standing Orders of the Senate*, 1937, nos. 33-9; also *Journals of the Senate*, July 3, 1941.

number of first-class candidates. Since representation from each state is broadly proportioned to the number of inhabitants, almost two-thirds of the members come from New South Wales and Victoria, and one-third from Sydney and Melbourne alone. This heavy urban representation is a perennial irritant to the sparsely settled rural regions where the large constituencies make electioneering costly and difficult. The federal electorate of Kalgoorlie in Western Australia, with a single representative, is larger than the whole of Victoria with twenty.

Here no less than in Great Britain and Canada, the house surrenders to the Cabinet a dominant sway in financial and general policy, and its check on spending is often little more than nominal. Although the ground plan of parliamentary finance is taken over from Great Britain, such procedures as the annual voting of the estimates, the auditing of the national accounts by an independent auditor-general, and the scrutiny by a public accounts committee have not conformed strictly with their British prototypes and have been reshaped by local circumstances. The estimates, it is often complained, are not meticulously analysed, their passage is too hasty to be effective, and their arrangement is often illogical and misleading. In 1932 a joint select committee on public accounts protested that, while in Great Britain the estimates engage the House of Commons for twenty days, in Australia sometimes they have been rushed through in one or more all-night sittings, without a standing committee to scrutinize them.[6] Discussion of the departmental estimates, as in other Parliaments, is sometimes considered merely an occasion to ventilate general grievances for partisan advantage. Mr. Stanley Bruce once claimed that "during the budget discussion we frequently hear speeches which do not contain any allusion whatever to Commonwealth finance."[7] As in Great Britain and Canada the auditor-general is responsible to Parliament, and his report is ordinarily presented directly to Parliament where it may be discussed.[8] But there is no special provision in

[6] *Report from the Joint Select Committee on Public Accounts*, 1932, 18.
[7] Quoted *ibid.*, 16.
[8] *Audit Act*, 1901-34, Section 53.

the standing orders to ensure a thorough parliamentary discussion of his criticisms. A joint public accounts committee of ten members came into existence in 1913, performed a useful service in subsequent years, but in 1932 was suspended for economy, and has not since been revived. The slight use made of such a committee limits the scope of the private member. "The parliamentarian outside the cabinet circle," complained an Australian public man in language which would be well understood in Ottawa, "finds that he is only a cog in a complicated machine, and hence debates become dull and uninteresting and quorum bells constantly ring recalling truant members to make a House."[9] The chamber has also been ineffective in discussing foreign affairs, at least in the inter-war period, 1918-39. "No parliament which is responsible for its foreign policy," commented a keen observer in 1929, "has less discussion of foreign affairs than has the Australian parliament."[10] It complacently left virtually all deliberations to the Government without seeking to influence it by debate.

Such shortcomings, like those in the national Parliament at Ottawa, are explained by the social environment. The meagre interest in strict parliamentary controls over finance is a product of that casual attitude towards the spending of public money, developed in the era of colonial expansion, when all groups zealously pressed for expenditure and believed in a limitless national wealth. The physical necessities of a colonizing people in a dry continent threw an additional emphasis upon spending rather than upon economy. The optimistic mood of the community was unfriendly to the canons of Gladstonian finance; it cramped any zeal to ferret out waste and remove it. Public penny-pinching ways were looked on askance as something altogether incongruous with Australian expansion; they were rejected as exhibiting an unpatriotic lack of faith in the destiny of the country. Allied to these prevalent sentiments and

[9]P. E. Coleman, "Public Finance and Parliamentary Methods" (*Australian Quarterly*, Sept., 1933).

[10]Evidence of F. W. Eggleston before the Select Committee of the Senate on the Advisability or Otherwise of Establishing Standing Committees. *Minutes of Evidence*, 1929-30, para. 93.

ideas is the absence of a governing class like that in Great Britain, trained by long experience, skilful in public business, and alert in making effective the instruments of parliamentary management. Few men enter the legislature for whom politics is a life-long vocation. Approximately 25 per cent of the members in every fresh parliament are newcomers. The parliamentary indifference in the past to international affairs was simply the indifference of the community, a product of that absorption in domestic development which characterized Australia no less than the other Dominions.

4

The boldest and most conspicuous experiments in Australian democracy have been those in electoral law and administration. From the fifties to the end of the last century the various colonies embarked upon adventures in electoral franchises and techniques which in the period gave Australia its wide reputation as an energetic democracy, and in 1920 still so much impressed Bryce that he wrote of it as the democratic state which "has travelled farthest and fastest along the road which leads to the unlimited rule of the multitude." These experiments moreover fostered pride among Australians at home, and helped to stimulate national consciousness. The secret ballot, adopted by South Australia as early as 1856, inspired imitation in other English-speaking countries and beyond. In the United States it faced fierce opposition from anti-reformers, who dubbed it "kangaroo voting" or "penal colony reform," and to the present day it is often known there as the Australian ballot.[11] The Commonwealth inherited this impulse to express the popular will by progressive electoral methods. Its first franchise law in 1902 was an advanced measure for the age, which entitled all persons, male or female, to vote for members of the Senate and House of Representatives if they were over twenty-one, had lived in Australia for six months, were natural born or naturalized subjects of the King, and were listed on an electoral role. In two Australian states

[11]E. C. Evans, *A History of the Australian Ballot System in the United States.*

prior to 1902 the female franchise already existed, and was speedily adopted by the remaining states. An evident racial discrimination was the provision that no aboriginal native of Australia, Asia, Africa, or the islands of the Pacific (except New Zealand) was entitled to vote, but exceptions were embodied in an amendment of 1925 which removed the disqualification on racial grounds from natives of India and naturalized persons.

Since the founding of the Commonwealth the most significant electoral innovations were the adoption of compulsory enrolment of voters and compulsory voting, both grounded in a democratic philosophy which emphasizes the duty of exercising the franchise and regards indifference to it as a public offence. Compulsory enrolment was adopted prior to the First World War. Compulsory voting was enacted by Queensland in 1915 and by the Commonwealth in 1924, and has since been accepted in all the states except South Australia. Both measures are administered by the chief electoral officer of the Commonwealth, assisted in every state by an executive electoral officer, a returning officer in each of the seventy-five voting divisions, and an electoral registrar in each subdivision, who unlike the other permanent officials is usually a local postmaster. Compulsory enrolment of voters was prescribed to overcome the difficulties experienced in Australia as elsewhere of keeping the electoral rolls correct and up to date. Within twenty-one days after a citizen is entitled to enrol, he must apply to the registrar in his subdivision, and afterwards give notice of a change in his address. Enrolment is checked by the inquiries of postmen in the cities and towns and special agents in the rural areas. In each subdivision a local roll of electors is thus kept up to date by the registrar, and a card index of all the electors is maintained by the executive officer in each state. In most states the same roll is used in both Commonwealth and state elections. Those who neglect the legal requirements are subject to a fine, increased in cases of continued default, but the actual number fined is small.

Compulsory voting was advocated as the logical corollary

of compulsory enrolment with the plea that efforts to make citizens enrol would be wasted if they failed to vote. When introduced in 1924, the compulsory vote was mildly opposed as an interference with individual liberty, but, except for minority groups, it has since become popular with parliamentary candidates and political organizations for the obvious reason that it simplifies the task of the parties in getting voters to the poll. It continues to be accepted with little question by a public increasingly committed to collectivism. The system works with impressive simplicity. After an election the returning officer prepares a list of those who failed to vote, and sends to each a form on which the elector must explain his failure.[12] If the reason given is untrue or insufficient, the offender is liable to a fine, but conviction does not affect his franchise rights for the future. Of the replies received about 95 per cent offer a valid and sufficient reason, such as sickness, religious scruples, or remoteness from the polling booth. The law has incidentally ensured that the electoral roll at each election is effectively checked, and it has achieved its primary purpose of increasing the number of active voters. In Senate elections the percentage of actual voters to electors enrolled increased from an average of sixty-four at the eight Senate elections held prior to compulsion to an average of ninety-four in the subsequent six elections.[13] In the general elections for the lower house a similar increase occurred. In the last election prior to compulsion the percentage of actual voters to electors enrolled was fifty-nine; in the first subsequent election it rose to ninety-one, and has increased in almost every election since. But it hardly needs to be observed that there is no method of determining whether the quality of public judgment in the electoral decision is improved, and some shrewd if cynical critics complain that the effort to overcome indifference by compulsion merely increases the weight of the numerous unthinking electors[14] who cast ballots in response

[12]See *Commonwealth Electoral Act*, Section 128A; also regulations 75-83 of the *Electoral and Referendum Regulations*, Statutory Rules, 1940, no. 163.

[13]*Statistical Returns*, issued by the chief Electoral Officer of the Commonwealth, 1940. F. 6989, 3-5.

[14]W. G. K. Duncan (ed.), *Trends in Australian Politics*, 56.

to superficial and emotional appeals. Yet defenders of the law are confident that compulsion, in ultimately lessening indifference, will gradually develop a deeper political consciousness. On such optimistic faith the experiment rests.

Proportional representation has also been widely advocated, but has been fully tried in only two states. South Australia produced in the person of Catherine Helen Spence (1825-1910) an ardent champion of this cause, known far beyond the shores of Australia. Daughter of the first town clerk of Adelaide, she was inspired by the writings of Thomas Hare, and published in 1861 a *Plea for Pure Democracy*, promptly welcomed by Hare and Mill for its zealous advocacy of their general ideas. For years she presided over the Effective Voting League, the chief Australian agent of propaganda for this type of reform. Yet the zeal of Helen Spence and her associates succeeded only in persuading the smallest state, Tasmania, to adopt proportional representation in the elections for the lower chamber. This venture, begun in 1907, has endured. It has involved a division of the state into five large six-member constituencies and a method of transferring votes favoured by British advocates of proportional representation. New South Wales in 1918 established a similar system, but discarded it eight years later owing to the belief that the multiple-member constituencies greatly increased the electoral burden of the candidates and destroyed any intimate contact between member and electorate. The Commonwealth and most of the states now maintain the preferential or alternative vote, which is commonly criticized for not always reflecting the true shifts in public opinion. It enables two parties by combination effectively to exclude the representatives of a third. A notable case occurred in the senatorial elections of 1925 when the Nationalist and Country parties through mutual support obtained twenty-two seats with 1,536,282 votes, while Labour, with 1,262,912 votes, failed to get any seats at all. Hence, the debate on electoral methods continues in Australian democracy, and the experience of the Commonwealth has not finally settled any of the issues involved.

5

From early colonial times the states have been centres of experiment in bicameral rule as well as electoral methods. But the variety in forms has now become slight and the relations between the upper and lower chambers, often contentious and even acrimonious in the nineteenth century, have become in the twentieth relatively tranquil. All the states except Queensland, which abolished its Legislative Council in 1922, retain second chambers, known as Legislative Councils. All now adopt the elective method in constituting these bodies, although the procedure of election and the length of tenure differ. In 1934 New South Wales, after unhappy experiences with an appointive council, followed democratic experiment further than other states in providing that councillors be chosen for twelve years by joint vote of the existing council and assembly in accord with the principle of proportional representation, that one-fourth of them be elected every three years, and that no special qualification be required, except an Australian residence for three years and the right to vote for members of the assembly. Other states prescribe direct election in special constituencies by an electorate which, unlike that for the assemblies, is generally limited by a property qualification. The term of office is usually six years, and in Tasmania and Western Australia the executive cannot dissolve the council before the expiry of its term. Councillors must generally be at least thirty years of age and possess property. They exert a restraining influence upon the work of the assemblies, especially where radical innovations are under debate. The council in Victoria was described by a shrewd observer as "a lot of very old men, used to their petty vices and determined to snub the reforming zeal of younger men."[15] For years the abolition of the councils has been a publicized plank in the platforms of the state Labour parties, but the lingering tradition of a bicameral régime remains strong enough to balk the would-be abolitionists. The assemblies vary in size from that of New South Wales with ninety members to that of Tasmania

[15]Sugden and Eggleston, *George Swinburne*, 194.

with thirty. Constituencies are arranged mainly according to population with a special weighting for the rural vote. All the assemblies, large and small, have taken over the heritage of British parliamentary procedure and convention.

6

The attempt of Australian democracy to develop a creditable public service, recruited and maintained on merit, goes back for more than half a century. Prior to the formation of the Commonwealth the separate colonies had endeavoured to achieve an efficient and independent service by creating public service boards or commissions, empowered to recruit and to supervise personnel. As early as 1883 Victoria, soon followed by other colonies, created a board of three members authorized to abolish patronage and to recruit public servants by tests of capacity. But this early legislation required frequent revisions. The revised law of New South Wales in 1895, the most advanced and influential prior to the establishment of the Commonwealth, provided for a board of three commissioners empowered to grade and classify the officers of the service, fix salaries relative to work performed, recruit by open competition, and promote officers in accord with ability rather than seniority.

Thus, when the Commonwealth proceeded to create a public service after 1900, it had in the accumulated experience of the states a marked advantage over Canada in 1867, and owing to this inheritance its first public service law of 1902 was the most comprehensive and progressive within the British Empire. A fresh act in 1922 embraced provisions of its predecessor, and benefited from the lessons gleaned in its operation. Throughout these legislative ventures the influence of British thought and institutions was profound. No important committees investigating the Australian public service failed to seek inspiration from British experience. Fresh ideas on administrative reform in England were readily incorporated in Australian statutes, although in certain matters the Commonwealth, like the states,

clearly departed from British precedent. Under the act of 1922 a permanent Public Service Board was created, consisting of not more than three members, appointed for five years. Unlike the Civil Service Commission in England, it not merely recruits and classifies personnel, but is also expected to promote departmental efficiency, supervise staff, check expenditure to determine value received, improve the mode of training new officials, and retire surplus officers.[16] In seeking to achieve efficiency and economy the Board submits suggestions first to the permanent head of the department, and later may carry them directly to the minister. If its advice is unheeded it may report to both houses of Parliament. It is intended to be the major efficiency expert for the whole service, criticizing departments from the outside and encouraging improvements in the general quality of administration.

Appointments to the service provide only negligible scope to party patronage in the North American sense, for most of them are directly under the Board and are made on the basis of the rating received by candidates in the "leaving examination," which corresponds to the Canadian university matriculation. For many years a persistent effort has been made to raise the intellectual level of the service by increasing the proportion of men with university training. Ten per cent of the appointments to the third division may be candidates with university degrees, admitted without examination but selected with reference to personality and academic standing.[17] These candidates are intended ultimately for the higher administrative offices, but their promotion is not guaranteed unless they successfully compete with those entering by examination, and at the outset they are paid merely the ordinary salary for adult male clerks of this grade. Such provisions indicate a characteristic Australian zeal to secure an equal opportunity for all entrants, whatever their prior training, with results not always wholesome. Where young men in large departments must, in keeping with this egalitarianism, slowly climb the ladder

[16] *Commonwealth Public Service Act*, Section 17.
[17] See *Public Service Act*, Section 36A, which was first inserted in 1933.

from the bottom, their capacity is often stultified by a long period as juniors with little opportunity to exert initiative. A further attempt to improve the professional quality of the service is the nominating of officers for free training at state universities. During first ten years of this scheme (1928-38) some two hundred were so nominated, and others, although fewer in number, were sent abroad for special study.

Socio-political circumstances peculiar to Australia explain special elements of the administrative system and suggest its principal problems. The continental distribution of Commonwealth officials has necessitated a decentralized régime. In the capital of each state an inspector represents the Commonwealth Board, hears appeals for promotions, and supervises methods of performance within the local offices. Of wider import is the fact that the public service is profoundly influenced by the aggressive trade unionism of the continent: many public servants are enrolled in the unions and hence support organized labour and the Labour party. In 1911 Labour, anxious to enlarge the jurisdiction of the Court of Conciliation and Arbitration, permitted associations of public servants to appeal to the Court on wages and hours of work, an action which not merely complicated the operations of the Public Service Board, but virtually made the Board and Court rivals in regulating conditions within the public service, with damaging effects on discipline. In 1919 a Royal Commissioner was convinced that "the results of six years of public service arbitration have been disloyalty, extravagance and reduced efficiency."[18] In 1920 the Government amended the arbitrational arrangements by appointing a public service arbitrator to deal solely with the conditions of employment among the public servants of the Commonwealth. Although the new scheme was an improvement in that the arbitrator was at least a former public servant thoroughly conversant with the conditions of the service, yet it created many difficulties, particularly since the arbitrator's separate awards to different

[18]Quoted in *First Report of the Commonwealth Public Service Board*, 1924, 84. For the administrative difficulties which followed the application of arbitration to public servants, see F. A. Bland, *Shadows and Realities of Government*, 84-126. Also *Report of Royal Commission on Public Service Administration*, 1920.

portions of the service hampered a necessary co-ordination in salaries and conditions of work. In stimulating the forming of associations, arbitration has sometimes seriously impaired the efficiency of the service, especially when aggressive associations exalt, as they are prone to do, the principle of seniority over that of merit.[19]

The Australian states have fostered for a longer period than the Canadian provinces the merit system in the public service, escaped to a greater extent from the spoilsman, and vested the recruitment and management of personnel generally in a single commissioner, appointed commonly for seven years, and endowed with varied and adequate powers. Candidates for clerical positions are usually recruited by a written examination, and are often encouraged to carry on post-entrance studies. Industrial courts or tribunals, as well as public service commissioners, are influential in the prescribing of salaries for various categories of public servants. In South Australia, for example, industrial boards mainly determine the rates of pay, while the public service commissioner deals with the other conditions of work and administers the rates prescribed by the industrial bodies.

In the state industrial undertakings, the control of the public service commissioner is restricted or completely absent. Owing to the variety of economic and social services, many of the public employees are not civil servants in the ordinary sense, but are railway workers, teachers, foresters, roadbuilders, mechanics in electric power projects, or sailors working on state steamships. Wherever a semi-autonomous corporation or board exists, the employees are solely under its jurisdiction and outside the supervision of the public service commissioner, as (for example) in the state railways, with their large and influential armies of employees. In these public undertakings the merit system is threatened, for modes of recruitment, promotion, and discipline are different from those in departments under the public service commission, and party patronage has too

[19] *Seventh Report of the Commonwealth Public Service Board*, 1929-30, 20-1.

[20] F. A. Bland, "The Spoils System in the Public Service" (*Australian Quarterly*, June, 1932).

frequently an ample opportunity to intrude.[20] The best security for commissioner control is that it should embrace all the major branches of the public service, but with the extensive development of the semi-independent public corporations this security is no longer attainable. In both New South Wales and Victoria the majority of the public employees of every category are today outside the jurisdiction of the commission, and are prompt to exert direct political pressure to obtain special concessions.

> The public service of Victoria [remarked a highly informed observer in 1931], would be a magnificent instrument if it could be kept entirely out of politics. The participation by the service in politics has stultified it; it may even be said that its political attitude is one cause of its meagre range of salaries. Political influence may have assisted in raising the salaries of the general division and the lowest and more numerous classes, but it has put the middle classes on the status of the artisan, and the interests of the higher ranks have been very largely ignored by the public service organizers because such officers represented the State as "employer."[21]

The political privileges of the public servant have been a contentious issue in both the states and the Commonwealth. The general rule, however, has long prevailed that, while of course the public servants possess the right to vote, they are not to participate openly in party activity and propaganda. The Commonwealth public service commissioner has condemned such participation whenever it occurred, and the regulations clearly forbid an officer to comment publicly upon the administration of any department.[22] The Labour party has often aggressively championed complete political freedom for the public servant, and its zeal in this matter is not without selfish motive since the public service has considerable voting power. In 1916 a Labour Government in New South Wales granted officials leave of absence without pay to contest parliamentary elections, and made them eligible for reinstatement if unsuccessful. But by contrast the present Commonwealth law requires public servants who seek election to resign from the service before accepting nomination.

The activity of the Australian public service in delegatory

[21] Sugden and Eggleston, *George Swinburne*, 103.
[22] *Second Report of the Commonwealth Public Service Board*, 1926, 34-5.

legislation resembles closely that in other modern parliamentary democracies both inside and outside the British Empire. The inevitable development is clear: administrators are invested with much discretionary and rule-making authority, and through orders, proclamations, and regulations quietly exercise legislative functions. "In point of mere bulk," it was remarked in the early thirties, "the statutory rules (even without the ordinances made for the government of the Federal Territories, which in some cases stand upon a different footing) now far exceed the legislation which has emanated directly from parliament itself."[23] Yet in ordinary times of peace in contrast to those of war, legislation by public servants in the Commonwealth is restrained. Regulations under an act must be submitted to Parliament within a prescribed time, usually thirty days if Parliament is sitting. Unlike the practice in Great Britain, a minister in Australia is rarely empowered to modify by regulation the provisions of a statute, and no substantial attempt has been made to prevent the courts from questioning whether an order of the executive exceeds the powers conferred. As elsewhere the law of parliamentary control does not necessarily reflect the reality, for Parliament is ordinarily lax in its supervision of administrative regulations. It sits for only a portion of the year, and, unless some special incident brings a regulation into prominence, it assumes that the regulations are satisfactory. But in the Senate since 1932 a Standing Committee on Regulations and Ordinances, composed of representatives of the two major parties, scrutinizes bills conferring regulation-making powers, determines whether the grant of such powers is justifiable, and ordinarily demands from the department concerned the reasons for a regulation or ordinance.[24] Although the committee cannot by its conclusions bind the Government, it has somewhat limited the wide range of legislation by ordinance.

[23]K. H. Bailey, "Administrative Legislation in the Commonwealth" (*Australian Law Journal*, May, 1930, 9). See also the issue of June, 1930, and F. A. Bland, *Planning the Modern State*, chap. IV.

[24]See especially the *Fourth Report from the Standing Committee on Regulations and Ordinances*, 1938; the *Standing Orders of the Senate*, 1937, 36A; and *Journal of the Society of Clerks-at-the-Table in Empire Parliaments*, VII, 161-9.

7

In its general structure and functioning Australian parliamentarism reveals no sharp and significant divergences from that in Canada. Differences exist, as indicated, but the broad and important features, derived from British inheritance, are similar. Here also institutions have been fashioned in a community scattered over a continental territory, concerned hitherto with settlement and construction, disturbed by the problems of national solidarity, but fortunately endowed with a tractable social system. There is present in the national parliament the same compliant acceptance of direction from the executive. Many of the departures from the more refined points of British precedent resemble those in the parliament at Ottawa. The Speaker of the House, for example, differs from the Speaker in the British House of Commons in that he is not necessarily reappointed from parliament to parliament, and at each general election he is opposed in his constituency. One conscientious Speaker who sought to follow what he regarded as British precedent in refusing to record his vote in a critical division was promptly criticized by his party, and in the subsequent election met defeat because of his own party's hostility.[25] But despite such deviations in detail there is present the tough and flexible strength of parliamentary institutions upon the British pattern, illustrated especially in the promptitude and effectiveness with which a Government can deal with a national emergency by marshalling resources human and material.

Similarly, despite a robust belief in majority rule and the specific influence of American democracy, especially during the formative nineties, Commonwealth and states have not resorted to the American or Swiss initiative, and have used the referendum relatively little in ordinary lawmaking. Except for constitutional amendments in the Commonwealth, the referendum at the discretion of a Government has been most commonly invoked in the states to discover the popular attitude towards the sale of alcoholic

[25]See L. F. Fitzhardinge and others, *Nation Building in Australia*, 257.

liquor and the methods of such sale. Referenda have thus been abundantly used in submitting precise questions to the voters, such as the hour at which public houses should close, whether the existing number of licensed houses should be continued or reduced, and whether there should be state prohibition. Otherwise the British tradition has prevailed that the advisers of the Crown and Parliament decide on the crucial issues of legislation, that an appeal to the people is principally on those occasions when a Government must submit its own fate to the popular verdict, and that the expedients of direct democracy should not be allowed seriously to impair the immediate and personal responsibility of party leaders.

Chapter Nine

LABOUR AND PARTIES

1

National parties emerged slowly in the decade after the establishment of the Commonwealth. Three main political groups were present in the first Parliament: the Ministerialist bloc, which comprised the miscellaneous members who supported the Government and favoured fiscal protection; the official Opposition, which chiefly consisted of those who feared protection and advocated a tariff only for revenue; and the Labour party, which embraced members who were not agreed on the tariff but, in contrast to their opponents, were strongly united on other issues. This triple cleavage bred Cabinet instability, and resulted in seven distinct ministries in nine years (1901-10). "It was impossible," said Alfred Deakin in the language of the Australian national sport, "to play the game of politics with three elevens in the field." In order to escape from such shifting and precarious coalitions leaders gradually developed a bi-party system, which, once the principle of protection was accepted by all groups, consisted of Labour *versus* a combination of those hostile to the programme and tactics of Labour.

Labour early possessed what the other groups lacked, a cohesion grounded in a more homogeneous character and definite policies. It had objectives more confidently defined and related specially to the interests of the wage-earners, although support was also derived from small farmers, stirred by grievances against the large pastoralists, and from some urban middle class, fired by the evangel of social reform. It has been the chief vehicle of the philosophy most characteristic of Australian democracy. Hence in political warfare, except for short intervals of lethargy and incompetent leadership, it has held the initiative. Other parties have been

forced, either to imitate it, or to adopt in face of its persistent attack a defensive strategy. Thus from the opening years of the twentieth century, it has been the most dominant influence in Australian politics.

The social forces which fashioned the Labour party long antedated the Commonwealth. By 1890 vote by ballot and male suffrage gave the worker scope for political action. The development of female franchise in the nineties and the payment of members in the legislature contributed to the same end. But it was mainly aggressive trade unions, shaped by the peculiar geographic and social circumstances of the continent, which made the movement permanent and powerful, for the Labour party is essentially the political superstructure of trade unionism. While it wins the votes of some farmers, some urban middle class, and many public servants, who are a significant portion of the electorate in a country of prevalent public ownership, the core of its support has been derived from organized miners, seamen, railwaymen, and labourers in the pastoral industries.

Although Australian trade unionism represents the usual craft and industrial types of organization, it is otherwise remarkably homogeneous. The craft and industrial unions collaborate through the Australian Council of Trade Unions and support political action. In pay and status, no wide margins exist between skilled and unskilled, for compulsory arbitration and state-fixing of wages have narrowed them, and promoted working-class solidarity. Whereas in British and American industry the skilled worker ordinarily receives from 30 to 40 per cent more than the unskilled, the range in Australia by contrast is more commonly from 20 to 25 per cent.[1] There are naturally in so unified a community no racial or religious cleavages such as are found in the trade unions of Europe and to a less degree of Canada. Despite some internal fissures, labour has in the industrial sphere a large measure of unity, which enhances its political vitality.

[1]See J. H. Richardson in *International Labour Review*, XVII, 189; also H. Heaton, *Modern Economic History*, 1925, 272. Professor Heaton suggests a greater disparity in British and American industry than now ordinarily exists. It is perhaps needless to add that the disparities fluctuate in time and with circumstances.

But the first excursions into politics came in the nineties as a rebound from rude and discouraging blows on the industrial front, especially in the bitter strikes of the shipping and pastoral occupations during 1890-1, memorable incidents in the struggle for union recognition. The failure of the strikes and the imprisonment of labour leaders convinced the trade unionists of the futility of industrial action in face of hostile governments. "It is clear," declared William Spence, the organizer of the Shearers, "that only through the ballot-box can we expect to destroy the power of monopoly and obtain justice." The struggle for amelioration was promptly shifted into politics, but when this action was taken the industrial strength of labour was already considerable. Henry George wrote of the Australians, after his visit in 1891, that "trade-unionism has with them reached a more powerful development than anywhere else."[2]

The immediate and distressing social circumstances in the nineties further explain the entrance of labour into politics. The decade was racked by extravagant speculation in land, the collapse of inflated prices, the restriction in public expenditure, the failure of banks, widespread unemployment, accompanied by poverty and discontent. No extensive open frontier existed like that in North America, with free and well-watered land to attract the man of small means and relieve his needs.[3] Collective action by restless workers was stimulated, not merely by the grim facts of the time, but by the inspiring example of British labour, which under the zealous drive of Keir Hardie and the Independent Labour party had begun in the nineties to emphasize the tactic of political action. Australian labour, always profoundly impressed by the doctrinal ferment in contemporary England, was promptly influenced by the Independent Labour party, with its apostolic enthusiasm in face of adverse circumstances.[4] Indeed, workers in Sydney and Melbourne

[2]An article by Henry George on Australia appeared in the *Cosmopolitan*, January, 1891.

[3]Carter Goodrich has discussed the contrast between Australia and America in "The Australian and American Labour Movements" (*Economic Record*, IV, 1928, 193-208).

[4]The British influence on Australian Labour in the eighties is traced in T. A. Coghlan, *Labour and Industry in Australia*, IV, 1833-1937.

were flushed with the hope that political success was more feasible than in England.

Labour won its first signal political triumph in the New South Wales elections of 1891, when thirty-six successful candidates secured the balance of power in a house of one hundred and forty-one, and adopted the policy of supporting whatever Government would make concessions. Henceforth in New South Wales it held the most embattled position, gave the most vigorous leadership, and within the next two decades in this and other states achieved office. In 1899 it formed in Queensland a Government which held power for only a week. In 1910 it attained office in New South Wales and clung to it for six years. In the same year it occupied the Government benches in South Australia. In the Commonwealth it first entered office in 1904 for three months, in 1908-9 it grasped the reins for seven months, and in 1910 it held them for the life of a Parliament. This success continued at intervals until by 1939 it had assumed power in every state of the Commonwealth, even those least industrialized, such as Western Australia and Tasmania, and in one period ruled five of the six states.

2

The Labour party early became distinguished from its opponents, not merely in the ends sought, but also in structure and tactics. In New South Wales these distinctive features of the party were first fully developed in the attempt to bring its leadership under firm democratic discipline, involving an elaborate organization designed to execute majority decisions.[5] In each local area or electorate a unit, commonly known as an electoral league, enrolls members, receives fees, nominates candidates for local office, appoints delegates to conferences, and submits to the conferences advice on policy. The members of these local cells are not restricted to industrial workers; they may be small farmers or even professional

[5]The most illuminating account of the early development of the organization is in V. G. Childe, *How Labour Governs*.

men sympathetic with the aims of the party, but usually the mass are workers in the trade union sense. The local branch requires from candidates a pledge of fidelity to the platform, debars individuals from activity in the branch unless their annual subscriptions are paid, and keeps an accurate register of local membership. Trade unions are directly affiliated, and in the nomination of delegates to conferences possess much the same status as the local branches. The State Conference, which is composed of representatives selected by the local units and by the affiliated unions, meets annually in all states except Queensland, while between meetings an executive committee manages the funds of the Conference, organizes publicity, and endorses candidates for office. The Conference guards the platform, seeks by appropriate disciplines to ensure the fidelity of members, and hence, especially when the party is in office, plays a crucial role. In the endeavour to preserve solidarity, it tends to be dominated by the industrial workers who are commonly fearful that the politician will succumb to the blandishments of the powerful and forget his pledge. "Ratting" is the unforgivable sin in Labour ethics, and the Conference is prompt in denouncing the "rat."

The Inter-State Conference, composed of delegates elected by the State Conferences, meets triennially to formulate for the Commonwealth party the platform, which outlines immediate objectives as well as remote goals much like the platforms of the State Conferences. The inter-state executive is more restricted in powers than the state executives and is without independent funds. Another significant organ is the parliamentary caucus, which after a party victory exercises notable authority: it chooses the leader, selects the ministers (the prime minister merely allocates the portfolios to those selected), jealously watches ministerial actions for evident infidelity to the ideals of the platform, and on important issues may insist that the individual members in Parliament vote as a majority in caucus decide. The system is intended to ensure democracy within the party even at the price of individual liberty. The caucus control over ministers has been condemned as undermining the British traditions

of ministerial responsibility. But in fact this control is often more apparent than real, since the ministers are ordinarily the most skilful and forcible debaters, able when united to convince the majority of the caucus, and, if they fail in persuasion, they may obtain their own way by using the formidable threat of a dissolution.

Under the disciplinary lash of caucus and State Conference, the Labour party has often been torn by bitter disputes, followed occasionally by purges or by splitting into two or more sections. The most notable schism occurred during the First World War when William Hughes, as prime minister of the Commonwealth, decided on conscription in order to reinforce Australian armies overseas. He was supported by the Commonwealth caucus, but was vehemently opposed by the executive committees and conferences within five of the states. He held two referenda on conscription, both of which registered a hostile popular majority. Although he accepted the electoral verdict, Labour repudiated his leadership, and forced him and his associates to secede from the party. Hughes joined the Opposition to retain power, whereas the main body of Labour as well as its leaders lost office and did not recover the Government benches at Canberra for twelve years. The party machine had asserted its discipline with costly casualities. Even the powerful State Labour party in New South Wales was injured. This is not an isolated example. Of eleven prime ministers in the first forty years of the Commonwealth, three (Cook, Hughes, and Lyons) were expelled or forced to secede from the Labour party, while below the rank of leader many withdrew to the camp of the enemy. In a national emergency the chief defect of the Labour machine is inflexibility. In the apt words of Professor Hancock it tends "to enforce orthodoxy at the expense of leadership." It rigorously demands from the individual obedience to the group, but, when in a crisis group unanimity is impossible, the party splinters under the strain. Secessions are the recurrent price paid for the delegational theory of representation to which since the nineties Labour has tenaciously clung. A member of Parliament, whether a prime minister or mefely a humble back-bencher, is viewed

as a delegate of the party, obliged to obey the conferences, which formulate and interpret the platform. Such discipline, more rigorous than is commonly found in political groupings under a parliamentary régime, is honestly intended to preserve Labour solidarity and to correct a weakness of working class leaders the world over—namely, their tendency to lose touch with the mass, and hence to misinterpret its views and sentiments.

3

In the early years, before the framework of democracy was fully achieved in Australia, Labour sought political objectives, immigration restriction, especially in respect to Orientals, and factory laws on the British model. It responded in particular to the concepts of British Chartism, combined with Swiss and American ideas of direct popular legislation. It was resolved to abolish plural voting, enfranchise women, eliminate legislative councils, establish the initiative and referendum, and in response to American democratic doctrine elect magistrates.[6] Since the turn of the century it has become more concerned with social and economic goals, especially nationalist policies, welfare services, and extending generally the state's functions. Its social democracy is wedded to nationalism. Thus in 1908 it advocated the cultivation of a sentiment for racial purity, the development of a self-reliant Australian community, the collective ownership of monopolies, and the furtherance of economic activity by state and municipality. More than any other party it has nursed nationalism, socio-economic rather than political and illustrated especially in high tariffs and restrictive immigration. While it expresses faith in the brotherhood of man, it has not been prepared to admit that such brotherhood should interfere with its rigid views on immigration. Here its primary concern is to prevent unfair competition. In domestic affairs it has striven more consciously than other parties to transform the self-assertive

[6]The platform of the New South Wales Labour party in 1891 is contained in T. A. Coghlan, *Labour and Industry in Australia*, IV, 1844-6.

states into a cohesive nation. Thus symbolically a Labour Government early abolished the state postage stamps and created a Commonwealth stamp, established compulsory military training on the Swiss model, and prior to 1914 played a part in creating a naval squadron, owned, manned, and controlled by the Commonwealth.[7] In the period between the wars (1918-39), it had a confused and indecisive foreign policy; the ideas of the various Labour groups ranged widely from ardent support of a world collective security to forms of national isolationism. But despite indecision, the then official leaders of Labour were anxious to pursue a policy that would recognize the paramountcy of Australia's interests as a nation, although with few exceptions they were not deeply interested in the constitutional symbols of national status, which then so much exercised political leaders in Canada and South Africa. The Labour party acquiesced in Australia's refusal at the outset to ratify the Statute of Westminster. Its members, like most other Australians, felt that no important interests of the Commonwealth were served by an emphasis on national status, although in the Second World War a Labour Government ratified the Statute because administrative and other difficulties had arisen which could thus be removed.

For a generation the ultimate ideological goal of the party, as distinct from immediate objectives, has been socialism by gradual reform. From the beginning the humanitarian and socialist ideas have been derived mainly from writers of England and America, and consistently reflect the change of fashions in the socialist doctrines of the older English-speaking countries. In the eighties and nineties the early Australian Labour leaders, under the influence of Alfred Russell Wallace and Henry George, advocated land nationalization. Shortly after its appearance in America, Henry George's *Progress and Poverty* was reprinted in a Sydney daily, and during his Australian lecture tour in 1890 George was everywhere acclaimed as a world benefactor.[8] In the later nineties and opening years of the present century there was added the

[7]But the Opposition also claimed credit. See L. F. Fitzhardinge and others, *Nation Building in Australia*, 94.

[8]G. R. Geiger, *The Philosophy of Henry George*, 70-1.

influence of Edward Bellamy, Robert Blatchford, William Morris, the Fabian essayists, the later Marxism, especially in the vehement manifestoes of the Industrial Workers of the World. One trade union zealously distributed among its members hundreds of copies of Bellamy's *Looking Backward.*[9] These ideas of a Utopian and Fabian socialism, mixed with flamboyant nationalism, were illustrated in the writings and activities of the most influential spokesman of social change in Australian history, William Lane.

Born in England, Lane entered Queensland during the industrial tensions of the late eighties, engaged in working-class journalism, and soon revealed a superb style for mass agitation. In 1890 he established the *Queensland Worker*, the first newspaper directly subsidized by the trade unions and independent of advertisers. His early love was land nationalization. This he believed "would do more in a single day than protection will do in a century towards adjusting and keeping perpetually adjusted that distribution of wealth, the present mismanagement of which is the cause of all poverty, nearly all crime and most vice."[10] He sought to unionize the unskilled workers, constitute a disciplined grouping of unions, which eventually took form in the Australian Labour Federation, and promote what his motto for the *Queensland Worker* described as "Socialism in our time." But disappointed by the difficulties of moving the public, or even organized labour, towards a socialist régime and disillusioned by the dull bureaucracy and endemic opportunism of union officials, he gave up the struggle in Australia, and induced some devoted followers to enter upon the Utopian venture of establishing in Paraguay a small communist society. Despite the stern zeal of its founder, the New Australia in South America was a pathetic failure, and Lane ended his militant days as a Conservative journalist in New Zealand. His mode of financing Labour newspapers and his application of the federal principle to trade unions

[9]C. Hartley Grattan, "Australian Labour Leader" (*Australian Quarterly*, Sept., 1940); also Lloyd Ross, "From Lane to Lang" (*Australian Quarterly*, Dec., 1934).

[10]Quoted in Lloyd Ross, *William Lane and the Australian Labour Movement*, 57.

survived him, and his socialist dreams and inspiring humanitarianism continued to fire idealists in the Labour ranks.

Despite the teachings of Lane and other theorists the official Commonwealth party was slow to introduce the objective of socialism into its formal programme and prompt to disclaim the tactic of revolution. Its most effective industrial organizer in the early years of the century, William Spence, wrote that "revolutionary socialism is an impossibility. No practical man can conceive it possible."[11] In 1908 the goal was modestly viewed as "the collective ownership of monopolies and the extension of the economic functions of the state." But immediately after the First World War a revolutionary temper became more evident, and was reflected in the debates of the All-Australian Trade Union Congress of 1921, whose president confidently spoke of making "the next decade the transition period from capitalism to socialism." A committee of the Congress urged action "to secure a complete change, namely, the abolition of the capitalistic ownership of the means of production," and industrial unionism was regarded as the most suitable instrument to effect the transition. Although the political leaders were more cautious and more restrained in utterance than the industrial, yet in the post-war period their platform proclaimed that the ultimate objective of the party was "the socialization of industry, production, distribution, and exchange," and such it was on the eve of war in 1939.

Australian Labour has been much less guided by intellectuals than the British movement. Middle-class lawyers, notably in the past William Hughes and William A. Holman, have given it for intervals a brilliant leadership, but it has not been informed by social analysts with the rich erudition of Sidney Webb and G. D. H. Cole, and on the whole its rank and file have a deep distrust of the intellectual as "the school master" type. It has been dominated by the patient, adroit, and honest veterans who ascend from the ranks of trade unionism, who view a union secretaryship as a safe rung on the ladder to political office, and who, if they can successfully climb this ladder, are stubborn empiricists and

[11]William G. Spence, *Australia's Awakening*, 594.

professional politicians, not masters of theory and dialectic. They are likely to be absorbed mainly in the prosaic task of furthering the interests of the trade unions. Subscribing formally to socialism, they are in no haste to implement a precise or dogmatic scheme, view it as a remote and not as an immediate goal, and are content to leave to their children its full achievement. In fact it would be difficult in the Trades Hall of any state to find agreement on the meaning of socialism; certainly agreement on the immediate steps necessary to attain it would be impossible. When fully employed the mass of Australian labourers are satisfied to accept the wages and conditions of work won by collective bargaining, and secured by state and federal industrial tribunals. They often doubt whether a fully socialized economy under bureaucratic direction would really benefit them, and as long as their unions are secure they believe that they have a stake in perpetuating the existing order. Traditionally they have looked upon their party as the protector of unionism with all that unionism implies in wage rates and working conditions. They are usually content that it should remain primarily such a protector, obtaining whatever additional safeguards for the wage-earner are feasible without far-reaching and perilous schemes of social change. "The Labour politician," remarked Pember Reeves in the opening years of the present century, "is at heart more of a trade unionist than a conscious socialist."[12] Time has not greatly changed him, a fact which perhaps alone explains why political Labour, apart from an impatient left wing, has not aggressively pursued its socialist goal. But there are other restraining circumstances. Federalism is a formidable obstacle, since the Commonwealth and states are separately incapable of creating a fully socialized economy. Then also the varied social elements within the party make it hesitant in plans and cautious in action.

Labour has never been supported exclusively by industrial workers, but in all states, especially in Queensland and Western Australia, has obtained aid from small farmers, influenced mainly by hostility to the large graziers who sponsor the other parties. In Queensland Labour won the

[12]W. Pember Reeves, *State Experiments in Australia and New Zealand*, I, 70.

small man on the land by creating primary producers' associations and pools to market agrarian products, and thus gave farmers, in contrast to wool growers, a concern for the success of its régime. In other states, also, as occasion dictated, it has played for the vote of the primary producer, and the official platform of the Commonwealth party lists many policies favoured by the agrarian interest. Its consistent attack since the nineties on large estates assisted the farmer in his struggle with the wealthy pastoralist, and won it his support. A fluctuating portion of the Australian urban middle class, white-collar workers and shopkeepers, also gives Labour fitful aid, and helps to create that floating vote which petulantly shifts back and forth between the major parties and usually tips the scales in a general election. To them John Curtin appealed in his claim that "Labour is not a class movement; the Party belongs to the whole people." Most of these electors support Labour for reasons other than its socialist aspiration. They may approve of its protectionism, its guardianship of democracy, its attitude towards defence, its interest in social insurance, but they would not place it in power if they were convinced that it was determined to transform suddenly the present social order into something drastically different. The leaders of Labour accept this fact, and steer a course designed not to alienate their middle class auxiliaries; they recognize that the trade unionists alone cannot place the party in office.

A significant feature of Labour is the aid long derived from the Roman Catholic Church, which has adherents mainly among the Irish working classes, who in considerable numbers migrated to Australia in the nineteenth century. The Irish worker was attracted to Labour not merely because of its social promises, but because its leaders, as exponents of an ardent nationalism, were prompt to support the nationalist claims of Ireland. In many cases members of the hierarchy have vehemently supported the party; in some instances they have determined its fortunes. In the conscription campaigns conducted by William Hughes during the First World War, Dr. Mannix, Archbishop of Melbourne and a zealous Irish Nationalist, bitterly fought conscription, and thus aided that

wing of the party in its opposition to the prime minister. He was by no means representative of all the Roman Catholic ecclesiastics. In particular Archbishop Clune of Western Australia supported the policy of Hughes. Twenty years later a portion of the hierarchy exerted an influence on that section of Labour which leaned to isolationism in foreign policy and which was critical of sanctions against Italy in the Abyssinian episode. The fact that many Roman Catholic workers traditionally vote for Labour introduces a sectarian heterogeneity into the party and doubtless on the whole exerts a conservative influence upon its tactics and policies. Moreover, since the Roman Catholic community represents less than 20 per cent of the nation, any alleged *entente* between it and Labour has probably tended to weaken the party among non-Catholic voters.[13]

Apart from the ultimate objective of its formal programmes, the Labour party in sundry ways has furthered social services in order to satisfy that humanitarian desire for a better society which is a driving force behind the working-class movement. In Commonwealth and states it vigilantly guards arbitration and wage-fixing, views these institutions as the sheet-anchor of its standard of life, and has long defended social insurance, including motherhood and childhood endowment. In all the states it favoured and established many forms of public ownership, notably in Queensland where it brought under government management some cattle stations, meat shops, a fish market, coal mines, sawmills, and timber yards. During the years of depression after 1929 when the party suffered defeat, many of these enterprises were resold to private entrepreneurs. New South Wales entered upon similar experiments under the same drive. But Labour is only partly responsible for the extensive government ownership throughout the Australian community. It has done little more than quicken a development fostered by the hard circumstances of the physical environment, and in recent years its early enthusiasm for public ownership has waned.

All important sections of the Labour party have been

[13]H. V. Evatt, *Australian Labour Leader*, chap. LVI.

firmly attached to parliamentary methods on national lines, devoted no less than other parties to the principles of British constitutionalism. It will not, for example, permit a Communist to become a member, for it repudiates the Communist tactics and faith. Some workers have periodically and aggressively expounded the doctrines of Marxist socialism, and tried vainly to swing the movement into the Third International. Exponents of direct industrial action, active prior to 1914 in the Industrial Workers of the World, appealed with missionary zeal to Australian bushmen, but never succeeded in making revolutionary syndicalism a serious rival of parliamentary reformism.[14] To many toilers parliamentary politics is a religion; to some few it is a profession, elevating the poorly paid trade union secretary, if his talent is adequate, to the most distinguished positions in the land. Through trade unionism and the political party a career is open to talent, and Labour leaders have a vested concern in these institutions as a mode of furthering their own ambitions as well as the aspirations of their class. That some bureaucracy exists within the unions and political units hardly requires statement; it is inevitable, especially in such large and unwieldy organizations as the Australian Workers' Union, and it produces its usual progeny, place-hunting and obsequiousness towards those who can influence promotion. But in Australian labour as a whole, a sturdy spirit of democracy helps to ameliorate the worst features of bureaucratic management.

4

The opponents of Labour have consisted of two loosely allied parties, which often change their names but not their essential characters. They remain formally at least hostile to the objectives of Labour, although in office they are usually reluctant to reverse what Labour has done. Prior to 1914 the anti-Labour bloc comprised the Old Liberals of Victoria, protectionist, advanced in social ideas, and long led by a

[14]The I.W.W. in Australia is briefly discussed in P. F. Brissenden, *The I.W.W.: A Study of American Syndicalism*, 340-3.

brilliant orator, Alfred Deakin, who was sympathetic with some of the aims if not the methods of Labour. The second group consisted of the Free Trade Liberals of New South Wales, supported by the great pastoralists, merchants, and importers. By 1914 Australia was committed to protection, and any real distinction between the two Liberal groups had almost disappeared. Their political philosophy, compared with that of Liberal parties elsewhere in the Empire, resembled more the doctrines of Asquith and his followers than of the contemporary Canadian Liberals under Wilfrid Laurier.[15] The social environment of the continent, especially the rising pressure of Labour, made Alfred Deakin and his associates concentrate upon an agenda different from that of Laurier: they gave a more positive function to the state and travelled further towards social democracy.

When Hughes and his immediate followers were expelled from the Labour ranks on the issue of conscription, they joined the Liberals to create the Nationalist party, which retained office till 1929. Within the same period the Country party emerged to press the claims of the rural primary producer in opposition to the potent interests of finance, industry, and trade unionism in the large cities. The Country party was the Australian counterpart of that contemporary post-war agrarian revolt which threw up the Progressives and United Farmers in Canada. Although the detailed grievances were different, the essential ground of discontent was the same, for both believed that the aggressive interests of the city swayed governments unduly and would continue to sway them until the producers of the country were politically organized for self-protection. In New South Wales the party early sought not merely to reduce tariffs but to break up the state into a number of new states in order to curb the massed power of urban Sydney. The Country party, however, has never successfully represented an exclusively rural interest *versus* an urban interest because, instead of one, there are several rural interests often in conflict. The economic plight of the large pastoralist of the inland plains,

[15] W. Murdoch, *Alfred Deakin.* This volume is sketchy in treating Deakin's political ideas, but an acute estimate of Deakin as a political leader appeared in *The Quarterly Review*, CCXV, 305-34.

producing wool for a foreign market and anxious for some degree of free trade, is not the same as that of the struggling sugar grower on the Queensland coast, eager to protect his home market as virtually the only one for which he produces. Not merely did the Country party fail to win the wide support suggested in its name, it compromised its claim to be distinct in 1923 by forming a Government with the Nationalists, who were backed by the financial and industrial magnates of the cities. This alliance was forced by the anxiety of both groups to exclude Labour from office.

The Coalition Government after 1923 represented the Nationalists and Country party in the proportion of six to five, and operated on the understanding that decisions carried in the Cabinet by a single vote should be negatived. In six years of rule no complete fusion took place; the two parties recognized separate leaders and organizations, and without a unified command they inevitably fell before the more efficient political machine of their common foe. In 1929 the Labour party came to power with the largest majority in its history, but faced by the sharpest modern depression it was soon cleft by divided opinion on the proper procedures for the emergency. One section led by E. G. Theodore of Queensland, leaned to inflationary action; another under Joe Lyons, formerly a leader in Tasmania, repudiated this policy, withdrew with some followers to the Opposition, and transformed the Nationalist into the United Australia party. Defeated in Parliament, the Labour ministry went to the polls in 1931, and was swept from power by the new and vigorous organization under the erstwhile labourite Joe Lyons.

The United Australia party, allied uneasily for most of the period with the Country party, ruled in the Commonwealth from 1931 to 1941. Since it represented heterogeneous groups in town and country and had to win part at least of that floating vote for which Labour also contended, it had no clearly defined and rigid doctrines, and was without the rigorous discipline of its opponent. Although it was supported by the large commercial newspapers and sponsored by finance and industry, it was not wholly anti-collectivist,

anti-protectionist, or anti-nationalist; it did not attempt to repudiate the major things for which Labour stood. On the contrary its policy was also inevitably shaped by collectivism and nationalism, but it was less aggressive in advocating those policies which Labour emphasized. It was much more concerned to exalt the principle of gradualism, to moderate the trend towards social democracy, to preserve in independence as much private business as possible, and to respect as well as it could the canons of public finance cherished in the board-rooms of banks and mercantile houses. In all this it had no easy task. In office it was forced to extend social services, and its conception of orthodox fiscal policy, in the decade 1931-41, was sufficiently elastic to include depreciated exchange and treasury bill financing. More commonly than Labour it appealed to the sentiment concerning the British tradition, and was more demonstrative in its imperial loyalty. Hence in foreign policy it was more inclined to take its cue from London. But even in this matter the difference between it and Labour was only one of degree because the fundamental determinants of Australian foreign policy have always been the same whatever the party in office, depending especially upon considerations of naval defence, economic development, and traditional sentiments which no realistic party can dare to ignore. Whereas hitherto Labour has had an aggressive and popular social ideal to guide its actions, its opponents have been forced to do little more than act upon the opportunist strategy of opposing or forestalling as expediency seems to dictate. The social and economic environment of Australia created the Labour party and explains its success. The same environment also determined that the chief political opponent of Labour must in policy follow, however hesitantly, the same road.

In 1944-5 the United Australia party was transformed into the Liberal party, with a programme that lauded the freedom of enterprise and the liberty of the individual. This change in nomenclature did not fundamentally alter the character of the party, which continues to be composed of the same social elements.

The political alignments within the Commonwealth have

their counterparts in the states, where parties exist under the names of Labour, Country, Nationalist, United Australia, Liberal, and other miscellaneous labels. The state parties represent the same social groupings as their federal namesakes, utilize the same political machinery, and behave in much the same manner. No less than the provincial parties of Canada, they help to determine the fortunes of leadership in national politics; in their rise and fall they have a prompt influence upon parties in the Commonwealth.

5

It is evident that the Australian political associations differ from those of Canada in making a more ostentatious show of being class parties. More frequently they use the emotive language of class consciousness. The racial homogeneity of the population and its cultural cohesion certainly tend to shift the base of political conflict towards class and occupation, although the major parties virtually represent all classes, and are not the agents of a rigorous class struggle. The peculiar strength of Labour, owing to special features in the industrial structure, make inevitable a division on the lines of Labour *versus* anti-Labour and the emergence of large metropolitan communities exerts a similar influence. While there is this tendency towards class politics, regionalism also intrudes to lessen appreciably the importance of class. All the major parties at Canberra must win adherents in the main areas of Australia, and, since the interests and attitudes of the same classes differ somewhat in the different regions, compromises under regional pressure are imperative. Even the Labour party cannot escape from the shaping effect of geographic and cultural circumstances. The militant trade unionists in New South Wales cannot sway the party throughout the whole of Australia because their influence is counteracted by the more moderate Labour leaders of Western Australia and Tasmania. Parties national in name can be national in fact only when responding in some measure to the varied pressures in the different regions of the Common-

wealth. Here no less than in Canada the continental and federal structure of the state tends to make parties composite in programme and policy.

Chapter Ten

COLLECTIVISM

Almost from its genesis Australian democracy has pursued more accentuated and varied paths of collectivism than other Dominions. This enhanced role of the state is regarded by some as Australian socialism or social democracy, but the forces behind it are complex and varied, and the term socialism connotes too much of a single or definite ethic. It suggests an integrated and consistent whole which does not exist. The activity of government is here influenced as profoundly by a pragmatic as by an ideological impulse. Wentworth in the nineteenth century described Australian governments as "indulgent nursing fathers." To the present day their diverse forms of paternalism are grounded in the expediencies of capitalism as much as in the ethics of socialism. In particular the collectivist tradition is derived from the origin of the state in convict settlements, the potent influence of a dry climate throughout vast stretches of the continent, and the peculiar manifestations of the labour movement, especially that vision of an economy controlled in the interests of the common man. As a major phase of Australian democracy this collectivism demands consideration.

1

Protection, designed by Australians to determine the economic, social and political character of the nation, is one significant element in their collectivism. It embraces the traditional duties, bounties, quotas, marketing controls, and varied forms of financial aid, which are advocated and supported not merely by organized manufacturers but by organized labour, long zealous to make protection further

the achievement of its social ideals. Labour readily adopted the expedients of protection because by its whole philosophy and temper it was prone to interfere with the economic currents. It has never much respected the doctrines of British classical economics, especially those relating to trade. It has always prided itself on its determination to master economic forces to the end of welfare, and has concluded that fiscal protection may be a method of such mastery. It dislikes a surrender to the apparent urgencies of the international market, and considers that Australia must devote itself to a search for social justice. Such ideas have extended far beyond the ranks of labour. In fact they flourished in Victoria long before labour became an organized political force. They were expounded, for example, by the radical, David Syme, who edited the influential Melbourne *Age*. From 1860 until his death in 1908 Syme championed protection as an instrument of the common good. "I never could see any virtue in *laissez faire*," he wrote. "It is simply an excuse for incapacity and inertia in affairs of state." It was another Liberal from Victoria, Alfred Deakin, who in the first decade of the Commonwealth presented the New Protection in the argument that the tariff must be made contingent on the maintenance within the industry protected of "fair and reasonable" wages and labour relations. Since then democracy in eastern Australia has clung to the conviction that a protective tariff is imperative for satisfactory employment in any industry.

At the outset the tariff of the Commonwealth was modest. In 1901 the highest *ad valorem* duty on apparel and textiles was 25 per cent; on metals and machinery the duty ranged from nothing on basic iron and steel to 25 per cent on various finished articles. But by 1908 the duty on apparel and like items rose to 40 per cent, and during the next twenty years the rates continued to rise. Whereas in 1908 only eight items provided *ad valorem* duties of 40 per cent or over, in 1928 the number reached 259 items or sub-items, and there was also an increase in specific duties.[1]

[1] *Report of the Tariff Board* (1928), 16; also J. B. Brigden and others, *The Australian Tariff*, 158-9.

The War of 1914 multiplied and strengthened the economic interests which insisted upon high fiscal fences, reduced and in some cases shut off supplies from Europe, stimulated certain secondary industries, and led to the establishment of many others which in the subsequent period of peace clamoured for shelter in face of the uncertain winds of competitive trade. New and higher tariff schedules were devised. Steel among other industries was now protected. Supplements to the ordinary duties were resorted to, while extra levies were imposed on certain goods from countries with depreciated currencies. A Tariff Board, established in 1921 with wide investigatory and advisory powers, tried to achieve a balanced tariff, but did not prevent the increased protection which came in the twenties. It either gracefully yielded to the persistent pressure, or raised unheeded warnings, and protection was allowed to elevate costs of production in manufactures, with evident ill effects on such export industries as wool.[2]

With the onset of depression in 1929, the upward trend of duties was quickened, an unscalable wall was erected for many commodities, and Labour now became relentless in driving for "effective protection" as essential to preserve standards of living. Urban interests in general, whether or not associated with Labour, had long favoured protective duties in order to achieve a balanced economy and national growth. To the question commonly posed, "Shall Australia be a sheep-run or a nation?" none but pastoralists were likely to hesitate in the answer. In eastern Australia the patriotism of the ordinary citizen came almost to be measured by the height of the protection which he advocated. In the net duties chargeable in Australia, Canada, New Zealand, and South Africa upon goods classified under thirty of the main tariff items, Australia prior to war in 1939 was imposing the highest tariff and South Africa the lowest.[3]

From 1908 the Commonwealth provided preferential

[2]The Board in its reports frequently complained that its advice was ignored. See, for example, the *Annual Report*, 1928, 15.

[3]W. S. Kelly, *Memorandum on the Australian Tariff*, prepared for the Commonwealth Relations Conference, 1938, 17. Mr. Kelly was then a member of the Tariff Board.

rates in favour of goods produced or manufactured in the United Kingdom, and after 1919 the tendency was to enlarge and multiply such preferences. Whereas in the pre-war period the preferences had been granted on some 60 per cent of the goods from the United Kingdom, they were now conceded on the remainder. By 1925 Australia had raised its duties on British imports higher than those of any other Dominion, but granted also a higher margin of preference than any except New Zealand.[4] The preferential schedule in itself protected the Australian manufacturer. At the Ottawa Conference of 1932 the government undertook to increase the preferential margin, to encourage only those industries reasonably assured of success, to keep protective duties down to a level that would give British producers an opportunity of competing on the basis of efficient production, and to impose duties on the recommendations of the Tariff Board, which was to permit an audience to British producers. The arrangements to provide a larger market for the British manufacturer were sharply criticized, on the one hand by the powerful urban interests, labour as well as capital, who sponsored protection, and on the other hand by the pastoralists who sought freer trade with the rest of the world because not all their exported wool found a market under the British flag.[5] The leader of the Opposition in the Commonwealth Parliament denounced some terms of the agreement as "repugnant to those who stand for Australian industries and, what is more important, Australian self-government." "In the Ottawa Agreement," he added, "the fiscal freedom of Australia has been signed away."

Protection is enjoyed not merely by secondary industry in urban areas, but by varied forms of primary production on the land. Long before federation Victoria imposed duties to shelter its wheat growers from the competition of farmers in the neighbouring South Australia, while in the modern Commonwealth all the main products from the land, except wool and cattle, have been protected in one form or another.

[4] *Survey of Overseas Markets*, Report of Committee on Industry and Trade, 24.

[5] See extracts from contemporary speeches and documents in D. B. Copland and C. V. Janes, *Australian Trade Policy*, chap. II.

The primary producer claims compensation for being forced to buy the products of secondary industry in a protected market, a claim long admitted in public policy. Hence dairying, fruit growing, and wine making have been beneficiaries, while a royal commission in the thirties characteristically recommended that the wheat farmers were entitled to share in the protective policy of the nation.[6] The agrarian compensations have usually consisted of bounties from the treasury, or the maintenance through marketing boards of "home consumption prices," fixed higher than export prices in order to meet productive costs under Australian conditions. As a method of protection the home price has ordinarily involved an import duty or embargo to exclude competitive imports, and the fixing of export quotas as well as domestic prices. It has also occasionally involved restricted production. Usually the boards which control prices are representative of, and may be dominated by, the producers themselves.

Cane sugar, of which 90 per cent is produced in Queensland, has been the most generously fostered rural industry, propped and controlled by both Commonwealth and state in order to achieve closer white settlement along the subtropical north-east coast. For many years prior to federation Queensland possessed sugar plantations worked by cheap imported Kanaka labour, and it entered federal union with the motive of obtaining a larger market for its sugar. After 1900 the Commonwealth, while it protected the sugar industry, was obligated to repatriate the coloured labour, whose presence was inconsistent with a strict White Australia Policy and created the traditional social ills of a plantation economy.[7] To speed the transition from Kanaka to white labour an excise was imposed on domestic production combined with generous rebates on the sugar grown by white workers. This policy ended with the final repatriation of the Kanakas, and the First World War brought fresh and more radical methods of protection and control.

[6] *First Report of the Royal Commission on the Wheat Flour and Bread Industries* (1934), 34.

[7] Tropical diseases were prevalent among the Kanakas and affected the welfare of the white population. See A. Grenfell Price, *White Settlers in the Tropics*, 60.

The new arrangements rested upon quinquennial agreements between the Commonwealth and Queensland, involving an embargo upon imports.[8] The sugar producers were thus given complete possession of the domestic market and a vested interest in the protective system. But the periodic renewal of the agreement directs at intervals public attention to the industry, and guarantees that some effort will be made to keep costs within reasonable bounds. An embargo was chosen because a tariff would be impotent to cope with the wide and rapid fluctuations in the price of foreign sugar. The exclusion of imports is accompanied by a fixed domestic price for refined sugar, usually well above the world price, while efforts are also made to secure efficiency in production. In Queensland a Sugar Board, representative of the industry, formally advises the government but actually controls the quantity of sugar yearly purchased for home consumption, the price paid, and the export of surpluses. The exportable surplus in the period 1935-40 exceeded 50 per cent of total output. An older statutory body, the Central Cane Prices Board, regulates the relations between the millers and growers, determines the value of cane, and may even allocate the land from which each mill must draw its cane. Additional to such controls is the fixing of wages and other conditions of employment by the Arbitration Court of the state. Thus the sugar industry presents the unusual example of protection combined with the fixing of prices and rationalization. After 1920 efficiency notably improved. Mechanization by reducing the need for field workers made production possible without the aid of cheap coloured labour. Scientific choice of cane suitable for the Queensland environment, skilful use of fertilizers, improved methods of cultivation, and better milling produced sugar from a tonnage of raw material that would be considered excellent in any sugar-producing area of the world.

Australians in other states inevitably complain of not being permitted to buy sugar in the open world market, but whatever they pay above the free world price helps to

[8]Details of the early agreements and much other information are given in *Reports of the Sugar Inquiry Committee*, 1931.

make possible the permanent colonization by white men of the fertile belt in sub-tropical Queensland; it is a price for preserving a White Australia and for settling the strategic north.[9] Its advantages are political and social, not economic. The sugar-growing area of Queensland is one of the most successful cases of closer settlement in the Commonwealth. Plantations on which the Kanakas formerly worked have been replaced by small farms, averaging somewhat over forty acres. Where in 1920 cattle runs or virgin scrub covered the land, there are now cane growers and sugar mills. This transformation has permitted the population in tropical Queensland to increase between 1921 and 1933 by almost one-third, a rate faster than that in any other Australian state. Here rural protection has shown substantial and concrete results. It is moreover linked with the other elements of collectivism intended to further the standard of living and to ensure that the standards of tropical Queensland will not sink below those prevailing throughout the rest of the Commonwealth.

2

Related to protection is the policy often described in Australia and New Zealand as state socialism, concerned with the public ownership and management of major utilities and state trading. Owing to the peculiar distribution of federal power, the Commonwealth itself in times of peace is directly responsible for few public utilities. Its most important service of this kind is provided by the Australian Broadcasting Commission, which like its counterpart in Canada is broadly patterned in function upon the British Broadcasting Corporation.[10] Besides the national stations of the Commission, private commercial stations are licensed by the postmaster-general under specific conditions, and their operations are supervised by the government. A

[9] A. Grenfell Price, *White Settlement in the Tropics*, 72-3.

[10] An informative discussion is contained in the *Report of the Joint Committee on Wireless Broadcasting*, Parliament of the Commonwealth, 1942. See also *Australian Broadcasting Act*, 1942.

parliamentary standing committee, representing both houses and all parties, is appointed under the Broadcasting Act, and usefully assists Parliament to form a judgment upon issues independent of the minister, the government, and the broadcasting authority.

The most striking ventures of public ownership are those administered by the states, and include railways, steamships, electric generation, irrigation, hotels, banks, insurance, sawmills, coal mines, brickworks, and for a time in Queensland even cattle stations and meat shops. Many of these varied examples of public business originated in the pre-federation era, although much fresh and aggressive experiment occurred in the twentieth century. During the depression of the early thirties, New South Wales and Queensland sold some of their trading enterprises to private corporations, but throughout the continent the bulk of the utilities continued to be publicly owned and operated. This prevalence of public ownership, which is more pronounced than in Canada, results from collectivist thought, but not necessarily from systematic and strict doctrines of socialism. Nor is it simply a triumph of the labour interest over the capitalist interest, because employers have been prompt to approve of state management whenever the enterprise was unprofitable for the private entrepreneur. In such situations public enterprise is merely a welcome servant to private capitalists. State railways, for example, have always been advocated by private land owners, great and small, who hope to benefit from enhanced land values. Australian collectivism has come from an effort of the community to master the geographic environment and from the peculiar socio-economic drives in Australian history, which in turn are profoundly influenced by geography. Large area, small population, and uncertain rainfall have forced men to rely upon the state to shoulder the risks of development. The individualist from England in the nineteenth century was soon transformed into a collectivist in Australia by the limited water supply. The large public obligation imposed by a dry climate is illustrated in the wide range of state irrigation in Victoria, which in 1942 had

over 600,000 acres of irrigated land, more than the total of such land in the nine Canadian provinces.[11] Every state in the Commonwealth assisted irrigation to a greater or less degree in order to achieve closer settlement, whereas in Canada only two provinces, Alberta and British Columbia, have irrigated areas of any consequence.

Climate also helps to explain why the railways of the six states are almost completely state owned and operated and represent the most costly and difficult venture of public ownership. In 1937-8 the mileage of private lines for general traffic was only 787 out of a total mileage of nearly 28,000. As virtual monopolies the railways compete, in so far as they compete at all, only with other types of transport, and even this competition is closely regulated. Such public responsibility has resulted from the inexorable necessity and difficulty of colonizing the dry hinterland, with its small pastoral capacity per square mile and its light freights compared with the vast areas traversed. In the nineteenth century private corporations shrank from the overhead risks incidental to the investment in rails and rolling stock. The few companies bold enough to build lines were soon bought out by colonial governments, and public construction proceeded under persistent electoral pressure. Into their railways the states poured the bulk of their borrowings in order to promote land development.

In the inter-war period (1919-39) most of the state railways showed deficits, which were less often due to inefficient operation than to the basic circumstance that the lines were constructed to open up the country and were over-built.[12] In South and Western Australia especially they were extended into territories where traffic was light, where rates did not meet the operative charges, and where local interests fought fiercely for a service regardless of its costs to the state. The following table illustrates some of the cardinal features of railway development within the states:[13]

[11] *Annual Report of the State Rivers and Water Supply Commission*, 1941-2, 9.

[12] *The Report of the Commonwealth Transport Committee* (1929) illustrates this theme.

[13] *Official Year Book of the Commonwealth*, 1938, 140.

RAILWAY DEVELOPMENT IN AUSTRALIAN STATES

	Cost per head of population	*Mileage per 1,000 of population*
New South Wales	£53.74	2.27
Victotia	41.58	2.54
Queensland	37.11	6.62
South Australia	49.15	4.26
Western Australia	56.07	9.59
Tasmania	8.75	2.80

Western Australia has evident difficulties in rail administration, since it is responsible for the development of territories which embrace over 32 per cent of the Commonwealth and where on the whole rainfall is light. Here as in South Australia low rates have been levied on primary commodities and on certain goods used by their producers in order to stimulate primary industries and compensate them for the assumed losses from fiscal protection. Such methods of subsidy obscure the real cost to the state, and certainly do not help to reduce railway deficits, which are the price paid by the taxpayer for attempts, wise and unwise, to colonize the hinterland. To express the matter in another way the Australian railways in an extensive and thinly settled country show financial returns that reflect only a part of the real, if imponderable, social costs and dividends, and are not to be judged merely by the budgetary standards of competitive industry.

The railways well illustrate the acute difficulties in achieving at once administrative efficiency and popular control. The cost of construction and upkeep on some lines would not pass muster under a really strict régime of national accounting. But careful planning is hardly to be expected where the ubiquitous and energetic local member of the legislature exerts a perennial pressure, and errors in development are in any case inevitable where it is impossible to predict the marketable resources in an extensive country. Political interference with and popular pressure upon the administration of the railways has often bedevilled their finances.

Whenever a developmental line was built [remarked a railway commissioner], the moneys received from the sale of Crown lands should have been regarded as a capital asset, and applied to the reduction of the capital account of the railways. However, this was not done, and the railways have still to carry the whole burden. Some lines have been built even in fairly recent years with the distinct knowledge that they would be a losing proposition, and on that account they were built on the guarantee principle, under which residents in the district served were to be called upon to make good the annual loss. Unfortunately, so soon as a loss was ascertained, and the question of applying a rate was raised, legislation abolishing the guarantee was passed, and the railways again had to carry the whole burden. In addition, the railways have never been allowed the same privilege as is accorded the private trader in passing on to the consumer the increased cost.[14]

Frequent deficits have doubtless damaged railway efficiency. "The best goal," wrote Sir Frederick W. Eggleston, "is a balanced profit and loss account. To budget for a loss is to discard a tangible measure of success and so diminish the incentive."[15] A service not expected to pay is not likely to pay, for its administrative methods become lax. Royal commissions on Australian railways in the past have remarked upon the absent or inadequate depreciation funds, the over-capitalization, and the failure to write off capital definitely lost. Large losses often make difficult the balancing of state budgets, and provide an excuse for political interference with rail administration. The crucial problem indeed is to devise an administrative system which recognizes the railways as developmental industries while in the interest of efficiency it divorces them from direct political control. For more than sixty years Victoria and New South Wales have striven to solve this difficult problem.

At the outset in both states the railways were administered directly by ministers through an ordinary departmental organization, much like Canada's Intercolonial Railway in the same period. By the eighties the defects of the system were manifest. A political patronage was fatal to good management, both in planning lines and in finance. Hence began a series of experiments with statutory commissions, whose members were appointed by the Crown for a specified

[14] *Final Report of the Royal Commission on the Control, Administration, and Financial Position of the South Australian Railways* (1931), 7.

[15] F. W. Eggleston, *State Socialism in Victoria*, 122.

period and who were to be relatively free from partisan pressures. In Victoria during the early eighties a Commission of three was created, with a distinguished British railway executive as chairman. Although it was an improvement upon the former régime, it was unable to effect a profound reform because it lacked independent power to fix rates for passengers and goods. The belief in the developmental character of the railways was so prevalent and so strong that public opinion would not tolerate charging what the traffic would bear, and railway indebtedness accumulated. Moreover, although the commission was authorized to decide on new construction, it could not escape a never-ending pressure and log-rolling from the different sections of the state. Legislation in 1896 required the public treasury to recoup the railways for losses arising from the construction and operation of new lines, and thus to distinguish developmental expenditure under popular pressure from other expenditures. Victoria has to the present day continuously attempted through a commission to give railway management something of the independence and flexibility of a private corporation, and in recent decades it has achieved greater success than in the early era of growth. Yet management has never been completely free from political pressures, which persistently and often silently intrude, partly through the required approval of the government for rates and partly through the interference of organized labour in a country where trade unions are powerful. The vote of railway employees is a potent factor in many constituencies, and exerts through politicians an indirect pressure on management. Any major aspect of railway policy and administration, especially freight rates, in which country members are always deeply interested, may be debated in the legislature.

In New South Wales the railways and government have passed through experiences similar to those of Victoria, but here perhaps on the whole commission rule has been more independent. Railway management was early freed from the burden of developmental lines, which was directly assumed by the government, and in 1928 railway accounts

were separated from the consolidated revenue fund. Yet the political pressures on management have been varied, persistent, and inescapable. Agitation in the legislature for extensions into certain regions have often greatly embarrassed management. As in Victoria the conditions of employment in the railway service have sometimes been influenced by political interference, and discipline among employees has suffered. Trade unions have stubbornly clung to promotion by seniority rather than by merit because they feared that otherwise nepotism and favouritism would dominate. But the result is often to impair the springs of initiative and foster bureaucratic timidity. Men reach higher positions only after they have come to possess such deep loyalty to traditional methods that they are incapable of changing them. Procedures are retained simply because they are customary. The trade unions are also prompt in exerting pressure for higher wages, although the wage-fixing and arbitration machinery is something of a bulwark for the railway commissioners. But it is not without interest that in the neighbouring State of Queensland the railway employees once repudiated the decision of the Arbitration Court, which had refused to increase the basic wage, went on strike, and coerced a Labour Government to concede by statute a higher wage, involving increased railway rates and taxes.[16] The political power of railway employees is never a minor matter.

In many other public utilities the statutory commission has been more successful in achieving administrative and financial freedom from direct party control. Distinguished examples are the Melbourne Harbour Trust, the Electricity Commission of Victoria, and the Melbourne Board of Works. Formed originally in 1877, the Melbourne Harbour Trust is a veteran. Its executive board was at first nominated by the metropolitan municipalities, but since 1912 it has consisted of a permanent chairman and four part-time members representing importers, exporters, primary producers, and shipowners. The Board is financially autonomous, except

[16] F. T. Grove, "Queensland and the Moore Government" (*Australian Quarterly*, Mar., 1932).

that it must secure permission from the government to borrow money on its own security and to levy tolls, and must pay to the public treasury one-fifth of its gross earnings. No less successful is the State Electricity Commission of Victoria, which has a full-time chairman and three part-time commissioners, and is endowed with authority to generate and distribute electric power throughout the state. It controls its own staff, has its own banking account, but is without borrowing powers apart from those of the state. Its distinctive task has been to exploit for power the immense seams of brown coal in the neighbourhood of Melbourne, a venture which at the outset was highly speculative and not likely to be undertaken by private enterprise. All of these corporations have demonstrated that financial independence is the prime guarantee of administrative. Wherever the enterprise has a separate budget, and provides a service that can fully pay for itself without public subsidy, its management becomes relatively free from disturbing political pressures, especially if it has little patronage to distribute, and, as in electric generation, is not dependent upon a large army of employees.

In the more obvious natural monopolies, such as railways and electric generation, public ownership has been readily accepted, but fierce debate has never ceased in Australian democracy on its application to other utility and trading enterprises. Yet in a few instances, such application has occurred, partly under the momentum of government action in other spheres. Western Australia, for example, established a coastal shipping service mainly because private companies neglected the small shippers, thus hampering the cattle industry on the northern coast. In the same state government-owned sawmills were established to further the conservation and development of the forest, since private sawmills had neglected to utilize adequately the karri wood. The state trawling enterprise in New South Wales was undertaken because of complaints that private fishermen were unable to supply Sydney adequately with cheap fish. In Queensland numerous trading enterprises were started through the crusading zeal of the Labour party for public

ownership as a step towards socialism. Influential also were the fear of private monopoly and the desire to control prices in the interest of the consumer. Such were the original motives of the Labour Government of New South Wales in establishing in 1910 a state brick works.

The financial fortunes of these enterprises were varied. Some made book profits; others had a history of deficits. They present instances of good and of bad administration. But in any case, during the years of depression after 1929, all of them rightly or wrongly came under an onslaught of criticism. Faced by new and harsh circumstances, private traders and manufacturers exerted pressure directly or indirectly to discredit public business, and forced the sale of many trading concerns. With the political defeat of Labour, there disappeared in Queensland the state produce agency, the cannery, butchers' shops, cattle stations, retail fish markets, and the state sawmills and timberyards.[17] The claims of economy then seemed powerful, and opponents of Labour assailed state trading as a needless drain upon public funds. What occurred in Queensland during the early thirties had its counterpart in New South Wales, which sold its brickworks, metal quarries, and pipe-factory. Criticism of the efficiency of state enterprises was doubtless often unfair. In the twenties the brickworks of New South Wales, for example, was lauded by the auditor-general of the state as "an unquestioned example of the fact that in the open market, a properly organized State business, competently managed, can more than successfully compete with private enterprise, and reach an assured financial stability."[18] Yet in the thirties, under pressure from the private manufacturing interests, the works were sold. Even in the days of generous enthusiasm for state activity after the First World War, public enterprise did not extend into heavy industry, which under fiscal protection became highly centralized in a relatively few large corporations. Such is the Broken Hill Proprietary Company, the most powerful private corporation in Australia, which has varied controls

[17]See *Report of the Commissioner upon the State Trade Department* (1930), Queensland; also, for the same state, the *Report of the Director of Forests* (1933).

[18]Quoted in H. V. Evatt, *Australian Labour Leader*, 502.

over base-metal mining, coal and gold mining, and steel manufacturing.

3

Australian democracy, especially in the nineteenth century, has often been torn by involved struggles over the possession and use of the land.[19] Early in the last century a portion of the Crown lands was alienated, but vast acreages in all the colonies were occupied by pastoralists who usually received either licences or leases in contrast to the contemporary Canadian practice of alienation on a freehold. In the era when wool was king, the state was content to license or lease rather than alienate on the assumption that leasing was more suitable for pasture and that the land might later be divided into farms. Actually much of the pastoral territory could never be cultivated. In the latter half of the nineteenth century the populace became aroused against large holdings as a form of monopoly, beneficial to a relatively small class. It eagerly pressed for more equal opportunity in the soil, especially where cultivation was possible, looked upon land settlement by small men as a major means of social amelioration, and promptly embraced the land nationalization programmes of Henry George and the British reformers. Organized rural labour, in clash with the pastoralists, was hostile to alienations, and developed as its basic policy perpetual leases and periodic assessment of rents, whereby, it was hoped, the unearned increment of land values would go to the community.

The State of Queensland has gone farthest in the role of landlord, and has probably the best land laws within the Commonwealth. In 1884 legislation specified that henceforth the public domain was not to be sold but leased, the intention being to create a class of small resident grazing farmers instead of absentee pastoralists. But this policy was not rigidly respected. Land sales were resumed until in 1917 a Labour Government returned to its traditional

[19]See S. H. Roberts, *History of Australian Land Settlement, 1788-1920*, and by the same author, *The Squatting Age in Australia*.

policy of granting no further freeholds. Again the policy was partly reversed when Labour fell from power in 1929, but was resumed in the early thirties. In contemporary Queensland some 94 per cent of the area of the state is Crown land. This territory, except when it is useless and unoccupied, is rented on various terms, the greater part being on pastoral leases, which run no longer than forty years. A characteristic tenure for farming areas is a perpetual lease, whereby the lessee and his heirs are left in possession, provided that they pay the annual rent and perform the other conditions of the lease. The leased land is periodically assessed by the Land Court, a judicial body independent of direct political control, which also deals with disputes concerning the value of improvements. A general administrative control over Crown land is provided by a Land Administration Board under a member of the Government. In Australia as a whole over half the area is leased from the Crown.

A salient policy in the states has been the attempt to achieve closer settlement by subdividing grazing land in order to create a class of small farmers or sturdy yeomen. In the sixties this policy was zealously initiated in New South Wales in an endeavour to satisfy the land hunger of that restless population left by the gold-rushes of the previous decade. Since most of the valuable territory was already occupied and leased by pastoralists, legislation permitted settlers to select and purchase sites for small farms, and such selections took precedence over existing pastoral leases. This system of "free selection before survey," which spread to other colonies, was intended to duplicate the homesteading in contemporary Canada and the United States. It resulted, however, in a bitter and confused social struggle between selectors and pastoralists, without parallel in the development of Canadian land tenure. Failure to achieve effective administration, combined with unfavourable climatic conditions for small-unit farming, shattered the legislative attempts to change profoundly the dominance of the large holding. The early legislation was in time amended to ensure that land would be surveyed and classified before settlement.

Owing to the physical character of the continent, the sheep-run could ordinarily defeat the claims of the farm, although land-hungry voters and their political spokesmen were not always prompt to recognize the fact. By reference to physiographic and climatic factors, Professor Griffith Taylor concludes that only one-quarter of Australia is fit for genuine agrarian settlement.[20] Within that area closer settlement has successfully taken place. Beyond it are great stretches of land highly suitable for pastoralism, but unsuitable for subdivision. To transform good sheep-runs into poor farms is no national gain, although the techniques of dry farming and the use of superphosphates have brought more land into the cultivable category.

In Australia closer settlement usually necessitates irrigation, which, because of the irregular flow of inland rivers, implies heavy public expenditure on storage dams to conserve flood water. To pay for such expensive works and for the supply of water, the state commonly charges a rent per acre. When the land has to be purchased and subdivided, the public costs are then governed by many circumstances, not least important being the time in the trade cycle when the purchase is made and the construction projected. After the First World War most of the state irrigation ventures, undertaken in a period of inflated prices, were costly to carry. In areas where no irrigation is attempted, lands have also been bought by the state, subdivided into smaller farms, and sold on long and easy terms of payment. In such cases the public expenditures do not cease when Closer Settlement Boards place men on the land and assist them to fence and to stock. They may continue in the subsidies paid on the products from the smaller holdings, such as butter, fruit, and wheat, and thereby agrarian protection becomes interlocked with the policies in many states for closer settlement. Much public money has thus been spent in attempting to place immigrants on small farms, notably in the group settlements of Western Australia, where it was claimed that it cost over £9,000,000 to establish some 1,700 men as farmers.[21]

[20] Griffith Taylor, *Australia*, 444.
[21] "Closer Settlement" (*Circular of the Bank of New South Wales*, May, 1937).

The wide political support for closer settlement among the landless and discontented masses, combined with the prevalent doctrines of reform which stemmed from the work of Mill and other British thinkers, resulted in special taxes on large holdings and unimproved value, developed first in South Australia in the early eighties. The single taxers or followers of Henry George were active in the last quarter of the century, and Labour took up with intense zeal the cause of attacking wealth in the form of concentrated land holdings. In 1910 the Commonwealth under a Labour Government imposed a progressive tax on the unimproved value of estates above £5,000 with resident owners. The tax increased in proportion to the area held, with special rates for absentee owners. Since the Commonwealth has no legislative power to control land tenure directly or to enact measures like those in the states, the federal Labour party sought reform through taxation, and to the present day the land tax, often since amended in details, remains on the statute book as an attempt to unlock the large agglomerations. It is impossible to assess with precision the effect of the tax. Many other forces combined to reduce the number of extensive estates, such as the notable rise in prices making it profitable to subdivide and sell present holdings, and the land purchases of governments for many soldier settlements. But the tax has doubtless had a considerable influence in speeding the subdivision of the very large holdings.[22]

State policies to achieve closer settlement often reveal a clash between the scientific methods of utilizing the soil and democratic pressures, which, heedless of the national economic cost, rest on the popular conviction that large holdings are hostile to progress and small landowners should be multiplied. In the popular mind bigness is commonly regarded as an evil in itself, an almost immoral concentration of wealth, harmful to the many. Hence there is ready political support for projects of closer settlement and land taxation. Yet over an extensive area of pastoral Australia

[22]See J. H. Gilbert, *The Tax Systems of Australasia*, chaps. IV-VI; H. Heaton, "The Taxation of Unimproved Value of Land in Australia" (*Quarterly Journal of Economics*, XXXIX, 410-49).

the large estates are the most economical. In years of drought with a grim toll on stock, their owners can more readily adopt measures to preserve flocks. They can move sheep from area to area in order to allow pastures to recover from the devastating effects of drought which would transform a grazing territory into a desert. They can better meet the heavy expenditures for water conservation. They are more capable of investing capital in large merino stud properties whereby the breed of Australian sheep is improved and the competitive quality of its wool preserved. The unit overhead expenses of buildings, shearing sheds, and machinery are less on the large than on the small stations. Yet such solid economic advantages have frequently been ignored in the popular zeal to multiply men on the land.

Despite an active and varied collectivism, Australian democracy has been little wiser in using land and natural resources than the other Dominions. Like them it has taken inadequate steps in the past to replenish the soil. It has violently disturbed the former delicate balance of nature, and has been less concerned with long-term natural conservation than with short-run issues of production and distribution. For obvious climatic reasons, the forest was always limited in area, and public action has neither been comprehensive enough nor resolute enough to protect it from the cutting and burning of irreplaceable timber. Soil erosion, resulting from over-stocking and excessive cultivation, presents a malign situation almost as serious for the future national welfare as that in South Africa. The denudation of soils and pasture proceeds with deadly persistency, threatening to repeat in many dry areas of the interior the grim lessons of North Africa. The most formidable menace has been wind erosion or soil drift, occurring throughout most of the continent because of the low rainfall, the close cropping by sheep and rabbits, and the destruction of slender tree growth such as the mulga. Hence the soil is exposed to winds of high velocity.[23] Adequate controls over the use of the land are not easy to apply, for here as elsewhere

[23]See Francis Ratcliffe, *Flying Foxes and Drifting Sand*; also J. H. Pick, *Australia's Dying Heart: Soil Erosion in the Inland.*

strong private interests benefit in the short run from exploited resources. The use of land in Australia has been left mainly to individual enterprise. When the price of wool is high, there is a tendency to extend sheep settlement until the sheep "eat the country out." State ownership of the land, now widespread, is not an adequate protection in itself, especially in cases where the leases are short, individual responsibility is lax, and inevitably the proper equilibrium is not maintained between stocking and vegetation. Salt-bush country when excessively cropped by sheep and the pernicious rabbit is reduced to a desolate aridity. In areas of light rainfall pastoral land, which should be left in pasture, has been cultivated for wheat in periods of high wheat prices, and the soil, deprived of its natural vegetal cover, has been subjected to harsh wind erosion. Not merely vegetation and soils have been wasted, but also artesian water, which is a precious factor in making pastoralism possible in some of the dry belts of the interior.

Although there are notable achievements in irrigation and the more obvious modes of collecting water, the Australian state has yet to enforce vigorous and comprehensive measures to conserve its meagre forests, thin soils, and scanty rivers. Substantial agreement exists among scientists as to the necessary policies, but the public in its optimism remains indifferent. The democracy indeed has been very sanguine about the extent of the continental resources, has never fully appreciated the long-run effects of the grim struggle between the rival forces of waste and replacement in the back country, and has often regarded as cranks or inferior patriots those who stressed the limited and destructible character of natural wealth.

4

In general social services, the achievement of Australia is less distinctive than in other phases of its collectivism. Here it has conformed closely to the development within

the other democracies of the British Commonwealth, and responded in actual policy no less and no more to the humanitarian dynamic prevalent in these communities. Like them it steadily spends more on education, health, pensions, and charity. Prior to 1939 it expended per head on social services less than Great Britain, although its expenditure was steadily mounting. Despite the deep and perennial interest of labour in social policy, federalism as in Canada has hitherto retarded an elaboration of social services, which have been mainly a responsibility of the states, and have varied from state to state according to circumstances. Thus non-contributory old age pensions, widows' pensions, and child endowment have existed in New South Wales since 1901, 1925, and 1927 respectively; compulsory unemployment insurance in Queensland since 1923; old age pensions, invalid pensions, and maternity allowances have been provided by the Commonwealth since 1909, 1910, and 1912 respectively. What some states possessed, others lacked. Some shrank from action until their neighbours had shown the popularity and feasibility of a given service. A parliamentary committee could complain in 1941 that "New South Wales has a widows' pensions scheme, but no adequate slum clearance policy; Victoria has a slum clearance policy, but a less adequate provision for widows; Tasmania has developed a country medical service, but as yet no slum clearance policy, nor a general widows' pension scheme."[24]

In the decade preceding the Second World War, the increased public pressure exerted upon the Commonwealth to further social welfare, resulted in a steadily greater outlay, which in 1937 was estimated to embrace 21 per cent of its total expenditure. More came to be spent, not merely for services in general, but in many cases, notably old age pensions, for the same service per beneficiary.[25] In 1938 a far-reaching measure of compulsory and contributory health and pensions insurance was prescribed for the whole of

[24] *Interim Report from the Joint Committee on Social Security*, Parliament of the Commonwealth (1941), 5.

[25] For number of pensioners and expenditures from 1910 to 1942 see *First Report of the Director-General of Social Services* (1943), 9.

Australia, based in the main upon the essential features of the British national insurance, but under the shadow of constitutional ambiguity and in face of the vigorous resistance from Labour to the contributory principle. The organized medical profession was hostile to the proposed basis of remuneration, and their opposition combined with other unfavourable influences after the outbreak of war in 1939 led to its postponement.

Yet the Second World War, especially after the entrance of Japan in December, 1941, strengthened the pressures in favour of Commonwealth action. The National Health and Medical Research Council prepared far-reaching plans for public health, including the transfer of existing hospitals and health services from the states to the Commonwealth. In 1941 the Commonwealth established a generous scheme of child endowment, which had long been advocated in Australia in the hope that it might check the sharp decline in the birth-rate from the crude figure of 28 in 1912 to 16 in 1934. It is administered by the Commonwealth Department of Social Services, and financed to the extent of two-thirds from the proceeds of a special payroll tax, the remainder being derived from consolidated revenue. The growth of more generous ideas on pensions and health insurance was illustrated in the view of the Joint Parliamentary Committee on Social Security that the act of 1938 was inadequate and should be repealed.[26] A Commonwealth Housing Commission, appointed in 1943, recommended that the Commonwealth should financially assist housing programmes and create permanent planning agencies which would exert authority over state housing throughout the Commonwealth. The Government at Canberra promptly agreed to the principle of financial aid. Thus the current of opinion in favour of national social standards grew in volume, but up to the constitutional amendment of 1946 the federal division of power remained a formidable obstacle to any significant action. The acceptance of the social service amendment testified to the strength of opinion. The public was resolved to enjoy more assistance from the treasury.

[26] *Sixth Interim Report from the Joint Committee on Social Security*, July 1, 1943.

5

The most distinctive collectivist experiment in Australia has been its compulsory arbitration and wage-fixing, designed to achieve industrial peace and to stabilize standards of living for industrial workers. In this elaborate structure of state control not the least interesting fact is the attitude of labour. In the nineties and at the turn of the century Australian labour, like that of New Zealand, accepted and in the main has since loyally continued to support compulsory arbitration. In this respect Australian labour contrasts sharply with labour in the rest of the English-speaking world, notably in the United States and Great Britain, where it was implacably hostile to state compulsion, although willing enough to accept voluntary conciliation and arbitration.[27] Such divergence of Australian thought from that prevalent in the older and more mature English-speaking countries came partly from the greater reliance upon state action which was early fostered by the peculiar social and geographic environment of the country, and partly from the fact that labour first accepted compulsory arbitration when it was weak, without funds, and smarting from severe defeats in the industrial struggles of the early nineties. Arbitration backed by the state was then welcome because it promised security through coercion of employers, and ever since labour has been reluctant to lose such security, despite the occasional and vehement protests of its militant left wing. Moreover, the politicians among labour soon discovered that a compulsory law dealing with disputes helped to swell trade union membership and hence to increase the driving power of the political movement, while in turn the relatively quick success of labour in politics made its industrial leaders friendly to compulsory arbitration because they were confident that the state would no longer be hostile. Labour in England faced more political difficulties, and was slower in political achievements. Hence it has been more suspicious of state action and coercion.

[27] For attitude of British labour on this issue see A. G. B. Fisher, *Some Problems of Wages and their Regulation in Great Britain Since 1918*.

The institutional roots of this Australian system were the voluntary boards of industrial conciliation and arbitration which from the sixties onward developed in England. But in Australia as in New Zealand responsibility was thrown more fully upon the state, and the compulsory principle was emphasized. In such legislation South Australia in 1894 took the lead, a few months in the wake of New Zealand. Two years later Victoria created its wage boards, intended originally to prevent sweating in certain industries by the provision of minimum wages, and the Victorian example was destined to influence profoundly the movement for wage boards in Great Britain. But New South Wales in 1901 first created the type of machinery for industrial arbitration now most characteristic of Australia, embracing the registration of unions, a permanent court empowered to take evidence, the compulsory attendance of parties to the dispute, and the enforcement of awards, including a minimum rate of wages. In 1904 Labour and Liberals combined to establish the Commonwealth Court of Conciliation and Arbitration, which promptly assumed pride of place among the industrial tribunals of the Antipodes.

From 1904 to the present the Commonwealth Court has developed in range of jurisdiction, assisted after 1920 by the more generous interpretation of Commonwealth powers. In the years immediately prior to the Second World War, it played a larger role in the Australian economy than ever before, although organized labour found more to criticize in its decisions. Its authority is both arbitral and judicial. Except on matters of law, there is no appeal to the High Court against its awards, and thus the regulating of labour is left in the sphere of administration. Under the original act the Court could impose penalties for breach of awards and agreements, but these were often difficult to enforce, especially against employees. A Labour Government in 1931 removed most of the penalties, and the principal sanction used by the Court today is the cancellation of the registration, whether of the employees' or employers' organization, thus depriving it of the advantages of the act. Registered trade unions alone can represent employees, and

a company union in the ordinary American sense could not in practice become registered. A dispute may be brought to the Court by its registrar, an industrial organization, a state industrial authority, the Government of a state, or a judge who may refer a case in which conciliation proceedings have broken down. Prior to 1926 the Court consisted of a president appointed for seven years who in case of need might appoint a justice as his deputy. In 1926 the status of president was changed to that of a chief judge on a life tenure, assisted by four other judges.

When established in 1904 the primary purpose of the Court was to protect industrial society from the harsh incidence of strikes and lockouts. Its distinguished president, Mr. Justice H. B. Higgins, was optimistic that "as the extension of the King's peace over the land led to the suppression of private wars among barons and great men of feudal times, so the extension of the nation's power to industrial conflicts will suppress . . . the private wars between great employers and great unions. The King's writ must run within the factory as well as without."[28] Implicit in this task was the prescription of satisfactory working conditions within the industry, whereby the Court came to influence widely the standards of living among Australian workers. Justice Higgins justified the establishment of a basic wage in cases before him with the plea that "one cannot conceive of industrial peace unless the employee has secured to him wages sufficient for the essentials of human existence." His conception of the essentials of human existence embodied in the Harvester Judgment of 1907 remained until the thirties as a guide to the basic wage, necessary to enable a man to live according to the minimum standards desired in Australia. This basic wage was intended to provide for a family of five the normal necessaries of food, clothing, shelter, and a certain amount of leisure. With more adequate statistics, the nominal basic wage came to be adjusted periodically with changes in the cost of living, and in keeping with the aim to achieve a real wage, it varied

[28]H. B. Higgins, *A New Province for Law and Order*, 150. Mr. Justice Higgins was President of the Court from 1907 to 1920.

from region to region throughout the Commonwealth according to variations in regional living costs. To reward special skills marginal allowances, known as secondary wages, are granted above the basic rate. Almost every type of worker has received awards from the Court, including bank clerks, actors, teachers, public servants, and journalists.

In the early thirties the Court shifted its emphasis to the principle of fixing the basic wage at the maximum level which the country could support, a principle which implied a new technique of periodically reviewing the wage.[29] Thus in 1931 the wage was reduced by some 10 per cent in view of evidence that the national income had greatly fallen and that a readjustment of costs in the interest of export industries was essential. In 1934 and 1937 new and higher wages were prescribed on the assumption that the growing prosperity of industry warranted increases. Hours of labour have been related to wages, and the forty-eight hour week, succeeded by the forty-four hour week, was accepted as standard. Except with special authorization in time of war, the Court cannot prescribe conditions for industry beyond those necessary for the settlement of a given industrial dispute. It cannot in time of peace claim that an award shall become the common rule of a whole industry; only parties to the dispute are bound by the terms of the award. But the original basic wage prescribed by Mr. Justice Higgins was higher than the average at the time, and helped to move wages in an upward direction. Like subsequent decisions it affected, not merely the rates of those working under awards of the Commonwealth Court, but indirectly many others because it influenced the decisions of wage-fixing bodies within the states.

The state systems differ from one another in details, but fall broadly into two categories. In New South Wales, Queensland, Western Australia, and South Australia, the emphasis has been placed on industrial tribunals variously constituted and empowered to arbitrate disputes and fix a wage for industries within the state, while in Victoria and

[29] The development of this technique is discussed by O. de R. Foenander, *Solving Labour Problems in Australia*. The capacity of industry to pay was never entirely neglected.

Tasmania separate boards, with representatives of employers and employees, exist within the different industries to fix basic rates. Despite the premier position of the Commonwealth Court, the state tribunals exercise wide influence. Prior to war in 1939 about a quarter of the total workers affected by arbitration awards came under the jurisdiction of the Commonwealth Court, but in Queensland as many as 90 per cent of those affected by awards were under the Queensland Industrial Court.[30] A feature of the power of industrial regulation left to the states is its comprehension. Unlike the Commonwealth power, it is neither confined to situations where an industrial dispute is imminent, nor restricted to the methods of arbitration and conciliation. A state tribunal may formulate a common rule for an industry under its jurisdiction, whether or not a dispute is involved. It is a general agency of industrial control, which has semi-legislative functions, designed especially to ensure basic wages in the industries of the state.

The First World War enlarged the role of the Commonwealth Court by enhancing federal authority in economic matters. The Second World War had a like effect, and in addition the Commonwealth used its special war-time authority to remove limitations on the procedures of the Court. For the period of the war and six months after, the Court was given jurisidiction over any dispute, whether inter-state or not, and it might deal with a matter likely to lead to industrial strife. Its awards became binding on any specified range of workers or employers and not merely on parties to a dispute. Provision was made for the appointment of additional conciliation commissioners under the arbitration Court, who investigate disputes on the spot and report to the Court.

The effects of arbitration and wage-fixing in Australian democracy cannot be assessed with precision. But broadly they have tended to maintain in the community minimum wages rates, to restrict the length of the working day, to

[30] Robert Jay, *Australian Quarterly*, Sept., 1939, 79. An illuminating survey of the early development of the Queensland system by the former president of the Queensland Court of Industrial Arbitration is contained in *International Labour Review*, V, 1922, 385-409.

reduce if not eliminate sweating, and to narrow disparities in wages between the skilled and unskilled. The last result is specially significant. The action of arbitrational tribunals strengthens the bargaining power of the unskilled workers, and also more often elevates and makes rigid the basic rate than the rates for special skill. The tribunals are most concerned to ensure an adequate minimum; they are less interested in the wage above the minimum. They assume that, when the skilled worker is assured a living wage, he will himself do something to protect his marginal rates through bargaining.[31] The narrowing of wage disparities may, as it has been alleged, weaken among Australian youth the incentive to undertake a lengthy technical training, a result which Justice Higgins had certainly feared. Yet, granted that the development of skilled labour is hampered by compulsory arbitration, the ill effect upon production is probably counteracted by the fact that the basic wage helps to ensure a standard of living which furthers the efficiency of unskilled labour, and modern industrial progress requires increasingly such a general quality of industrial efficiency. Besides compulsory arbitration other influences, not least popular education, operate in Australia to restrict the margin between the remuneration of skilled and unskilled workers.

A broad social consequence of the narrowing of inequalities between the skilled and unskilled is a deepening sense of cohesion within the ranks of Australian labour, a result which, with other factors, has helped to develop and preserve the powerful political movement. Here there has been less opportunity than in the United States or even in Canada for a sharply defined aristocracy of skilled labour. The arbitral tribunals have generated a levelling influence of major political significance; they have helped to make the Australian public concentrate upon social averages and exalt equality. Moreover they have furthered the unionization of the workers because the trade unions are essential for proceedings before the Court. While the mechanism of arbitration helps to strengthen the egalitarian element

[31] See H. B. Higgins, *A New Province for Law and Order*, 143-4.

in Australian democracy and to sustain unionism, it in turn provides a motive for political action. The position of labour in the legislature is the guarantee that arbitration will be preserved.

Compulsory arbitration has not achieved what is commonly considered to be its prime purpose, the elimination of strikes. In the five years, 1934-8, working days lost through industrial disputes amounted to 3,257,863.[32] These were not years of severe industrial strife. Indeed during a comparable period in the twenties, 1924-8, the loss was much greater, and in the single year, 1929, it exceeded 4 million days. Significantly 56 per cent of the total loss of working time in the period 1934-8 was suffered by the coal-miners, who have been not only the most restless section of labour but the most unsympathetic to arbitration. Outside observers commonly assume that the survival of strikes is evidence that the system is a failure. But such a conclusion would be superficial. Significant is the time lost in proportion to the number of organized workers, and when this fact is considered it is clear that New Zealand and Australia show much less loss from strikes than most modern states. But like other legal processes arbitration is slow, and workers impatient with this slowness often take direct industrial action.

[32] *Labour Report* (1938), 91.

PART THREE

NEW ZEALAND

Chapter Eleven

THE DEVELOPMENT OF A SOCIAL DEMOCRACY

1

In many of its social and political features New Zealand resembles an appanage of Australia. It also has a population predominantly British in origin, and thus largely escapes the intricate issues of race and nationality which impair the social cohesion of Canada and South Africa. Over 94 per cent of the population is of European extraction, 5 per cent is Maori and half-caste, and less than 1 per cent is of other races.[1] Of the Europeans some 96 per cent are of British stock, attached to Great Britain perhaps by even more potent bonds than the people of Australia. "To this day," comments a local historian, "New Zealanders see Asia, America, and Europe through the eyes of London. They inhabit a detached outpost using modern perfection of communications constantly to refresh cultural and economic associations with England instead of to forge links with Pacific neighbours."[2] Their scanty numbers and vulnerable isolation in the Pacific have compelled this singular reliance upon the culture and protection of the parent state 12,000 miles away. The early immigrants in their zeal imported not merely social and political institutions, but the flowers, grasses, trees, birds, and even animal pests of their native land. They were anxious to transform these two islands of the South Pacific into an image of Britain. Nowhere was the migration of British life so complete.

Like most of the Australian colonies, New Zealand commenced development in the era when liberal and

[1] These figures pertain to 1936, when the number of Europeans was then 1,484,538, and Maoris, 82,326.

[2] F. L. W. Wood, *New Zealand in the World*, 1.

democratic doctrines were permeating the British middle and working classes and when the political atmosphere was saturated with the ideas of reform. Its colonization was formally begun in 1840, less than two years after the appearance of the Durham Report; it was actively extended during the period of Chartist agitation and intellectual revolt, when the critical minds of Carlyle, Mill, Ruskin, and others were prodding the complacent opinion of English rulers. The ferment in the social thought of the masses was reflected in the colonists, many of whom were liberals or radicals, zealous to found a new state without the ills of the old. Yet the original directors of colonization sought to make the colony merely a social and political replica of contemporary England. Edward Gibbon Wakefield, the most influential member of the New Zealand Company formed to settle the land, sought to achieve what he described as "a vertical section or slice of English society from highest to lowest." But an environment where men had grimly to engage in cutting heavy bush, subjugating war-like Maori, and sluicing for alluvial gold, made impossible a survival of the English social hierarchy. The invariable experience of other colonies was repeated: the peculiar conditions of a frontier destroyed among the immigrants the social distinctions then prevalent in Great Britain.

Like Australia in the previous decade, New Zealand in the sixties received immigrants lured by gold, in whom a democratic impulse was strong. With the exhaustion of alluvial fields in Victoria and New South Wales, thousands of restless diggers streamed across the Tasman Sea. In two months during 1861 more than 11,000 came from Victoria alone.[3] The gold stimulated development, but its inevitable exhaustion left disillusioned miners who exerted their weight on the side of popular pressures. Thus the colony was quick to follow the Australian states in early seeking to implement the chief demands of the Chartists, and by the end of the century it gave a lead to its neighbour in extending democracy beyond merely political forms into economic controls and social services, designed to distribute

[3]Brian Fitzpatrick, *The British Empire in Australia*, 165.

more widely the profits of economic development. In the twentieth century partisan politics came to break along the contemporary Australian lines of Labour *versus* anti-Labour. Labour has here fought for substantially the same ideals; it has emphasized no less a white man's standard of living, secured in part by raising barriers against the inflow of Orientals and Pacific Islanders. A "White New Zealand policy" has never been publicized with the emotional and aggressive power of its Australian equivalent, but such a policy exists, modified by the presence of the Maoris to whom complete civic rights are guaranteed.

Although in these respects it is an integral part of the socio-political laboratory of Australasia, New Zealand also significantly differs from its continental neighbour. Climatic and physiographic features have made it—what Australia is not—a democracy of small grassland farmers. Rainfall is in general adequate and permits intensive use of the land. Deserts are absent, although there is a mountainous region too rugged for agriculture. The North Island, which contains over 60 per cent of the whole population, has in almost every section at least 50 inches of rain per annum, most of it falling in the autumn and winter. The climate, generally temperate and moist with ample sunshine, is without the seasonal extremes characteristic of the continent of Australia. It resembles more the British climate, and provides superior conditions for intensive agriculture on moderate-sized farms, except where inferior soil makes a scanty pasture alone possible. With such physical conditions, the mean density of population is slightly over *fifteen* persons to the square mile compared with *two* for Australia, with significant effects on the costs of public services.

The prosperity of New Zealand hitherto has been built upon grass. Cows and sheep have contributed mainly to the growth of wealth. The climate permits grazing throughout the year, winter feed is seldom urgent, green fodder crops are readily grown, and housing of stock is ordinarily needless. Hence dairying and the production of wool and meat are the chief activities on the land. From 1919 to the outbreak of war in 1939 over 90 per cent of the value

of all exports was derived from products of a pastoral origin. In this period New Zealand commonly exported 85 per cent of its dairy produce, 98 per cent of its wool, and 60 per cent of its meat. Its farmer, to a much greater extent than the Australian pastoralist, deserted the merino in order to produce a larger sheep fit for frozen meat as well as wool. Within the twentieth century the dairy cow rapidly grew in economic importance. In 1901 dairying engaged 11 per cent of farm workers; by 1927, 55 per cent.[4] In dairying the family farm has been a stable economic unit, and much more than in Australia small farmers have occupied a strategic place in the social structure and in political movements. A further consequence of the closer agrarian settlement combined with the immature state of industrialism, is the prevalence of many small and scattered towns and the absence of a large metropolis. While in 1936 some 47 per cent of the population were in towns of 10,000 or over, only three towns had more than 100,000 people, and none reached 300,000.

2

In 1852 New Zealand was endowed with the conventional political structure of British colonies settled by white immigrants, consisting of a governor, a nominated legislative council, and a house of representatives. Within four years the principle of executive responsibility was recognized, and thus, unlike Canada and Australia, the colony experienced no prolonged struggle over responsible government. For the six main settlements, isolated in scattered harbours along the coasts of the two islands, the act of 1852 established provincial councils with substantial powers. Necessary and inevitable in the earlier years when the separate settlements were virtually distinct colonies, this quasi-federal régime eventually retarded the emergence of an integrated economy, and issued in bitter provincial struggles over trade, police co-operation, quarantine rules, and methods of controlling pests and sheep diseases. Some provinces by extravagant

[4] Sir James Allen and others (eds.), *New Zealand Affairs*, 75.

expenditure enhanced the borrowing costs of all. Forbidden to borrow after 1867 and unable to cope with the ever mounting volume of necessary spending, they were driven to seek aid from the central government. By 1876 it was recognized that the country had outgrown its political segmentation, and in that year the General Assembly terminated the life of the provincial councils.[5] Henceforth New Zealand was purely a unitary state, with a generous measure of municipal rule. While unity in political structure was achieved, unity in thought and sentiment somewhat lagged. In a country broken into many geographic fragments, some sectionalism of interest and attitude inevitably exists, especially between the North Island and the South Island, between the country of cowsheds and that of woolsheds. Yet parochial loyalties and differences are restrained without much difficulty within the unitary government.[6] By focusing opinion upon one, not seven or ten capitals, and by eliminating the subterfuges of divided authority, unity has facilitated social experiment. A simple and flexible social structure has rendered the prompt execution of policy more feasible than in Great Britain. All parts of the country feel responsible for managing the common purse; all share its benefits.

Political democracy in New Zealand came quickly. In 1879 manhood suffrage on a residential and freehold qualification was attained, while some years later plural voting, which favoured the landowners by allowing them to vote wherever they held land, was abolished. By the end of the century the property franchise was not merely swept away, but in 1893 New Zealand took the lead among English-speaking states in giving to women the parliamentary suffrage. By the act of 1852 the statutory life of the House of Representatives, unless shortened by dissolution, was fixed at five years; in 1879 it was reduced to three. Members of the Legislative Council, like the senators of Canada, were originally nominated for life; in 1891 their tenure was limited to seven years with eligibility for reappointment. Thus the

[5] See W. P. Morrell, *The Provincial System in New Zealand, 1852-1876.*
[6] See especially Oliver Duff, *New Zealand Now.*

democratizing of political institutions rapidly proceeded, and with this process went the development of a democratic and national system of primary education, free, secular, and compulsory for all children under thirteen.[7] Whereas previously education had been under the provinces, meagrely provided in most instances by private and denominational schools, the abolition of the provinces facilitated the introduction of a new and more comprehensive system, financed by the central government. The secularized and common school has since then helped to promote social cohesion and also to unify the community intellectually. The experiment was not without influence elsewhere in the Empire. The British Education Act of 1902, it has been pointed out, was partly inspired by a Fabian tract, *The Education Muddle and the Way Out*, written by William Pember Reeves, a former minister of education in New Zealand, where he had discovered the way out which with some effect he urged upon the British.[8]

4

The extension of political democracy soon led to a quickened impulse for social experiment, which was exploited by the Liberal party when it came to power in 1891, resolved to deal boldly with the crucial issues of land and labour. "When a people," remarked John Stuart Mill of the Irish, "have no means of sustenance but the land, the conditions on which the land can be occupied, and support derived from it, are all in all." What was true of Ireland applied equally to New Zealand in the eighties. From 1840, as in the colonies across the Tasman Sea, the methods of colonization resulted in alienating or leasing vast acreages to corporations and wealthy sheep-owners. The provinces recklessly sold the public domain as a painless method of obtaining revenue. Much land was thus acquired for speculation. Much was taken up as legitimate sheep-runs by pastoralists

[7]The educational development is traced in A. E. Campbell, *Educating New Zealand*.

[8]W. K. Hancock, in *Nineteenth Century*, CXIV, 1933, 33.

from New South Wales.[9] Between 1862 and 1892 the formation of large holdings was encouraged by the Crown's permitting the sale of Maori lands to individuals with ample cash. An energetic policy of public works, initiated by Prime Minister Vogel in the seventies, quickened the pace of land speculation, which embittered the small farmers unable to procure additional acres in competition with powerful companies and wealthy individuals. The boom in public works duly yielded to an acute depression, and created discontent among the numerous jobless and landless who in the eighties sought genuine opportunity and a fair race.

Here was grimly demonstrated the truth in the dictum of Adam Smith that the engrossing of uncultivated land destroys the prosperity of new colonies. Possession and use of the soil occasioned a class struggle, sharpened by the technical developments which emphasized to the small man the need for unlocking the land. Successful refrigeration on ships in the eighties revolutionized the economy of New Zealand by revealing the remunerative possibilities of selling frozen lamb and dairy produce in the British market, made an intensive use of the soil more profitable, and challenged the existence of great pastoral holdings occupied only by scattered sheep and a few shepherds. In the country the Liberals responded to the demands of small farmers and prospective farmers. In the towns they listened to the unemployed and the trade unionists, and sought to place the small man on the land and to increase the security of the labourer. Breaking the dominance of the wealthy landowners was scarcely possible without winning the electoral aid of the recently enfranchised workers. Hence the Liberals entered office with a programme of agrarian and labour legislation which within a decade inspired the visiting André Siegfried to describe New Zealand with enthusiasm as "the chosen land of the most daring experiments."[10] They succeeded, where the contemporary Patrons of Industry in Canada failed, in creating an effective alliance

[9]H. C. D. Somerset, *Littledene: A New Zealand Rural Community*, 3.
[10]André Siegfried, *Democracy in New Zealand*, 48.

between struggling farmers and discontented labour, which promptly won the eulogy of American reformers, long anxious for a similar alliance in the United States. "New Zealand democracy," wrote the American liberal, Henry Demarest Lloyd, "is the talk of the world today. It has made itself the policeman and partner of industry to an extent unknown elsewhere."[11] Much less spectacular in the perspective of fifty years, this early era of reform was nevertheless one of notable legislation under parliamentary institutions.

The Liberals held office from 1891 until 1912. In the first two of these twenty-one years John Ballance was leader and prime minister; in the thirteen from 1893 to 1906, Richard Seddon. But most of the significant measures were enacted before 1900. Certainly by the death of Seddon in 1906, the pristine social ventures were over and the reformist zeal generated in the struggle against land monopoly was spent. Ballance and Seddon were characteristic leaders of the democracy which developed in nineteenth-century New Zealand. Both were indigent immigrants successful in their adopted country, Ballance a migrant from the north of Ireland and Seddon from the north of England; both had experienced the democratic ferment during the Australian mining boom; both were empiricists, with no more than the general tenets of nineteenth-century liberalism, qualified by the mild collectivism of British liberal thought at the end of the century; and both were primarily concerned with the grievances of small farmers and labourers. Of the two Seddon was the less influenced by a formal social philosophy. A colleague commented that he "was not encumbered with either theories or ideals. . . . I never knew him to read a Socialist book, though he did things that Socialists noted and admired, doing them as they came into his day's work. His sympathy with the people was undoubted; his ideas he picked up as he went along."[12]

The attempt securely to establish a class of small farmers involved much that was inspired by British and American

[11] H. D. Lloyd, *Newest England*, 1.
[12] W. Pember Reeves, *The Long White Cloud*, 3rd ed., 301.

theories of land reform current in the nineties: graduated taxes on the unimproved value of land (Henry George visited New Zealand in 1890), compulsory division of large estates into small holdings, limitation for the future of the Crown land acquired by any individual, and the recognition of the state as a landlord through leases from the government in perpetuity. In administering the taxes on unimproved values, there was at first voluntary assessment of the acres held, but before the end of the nineties an effective system of public valuation had been achieved. The law of 1894, which empowered the government to subdivide estates, was invoked only in special cases. In the settlement of Crown territory the government, in response to the opinions of nineteenth-century land nationalizers, encouraged leases in perpetuity rather than the creation of freeholds, but after 1912 this policy was partly reversed.

The precise effects of these measures are not easily assessed because potent influences other than law were present. Since refrigeration, for example, favoured the development of the relatively small dairy farm, the large landowners, apart from government pressure, found it profitable to break up and sell estates and sheep-runs at the enhanced prices created by the expansion in dairying. At any rate the trend to the smaller farm was unmistakable. In modern New Zealand about one-half of the land is owned as freehold, while most of the remainder is farmed under Crown leases.[13] Of the total rural population in farm work over 40 per cent are dairy farmers; about 26 per cent are sheep farmers; and about 20 per cent are engaged in mixed agriculture. The average dairy farm is 100 acres, and like the ordinary farm in Canada employs little hired labour except of a seasonal character. Occupiers and their families comprise about 75 per cent of the total rural population outside seasonal workers. Although this relatively sturdy family-farm economy has developed since the Liberal

[13]H. Belshaw and others, *Agricultural Organization in New Zealand*, 30. See also H. Belshaw, "Agricultural Labour in New Zealand" (*International Labour Review*, XXVIII). The permanent effects of the Second World War are still obscure, but the place of the dairy farm in the economy is unlikely again to be so important. The figures concerning rural population quoted in the text apply to conditions in the mid-thirties.

enactments of the nineties, its growth is not merely or perhaps even mainly due to statutes, but to the swift and revolutionary changes in transport, and to the international division of labour in the opening years of the twentieth century whereby an increasing population and rising standard of living created in England a larger market for frozen lamb and dairy produce.

The social services and labour laws were mainly the work of the one genuine intellectual of the Liberal party, William Pember Reeves, who was inspired by the political philosophy of the contemporary British Fabians, but was more favoured by circumstances than were Sidney Webb and his crusading associates. "It was Reeves' distinction," remarks a New Zealand historian, "that in five years he had passed into statute an almost complete code of labour legislation, advanced in its entirety at that time beyond the dreams of most other countries, without accepting a single important hostile amendment."[14] This progressive code, as subsequently amended, remains the legal basis of industrial relations. It included a series of factory acts culminating in that of 1901, with its comprehensive definition of a factory, its inclusive regulation of working hours and conditions for men, women, and children, and its adequate provision for an inspectorate. A trade union act left the trade unionists well protected. An industrial conciliation and arbitration act, passed in 1894, has been in its long history of profound social importance. Not least significant was the enactment of non-contributory old age pensions in 1898, which was the first national measure of its kind in the English-speaking world, and has since been greatly liberalized both in the amount of the pensions and in the conditions of their grant.[15] The pensions were intended as a more humanitarian and democratic method of assisting the aged poor than either outdoor relief or the British workhouses, with their invidious social implications.

The Conciliation and Arbitration Act influenced the

[14] J. C. Beaglehole, *New Zealand: A Short History*, 66.

[15] Denmark in 1891 alone among European states preceded New Zealand in non-contributory pensions. The German old age pension law of 1889 was contributory and hence assumed the character of insurance.

community through its two distinctive features, compulsory arbitration, which ultimately involved an elaborate fixing of wages and other industrial conditions by state authority, and public recognition in disputes of only registered unions, a requirement which stimulated the growth of trade unionism, with all that trade unionism has meant in the democracy. Reeves was convinced that without unions arbitration was unworkable, since awards cannot "be enforced against a handful of roving workmen, a mere nebulous cluster of units." The original statute was significantly entitled "An Act to encourage the formation of industrial unions and associations and to facilitate the settlement of industrial disputes by conciliation and arbitration." At the outset the conciliation technique was intended to be the most important part of the scheme. District boards, representing employers and workers, examined disputes within the districts and filed recommendations which, if accepted by both parties, governed the local industry. If the recommendations were rejected by one or both parties, the dispute was then taken to the Arbitration Court, which comprised a judge of the Supreme Court and representatives of employers and employees. The Court investigated anew and gave a binding decision. The original district conciliation boards were a partial failure. Cases were repeatedly carried to the Arbitration Court, especially when after 1901 it became legal to bring disputes directly to the Court without prior consideration by the boards.[16] In 1908 a new start was made with councils of conciliation, but the Arbitration Court still retained a primacy in determining the conditions of employment, ensuring industrial peace, and protecting the standard of living of industrial workers.

Lauded at the outset by labour and much criticized by capital, arbitration within a few years, especially in the period 1908-13, came under the attack of trade unionists inspired by ideas of revolutionary socialism and determined to repudiate wage-fixing as the palliative of a vicious capitalism. Syndicalists, whose doctrines were then preva-

[16]The early history of the system is traced in J. E. Le Rossignol and W. Downie Stewart, *State Socialism in New Zealand*, 216-68.

lent among the workers of Great Britain and America, won many adherents in New Zealand by their onslaught upon the slow-moving, arbitral machinery and its inability to make deeper inroads into the profits of capital. Awards had become obviously less favourable to labour, for upward price changes were more rapid and compensatory wages were tardy or inadequate. Former benefits of the system were now forgotten. Bitter strikes, sometimes in defiance of Court awards, marred the earlier reputation of the country as a "strikeless land." Yet the system survived, not merely these challenges, but also the severe economic strains involved in the sharp rise of prices during the First World War and the subsequent collapse Despite acute difficulties in the immediate post-war period, the Court facilitated greatly the transition through dislocating deflation. In few countries did labour then suffer so lightly. The chief critics of arbitration now became the farmers who claimed that in producing a rigid urban wage level it enhanced the price of rural labour, increased their own productive costs, and ground them "between the upper millstone of the world price for commodities and capital and the nether millstone of an artificially protected wage level." Nevertheless, until the depression in the thirties, the arbitral system in its essentials remained intact, continued to determine the major relations between employer and employee, and, where the preliminary attempts at conciliation failed, transferred industrial disputes into the court room. In this manner, combined with its influence in stabilizing the standard of living for industrial workers, it has from 1894 to the present played a conspicuous and significant part in the democracy.

Important in the rise of collectivism within New Zealand has been the role of government as an entrepreneur. As in the other Dominions, this activity was developed by a people anxious to utilize the new capitalist techniques, especially railways, telegraph, and telephones. Foreign capital was more available when government was the borrower, and public ownership also placated that deep fear among the colonists of private monopoly. The genesis of such state enterprise is found in the policies of Sir Julius Vogel, a

shrewd and sanguine journalist, who as colonial treasurer (he assumed the office in 1869) and later as prime minister borrowed widely in his native London for major public works, especially roads, trunk railways, public telegraphs, and telephones. Vogel recognized that in a pioneer community services other than transport should also be provided by the government. In 1869 he established a State Life Insurance Department on the security of colonial revenue and later a Public Trust Office, taking as a precedent for both the Post Office Savings Bank introduced in England by Gladstone in 1861 and adopted by New Zealand four years later. He possessed no formal philosophy of state socialism like that in contemporary Europe, but merely a conviction that action by government was necessary in order to meet the current needs of settlers and that thrift might be popularized among the workers through public support for insurance.[17] The contemporary failure of some private insurance companies in Great Britain was a further argument for a state service, which in New Zealand was particularly feasible because in the absence of powerful domestic companies all existing business was carried by outsiders.

Under Seddon the Liberals extended the activity of the state as an entrepreneur, although their more distinctive achievements were those in industrial regulation and social policy. In 1901 and 1903 Seddon provided for state fire insurance and accident insurance respectively, acting in both cases under pressure from a public convinced that the premiums of private companies were excessive and that the early success of state life insurance could be repeated in the cases of fire and accident. The state office was intended to restrict private profits, on which it may have had an influence, although to the present day it has never won a major share of the total insurance business. The purchase by the government of a few coal mines was similarly dictated by the belief that the private coal producers required both the stimulus and control of a state competitor. The coal

[17]Sir Julius Vogel, "Social Politics in New Zealand" (*Fortnightly Review*, LIII, 1893, 130-44).

mined by the government was disposed of mainly to the state railways and the public coal depots in the principal towns. By 1909 the state mines produced 13 per cent of the total production in the country, but subsequently their proportion of total output owing to numerous influences declined.

In 1894 a new economic responsibility was assumed when the Bank of New Zealand, the chief private institution, ran into acute financial difficulties, and public assistance became imperative. The Bank was provided with fresh capital, guaranteed as to principal and dividend by the government, which in a few years nominated four of the six directors. But in this semi-public institution the government was never more than "a complacent sleeping-partner with a junior interest." Prior to the creation of the Reserve Bank in 1934 it took no vigorous lead in banking policy, permitted the Bank of New Zealand to operate precisely as any private institution, and along with other shareholders received its dividends. Here obviously was no experiment in socialism.

5

From the death of Seddon in 1906 to the triumph of Labour in 1935 no bold collectivist experiments were attempted. Refrigeration in ships, the enlarged export of dairy produce, the upward drift of prices until the twenties, the social betterment achieved by the reforms of the nineties, and the rapid growth of the national income helped to lessen the pressures on government. A new class of prosperous dairy farmers wielded great political power, and had no special faith in the beneficence of government action unless it more easily won for them credit and markets. These farmers lost interest in continuing the combination with labour begun in the nineties. They no longer felt the need for it, and in any case were alienated by the growing and militant radicalism of labour. The characteristic collectivism of the period was that which responded to agrarian aspirations after the First World War, illustrated in the

marketing control boards, notably the Meat Board and the Dairy Produce Board.[18] These institutions attempted to cope with the shattered prices and the accumulated stocks by controlled marketing and price fixing, the control being exercised, not by public servants, but by the organized producers themselves endowed by government with administrative authority. Like the contemporary wheat pools of Canada, the boards were planned with meticulous respect for democratic theory, and provided for elected representatives of the producers who sat as a majority along with some members nominated by the government. At first they were hopefully viewed as the nuclei of a development towards a type of guild socialism, but such generous hopes soon vanished. Stumbling from the outset against acute difficulties, they were forced to abandon their more ambitious aims of economic control, although on a more modest plane they usefully reformed the modes of handling produce for overseas and improved the quality of the exported product. To remedy an evident lack of co-ordination the Executive Commission of Agriculture was created in 1934 to relate the jurisdiction of one to another, and to provide more direct state guidance. The Commission, however, had scant time to demonstrate its worth, for in the following year the Labour party came to office determined that the government should assume direct responsibility for the purchase of agrarian produce and that marketing should be brought under a department of state.

6

The onset of depression after 1929 opened for New Zealand a fresh stage in social development. Like the other Dominions, it was particularly exposed to the sharp thrusts of world forces, and acutely sensitive to the collapse of markets and prices. Railways and other utilities needed for the expansion of dairying had created a heavy fixed

[18]For a concise account see F. B. Stephens, "Control Boards" in *Agricultural Organization in New Zealand*, 764-85.

debt, and interest charges imposed a substantial toll on depleted tax receipts. In the sanguine era of expansion, agriculture had become highly capitalized, and the farmers faced by smaller sales and lower prices struggled under a load of fixed interest, while the rapid growth of economic nationalism throughout the world, even to some extent in England itself, menaced their future and modified their conservatism. The mass unemployment increased the drain upon the public treasury, and relief by the conventional methods of retrenchment undermined the social services won in previous decades. Through the Arbitration Court wages were cut in the public service and in private industry. In 1931 the compulsory element in the awards of the Arbitration Court was eliminated in order to make wages more elastic in a downward direction. The pressure of the government upon the banks resulted in lower discount rates, while in 1933 interest on the public debt was reduced by compulsory conversion. Rents and interest rates on mortgages were also reduced.

Deflation bred wide discontent, especially among workers and farmers, which in the autumn of 1935 brought to power the Labour party, whose victory resembled in its significant influence upon policy the triumph of the Liberals in 1891, and like the latter event was made possible by a temporary alliance of small farmers with labour. The farmers were invited to embrace the doctrines of Social Credit, which in the same period was capturing the rural electorate of Alberta. But in these times of adversity they revived their radical tradition of collaborating with labour, although the doctrines of social credit were not entirely forgotten. State controls bolder than any previously attempted were now created. The new Government discarded the deflation of costs, turned zealously to schemes of creating purchasing power by government control, and proceeded to achieve more equal distribution of the national income. It extended social services, promoted the rise of wages, undertook public works, stimulated industry through the tariff and loans, bolstered agriculture through new devices in marketing, prescribed a credit policy adjusted to all the other economic

actions of the state, and introduced bold plans to strengthen the primary schools as agencies of democracy. By increasing social services and assisting private industry, it augmented the proportion of the national income expended by the state, which in 1928-9 stood at 23 per cent and in 1939-40 had risen to 41 per cent.[19]

Labour promptly increased relief payments to the unemployed, enlarged the amount devoted to old age pensions, payable to women at sixty and to men at sixty-five, made the actual income received, not the property owned, the qualifying test of a pension, and reduced to ten years the term of residence in the Dominion required for recipients. It increased the amount of special pensions, such as those for widows with dependent children, restored the family allowances, cut in the preceding years of depression, and provided the payment of 2*s*. per week for the third and each subsequent child to mothers supporting three or more children on a family income under £4 per week. Similarly it increased the salaries of public servants and the rates of workers under arbitration awards, restored the compulsory jurisdiction of the Court, endowed it with the power to fix basic rates of wages at a level sufficient to enable an adult male worker to maintain a wife and three children in a fair and reasonable standard of comfort, and empowered it to establish maximum working hours not in excess of forty per week for all industries except in cases where it was impracticable and inexpedient. The basic wage rates applied only to industries operating under awards or industrial agreements. Finally the new legislation of Labour enforced compulsory unionism by making it unlawful, with certain exceptions, to employ a non-unionist in an industry regulated by an award or industrial agreement. Consequently the enrolment in unions rapidly expanded from 85,000 in January, 1936 to 200,000 in January, 1938. The net effect of this policy was to make New Zealand, despite its rural structure, a highly trade-unionized community like Australia. But even as early as 1923 organized workers had represented 7.7 per cent of the population as compared

[19]D. B. Copland, *Economic Record*, supplement, XV, Oct., 1939, 63.

with 2.9 per cent in Canada. Prior to the Second World War one New Zealander in every eight was a trade unionist.

Such measures of public welfare and social service were carried through within the first two years of the Labour Government, and in 1938 their coping-stone was put in place, the far-reaching Social Security Act. This measure co-ordinated under a new Department of Social Security many types of pensions and benefits, previously granted under three different departments, and in most instances increased the payments. Such were the old age pensions, established in 1898, widows' pensions in 1911, family allowances in 1926, unemployment payments in 1931, and invalidity pensions in 1936. When first established in the nineties, the annual old age basic pension had been £18; in July, 1936, it was £52, and under the Social Security Act it was increased, in effect, to £78.[20] In addition the act broke fresh ground by providing for a state medical insurance, applicable to all citizens in the community, and for superannuation payments, called age-benefits, ultimately applicable as of right to everyone over the age of sixty whatever his income or property. The health insurance, administered by the Department of Health, was a highly difficult and contentious measure, and underwent successive changes. At the outset it was to be a free general practitioner service, patients being free to choose a doctor and doctors free to refuse a patient. The doctor was to be remunerated according to the number of patients on his panel whether they required his services or not; but the number of a doctor's patients was limited in order that he should be paid to keep them well, instead of being merely called upon to treat their illnesses. Free hospitalization and free medicines were made available. However, the medical profession stubbornly opposed the legislation on the ground that it reduced its members to the status of civil servants, restricted their income, and undermined confidence between practitioner and patient. The refusal of the profession to co-operate with the scheme made amendment imperative.

[20] See W. B. Sutch, "The New Zealand Social Security Act" (*Economic Record*, XV, June, 1939, 81-6). The basic benefit is subject to an increase for dependents or to deductions on account of income.

The Social Security Act of 1938 did not essentially depart from the former practice in New Zealand of granting pensions on a non-contributory basis and according to need. To assist in financing the project a special social security tax of 5 per cent was levied on the income of all citizens over sixteen years and on all companies, but there was to be no direct relation between the amount paid and benefits received by an individual. The social security contribution consists also of an annual registration fee of £1 for males over twenty, and 5*s*. for males under twenty and for women. Since there is compulsory registration and strict responsibility of employers to deduct the social security tax from wages, evasion, common in the former unemployment tax, is practically impossible. All these payments go into the Social Security Fund, established within the public accounts. Other revenue as needed is derived from the Consolidated Reserve Fund, and thus the principle is frankly accepted that the general purse of the state, reimbursed from the taxing of those with wealth, must assist in providing for the needy.

The social services mentioned above were primarily intended to achieve security for the workers. But under agrarian pressure, the Labour party sought also to increase the security of the farmers by the Primary Products Marketing Act of 1936, which provided for the ownership by government of all dairy, or other primary produce intended for export, the setting up of a Primary Products Marketing Department to manage the export and sale, and the payment of a guaranteed price to dairy farmers, the price to remain stable for the year. The experiment in controlled marketing was intended as a counterpart to the wage-fixing by state authority, which since the nineties characterized the industrial systems of both New Zealand and Australia, and was designed to ensure minimum living conditions for the farmer. But the difficulties of achieving a stable price in commodities produced for an external market were soon apparent.[21] State subsidy became a virtual concomitant of the policy,

[21] See H. Belshaw, "Guaranteed Prices in Operation" (*Economic Record*, supplement, XV, Oct., 1939, 69-81); also by the same author, "Guaranteed Prices for New Zealand Exports" (*Economic Record*, XIII, 1937, 168-88).

and another ultimate consequence, reached in December, 1938, was the establishment of control in imports and exchange. Mortgage commissions were instructed to write mortgages down to a point at which the guaranteed price would yield to the farmer a fair standard of living, while efforts were made to invigorate rural life by measures for the protection of farm workers, the fixing of minimum wages, and the provision for minimum accommodation on the farms. For more than a generation the dairy industry had been dominated by democratic co-operatives, a fact partly attributable to the guidance of government officials from the days of Seddon and long before. Even as early as the eighties of the last century the government had bonused cheese produced in co-operative factories. By 1936 over 90 per cent of the dairy factories were on a co-operative basis, and most of them were controlled by supplier shareholders. After 1935 the Commission of Agriculture attempted to rationalize the dairy industry, to restrict an overlapping in the territories served by co-operative factories, and to persuade directors to close inefficient units.

In finance and industry the Labour Government introduced an innovation by transforming the Reserve Bank, created in 1933 on a semi-public basis, into a purely state institution, purchasing the shares formerly held in private hands, and ensuring that for the future the directors should hold office at the pleasure of the government. A like change was effected in the State Advances Corporation. Efforts were also made to build a secondary and diversified industry on a stable basis. A Bureau of Industry, composed of public servants and business leaders, was created to recommend measures necessary for the rationalization of existing, and the establishment of new, industries. The Bureau acts as the licensing authority, with power to attach conditions to a licence. Accompanying these policies was an increased emphasis from 1938 onwards upon fiscal protection and import restriction. But the attempt to achieve a more balanced industry in New Zealand faced the obvious and formidable difficulty that most of the national income had

been derived from primary industries geared to a foreign market, and policies restricting imports in the interests of secondary industry threatened to act as a trade boomerang.

7

Thus between 1935 and the harsh interruption of war in 1939 the Labour Government carried out significant institutional changes concerned with furthering the material welfare of the population, especially workers and farmers. In all this there was no profound break with political tradition, for since the nineties the dominant feature of that tradition has been an emphasis on the concept of welfare. Here as in Australia an improved standard of living for the mass has been the principal preoccupation of the democracy. In its social policy especially, Labour has merely moved further and faster along the road chosen by the Liberals in the nineties. On its relatively small and simple human stage New Zealand has portrayed in distinct relief a conscious attempt to achieve social amelioration through gradual democratic action, or what may more aptly be described as social democracy. In this venture it has possessed an environment more friendly to social experiment than any other Dominion, or indeed perhaps of any other country in the modern world. There are few impediments to the full impact of majority rule. The citizens can assert their will without the restraints imposed by a complicated political structure and an unwieldy economy. A New Zealand scholar writes with more than usual force that in this country the interests of the common man are ascendant in politics.[22] From the enfranchisement of women in the early nineties, the wide electorate has consistently and confidently pressed for humanitarian law and industrial control. It is free from the confusions of nationalist controversy (often the principal substance of politics in Canada and South Africa). It is also relatively free from the disruptive complications of sharp regional and federal cleavages, and, owing to the

[22] F. L. W. Wood, *Understanding New Zealand*, 69.

early introduction of public ownership, it is long accustomed to rely upon the state.[23] In its compactness and cohesion New Zealand most resembles the small and progressive democracies of Europe. But compared with Holland, Denmark, Norway, and Sweden, it has a less concentrated population, and experiences higher administrative costs. Moreover its political life has to a greater extent escaped those intense ideological struggles which have more or less characterized the democracy and socialism of all countries in continental Europe. "Most of its members," wrote Pember Reeves of the Ballance ministry, "did not know what socialism was, and if they had studied it would not have agreed with it."[24] During his visit in the early years of the present century Siegfried similarly observed that the New Zealanders were indifferent to ideological debate. The rise of the Labour party in the last generation has doubtless fostered a deeper consciousness of formal programmes and social philosophy, but the rank and file of Labour have been moved less by a refined theory than by a practical humanitarianism. In their empiricism they are true lineal descendants in thought from the Liberals of the nineties.

[23]Labour in its zeal for social services and marketing controls did not neglect the older type of public ownership policies. In 1945, for example, it brought under the government civil airways, the distribution of petroleum, and the Bank of New Zealand.

[24]W. Pember Reeves, *The Long White Cloud*, 282.

Chapter Twelve

PARLIAMENT AND ADMINISTRATION

1

In outward appearance New Zealand has adhered more closely than any other Dominion to the political model of Great Britain. The unitary state, the devotion to British institutions, and the singular cohesion of the community convey the impression of a Britain in the south seas. But below the surface the political mentality and social forces reveal distinctions determined by local environment, and still apt is the remark of André Siegfried that, although English forms remain, "we must not forget that they are almost always animated by a new spirit." Here a relatively small population has undergone the levelling experiences of a frontier, and exhibits no marked inequality in the distribution of wealth, no true governing class, no large conglomerations of population wherein the people feel remote from their parliamentary representatives. Hence many of the subtle attitudes of mind which enter into and influence the operation of parliamentary institutions differ from those prevalent in the British Isles.

The executive exhibits fundamental resemblances to and minor departures from the familiar pattern in the other Dominions. From the early operation of the constitution established in 1852, the governor-general as the representative of the King has been advised by an Executive Council which evidently owed its existence entirely to the royal prerogative.[1] In keeping with the traditional conventions, the councillors are chosen from the party dominant in the assembly, but convention, not statutory provision, prescribes that they

[1] J. Hight and H. D. Bamford, *Constitutional History and Law of New Zealand*, 333.

must be members of Parliament and command its support. Under Royal Letters Patent and Instructions, dated in May, 1917, the governor-general must ordinarily act on the advice of the Council, although for cause assigned he may reject its advice, in which case he must promptly report to the King with reasons for his action. Except for this colonial feature, which is out of harmony with modern Dominion practice, cabinet government operates much as in the other Dominions and conforms to the traditional conventions of the summoning, prorogation, and dissolution of parliament. The Labour party in 1936 adopted the institution of parliamentary under-secretaries, rendered necessary by the perennial avalanche of details with which ministers deal. In addition a minister was made free to co-opt another parliamentarian to assist in directing a special branch of his department, and to facilitate such procedure ministerial salaries were pooled and a sum allocated for co-opted members.

The experiment in bi-cameralism began with the provision in the act of 1852 for a Legislative Council, whose members were originally appointed for life with the evident design of providing a colonial adaptation of the House of Lords. But the zealous liberal-democrats who assumed power in 1891 abolished life tenure as a troublesome obstruction to reform, and substituted appointment for seven years. At the same time the Council was permitted to elect its own speaker instead of having him nominated by the governor. Despite these changes the second chamber has not achieved much more prestige than the life-appointed Canadian Senate, and for similar reasons.[2] It has no special functions beyond a secondary voice in legislation; appointment to it has been regarded as a reward for partisan services, often bestowed upon those who fail to obtain election to the lower house, and the public seldom follow with interest its proceedings. "At most times," remarked a political leader, "they have regarded it with an amused or cynical tolerance, as a refuge of old politicians, and as a useful channel of patronage for the ministry of the day."[3]

[2]See James Christie, "The Legislative Council of New Zealand" (*Journal of Comparative Legislation and International Law*, 3rd series, VI, 19).

[3]W. Downie Stewart, *Sir Francis Bell: His Life and Times*, 94.

Such weaknesses prior to 1914 led to proposals by both parties to strengthen the council by having it elected, either directly or indirectly. In 1914 an act provided for a council of forty, chosen by the people in accord with the Tasmanian system of proportional representation, but this legislation, owing to the political distractions of the war and post-war period, was never implemented.[4] Appointments are still made primarily on party lines, qualifications for membership are identical with those for the House of Representatives (women were permitted to become members in 1941), and the forty-odd councillors are usually more elderly and conservative than members of the lower chamber. The council has full powers to initiate and revise bills, except monetary measures which must originate in the other house and are not alterable by the council. Its most valuable work is performed by the Statutes Revision Committee, composed mainly of experienced lawyers who rigorously examine all bills and often make useful recommendations. It may also reject bills of any character, but, influenced by the practices of the British House of Lords since 1911, it refrains by convention from rejecting policy measures of the Government.

The House of Representatives broadly resembles the lower chambers in the other Dominions, and, like Australian legislatures, has a triennial term unless dissolved sooner by the governor-general. The Maoris significantly have a representation proportionate to their numbers, which today secures four Maori members in a house of eighty, elected like other members but in distinct constituencies. This parliamentary provision is the product of a general policy designed to give the Maoris political and social equality, and it enables New Zealand to avoid the embarrassing difficulties of South Africa, where the segregational policy has created at least two separate types of citizen within the one state. While this equality conforms more truly with liberal democratic ethics and logic, it has been favoured by the relative paucity of the native race and by its capacity, much greater than that of the Bantu, to assimilate European culture.

[4]The legislation of 1914 is discussed in *New Zealand Parliamentary Debates*, 1914, vol. 168, 790-802.

Since the enfranchisement of women, New Zealand has attempted few electoral innovations, and has continued to conduct elections within single member constituencies and to accept the decision of a simple majority. Prior to the elections of 1911 the Ward Government, in order to avoid splitting the Liberal and Labour vote on which its fate depended, introduced the second ballot, which gave little satisfaction and was promptly abolished by Massey on his accession to office. In 1924 compulsory registration was established, but compulsory voting on the Australian pattern has not been deemed necessary since a high percentage of citizens on the lists actually vote (over 92 per cent in 1938). In 1945 Labour took the bold step of abolishing the country quota, which in providing a special weight for the rural vote had for two generations buttressed the political power of the North Island dairymen and had been subjected to incessant attack by urban labour. At the same time an Electoral Commission was established which after each census divides the country into equal electoral districts according to adult population.

The House of Representatives adheres closely to the practices and procedures of the British House of Commons, and accepts the privileges and immunities of the Commons as they existed in 1865 in so far as they are not in conflict with the Constitution Act.[5] But since New Zealand did not adopt the Statute of Westminster, the legislative competence of the house is somewhat restricted. It cannot legislate extra-territorially, pass laws repugnant to imperial statutes expressly or by implication applicable to New Zealand, and it must occasionally permit the reservation of bills for the approval of the King.[6] The act of 1852 did not specifically refer to the constituent power, an omission remedied by an imperial statute of 1857, which enabled the legislature to alter the Constitution Act, except the sections pertaining to the establishment of a General Assembly, its place and time

[5]Some of the departures are discussed by the clerk of the New Zealand house, Mr. T. D. H. Hall, in "Public Administration and Parliamentary Procedure in New Zealand" (*Journal of the Society of Clerks-at-the-Table in Empire Parliaments*, IX, 1940, 128-44).

[6]*Constitution Act*, section 56.

of meeting, prorogation and dissolution, oaths of allegiance, rules concerning the appropriation and issue of money, and the reservation and disallowance of bills. But it is arguable whether even these exceptions are not nullified by Section 5 of the Colonial Laws Validity Act of 1865, which provided for a constituent power in colonial legislatures.[7]

2

Through the parliamentary régime New Zealand undertakes to regulate and administer a multitude of activities in the economic and social life of the community, and throughout it has been loyal to the modern British tradition of exalting the parliamentary executive. The deliberations of Parliament are closely directed by the Cabinet, and legislation by order-in-council has been practised just as frequently and assailed just as vigorously as in London, Ottawa, or Canberra. Indeed the most distinctive feature here is the exceptionally wide range of activity supervised in the name of the Crown by ordinary departments rather than by corporations. Much more than in Australia, utilities have been owned and administered by government departments acting as commercial undertakings. The Labour party in particular has rigorously demanded that ministers must be held directly responsible for controlling public enterprises and for co-ordinating economic policy. It has long contended that autonomous public utility trusts or statutory corporations, so much favoured by the Labour party of Great Britain, make co-ordination difficult and responsibility obscure. Since the economy is one and indivisible, the control by general government should be one and indivisible. Railways are related to road transport. Both are associated with the effort to establish primary and secondary industry, which, in turn, is linked to major decisions in public finance. To make

[7] See Leicester Webb, *Government in New Zealand*, 37-8; J. C. Beaglehole (ed.), *New Zealand and the Statute of Westminster*, 100-1; B. Keith, *Journal of Comparative Legislation and International Law*, 3rd series, XXIV, part I, 66-7. Also on Statute of Westminster see K. C. Wheare, *The Statute of Westminster and Dominion Status*, 227-35.

democracy real and management efficient the central co-ordinative agency must be the Cabinet, which becomes accountable for all services.

The essential features of the New Zealand state give plausibility to this logic and favour the devotion to departmental rule. Since the population is relatively small, remarkably homogeneous in race, alert in political outlook, and not highly industrialized, public opinion through ministers can influence administration more directly and swiftly than is possible in the larger and more complex democracies. Government is here less unwieldy and less remote from the governed. The House of Representatives as a chamber of eighty members compared with 615 in the British house permits a more intimate discussion of public business. Representatives and ministers are more accessible to electors, sometimes doubtless too accessible. "Only too often," remarks Professor Wood, "long-range problems are left untouched while prime ministers wrestle with cases of individual hardship."[8] But a cabinet in such a state can make itself reasonably familiar with the services for which it is held accountable. The extent to which either bureaucracy prevails, or parties interfere mischievously with administration, varies with the different public services. In activities like those of the public trustee, education, and hospitals, the voice of the permanent official is dominant. In the state railways and public works, on the contrary, pervasive political influence, especially that of the local constituencies and trade unions, has often frustrated the best efforts of the expert and the diligent toil of the civil servant.

The state railways have always presented the major and most vexatious problems of administration. At the outset they were directly under Parliament and ministers. But in 1887, owing to their financial difficulties and their heavy drain on the public treasury, they were put under a board of three commissioners appointed for five years who were expected to improve management and effect economy. Like its successors this first experiment in board control was unpopular, lasted for only five years, and was succeeded by

[8] F. L. W. Wood, *Understanding New Zealand*, 92.

a reversion to ministerial direction, which endured till 1925. In the next decade further experiments were attempted in board administration, but in 1936 the Labour government brought the railways under a general manager, responsible solely to a minister of railways in the Cabinet. Thus, although independent statutory boards have been tried thrice, the railways for most of their history have been under ministerial supervision, an arrangement championed no less strongly by Seddon and his followers in the nineties than by the Labour party today. Railway employees, farmers, and other influential political groups throughout the constituencies are convinced that ministerial management protects their interests and is amenable to their opinion.

This preference for ministerial control is related to the conviction that the railways are agencies of development, and are to be judged less by their budgetary returns than by their success in opening up the lands of both islands. The policy of the government, declared Sir Joseph Ward in 1905, is "to regard the railways as adjuncts to the settlement of the country, and to look upon the earning of a large profit as of minor importance compared with the incalculable benefits that accrue to the state by giving the settlers a convenient and cheap means of transporting the produce of their farms to the markets."[9] Such has been the basic policy since the genesis of the railway system. Under Seddon the government commonly returned to the public in lower freight rates and passenger fares all earnings on capital expenditure above 3 per cent, but unfortunately until 1925 the accounting methods of the lines showed fictitious profits and inadequate allowances for depreciation, obsolescence, and general contingencies. A feature of railway policy has been the special rates given to various social groups, particularly dairy farmers, whose essential goods have been carried at low rates or even free, and who battle fiercely to preserve a preferential rate once granted. Although most of the lines have been wisely enough planned to develop the country as an integrated unit, some of the characteristic weaknesses of economic

[9]Quoted in J. E. Le Rossignol and W. Downie Stewart, *State Socialism in New Zealand*, 82.

planning under parliamentary democracy have been evident enough in those uneconomic branches built under regional pressure or those constructed as relief projects with inefficient and costly labour. Here also there have been mistakes springing from excessively optimistic estimates of resources and inadequate co-ordination between rail and sea transport.[10]

The financial management of the railways differs from that of the ordinary department in that they have had since 1925 a separate railway account, into which all earnings are paid, within which interest is charged at a specified rate, and from which all working expenses and other costs are met. Moreover the treasury adopted the practice of paying a direct subsidy to cover the working loss of developmental branch lines. Prior to 1925 all revenue transactions formed part of the Consolidated Revenue Fund, and were carried out virtually on a cash basis, without setting aside reserves or carrying forward balances. But the new railway account did not in the depression years save the treasury from the necessity of bolstering railway finances. As in Australia the trade unions have exerted a considerable influence on management, and not always in a manner conducive to efficiency. Although the railway employees are not classed as public servants and do not come within the jurisdiction of the Public Service Commission, the powers of the general manager in the appointment, promotion, and discipline of staff are subject to the approval of the minister, and an Appeal Board hears grievances of dissatisfied members.

From the outset the telephones and telegraph have been a public monopoly, administered by the Post and Telegraph Department, which has been effective in extending the popular use of these services without burdening the public treasury. New Zealand indeed ranks high among world states in telephonic density per hundred of the population. Broadcasting was for a short period controlled by a private company under contract with the state, but in 1932 was placed under a Public Broadcasting Board, patterned somewhat upon the British Broadcasting Corporation. The plant

[10] E. P. Neale, "The Railway Situation in New Zealand" (*Economic Record*, VII, 1931, 71-81); H. Valentine, "Some Aspects of the Problem of Railway Transport in New Zealand" (*Economic Record*, X, 1934, 50-80).

was purchased from the private company, and except for a few private stations, which existed partly by subscription, the Board had a monopoly over broadcasting. In 1936 the Labour Government, consistent with its devotion to direct ministerial control, abolished the Board, brought the enterprise immediately under Parliament and a minister of the Crown, and made the broadcasting officials members of the public service, recruited by the Public Service Commission. No corporate organization, pleaded the Government, is superior to Parliament in being able to reflect the views of radio listeners.[11] Yet departmental control of broadcasting is obviously different from that of railways, since broadcasting can be a powerful agency of propaganda, useful for party ends. Although many in contemporary New Zealand sense dangers in the present mode of administration, Labour is confident that under ministerial control the conventions of free discussion will be respected, and hitherto there is no serious evidence that this benign confidence is misplaced. Labour at any rate has zealously sought to make the radio a stimulus to the discussion of public problems, and for this purpose introduced the broadcasting of the principal parliamentary debates, spurred in this matter by the fact that it received less favourable attention in the daily press than did its opponents. A significant feature of the broadcasting system has been the three types of stations: those concerned with fostering education and national culture, which accept no advertising; those privately owned, but controlled and partly subsidized by the government; and the commercial stations, which are owned by the Crown and under the ultimate direction of the minister, but which carry the only advertising permitted on the air and compete for listeners by the provision of popular entertainment. Broadcasting taken as a whole has been no burden upon the Consolidated Revenue Fund, and with due allowance for the smallness of the community the quality of the service is high.

The system of direct ministerial control has also been evident in the public ownership of electric generation and

[11]See remarks of the postmaster-general in introducing the legislation, *Parliamentary Debates*, vol. 245, 748.

distribution. The Public Works Department has built and operated hydro generating stations, drawn them together into grid systems, sold power in bulk to local elected authorities in town and country, and efficiently produced some 80 per cent of the total output of power. An active rural electorate forced the issue of distributing electricity to the farmers, and the Electric Power Boards Act of 1918 provided the machinery. Several local districts may combine to establish a board, endowed with suitable taxing authority, which when necessary provides a security for loans at low interest rates. In some cases the boards, elected by local rate-payers, have jurisdiction over towns as well as rural districts, and are essentially consumers' councils within the scope of the Act. Despite mistakes they were so effective that by 1936 electric current was made accessible to 93 per cent of the population and was used by 80 per cent. In the basic industry of dairying electric power, especially through the milking machine and the water heater, has helped to transform rural methods of production and to increase the amenities of life.

Ministerial direction and parliamentary control have been operative from the outset in the two principal cases of public trading, the state coal mines and state insurance. But, owing to the intrusion of other and varied influences, the relative merits or demerits of this institutional control are obscure. State coal mining certainly did not develop with the rapidity anticipated by some of its early proponents; nor did it escape the major difficulties of private mining, including the tensions of labour unrest. Its failure to obtain a larger portion of the general market for coal was due partly to the limited resources of the actual mines and partly to the fact that, after Seddon's death, governments lost much of their former zeal for state mining. Administration has apparently been no less efficient than that of private companies, while some social benefits have inhered in the greater conservation of natural resources and the zealous attention to the lot of the miners.

In state life insurance, a growth of new business was long hampered by the lethargic salesmanship of the public officials.

Prior to 1935 most governments were apparently not interested in a rapid expansion of this activity, and were content simply to maintain the state service as a curb on private monopoly.[12] After 1911 especially, the State Department was permitted to become a part of the insurance ring, and pursue policies that did not incommode the private companies. Condliffe questioned whether the State Department exercised any significant control over the profits of such companies since its portion of the total business was relatively small.[13] Yet the generous bonuses in fire insurance and the low premiums in life insurance have doubtless helped to reduce costs to the public. Apart from tardiness in obtaining new business, the management of the enterprise has not been seriously criticized. The accounts are reviewed by the auditor-general and the officers, except the canvassing agents, are mainly appointed like other public servants. The fire insurance has always been a successful venture, and developed without state capital except for £2,000, which was provided at the outset and duly repaid with interest to the public treasury. Despite this absence of financial dependence, a royal commission in 1932 recommended that some of the insurance profits should be paid into the national treasury.[14] But the insured rather than the general public continue to reap the profits, and the office of the service like a private company is assessed for income tax.

The most characteristic state enterprises in New Zealand have been the lending departments, designed mainly to assist a small-farmer democracy to win for its members a greater measure of economic security. Such is the Public Trust Office, which since its foundation in 1872 performs the functions of a trustee under a will or in cases of intestacy, guarantees the principal, and provides interest according to the returns of the investment. It has steadily grown, partly because it provides safety for the small investor under the public guarantee and partly because it can do some things not

[12]The criticism of a socialist is found in J. A. Lee, *Socialism in New Zealand*, 195.

[13]J. B. Condliffe, *New Zealand in the Making*, 310. At the time he wrote, the State Department obtained 13 per cent of the premiums paid.

[14]*Final Report of the National Expenditure Commission*, 1932, para. 1485.

possible for a private company, owing to the differential and favourable treatment received from Parliament. Its costs cannot be readily compared with those of private enterprise, but they are regarded as low, and consequently its fees are low. Aside from administering individual estates, the Trust Office acts as trustee for public bodies, especially for local authorities and civil service associations, and generally through its varied activities has become an important lending agency. Another typical institution is the State Advances Office, which was originally established by the Liberals in the nineties to assist settlers and small farmers to extend improvements by loans from the public on an adequate security. It resulted from the pressure of farmers, discontented with the high interest charged by private companies, and farmers continued to cherish it as an essential enterprise of the state. Its counterpart for the urban worker was provided in 1906 in order to aid the artisan in acquiring his own dwelling. As instruments in helping to improve rural and urban standards of life, these institutions are defended by all parties. It was a Labour minister in 1936 who lauded the State Advances Office as "one of the finest institutions ever created in New Zealand."[15]

Until the depression of the early thirties, the administration of advances was under direct ministerial control. The government in trying to cope with the depression feared that this administrative system was not sufficiently screened against pressure from the affected interests, and was likely to hamper deflation. Hence it created a Mortgage Corporation, or semi-private company, with new private shareholders who collaborated with the state in appointing the directors. When Labour came to office in 1935, it transformed this institution into the State Advances Corporation, administered by a board, but in major policy under the direct control of the government. While in this as in other services Labour showed its hostility to independent or semi-independent authorities, it departed from some of the customary departmental controls in the interests of technical

[15]The Honourable Walter Nash in *Parliamentary Debates*, vol. 245, 434-92. See also J. A. Lee, *Socialism in New Zealand*, 60-7.

efficiency, notably in providing that, while employees must come under the public service commissioner, their appointment was to be recommended by the Corporation.

3

Owing to the many commercial and other enterprises under the national government a special responsibility is thrown on the mechanisms of finance and administration. Here is present that sheet-anchor of the British financial system, the procedure whereby only ministers in the name of the Crown initiate expenditure in committee of the whole house and specify the purpose and extent of the grant. But because in New Zealand some departments have long administered many more commercial undertakings than in England, considerable departures have been made from the traditional British system of cash accounts, developed when the functions of government were not commercial. Thus in 1920 New Zealand, in advance of the other parts of the British Commonwealth, introduced departmental balance sheets of a commercial type to give a clearer picture of the capital ventures of the state. This innovation, despite the number and sometimes the complexity of the accounts, has been an obvious aid to the democracy.

Apart from the customary questioning and debate on the floor of Parliament, the agencies of financial and administrative control are the Public Accounts Committee, the treasury, the Stores Control Board, the controller and auditor-general, and the public service commissioner. Some of these agents act differently from their British prototypes. The Public Accounts Committee, for example, does not as in England commonly scrutinize the auditor-general's report and the audited accounts, but devotes its time to examining the estimates, and its chairman is always a member of the Government party. As in the other Dominions the treasury sifts and discusses the departmental estimates before their submission to the house, and prescribes for the accounting of public money and public stores. It provides formal powers

of supervision to the Stores Control Board, which embraces the heads of the treasury, railways, public works, and post and telegraphs. But by itself the New Zealand treasury plays a less powerful role in the process of government than its British namesake, for it has not such extensive control over establishments.[16] Like his counterpart in other Dominions the controller and auditor-general is independent of political direction, outside the departments, and concerned primarily with auditing their accounts and ensuring that parliamentary authority exists for the transfer of funds. Not all the gross receipts and payments for government services enter the Consolidated Fund, especially those dealing with trading enterprises, although into it net surpluses may be paid and from it losses are met. Separate and important accounts are those of public works, social security, and railways.

The wide range of public enterprise under ministerial direction gives peculiar significance to the role of the public service commissioner. Above all he protects the service against the mischievous pressures associated with party spoils, by which in the pioneer days it was impaired. After 1886 appointments were nominally made upon the results of competitive examinations, although actually for years many were made without a competitive test, and political patronage intruded most obviously in the departments concerned with railways and post and telegraphs. Much as in Canada, reform of the service was a major political issue in the opening years of the century until the Public Service Act of 1912 laid the foundation of the present régime. This measure and the subsequent regulations assimilated many features of the earlier Australian legislation, especially in the appointment for seven years of a public service commissioner with two assistants, removable only for cause and with the consent of the House of Representatives. While amendments have since taken place, the commissioner continues to be endowed with wide and significant powers, including the examination of applicants, the testing of officers for promotion, the inspection of departmental methods, and dismissals. Officers, dissatisfied with the rulings of the commissioner, may appeal

[16] A. R. F. Mackay, "The Treasury as a Co-ordinating Factor in Public Service Administration" (*Journal of Public Administration*, Wellington, May, 1938).

to a board constituted partly of members elected by the service and partly of appointees of the Government.[17] In accordance with such provisions the modern competent public service of New Zealand was created, and a considerable advance has been made upon conditions prevalent when the commissioner was appointed. "The tendency," he remarked in his first report, "is not only to follow obsolete systems, but also to regard them as the only perfect ones. Some departments seem to have changed their methods in only a slight degree for years, and even now time is being expended in collecting information for returns which are absolutely useless. . . . In the case of one large department each of the district officers appears to be working on the old provincial system, which varied in every province."[18]

In contrast to the British devices of strict treasury supervision, the New Zealand system has given considerable authority over administrative organization to the public service commissioner in order to ensure adequate efficiency in the departments. The commissioner has not been wholly effective in this task, partly because he has insufficient jurisdiction, and partly because he is responsible to Parliament rather than to the executive. He contends with departmental rapacity and vested interest, yet over the years he has corrected many of the abuses indicated in his first report, especially when he has collaborated closely with the auditor-general, the treasury, and the Cabinet. A good instance was the exposure during the early thirties of the deplorable conditions in the Native Affairs Department, especially defective budgeting, inadequate check on expenditure, and paralysis in accounting.[19]

4

From early years, especially since the disappearance of the provinces in 1876, Parliament has sought to ease its own burdens by creating an elaborate structure of elected local councils. This development, like that in other autonomous

[17] *Public Service Act*, sections 13-18.
[18] *First Report of the Public Service Commissioner*, 1913, 6.
[19] *Report of the Commission on Native Affairs*, Appendix to the Journals of the House of Representatives, 1934-5.

colonies of the nineteenth century, was speeded by the persistent pressure of a public that distrusted centralization and sought in the spirit of contemporary British liberalism wide municipal rule with adequate fiscal powers. The direct imitation of institutions in England was evident, and at the outset the divergence of social circumstances in New Zealand from those in Great Britain was often insufficiently recognized. An extensive network of municipal units was more feasible than in most areas of Australia and South Africa, owing to closer land settlement, the product in turn of adequate rain. In this matter New Zealand resembles more clearly eastern Canada, especially Ontario. The abundant life of local institutions has been proportioned to the extent of the rainfall and the opportunities for close settlement.

Counties, boroughs, and town districts constituted the chief types of local rule. Most of the counties, concerned primarily with the pedestrian task of maintaining roads, took form with the abolition of the provinces, but have since been re-divided until today there are 125, ranging greatly in size, population, and taxable capacity. Some have only a few hundred scattered families, others have many thousands, and one in 1937 had 27,000 people. Boroughs assumed form at the same time as the counties, although their legal character today in respect to population and area is governed by the Municipal Corporations Act of 1933. Since they deal with the needs of a more concentrated population, their functions are wider than those of the counties, and in structure they are modelled mainly upon English patterns, except that mayors are elected directly by the rate-payers rather than by the council. The councillors in British fashion hold office for a three-year period. A town district is intermediate between county and borough, with fewer people than the latter and hence with more restricted jurisdiction.

Additional to these institutions is a singularly thick growth of *ad hoc* administrative bodies, with powers that often cut across the jurisdictions of other municipal units. Such are the boards constituted at different times to deal with roads, land-drainage, rabbit control, electric power, hospitals, charitable aid, and education. Some of these originated

simply in the circumstance that the counties were too small or ill-suited for new services. In certain cases, notably in education, the *ad hoc* authorities exercise jurisdiction within the traditional boundaries of the old provinces. In other instances their administration extends over areas smaller than the former provinces but larger than the present counties. The financing of these local boards conforms to no strict or definable pattern. Those dealing with education, for example, receive all of their funds from the central government, and on the whole their policy has been dominated by the Education Department, whereas hospitals have derived revenue, not merely from the central government, but from the fees of patients and from rates assessed on their behalf by counties and boroughs. This whole luxuriant growth of local authorities (some 300 territorial authorities by 1945 and 400 *ad hoc* bodies) has evidently exceeded the bounds of administrative wisdom. Most students of the subject are convinced that a sweeping simplification in structure and function is imperative, and such indeed was unsuccessfully attempted by bills in 1936 and 1937.[20] If the counties were reduced in number and enlarged in activity, many of the existing *ad hoc* authorities could promptly be eliminated, and something might then be done to elevate the status and foster the initiative of local administrators. But to all such changes a parochial sentiment presents a formidable obstacle. In the final analysis the chief issues of local government in New Zealand, like those in other modern countries, are created by the revolution in mechanical transport and by the nature of contemporary public services, which demand larger units for optimum efficiency in face of administrative conservatism and devotion to existing institutions.

[20]See discussion in *Final Report of the National Expenditure Commission*, 60-131. A rich mine of information is the *Report of the Local Government Committee*, 1945.

Chapter Thirteen

PARTIES AND POLICIES

1

The political parties of New Zealand in their social foundations and in the issues over which they fight resemble more closely those of Australia than of any other Dominion. They originated prior to 1876 in the struggle over the respective merits of a unitary *versus* a federal or quasi-federal régime, when the electorate was divided into centralists and provincialists. But more important in moulding the modern party system were the coercive social and economic circumstances in the eighties. The prolonged depression, the discontent of unemployed and landless, the emergence of militant trade unions, and the influence of a new liberalism in Great Britain helped to develop a Liberal party which attracted the votes of those hostile to the monopoly of political power by large landowners and wealthy townsfolk. The land problem was then the touchstone of social cleavage. It separated the dominant oligarchy and its supporters from the newly enfranchised classes who sought a more equitable distribution of the soil and a more emphatic attempt by the government to assist the propertyless. "On it," remarked Pember Reeves, "more than on any other difference, party divisions were based." From the triumph of the Liberals in 1891, the electors came to divide more clearly into coherent party groups, and henceforth political debate was concerned with the differences or alleged differences of party principles.

For many years a Conservative party had difficulty in becoming established. The Liberals, through the popularity of their social legislation and their generous policy of public works, for fifteen years (1891-1906) were strongly supported by most workers, small farmers, and the lower middle class

of the towns. The ultimate appearance of an effective opposition was made possible by a political realignment of social elements after the death of Seddon. A new and prosperous class of dairy farmers emerged who had little sympathy with some elements in the creed of the Liberals, especially the emphasis on state leases. These farmers were anxious for freehold in order to benefit from the enhanced land values, endemic in a period of rising prices and expanding markets. But the Liberals, although they made significant concessions in the land act of 1907, remained formally devoted to the principle of leasehold. The Opposition, which had adopted the name of Reform party in 1904 under an energetic farmer of Ulster birth, William F. Massey, championed the cause of freehold for Crown tenants and on this issue came to power in 1912.[1] Thus in this period New Zealand became distinctly a small farmer democracy.

The defeat of the Liberals was due also to a breach between them and Labour. Although as a party they had sponsored and nurtured trade unionism and had enacted a labour code as progressive as any in the world, yet they lost the support of those workers who became fervid in class consciousness, strong in industrial organization, and eager to emulate the successes of Australian labour by creating a distinct party of their own. Faced by rising prices, some militant leaders of labour were prompt to criticize the Liberal system of compulsory arbitration as tardy and ineffective in adjusting wages to prices. Convinced that Liberal policy was now more partial to the middle class than to the urban workers, they contended that social legislation could best be advanced by their own direct political action. From 1906 onwards tentative steps were taken towards this end, but prior to 1914 the election of separate political representatives made little headway mainly because of schism within the ranks of labour. The larger body was moved by the moderate reformist doctrines of the dominant trade unionism in Australia and Great Britain. But a minority of miners and dockers, inspired by Marxist ideas and the current revolutionary syndicalism of the Industrial Workers of the World,

[1]William F. Massey remained in office till his death in 1925.

established the United Federation of Labour, which promptly challenged the more conservative Trades and Labour Councils Federation and repudiated the traditional methods of New Zealand liberalism. It fostered bitter industrial strife which during the closing months of 1913 culminated in the Wellington and Auckland general strikes. With ready agrarian aid this sharp industrial action was crushed by the government. Armed and mounted farmers helped to maintain order, while their comrades worked on the docks to ensure the flow of butter and frozen lamb to Great Britain. This violent rift between country and town was exploited by William F. Massey to consolidate his régime among the rural voters. The ranks of labour were disastrously split, and the moderates failed to gain any substantial political support among farmers and middle class. Thus until after the First World War the political ambitions of labour were frustrated by the fissures within its own ranks and by the temper of its radical wing.

In the meantime the other two parties passed through confusing vicissitudes which prepared the way for the present two-party alignment of Labour *versus* anti-Labour. From 1915 a National Government, formed out of the Reform and Liberal parties, retained office for four trying years. After the war there was a return to an orthodox bi-party struggle, but it was hampered, on the one hand by the absence of any real distinction between the policies of Reformers and Liberals (the land issue was no longer relevant), and on the other hand by the growing challenge of Labour as a third party. Faced by aggressive Labour agitation, the representatives of farmers and urban middle class were drawn together without being fused. The older parties survived rather by the force of tradition than because of any divergence of social aims. The Liberals were transformed into the Nationalist, and later into the United party, under which name in 1928 they once more gained power. But the shock of the depression in 1931 finally drove the two middle-class parties to coalesce in defence of orthodox finance under the name of the National party, which in the elections of 1935 suffered a shattering defeat at the hands of Labour.

2

The evolution of Labour to a position of independent power took place mainly since 1918. The election returns indicate that, like the Labour party in contemporary England, its gain in the era between the two world wars was chiefly at the expense of the Liberals. It is worth emphasizing the wry circumstance that the Liberals who had first championed the rights of labour were to suffer most from the new strength of labour, a fate which was also clearly that of the Liberals in Australia.

STANDING OF THE PARTIES*

Year	*Reform (later National)*	*Liberal*	*Labour*	*Others*
1911	36	48	3	3
1914	46	42	11	1
1919	37	27	27	9
1922	43	30	23	4
1925	47	20	28	5
1928	36	30	27	7
1931	32	23	33	12
1935	33	. .	46	11
1938	40	. .	56	4

*D. R. Jenkins, "Policy and Strategy of the New Zealand Labor Party" (*Pacific Affairs*, XII, 55).

After the First World War, Labour became less radical and doctrinaire. In its effort to enlarge its electorate it grew cautious, gradually severed its former ideological links with revolutionary socialism, and laid less emphasis on the rigid dogmas of Marxism. During the war many of its prominent leaders had been pacifists, including its most effective pamphleteer and cogent speaker, Henry Holland, who was strangely swayed by the dual influence of the Bible and Marx. Its lack of sympathy with the war effort and its inclination to accept the Marxian doctrine that the proletariat is without a country had doubtless weakened it among

the mass of patriotic workers. But in the twenties it turned its back upon past failings, and concentrated upon a broadening of its appeal. "The socialization of the means of production, distribution and exchange" was less strongly emphasized, and more attention given to many immediate objectives. Its leaders endeavoured to enlist the support of small farmers and deserters from the Liberal ranks, and increasingly sought to appropriate the tradition, and the votes, of Seddonian liberalism. Such procedures were imperative if Labour was to be anything more than a proletarian protest, but they inevitably lessened its militancy. The more comprehensive its composition, the less vigorously the party sought a socialist goal, and this fact created some internal strains, specially evident after it entered office. The broadening out tactics were most fruitful in the depression of the early thirties when the middle class was deeply disturbed by the deflationary policies of the Coalition Government. As trade languished, the winds of revolt began to blow across the dairy farms. Labour, quick to see the power of social credit doctrines among heavily mortgaged farmers, promised a national credit authority to alleviate the lot of the masses in country and town. Thus it exploited for its own ends the ideas of Major Douglas, which were then widespread in rural New Zealand. The tangible result of its skilful appeal was illustrated in the elections of 1935, when it won some twenty rural or largely rural seats.

But the bastion of the Labour party is in the urban areas. It is the political offspring of trade unionism, whence it derives most of its leaders, much of its revenue, and the reliable portion of its electoral support. In the Labour Government formed in 1935, seven of the thirteen ministers were trade union secretaries.[2] It draws to its ranks middle class intellectuals, political clergy, liberal lawyers, and socially minded doctors, but, like the Labour party of Australia and unlike that of England, it does not offer an effusive welcome to the intellectual. The sovereign authority within the party is the National Conference, held each Easter or whenever an emergency may dictate, which consists of delegates

[2]Leicester Webb, *Government in New Zealand*, 65.

from the branches and affiliations, of whom a majority are appointed by the trade unions. A national executive, elected by the Conference, has much influence in shaping policy and in selecting candidates. It makes a list of candidates suitable for Parliament, to which names may be added by any six members of the party, and from which the final selection is then made by electorate committees or by divisional councils, composed of delegates from branches and affiliations within a number of electorates. Thus a balance is sought between central and local control, but in any case trade unionists remain powerful. As in the Australian Labour party, discipline is enforced by pledging elected members to support the platform and to accept the decision of the parliamentary caucus; disobedience may be punished by expulsion. The caucus chooses the leader, and, when he forms a Government, its approval of his ministers is necessary.[3] Hitherto there has been perhaps more flexibility in this system and more concessions to the leader than in that of Australia. In 1935 Michael Savage chose his own Cabinet without seeking the approval of the caucus, a circumstance which led some to complain that the democratic principles of the party had been violated. In 1939 after considerable discussions, a compromise was reached between Savage's insistence upon his freedom of choice and the claims of caucus control. In the future the prime minister was to nominate members to his Cabinet, but his nominations must be approved by the caucus.

A significant financial nexus exists between the trade unions and the political movement. Prior to 1935 the unions, if permitted by their rules, might use their funds for political purposes. After that date the Labour government empowered the unions to make financial grants irrespective of their rules, a privilege which most of them used. Unionized workers became almost involuntary contributors to the treasury of the party, thus adding their support to the fees paid by the local branches. Such financial provisions, combined with compulsory trade unionism, have added impressively to the political weight of Labour.

The close resemblance between the New Zealand and

[3] *Round Table*, XXX, 1940, 937.

Australian Labour parties is evident from previous remarks. Indeed from the beginning the party in New Zealand has drawn inspiration and direction from across the Tasman Sea. Some of its most influential spokesmen have come from the Australian movement, notably Henry Holland, parliamentary leader 1919-33, and Michael Savage its first prime minister. It has sought to exert in a similar way democratic control over leaders, to enforce in the legislature rigid discipline on the rank and file, to rely especially upon the trade unions, to invite aid from the small farmers, and to win as much support as it can from the humanitarian portion of the middle class, interested in a more just social order. It has a similar philosophy of social amelioration, and no less clings to the tactic of parliamentary gradualism. It also responds to the nationalist impulses within the community, and like the party in Australia contends that the national sentiment is the natural and reliable ally of social reform, since the enlightened nationalist must seek a better New Zealand in the concrete terms of social improvement and a planned economy. It leans to policies of fiscal nationalism, tempered by the consideration that the export trade is crucial to the economic structure of New Zealand life. On such similarities within political labour is founded a common and significant element in the democracy of the two Dominions.

3

As in Australia the anti-Labour forces represented in the National party are miscellaneous. They embrace the prosperous farmers and urban middle class, including the commercial, financial, and manufacturing interests. The two potent and uneasy allies of the National party are the Farmers' Union and the Federation of Manufacturers. Inevitably a political association which seeks to represent such heterogeneous prejudices has an uncertain solidarity. It must of necessity explore policy step by step, and test with singular care the opinion of its potential supporters. Its platforms commonly lack precision, emphasize merely in

general terms the virtues of private enterprise over bureaucratic collectivism, and are not platforms to which members need be rigidly pledged. The National party finds in the schematic socialism of the Labour programme little to attract and much to repel. But significantly, prior to the general election of 1938, it was careful to indicate that if elected it would not profoundly alter the main enactments of Labour. Its leaders well know that measures enlarging the functions of government are not easily reversed and that in any case what Labour had achieved was mainly to elaborate still further that structure of social services which in the past all parties had helped to build. While they are anxious to preserve as much private enterprise in the economy as possible, they also recognize that they must move with the incessant stream of social pressures. Least of all are they disposed to repudiate that long and well entrenched tradition in New Zealand's democracy of using the state as the political expediency of the occasion dictates. Thus the distinctions between them and Labour (except for Labour's left wing) are much narrower than might appear from the language of political debate. Even their programmes are not so divergent. Professor Wood has aptly remarked of the general election of 1938 that "electors who read both party platforms found that the detailed means by which the Nationalists proposed to preserve existing society were almost identical with those by which Labour hoped to lead the country painlessly toward the joys of socialism." In practice there is really no doctrinal chasm between the parties, and this fact is only what may be expected from the social nature of the democracy. The National party is composed of collectivists in the sense that the bulk of New Zealanders have been collectivists for three generations. Perhaps the real distinction between it and Labour is its hostility to a rigid and dogmatic scheme of social change and its inclination to exalt much more the principle of expediency. Hence today it is a better inheritor of the Seddonian tradition than Labour itself. It would specially emphasize that the prosperity of the country in the past had depended upon its extensive trade, and that flexibility in economic plans is imperative to

guarantee such trade in the future. But its members would still promote and ensure so many state services that they might still be aptly described in the words used by M. Metin of earlier New Zealand politicians as "*socialistes sans doctrines.*"

In virtue of its composition the National party has to possess a more flexible organization than that of Labour. Its members are less tolerant of a highly unified structure or of party regimentation. In the selection of candidates its leaders are mainly content to leave real power with a committee in each electorate, although occasionally the electorate may accept intervention from representative divisional councils, made up of delegates from the local committees. This party also has a national conference composed of its members in Parliament, delegates from the lower units, and representatives of women and junior organizations.

4

In their attitudes on foreign policy the political parties have rarely, except in the late thirties, been in disagreement, and seldom also in this matter have they engaged in acrimonious controversy. The cardinal issue of such policy has been the furtherance of the interests of New Zealand through intimate collaboration with Great Britain. Neither the Seddonian Liberals nor the Reform party ever seriously thought of acting out of harmony with the policy of Westminster, and their loyalty is explained by basic facts previously emphasized and significant to the present: the country is small, its population is dominantly British, it is isolated in the Pacific and hence vulnerable, and to Great Britain it is riveted by strong economic bonds. The policy of borrowing in London for public works, begun aggressively by Vogel in the seventies, early bound the New Zealand economy to that of the motherland. Trade followed loans. In no year between 1900 and 1939 did the value of the country's exports to Britain fall below 70 per cent of its total export trade, and thither it sent the bulk of its exportable butter, cheese, and

frozen meat. As the most dependent Dominion it has been the most loyal. But its loyalty has never blinded it to a recognition of its own interests; indeed its essential interests are protected by its loyalty. Its party leaders, moreover, have been stung on occasion to scold the imperial government for its indifference to the interests of New Zealand in the Pacific, especially to its early ambition to create an island empire in that ocean. But such restive moods did not really alter the long tradition from the mid-eighties, which grew stronger in the opening years of the twentieth century when political leaders came to value more than ever before the shield of British naval power.

On the issues of defence prior to 1914 New Zealand collaborated with Great Britain more promptly and more closely than did other Dominions, and exhibited a less conscious nationalism. When the neighbouring Commonwealth was engaged in building an Australian national squadron under control in times of peace of authorities at Canberra, the government at Wellington was content to create a New Zealand division of the Royal Navy.[4] It accepted without complaint the Admiralty preference for a unified fleet. "One sea, one Empire, one navy" was the accepted slogan of the era. The symbols of political nationalism rarely engaged the interest of its party leaders, who championed imperial federation when the dominant drive in the other Dominions was to enlarge their autonomy. Both Vogel and Seddon were early attracted by the federal concept, and to the end they were vigorous in its championship as the best means whereby freedom and responsibility within the Empire could be combined. They did not wish New Zealand to become subordinate to Great Britain; they sought only that she should possess a greater voice and influence in British foreign policy. At the Imperial Conference of 1911 Sir Joseph Ward, Seddon's successor as Liberal leader and prime minister, vainly lectured the assembled statesmen on the necessity of an imperial council as a step in the federal direction. After 1918 the attitude of leaders then in office towards the League

[4]See discussion in the admirable study by F. L. W. Wood, *New Zealand in the World*, 78-80.

of Nations reflected their jealous imperial loyalty. To the League they gave adherence because Great Britain was its sponsor, but rendered only half-hearted support, seldom sent adequate delegations to the assembly, and were apprehensive lest the international family with its *ménage* at Geneva might seriously rival the imperial family with its home in London. William Massey, with Ulster persistence, continued to believe that New Zealand should communicate, not directly through the League but indirectly through Great Britain after consultation, for he feared that the League would weaken the ties of imperial partnership. "He still thinks," wrote a close colleague in 1922, "that the League is utterly useless and our expenditure in relation to it wasted."[5] Since Great Britain and the other Dominions desired this new-fangled institution, Massey and his followers reluctantly accepted it. The immediate successors of Massey, especially Sir Francis Bell and J. G. Coates, showed a similar want of zeal. Not merely did they lack interest in the new internationalism and its institutional offspring, they also lacked interest in the new and aggressive nationalism within the Empire, which was notably expressed in the Balfour Resolutions of 1926 and later in the Statute of Westminster. For them the unity of the Empire was more vital than the equality of Dominion status, and their refusal to accept the Statute of Westminster was a natural outcome of their tenacious convictions.

While between the two older parties no appreciable difference existed on the issues of Empire and foreign relations, Labour by contrast had usually quite distinct views. In its early years and during the First World War it was dominated by a proletarian internationalism, and preserved its attitudes into the post-war period. But its change of front became evident in the early thirties. Shaken out of its doctrinaire pacifism by the ominous rise of Hitler, it developed, on attaining office in 1935, into an enthusiastic champion of collective international security, and repudiated the lukewarm attitudes of previous Governments towards the League of Nations. It was critical of the contemporary British

[5]Quoted in W. Downie Stewart, *Sir Francis Bell: His Life and Times*, 221-2.

policy of appeasement, and endeavoured to make the League more effective by vigorous enforcement of sanctions against aggressors. It took a more positive interest in the work of the International Labour Office, strengthened the delegations sent to Geneva, and required Parliament to ratify formally many of the Geneva conventions where no amendment was necessary in New Zealand law. This new attitude towards foreign affairs aroused the criticism of the National party, and almost for the first time in the history of New Zealand political parties came close to a fundamental cleavage upon the issues of external policy. Yet the internal problems of the community were still uppermost in public thinking, and the assertive independence of Labour was short-lived. During and after the Munich crisis the Labour leaders refrained from expounding a policy different from that of Great Britain. They may have felt that the settlement at Munich was wrong, but right or wrong it had to be accepted because it was the policy of the Mother Country, and to that policy they had in the final test to accede. They were quick to appreciate that New Zealand in her weakness could not pursue an independent course. With the menace of war, they reverted virtually to the traditional policy of other parties; namely, that the security of the Dominion demanded the most complete and harmonious collaboration with the British government. Such collaboration was promptly demonstrated when war eventually came in September, 1939. The statement of the prime minister, Michael J. Savage, then expressed the sentiments, not merely of Labour, but of the nation. "Where Britain goes, we go. Where she stands, we stand."

The decade of social experiment and strenuous war, 1936-46, greatly deepened the sense of New Zealand nationality. The bold ventures of a small state to cope with the circumstances of a difficult economic situation and to further the equitable distribution of wealth brought some friction between its social classes, but also nourished among most New Zealanders a pride in their experimentalism and impressed them as never before with the fact that by their own distinct efforts they must win economic security and social

betterment. Their destiny seemed to rest more clearly in their own hands. Even more influential on national consciousness was the sweeping change in the configuration of political forces in the world and the participation of the Dominion in the Second World War. As already emphasized, the long tradition of New Zealand was to rely for security upon the British Empire and in particular upon the Royal Navy. But the swift onslaught of Japan in the South Pacific in 1942 undermined this old tradition, and abruptly brought the island Dominion into new and intimate relations with the United States. Its naval defence was transferred to American control and its warships for the occasion passed under American command. The grim events of war did not weaken the desire of New Zealanders to maintain their close economic and cultural bonds with Great Britain, but these events made them recognize that no longer could they look for shelter and security within the British Empire alone. They must forge new links with nations in the region of the Pacific Ocean itself, and in particular must accommodate themselves to the circumstance that they lie within an American sphere of influence. At the beginning of the present century André Siegfried wrote of the New Zealanders that "England has solved for them all the most difficult questions of foreign, military and financial policy. They still have only to concern themselves with their internal affairs."[6] That benign age so encouraging to social democracy is past. The era of imperial guardianship in that sense is over, and New Zealand is directly responsible for its own role in world affairs.

[6]André Siegfried, *Democracy in New Zealand*, 53.

PART FOUR
SOUTH AFRICA

Chapter Fourteen

GEOGRAPHY AND HISTORY

Democracy in South Africa operates in a peculiar and complex social milieu which is distinct from anything in the other Dominions, a milieu profoundly shaped by the facts of geography and history, and to these facts we must logically turn in this chapter.

1

The Union of South Africa has an area of 473,000 square miles, or more than four and one-half times that of New Zealand, about one-seventh that of Canada, and one-sixth that of Australia. The distinctive topographical feature, which lends to the country peculiar physical unity and has deeply influenced its history, is the gradual rise of the land near the coast to the flat and rolling plains of the interior, ranging in altitude between 4,000 and 6,000 feet. Forty per cent of the total area is over 4,000 feet above the sea, and the largest urban centre, Johannesburg, is about 6,000 feet.

Latitude, altitude, and narrow shape combine to endow the greater part of South Africa with a climate approximating that of the Mediterranean, the altitude moderating the temperature northward towards the interior of the continent. Pretoria, for example, is almost the same distance from the equator as Benares in India, but for Europeans has not the same unpleasant heat. The mean annual temperature is remarkably uniform, that at Cape Agulhas, the most southerly point in the Union, being less than one degree different from that at Johannesburg in the high plateau. While the climate is favourable to the vitality of the white race, the extent of white settlement is profoundly affected by the relatively light

rainfall. Serried mountain ridges fringe the table-land near the eastern coast, and intercept the moisture-laden winds from the Indian Ocean, thus intensifying the dryness of the interior. Half the Union receives less than 20 inches of rain, and nearly 44 per cent of the Cape Province receives less than 10 inches. The annual mean precipitation for the Union as a whole is about 19 inches, and evaporation is high. Moreover, in most regions the fall is irregular throughout the year, often varies sharply from one season to another, and in some years may be no more than 15 per cent of the average, which usually means acute drought.[1] Except in the coastal area of the Cape Province, most of the rain falls in summer, usually in thunderstorms when it comes in torrential downpours which cut new gullies in the land, flow off quickly, magnify the erosion of soil, and involve loss of water in areas where it is urgently needed.

Related to these facts is the absence of navigable rivers. On the dry plateau the rivers meander usually in shallow valleys, and except in the months of heaviest rain can be readily forded by man or beast. Indeed the river beds are often waterless, or contain mere trickles of water on mud flats. In the mountainous regions of the east the streams rush turbulently in narrow gorges, and offer to navigation insuperable obstacles, while at their mouths extensive sandbars add a further impediment. In the past this absence of navigable and perennial channels greatly retarded South African development by hampering the opening up of the hinterland until in the later nineteenth century the railway became possible and profitable.[2]

The amount and erratic distribution of rain combined with physiographic limitations make the country in great part unsuitable for intensive cultivation and still less for forest growth. The coastal belt of Natal between the escarpment and the sea has a fair rainfall and a high mean temperature, and produces subtropical crops, especially sugar and

[1] On drought see Reenen J. Van Reenen, *Resisting Drought*; also F. E. Kanthack, "Capacity of British South Africa, South of the Zambesi to Absorb and Support People of European Descent" (*South African Geographic Journal*, Apr., 1941).

[2] Eric A. Walker, "Relief and the European Settlement of South Africa" (*Scottish Geographical Magazine*, XLVI, 1-9).

tea, as well as all varieties of citrus. The coastal valleys in the Cape which enjoy winter rain grow varied fruits, and near Cape Town excellent vines. Cereals, especially maize, may be cultivated over still larger areas of the coastal lands and also in portions of the interior plateau, but most of the extensive inland country or veld, with its slim and uncertain precipitation, is best suited, not for cultivation, but for pastoralism, particularly sheep farming. More than 80 per cent of the country is never likely to be used except for grazing.[3] Of some 300 million acres only some 13 million are cultivated, and in these irrigation is frequently necessary. Except for the mining area about Johannesburg and Pretoria, the great plateau is sparsely populated, varying in density from almost zero to about three per square mile, the density changing with the annual average rainfall. On the dry uplands pastoralism dominated the South African past, created the Boer and his peculiar culture, and to contemporary times deeply influenced the political life of the Union. Scanty rainfall determines that pastoralism must continue to be the means of using most of the land.

Yet today the principal source of exportable wealth is neither in crops nor grasses; it is underground in the highly mineralized plateau of the interior, rich especially in diamonds and gold, with liberal quantities of iron and coal. Prior to 1870 South African exports were mainly wool, mohair, hides, and ostrich feathers. The economy was then neither intimately linked with the external world, nor greatly sensitive to the changing currents of modern capitalism. The inhabitants lived by a traditional self-sustaining agriculture either on the bare veld or in isolated dorps. But the discovery of diamonds at Kimberley in 1870, followed sixteen years later by the development of gold mining on the Witwatersrand, created a revolution in the economic, political, and cultural life of modern South Africa. The new aggressive mining era rapidly transformed the eighteenth century economic structure, attracted from abroad abundant-capital, drew immigrants hungry for wealth, spurred general business, stimulated the growth of towns and the secondary industry within

[3] H. D. Leppan, *Agricultural Policy in South Africa*, 64.

them, quickened transport from the pace of the ox-waggon to that of the railway, strengthened the impulse of the white man to draw the native from his kraal into employment, and fostered a more diversified agriculture by providing a local market for food. Moreover it tightened the socio-economic bonds between the hitherto isolated regions, and thus laid the foundations of the future political union. It brought the country into closer contact with the commerical and financial centres of Europe, with profound influence on its politics. The most representative single event of the era was the founding of Johannesburg in 1886, round which rapidly grew the richest gold-producing area in the world, responsible in the period between the two world wars (1918-39) for at least one-third of the world's annual output of gold and in some years over one-half.

The mining is centred on the Witwatersrand, or briefly the Rand, a ridge extending for about 60 miles from west to east, and constituting a watershed between the Vaal and Limpopo Rivers. Here in Johannesburg and its satellite municipalities gold is found in vast low-grade sedimentary beds, and its extraction, which now requires much capital, is facilitated by the local geologic structure as well as by the general social environment.[4] Coal, fortunately near the gold, supplies abundant electric power, and a large reservoir of cheap native labour is at hand. Adequate water for washing the crushed rock is available, and the nature of the rock permits mining to great depths with minimum use of props, while the increase of temperature with depth is unusually low. The magnitude of the gold reef has given the industry its longevity, although owing to the fluctuating price of gold, prosperity has not been uninterrupted since 1886, and often seems precarious. Even as late as 1929 the government engineer estimated that the value of output would reach a peak in 1932, and in the next twenty years fall to approximately one-quarter of that value.[5] In 1932 the proposal that the government should subsidize the mining of low-grade

[4] In the thirties a capital expenditure of some £2 million was necessary in order to start a new mine in production. D. Jacobson, *Fifty Golden Years of the Rand, 1886-1936*, 132.

[5] *Ibid.*, 93. The estimate was prepared for the Gold Delegation of the Financial Committee of the League of Nations.

ore was seriously discussed.[6] But since that year the rise in the price of gold transformed the situation by making it remunerative to mine low-grade ore, and with a high price the industry will long continue to prosper and to stimulate the economic life of South Africa. It is however uneasily recognized that the assets of this extensive source of wealth resemble a receding tide, and when inevitably they are exhausted, the effects on the European civilization in the country are likely to be profound. Mining hitherto has provided revenue to bonus agriculture and other industries; it has been the giant Atlas holding much of the national economic structure on its broad shoulders.[7]

The geographic position of the gold reef in the high plateau has peculiarly fashioned the modern economic history of South Africa. Had gold and other mines been situated near the coast they would probably have given little stimulus to the development of the tableland; certainly the chief metropolis of the present Union would not have emerged in a purely pastoral area. But owing to the position of the mines deep in the interior, railways were necessary to replace the slow ox-waggons, and had far-reaching economic and social consequences in the life of the hinterland.[8] Today Johannesburg and its environs constitute the industrial and financial heart of the country, the focal point of the railway system in southern Africa, with steel arteries radiating to the ports, roughly 1,000 miles to Capetown, 700 to Port Elizabeth, 500 to Durban, and 380 to Delagoa Bay in Portuguese East Africa. The earnings on the long haul from the Rand to the seaboard help to sustain the network of lines for the country as a whole, and thus to subsidize rail transport in those intervening regions which might otherwise lack it altogether. Historically the struggle of the various ports and colonies for traffic to and from the Rand accentuated friction between

[6] *Report of the Low Grade Ore Commission*, 1932, chap. XIII.

[7] An estimate submitted to the Low Grade Ore Commission stated that about half the revenue of the Union is derived directly or indirectly from gold mining. The estimate was criticized by the then director of the census, but he was himself emphatic that "if South Africa was suddenly deprived of its gold mines, it would be a stupendous disaster." *Report*, paras. 23 and 25.

[8] As late as 1874 there were only 69 miles of railway, but rapid development was stimulated by mining in the subsequent years. M. H. de Kock, *Economic History of South Africa*, 345.

Boer and Briton, and took its place in the grim sequence of events which led to the Second Boer War and the ultimate absorption of the Afrikander republics in a unified South Africa.

2

Democracy in South Africa is distinct from that in other Dominions in being the rule of a white people who represent little more than one-fifth of the total population and are separated from the remainder by the grim barrier of colour and the attendant privileges of a ruling caste. This fact of a white minority dominant over a coloured and black majority and anxious to retain its dominance, even at the sacrifice of liberal principles, profoundly conditions the democratic experiment. There is here less of the racial reconciliation that liberalism would dictate than elsewhere in the Commonwealth, and one race clearly derives from its supremacy economic and social benefits. Significant also is the cleavage among Europeans themselves on the lines of culture and nationality, a cleavage between Afrikander Nationalist and Anglo-South African, produced and sustained by the circumstances of history. The past explains the complex racial and national issues of the modern community. From the landing of Jan van Riebeeck in 1652 to establish a garrison at the Cape, the colonization of the country was almost contemporaneous with the genesis of British and French settlement in North America, but the impulses behind it were different, and it failed to develop with comparable vigour.[9] Growth in population was hampered by remoteness from Europe, the unsuitability of the country for intensive cultivation, and the restrictive policies of the Dutch East India Company, which viewed the colony merely as a refreshment station for ships on the long voyage to the Indies. Nevertheless, Hollanders, Flemings, Huguenots, and some West Germans began to cultivate and raise stock in the valleys and coastal lands of the Cape, and from these

[9] An excellent short history is that by Eric A. Walker, *A History of South Africa*. See also C. W. de Kiewiet, *A History of South Africa: Social and Economic.*

mingled national elements developed the Afrikander people of today. Little immigration took place after 1700. Hence the Afrikander stock, like the French of Canada, is a small, seventeenth-century people planted in a new world under conditions that have fostered a conservative culture. They were mainly strict Calvinists, devoted to the Dutch Reformed Church which became and remained a powerful force in their public and private lives. The Huguenots lost identity as a French-speaking group, although, as French surnames bear witness, their strain in the present population is considerable.

For centuries the Afrikanders faced a harsh but open frontier that deeply affected their culture. When, as often happened, they found irksome the commercial monopoly and the other restraints of the Dutch East India Company, they sought a larger personal freedom by migrating further from the coast. The simple Boer became the Trekboer, the peculiar man of the frontier who with heavy ox-waggon and flocks pushed over the rough mountain passes to the interior plains, and became increasingly isolated from life at Capetown and its environs. The Trekboers resembled the Australian squatters of the nineteenth century in their perennial search for fresh grazing in the hinterland. But they were more sharply separated from the seaboard, built a community which over a longer period had slender bonds with the outside, and were concerned with a self-sufficient rather than an exchange economy. They utilized native labour, and never dominated the government at the capital. Remoteness from the centres of European civilization bred in them a mentality distinctive from that of Hollanders in Europe, fostered rugged and indigenous customs, and developed in the Taal or Afrikaans a vernacular, which by the close of the eighteenth century was in general use, accentuating the isolation imposed by geography.[10] "In the common life of the European peoples," wrote Olive Schreiner, "the Boer has had and could have, no part. Behind him like a bar, two hundred years ago the Taal

[10] *Cambridge History of the British Empire*, VIII, 166. Apparently 99 per cent of the Afrikaans vocabulary is Dutch. See E. G. Malherbe, *Education in South Africa*.

rose, higher and higher, and land-locked him in his own tiny lagoon."[11]

Shortage of labour in a remote seventeenth-century colony produced a slave régime, a fact which differentiates the South African social tradition from that of the other Dominions, and which to the present day has profoundly affected racial attitudes, helping to foster among Europeans the view that a white skin is the badge of superiority. The Calvinistic church of the early settlers did not inspire a strong missionary or humanitarian impulse, and its flocks, much influenced by the Old Testament, were prone to liken themselves to the children of Israel battling the Philistines. The church tolerated the subjection of the pagan native by the true believer, and by the end of the eighteenth century accepted the slavery of even baptized persons. Religion thereby deepened the Afrikander's consciousness of colour and race, as did also a long and bitter struggle for survival against Hottentots, Bushmen, and Bantu. The eighteenth and much of the nineteenth century witnessed the frequent repetition of bitter native wars, the memory of which, no less than the realities of the present, shapes the contemporary attitude of the European towards the native. The chief national festival of the Afrikander year, celebrated on the sixteenth of December as Dingaan's Day, characteristically commemorates a Boer triumph over Dingaan and his Zulus, a perennial reminder of the ancient Bantu peril. In the social heritage of the Afrikander colour discrimination has remained dominant.

The cleavages within the European population itself began with the British occupation of the Cape at the end of the Napoleonic War. Although no drastic change immediately occurred in the modes of government, frictions between Dutch colonists and British rulers soon developed over issues of self-rule similar to those in the contemporary colonies of North America and Australia. But a special irritant was the divergent views on the status and treatment of natives. Liberal and humanitarian ideas, which in the nineteenth century had begun to inspire British policy,

[11]Olive Schreiner, *Thoughts on South Africa*, 97.

clashed with the colour prejudices accumulated by the Afrikanders during a century and a half in South Africa. Attempts to ameliorate slavery by restricting the action of slave owners, combined with efforts to grant civic equality to native and coloured freemen, antagonized the old rural inhabitants, who were still further irritated by the complete emancipation of slaves in 1833 and by what they deemed to be inadequate compensation. But more important than any material loss (for farmers on the frontier had few slaves) was the resistless intrusion of new social values violently alien to their traditions. Under constant pressure of humanitarian sentiment at home and missionary opinion in Africa, the British government was disposed to grant equal rights to black and white, or at least sought to shape policy towards equality. To such action the average Boer set his face like flint. He viewed it as intolerable, morally wrong, and a threat to his secure and cheap labour supply. Irritated over the new status claimed for the black man, he and his fellows engaged in the central and epic event of Afrikander history, the Great Trek, wherein 12,000 Boers packed their belongings in ox-waggons and moved north from Cape Colony, seeking independence within the remote interior. Beginning at the close of 1835, the exodus flowed strongly in the late thirties, ebbed in the early forties, and left a memory which has remained to the present a dynamic influence in Afrikander nationalism, constituting the chief inspiration for popular history, patriotic novels, poetry, and drama.[12] The hopes of the Trekkers survive in many of their ancestors, and memory of the Trek makes it difficult to harmonize the Afrikander tradition with that of British South Africans.

This migration of the Boer was caused, not merely by the native issue, but by that restless impulse which from the seventeenth century had characterized him as a settler on the African frontier. He was always loosely rooted and irked by concentrated settlement because in a dry climate close and permanent occupation of the land threatened the

[12] *Cambridge History of the British Empire*, VIII, chap. XIV; also Eric A. Walker, *The Great Trek*.

security of his grazing, and drove him with his cattle and sheep in search of fresh pastures in the hinterland. His traditional trek lust was specially fostered in the thirties by hatred of the new British policy of auctioning Crown lands for cash instead of granting them freely. He was irritated by changes in the system of local administration whereby the Dutch landdrosts and local heemraden, or councillors representative of the burghers, were replaced by strange resident magistrates and civil commissioners. Hence he became determined to found in the north a community remote from an unsympathetic government with liberal ideas, hated rights for the black man, and novel administrative methods.

After the Great Trek, Cape Colony passed through the familiar stages of British possessions in the nineteenth century controlled by white populations. In 1853 it received a constitution which provided, not merely for an Assembly but an elected Legislative Council, the first upper chamber in the modern British Empire constituted by direct election, and a liberal franchise, with no discrimination on grounds of colour against any individual with the required property or income qualification.[13] Hence a number of the coloured and native people secured the vote, and the principle of equality in citizenship was established. The appearance of representative institutions was followed by the inevitable struggle to make the executive responsible, which achieved success in 1872. Like other self-governing colonies of the Empire, Cape Colony developed traditions of parliamentary rule, transmitted these traditions to modern South Africa, and for purposes of this survey pursued an uneventful constitutional career till in 1910 it entered the present Union.

Natal, by contrast, began in 1838 as the first independent state created by the Boers. But in 1843 the British government annexed it in order to guard the eastern flank of the Cape against native attacks. Once more the Boers pulled up stakes, and left Natal dominantly British in population, the main citadel of the Anglo-South African tradition.

[13]The constitution of 1853 is contained in G. W. Eybers, *Select Constitutional Documents Illustrating South African History, 1795–1910*, 45-55.

Administered at first as an integral part of the Cape, it became separate in 1856, and began slowly to evolve towards parliamentary rule. It was retarded much more than the Cape by the paucity of the white inhabitants among numerous natives, and hence by the much longer necessity for imperial protection. In 1893 it achieved full representative and responsible government, with the usual bicameral legislature, and like the Cape possessed a franchise which did not discriminate on grounds of colour, although its other conditions were such that few natives ever possessed the vote.[14] Prior to the Union, parliamentarism in Natal had insufficient time to become well established, and political parties in particular lacked the sturdy and developed character of those in the Cape.

Many of the Trekkers after withdrawal from Natal, established across the Orange River the Orange Free State, while others plodded north beyond the Vaal to found separate communities which ultimately became merged into the South African Republic, briefly known as the Transvaal. By the Sand River Convention of 1852 Great Britain recognized the independence of the Transvaal, and by the Bloemfontein Convention two years later abandoned any effective claim over the Orange Free State. This acceptance of independent and buffer states in the north was a gesture in the spirit of the current liberalism, especially in unison with the convictions of the Manchester School that colonies were costly to defend and no better customers than if they were independent. But the balkanization of a large and physically unified region produced almost constant frictions between the different sovereignties, prevented a firm and consistent policy towards the native races, and kept Boer and Briton in a state of inflamed and mutual suspicion. Sir George Grey, Governor of Cape Colony in the later fifties, vainly pressed upon Downing Street the necessities of federation, confident that the Orange Free State was then ready to join the British colonies in establishing a federal system.[15] Not

[14]See G. W. Eybers, *Select Constitutional Documents Illustrating South African History, 1795-1910*, 204-8.

[15]The correspondence is in A. P. Newton, *Select Documents Relating to the Unification of South Africa*, 1.

until the last quarter of the century did political leaders in London tardily begin to perceive the need for a unified South Africa, and then unfortunately, they pursued a vacillating policy, and failed to recover lost opportunities.

In the meantime the Voortrekkers discarded the British political tradition of the Cape, and created republican constitutions closer to the institutional pattern of the United States than to that of either Great Britain or Holland.[16] The grondwet of the Free State, drafted in 1854, was alterable only by a three-fourths majority in two successive annual sessions of the legislature, and provided for a single chamber, or Volksraad, and a president elected for five years with an executive partly elected and partly nominated. The president, without consent of the Volksraad, could not make important appointments, declare war, or sign treaties, and he had no veto on the acts of the Volksraad. The constitution also protected the rights of property, the subject, and the press, but its most salient trait was the painstaking effort of the Boer to achieve rule by consent, illustrated in the dominance of the popular legislature and of the elective principle. To the Volksraad the president, executive, and judges were held responsible. Officials including even field-commandants were usually elected instead of being appointed. It was the constitution of simple frontiersmen concerned with only the most elementary exigencies of government, jealous of their individual liberty, and anxious for close control of their rulers. In 1858 with less clarity and some differences in detail the political structure of the sister state was built on a similar plan.

This peculiar form of frontier democracy is without a counterpart in the history of other Dominions, and in South Africa it left a significant legacy. To the ardent Afrikander nationalists the era of the republic is their golden age. In it they seek political inspiration. To its symbolism they have clung, and in their endeavour to revive its institutions they often introduce conflict and frustration into the politics

[16]The constitutions are contained in Eybers, *Select Documents*. They are discussed by W. P. M. Kennedy and H. J. Schlosberg, *Law and Custom of the South African Constitution*, chap. I, and by James Bryce, *Studies in History and Jurisprudence*, I, chap. VII.

of the present Union. Moreover, as will be noted later, some political elements from the republican period have filtered into modern South African parliamentarism, and influenced its character. But not least significant was the example set by republican law respecting the relations of the races. While slavery was not recognized, the constitutions rejected as something alien and pernicious the liberal concepts of race which had made the Voortrekkers irritated with British rule in the Cape.[17] "The people desire," ran the original constitution of the South African Republic, "to permit no equality between coloured people and the white inhabitants of the country, either in church or state." This rigid dictum crystallized the rough convictions of farmers on the frontier engaged in a grim struggle with the Bantu for pastoral land and racial survival. To the present day it has continued to express a creed which shapes the character of South African democracy. The white man belongs to a special community of colour and privilege. With him are left the main keys of political and social power.

No less important than the existence of the republics in creating an Afrikander national tradition were the forces which destroyed them. Foremost among these was the potent sweep of British imperial expansion in Africa consequent upon the mineral discoveries, which made the subcontinent a rich field for investment rather than a mere link in a chain of imperial communications, and the explorations of Livingstone and Stanley, which fired British aspiration for an Anglo-African empire and the civilizing of a dark continent. Other influential factors were the recurrent and costly crises of the native question which with every loss of a human life emphasized the necessity for a uniform and effective authority from the Cape to the Zambezi, and the general emergence in England of that new and flamboyant imperialism of which Kipling was the poet and Seeley the philosopher. The discovery of diamonds at Kimberley in the seventies resulted in the annexation of Griqualand West, for which area the Orange Free State was compensated.

[17] *Ibid.*, 364. See also on this general theme J. A. I. Agar-Hamilton, *The Native Policy of the Voortrekkers.*

Disturbances in the Transvaal led in 1877 to annexation, in order, it was alleged, to save it from a Zulu attack. The prompt concession of responsible government might perhaps have then retained it within the Empire, but in the absence of promptitude some Boers revolted, established a provisional government, and in 1881 defeated a small British army at Majuba Hill. Gladstone, who still represented a liberalism hostile to costly expenditures on the ventures of empire, made peace, and granted the Transvaal autonomy under a vague British suzerainty.

The First Boer War and its outcome inevitably fired many Afrikanders with an ardent nationalism. Successfully they had tested their small power against British might, and the more militant among them assumed that with the aid of foreign states they could now drive the "English usurpers" from South Africa. But working powerfully against such aggressive Afrikanderdom was the discovery of gold on the Witwatersrand and the rapid emergence of a great industry, fed mainly by British capital and manned mainly by miners from the English-speaking world. The Uitlanders transformed the economic structure of the Transvaal, accentuated Anglo-Boer antagonism, strengthened the pressure towards British control, and furthered the aims of those, notably Cecil Rhodes, mining magnate and prime minister at the Cape (1890-6), who sought the ultimate reconciliation of the two white peoples in South Africa under the imperial Crown.

The expanding position of the Uitlanders led them to aggressive political action. Within ten years after the commencement of mining on the Rand, they constituted a large portion of the population, paid at least five-sixths of the taxes, and yet were restricted in political franchises and those administrative reforms necessary for the development of their industry.[18] The ordinary Boers being a pastoral people, believed in the minimum of government and were singularly reluctant to pay for it. For years their dilatory payment of taxes frustrated the best designs of the republican

[18]See *Cambridge History of the British Empire*, VIII, 554. A sympathetic discussion of the grievances of Uitlanders is contained in J. P. Fitzpatrick, *The Transvaal from Within*. A balanced view is contained in Eric A. Walker, *A History of South Africa*.

administrators. Although they derived immense economic gain from the mines, not least a full public treasury, the older inhabitants on the veld or in the scattered patches of settlement were irritated by the flood of English miners, from whom they were separated by a diverse culture. Lord Bryce, after his South African travels in the nineties, shrewdly commented that isolation on the veld had "kept the Boer fast bound in the ideas and habits of a past age, and he shrinks from the contact of the keen, restless, modern man, with new arts of gain and new forms of pleasure, just as a Puritan farmer of Cromwell's day might shrink were he brought to life and forced to plunge into the current of modern London."[19]

Paul Kruger, president of the Republic and a remarkably representative Boer, looked suspiciously upon the mining developments on the Rand, although he was not prepared to prevent them. Against British imperialism he pitted Boer nationalism, sought to round out the boundaries of his state by obtaining a port on the Indian Ocean, and endeavoured to preserve intact the traditional culture of his people. He made only grudging and fitful concessions, in so far as he made them at all, to the demands of the Uitlanders for a modern administrative system adapted to the needs of a new and powerful industry which had developed with remarkable speed.[20] Mine owners and miners, angered by the tardy concessions, agitated for the franchise, whereby they hoped to control the state, and in their frustration abetted incidents which severely strained relations with the Republic, notably the provocative blunder of the Jameson Raid, whence events moved grimly to the Second Boer War (1899-1902). The Transvaal was not then alone. In 1889 a military alliance had been formed with the Orange Free State, and, since the latter loyally respected its pledge, the struggle became one between the Voortrekkers and the imperial power from whose control sixty years previously they had sought to escape.

With the Peace of Vereeniging, in May, 1902, the two former republics were annexed and administered as Crown

[19] James Bryce, *Impressions of South Africa*, 473.

[20] In *Kruger: His Life and Times* Dr. Manfred Nathan delineates sympathetically the character and aims of Kruger as a leader of Afrikanderdom.

colonies. This régime was temporary, and in December, 1906, in the case of the Transvaal and in June, 1907, in that of the Orange River colony, the British ministry granted full representative and responsible government. At last, with the acceptance by the four communities of a common Crown and a common imperial citizenship, the divisions created by the Great Trek were partially obliterated. Yet the larger economic and political forces of the country pressed for a closer unity. The difficult problems of drought, tariffs, railways, and defence in territory suitable by nature to constitute a single state, combined with the ever ominous issue of governing the natives, suggested the creation of a common legislature as an act of wisdom. The unity emphasized by geography and advocated for half a century by far-seeing men became more urgent under the centralizing pressures of the twentieth century. Lord Selborne as an imperial proconsul re-argued the case for union in his *Memorandum* of 1907, comparable in its penetrating insight with Lord Durham's *Report*.[21] The logic of the situation was recognized, and from October, 1908, to February, 1909, a National Convention, with representatives from the four colonies, met to examine the issues of a closer union. The present constitution of South Africa was drafted, submitted to and accepted by the Parliaments of Cape Colony and the two former republics, and sanctioned by the people of Natal in a referendum. Embodied in an imperial statute in 1909, known as the South Africa Act, it came into force on May 31, 1910.

Thus two peoples, who hardly ten years earlier had engaged in a grim and bitter conflict, undertook to collaborate in the working of a democratic parliament, with different memories and different loyalties. For many among the Afrikanders it has not been easy to forgive and forget. The disagreeable past has remained a vivid present. The Second Boer War in particular left scars, physical and spiritual, and the introspection that accompanies them. Alongside of the

[21]Basil Williams (ed.), *The Selborne Memorandum: A Review of the Mutual Relations of the British South African Colonies in 1907*. Professor Williams explains the origin of the *Memorandum* and considers that Lionel Curtis was to it what Gibbon Wakefield was to the Durham *Report*. But Lionel Curtis probably played a much greater role in South African union than Wakefield did in Canadian self-government.

European population is a numerous and relatively primitive people whose wise management, difficult under any circumstances, is complicated by the clash of doctrines between the liberal and the anti-liberal. Too mindful of native slavery in the past and fearful of uncertainties in the present and future, most Afrikanders and Anglo-South Africans shrink from recognizing equal human rights except among those of a white skin, and this colour distinction inhibits the vitality of a liberal-democratic creed. From sensitive memories, distrusts, and fears come political and social tensions sharper than in any other Dominion, sharper, for example, than those of dual nationalism in Canada. At intervals since 1910 the sense of cohesion within the state has been feeble, the tempo of political passion fast, and compromise itself looked upon by a minority as a hateful betrayal of a sacred trust handed down from the past. Hence the rivalry of political parties is here not commonly a parliamentary game played with simulated feeling, but an intense struggle issuing from deep and conflicting loyalties. Under conditions so unpropitious parliamentary democracy has worked as the democracy, not of all the inhabitants in South Africa, but of the white people, and its relative success demonstrates the remarkable flexibility in democratic institutions.

Chapter Fifteen

LEGISLATIVE UNION AND ITS PROBLEMS

1

Parliamentary democracy in South Africa operates within the framework of a unitary rather than a federal state. The choice of a unitary régime resulted partly from a realistic appraisal by the National Convention of the peculiar necessities of South Africa and partly from a gloomy interpretation of federalism abroad. Most members of the Convention were convinced that such problems as those of drought, railways, and the natives demanded unification. With no little force they argued that under a federal polity the pressure to leave the railways with the provinces would be irresistible, and that an integrated rail system would no more be achieved than it had been in Australia. They were impressed by the warning of Lord Selborne that "no final remedy is possible so long as the through lines in British territory are managed in separate sections cut up by the political accidents of the past in a manner utterly at variance with the natural conditions of railway administration."[1] Political unity promised to be the best insurance of a unified railway system.

No less important in promoting legislative union were the vast and complex problems of colour. Since the economic structure of South Africa rested on black labour, every major phase of economic and social policy involved the native. No rigid division of power on the federal principle, however skilful, could ensure that decisive authority over all the changing ramifications of the native issue would

[1] A. P. Newton, *Select Documents Relating to the Unification of South Africa*, II, 96.

dwell with the central government. In its larger aspects native policy was indivisible, and could not safely be left to separate provinces. From north to south an uninterrupted line of native peoples lived in contact. Tribe was joined to tribe. A poll-tax in Natal might cause, as in 1906, a native uprising the repercussions of which would travel swiftly to the Cape and elsewhere. Conflicting policies at the same time in different parts of the country would create irritations and unrest. Moreover to the issue of the native was added that of the East Indian, who after 1860 had come to the sugar plantations of Natal as indentured labour, and whose descendants had strayed into other areas and other activities, including the crowded gold-fields of the Transvaal. The policy of Natal on indentured Indian labour clashed with the policies of its neighbours, and had already created for itself and for them acute economic and social problems. Thus the varied racial issues appeared to reinforce the argument for a strongly unified government.

The intertwined relations of Boer and Briton also seemed to indicate the wisdom of a legislative union. Unlike the two nationalities in the Canada of the sixties, where the mass of the French were segregated within Quebec, neither of the national groups in South Africa was confined to a single region. The Orange River colony was dominantly Afrikander or Dutch, Natal was dominantly British, but both had contrary minorities. The rural parts of the Transvaal were Afrikander, while Johannesburg and towns on the Rand were mainly British. In Cape Colony the eastern part was British, the western, except for Cape Town and its environs, was Afrikander. Here as in the Transvaal there was a racial distinction between the country and the town. The rural inhabitants tended to be Afrikanders, the urban, British. No colony, therefore, could pretend to represent solely one nationality, and the impulse to protect cultural claims by a rigid federal régime was greatly weakened. The leading statesmen of 1909 relied instead on a spirit of mutual tolerance and perhaps also on an ultimate integration of ideas between Afrikanders and British.

Moreover the inescapable legal difficulties implicit in

the federalism of Canada, Australia, and the United States made the idea of federal government repellant to most South African leaders. General Smuts had doubtless the most penetrating political mind in the Convention. He had been rigorously schooled not merely in the law but by the necessities of war, and out of his study and experience the conviction grew that in the United States the sovereign power was too much dispersed for modern needs, was broken into too many fragments to be effective in an age that required swift political action on crucial issues.[2] The example of American federalism, which impressed Australians in the nineties, was to him something to avoid. In order to escape a feeble and inefficient management of national affairs he favoured a legislative union, combined with suitable local institutions. The majority of the Convention leaned even more strongly to such a solution, and were less friendly than Smuts to a fully developed provincial system.[3] Some argued that the existing federations created excessive litigation and disruptive friction, that already in Australia the Labour party sought escape from federal embarrassments through unification, and that federalism would be costly and difficult to change when once adopted. The president of the Convention, Sir Henry De Villiers, had recently returned from representing the four South African colonies at the Quebec Tercentenary, and was evidently convinced by what he had learned of Canadian federalism that a unitary régime was preferable.[4] Thus within the Convention the dominant minds were united in rejecting a federal scheme, with the single exception of Sir Frederick Moor, the prime minister of Natal.

Natal in a sense is the Quebec of South Africa. In 1909 it represented most distinctly the cultural group which was likely to be a minority in any union of the existing colonies. Many of the Anglo-South Africans within its borders feared that in a unified state they would always be outvoted by a solid bloc of Afrikanders and that the heritage

[2]E. H. Walton, *The Inner History of the National Convention* presents a useful analysis of the discussions in the Convention.

[3]See Eric A. Walker, *Lord De Villiers and His Times*, 437.

[4]*Ibid.*, 434.

which they wished to cherish might be imperilled. To them federalism offered a better guarantee, and Sir Frederick Moor expounded their cause in the National Convention. Yet Natal did not fight the unitary proposals as stubbornly as Quebec would have fought such plans in the sixties of the last century. In fact a majority of its electorate accepted them in the referendum. The explanation is twofold. Natal was persuaded that the elaborate system of provincial government agreed to by the Convention would satisfy its ordinary needs. Then for ultimate protection it relied upon the imperial power. It did not feel itself to be such an isolated and helpless minority as the French in Canada. Indeed it hoped that immigration to South Africa might shortly redress the balance of numbers in favour of the English-speaking group, and change the cultural complexion of the country. Thus the provincial system is the South African substitute for federalism, and in cardinal respects it has operated remarkably like a federal system, even in creating many of its embarrassing problems.

2

Territorially, the provinces consist of the four former colonies, and to some degree are considered as units in the awarding of representation in the Senate as well as in the lower chamber. In 1910 it was widely and optimistically assumed that the provinces were merely provisional, destined in a few years to be abolished with the assured growth of national cohesion. But pertinent was the warning of R. H. Brand, secretary of the Transvaal delegates at the Convention, that "institutions when once they have been brought into being have a knack of refusing to disappear."[5] The provinces, although always subject to the overriding authority of the Parliament, have continued to survive on the original lines prescribed by the South Africa Act, nurtured by regional sentiment and opinion, and valued as a means of devolution, made especially imperative by

[5]R. H. Brand, *The Union of South Africa*, 75.

the virtual absence of rural local government in three of the original colonies.

In each province there are three chief organs of government: an administrator appointed and paid by the Union, a Provincial Council elected by the ordinary electors of the province, and an Executive Committee, consisting of the administrator and four others elected by the Provincial Council. The administrator, in whose name all executive acts are performed, superficially resembles a lieutenant-governor in a Canadian province, but he has more genuine administrative power and for certain purposes represents the Union government. He cannot be removed before the end of his official term except by the governor-general-in-council for a cause that must be communicated to Parliament. He sits in the Provincial Council, where he may debate but cannot vote, and in the Executive Committee acts as chairman with a deliberative and casting vote.[6] The four members of the Executive Committee, chosen after each provincial election, need not be members of the council, and are not like a cabinet bound to reflect the political attitude of the majority in the council. At the outset it was naively assumed that party divisions would not develop in the provincial sphere, and that the committee members would be selected solely for their administrative capacity. But vain indeed was the assumption that the influence of party could be excluded from an elected body. Today the common complaint is that the system has the defects customary to party government without its virtues. Struggles occasionally have occurred, especially in the Transvaal and the Cape, between council and committee, to the detriment of administration. It has often been recommended that in a clash on policy, the council should have power to remove the committee in accordance with the principle of cabinet rule.[7] But there is still strong reluctance to transform the Provincial Councils into miniature parliaments, although in the vigour and variety of their party warfare they resemble parliaments.

[6]South Africa Act, Sections 78-84.
[7]See *Report of the Provincial Finance Commission*, 1934, para. 98.

The Provincial Council, which has now a tenure of five years and is not subject to dissolution, has power to make ordinances on a wide range of matters, including direct taxes, the borrowing of money on provincial credit, elementary education, agriculture to a prescribed extent, hospitals and charitable institutions, municipal institutions, and public works within the province. Basic is the fact that all provincial ordinances must be assented to by the governor-general-in-council, and remain valid only as long as, and as far as, they are not repugnant to an act of Parliament. That provision distinguishes the South African provincial units from the provinces of Canada or the states of Australia; it measures the gap between a legislative and a federal union.[8]

The National Convention had assumed that through a legislative union South Africa would escape the legal rigidities and conflicting jurisdictions of federalism. Yet the provincial system itself has operated with almost as much recurrent friction as a genuine federal régime. In 1934 a commission of inquiry "was impressed by the battle for authority that appeared to wage continuously between Union and provincial officers on the many subjects in which they were mutually concerned. The suggestion to decentralise Union powers to the provinces met with the most strenuous objection by Union representatives. On the other hand, proposals made to detach certain functions exercised by the provinces and to coordinate these with Union departments met with equally strenuous opposition on the part of provincial authorities."[9] The essential fact is that rigidities may be political and administrative as well as legal. Administrative departments have vested interests, and no less in South Africa than elsewhere stubbornly fight to survive or to exalt themselves as centres of power. Elementary education, for example, was left by the South Africa Act for five years under the provinces. There for political reasons it continues to remain, and inevitably among the most sturdy defenders of the régime (though no doubt there are some exceptions)

[8] The legal position of the provinces is discussed in Kennedy and Schlosberg, *Law and Custom of the South African Constitution*, chap. XIII.

[9] *Report of the Provincial Finance Commission*, 1934, para. 21.

are the permanent public servants in the provincial departments of education.

Finance has been the most contentious issue, and the financial relations between the Union and the provinces resemble in some features those in the federal systems of Canada and Australia. In 1913 an attempt was made to create a permanent method of subsidizing the provinces from the Union treasury up to 50 per cent of their expenditures, while the other 50 per cent was raised by the provinces themselves. But the results were disappointing. The councils spent beyond their resources, and there was much duplicate taxing by the two authorities.[10] Hence in 1925 the financial relations were placed on the fresh basis of making provincial subsidies proportionate to the average number of children in attendance at school and of teachers in training, while special grants were made for native education. Instead of a general power of direct taxation the provinces were restricted to a specific list of taxes and levies, such as hospital fees, licences, amusement taxes, auction dues, and taxes on persons other than companies. The provinces derived revenue also from levies imposed by certain Union or pre-Union statutes. A subsidy proportioned to average school attendance was explicable in that education was the most costly provincial service, absorbing close to 70 per cent of the provincial budget, and the subsidy was intended to meet at least its minimum cost. Nevertheless there was deep concern that educational needs should be taken as an index to other public needs. The suggestion of the Provincial Finance Commission in the thirties that subsidies should be granted in inverse ratio to the density of population per square mile, supplemented by a flat rate, was rejected as too complicated, and dissatisfaction with the procedure adopted in 1925 remained.[11]

Finally in 1945 the Financial Relations Act provided a different arrangement, somewhat resembling that of 1913. Each province was to be subsidized by the Union to the extent of 50 per cent of its ordinary expenditure, and certain

[10] See *Majority and Minority Reports of the Provincial Administration Commission*, 1916; also *Report of the Provincial Finance Commission*, 1923.

[11] J. H. Hofmeyr, "The Provinces are Dissatisfied" (*The Forum*, Johannesburg, May 6, 1939).

needy provinces were to receive additional subsidies. The chief tax of the provinces was to be the personal income and company tax, levied as a proportion of that payable to the Union, along with a number of subsidiary taxes and licences. Significantly the provinces were to borrow only from the Union Government. It remains to be seen whether the arrangement of 1945 will long satisfy the provinces.

The Cape commonly complains that its extensive area and sparse population involve unusually high administrative costs not recognized in the subsidy. Natal objects that it has to serve a country containing a dense and backward native population. The Free State is disturbed by the fact that its capacity to pay is not comparable to that of the large and wealthy provinces and that it cannot, therefore, afford like services. Actually the two smaller provinces have hitherto obtained special grants to assist them in their peculiar difficulties. In all these matters the financial problems in the Union bear a singular resemblance to those in the federations of Canada and Australia. We encounter the same perennial complaint that national economic policy has a different effect in different regions, that provincial resources vary greatly in quantity and quality, and hence that some provinces are entitled to more generous contributions from the national treasury. Autonomy in large and diverse areas like the four political units in South Africa must inevitably produce these results whether or not the rigidity of federalism is present.

Many other problems of administration in South Africa resemble those of a federal state. The most frequent criticism is that the allocation of jurisdiction between provinces and Union has impaired the efficiency of certain social services, notably education, poor relief, and public health. The divided authority in education has in the past led to much confusion, and most of the experts would claim that in a thinly settled country education in its primary, secondary, technical, and higher branches should be integrated in a manner difficult under the existing division.[12] The Union in general has tended to enlarge its jurisdiction

[12] *Second Report of the Education Administration Commission*, 1924; E. G. Malherbe, *Education in South Africa*; A. J. Smuts, *The Education of Adolescents in South Africa*.

because the Provincial Councils have been indisposed to meet any educational expenditure beyond that paid for by subsidies from the Union. Hence virtually all vocational and industrial instruction has been transferred to the national authority, with wholesome results. The transfer has done something to equalize educational opportunity throughout the Union and has given administrative officials more generous freedom from the petty interferences of party politics. Since the provinces differ considerably in taxable resources, their capacities to finance the elementary schools are different, and the regional variations in educational facilities remind one of those in Canada. The most glaring deficiencies were long evident in native instruction because of a special unwillingness of the provinces to augment the grants from the Union. "The present system," complained a committee in 1936, "does not encourage interest but merely divides responsibility and stifles initiative."[13] Complete control by the Union of native schools would be preferable.

The South Africa Act made the provinces responsible for the maintenance of hospitals and charitable institutions and to these was later added poor relief. When the Union was established the necessity for national social services was no more sharply realized than in Canada within the same period. Here also the conviction prevailed that the lot of the indigent could best be ameliorated through the action of the provinces and municipalities. But more quickly than in Canada, where federalism made existing practice extremely difficult to alter, the national government came to assist the provinces with generous grants for destitute children, orphanages, mothers' allowances, and old age pensions. It dealt with these matters of welfare because it had larger financial resources and could better cope with problems national in range. By 1937 it had contributed to relieve indigency an amount ten times the total expended by the provincial administrations.[14]

[13] *Report of the Interdepartmental Committee on Native Education*, 1936, para. 276. This criticism is supported by that of other commissions. See, for example, *Report of Native Economic Commission*, 1932, para. 640.

[14] *Report of the Inter-Departmental Committee on Poor Relief and Charitable Institutions*, 1937, 8.

Yet in this growth of welfare policies there has often been a costly and confusing duplication in provincial and Union services. Such notably has been the case in hospitalization. The provinces were responsible for the general type of hospital concerned with ordinary sickness, excluding institutions for special maladies, which were brought by specific legislation under different departments of the Union government, with the results disclosed by an official commission.

> If you had a motor accident injuring your body, you would go into the general hospital of the province. If you developed insanity, you would go into the hospital of the Department of the Interior. If you contracted leprosy, venereal disease, tuberculosis or other infectious diseases, you would go into a hospital of the Public Health Department. And if you became a chronic sick patient, you would go into the special Provincial Chronic Sick Hospital. And if you developed into a border line mental case or an epileptic case, you would not be admitted to any hospital at all but would probably be placed in a police cell or gaol with a policeman or a prison warden for a nurse . . . until you could be committed to the appropriate institution.[15]

It is evident, therefore, that unitary government in South Africa has not escaped the jurisdictional embarrassments commonly associated with federalism. Parliament has ultimately the power to cut the Gordian knot by statute, but the vested interests of administrative agencies and the tenacious nature of provincial loyalties restrain action. Yet to some democrats this retarding of centralized administration is not unwelcome, and the political rigidities to which we have referred are almost inseparable from even a limited measure of autonomy. The crucial fact is that, while South Africa is not a federation, it is like Canada and Australia, a large and unwieldy community embracing many scattered social diversities. Time is necessary under democratic institutions to develop a more organic cohesion, and at present much more is involved than the efficiencies envisaged by the administrative expert. Despite these defects the existence of the provinces encourages the local play of debate on policies of interest; it facilitates some expression of regional sentiment and opinion, and meets a genuine need in the democracy. In 1934, South Africans,

[15] *Report of the Provincial Finance Commission*, 1934, para. 188.

especially in Natal, still felt a sufficiently potent provincial loyalty to insist on an act ensuring that the jurisdiction of the provinces was not to be altered or abolished except with the assent of the councils. It is evident that the councils will hardly be zealous for their own execution. This act cannot bind future Parliaments, but its spirit is likely to be respected as long as a substantial part of the public remains wedded to the present compromise between federalism and unification.

3

Municipal government is a major responsibility of the provinces. Its regulation and oversight is achieved through provincial ordinances, and its promotion, in the smaller units especially, depends upon the zeal and ideas of provincial leaders and administrators. The administrator of the province exercises a comprehensive supervision. He may unite municipalities, alter boundaries, approve, amend, or reject any by-law, and supervise the financial procedures of all authorities.[16] Even a metropolis like Johannesburg cannot levy more than a specific local rate without the sanction of the administrator. The restriction on local rates is commonly more stringent than in England, but otherwise municipal freedom is more generous. In any case it is not subject, as in England, to the interferences of numerous national departments.

The two broad features of municipal rule in the Union are its relative absence in rural areas, except in the Cape, and its robust development in the urban centres. In the Cape Province it retains much of its pre-Union character, consisting of divisional, village, and municipal councils and boards. Of these the most significant are the elected divisional councils, which govern territories embracing from one hundred to many thousands of square miles. They were first established in Cape Colony in 1855 with powers pertaining to roads, schools, and pounds. Provincial

[16]See, for example, *Local Government Ordinance of the Transvaal*, 1939, Sections 9, 96-113.

ordinances since 1910 have defined their present authority, which embraces such miscellaneous matters as local roads, bridges, ferries, vehicles, and within limits public health. The councils derive revenue from a land tax and other local taxes and licences, subsidies from the province, and specific charges for services rendered, such as those for water and sanitation. They have been extolled as successful agencies of municipal administration by the advocates in South Africa of genuine local government, and their extension to other provinces has been a recurrent theme of reformers and the substance of recommendations by commissions.[17] In any substantial sense such extension has never taken place. Hence today there is no system of rural local government in the other three provinces except school boards, whose functions are mainly advisory, and village and health committees, whose jurisdiction is limited in territory and in authority. This backward state of rural municipal institutions is attributable partly to the light rainfall and sparse settlement, but much more to the South African farmer's traditional dislike of a land tax. For generations the Boer of the northern veld lived in an individualist society where fiscal levies were few and where the antipathy to a taxing authority was deeply entrenched in the *mores* of the people, and that intense dislike is retained to the present. Hence throughout the country regions, the services of local administration are performed directly by provincial agencies.

Two-thirds of the white population in South Africa dwell in urban areas, and urban in contrast to rural local government is elaborately developed in all the provinces. It exhibits certain marked features. In organization it adheres mainly to modern British ideas and practices, especially in the election of councillors for at least two years from the wards of the town and the choice of mayors by and from the councillors. In the four principal cities of Johannesburg, Pretoria, Cape Town, and Durban, councillors have a tenure of three years, but generally a third retire each year. Unlike the prevalent practice in Canadian cities,

[17]See *Report of the Provincial Finance Commission*, 1934, paras. 109 and 111; also *Majority Report of the Provincial Administration Commission*, 1916, para. 101.

the councils do not delegate administrative authority over important civic services to semi-independent commissions, boards, or *ad hoc* committees separate from the council. They hold fast to the cardinal British principle of concentrating in the council full administrative responsibility. This fact is all the more significant in that the South African cities, influenced here again by British boroughs in the era of gas and water socialism, are directly accountable for numerous public services and varied public trade. Johannesburg, for example, owns and operates gas works, electricity stations, public transport, abattoirs, ice plants, and an iron-foundry and brickfield to supply other civic departments. In all these cases permanent officials act as managers under the direction of committees of the council. Contrary also to the usual Canadian practice is the extraction of profit from the public utilities in order to meet general civic expenses. The electricity department has made substantial returns above cost which it has poured into the general treasury. Indeed the varied public services have together contributed as much as 60 per cent of the gross income of the municipality.[18] Here clearly the procedure resembles more closely what is found in some countries of continental Europe than in the English-speaking world.

Another significant feature of the cities is their possession of extensive public lands which may be used or sold by the councils. Johannesburg has an area of some eighty-four square miles, Pretoria sixty-seven and Durban sixty. Opportunities are thus provided for town-planning, but seldom adequately realized because of the tardy and inadequate legislation of the Provincial Councils. Nevertheless the large area has an obvious advantage. It permits the cities to grow without the cramping interference of small and jealous neighbours, and enables a more equitable distribution of municipal income among all the citizens wherever they happen to live. Moreover it adds to the amenities of townspeople in parks, gardens and playgrounds, especially when it embraces an area of such rare beauty as

[18]Maud, *City Government: The Johannesburg Experiment*, 293.

the slopes of Table Mountain, wedged between sea and sea, within the boundaries of Cape Town.

The significant discussions in South Africa concerning local government resemble those in the other Dominions and hinge on the broad issues of centralization and decentralization which affect all modern democracies as swift technological change brings new social needs. But here the variant on this general theme pertains to the relations between the municipalities and the provinces. It is often argued that in the three northern provinces rural municipalities should be organized to absorb many powers now exercised by the Provincial Councils. It has even been pleaded, notably by the Provincial Administration Commission in 1916, that the provincial system might be abolished, that it constitutes only a fifth wheel in the government of the Union, that the provinces are too large to be truly significant agents of local rule, and that their continued existence merely smothers the emergence of genuine municipal institutions. Some of their powers might better be exercised by the Union; the others, in both rural and urban areas, could readily be taken over by municipal councils. In all this there is some force. Certainly the reform of local government has become linked to the fate of the provinces. But the argument does less than justice to the present utility of the provinces in the supervision of municipal institutions. It has been easier, for example, to obtain legal changes through provincial ordinances than through Union statutes. A provincial ordinance can usually be obtained within a few weeks with slight cost. An act of Parliament, on the contrary, involves much delay and many expenses. In any case, as already indicated, the provinces possess their own special role in the political life of the Union in persuading weak and anxious communities, like Natal, that their identity will not be swallowed up in a highly centralized state. The absence of complete national cohesion and the fears of a minority were responsible for the creation of the provinces. Their abolition is likely to await a more impressive growth in such cohesion.

CHAPTER SIXTEEN

PARLIAMENTARY INSTITUTIONS

PARLIAMENTARY institutions in South Africa resemble in essentials those in other Dominions. The King is the titular head of the state, the Cabinet as the active government operates in conformity with convention and law, the Parliament is bi-cameral, the lower house is dominant in legislation, a civil service acts with that effective anonymity characteristic of the British tradition, and political parties in accordance with the principles of free association ceaselessly struggle to control the government. But more significant are the institutional singularities which arise from the tangled skein of South African history and from the peculiar elements in the social environment. The four principal distinctions dwell in the special emphasis on national symbolism, the impact on cabinet government of the traditions derived from the Trekker republics, the painstaking efforts made in statutes to protect minority rights, and the halting and complicated attempts to give some electoral voice to the mass of native and coloured peoples who constitute a majority within the Union. Here parliamentary institutions have to be adjusted to the perennial manifestations of nationalism within the state and the cleavages of race and colour. Their flexibility undergoes a test that in rigour has no parallel in the other Dominions and that is likely in the future to become sharper.

1

The special emphasis upon institutional symbolism is illustrated in the controversies respecting the theory and position of the Crown, particularly in the decade 1924-34.

In other overseas Dominions the symbol of the Crown has been taken as a matter of course, except perhaps in those instances where its reserve powers were involved. But South Africa, like Eire, has found in it occasion for much political debate, for reasons that lie in the traditions and outlook of the Afrikander. In 1924 the Nationalist party under General Hertzog came to power, composed of men who as former republicans were anxious to assimilate the Union as closely as possible to an independent republic and to shake off all vestiges, however slight, of external domination. They accepted out of expediency the symbol of monarchy, but were resolved that the Crown should not conflict with their idea of an autonomous nation as a free member within the British Commonwealth. They were zealous to demonstrate that there was no mortgage whatever on the nation's sovereignty. Hence, in the imperial conferences of 1926 and 1930, General Hertzog expounded the doctrine of the divisible or plural Crown.

Not content with the resolutions of the Imperial Conferences or the Statute of Westminster, Hertzog sought by the Status of the Union Act and the Royal Executive Functions and Seals Act, both passed in 1934, to express formally within South Africa the implications of a divisible Crown, although two of his ministers at the time, General Smuts and Mr. J. H. Hofmeyr, did not wholly share his views.[1] These acts asserted that South Africa, in virtue of its own inherent rights, the resolutions of imperial conferences, and the Statute of Westminster which in part confirmed these resolutions, was an independent state whose sovereignty dwelt alone in the Parliament at Cape Town, and that the governor-general exercised the royal prerogative in every respect upon the advice of ministers without directions from London. The Status Act went beyond the Statute of Westminster in requiring that an imperial act, in order to be applicable to the Union, must be re-enacted by the Union Parliament.[2] Prior request and consent by the Union government were

[1] Mr. J. H. Hofmeyr was explicit on the issue. *Debates of the House of Assembly*, 1934, col. 1937.

[2] See discussion by Mr. R. T. E. Latham, in W. K. Hancock, *Survey of British Commonwealth Affairs*, I, 532.

not enough. All South African law must possess a local root, and equal status with Great Britain was not to be merely a matter of convention but of law. The oath of allegiance to His Majesty was revised in order to emphasize that the Crown was the Crown of South Africa. The Royal Executive Functions and Seals Act authorized a Royal Great Seal of the Union to replace in the conduct of foreign relations the Great Seal of the Realm, which hitherto had required the formal intervention of a secretary of state in the United Kingdom. Both statutes were intended in themselves as symbols to express nationhood more emphatically than those conventions which previously had governed the evolution of self-government in the Dominions and which had satisfied Australians and most Canadians. They reflected something of that spirit of dogmatic constitution-building traditional in the liberal nationalism of France and the continent. There was a genuine anxiety to emphasize that through these statutes a door was shut on the past.[3] The draftsmen of the statutes responded to the same currents of thought and emotion as contemporary leaders in the Irish Free State. In both countries nationalists possessed that spirit characteristic of a people who have passed through revolutionary change, and are anxious to proclaim their newly won liberties in a formal declaration. Acts of affirmation testified to the triumphant character of the national cause, and constituted a political symbol of national freedom, much as the Afrikaans language, fostered as something other than a lifeless curiosity, constituted the cultural symbol.

Moreover, the legislation of 1934 was intended to have concrete implications. To Hertzog it realized the aims of those Afrikanders who believed that true national liberty implied the right to be neutral if necessary in a British war and the right to secede. In exercising every royal function in internal and external affairs on the sole advice of his South African ministers, the governor-general presumably had the legal power to proclaim a neutrality or announce secession. But General Smuts, then minister of justice, doubted the

[3] Dr. N. J. Van der Merwe, a leading nationalist, considered that the legislation contained "the essence of republicanism." *Debates of the House of Assembly*, 1934, col. 1929.

right of secession by unilateral action, and he and Hertzog agreed to interpret differently the implications of the acts. In all these discussions he was a Burkian, disposed to question the value of the rigid legalism to which Hertzog was addicted, and emphatic that the issues of neutrality and secession could be settled, not by law, but only by the understandings and spirit on which the Commonwealth rested. "To my mind," he remarked in the debate on the Status Act, "these things, secession, neutrality, and the like are impracticable and academic. I do not believe that anything we can say in a constitution will settle our attitude or influence it when we come to the day of secession or to the day to declare our neutrality."[4]

The Status Act significantly broke with British tradition in making statutory the doctrine of ministerial responsibility for acts by the Crown. "Save," it remarks, "where otherwise expressly stated or necessarily implied any reference in the South Africa Act and in this Act to the King shall be deemed to be a reference to the King acting on the advice of his ministers of State for the Union."[5] But it did not alter functions which under the South Africa Act belonged to the governor-general, who still formally chose the executive councillors, appointed ministers to hold office during pleasure, retained command of the military and naval forces, and summoned, prorogued, and dissolved Parliament. Yet one important change affected his duties respecting legislation. Under Section 64 in the original South Africa Act he might assent to, refuse assent to, or reserve a bill "for the signification of the King's pleasure." All bills which altered the provisions dealing with the House of Assembly or abridged the powers and status of the Provincial Councils were to be reserved in order to protect the Cape coloured franchise on the one hand and the position of the provinces on the other. But in order to make the ministers in South Africa alone responsible for advising the King, the Status of the Union Act swept away the power of reservation except in a special instance, while it left the governor-general free to withhold

[4] *Debates of the House of Assembly*, 1934, col. 2080.
[5] Section 4 (2).

assent, to dismiss a prime minister (provided that he can find another), or to dissolve Parliament.[6] The King, or his representative, does not exercise all the prerogatives traditionally attached to his office in England; for example, under certain circumstances he may exercise the power of pardon but not the prerogative of conferring honours, creating courts of law, or coinage.[7] The actual choice and appointment of the governor-general has diverged little from the usual Dominion practice. From 1910 to the Imperial Conference of 1926, the British government was responsible for his appointment although it regularly consulted the government at Pretoria. After 1926 the commission of appointment was countersigned by the South African prime minister, who made the recommendation to the King. In 1937 Sir Patrick Duncan, then a minister in the Cabinet, was made governor-general, the first citizen of the Union to be so chosen.

2

The active executive or Cabinet broadly resembles its counterpart in the other Dominions and Great Britain. As in Australia, the ministers must within three months become members of either house, and abide by the salient conventions which regulate the conduct of British ministers. Yet the Cabinet exhibits some idiosyncrasies or departures from the British model, attributable in the main to the character of political parties in South Africa and to the traditions which have stemmed from the Trekker republics. In the republican era some of the executive councillors were elected by the Volksraad and some were nominated by the president. Unanimity in opinion and collective responsibility were not demanded; members were not required to agree either with the president or with one another. This republican tradition of a very loosely organized executive, coupled with the

[6] The special instance pertains to bills limiting the special leave to appeal from the Supreme Court of South Africa to the King-in-Council. See the Status of Union Act, section 10.

[7] The subject is discussed in Kennedy and Schlosberg, *Law and Custom of the South African Constitution*, 125-38. Also H. J. Mandelbrote, "The Royal Prerogative in the Union" (*South African Law Journal*, LIII, 426-40).

divergent ideas in the contemporary parties, explains the occasional disposition of South African cabinets to ignore the British rule of collective responsibility for important policy. Hitherto all the prime ministers of the Union originally came from the republics and were familiar with their institutions. The neglect of the principle of cabinet unanimity has obvious limits, and usually a point is reached where the individual with alien views must resign. Thus soon after Union, General Hertzog, while he was still minister of justice in the Botha Government, expressed opinions in sharp conflict with those of his cabinet colleagues on the major issues of immigration and bilingualism.[8] In due time Botha with some difficulty was forced to get rid of him. In 1925 Mr. Tielman Roos as a member of the first Hertzog Government openly attacked the proposed native legislation of his leader. Similarly in 1936 Mr. J. H. Hofmeyr criticized and voted against the Native Representation Bill, one of the most significant enactments since Union and sponsored by the Government of which he was a member.

The difficulties in governing so heterogeneous a community impose a special strain on cabinet rule, not unlike that in Canada. A Canadian can appreciate the force in the complaints of Deneys Reitz concerning the early Smuts Government of the twenties, in which he was a member that,

> When we promoted an official with an English name we were accused of pandering to the British; if a civil servant bearing a Dutch name was advanced we were accused of racial favouritism. If we taxed the gold mines, Johannesburg and its Reef towns were in an uproar. If we failed to tax them, rural politicians declared that we were in the pay of Hoggenheimer and the capitalists. Stretching a hand to assist one industry brought a flood of demands for equal treatment from a score of other enterprises.[9]

These diversified pressures within the community are not unique, but they further explain the readiness to reshape the traditional cabinet conventions.

In order to protect minority opinions within a country of numerous diversities, the founders of the Union provided for an elaborate structure of checks and balances in the parlia-

[8] F. V. Engelenburg, *General Louis Botha*, 249-50.
[9] Deneys Reitz, *No Outspan*, 50.

mentary system, especially in the Senate which is by far the most intricately devised second chamber in the overseas Commonwealth.

The Senate originally consisted of forty members, eight nominated by the governor-general-in-council and the remainder elected. One-half of the nominated members are selected for their knowledge of the reasonable wants of the coloured races in South Africa. The eight elected senators from each province are chosen by the joint action of the members of the Provincial Council and the members of the assembly for the province. The federal feature of equal representation for each province is intended to satisfy the sentiments and remove the fears of the smaller provinces, especially Natal. Both nominated and elected senators must be at least thirty years of age, qualified to vote, resident for five years within the Union, and European in descent. They must possess Union nationality, however acquired, and own immovable property worth not less than £500 above any special mortgages. Like the fathers of Canadian Confederation, the draftsmen of the South Africa Act anxiously sought an independent and responsible Senate, free of partisan bonds, but as in Canada, the disillusioned complaint is found that party spirit is too active in the Senate, and that divisions take place too often on conventional party lines.

Under the original act, no change was to be made in the Senate for ten years, and actually no drastic alteration has ever been attempted. In 1920 a joint conference of both houses under the speaker of the assembly discussed possible reform.[10] While it approved of the combined nomination and indirect election, it recommended the direct election of some members, the discontinuance of the property qualification, the shortening of the senatorial life from ten to seven years, and the inclusion of nominated as well as elected senators in a parliamentary dissolution.

Some of these suggested changes were subsequently made when the Nationalist party came to power in 1924 and faced

[10] *Report of Conference on the Future Constitution of the Senate* (1920). See also *Memorandum Relative to the Question of the Senate of South Africa*, a Senate parliamentary paper of 1917, which surveys extensively the problem of a second chamber in South Africa.

stubborn senatorial opposition to its principal legislation. In 1926 the Nationalist Government enacted that within 120 days of any dissolution of the assembly the Senate may also be dissolved, and the nominated no less than the elected members must vacate their seats. Obstructionism is thus overcome, the element of checks and balances is reduced, and a single party can dominate both houses. In 1936 a further if minor change was effected by the Representation of Natives Act, which provided for four additional senators of European descent, elected in four native areas by electoral colleges, varying in composition with local conditions. These senators retain their seats for five years, notwithstanding a dissolution, but have the usual privileges of their colleagues. In 1946 provision was made for two additional Europeans to sit in the Senate as representatives of the Indian population, one to be elected by the Indians and one to be nominated by the Government.

The Senate may reserve and veto general legislation, but in matters of finance it has less power than the Australian Senate and no more than the Canadian. It cannot originate bills to appropriate revenue or impose taxes. Nor can it amend bills in so far as they impose taxes and appropriate revenue, but it may reject outright a money bill.[11] These provisions have brought it into an occasional conflict with the assembly. In 1933, for example, it amended a Railway Construction Bill in order to delay construction, and despite previous rulings to the contrary, its president contended that the amendments were constitutional, while in the assembly the clerk complained that, since the bill involved "indirect" charges on public funds, it could not be amended by the upper chamber.[12] Apart from controversy over such divergent interpretations of senatorial power, it is often pleaded that, since the Senate has no right to amend financial bills, it should at least possess the same privilege as the Australian Senate to suggest amendments. Between 1910-19 it sought to

[11]Section 60. The Senate is not prohibited from amending bills which incidentally impose taxes, but is prohibited from amending the taxational clauses of these.

[12]See the controversial points in *A Memorandum by the Clerk of the Senate on Position of the Senate with Regard to Money Matters*, 1934; and *Memorandum by the Clerk of the House of Assembly on the Financial Powers of the Senate*, 1934.

assert this privilege in bills which it originated, but the practice was challenged, and in any case was never recognized by statute. The joint conference on the Senate in 1920 had vainly recommended the right of suggestion, without which, many senators still complain, the chamber's usefulness is limited. But the most frequent complaint, as in Canada, is that important bills are first introduced to the assembly, and are brought to the second chamber only in the dying hours of a session when they cannot be adequately discussed. Governments make little use of the Senate even though ministers may attend its sessions and introduce and explain bills.

Joint sittings between the Senate and House of Assembly may be held either to amend certain entrenched sections in the South Africa Act not amendable by a statute passed in the usual way, or to remove a deadlock between the houses in ordinary legislation.[13] The original entrenched sections dealt with the safeguarding of provincial representation in the assembly, of the colour franchise in the Cape, of the equality of the English and Dutch as official languages, and of the rules governing amendment of the act. The conditions which required a joint sitting in amending Sections 33 and 34 concerning provincial representation no longer apply. But to amend the other sections (35, 137, and 152), a joint sitting is still necessary, at which the repealing or amending bill on the third reading must be accepted by not less than two-thirds of the total number of members in both chambers.[14]

When South Africa accepted the Statute of Westminster, the legal guarantee behind Section 152, providing for joint sittings to achieve amendments was removed. If formerly a Union act violated Section 152, it was not enforceable by the courts because of repugnancy to a British statute applicable to the Union. Since such repugnancy is no longer possible, the Union Parliament is legally competent to repeal or amend the entrenched sections without observing the requirements

[13]For a useful discussion see D. H. Visser, *Journal of the Society of Clerks-at-the-Table in Empire Parliaments* (1932), I, 25-30.

[14]Section 35 was significantly amended by the Natives Representation Act of 1936. Since 1910 five joint sittings have been held under the entrenched sections, namely in 1918, 1925, 1929, 1930, and 1936.

in Section 152, a fact made clear by a decision of the Supreme Court in 1937. At its passage the implications of the Statute of Westminster were well understood, and for South Africa no safeguards were introduced like those intended to protect the constitutions of Canada, Australia, and New Zealand. But there was an understanding between political leaders, expressed in 1934 by the speaker of the assembly, that in future amendments of the entrenched sections the procedure of Section 152 in the South Africa Act would be followed.[15] Time alone will determine whether this procedure is to become a rigid convention of the constitution.

Joint sittings between the two houses to overcome deadlock in ordinary legislation are governed by Section 63 in the South Africa Act.[16] When the Senate rejects a money bill, the governor-general may call a joint sitting within the same session. In other than money bills the contentious measures, after senatorial rejection or amendment in one session, must be reintroduced in the next, and, if the houses still disagree, the governor-general may convene a joint sitting, at which only a majority of the combined membership present is necessary for passage of a bill, unlike joint sittings under Section 152, wherein the proposed bill must be accepted by two-thirds of the *total number* of members of both houses. Significantly, for bills initiated within the Senate, no provision exists for a joint sitting, a fact which tends to confine the introduction of contentious measures to the lower house. In contrast with the Australian law, no dissolution of Parliament is necessary before the convening of a joint sitting. The number of members in the South African Senate, moreover, is less than one-third that in the lower chamber, whereas in the Australian Senate it is one-half, a fact which gives in the latter case a greater weight in a joint sitting to the upper house.

Like the second chambers in the other Dominions the Senate of South Africa has played no very distinguished role within the state. In its ranks it has some men of mature experience and unquestioned ability who can discuss national

[15] *Debates of the House of Assembly*, 1934, col. 2736.

[16] Between 1910-40 joint sittings under Section 63 were held for three bills, and in each case the contentious measure was accepted.

issues with force and insight. The four senators elected by the natives lend it an element of expertise since, with a wide knowledge of the native question, they can set a high standard in intelligent debate. Nevertheless, it has tended to suffer the inevitable fate of a second chamber in a parliamentary régime wherein the executive is immediately responsible to the popular house. Unlike the American Senate it cannot become an aggressive participant in public affairs because, aside from the work of legislative revision, it is without distinctive functions. It does not attract great public interest, does not control the ministry, and lacks special legislative or other power. It usually incurs the hostility of organized labour, which regards it as an objectionable check on policies deemed democratic. The younger and more brilliant political leadership inevitably gravitates to the House of Assembly, where parliamentary distinction is to be won. Like the Canadian Senate it was intended to possess an Olympian quality, "undisturbed by the turmoil of party strife," as a member of the National Convention phrased it. But despite the involved method whereby it is constituted, it is no more distinguished for impartiality than the Canadian Senate. It is sometimes regarded as a voice of minority attitudes, especially the attitudes of Natal and the native peoples, but obviously it is not likely to express a minority opinion which cannot also be voiced in the House of Assembly. South African statesmen reveal no marked enthusiasm for its present character, but they are too conscious of the difficulty in devising a superior substitute and too loyal to the traditional principle of bicameralism to undertake a drastic change, and thus ingloriously it survives on tolerance.

3

The 150 members of the assembly are chosen in single-member constituencies by direct popular vote for five years, and must meet in session at least once every year.[17] They

[17]Section 22 of the South African Act. See Kennedy and Schlosberg, *Law and Custom of the South African Constitution*, chap. XI.

are required to be persons of European descent, qualified electors, resident in the Union for five years before election, and subject to the usual disqualifications for crime, insolvency, and unsound mind. After each quinquennial census the representation in the assembly from each province is adjusted by a Delimitation Commission of three judges from the Supreme Court of South Africa. While the provincial quotas (the parliamentary seats per province) are based on the number of the European adult population, the constituencies within each province are based on the number of registered voters, a provision which at least prior to 1940 enhanced the political power of the platteland *versus* the towns, because the plattelanders were more permanently settled and generally more anxious to register.[18] The political position of the farmer is further strengthened by the Delimitation Commissions, which give a special weight to the rural voter by an involved method of arriving at the quota for each constituency. Thus, after the delimitation of electoral areas in 1937, it was estimated that a single rural voter counted for more than two urban voters.[19] This emphasis upon representation for the platteland was long denounced by the town dweller as a violation of democratic principles, and compulsory registration was advocated in order to increase the number of registered voters in the towns. But Afrikander nationalists were stubbornly opposed to change because the bulk of their support was derived from the country, and they were disposed to accept the simplified view that the difference between the platteland and the towns on the electoral issue was merely that between nationalism and imperialism. Nevertheless in 1940 an Electoral Laws Amendment Act partially remedied the patent defects of the system with compulsory registration and a reduced residential requirement.

In South Africa the franchise has always been a more contentious issue than in the other Dominions. Indeed it has aroused fierce political passion for it constitutes the citadel of white supremacy, guarding the existing complex racial arrangements. In the Boer republics the native was

[18] *Report of the Select Committee on the Operation of the Electoral Law* (1939).
[19] *Debates of the House of Assembly*, April 3, 1940, col. 4256.

denied the vote, while the Cape, where at the outset imperial policy prevailed, granted it to both coloured and natives provided that they had the necessary qualifications of property and by later requirement literacy. The National Convention logically enough sought a common franchise for the whole Union, but signally failed to reconcile the liberal ideas of the Cape with the stubborn opposition of the Transvaal to any equality of black and white. The only agreement then possible between the two divergent attitudes was embodied in Section 35 of the South Africa Act, whereby the national Parliament might prescribe a uniform franchise provided that it did not disqualify by reason of race or colour those already entitled to vote in the Cape. To the future was left the achievement of a uniform enactment, and during the subsequent twenty years separate requirements for the vote prevailed in the four provinces.

In 1930 the Parliament of the Union enfranchised all white women, and in the next year all white males over twenty-one years. Thus, although the existing native and coloured franchise in the Cape was not directly attacked, its flank was effectively turned by the blanket enfranchisement of men and women of European extraction throughout the Union, and it lost much of its former significance. In 1927 the total European vote was 300,860, compared with a non-European vote of 40,860. By 1933 the European vote had risen to 886,592, while the non-European had remained approximately the same. Such in brief was the significant effect of the acts of 1930 and 1931. A further modification of the Cape franchise came with the Representation of Natives Act of 1936, which provided that the natives, previously scattered in the various electoral divisions of the Cape, be now grouped on a separate roll and entitled to elect three special members of European race to the assembly, one for each of the electoral areas into which the province was divided.[20] The advantage of this provision was that the

[20] Act no. 12, 1936, sections 6-7. The coloured and Asiatic voters in the Cape Province were still to be listed on the same registers and to vote for the same candidates as the white voters. In 1937 the Cape had 1,462 Asiatic, 25,238 coloured, and about 12,000 native voters. The act of 1936 also provided that the natives should elect two members to the Provincial Council.

natives obtained three members exclusively of their own choice and necessarily devoted to their interests, but at the same time their influence on the rank and file parliamentarians from the Cape was lessened.

Related intimately to this whole native electoral issue is the potent fact that a considerable section of white South Africa, owing to its tenacious traditionalism, has been less ready than Australia and English-speaking Canada to accept the liberal-democratic case for universal suffrage. The enfranchisement of women, for example, came tardily in 1930, and even then faced stiff opposition from the older and more fervid exponents of Afrikander nationalism, dominated by the ideas of the Trekker republics. The then minister of justice, General Kemp, deprecated the female franchise as something "in conflict with the intentions that the Creator had for women."[21] Others contended that among the Voortrekkers, women without franchises had played a heroic part in preserving the race, and that what satisfied them should satisfy the women of today. "If dear old President Kruger," remarked one member, "were on the floor of this house what would he say of women's suffrage." The argument of General Smuts that the other Dominions had long before enacted a female franchise was met with the heated rejoinder that "President Kruger said that we must not go to other countries and look for novelties there." The speaker was certain that the measure would plunge the country into darkness. Such exaltation of the ideas of the past had then no counterpart elsewhere in the overseas Dominions except perhaps in Quebec.

In its internal working the House of Assembly resembles broadly the commons in Great Britain and the lower chambers in the other Dominions. Like them it elects its speaker, who presides at the ordinary sessions and is respected as an umpire, but is less removed from party attachments than the speaker in the British house. Like his counterpart in Canada, he is ordinarily opposed in his constituency, and outside Parliament, even at other than electoral periods, he will

[21] *Debates of the House of Assembly*, 1930, 1532. Other quotations in this paragraph are from the same debate.

at times deliver political addresses. In his absence the elected chairman of committees takes his place, presides usually over the committee of the whole house, and presents its reports. The rules of procedure and debate are framed on those which operated in the Parliament of the Cape, which in turn were modelled on the traditional rules of Westminster.[22] An improvement on the British procedure was the rule adopted in 1916 whereby a public bill may be proceeded with in the next session at the stage reached in the preceding session, provided that in the interval no dissolution took place.

A notable feature in the assembly is the activity of special committees. By a resolution of the house the government may have committees appointed to shape the character of public bills, and in the past it was often complained that to such committees the leaders in office too readily shifted responsibility for crucial legislation. Immediately after the Union, cases occurred where the Cabinet permitted the refashioning of its most important bills by select committees in a manner that would not be tolerated by a British cabinet. General Smuts then described as meritorious a system "under which the Government had not much directly to do with the legislation of the country. The work of the Government was to administer and the work of parliament to deal with legislation."[23] It was aptly remarked by the *Round Table* that "a ministry which can calmly accept the complete recasting of its bills by select committees, the majority of whose members are drawn from its own followers, must be either very weak or very cynical." The Cabinet was then reluctant or unable to provide a vigorous lead in legislation because it lacked cohesion, and parties were not thoroughly disciplined. But whatever may have been the personal leanings of General Smuts in 1912 towards a doctrine of separated powers, the subsequent and consistent tendency has been to enlarge the Government's responsibility for legislation. Parliamentarism in South Africa has certainly not substituted committee for cabinet domination. No less than in Canada and Australia, the Cabinet plays the

[22]Section 58 of the South African Act. See also Kennedy and Schlosberg, *Law and Custom of the South African Constitution*, 219-44.

[23]Quoted in *Round Table*, IV, 491.

decisive role. In 1936 a Labourite in the assembly complained that "the ordinary member of Parliament in this house is a political nonentity."[24] He contended that even the sessional select committees, such as those of public accounts, native affairs, railways and harbours had inadequate powers and exercised only a minor influence on the Government. "I notice," he remarked, "that the first item in the report of the Public Accounts Committee of last year refers to a recommendation which has been made consistently since 1912." Nevertheless, even in recent years, select committees often profoundly influence the mind of a Government concerning legislation. There has been a tendency to refer a bill to a select committee before second reading, partly to obtain at the outset an agreed measure, and partly to free the Government from the task of making preliminary investigations. In such cases the committee is empowered to consider the whole subject, and may amend freely. But if the committee receives a bill after the second reading, it cannot make amendments in conflict with the principles of the measure already approved by the house.

In 1927 a select committee was appointed to examine the crucial native bills and in 1930 a joint committee of both houses was entrusted with the same task. These committees had every chance to be effective because the members of the Government could not themselves agree upon the projected legislation. Moreover there was a feeling throughout the Union that cleavage along ordinary party lines should be avoided on an issue which affected the white people so profoundly as native representation. The select committee in 1927 was intended to achieve agreement before the bill was submitted for a second reading. In the case of private bills, select committees consistently play an important part, examining them after their first reading, receiving petitions on any grounds of opposition, hearing counsel if necessary, and reporting their full proceedings to the house. But in South Africa as elsewhere the private bill has now a restricted scope in general legislation. Significant is the Select Committee on Public Accounts, which is used more often than in

[24] *Debates of the House of Assembly*, 1936, col. 534.

either Canada or Australia. It receives the annual report of the controller and auditor general, on the basis of which it may question the heads of departments concerning audit criticism or more widely concerning administration. It generally contains a majority of the government party, and is presided over by a prominent member of that party. Its annual reports provide a varied fund of information on aspects of administration, and bear testimony to painstaking labours.

4

In the quest to achieve an efficient and responsible public service the Union has faced problems similar to those of the other Dominions and has adopted like procedures. But unlike Canada and Australia, it has a single public service for both national and provincial departments, with a free transfer of officials back and forth. This important fact is a product of union, and in turn contributes something to its success. Under the South Africa Act the governor-general-in-council is authorized to create a public service commission with powers relating to the appointment, discipline, retirement, and superannuation of public officers under the determination of Parliament. Established in 1912, the commission during the first nine years (1912-21) had too little authority for effective action. Its recommendations were often ignored, or overruled by the government, and its impotence reduced respect for it throughout the service. From 1915 to 1921 its major tasks were performed by the treasury, because the government, confronted by the complex issues of the war, was then reluctant to delegate power to independent bodies. But in 1918 prevalent discontent among public servants led to the appointment of the Graham Commission, whose fifth report condemned as a "tragic failure" previous experiments, and for the future prescribed a strong and independent body to achieve more efficiency. In 1923 this recommendation was partly implemented in a statute which constitutes the foundation of the present system.

The Public Service Commission, whose members are

appointed for five years, has wide powers to recommend appointments and promotions in all divisions of the service; to grade, classify, and regrade posts; to reorganize departments and offices; to retire persons after such reorganization; and to further economy and efficiency within departments by improved procedure and closer supervision. Every recommendation must be implemented unless the governor-general within six months authorizes its entire rejection. Thus the power to reject is not left to the discretion merely of a single minister. In cases where the governor-general does not accept the advice tendered, the Commission must fully review the facts either in a special report or in its ordinary annual report to Parliament. Hence the Government is compelled to have substantial reasons for rejecting a recommendation of the Commission, which is expected to consult with a Public Service Advisory Council of eight members, established under authority of the act of 1923 and broadly patterned on the British Whitley councils. Public servants occasionally criticize the Commission for subservience to the Government and for failure to submit to the council the really crucial issues, such as revision of salary scales. Yet, if the Government leans towards treasury control, the public servants hurry promptly to the defence of the Commission.[25] The commissioners have not adopted the recommendation of the Graham Commission to recruit *via* competitive examinations, but instead use the matriculation as a qualifying standard of education, requisite for entrance to the clerical grade, whence promotion may be made to the administrative division.

The independence of the Commission has been challenged most often in its relations with the treasury, which in South Africa is simply the minister of finance or officers acting under authority in his department.[26] In the early period the treasury was unwilling to recognize that the Commission should be given control over internal arrangements with financial implications. It was then obviously influenced

[25]Evidence submitted by the Public Servants' Association in the *Report of the Select Committee on Public Accounts* (1939).

[26]The powers of the treasury are laid down in the Exchequer and Audit Act of 1911, which was based on the famous British Act of 1866.

greatly by the practice of the British treasury, and looked upon the Public Service Commission as having no more power than its counterpart in Great Britain. But under the new régime after 1923, this position was untenable, and the pressing problem became that of developing wholesome collaboration between the two authorities. It is usual for the Commission to consult the treasury on staff proposals involving additional expenditure, while in cases of conflict, an appeal is made to the Cabinet as final arbiter. The arrangement appears to work with reasonable smoothness, although the treasury does not consider that its legal power is sufficiently extensive.

Chapter Seventeen

NATIONALISM AND PARTIES

Like Canada, South Africa is bi-national and bilingual. Close to 60 per cent of its white population is Dutch (mixed with German and French elements), and something under 40 per cent is British. But with Canada the contrasts are in certain respects pronounced, notably in the more stark separation of the parties along national, or in the current South African term, racial lines. The political alignments of the twentieth century still reflect the antipathies generated in the struggles of Boers and British in the nineteenth and the convictions of some Afrikanders that their primary duty is to achieve the ideals of the Voortrekkers. On the platteland especially, the Afrikander responds to a mythology fashioned in the struggle against the British for political independence and cultural survival. He is inspired by a deep traditionalism, and when confronted by a contentious issue is often disposed to cry out, "What would the Voortrekkers do?" Hence the cleavages on lines of social class and economic interest have intruded less candidly into party politics than in the other Dominions; for, although they are important, they have been obscured by the more exciting and absorbing passions of nationalism. Yet despite these national tensions and struggles South Africa under liberal democracy has quickly achieved a workable and significant balance of cultures on which the state at present rests. Owing to the firm hold of liberal and democratic concepts and much mutual tolerance, contending successfully with passion, the Union is a notable experiment in dual nationalism, and accepts the symbols of such nationalism, notably that of two officially recognized languages, English and Afrikaans.

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The controversies over nationalism are evident in the stormy history of the parties since the grant of responsible government to the former republics after the Second Boer War. In the two northern colonies, groups came to power in 1907 which were mainly Dutch in nationality and rural in social structure. In the Transvaal, Het Volk (the People), led by General Botha, was the dominant group in the legislature. In the Orange Free State a similar party, the Orangie Unie, emerged under the influence of the veteran statesman of republican days, Martinus Steyn, and, since the British population was here a smaller minority, the Orangie Unie was more powerful than Het Volk in the Transvaal. In the Cape the Dutch party, long known as the Afrikander Bond and renamed the South African party, had closer personal and ideological links with the English-speaking people. Prior to 1910 Natal, where the Dutch constituted a meagre minority, was the only colony whose political life was not marked by a deep national cleavage. Indeed parties of any kind were immature here; in the first elections after Union eleven of the seventeen representatives from the province were Independents.

The choice of General Botha to form the first Ministry under the Union was intended by the British government as an auspicious gesture. John X. Merriman, the English-born prime minister of the Cape, might reasonably have been chosen because of his commanding ability, parliamentary experience, and the wide esteem in which he was held among both Dutch and British. But Botha, a heroic leader of the late war, possessed not merely vast prestige among his own people, but those magnanimous qualities essential if the ideal of racial *rapprochement* dominant in the National Convention were to be realized. He could best further that emergence of "a union not of top-dog and under-dog, but of brothers," to which he and Jan Smuts aspired—a South African nation which would resolve the sharp frictions of the past. He viewed the act of 1909 as intended to

obliterate among his people memory of the conquest and to usher in a new era wherein Boer and Briton should cease their strife. His ministers, mainly Afrikander, were drawn from the previous colonial administrations. The South African National party which sat behind him in the new legislature was a merger of Het Volk, the Unie, and the South African group in the Cape, along with those Natalians who were prepared to collaborate. In opposition there emerged the Unionist party, consisting of South Africans of British extraction, fearful that the rule of the conservative rural Dutch would impede economic development and menace British interests. The Unionists were backed by the enlightened, aggressive capitalists of the Rand, and for a short period were led by the former colleague of Cecil Rhodes, Dr. Starr Jameson.[1] There was also in the assembly a small Labour group, British in nationality, drawn mainly from the mining constituencies of the Rand.

Fissures soon appeared in the South African National party. The ideal of its leader—the gradual fusion of the two European peoples—was not attractive to all its Afrikander members. Many instinctively shrank from absorption in Anglo-Saxon life, feared that racial conciliation would inevitably mean such absorption, and did not grow less fearful with time. Although the Second Boer War had destroyed the republics, it had also fanned the flames of Afrikander nationalism, and the nationalists soon found an inflexible leader in General Hertzog, whom Botha had invited to his Cabinet from the Free State. Successive incidents, hastened by differences of temperament, led in 1912 to the break between Botha and Hertzog, and the subsequent formation by the latter of a Nationalist party. With dour logic Hertzog expounded the case of those who believed that national reconciliation would sacrifice the Afrikander, render him less conscious of and interested in his own culture, and push him into the vortex of a sinister imperialism. To this appeal the isolated and conservative farmers of the platteland powerfully responded. For generations they had been

[1]Light is thrown on this party by B. K. Long, *Drummond Chaplin. His Life and Times in Africa*, chaps. VI and VII.

assiduously taught by leaders, not least by the predikants of the Dutch Reformed Church, to distrust and fear British influence, whether peaceful or militant, as a force which menaced the entrenched customs of their lives and that rugged independence developed when their forefathers had trekked and fought northward across the coastal mountain ranges. "Nothing," wrote Olive Schreiner, "so indicates the dogged, and almost fierce strength of the South African Boer as this unique conservatism." She added, "In him the 17th century and even remnants of the 16th century are found surviving as among few peoples in Europe."[2] Although these remarks were written in the nineties, they applied with no less force in 1912. The farmer of the platteland still retained that conservatism produced by isolation on the veld. To hold fast to his customs, to cling to the traditions of the group, was to him a fundamental law, and he recoiled from a fusion of British and Boer cultures. In the reconciliation policy of Botha he saw a cunning British design.

In challenging Botha, Hertzog formulated his "two-stream" policy, concerned not with one but with two peoples, and intended to preserve the Afrikanders as a distinct cultural entity. The two streams of culture were to flow in parallel channels, but their waters were not to mix. After withdrawal from the South African party, he and his associates expressed hostility towards imperial co-operation, and viewed the Empire with either cold indifference or positive dislike. "Imperialism," he said "is only important to me when it is useful to South Africa." The more ardent among his followers denied that any circumstances could make the Empire useful to the Afrikander. They assailed the Botha plan of making contributions to the Royal Navy which in helping to shatter the past hopes of their people deserved neither money nor sympathy. They viewed capitalism on the Rand as a bridgehead of the Empire, and were persuaded that the movement for a stronger navy issued from the financiers in Johannesburg. They looked with distrust upon the presence of ministers at Imperial

[2]Olive Schreiner, *Thoughts on South Africa*, 256.

Conferences, and were irritated by the report that Botha, while attending the Conference of 1911, had been a guest of His Majesty in full court dress, including silk stockings.[3] For many a month they regarded Botha's silk stockings as a symbol of national treason. They resented as servile tribute fiscal preferences on the import of British goods, deplored the entrance of British settlers as a threat to the numerical position of the Afrikanders, and looked forward to an ultimately independent South African republic. The First World War acted as a powerful stimulant to this nationalism. It brought into action the extremists who viewed the Peace of Vereeniging as a truce, and who instigated the rebellion of 1914, hopeful that British absorption in the struggles of Europe would facilitate the attainment of a South African republic.[4] In 1919 Hertzog headed a delegation to the Peace Conference at Versailles in order to plead for the independence of the Afrikander people.

The Nationalists met their first electoral test in 1915, when they obtained twenty-six seats, the Botha Government fifty-four, and the Unionists forty. Without a clear majority Botha for the remainder of the war relied upon the support of Unionists, Labourites, and Independents. In one swift stride the Nationalists became the official Opposition, and in the succeeding years of stress they were strengthened by the growing volume of nationalist sentiment. On the death of Botha in 1919, Jan Smuts, his successor, attempted to terminate the struggles over nationalism by a reunion of the South African party with the Nationalists. But it was impossible to reconcile the stubborn republicanism of Nationalist leaders with the unshakable determination of Smuts to accept neither a republic, which would have meant coercion of the English-speaking minority, nor a political association exclusively Afrikaans in character. Smuts then promptly turned to the Unionists, who, thoroughly alarmed by the growth of republicanism, were ready to accept absorption in order to fight secession. The new political

[3] The incident is described by F. V. Engelenburg, *General Louis Botha*, 244.

[4] Some instigators of the rebellion intended it merely to be an armed protest in the fashion of frontier Boers. See J. Percy Fitzpatrick, *South African Memoirs*, 213.

fusion resulted in a comprehensive national party, which embraced virtually all the British electorate except the supporters of Labour, and included those Afrikanders loyal to Botha and Smuts and opposed to the more uncompromising nationalism of Hertzog. Yet this event accentuated, rather than lessened, mutual rancours. The Nationalists assailed Smuts as a traitor to his race, redoubled their efforts to promote a "two-stream" policy, steadily increased their following in the rural areas, and diverted much of the post-war economic discontent on the platteland into nationalist clamour. Whereas in 1915 they had captured some 43 per cent of the rural vote, in the general elections of 1920 they won some 65 per cent.[5] But inevitably they could make no inroad in Natal, and elsewhere many rural constituencies remained loyal to Smuts.

In 1924 the Nationalists, supported by Labour, finally achieved power. But they were compelled to surrender their more extravagant racialism, for their Labour allies were mainly British and rejected secession. Thus the necessity for workable combinations in Parliament tempered nationalist aspirations. Instead of striving for a republic, the party became primarily concerned with fostering the Afrikaans language, obtaining a national flag, and enlarging Dominion status until it should mean virtual independence. In such matters Labour lent aid in return for social and industrial legislation. In measures designed to protect white labour from the competition of the black man it worked spontaneously with the Nationalists. Yet at the time the coalition did little to ease national passions, or to promote a broader nationality embracing the two white peoples. "The Dutch," remarked an observer, "now feel more Dutch, and the British more British, and both feel less South African."[6] Bitterness was generated in the controversy over the national flag. The British, although they were ready to make concessions in some material matters, were determined not to sacrifice their cherished symbol, the Union Jack. The compromise, which was reached

[5] *Round Table*, X, 685.

[6] P. V. E. Evans, "Nationalism in South Africa" (*Nineteenth Century*, Nov., 1927).

ultimately in 1927, was the adoption of two flags: the Union Jack to satisfy the British and the South African flag to satisfy the Dutch.[7] Some years later "Die Stem van Suid Africa" was accorded equal status as a national anthem with "God Save the King." Thus the acceptance of dualities became the conventional method of easing tensions between the rival national groups.

The Nationalists retained office until, in 1933, in the pit of the world depression, they were forced by an economic crisis into coalition with the South African party, and in the next year the two groups effected a complete fusion under the title of the United party. Hertzog remained prime minister, while his erstwhile opponent, Smuts, acted as deputy prime minister. The event was widely hailed as the most important step towards racial conciliation since Union. Agreement was reached on the policy of a broad South Africanism. "More and more," remarked Smuts, "you see people fraternizing and doing away with the dead racial issues of the past."[8] Briton and Boer met round the same council table to deal with an economic situation which affected them both. Heated debate about a republic almost disappeared, and the mass of the Afrikanders, like their prime minister, seemed to be content with the status recognized in the Imperial Conference of 1926 and in the Westminster Act. But events soon illustrated that in South Africa the racial spirit is hard to down and the past is difficult to bury. Dr. D. F. Malan, a former minister of the Dutch Reformed Church and a zealous Nationalist leader in the Cape, condemned fusion and, emulating the Hertzog of 1912, seceded with some followers to form a Purified Nationalist party. The Boer, therefore, continued to have defenders of his exclusiveness, although ironically most of them now were in the rural Cape, instead of in the northern backveld where the Voortrekkers had fought for freedom.

The Purified Nationalists revived the well-tried appeals to the memories of the Afrikaans society, reverted to the

[7]Act no. 40 of 1927.
[8]*House of Assembly Debates*, 1934, 2082.

ideal of a republic, talked in emotive terms of the sinister imperialism of Great Britain and the necessity of neutrality in any furture war, and (colour prejudices being always exploitable in South African politics) condemned liberalism in native policy. Some members, influenced by events and doctrines in Germany, were aggressively anti-Semitic. Anti-Semitism in Afrikander politics was an innovation, for in republican times wealthy Jews at least were among Paul Kruger's closest friends. But the stress of new and harsh social circumstances and the penetration of ideas from abroad led the Purified Nationalists, in 1938, to demand formally the exclusion of future Jewish immigrants.[9] To the Black Peril was added the Jewish Menace.

Economic and financial grievances had a part in the nationalist controversy. Much was made of the circumstances that the head offices of the three principal banks were in London and Amsterdam and that even as late as 1930 three-quarters of the dividends from the mines were paid abroad.[10] A recurrent attack was made on the political machinations, real and alleged, of mining magnates on the Rand. In part the bitter feeling against the financiers resulted from the general assumption that they were "foreigners," especially British and Jews. After 1934 the government was frequently accused of favouring the predatory capitalists by taxing the mining companies lightly, while furthering imperialism by an alacrity in making commercial arrangements with the British. Boonzaier, for many years the brilliant political cartoonist of *Die Burger*, chief organ of a militant nationalism in the Cape, created a famous figure in the fat capitalist, "Hoggenheimer," who pulled the puppet strings which made politicians dance and who so impressed the platteland that many farmers believed in "Hoggenheimer's" actual existence.

The resolutions of the Imperial Conferences of 1926 and 1930, the Westminster Act, and the Status Act, measures regarded by Hertzog as finally establishing the political freedom of the Union, were viewed by Malan and his

[9] *Cape Times*, April 5, 1938.
[10] *Report of the Low Grade Ore Commission*, 1932, para. 21.

followers as merely milestones on the road to a desired republic.

If there is really to be race unity in South Africa [remarked a Nationalist spokesman] we must ultimately be entirely free from the British Empire. I know it will be foolish to try to secede unless our English-speaking citizens concur in that respect, but inasmuch as true racial peace anyhow depends on it, I think that just as [they] have gradually reached to this position of acknowledging the sovereign independence of South Africa, they will also ultimately agree with us, and gradually come to the idea that a republic is the best form of government for South Africa.[11]

To this new nationalist agitation the most reasoned argument in Parliament and before the public came from the tireless campaigner for racial conciliation, Jan Smuts. "I have fought my battle," he said, "and I have made peace." This personal experience he wished to translate into the experience of the whole Afrikander people. He had long enjoined his compatriots "not to mope over the past." Social peace and the development of a civilized South Africa required rejection of the republican ideal for two reasons: first, the people of British extraction did not want it, and were not likely to want it in the future. To set it as the goal of a political party was merely to sustain racial irritations and divide South Africa. Secondly, membership in the Empire involved no restraint on the genuine liberties of the Union, but on the contrary enlarged these liberties by providing valuable bonds with other democratic communities to ensure world order. The practical statesman whose *Weltanschauung* is that of Holism saw in the Empire a value repudiated by the national particularists. To him it was "the only successful experiment in international government that has ever been made," from which South Africa must not at her peril separate herself. His faith in the ultimate union of the two peoples he shared with Botha in 1910: "Just as the English and the Scots came together, so shall we."

In addition to the Nationalists who rejected fusion in 1934, some English-speaking members of the South African

[11] *Debates of the House of Assembly*, 1934, 2099. The speaker was J. G. Strydom in the debate on the Status Bill.

party also revolted from their leader and, under Colonel Stallard, a Transvaal lawyer of English birth, formed the Dominion party with the slogan, "South Africa an integral and indivisible part of the British Empire." This revolt was occasioned by the Status Act, which, according to Colonel Stallard and his followers, went beyond the Statute of Westminster and threatened the prerogatives of the King and the unity of the Empire. Outside Natal the party won little recognition, and some of its leaders, including Colonel Stallard, lost their seats in the general election of 1938. The cardinal fact is that, since the disappearance of the Unionists in 1920, most South Africans of British extraction, although much irritated by Afrikaans republicanism, have considered it unwise to support a party with a purely racial appeal. Like the French in Canada they have been conscious of their weakness as a minority, and recognize that their vital interests will be best protected through an alliance with the less nationalistic of the Afrikanders.

Prior to the outbreak of war in September, 1939, the party under Dr. Malan made little impression upon the electorate outside a few rural areas. The fusion of 1934 received powerful support, especially in the Transvaal and the Orange Free State, and in the late thirties was favoured by the increasing prosperity. Even the most hopeful could not have expected the national issue to disappear quickly, but it was assumed that it would become appreciably less significant, and that in the white population fusion would gradually penetrate deeper than party organization. Yet in this sanguine period, as General Smuts recognized, vast ideological forces were on the move throughout the world which would affect South Africa. The outbreak of war in Europe brought a quick resurgence in Afrikaans nationalism, raised violent storms of political emotion, and precipitated a new crisis in the life of the Union. On the crucial issue of whether the government should accept the Nationalist arguments for neutrality or join Great Britain and the other overseas Dominions in the war against Germany, the Cabinet split. Hertzog believed that the interests of South Africa were not directly affected by events in Europe, and in any

case he was resolved to demonstrate that the constitutional status of the Union permitted neutrality. Five ministers supported him. General Smuts and six other ministers favoured war for the reasons which Smuts had long expounded: the vital interests of South Africa, including the attainment of international order, were inseparable from those of the British Commonwealth.[12] In the Assembly, the position of Smuts was upheld by eighty votes to sixty-seven. Hertzog resigned, and Smuts formed a government with representatives from all political groups except the Nationalists. The division in Parliament had followed the traditional lines of political geography in the Union: the representatives from strongholds of an intense Afrikander nationalism, embracing the western Cape, the Orange Free State, and north-western Transvaal, supported Hertzog; those from areas which favoured a comprehensive and liberal South Africanism, embracing the Cape peninsula, eastern Cape province, Natal and the Witwatersrand, backed Smuts.

Hertzog and his followers inevitably drifted into collaboration with the Purified Nationalists, and in less than a year merged with them to form the Reunited Nationalist party which, with Hertzog as leader, partially recognized a republican ideal.[13] But this reunion proved to be unstable, and throughout the war years the Opposition lacked coherence, hampered by its own conflicting passions and by internal personal rivalries. Such weakness was evident in the general elections of 1943, when the Government was returned with the most decisive majority of any administration since 1910. Apart from the renewed emphasis upon a republic (Hertzog himself at first repudiated such an emphasis), nationalism came to be expressed in other forms which threatened to deepen cleavages within the community. A National Economic Congress at Bloemfontein, in the autumn of 1939, declared in favour of organizing "Afrikander workers

[12]A description of the schism in the Government is given by one of its members, Deneys Reitz, in *No Outspan*, 236-44.

[13]In October, 1940, Hertzog resigned from the leadership of the new party, being out of sympathy with the racial ideas of other prominent members. He was then, with increasing age, losing a hold upon the younger and more ardent Nationalists. A journalist's account of the Nationalist struggles in that period is found in G. H. Calpin, *There are No South Africans*.

in Afrikander trade unions," and of directing "the purchasing power of Afrikanders towards Afrikander commercial, industrial and other enterprises." Indeed there existed already an Afrikander Trade Union movement.

For ardent Nationalists in the period the issue of a republic, next to neutrality, was the enduring theme of debate. In 1940 *Die Transvaler*, the chief organ of advanced nationalism in the Transvaal, outlined in characteristic terms the future state:

> It will be a republic in which there will be no place for British public institutions. These things, which are foreign to the spirit and wishes of the Afrikander people, will be annihilated to the very foundations. It will be a republic with a government that is not subject to all sorts of foreign influences. General Smuts' holistic views, according to which the small Afrikaans culture must be dissolved in the great English culture, and South Africa be but a part of the great British Empire, will find no place in this Afrikaans republic. Mr. Hofmeyr's negrophilism and liberalism, which would wipe out all colour bars and would make the Afrikander a backboneless being, will have no place in this Afrikaans republic. Colonel Stallard's imperialism, which would make South Africa subordinate in all respects to British interests, will have no place in this Afrikaans republic. Mr. Madeley's socialism, and conceptions of the Afrikaans people, will have no place in this Afrikaans republic. The spirit of people who are too afraid to speak about a republic, will also find no entry in this republic. In economic policy this republic will be no milch-cow of Britain. It will be a republic in which the Chamber of Mines will not have authority. It will be a republic built up on the ideals and views of such men as Piet Retief, Paul Kruger and Marthinus Steyn.[14]

Significant in this passage was the characteristic resort to the traditionalist thinking of the backveld, to the long and lonely brooding of the Boer upon the incidents of his history. Like nationalist propaganda elsewhere, it appealed to an emotional interpretation of the past as a ground for present action. The author of the editorial did not view the Empire as standing for self-government but merely for conquest and exploitation. He sought separation in order that Afrikanders might escape a complete and humiliating assimilation to the political and social institutions of an alien nation; he wished a state without divided loyalties, with only one people and one language.

[14]Quoted in *The Forum*, Johannesburg, July 27, 1940.

Republicanism of another kind was expounded by Oswald Pirow, a former minister in the Nationalist Government. With him the influence was not the Afrikander past but Nazi Germany, for his emphasis fell on the leader-principle, the purging of anti-national elements, discipline for the masses, and the abolition of parliamentary methods. Pirow was of German extraction, and drew to his aid the hard core of Afrikander nationalists most rabid against England.

Even in these years of intense stress and bitterness the bulk of the Nationalists were doubtless convinced that a republic was unattainable unless the cause was supported by a substantial part of the English-speaking population or unless the British Commonwealth was overwhelmed in war. Dr. Malan for a time rested his republicanism on the assumption that Germany would triumph. But the Reunited Nationalist party expressed loyalty to bilingualism and repudiated the ideal of an exclusively Afrikander bloc with the futile purpose of inducing English-speaking South Africans to co-operate in a common programme. With the victory of the United Nations less was heard of a republic and nationalist feelings became relaxed, although white South Africa did not lose its divergent ideas on nationality. One cardinal fact demonstrated by the critical years of war was the strength among most Afrikanders of the parliamentary spirit, with its power to divert revolutionary fervour into debate and its forbearance towards diversity of opinion. This circumstance is all the more significant in that the Boers of the platteland had a long tradition of sporadic revolt whenever they were thwarted in council. More than one republican president had heard the clicking of triggers at the door of Volksraad.[15] The hasty and fierce temper of the frontier veld had by 1940 become largely transformed by the habits and methods of parliamentary rule. Notable was the tolerance of the Government towards the utterances and actions of the Opposition, a tolerance which well demonstrated the genuine strength of the South African parliament.

[15]Eric A. Walker, *A History of South Africa* (1st ed.), 559.

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Two potent influences in the nationalism of the Afrikander are those of the church and the Afrikaans language. Like the Roman Catholic Church in French Canada, the Dutch Reformed in the Afrikander community, although not the only religious body, has played a distinguished role in sustaining the elements of nationality. It has never been so exclusive as the Catholic Church of Quebec, for it has had ancient and intimate links with the Protestantism of the English-speaking world, and does not see in this Protestantism a dangerous rival. In the past it has employed Presbyterian pastors and teachers from Scotland, and it has not raised serious barriers to the intermarriage of its members with British people. These circumstances facilitate the future creation of a unified South African community. Yet the Dutch Reformed Church has been only a little less traditionalist than its counterpart in Quebec. It also for generations has exhorted its members to hold fast to their cultural identity, and to let the past die hard. From its clergy it provides the Nationalist party with leaders of emotional power, like Dr. D. F. Malan. In its own ecclesiastical government it perennially guides the life of the group, and is ever concerned with the morale of the nation as well as the souls of its congregations. It fosters fidelity to race and creed. It has been aided in this influential clerical leadership by the relative isolation and simplicity of the society, in which family, church, and political organization supply in the rural areas almost the sole forms of associational life. Olive Schreiner in her day found the parsonage and the church to be "the social points round which the national life centred, and from which have radiated whatever of culture and social organization was attainable."[16] The church came closer than the state to the daily lives of the masses. It preserved Dutch as a spoken language throughout the period when officially it was prohibited. It fostered community life on the lonely veld, promoted education of

[16]Olive Schreiner, *Thoughts on South Africa*, 277.

an elementary kind, and invigorated the social cohesion of the group, whence grew a national spirit. Even today among the poorer rural Afrikanders "organized community activities are unknown, except perhaps in religious matters."[17] To social problems, like that of the poor whites, the church draws public attention, and on all matters of national concern its predikants freely transform their pulpits into political platforms.

The Afrikaans language is a vital factor in the modern phases of Afrikander nationalism. Developed originally as a vernacular or colloquial form of Dutch, it has become the language of a separate national group, and has served to deepen the Afrikander's sense of his distinct community by providing him with a linguistic symbol of the cultural unity among his people. In literary development the language is relatively modern. In spoken form it developed in the seventeenth and eighteenth centuries, but as literature it does not extend further back than the sixties of the last century. It has mainly developed since 1900, through the deliberate and aggressive direction of political and cultural associations, notably the Afrikaans Language Society, which was founded in 1905 and has promoted propaganda for Afrikaans as a literary language in preference to both Dutch and English. The South Africa Act recognized Dutch and English as official languages.[18] Afrikaans was not then strong enough to be substituted for Dutch. But in the subsequent years it developed so rapidly as a literary medium that in 1925 Parliament amended the act of 1909 to make it formally an official language on an equality with Dutch and English. In 1916 it was accepted in the Free State and the Transvaal as an official language of the Dutch Reformed Church, and came to have its popular press, poets, and novelists. Since 1914 it has been acknowledged as a medium of instruction in the primary schools of at least three provinces, and in many secondary schools and colleges. In every sphere it has crowded out Dutch. In thus triumphantly asserting in the face of early ridicule the status of their

[17] *The Poor White Problem in South Africa*, Report of the Carnegie Commission, V, 26.

[18] *South Africa Act*, Section 137.

language, the Afrikanders increased their self-consciousness as a community and derived pride from an achievement that did not rely on Holland. To them the language became a rampart, protecting their essential traditions and giving them a sense of cultural security.

The more the distinct life of the group is emphasized, the more difficult it becomes to achieve a complete merger of Afrikanders and British into one homogeneous South African people. Yet bilingualism offers much hope. Dualism in language is itself in the long run a unifying agent, especially in its thorough national South African form rather than in its regional Canadian form. Since the Union Act laid the legal foundation of bilingualism, there has been a remarkable advance in making the two languages a reality in every department and every province of the state. In 1910 there was an understanding among leaders that severe coercion in extending bilingualism was to be avoided as something in conflict with liberal democracy. Such understanding has on the whole been respected. To the provinces was left responsibility for framing the necessary legislation on linguistic instruction at the primary stage, and to this extent tribute was paid to the federal idea of local autonomy. But there has been no swerving from pursuit of the goal of a thoroughly bilingual state. On the accession to power of the Nationalists in 1924, the Government began to enforce bilingualism more rigorously in the civil service, for the Nationalists look upon it as the symbol of equal rights between the two nationalities. Appointments and promotions were made contingent upon competence in both languages, but new appointees might be permitted five years in which to attain such competence. The importance of this bilingual system can scarcely be exaggerated. It enables the two cultural groups increasingly to understand each other, and presumably with understanding will come sympathy. In sharing their languages, they can more readily share and express pride in common triumphs. In the course of time they will be less intellectually shut off from each other than are the two nationalities under the rigid federal régime of Canada. Yet the system at present, despite its

accomplishments, does not work without friction. A highly informed and broad-minded public man has written that a section of the Afrikanders by their pressure would in effect create an Afrikaans-speaking unilingualism. "In the public service," remarked the late Mr. B. K. Long, "the present trend is to interpret the bilingual qualification as meaning complete and effortless fluency in Afrikaans, whereas rudimentary knowledge of English is frequently condoned."[19] Herein is a danger which comes from nationalist zeal. But up to the present it has not seriously impaired the high worth of the bilingual achievement.

Another significant influence on nationalism is the advance of industrialism and urban life. In the past the preponderance of the Afrikander population has been rural, that of the British urban. In the census of 1926, 61 per cent of the male Afrikanders were rural and 39 per cent urban, while of the British 73 per cent were urban and 27 per cent rural. In the last twenty-five years there has been a steady drift of Afrikanders to the towns with significant results. When uprooted from their traditional environment they become more concerned, however slowly, with the varied issues of industrialism and less with those of an ardent nationalism. They tend to become more unified in social consciousness with the British of their own class, and to realize that their basic problems are alike. Moreover life in the towns enlarges the opportunity for intermarriage with the British which inevitably weakens among the children the sense of a distinct Afrikander stock while it emphasizes the concept of a common South Africanism. Urbanization, given time, will help to destroy those internal national cleavages which hitherto have largely determined the alignments of political parties. But time is here a slow solvent, if a sure one.

[19] B. K. Long, *In Smuts's Camp*, 27.

Chapter Eighteen

RACE AND COLOUR

In previous chapters it has been partially indicated how the presence of native and coloured peoples affected the South African concept of liberal democracy and national government. Here we must attempt to describe more fully the complicated elements of policy regarding the coloured races and the extent to which they are introduced to self-rule within the present polity.

1

The largest racial group in South Africa is the Bantu constituting some 68 per cent of the population. The Europeans embrace some 20 per cent, the coloured or mixed race 8 per cent, and the East Indians between 2 and 3 per cent.[1] While the Bantu within the boundaries of the Union thus possess an overwhelming majority, significant also in their influence on the racial issue are the many millions of negroes and Bantu beyond these boundaries, northward to the heart of Africa. The native problem, remarked an informed parliamentarian, "is not a case of 2,000,000 Europeans in the Union against over 6,000,000 natives. We must take into consideration all the millions who live beyond .... The live-wire of racial homogeneity runs through all the different tribes and peoples, and the currents and tendencies set in motion beyond our borders will affect us profoundly."[2] The cardinal fact is that in the whole continent the European population numbers little more than 4 million out of a total of 150. Of the 4 million about one-half is in the Union, and is inclined to regard itself as the chief bridgehead of European

[1] These percentages refer to the figures in the census of 1936, which gave the total population in the Union as 9,588,655.

[2] *Debates*, 1936, 384-85.

civilization in a black Africa, conscious of confronting and withstanding a powerful tide of colour. It prides itself on possessing a sense of racial mission influential in shaping the native policy of the state and the conceptions on which such policy rest.

Unlike the natives of Australia and Canada, the Bantu in their teeming vitality have not died out before the persistent advance of western civilization, because for generations they remained in the grass huts of their reserves partially secure from some of its more devastating impacts, numerous enough from the outset to withstand the shocks of cultural conflict better than a scanty population such as the Australian aborigines. For long, too, their main relations had been with a white people itself little touched by modern industrialism, and hence incapable of transmitting its full effects.[3] But more recently their life has been penetrated by influences from Europe and Europeans. Their culture undergoes transformation at a pace which varies in different groups—rapid among those in the towns, slower among those in the reserves. Cultural interaction and friction caused by change are primary elements in the modern native problem, and are always rendered more acute by the emotions which centre on the fact of colour.

The two well-defined and divergent policies formulated by Europeans in South Africa to govern their relations with the natives are those of *assimilation* and *segregation*. Resting on different postulates, these policies have had zealous exponents since Great Britain finally acquired the Cape in 1815. Only a few visionaries would apply either with inexorable logic; some compromise in the present arrangements is admitted to be imperative. But the two policies embrace most South African thought on the native problem, and suggest the ultimate goals that can determine state action.

Assimilation is the ideal of the liberal and the humanist. Its exponents believe that although the present cultural distinction between Europeans and most natives prevents the recognition of equality now or in the near future, the course

[3]H. M. Robertson, "Economic Contact between Black and White" (*South African Journal of Economics*, III, 5).

of future legislation should be plotted in accord with the egalitarian principle. A society in which men of diverse colour and race enjoy a common freedom is the goal of the assimilationist. Early in the nineteenth century this doctrine profoundly influenced British policy, inspired the Cape native franchise of the fifties, and from that time to the present has owed much to the zeal of British missionary societies at home and abroad preaching the brotherhood of man, and parliamentary liberals active at Westminster. In face of its critics able public men in South Africa defended the native franchise, among them Cecil Rhodes who in his day argued for "equal rights for all civilized men south of the Zambezi," implying that the native should be enfranchised as he became civilized. The test for the privileges of liberal democracy should not be the colour of the skin, but a cultural quality. Distinguished liberal leaders in the Cape, such as W. P. Schreiner, F. S. Malan, and J. X. Merriman, pleaded that the premium on a white skin should disappear as the black man acquired the culture of the white.[4] Their influence, combined with the pressure of disinterested opinion in England, made traditional in the south a liberal attitude towards the native franchise which contrasted sharply with the less liberal views prevalent in the Trekker republics of the north and still general in the Orange Free State and the Transvaal. The northern Boer has been disposed to view liberal ideas on race as a foreign importation, in conflict with the spirit of his people struggling for survival in a harsh environment.

Segregation, not assimilation, has been since the establishment of the Union the official policy. It is variously defined, but is broadly described in language long familiar in South Africa as "the policy of keeping the Kaffir in his place," and it is not his place to compete with the white man in the economic, political, or social spheres. The essential spirit of segregation was long ago expressed in the original constitution of the Transvaal Republic which repudiated "equality between black and white either in church or state." It

[4] Eric A. Walker, *W. P. Schreiner: A South African;* Perceval Laurence, *The Life of John Xavier Merriman.*

logically implies a barrier between the Bantu and the European, a dual South Africa, one part European and white, the other African and black. It is partly derived from the dread of race mixture, and is designed both to keep the white race pure and to protect its standard of life from the competitive and lower standard of the native. Afrikander nationalists in particular advocate segregation to prevent a multiplication of poor whites. The poor white problem, long acute in the more arid regions, results from impoverished agrarian resources coupled with the inability of ill-educated men to cope with a hard physical environment, and is accentuated by the competition between unskilled natives and unskilled whites.[5] Exponents of thorough-going segregation contend that the culture of the native should be little molested, and that efforts to westernize him through the educational system of the European should not be attempted, except in so far as western methods assist him to utilize his land to better advantage. Many exponents of territorial segregation are humanitarian, spokesmen of the trustee principle, confident that separation alone can save the natives from being permanently exploited as a lower caste.[6] But most are primarily concerned with the interests of the European, and are frank in accepting a caste society and the instruments of domination by the white man as something that need never change. A Nationalist parliamentarian put the matter bluntly in the remark that "it was the duty of the white population to make South Africa safe for its descendants, and not to tread the dangerous path of sickly, sentimental negrophilism."[7] Exponents of segregation, for example, sponsor the Civilized Labour Policy, which would exclude natives from certain favoured occupations and confine them to tasks disdained by white men. Yet in practice segregation is not pushed to its logical limits, partly because of humanitarian reasons, but mainly because its extension

[5] *The Poor White Problem in South Africa.* Report of the Carnegie Commission (1932), especially volume I.

[6] For a statement and defence of this point of view, see *Report of Native Affairs Commission*, 1936, where it is argued that the policy of segregation involves the principle of trusteeship for the native races.

[7] Quoted in R.F.A. Hoernlé, *South African Native Policy and the Liberal Spirit*, 1.

would be injurious to the economic interests of the European, and necessitate large public expenditure. Its rigorous enforcement would involve the withdrawal from South African farms of cheap Bantu labour, which according to the census of 1936 amounted to almost one-third (2,222,000) of the total Bantu population. But the European farmer hardly wishes to be deprived of his low-wage farm hands, nor the mine owner on the Rand of his native pick and shovel men. Eight to ten natives commonly work in the mines to one European, and for many years prior to the Second World War the mine owners, unable to find enough native labour in the Union, had to seek it from territories in the north. The removal of natives from the mines would obviously dislocate the industrial mainspring of the country. Similarly, householders have little desire to forego the employment of natives in domestic service, and hence would oppose any thorough territorial segregation involving a sharp wrench in labour customs. In these matters economic interest and racial doctrine conflict. Complete political segregation would scarcely be less embarrassing and unpalatable to the electorate, since it would ultimately create within and on the borders of the Union a ring of native states, a prospect that few Afrikanders could view with composure.

For these reasons, the term segregation has in recent decades been used in no literal sense. It refers rather to partial, qualified segregation, or more accurately differentiation, designed to lessen what the Afrikander has long feared, the dangers of race mixture, to restrict competition between the races, and to ensure the dominance of the white man. Such segregation is actually an old policy, long illustrated in the existence of the reserves wherein many natives pursue their traditional life, in the native townships separated from the residences of Europeans in the cities, and in the native huts on farms removed from the dwellings of the white farmers. Today it is reflected, apart from social relations, in political representation, administration, and land tenure.

As already pointed out, legislation in 1930, 1931, and 1936 destroyed any hope that the Cape franchise would be extended to the northern provinces. Instead, the act of 1936 laid deeper the foundations of political segregation, especially in

the Natives Representative Council of twenty-two members, of whom six are officials, and sixteen are non-official natives who hold seats for five years. Four of the non-official members are appointed by the government, and the remainder are elected like the senators who represent the natives and from the same electoral areas. While the chairman, who is the secretary of native affairs, has a casting vote, the other five officials are without votes. With functions purely advisory, the council reports upon projected legislation affecting the native population, assesses financial measures, ventilates grievances, and makes recommendations to Parliament or to the Provincial Councils. This system of treating the natives as a separate people for representative purposes will make them increasingly conscious of their distinct identity in the political structure of the Union. The act of 1936 is also broadly segregational in that it provides for a communal native electoral roll in the Cape and a special status for parliamentary members elected by the natives.

The present political segregation obviously avoids major difficulties because it is so elementary; it touches only the fringe, not the heart, of real power. The white people still retain an almost exclusive control of the Parliament, the administrative system, and the judiciary. The acute problems of segregation would really begin with the extension and elaboration of the system into a complete communal scheme of rule. When the growth in political consciousness among the Bantu creates a pressure for their wider representation in Parliament and for extended power in the native council, the segregational régime will face its crucial test. But the vast inertia of the Bantu and their lack of social homogeneity retard the awakening of political consciousness. Those who have least assimilated the social heritage of the west are cleft into tribal divisions with linguistic differences, while those who no longer cling to the tribal order are also without unity, moving in uneasy stages of transition from primitive paganism to western Christianity. The educated native at present is mentally isolated from the mass of his fellows, and usually unable to provide significant political leadership.[8]

[8]W. G. A. Mears, "The Educated Native in Bantu Communal Life," in I. Schapera (ed.). *Western Civilization and the Natives of South Africa.*

The more educated he is, the more he absorbs a culture alien to the bulk of his race, and deracialized, he becomes impatient with the immemorial customs of the kraal. The leaven of education must penetrate deeper among the mass before the influence of educated natives can be profound. As this leaven extends in influence, the existing caste society will doubtless become less bearable to the Bantu and a sullen race consciousness and resentment will increasingly assert itself. Hitherto a portion of the white population has frankly discouraged the Bantu from obtaining a higher education, or any training above the purely elementary. It is commonly held that a native educated is a native spoilt. "Knowledge means power," Dr. Malan once remarked, "and the power of the European decreases the more he is faced with educated opposition." Hence up to the mid-thirties the government contributed ten times as much per pupil for European as for native education, and over forty times as much per head of the European population as per head of the native.[9] Less than 2 per cent of the native scholars advanced to the post-primary stage; less than 30 per cent of the native children received schooling at all. Most native schools, established by missionary societies, were inadequately subsidized for their purpose. Such significant facts do not suggest a powerful zeal in the past to educate the native.[10] But this situation is changing rapidly. Ever larger sums are being spent in response to the pressure from the white population itself, notable especially after 1939. The South African Labour party during the Second World War pressed upon the government the urgent need for free and compulsory primary education among the natives, and expounded its views in a liberal memorandum submitted to the Economic Advisory Committee.

Among the natives themselves a formidable obstacle to progress is their traditional apathy towards any kind of schooling. The initial task is to teach them to appreciate

[9] *Report of the Interdepartmental Committee on Native Education*, 1936, para. 302. These percentages are changing as progress is made in native education.

[10] See R. F. A. Hoernlé, "Native Education at the Cross-Roads in South Africa" (*Africa*, Oct., 1938); also J. Van der Poel, "Native Education in South Africa" (*Journal of Royal African Society*, July, 1935). Both articles are critical of Union policy at the time.

formal education of the western type, for such appreciation is not rooted in their culture. Since 1920 some success in overcoming native inertia has been achieved, as is illustrated by the increased enrolment of pupils in native schools. A crucial issue is the type of education. If economic segregation, even in a partial sense, remains a policy in the future, it is logical that education should be designed to aid the native in pursuing a segregated life and in controlling his own peculiar environment. Too often in the past the learning he acquired from the European was inadequately adapted to the circumstances of his living.[11]

The political representation provided in 1936 is not the only or even perhaps the most important enjoyed by the natives. A substantial measure of local self-rule has long existed in the closely populated Glen Grey District and Transkei of the eastern Cape, where since the nineties native administrative councils have dealt with the ordinary matters of local concern. This municipal system was originally created by Cecil Rhodes and his contemporaries, and is today in its developed form no small monument to their vision. In 1931 the twenty-six districts throughout the Transkei became represented in a large general council, briefly known as the Bunga, which exercises powers, either directly or indirectly through the subordinate district councils, over road building and maintenance, dams and bridges, upkeep of wattle plantations, prevention of soil erosion, experimental farms, hospitalization, agricultural schools, and other projects pertaining to native welfare. The Bunga, with a membership in excess of a hundred, is virtually a parliament for the Transkei. Some members are chosen by the natives from the district councils; others are directly nominated by the governor-general. Certain chiefs are entitled to sit in person, and European magistrates are present to speak and advise but not to vote. The Bunga has an important executive committee, composed of both natives and magistrates, and a permanent administrative staff, with many native agricultural demonstrators who seek to modernize agriculture throughout the territories. It is financially responsible for

[11] See *Report of the Native Affairs Commission*, 1936, 14-20.

the activities of the subordinate district councils, and receives an income from quit-rents and hut taxes.

In this local democracy of the native, the trustee element is evident in the leadership of the European magistrates, appointed by the Union Department of Native Affairs. The chief magistrate of the Transkeian Territories presides over the Bunga, and the local magistrates preside over the various district councils. Such democracy under tutorship inevitably owes much to the zeal and good sense of the tutors, most of whom are genuinely devoted to the cause of native welfare. The Native Affairs Act of 1920 enabled the governor-general to create a council for any native area prescribed by Parliament. But the councils established elsewhere have not achieved the success of their prototypes in the Transkei, where the native has been truly encouraged to determine the lines of his progress, to feel pride in his own institutions, to deepen his sense of political responsibility, and to acquire some administrative experience.[12] The act of 1920 also created the Native Affairs Commission, a small body which advises the government on native policy and publishes annual reports intended to inform and guide public opinion.

Administrative segregation is illustrated in two developments: the recognition of native customary law and the creation by the Union of special administrative rulings to control native life. The Native Administration Act of 1927 gave special encouragement to native customary law, but, since this is founded in the sentiments of the tribe interpreted by the older men, it is administered only by the courts of chiefs and native commissioners in areas of concentrated native settlement. Elsewhere throughout urban and rural areas the natives live under an administrative law, formulated by the European but with few of the usual parliamentary and judicial safeguards. The ordinary civil rights of the white citizen are withheld, or where present are alterable by executive order. Such control by edict antedates the Union. In the British colonies the governors, like the republican president in the Transvaal, had wide powers over the native

[12]H. Rogers, *Native Administration in the Union of South Africa*, I; A. J. van Lille, *The Native Council System with Special Reference to the Transvaal Local Councils.*

population. The National Convention assumed that legislation by edict was prompt and flexible and wisely withdrew the issues of native government from the uncertain arena of party politics. Hence in Section 147 of the South Africa Act it endowed the governor-general with "all special powers in regard to native administration hitherto vested in the Governors of the colonies or exercised by them as supreme chiefs," an authority which was reinforced and rendered specific by the Native Administration Act of 1927 and its subsequent amendments. As supreme chief, the governor-general is responsible for a stream of orders, regulating the natives in almost every major phase of their life, dividing or amalgamating their tribes, prohibiting or controlling their meetings, and moving them from place to place.[13]

In all this administration the natives are subject to a maze of vexing restrictions, not applicable to the European inhabitants. They must not be supplied with European liquor. All males however poor pay the annual poll tax of 20*s*., which may sometimes amount to the wages of an individual in a month, and failure to pay is a criminal offence. In most provinces natives, when outside their reserves, must carry one or more identification passes, and inability to present a pass on request is an imprisonable offence. In urban areas they are under a curfew, unless they possess a franchise or a special exemption certificate. Under the Native Labour Regulation Act it is criminal for them to break a labour contract or to strike. Such laws are intended to protect not merely white men but also the natives, who are logically enough treated as a people in cultural transition and in need of guardianship. Some of the restraints, however necessary under exceptional circumstances, are needlessly irksome and are criticized by informed Europeans as well as by educated natives because they render the arrest of the native at one time or other almost inevitable.

Our South African prison population [remarked Mr. Justice Krause in a valedictory address to members of the Bar], is composed largely of natives,

[13]Actually it was a misconception to consider that a supreme chief had the extensive authority assumed by the governor-general. See L. P. Mair, *Native Policies in Africa*, 42. The point is also discussed by Edgar J. Brookes, *The Colour Problems of South Africa*, chap. IV.

and the reason therefor is not far to seek. Passes, taxation, stock-theft and liquor laws are mainly responsible for their incarceration. It has been stated, upon good authority, that a raw native entering an urban area in search of work is fortunate if, within twenty-four hours, he remains out of prison for contravening some pass or municipal regulation. The whole system should be scrapped without delay and other forms of taxation introduced if necessary.[14]

To some the native issue is, and always has been, a land issue. It is contended that the nature and pace of cultural change is determined by the extent to which the native can remain on the land as a self-sustaining peasant under tribal discipline. Only when he leaves his own modest acres and acquires the economic incentives of the European does he profoundly affect the life of the latter and create acute racial problems. Long before Union certain areas were demarcated as native reserves, where tribal life might follow its age-long courses, unmolested by the direct pressure of the European economy and unmolesting to that economy. But such policy was never pursued with careful and resolute planning. Indeed the European employers were actually interested in forcing natives out of their tribal villages into some form of labour contract.[15] The poll tax, for example, was imposed to make the native desert the self-sustaining life of the tribe in order to work for the European. Then also Europeans sought native land on the plea that they could use it much better than the Bantu whose methods of cultivation were obsolete and wasteful. But the pressure for territorial segregation after the Union led in 1913 to the Natives Land Act, which fixed the respective areas where only Europeans or Bantu might own land and scheduled as native land the existing reserves, amounting to 21 million acres or 7.3 per cent of the total area of the Union. Such territories were admitted to be inadequate. Hence the government sought to acquire an additional area for native use, but the efforts of the Beaumont Commission and of special provincial committees to set apart certain farms were bitterly fought by the European possessors

[14] Report in *Rand Daily Mail*, April 29, 1938. For the criticism of an educated native, see D. D. T. Jabavu, "Bantu Grievances" in Schapera (ed.), *Western Civilization and the Natives of South Africa*.

[15] The development of this type of pressure was evident in the latter part of the nineteenth century. See C. W. de Kiewiet, *The Imperial Factor in South Africa*, chap. VII.

on the ground of injury to their interests and of excessive generosity to the black man. Little was really accomplished till in 1936 legislation provided for a South African Native Trust designed to purchase more land, improve existing land, and in general promote native welfare.

Under the Trust, administered by the governor-general, additional farms extending in area up to 7½ million morgen might be purchased for native settlement out of funds derived from the sale and rental of land, the proceeds from sundry fines, and appropriations of the Union government. Such provisions entitle the natives to use territory exclusively their own, amounting to about 13 per cent of the total area of the Union or broadly the size of England and Wales. This territory with its mineral rights is sometimes regarded as too small for the massed numbers of the Bantu. Doubtless it is inadequate if they continue to utilize it in a primitive fashion and if they do not correct the tendency to overstock with scrub cattle. But important is the fact that a high proportion of the native lands are east and south of the Drakensberg in the most productive sections of the Union with satisfactory rainfall and fertile soil, in contrast with large tracts of land owned by Europeans in the dry and relatively arid regions of the Karroo and north-western Cape. Moreover, despite the aspirations of the thorough segregationalists, it is visionary to assume that all the natives will or can dwell on the reserves. Even the present population there, if it is to survive, must overcome its economic ignorance and learn to conserve resources by transforming its faulty methods of farming which have hitherto made soil erosion in South Africa a major menace. Fortunately remarkable progress is now being made in such native enlightenment.

The acquisition of more land for native use was a measure in the interests not only of the Bantu, but also of the Europeans. The government thus sought to ameliorate the acute social tensions created by the large and persistent flow of natives to the towns and by their squatting on the farms of Europeans.[16] Congestion in the chief towns was

[16]The urbanization of the native is briefly described in the *Report of the Native Economic Commission*, part III, also annexure 15.

particularly serious. By 1936 some 17 per cent of the native population lived within urban centres, where they engaged in competition with unskilled white labour, produced bitter racial friction, and created sordid and disease-ridden slums, difficult for municipal authorities to manage.[17] To cope with these conditions, the Natives Urban Areas Act, passed in 1923 and significantly amended in 1937, prescribed compulsory residential segregation whereby natives, unless in domestic service, must live within specific locations or villages removed from the dwellings of Europeans, and prohibited to European residents. It further empowered the local authorities to assist natives in building houses or hostels, endeavoured to ensure that employers adequately accommodate natives residing on their property, and made the local authority responsible for the management of each location in consultation with a native advisory board of at least three members. The act of 1937 increased the powers of local authorities to stem the native influx to the towns beyond labour requirements. Surplus natives in an urban area might be shifted by labour exchanges to the country, the right of natives to purchase land in urban centres was restricted, and the minister of native affairs required municipalities to submit a census of their natives every two years. Thus the legal structure of segregation was elaborated within the towns. It hedged the freedom of the native with numerous administrative restrictions in order to prevent municipal slums and to restrict the growth of a permanent native urban proletariat in constant competition with white labour. This, like other aspects of native policy, was a compromise between the clashing interests and claims of those who pleaded that the community required native labour and those who contended that the presence of the native in the towns menaced the welfare of white society.

2

Complicating still further the racial problems of South Africa is the presence of a large coloured population, produced

[17] E. Hellman, "Native Life in a Johannesburg Slum Yard" (*Africa*, VIII, Jan., 1935).

by miscegenation.[18] About 88 per cent of the coloured live in the Cape Province, and in Cape Town itself they embrace over 40 per cent of the total population. Their ancestors were the races which constituted the chief human elements of the colony during its first century—Hottentots, slaves (from Madagascar, the East Indies, and Mozambique), Bushmen, and Europeans. For generations members of this mixed race in town and country lived in close association with Europeans, assimilated their modes of life, spoke one or other of the two European languages, usually professed Christianity, and with minor exceptions had no tribal or special territories on which to reside. Hence in many essential features they are differentiated from the Bantu, who came much later, and never so fully into contact with European society.

The tragedy of the coloured dwells in the fact that the Cape did not remain a melting-pot. In the early and Dutch colony many became skilled craftsmen, while many more lived close to Europeans on farms or in urban homes. But with the expansion of a European community in South Africa and its cultural clash with the primitive Bantu, the stigma of a coloured skin brought discrimination in civic privileges and economic status. In the Cape prior to Union the coloured enjoyed from the twenties of the last century the same legal rights as the Europeans. They possessed the franchise and the freedom to hold fixed property or to engage in any occupation. Unlike the Bantu and Indians, they had political rights in Natal, but in the ex-Boer republics they were placed in practically the same category as the natives. Since the Union Act did not disturb their franchise in the Cape, the 24,000 coloured voters continued to influence the electoral result in at least ten of the fifty-eight Cape constituencies.[19] Their support was given mainly to the South Africans of British extraction rather than to the Afrikanders, which doubtless aggravated the Nationalist party's discriminative attitude against them. At any rate an obvious discrimination

[18] The census of 1936 gave the total of coloured as 769,984.

[19] J. S. Marais, *The Cape Coloured People, 1652-1937*, 279. On the economic and social status of the coloured see the abundant information in *Report of the Commission of Inquiry Regarding Cape Coloured Population* (1937).

weakening their political position, was expressed in the act of 1930 which enfranchised the European women but not the coloured and native women, and similarly in the act of 1931 which established manhood suffrage for Europeans only. The legislation of 1936 did not segregate their vote, as it did that of the native, although the Nationalist party soon agitated for both political and territorial segregation of the coloured.

Since 1910 the economic lot of the coloured has worsened. Previously, under relatively free labour relations, they had found a satisfactory level, and many trade unions of the Cape included them in membership and benefits. But after the Union, particularly after 1920, new labour laws directly and indirectly discriminated against them. The Industrial Conciliation Act and the Wage Act restricted the range of their bargaining power. The Apprenticeship Act reduced their number in skilled trades, since most of them are too poor to obtain the required education, and compulsory education, applicable to white children, does not embrace them. The "civilized labour policy" is injurious, for, although in the ordinary connotation of the term they may be as "civilized" as white labourers, colour prejudice has sometimes resulted in grouping them with the natives. Thus from different directions they are jostled against the wall, and deprived of a ladder of economic opportunity. In the skilled trades their opportunities are restricted, while in many of the unskilled tasks they suffer from the preference for poor whites. Owing to the flow of natives to the towns, they face harsher competition in urban industry, and experience a decline in their standard of living towards that of the native. With grim truth the Cape Coloured Commission described them as being "crushed between the upper millstone of white competition and the nether millstone of native urbanisation."

3

The problem of the East Indians is superimposed upon the racial and economic issues of the Bantu and coloured.

The Indians were first introduced to South Africa as coolies to work in the sugar plantations on the sub-tropical east coast, and by 1936 in Natal numbered over 180,000 and in the Union about a quarter of a million. At the outset they were valued for qualities lacking in the Bantu, especially remarkable powers of industry and when necessary an adequate skill. On the expiration of their labour contracts, the coolies, instead of returning to India, generally became free workers, and, if they had saved the necessary money, engaged in trade or small farming, competing in either case with the European. The Indian merchants who followed the coolies to South Africa entered into such competition, and in time irritated the white traders by their unmatched frugality, low standards of living, and oriental conceptions of business ethics. The whole Indian issue came especially to the fore after Natal attained self-government in 1893, when the white population, determined to possess an unquestioned political supremacy, imposed a series of restrictive controls, in particular denying the parliamentary franchise to all immigrants from countries without representative institutions, such as India. In 1895 the government made an effort to encourage the coolies, on the expiration of their indenture, to return to India by imposing a tax of £3 per annum on those who failed either to re-indenture or to return home, a tax later extended to their children. Licensing regulations restricted their entrance to trade, successive acts attempted to impede their immigration but not always with much effect, and between 1922 and 1925 provincial ordinances denied them the right to purchase and lease land that belonged to municipalities or to exercise the municipal franchise. They were excluded entirely from certain areas of the colony. The twin forces of racial antagonism and economic fear combined to arouse opposition to the Indians in the white population.

Since the Indian traders spread rapidly elsewhere in South Africa, the intricate problems of control were not confined to Natal. Both before and after union the four colonies pursued different and often contradictory policies. The Orange Free State wholly prohibited admission. By contrast Cape Colony not only admitted the Indians freely till 1902 when

it imposed an education test, but in harmony with its liberalism granted the parliamentary and municipal franchises, and allowed them to own land and to trade. The Transvaal of republican days admitted the Indian traders, but segregated them, withheld the franchise, forbade them to own land except that which the government assigned, registered them, and restricted their trading mainly to bazaars. After 1907 the Transvaal attempted to enforce these measures more thoroughly, and thereby aroused a vigorous Indian protest, directed by Gandhi, then a Johannesburg barrister and already a skilful leader. The tangled issues of the Asiatic property tenure and trade licences continued to pester the Transvaal, and absorbed the sober labour of many commissions, which mitigated but never wholly removed the sense of injured interest among the Indians. The Asiatic traders of the Transvaal have consistently fought all attempts at their segregation which they look upon as economic death; they can prosper only if they are free to trade with the general community.

After 1910 the Union government became responsible for the status of Indians, but was inevitably compelled to accept the heritage of existing differences in provincial policy. Nevertheless it sought to restrict further immigration, aided in this endeavour by the Indian government, which in 1911 forbade recruitment of indentured labour. The check upon immigration helped to remove the fear of white South Africans that they would be submerged by an Asiatic flood, but left an abundance of other fears and sources of antagonism. Some of the Indian grievances were redressed by the Smuts-Gandhi Agreement of 1914, which among other things abolished the irritating and onerous £3 tax and attempted to guarantee the existing position of those domiciled. Further discussions between the governments of India and South Africa, especially the round table conferences of 1927 and 1932, extended a more liberal policy in the Union. Legislation in 1936 permitted the Indians limited rights to own land in the Transvaal, which had been denied them since 1885. In 1946 an act sustained, with some exceptions, the restraints upon the penetration of Indians into areas occupied

by Europeans in Natal. Europeans except under permit can only transfer land to Europeans, and Asiatics only to Asiatics. But an innovation was the right acquired by Indians to elect on a communal roll three members to the Union assembly, two to the Provincial Council, and one as well as a nominated member to the Senate.

All these adjustments in detail have not altered basic tensions, which derive from the restriction of Indian political privileges, the profound colour prejudice, and the frictions generated between peoples in competitive relations, with divergent standards of life and general culture. The Asiatic issue in South Africa is a repetition of the native issue, with the difference that the Indians are more persistent and vocal in complaint against discriminatory legislation and more ingenious in defeating it. They have a larger trading class. Hence they have usually more leaders of wealth, capacity, and education than the natives, and, supported by the perennial contentions of the Indian government for an equality of citizen rights within the Empire, they have not meekly accepted the badge of a separate and inferior race.[20]

4

The preceding sections reveal that South Africa is not a democracy in the sense of being a single community, whose members possess equal privileges and rights. On the contrary it is four distinct racial communities. The white inhabitants, at the top of the racial pyramid, are privileged above the others in every phase of social life, possess an almost complete monopoly of political power, and determine the fate of those below. The natives are at the bottom of the pyramid, and the coloured and East Indians occupy a median position. The natives in particular, outside their reserves (and now only half of them dwell in the reserves), continue to be a clearly marked social caste, lacking the rights of white workers, and in the main confined by the colour bar to the

[20]For an excellent discussion of the Indian issue in South Africa see W. K. Hancock, *Survey of British Commonwealth Affairs*, I, chap. IV.

ranks of the non-skilled. Its European citizens like to describe South Africa as a "white man's country." The phrase aptly reflects their assured claim to an exclusive and dominant status. They are not concerned, like the French in West Africa, with definite efforts to assimilate the natives to their European culture and ways of life. In the main they are content that the natives should retain most of their own culture and create their own national *ethos*, for they fear that any other policy would in time menace the social superiority and racial identity of the European. "We have all," remarked Mr. J. H. Hofmeyr, "got that fear of the white man being drowned in a black ocean."

It is not our purpose to examine the academic issue as to how the South African state might be organized differently, but in conclusion to raise the more practical question as to how far there is hope in South Africa of development towards a genuine democratic polity inclusive of all races. The answer is clear enough. Despite notable improvement in the treatment of the native, racial dominance exhibits no sign of relaxing, and while it persists no multi-racial democracy is possible. Except for a negligible minority, the white people do not consider as possible a state that would ignore the lines of colour. They show no disposition to surrender their special power and privileges. When in the nineteenth century the liberal-democratic creed was imported to South Africa, its exponents believed that equality of treatment should be conceded to native or coloured people in the degree to which they attained a certain level of culture or standard of civilization. But even the most thorough going liberal of the time, faced by the complicated diversities of race, was compelled to admit that the principle of equality could be recognized only with reservations and that for some time to come differential treatment of the diverse races was inevitable. Today the crucial question pertains to what the legal differentiations should be and what ends they should envisage. Differentiation may be regarded as something temporary, adjusted to the present cultural diversity in the racial groups, and based on the assumption of the liberal that complete assimilation, however remote, is the ultimate and desired

goal. Or alternatively it may be regarded as a more enduring policy, directed to achieve a permanent segregation for each race. Segregation in a state where whites must dominate is the official policy in contemporary South Africa. The insistence on dominance derives from the craving for security and prestige and from the conviction that racial differences cut deeper than those of culture, and hence that there can be no escape from the fetters imposed on men with a dark skin. Educated and Europeanized natives are still, to the race-conscious whites, merely natives. This colour distinction rests on an emotion so powerful, pervasive, and deep that it will prevent the achievement in any calculable time of a genuine multi-racial democracy in South Africa. Indeed the very suggestion of such a democracy with its varied social implications arouses a fierce opposition. Racial feeling runs sharply across, not merely the national divisions between Afrikander and British, but the cleavages between the economic classes. Rich and impoverished among the whites are bound together in one indissoluble fraternity in emphasizing that they will never submit to the rule of the black man. Any change in this situation would involve a profound revolution in popular attitudes, and of such a revolution there is no sign.

Despite these hard facts, segregation in South Africa is partly inspired by a humanitarian impulse which in the last twenty-five years has steadily grown stronger. Many humanitarians in Parliament and outside espouse segregation as the most certain way of assisting the native to develop at his own pace and in harmony with his past, while in the interval ensuring supremacy to the white man as the active trustee for the native. Since 1920 the spirit of trusteeship has been illustrated in the extension amongst natives of agricultural instruction, the more generous encouragement of primary and higher education, the wider provision for educated natives in public service, the improvement in urban native housing (although there is still much room for betterment), and the systematic efforts made to advance the health of the native. The Dutch Reformed Church, although it continues as in the past to sustain the sense of social distance

between the races, takes now a more intelligent interest in the uplift of the Bantu. The chief universities of the Union maintain chairs of native anthropology, and encourage students to investigate native life with a zeal and sympathy uncommon thirty years ago.[21] In 1929 such public bodies as churches, universities, and welfare societies collaborated with private individuals in establishing the South African Institute of Race Relations to study racial problems and to further practical co-operation between the diverse groups. This true marriage between a scientific interest and a humanitarian outlook has had a wide and potent influence. "Whereas twenty-five years ago," remarked Professor Basil Williams on revisiting the Union in 1937, "fear dictated a policy of repression, today there was everywhere apparent an interest in and a concern for the welfare of the South African native."[22]

But the notable advance in the attitudes and practices of trusteeship does not mean that social distance between the races has substantially lessened or that the fundamental problem of power is any nearer solution. The grim fact of different racial communities, with diverse privileges within the one state, still survives. Although the Europeans, as the preceding chapter illustrated, are often divided among themselves, they at least possess that corpus of common purposes which constitutes the true life of a democratic state, but they are determined to exclude the Bantu by walls of segregation from sharing such purposes.

Some of the policies of trusteeship now pursued will assuredly hasten the day when the white population must face an insistent demand by the natives and the other racial groups for more privileges and enlarged power. An awakened yearning for liberty among the dominated is inevitable. The advance of native education will ultimately further it. The more the culture of the white man is assimilated, the more certain is this yearning. The future may even witness a closing of the ranks between the three racial communities

[21] Betterment in native welfare is appraised by C. T. Loram, "Native Progress and Improvement in Race Relations in South Africa, 1911-1931" (*Journal of the African Society*, XXXII, Jan., 1933). Improvement has been less notable in native public health. See *Report of the Committee Appointed to Inquire into the Training of Natives in Medicine and Public Health* (1928).

[22] *South African Outlook*, March, 1937.

now ruled by white men, with a combined pressure for equality of privileges. A vast and malign racial struggle would then be the fate of the Union. We cannot predict what forms racial tension may take, but we may safely assume that it will not lessen, that indeed it will increase. Nor is there a simple solution. A discerning South African scholar at the conclusion of an able book on the problem remarks that "the present system of race relations is like a trap in which we are all caught. None of us feels really happy and at ease in the trap. But, in whatever direction we turn in our search for a way out, we run up against inhibitions and barriers which we cannot bring ourselves to break, even though we discern the promise of a happier world behind and beyond them."[23] No easy solutions are possible because the issues concern a tissue of powerful racial prejudices, fears, and complexes. "The white people of South Africa," remarked Lord Selborne in 1907 in words no less pertinent today, "are committed to such a path as few nations had trod before them, and scarcely one trod with success."

[23] R. F. A. Hoernlé, *South African Native Policy and the Liberal Spirit*, 173.

Chapter Nineteen

ECONOMIC AND SOCIAL POLICIES

1

The South African state pursues many policies like those of Australia under the influence of similar geographic factors, especially drought, relative absence of internal waterways, and vast stretches of semi-arid land. No less than in Australia and New Zealand it has profoundly influenced the economy through its fiscal controls, regulated wages, marketing, and the public ownership of railways and other utilities. The prosperity of the Union has ebbed and flowed with the changing currents of foreign demand for staple commodities especially for gold, and government has sought to enhance security by promoting a diversified economy. But behind all the principal procedures of the state is the profound and inescapable influence of native labour and the perennial anxiety of the white man to protect himself against its competition. The deep cleavage of the population into black and white makes almost every public policy in some features distinctive from that in the other democracies of the Commonwealth. It involves, in particular, a departure from anything like an egalitarian treatment of men within the state; it introduces the contrary and undemocratic principle of discrimination, and diverts much public emotion and thought to the ends of power rather than to the ethical objectives of liberal democracy.

2

Soon after the First World War a familiar type of neo-mercantilism arose. Fiscal protection as something other than an incidental product of revenue duties began with the tariff of 1925, inspired by a national sentiment which sought

economic as well as constitutional expression. It was the Nationalist party under General Hertzog which authorized the first protective tariff to allay the discontent of Afrikanders, who were shifting from country to town and finding limited employment, and to meet the demands of the small existing industries. The First World War had sharply reduced shipments from Europe, raised freight rates, and thus sheltered domestic producers who after 1918 quickly agitated for duties. The protectionists were supported by those convinced that, owing to the competition of native labour, the basic industries of mining and agriculture were unable to furnish adequate employment for the increasing numbers of restless white workers, and that secondary industries were imperative to provide such employment, especially for white women. Gold-mining was a wasting asset, and preparations were deemed necessary for the time when this asset would virtually disappear. The presence of iron ore, limestone, asbestos, chrome, manganese and coal, although the latter is of low calorific value, gave some promise that manufactures could be established.

Under the legislation of 1925 and subsequent years the scale of duties has been moderate in order to safeguard revenue and to avoid unduly burdening the primary industries. A Board of Trade and Industries, reorganized in 1924, has acted as a tariff board, directed the imposition of duties, insisted that before an industry receives protection it must truly exist and need assistance, and stipulated that wherever possible it must use South African raw materials. Special tariff concessions are characteristically given to industries which employ a satisfactory ratio of civilized, or non-native labour.

A notable feature of protectionism, especially under powerful electoral pressure after 1929, has been the zealous fostering of agriculture. Many farmers, especially the producers of maize, meat, wheat, and sugar, have enjoyed a more intricate structure of protective measures than secondary industry, including prohibition on imports, high agricultural tariffs, fixed internal prices, subsidies on export, and compulsory export quotas, all of which contribute to excess

costs.[1] The wide range of administrative control is illustrated in the Marketing Act of 1937, which enabled the establishment of boards, representative of producers in different branches of agriculture, with extensive power over the process of marketing, including the distribution of quantities, the fixing of prices, and the grading and standardizing of products. Import and export prohibitions may be enforced by proclamation, but the prime aim of the legislation is to achieve regulation by the producers themselves. A National Marketing Council is empowered generally to supervise marketing schemes and advise the minister of agriculture. Most agrarian protection has been given only to certain weak forms of agriculture which are least adapted to the environment, and it has doubtless hampered the best use of natural resources. The attempt, for example, in the past to achieve national self-sufficiency in wheat by prohibiting import except under licence, not merely raised the costs of food for the general public, but speeded soil exhaustion by diverting many farmers from that pastoralism best designed to conserve the natural veld from the evil of erosion. Sugar in Natal, as in Queensland, has received most forms of state direction: protection from outside competitors, price-fixing, government allotment of sugar farms, and limitation of production. Many types of agrarian aid, such as subsidized housing and assisted purchase of livestock, made tariff protection almost inescapable.

The restraints upon imports and the bonusing of exports were in some measure forced upon the Union by the shrinkage in commodity markets, which accompanied the tendencies in Europe towards autarky after 1925, and by the overcapitalization of agriculture consequent, as in other countries, upon a previous period of extravagant growth. But highly important is the strong bargaining position of the agrarian interest within the state, which aggressively pushed the policy of self-sufficiency further than in any other Dominion.

[1]See critical analysis of C. S. Richards, "Subsidies, Quotas, Tariffs and the Excess Cost of Agriculture in South Africa" (*South African Journal of Economics*, Sept., 1935); F. J. van Biljon, *State Interference in South Africa*, especially chapters V and VI. Much information is contained in *Third Interim Report of the Industrial and Agricultural Requirements Commission* (1941).

The bulk of the workers are natives with a low standard of living, politically inarticulate, and unable as consumers to assert themselves. Afrikaans nationalism has favoured agrarian protection in order to enable Afrikanders to survive on the soil and to escape the fate of poor whites. Indeed such nationalism has drawn its electoral strength and cultural nutrition from the men on the land, and in return it must give protection. This powerful racial impulse is reinforced by the influence of geography, especially by periodic drought in a country characterized by erratic rain and occasional ravages of locusts. "Those farming in areas of precarious production," remarks a South African authority, "tend to have a lethargic outlook in which a lack of enterprise—for without hope, indolence or procrastination is fostered—or wild speculation rules. Provision for the future is neglected and advances become spasmodic. In general private enterprise becomes subordinate to state enterprise and the evils of bureaucracy become accentuated."[2] An official study of agricultural income completed in 1943 claimed that since 1934 the annual contribution of all branches of the agrarian industry to the total national income, including production by natives and coloureds, had not exceeded 13 per cent, although the agrarian classes represented over 60 per cent of the whole population. While the precise statistics in this estimate may be open to challenge, there appears to be general agreement among South African economists that the efficiency of agriculture is low and too much of the population is engaged in its operations.

Aids other than fiscal protection are sought because of harassing circumstances in the physical environment. At intervals heat and drought sear the countryside and decimate herds and flocks. In many regions cultivation is impraticable without irrigation, subsidized by the state. In the Cape Province about 86 per cent of the total area cannot grow crops except by irrigation.[3] The soil, easily pulverized in months of drought, is subject to prompt erosion by rain. Violent storms may leach out and tear away fertile soil.

[2]H. D. Leppan, *Agricultural Policy in South Africa*, 28.

[3]F. E. Kanthack, "Capacity of South Africa to Absorb Europeans" (*South African Geographical Journal*, Apr., 1941, 8).

Since the drainage lines from the plateau are usually steep and the valleys narrow, the soil is readily washed to the sea. "A national catastrophe due to soil erosion," wrote two American authorities, "is perhaps more imminent in the Union of South Africa than in any other country."[4] The state is obligated to aid farmers and pastoralists especially in conserving what General Smuts once described as "the surface gold of the country," grass. The great bulk of the population depends finally upon the grass cover of the land, and suffers when it suffers. Hence government has subsidized boreholes and dams, financed irrigation projects, and sponsored education to combat soil erosion, over-stocking, and insect pests, especially the locust. Parliament has spent funds upon afforestation of river catchment areas and upon research in veld management, such as that carried on at Rietondale and at many other stations for pasture research. But the agricultural expert in South Africa commonly finds that political discussion evades the fundamental issues of human adaptation to environment, especially on those occasions when the public is absorbed by the emotive issues of nationalism or concerned with finding political scapegoats for its misfortunes.

One type of assistance, less controversial than fiscal protection, is the credit provided by the Land and Agricultural Bank, established in 1912 and never operated for profit. The Bank, which derives its capital from the Union treasury, is administered by a board appointed by the government, although a sincere effort has been made to manage it as a public utility trust rather than as an ordinary department of government. It makes advances to farmers against the security of first mortgages on land, to agricultural co-operative societies, to regulatory boards under the Marketing Act, and also to farmers for such special purposes as the construction of fences, dipping-tanks, and silos. In 1933 the Bank was authorized to act for the government in redeeming mortgages through funds voted by Parliament, but its influence upon the total long-term agrarian credit was relatively limited.

[4] G. V. Jacks and R. O. Whyte, *Vanishing Lands, A World Survey of Soil Erosion*, 278.

In 1934 it held only some 15 per cent of the whole long-term farm indebtedness of the Union, the remainder being retained by private companies and individuals.[5] The legislation of 1933, which, in a period of distress provided funds to prevent mortgage foreclosures, greatly increased this percentage, and gave to public institutions, either the Land Bank or the State Advances Office (a sub-department of the treasury), a substantial hold over mortgage debt.

3

The public ownership and management of utilities have been no less highly developed than in the other Dominions and for similar reasons. Rail transport was early brought under the government partly because in the pioneer period the private enterpreneur could not marshal sufficient capital, and partly because the railway had to serve political ends. The first lines in the sixties were built by private companies with public aid, but, owing to colonial rivalry and the necessity for quick expansion with the mining operations after 1870, these were taken over by the colonial administrations.[6] The absence of inland waterways and the remoteness from the coast of the chief exportable wealth attached a peculiar importance to the railway, and all the colonies, especially those on the seaboard, became absorbed in rail construction in order to make profits out of the traffic to and from the mines. Thus the intertwined issues of railways, public finance, and mining development became central in colonial politics.

After 1910 efforts were made to combine efficient management of the railways with the politics of a national parliament. The South Africa Act not merely provided for management by a board, presided over by a minister of state, but formulated broad rules for its guidance, and prescribed that the railways were to be administered "on business principles,

[5] *Report of the Commission to Inquire into Co-operation and Agricultural Credit* (1934), para. 896.

[6] Even as late as 1874 there were only sixty-nine miles of railway in South Africa.

due regard being had to agricultural and industrial development within the Union, and promotion by means of cheap transport, of the settlement of an agricultural and industrial population in the inland portions of the Union." Finances are partially separated from those of the general government by a Railways and Harbour Fund into which revenues flow and from which expenditures are met.[7] But outlays on capital account are derived from moneys received from the treasury, and to it unexpended balances are returned. The total earnings are to be sufficient merely to meet working expenses, which include maintenance, betterment, depreciation, and payment of interest on capital.

The draftsmen of the South Africa Act were anxious to eliminate the ills which often, as in the South African colonies prior to the Union, impair the management of state railways, especially interference for partisan ends, favouritism in contracts, distribution of jobs to party friends, the imposition of low rates to win electoral support from certain regions regardless of effects on general railway finances, and bureaucratic administration by a government department. At the outset it was evidently assumed that the board was to be relatively independent, subject however to the ultimate supervision of the government. Actually its independence has never been impressive, and was curtailed by the Railway Board Act of 1916 which made it little more than advisory to the minister. The South African railway administration has not, therefore, been an example of the public utility trust, common in Great Britain and Australia. Its subserviency to government has been furthered by the fact that men are sometimes appointed more for their political sympathies than for technical competence in railway matters.[8]

Much controversy has centred on the extent to which the railways have been administered on business principles. Obviously they have not been administered according to the strict principles which govern ordinary commercial corporations, since under the South Africa Act due regard is to be

[7] *South Africa Act*, sections 117-31.

[8] This and other matters were fully examined in the twenties by S. H. Frankel, *The Railway Policy of South Africa*; on the general system see *Report of the Railway and Harbour Affairs Commission* (1934).

paid to "the agricultural and industrial development within the Union." This provision suggests that the railways, like a protective tariff, are to be regarded as an instrument in national economic policy, and hence may properly provide cheap transport to certain areas in the interest of development, imposing the cost (where it is not provided directly by the treasury) in rates on other and more developed areas. Such in any case has been the actual policy pursued by the South African Railway Administration.[9] Under pressure of the agrarian groups it has built branch lines throughout agricultural regions, wherein it has kept the rates specially low, thus throwing the cost on the higher-rated traffic to and from the mines. In 1941 some 15 per cent of the freight traffic accounted for over 60 per cent of the freight revenue. The representatives of mining and manufactures on the Rand have consistently criticized a policy whereby these industries have to pay enhanced rates in order to bonus other and weaker industries. The usual form of their complaint is that the spirit of the South Africa Act has been violated, and that the railways are not administered according to the basic business principle that capital expenditure must be regulated by capacity to earn revenue. Certainly political pressure, as in other Dominions, has decisively influenced branch-line extension. The draftsmen of the South Africa Act had intended that the railway administration should obtain from the government relief for the interest charged on branch lines, but a commission reporting in 1934 found that in no case prior to that date did the Consolidated Revenue Fund meet a loss on such lines; it did not even shoulder the cost of building railways to South-West Africa during the First World War.

The railway administration has also been criticized for its susceptibility to political intrigue, lax methods, uneconomic preferences in rates, and the application of the civilized labour policy which needlessly increases labour costs by ejecting natives from much railway employment. While at different times these charges have been well enough grounded, the South African railways have not been an inferior example of public

[9] *Report of the Railway and Harbour Affairs Commission*, Appendix II.

ownership. Despite long hauls of bulky freight over barren country, the lines have shown a greater capacity than most Australian railways to pay their way, helped greatly by their virtual monopoly of the profitable traffic to the Rand and the definite policy of building up a maximum amount of traffic. From 1911 to 1929 the percentage increase of traffic was 174 compared with a percentage increase of the population in the same period of 28.2.[10] The integration of the lines has greatly aided the economy of the Union, and the management of the system appears on the whole to have been enterprising. The chief feature for which the system is most often criticized by private business is that, like publicly operated railways elsewhere, it is an instrument of national policy, responsive ultimately to the direction of the government and the varied pressures of public opinion.

Although the railways are the most important enterprise under the government, a notable experiment in partial government direction is iron and steel, a crucial industry for the mining development on the Rand. After the First World War the impulse to build up a national economy in South Africa, with an industrial base broader than mining, stimulated an interest in utilizing domestic iron ore and coal in the creation of a steel industry instead of relying as hitherto upon imports brought by the long voyage from Europe and the rail haul from the seaboard. Since the government believed that the small private companies already in existence failed to marshal enough capital, it established in 1928 the South African Iron and Steel Industrial Corporation, briefly known as Iscor. Controlled by seven directors, of whom a majority are appointed by the governor-general for five years and the remainder by private shareholders, the Corporation obtained capital from funds appropriated by Parliament and directly from the public through the issue of shares. It may give a limited dividend out of profits, but must pay both Union and provincial taxes. Although the governor-general may regulate such matters as the remuneration of the members whom he appoints, the Corporation in general exercises

[10] *Report of the Departmental Railway Tariffs Inquiry Committee* (1930), para. 45.

independent judgment and does not regard itself as a branch of the government. Iscor indeed represents that compromise between private and public control common in corporate experiments throughout the British Empire. In 1934 it began to operate its plant at Pretoria, and by 1939 it was supplying 50 per cent of the demands for primary steel on the Rand and one-third of the ordinary requirements of South Africa. The Second World War inevitably speeded its growth.

The founders of Iscor were anxious to produce cheap steel and believed that the corporation would not require protection beyond the natural protection of freights and incidental charges on the imported product. These sanguine assumptions were not entirely justified.[11] Certainly in 1937 a measure of protection was granted to the industry in the fixing of prices for competitive imports, and the Corporation's arrangement with the International Cartel resulted in discrimination against the products of the United States, a policy criticized by the South African Railway Administration on the ground that it involved higher costs for railway equipment. But the valuable economic role of Iscor during the Second World War dissipated much criticism, and gave it a political justification stronger than any in the past. Today it is accepted as a defensive and instrumental industry in the South African state, designed to serve a national purpose not measurable in purely economic terms.

There are other enterprises in one form or another under the government which comply with the usual pattern of public utilities, and in character are little different in South Africa from their counterparts in other Dominions. Such is the Electricity Supply Commission, created by statute in 1922 to acquire with the aid of the treasury electric plants and to co-ordinate the present electrical undertakings. Action of the state was here designed to encourage industry through the provision of cheap electric power much like the policies of the Hydro-Electric Power Commission of Ontario and the State Electricity Commission of Victoria. The

[11]For a comprehensive analysis of Iscor to 1939 see C. S. Richards, *The Iron and Steel Industry in South Africa.*

Electricity Supply Commission is not strictly a government department. It is a body corporate managed as a private company, without the checks of parliamentary control on ordinary administration. It operates at cost, and pays interest on the financial advances from the treasury. In 1925 it began to supply electricity, and now directs a number of steam plants. A distinct body, the Electricity Control Board, acts as a licensing authority, both for the undertakings of the Commission and for all private plants in the Union.

4

In the decade after the First World War extensive labour and social legislation was enacted, shaped by the distinctive features of South African society, especially by the cleavage of the population into black and white. This legislation had two intimately related purposes: to eliminate the periodic and bitter discontent which from 1910 to 1922 rent South African labour and issued in the violent strikes of 1913, 1914, and 1922; and to regulate the ever-present and intricate competition between white and black and to ensure for the white a status of security.

The virulent industrial struggles of the earlier era resulted from the unsatisfactory conditions of employment in the mines, especially the inadequate recognition of collective bargaining, the rapid labour turnover (in 1913 one-half of the white workers underground changed employment every six months), the uncertain earnings of the miner, and the harsh ravages of miners' phthisis. In 1922 the aims of organized labour had suddenly become intertwined with those of republican nationalists, and many of the Afrikander rank and file among the strikers assumed that if successful they would establish a republic. Intensifying these elements of friction was the perennial danger to the white man's wage from the threatened competition of the natives. Indeed all industrial problems in the Union arise in a complicated context of racial and cultural friction, active or potential. In 1913 on the Rand there were nine natives in the mines to every white

miner, and the rooted fear of the white man was that the native proportion might increase. Aware that his trade unionism might be too weak to resist effectively the pressure of native competition, the white worker was apt to be nervous and radical, impatient to transform an individual strike into a general strike in the alleged interests of white supremacy. "A white South Africa" was the slogan of the strikers in the impassioned strife of 1922.[12] South African labour, like Australian labour, was determined to protect its standards of life against the downward pull from the low standard of the non-white, but, unlike Australian labour, it had to concern itself with varied measures of domestic protection rather than with restricted immigration. Within the economy it was already confronted by a powerful tide of colour.

After 1918 governments began to deal seriously with industrial tensions through an elaborate labour code, planned to achieve a regulated capitalism, primarily but not exclusively in the interests of white labour. The Factories Act of 1918 provided machinery to regulate factories, limited the hours of work, and stipulated for the payment of overtime. Other legislation created the legal basis for wage boards to determine in certain industries the conditions of employment for women and young persons.[13] No less significant was the Apprenticeship Act of 1922 (replaced by an amended statute in 1944), designed to develop and preserve skill among white labour by empowering the minister to appoint local committees with authority to prescribe rules governing apprenticeship. The possession of skill was the best insurance of the white man against the competition of the black, and apprenticeship protected skill. The Industrial Conciliation Act of 1924, considerably amended in 1937, was intended to prevent or to mitigate industrial warfare in major industries, except agriculture, by furthering collective bargaining and partial self-government in industry. Employer associations and trade unions are registered as bodies corporate, and may

[12]The Martial Law Inquiry Judicial Commission of 1922 was told that 75 per cent of the white workers were Dutch and specially sensitive to the colour cleavage. *Report*, para. 96. But English-speaking white workers were no less zealous in defending the colour bar.

[13]For a general survey see *Report of the Industrial Legislation Commission* (1935).

establish councils to examine matters of mutual interest in the industry and resolve disagreements. Before a council is established the minister of labour must be satisfied that the organizations are sufficiently representative of the industry in the given area. In cases where councils cannot be established, conciliation boards may be set up to settle disputes. A strike or lockout is unlawful until reported upon by an industrial council or conciliation board. In essential public utility services strikes and lockouts are prohibited, and arbitration is compulsory. Such advanced legislation brought a greater measure of industrial peace, furthered collective bargaining, and enlarged trade union membership, which by 1939 stood at 179,000 workers in registered unions, representing a higher proportion of unionized workers (excluding natives) than in contemporary Canada.[14] Native unions were not registrable under the act, but struggled into existence in face of much hostility among the white population.

Besides the wage determinations of the industrial councils, the minister of labour, advised by a Wage Board of three members, may fix wages under authority of the Wage Act of 1925 and its subsequent amendments. This legislation was intended to benefit the unorganized workers, including the urbanized natives, and also the organized who for one reason or another could not constitute with employers industrial councils. Since the Wage Board has no power to discriminate on the basis of race or colour, the earnings of some natives have been improved by its recommendations, but certain technical difficulties have limited this number.

General social legislation was more slowly and perhaps less effectively developed than the labour code. In the early years of the Union much of the responsibility for social enactment, especially as it pertained to poor relief and charitable institutions, was given to the provinces, which attempted a wide variety of measures. But in the twenties the Union took a stronger lead, and in 1937 created a distinct Department of Social Welfare. In 1928 old age pensions had been established and applied to white persons and coloured, excluding Asiatics and natives, provided that the applicants

[14] *Report of the Department of Labour* (1939), 33.

passed a means test. In 1944 the pensions were extended to natives. A cautious venture in unemployment insurance was made by the Unemployment Benefit Act of 1937, which empowered the employers and employees to create insurance schemes in certain industries. A state central authority supervised the funds and the performance of the industrial committees. This reliance upon the initiative of employers and employees was unsuccessful in many industries, and its lack of success aroused public opinion, especially with the coming of the Second World War, to press for a more comprehensive state scheme of social security, which was recommended in the report of the Social Security Committee appointed in 1943 and left for implementation after the war.

Such important industrial and social legislation during a quarter century has enhanced the security of the white workers, but has not appreciably reduced the grave and traditional disparity between the wages of the skilled whites and unskilled natives. In no other Dominion is there such disparity; in none is skill so much the prerogative of a single race. As late as in 1941 it was still true that skilled workers obtained 22 *s.* per day, whereas the wage of unskilled workers in towns varied between 20 *s.* and 30 *s.* per week.[15] The skilled workers are a highly privileged aristocracy of labour whose wage scales might be envied by any artisans in the world, except perhaps those of the United States and Canada, and they work side by side with unskilled natives whose standards of life are pitiably low. The contrast of labour conditions in such a society with those of Australia are particularly striking. Some of the labour legislation might be expected to narrow the wage disparities, but since 1924 it has been accompanied by the Civilized Labour Policy, designed to reserve mainly for white labour (coloureds and Indians are often grouped with whites as the civilized class) certain occupations both skilled and unskilled. Such differential treatment is really a phase of the larger policy of segregation, brought to the fore particularly by the fact that, owing to the trend towards urbanization, an increasing number of

[15] *The Third Interim Report of the Industrial and Agricultural Requirements Commission* (1941), para. 26.

white labourers entered the ranks of the unskilled and had to compete with the natives. Moreover the Civilized Labour Policy was intended to open up more opportunities to the poor whites and thus ameliorate their lot. It has been more systematically implemented by the government and its agencies than by private industry, although special tariff concessions have been given to employers who adopt it. The acceptance of the policy by the Nationalist party after entering office in 1924 resulted in an increased employment of white labour in place of natives on the railways and on such public works as those concerned with irrigation. In the mining industry this policy, long favoured by public opinion, received statutory recognition through the Mines and Works Amendment Act of 1926, which closed to the native a number of skilled and responsible tasks in the mines.[16] Most of the native labourers in the mines, it may be added, are tribal natives who work on contract for limited periods, live in compounds maintained by the mining companies, and on completion of their contracts return to the tribal lands. In different ways the main industrial legislation reinforces the principle of the Civilized Labour Policy. Under the Apprenticeship Act, for example, rules are generally formulated that almost automatically exclude natives, who, with an average school life estimated at less than three years, seldom possess the requisite education. Natives cannot benefit greatly from the Industrial Conciliation Act because they are not regarded as employees under its terms, and are excluded from most trade unions, except in the Cape Province. But the minister of labour has discretion to declare that the provisions of any industrial agreement shall apply to natives in the industry. The bulk of native labour, however, is in agriculture and domestic service which are not under the statute. Natives derive little benefit from the Wage Act when in practice minimum wages under it are placed so high that they are unlikely to be employed, their labour not being deemed worth the wage. Native labour is only a cost advantage in certain industries where muscular exertion is more important

[16] *Report of Native Economic Commission*, 1932, paras. 838-40. Also Sheila T. Van Der Horst, *Native Labour in South Africa*, 183-5.

than skill. The assumption prevalent throughout the Union is that the African is the unskilled labourer and that he should have no other role. Menial work is Kaffir work.

The character and complications of South African labour policy are well exhibited in respect to the natives and trade unionism. The natives, like other workers, inevitably sought to improve their wages and conditions of life by collective action. But colour prejudice among both white labourers and white employers made the path of the native trade unionist difficult, and certain statutes reflected the prejudice. Race sentiment has generally triumphed over class consciousness. Past instances are legion where European employers and employees reached agreement in a manner that sacrificed the interests of the unskilled, unorganized, and poorly paid natives. Various special forms of legislation have governed the employment of the native, such as the provincial Master and Servants Laws, the Mines and Works Act, and the Native Labour Regulation Act. While in some provisions these acts protect native interests against unfair treatment by employers, they discourage rather than encourage the kind of protection which trade unions might be expected to further; they provide a form of paternalism. The definition of an employee in the Industrial Conciliation Act of 1937 excluded Africans, whether they were members of a trade union along with Europeans or in a separate union. Since separate native unions cannot be registered with the Department of Labour, many employers are disposed to ignore them. The Masters and Servants Laws make strike action by African workers a criminal offence.

Yet colour prejudice in industrial relations has been changing and in some degree breaking down. It was never so pronounced in the Cape, and here some trade unions have long embraced members of the coloured races, including natives. In the Transvaal it was stronger, appeared in the form of a more unbending dogmatism, and generally prevented the inclusion of natives in the same unions with Europeans. Hence in the twenties separate and parallel trade unions emerged. Since at the outset these associations embraced mainly unskilled workers without political privileges, they

assumed an industrial or even mass form, as notably illustrated in the Industrial and Commercial Workers Union (or briefly, the I.C.U.), which was launched in 1919 with the purpose of organizing native workers in all industries whether in factories, warehouses, or on farms. Thus the I.C.U. was not strictly a trade union, and under the drive of a flamboyant organizer who fed the workers with extravagant promises it had an extraordinary growth and a no less quick collapse. In its short heyday it was feared by the European population for its revolutionary designs. But genuine native trade unions were also organized on the Witwatersrand, including those of laundry workers, printers, bakers, dairy workers, and chemical workers. The Second World War stimulated this growth of separate unions, and, at least in some circles of European opinion, created more sympathy with the aims of native workers. In 1942 the Conference of the Trades and Labour Council, chief organization of South African labour, requested that the Industrial Conciliation Act be amended to include all workers under the definition of employee, and in the same year the government promised to give legal recognition to native unions. In the meantime these bodies rapidly grew in number and membership. By 1945 the Council of Non-European Trade Unions (formed four years earlier) made the claim that in South Africa there were 120 associations of native and coloured workers with a total nominal membership of 158,000.[17] Although not fully recognized under law, these unions are accepted in a *de facto* fashion, and are active in furthering their industrial ends. Their officers present evidence to the Department of Labour in the interests of their members, they seek to influence administrative action, and they negotiate with many employers.

Despite the racial bias hitherto reflected in labour and social legislation, a growing number of progressive South African thinkers recognize that it is a profound interest of the white man to foster the skill of the native and to raise his standard of life in order to extend the domestic market and to enlarge the wealth-producing capacity of the country.

[17] *Sixteenth Annual Report of the South African Institute of Race Relations* (1944-5), 9. Verification of such figures is difficult because the native trade unions are not registered.

This step, they believe, is all the more urgent in view of the inevitable waning of the gold-mining industry, and the necessity for efficient industries to take its place. They are not disturbed by the electoral battle-cry of the Nationalists that "the Bantu are coming," because they consider that the Bantu are already here. Natives and Europeans dwell within the one economy. They do not reside on separate economic islands. The destiny of the one is deeply affected by that of the other. Hitherto the per capita income of the Union has been the lowest of any Dominion, a fact which is most grimly evident in the country. Almost two-thirds of the Union's total population are engaged in farming and apparently produce only one-eighth of the national income. Poor natural resources, inferior technique, and unwise use of labour are mainly responsible for this unsatisfactory situation. Improvement in industrial skill is intimately related to a betterment in native production and a mitigation of native poverty. In 1941 the Industrial and Agricultural Requirements Commission was emphatic that the Union was seriously failing to utilize, especially in secondary industry, its great potential reservoir of native labour; it left much of this labour in ignorance to wring a miserable subsistence from the land. The excess agricultural population is most evident on the native reserves, where cultivation is often carried on by inefficient methods outmoded in western Europe two centuries ago. The greater education of the natives and their wider employment in manufacturing are essential to increase their purchasing power and thereby to enlarge the markets for the industries of the nation.

Such indeed has been the chief burden of liberal argument for a generation. "The plain but difficult lesson for all to learn," wrote Professor W. M. Macmillan, "is that in the long run what is best for the native is best also for the European, as well as vice versa."[18] In 1926 the Economic and Wage Commission in its illuminating report presented abundant evidence which appeared to support the liberal thesis that low-paid native labour was not cheap in the final result and that there was scant wisdom in permitting the bulk of the

[18]W. M. Macmillan, *Complex South Africa*, 18.

nation's work to be performed by unskilled hands. But economic policy is interlocked with political convictions and racial fears. Any drastic change in such policy on lines of liberal principle would ultimately compel the European population to subdue its colour prejudices and break the traditional bonds of racial caste. The economic elevation of the Bantu would have direct and profound implications to the type of European democracy which now dominates the scene, for it would create among this African people powerful pressures for political liberty, and in due course political emancipation would mean Bantu dominance. The white man would yield his sceptre of power to the native. Or, at any rate, the advance of education in the kraal would inevitably bring unsettlement and discontent. This is the grim and inescapable dilemma which confronts South Africa. The white people dare not expect in the long run a Bantu population more advanced in economic life without also having a Bantu population which will demand a new political status and a share in determining its national *ethos*. Are the Europeans prepared to accept an economic régime which also means a changed configuration of political power? Are they prepared to accept the social implications of a true multiracial democracy? Or are they determined to pursue the policy of political dominance tempered by the spirit of trusteeship in the economic and other spheres? These are hard questions before which all the other questions of South African democracy wither in importance.

Chapter Twenty

CONCLUSION

In this concluding chapter we proceed from the particular to the general to emphasize the varied points of comparison and of contrast, and to summarize and assess the principal elements of Dominion democracy. We return indeed to the theme of our opening chapter, inheritance and environment, for in these dual influences are the dynamic political forces of the countries concerned. Dominion democracy is essentially modern British parliamentarism moulded by the diverse physical and social circumstances of countries scattered widely in the world and colonized mainly in the last century and a half.

1

Geography and history have created in these states marked distinctions. Democracy in South Africa, for example, is not precisely the same thing as democracy in Australia, for it pertains only to a racial minority among the inhabitants of the Union and is troubled by its own lack of comprehension. South Africa is also more haunted by history than any other Dominion, disturbed by the memories of old disputes and grim situations which linger into the politics of the present. Confronted by the clash in culture and interest between a dominant white minority and a subordinate black majority and by the conflict of nationalities within the bosom of the white population itself, its government often operates in an atmosphere of intense and singular passion. It has about it a sense of suspense and an air of the precarious. In the African continent democracy faces a threatening environment far less congenial to the growth of those radiant hopes which inspired the

rapid advance of Australian self-rule. No South African poet has addressed his country in such words as O'Dowd used of Australia, the "Delos of a coming Sun God's race." Least of all is there that emphasis on equalitarianism and common standards of life which has characterized Australian democracy, and which is expressed not merely by Labour politicians but by poets and novelists. An Australian critic has remarked that his countrymen are inclined to rephrase the biblical injunction: "Seek ye first a high standard of comfort, and the Kingdom of God shall be added unto you."

Canada also, with its dual nationalism and its sharing of a continent with a powerful neighbour, is unlike Australia with its remarkably homogeneous and unilingual community, occupying a continent entirely by itself and physically isolated as few countries in the world are isolated. Canada does not confront the problems and does not suffer from the same anxieties as South Africa, but it has not that easy-going, almost reckless self-assurance which Australia derives from its social cohesion, from an unchallenged possession of a continent, and from the fact that it has grown to maturity without the severe national travail of its sister Dominions in Africa and America. Canada is more reserved on the surface, but underneath is intense and eager in the manner of the Calvinist, conscious of its high calling, and determined to succeed in its bi-national experiment.

Yet whatever the points of difference, there is one notable point of affinity between these countries: in all of them a moving frontier of settlement has profoundly and similarly influenced their culture. The frontier as an extensive area undergoing fresh colonization and marked by sparse population gave them a novel experience which Britain lacked, and which is really not yet exhausted, for all these countries retain extensive frontier areas. The Bureau of the Census drew the line of frontier settlement in America at a density of six persons per square mile. Great stretches of Canada, Australia, and South Africa (especially if we consider here only the European or white population) fall much below this figure. Frederick J. Turner had regarded as frontier lands those which carried less than two persons to the square

mile, and even this lower figure leaves immense territory in the Dominions as frontier in the social demographic sense. The population densities of the four western provinces of Canada are under four per square mile, and in these rough calculations the people of town and country are lumped together, impairing somewhat the true picture of the sparse settlement. Similarly in Australia the Northern Territory and the states of Queensland, Western Australia, and South Australia have densities below two per square mile. In all these lands the pioneer is still present and active.

More important institutionally, however, than these circumstances of the present was the frontier created in the century and a half prior to 1920 by the successive waves of population which occupied virgin acres, swept across the continental expanse of Canada and Australia, and penetrated the interiors of New Zealand and South Africa. Every aspect of life, including that of the mind, felt its impact. It did not originate political ideas, but it permitted certain inherited ideas to take possession of the air; it gave them fresh and abundant scope. Men sought to reproduce in the new environment the institutions that they had known in the old. But in the process of settlement there emerged a society with more flexible fibre, with less pronounced class distinctions than in England (excluding here the racial caste order of South Africa), and with much less feeling for a social hierarchy. Indeed, owing to the levelling ways of the frontier, social classes almost disappeared except in an economic sense. "Amongst democratic nations," wrote de Tocqueville, "new families are constantly springing up, others are constantly falling away, and all that remain change their condition; the woof of time is every instant broken, and the track of generations effaced." The description is apt, not of democracies in general, but of nineteenth-century America and of such colonized countries as the Dominions.[1] In South Africa, in contrast with the other communities, the frontier brought Europeans into violent clash with a numerous people of primitive culture, and the social attitudes

[1]Professor W. K. Hancock has suggestively discussed Australia in the light of de Tocqueville's analysis in *Australia*, chap. XIII.

created by struggle and conquest on the rough plateau sustain the present society on its basis of racial caste.

Moreover, the frontier subjected parliamentarism to fresh and rigorous tests different from those in the land of its origin; it imposed on government many new and onerous tasks. In the Dominions the state was forced to build railways, to construct canals, to finance irrigation projects, to establish public electricity plants, and to sponsor or to provide many other miscellaneous services which in Britain were not regarded as a direct obligation of the national government—not at least until public ownership policies began tentatively in the twenties with such enterprises as the Central Electricity Board and the British Broadcasting Corporation. This Dominion collectivism was the child of frontier necessities. It enabled freshly colonized and aggressive communities to carry the risks of heavy investment in public utilities, and thus facilitated the import of capital. It was due, not primarily to a socialist ideology, although in Australia and New Zealand it was influenced by socialist ideas. It was the logical resort of an empirical people, quick to use government in furthering their common ends and in making their land one of richer opportunity. At the beginning of the present century Pember Reeves, scholar and public man of New Zealand, aptly wrote of the democrats in Australasia that "they look upon their colonies as co-operative societies of which they, men and women, are shareholders, while the governments are elective boards of directors. They believe that by co-operative action through the state they can compete with trusts and other organizations of capital abroad, and dispense with great companies and corporations within their own borders."[2]

The range of this Dominion collectivism is inevitably influenced by the physical character of the country and the difficulties of its settlement. The pronounced extension of government ownership in the Australian states owes much to the peculiar hazards of colonizing a continent of light rainfall and, in many areas, of uncertain wealth. The battle

[2]W. Pember Reeves, *State Experiments in Australia and New Zealand*, I, 71-2.

with drought and desert makes imperative heavy public expenditure on irrigation and water-conservation. The early settlers in Australia as they penetrated inland encountered what the explorer Charles Sturt during a dry period found in the interior of New South Wales, "cracked and gaping plains," where drought might hold all life in a relentless grip. They were driven to collectivism by the hard frontier. The state ownership of railways became essential. Sheep-raising in the dry hinterlands provided, in contrast, for example, with wheat and corn lands in North America, light freights per mile. Private companies, anxious for profitable returns, could not provide such territories with adequate rail service, and colonial governments, reluctantly at first, were forced to provide it. Railway transport in other Dominions developed somewhat similarly, although in Canada geographic circumstances in some areas gave private companies a better opportunity to obtain remunerative freights. Basic industries other than railways show a like dependence upon the capital-feeding powers of government, and for like reasons. Public ownership in the hydro development of Ontario and state aid to the iron and steel industry on the South African Rand have been broadly determined by similar considerations. Both are key industries vital, although in different degrees, to the general development of the country; both can subsist on rich natural resources in their respective territories; and both at the outset found stimulus in the credit facilities of the state. The sponsorship of the government enabled these industries to draw capital more readily from the creditor nations, especially Great Britain. Indeed the real meaning of the long established public ownership in the Dominions is that the government acted as a prime agent of investment, directing funds from the capital market of London into industries marked by a peculiar public interest; and throughout, the intimate political relation between these countries and Great Britain has been of profound economic importance.

Canada is somewhat distinctive from the other Dominions in that, while in many matters it exhibits the collectivist trends mentioned, it has also in some regions greatly relied

in its development upon the activity of large private corporations. In this matter the two neighbouring and rival provinces of Ontario and Quebec provide interesting contrasts within the one federal state. Ontario pioneered in the public ownership of hydro-electric power, and its hydro system became the most impressive instance in Canada of public ownership in utilities. Imaginatively planned and ably managed, this experiment was for years lauded by proponents of public ownership in the United States as the major example in North America of how the natural resources of hydro power should be developed in the interest of the public, and it was not ignored in England in the discussions prior to the establishment of the Central Electricity Board. But in Quebec large private corporations early acquired the principal power sites, and until the forties held the field in ownership and operation. This divergence between the past development of the two provinces—much greater than any between the two major Australian states—is mainly rooted in facts of tradition and culture. Ontario, dominantly British in tradition, utilitarian in thought, and zealous for materialist expansion, was quick to use a state instrumentality as an agent of welfare. Quebec, in its devotion to traditionalism and Catholicism, long shrank from anything that smacked of state socialism, and quietly left the initiative to private corporations directed by English Canadians. In Ontario the rapid development of small manufactures in the early years of the century created a potent pressure for an effective and public use of Niagara, the one major source of power. In Quebec such small manufactures grew more slowly, and their proprietors, much less state conscious, were content to buy current from the large private corporations. But in the forties of the present century Quebec began to expropriate private franchises under the drive of a new French-Canadian nationalism that saw in the acquirement of English capital a step towards its own economic mastery in the province.

The frontier circumstances moulded the character of social politics in the Dominions, but moulded them differently. In Canada the formative period in the nineteenth century was marked by a stream of settlers to farms small enough

for a family to provide the essential labour. This agrarian frontier resembled that in most parts of the northern United States and produced a democracy of somewhat like temper and culture. The democratic movement drew its vitality from small farmers, independent or striving to be independent, and seeing in franchises, legislatures, and responsible executives the political order best calculated to further their interests. Their main concerns as a class were free access to the land, ready markets, means of getting to markets, monetary and financial policies advantageous to their economy, and protection against the menacing interests of urban areas. They had no desire for social services in the modern sense. The family-farm, as the basic economic and social unit, provided within its fences security to its aged, injured, or unemployed. The Jeffersonian concept of a "diminished state" was interwoven in the thought of the Canadian yeomen who fought the cause of responsible government. A convention of the Grits in the fifties formulated the resolution: "Give the government as little to do as possible, and that clearly defined."

This view underwent some but not drastic revision between the middle of the nineteenth century and the First World War. Subsidizing and building of railways by government were, though apparent departures from the principle, readily accepted by the farmers, dominant in the electorate, as a means of opening additional land or of improving access to markets. Thus, the rural interests appeared to coincide with the commercial and industrial interests of the towns. Even a purely agrarian party, such as the Patrons of Industry in the nineties, assigned to government no elaborate economic and social functions. It demanded some control over public utilities to prevent the private companies from exploiting the farmer and the general public, a low tariff, legislation against combines, more direct democracy through the abolition of the Senate and the election of county officials, and greater economy and purity in administration. In this progressive reform programme of the period no requests significantly were made for genuine social services.

To these ideas the agrarian interest remained faithful

until the First World War and beyond. The steady growth in the urban interest *versus* the rural interest brought a shift in favour of more government action, especially in the form of social services. Doubtless this shift would have been more rapid and emphatic but for the absence of cohesion among wage earners. Organized labour, for example, was singularly weak, split between French-speaking and English-speaking groups with divergent doctrines of action, and between national and international organizations with different links of affiliation. It was further hampered by regionalism, and by the circumstance that it obtained no reinforcement from the countryside. The family-farm in the agrarian economy meant the absence of a rural proletariat of any significance. Not till the Second World War did labour rise to any power comparable to that which it possessed in the antipodean Dominions of Australia and New Zealand.

Striking indeed is the contrast between the frontier development of Canada and that of Australia. Australia was never a yeoman democracy, for, owing to light rainfall, its frontier could never sustain a multitude of small farmers. From the day that John Macarthur undertook to prove that Australia's wealth lay in sheep, not in crops, pastoralism determined the course of the country's social development, and pastoralism meant a rural working-class which before the end of the nineteenth century had become organized into a strong industrial union. Pastoralism under Australian conditions also implied some large metropolitan centres where, as Sir Charles Dilke noted as early as 1890, workmen in trade unions were more influential than they were on the continent of America.[3] Labour here was always at a premium on account of the remoteness of the continent and the sparsity of its settlement. Workers of town and country were brought together in the common interest of controlling employers, created a powerful trade union movement (one of the most powerful in any national state), and built as a superstructure to trade unionism a labour party. Labour, whether in the sphere of industry or politics, derived strength

[3]Sir Charles Dilke, *Problems of Greater Britain*, 2nd ed., II, 228. Dilke's able book is the most illuminating survey of colonial democracy in the last quarter of the nineteenth century.

from the homogeneous population, and hence became the determined champion of the White Australia Policy to ensure that the homogeneity would continue.

2

Despite the pervasive influence of such frontier circumstances which give a peculiar character to the social politics of the Dominions, the parliamentary institutions of these countries resemble in all fundamental matters the institutions of Great Britain because from early colonial times there has been no sharp break in the diffusion of British political culture, no revolution like that of the Thirteen Colonies, and certainly no violent eruption from below to stem or divert the stream of influence. The frontier society itself, except perhaps in South Africa, was unlike that of many other frontiers in that it was never outside the ordinary controls of government, never beyond a common obedience to the common law. The state was not left behind. The system of political ethics was somewhat shaken but was never profoundly altered.

Dominion democracy dwells in attitudes of mind, political habits, and methods of reaching and executing decisions, all of which are evident not merely in the purely political sphere but in the abundant life of voluntary associations within the society. In describing and assessing the facts of a constitutional régime it is easy to neglect these imponderable attitudes of mind without which the institutional framework of democracy would be an empty shell. But in the final analysis the parliamentary democracy of the Dominions is a mental and ethical inheritance. In its purely legal elements it is complicated and confusing, incapable of effective operation apart from an accepted stock of political ideas and code of behaviour which make it a remarkable instrument of government. Fundamental to the many undertakings and conventions whereby the parliamentary system works is the will to accept at all times the fair rules of the game which derive, not merely from the expediencies of the system

itself, but from the moral spirit of the people and the culture and religion which nourish this spirit.

These rules of the game are supported by a strong element of traditionalism, which may not be so obvious in the Dominions as in Great Britain, but which is certainly present and significant. It is partly revealed in attachment to the general forms of British parliamentarism, even to the ancient ritual of Westminster at the opening and closing of parliament, which is followed in like manner in Ottawa, Canberra, and the other capitals. But it goes deeper than loyalty to outward procedures however important these may be. It is expressed in a sensitive regard for a rational continuity in the political process, a regard which is pervasive in the life of these communities. Existing institutions command loyalty until they outlive their utility, and utility is seldom narrowly assessed. Change is accepted but only as its need is empirically demonstrated. The common mood is one of tentative experiment. There is a shrinking from any action dictated by theory which would violently disturb the foundations. Practical politics tends to dominate political philosophy. There is a predisposition for the interim solution. There is also a shrinking from anything like a totalitarian pattern for social life within the state. In the Dominions no less than in Great Britain men have sought to live freely in the three interacting worlds of religion, politics, and economics. They view the state as a sphere of competing ideas, and regard their free associations outside politics as the true ultimate safeguard of political liberty itself.

There is a subtle difference between the sense of tradition in these countries and that in the United States. In the United States the dynamic tradition pertains to the constitution and the revolution which gave it birth, and it has nurtured a remarkable form of idealism. Carl Becker once referred to the common assumption that American institutions had "some sacred and sacrosanct quality of the changeless Absolute." Mr. Henry Wallace, then the vice-president of the United States, remarked in an address to the Free World Association in 1942; "The prophets of the Old Testament were the first to preach social justice. But that which

was sensed by the prophets many centuries before Christ was not given complete and powerful political expression until our nation was formed as a Federal Union a century and a half ago." This characteristic eulogy on the majesty of the American venture in government is a compressed statement of the democratic faith which inspires America in critical times. Such a remark, if made by a political leader in the Dominions, would not be characteristic. If it were made at all, it would probably have been made by an Australian in the nineties or at the turn of the century. The absence of any such expressed idealism concerning the constitutional system is not due to any lack of pride in institutions and law. Indeed institutional pride in the Dominions, as in Great Britain, is no less intense than that in the United States. But it is fused with a different sense of tradition, which does not fasten on the fact that something profound began in 1776 or at any other date. There is the consciousness of a large inheritance derived from a remote past and giving significance to the present, an inheritance repeatedly augmented by new cultural acquisitions. There is a more subtle perception of an organic institutional growth. Moreover in these countries the constitution is more diffuse. Its elements are not contained in one symbolic document, least of all a document which guarantees all important liberties and reflects the basic philosophy behind the state. The rights of citizens are usually guaranteed in statutes, ancient and modern, but where they are not so guaranteed they rest in convention no less potent than law.

The major purpose of the rules of the game which have come to prevail in the parliamentary régime is to ensure an adequate representation of different views in the legislature and before the electorate in order that a choice may be made of alternative policies and alternative governments. They are intended to facilitate throughout the wide range of the community a continuous effort to find workable agreements between contending interests. Hence they exalt the tradition of free discussion, so crucial to the parliamentary régime. No other tradition has more profoundly influenced the public temper in the entire English-speaking world. In their first

amendment of the constitution, the fathers of the American republic sought to protect such freedom as a right of the citizen. Similarly European builders of liberal constitutions throughout the nineteenth century endeavoured to foster it by clearly defined safeguards. But the Dominions, like Great Britain, protect it partly through law but mainly through convention and social ethics. Discussion is free provided that it does not violate specific laws, such as those of libel, slander, blasphemy, and sedition. In the main, freedom of speech and press dwells in a general acceptance of the view that any considerable restraint on discussion violates the political ethic of the state. In this, as in so many other matters, the mental inheritance from Britain is crucial to the life of the democracy, but in the Dominions it has been modified by local exigencies and temper, and civil liberties are sometimes much less secure than in England.

In these liberal states the mechanism of a majority decision has an obvious usefulness. Yet with them democracy is not regarded simply in terms of majority rule. Not merely does it operate through understandings and conventions designed to encourage the minority to express itself and in political action to transform itself into a majority, but rarely indeed will the working agreements reached on crucial matters ignore the sentiments and thought of smaller groups; they will ordinarily utilize them and partially absorb them. Effective measures designed to ensure social peace do not rest merely on the number of votes unrelated to what happens in the sphere of discussion. The essential ethic of the system is a broad tolerance or spirit of accommodation, inherited from British liberalism, and moulded by British Protestantism and the code of social ethics inculcated by such Protestantism. Democratic ideas in many parts of Europe emerged from the rationalism and secularism of the Enlightenment and were grounded in a materialist philosophy, whereas in Britain and the Dominions they were partially rooted from the seventeenth century in religion and the religious sentiment. It has been remarked that an Englishman, after the seventeenth century, who quarrelled with the Church of England might find a spiritual home in a dissenting

chapel, a circumstance which increased tolerance and checked the development of anti-clericalism in contrast with the experience of France where the Protestant churches had been almost destroyed by the absolute monarchy and where consequently a fierce anti-clericalism became a potent force.[4] The presence of church and chapel in nineteenth-century Britain and their counterparts in the self-governing colonies accustomed the people to a tolerant acceptance of religious differences and hence disciplined them in accepting secular differences.

In all the Dominions, moreover, the political ethic of tolerance and compromise was peculiarly fostered by the circumstances and necessities of their political life, especially by the urgency of securing social peace where numerous elements of friction existed between rival cultures and rival regions. The presence of dual nationalities tested and promoted the ethic of tolerance where its elements were present at the outset, a fact no better illustrated than in Canada over the past century. In his *Report* Lord Durham had recommended in regard to the present province of Quebec that it must be "the first and steady purpose of the British Government to establish an English population, with English laws and language, in this Province, and to trust its government to none but a decidedly English legislature." If this policy had been pursued, Canadian democracy would have been impossible. But those concerned with the government of the colony shrank from attempting a coercive anglification which would have destroyed the prospect of social peace and resulted in a violent struggle of nationalities. They rejected that idea of cultural uniformity, which was commonly extolled in the neighbouring democracy of the United States and which Durham had prescribed. Instead, they initiated, especially after self-government was achieved, a successful experiment in collaboration between two peoples, which rests on tolerance towards cultural diversity within the one state, and which finds enduring expression in the federation of 1867. However, this achievement did not come without travail, does not persist without irritations, and has required a vast

[4]E. R. Taylor, *Methodism and Politics*, 5.

and perennial store of reasonableness. When in the forties and fifties the experiment was still in its infancy, it came under such violent attack from passionate factions that so sage and hopeful a statesman as Lord Elgin feared that constitutional government in Canada might be impossible.[5] But in time the passion of faction lessened. Impatience shrank. Astute and generous men, skilful in the arts of group diplomacy, like Baldwin, Lafontaine, Hincks, and Macdonald, reconciled the diverse elements, and slowly created a tradition of political tolerance on which Canadian democracy rests.

One by-product of this régime is doubtless a certain complexity in the politics of Canada and an evident lack of sharpness in its political thinking. At the outset of the present century, André Siegfried discovered in the Canadian mind "endless complications and contradictions and refinements." It was a mind painfully anxious to achieve a cultural integration or at least a workable balance of cultures. It has never ceased to be clutched by such anxiety, but for most of the time it finds a satisfactory equilibrium in a régime of dual nationalism and this equilibrium it conserves. In practice the question of whether political expediency or an ethical principle inspires the experiment is not significant. Expediency and ethics are intertwined in the attitudes of the people which lead them to accept the rules that must prevail in a liberal democracy. The all-important fact is the maintenance of the vital stock of ideas which make the operation of parliamentary institutions a reality.

Since 1910 South Africa has similarly illustrated how a tolerant acceptance of cultural diversity has furthered among its European population a liberal democracy, which has operated through understandings and laws (such as those governing bilingualism) founded less on a rigid majority rule than on a respect of each national group for the interests and susceptibilities of the other. It is an experiment which has not worked without unresolved tensions, and is often exposed to bitter challenge from uncompromising nationalists. Yet, considering the contentious past history of the two nationalities, it has worked well; for nearly forty years it has firmly withstood the storms of political passion. But

[5] *Elgin-Grey Papers*, 1846-1852, II. 624.

this difficult experiment of South Africa is still in a precarious infancy, since it must ultimately embrace in some manner the coloured races who increasingly press for the political rights and social privileges possessed by British and Afrikanders.

Thus the Dominions demonstrate that homogeneity of culture and unity of thought are not prerequisites for a democratic state provided that there is a determined will to accept readily tolerance and compromise. "Our whole political machinery," wrote Balfour, "presupposes a people so fundamentally at one that they can safely afford to bicker." This remark is frequently quoted to support the argument that a complete social cohesion is essential to ensure the success of representative institutions. But in countries like Canada and South Africa, marked by diversities of culture, religion, region, and social class, it is difficult to speak of a people fundamentally at one except in their determination to cherish democratic procedures and liberal attitudes. If this determination is present, the democratic system becomes a solvent of other differences, the most effective solvent that the western world has discovered.

3

The essential mainspring of the democratic state in furthering the process of agreement is the political party. In the Dominions parties differ widely in certain features. Some respond more quickly to the impulses of social class and others to those of nationality. Some in their appeal are regional and others are national. But as democratic parties they are all alike in recognizing that in order to extend their own influence they must enlarge the range of agreement through the methods of persuasion. Their incessant struggle as competitive entities may often obscure the agreement which they further. In truth on the surface it might appear that their energizing force made not for appeasement but for strife. Under feeble or clumsy leadership they may frustrate the efforts of far-seeing men to achieve a reliable

understanding between discordant groups. But by and large their competitive struggle in itself makes it necessary for them to win an ever-widening acceptance of their proposals. Nothing else brings political significance. The procedure of conciliation is specially important on those occasions when no single party has a majority and when a coalition of some type is essential for continuity in government. Coalitions and combinations have been particularly common in the political histories of Australia and South Africa.

Within these countries there is a common and prevailing trend towards the consolidation of two main national parties, each disciplined and made responsible by the circumstance that, if it is not in office today, it may be tomorrow. This dual party tendency derives from the struggle for the stakes of power controlled by a parliamentary executive. It involves of necessity the earnest search by leaders for a unity amid differences, and implies within the counsels of each party a series of compromises between the claims of regions, social classes, and economic interests, especially those of agriculture and secondary industry. Leadership, in order to be successful, must stress the things that unite rather than the things that divide, and must seek to synthesize diverse views. Significant is the fact that in the Dominions no important party can claim to represent merely a single social class. Simon pure class parties have been doomed to impotence. The labour parties of Australia and New Zealand set out to be class parties, assisted in both countries by a powerful trade union movement. But in their anxiety to obtain wide electoral support, especially the support of small and struggling farmers, they soon overran the limits of a single class, although in them the trade unionists continued to exert predominant power. When Premier Curtin declared Labour to be the party of the nation, he was merely paying tribute to its composite character and reminding electors that Labour, no less than its opponent, was concerned with obtaining national backing. It may be added that nowhere in these countries do the workers and middle class exhibit such a sharp polarization of sentiment and opinion that political collaboration is either impossible or difficult.

Yet, while there is a trend toward a two-party régime, seldom is there a simple antithesis of two parties. Regionalism in all these countries and nationalism in two of them exert a disintegrating influence within the large party, and in periods of special tension result in the breaking away of dissident fragments, large or small according to circumstances. The dual party régime rests on an uneasy equilibrium, and is beset with difficulties. But the perennial threat to its security is not without value in that it makes party leaders specially sensitive to minority attitudes and interests.

Notable in Dominion governments is the comprehensive responsibility of the executive in the plenitude of its powers. The same group of men are accountable for the foreign policy of the state, for its financial management, for its administrative efficiency, and for its domestic peace. Unlike the members of the presidential cabinet in Washington, they can act promptly in the spheres both of administration and legislation. Responsibility does not break into fragments. The rule of cabinet unanimity, which with exceptions is respected throughout the Commonwealth, requires that responsible leaders must not be saying and doing contradictory things. It demands coherent policies and coherent administration, not merely because of an intrinsic virtue in coherence, but because it gives parliament and the country a better opportunity to judge the merits of the existing government. Government is a whole and has to be assessed as a whole, and those who possess political power cannot evade political responsibility. The advance of industrialism and the ever widening range of collectivism have not altered this central fact in the parliamentary system; they have reinforced it. Increasingly the state is less concerned with private rights than with public interest. But such changes only make the role of the parliamentary executive more crucial and enhance its responsibility.

A significant feature of the system is its success in placing men in power who from experience have developed a facility in judging the currents of public sentiment. Democracy has been defined as the rule of the politician, and its quality is determined by the type of politician. But that statement

is only partial truth since the politician in turn is determined by his social environment and its peculiar necessities. Unlike England the Dominions from the outset possessed no governing class, no special stratum of society from which political rulers were drawn at an age young enough for them to acquire a mastery of political appeal and a command of parliamentary technique. Bagehot in his day complained of the predominance in the House of Commons of the landed gentry. At that time (in the sixties and seventies) the social composition of colonial legislatures and executive councils was much as it is today in the Dominion legislatures, a blend of diverse social elements, with some variations in the different Dominions according to the influence of particular social groups. In contemporary Canada the cabinets have a large proportion of professional men of the middle class, especially lawyers. They have always representatives of the cultured and capable lawyer-politicians of French Quebec, who are a distinguished ruling *élite*. In Australia and New Zealand, besides lawyer-politicians, trade-union officials and representatives of agrarian organizations are frequent types. But whatever their origin, these men, although not representatives of a governing class in the old world sense, do constitute an experienced group, selected by the parties, tested in the hard school of elections, and drilled in the swift give and take of parliamentary debate. They are not always men of high competence in administration. More seldom still are they men of profound and original thought. Rarely indeed do they combine philosophy or general ideas with their politics. They are often, as Pember Reeves found them in the Australia and New Zealand of the nineties, bulky, bold, and hearty. Only in part are they chosen for administrative capacity and expert knowledge. They are selected primarily because they are effective representatives of different interests and regions, or because they possess in some noticeable degree a talent and zeal for leadership.

It is a frequent and long standing lamentation in the Dominions that the ablest men do not seek or achieve public office. Twenty-five years ago Bryce, in collecting information for his book on *Modern Democracies*, found in all these

countries the same melancholy complaint, but, wisely, he was not inclined to consider it important. Some thirty years earlier a current criticism in the Antipodes was that Australian politics was the politics of great questions and little men. Yet Sir Charles Dilke in his studies was no more disposed than Bryce to take this complaint seriously. He was indeed impressed in the nineties by the capacity of the chief colonial leaders, although he recognized that the rank and file were primarily concerned with tickling the ears of the groundlings. But whether the ablest men available seek and reach public office in a democracy is a question on which speculation is likely to be more fascinating than fruitful. The only decisive test of competence for political leadership and public trust is the test of practice. Distinction won in other fields of endeavour, especially in private business, is not necessarily an evidence of political quality. Managerial capacity is not the same thing as an intelligence acute in assessing the direction of social tendencies and effective in prescribing appropriate procedures for political crises. We cannot really tell whether and to what extent the Dominions have missed the services of potentially able leaders, for it is impossible to enumerate those who shrink from the dust and heat of active politics.

Admittedly in these states, as in other modern democracies, there are influences which sometimes tend to restrict the elevation of brilliant men to positions of parliamentary power. The vulgar aims and low intrigues of some who participate in politics repel the fastidious. In states like the Dominions, where development and construction have bulked peculiarly large, the parliamentarian has often to play the menial role of delegated broker for private interests, with little scope for his own initiative and thought. Electorates are inclined to look upon their representatives as docile servants, obedient to every petty command. The rigorous requirements of party loyalty repel certain men of independent character and original mind. Party machines and party discipline have grown not less but more powerful. Moreover, the Dominions have had periods of great economic expansion, like those which characterized the United States in the nineteenth and

early twentieth centuries, when much of the superior ability was diverted into the channels of private business rather than into public affairs. In a pioneer community the individual through his own energy and initiative may often and easily win glittering material prizes, and the importunities of public service seem a sorry affair compared with his own personal triumphs. Wealth on the frontier, whether it is the frontier of virgin soil or of commercial adventure, makes an incessant appeal. All the Dominions have passed through such a pioneer stage; all have experienced its exaggerated individualism and its concern with private gain, and some of its values still linger in their democracy.

Yet the most significant fact is not the absence of public leadership in these states but its presence and its energy, and it is provided by the politicians. That it has been present must be evident to any student of comparative institutions. In less than a century of self-government, a century characterized by the speed of social change, the people in the Dominions have shown political capacity of a high order. They have created two continental federations which, whatever their stresses, strains, and shortcomings, are remarkably successful experiments in federal rule. In two instances they have reconciled with reasonable success the rival claims of dual nationalities for a cultural freedom. British parliamentary institutions have been adapted to local circumstances, and, while unfortunately some losses of virtue are evident, the strength and flexibility of these adapted institutions are beyond question. In the rapid expansion of the Dominions, both in population growth and in territory governed, parliamentarism has been subjected to a strain which has been accentuated by the activity of party spoilsmen and the struggle of regions for special benefits. In the early years of self-rule the struggle for political power sometimes appeared like a sordid scramble of the parties for the spoils of office. Beneath the mantle of the new colonial democracy selfish individuals often pursued ends that would not bear open scrutiny. But in all these countries administrative devices have been adopted to control the worst features of party spoils, especially in the appointment of civil service

commissions which have sought to make merit the basis of entrance to permanent government office. In some respects these efforts are doubtless deficient. The conflict, as illustrated notably in Canada, between supervision by the treasury and direction by a civil service commission has somewhat hampered administrative progress by reducing departmental responsibility. Yet, since pioneer days, the public service as the Achilles heel in democracy has been afforded better protection, with wholesome results in the quality of its personnel and in the independence of its work.

In some respects the Dominions have given a lead to Great Britain. In the sixties of the last century the Australian colonies in their liberal franchises and secret ballots were lauded for their example by the Liberals and Radicals at Westminster who were then bent on the reform of the British law. It may be admitted, however, that while John Bright and his associates found inspiration in the Australian example, Robert Lowe (who had for a time lived in New South Wales) led a bitter attack on that example as something to avoid. The early enactment of women's suffrage in New Zealand and the Australian states also became a precedent much extolled by the campaigners for female franchise in England prior to the First World War. Australia in the last half century, in her many ventures into the public ownership of utilities, has skilfully devised organization and procedures for the public utility trust, and her experience has not been ignored in the British Isles. It is revealing that the present Labour Government in Westminster had tried to obtain the chairman of the state-sponsored South African Steel Corporation to become the first chairman of the British Steel Board. The tribute was not solely to the man but to a fairly successful venture in the relation between an industry and the state. In labour and industrial law, Australia and New Zealand embarked on innovations from the nineties that have produced an impressive corpus of industrial jurisprudence, and the trade boards established in Victoria in the nineties partly inspired the British experiment that began in 1909.

The most significant evidence, however, of political initiative by the Dominions is their achievement of national

autonomy and equality, coupled with the maintenance of flexible bonds of association with Great Britain in the British Commonwealth. "The British Empire," remarked the Inter-Imperial Relations Committee of the Imperial Conference of 1926, "is not founded on negations. It depends essentially, if not formally, on positive ideals." The ideals which the Committee envisaged are those of parliamentary democracy, gradual reform, liberal nationalism, and economic progress in the Western tradition. But no less striking than the realization of such ideals in the domestic life of these nations is the creation of the Commonwealth itself as a world community, sustained and inspired by a faith in free discussion and voluntary co-operation dominant in Dominion, as in British, politics. To this creation political leadership in all the Dominions contributed.

While the four states have helped to create the Commonwealth, they have held at times slightly different ideas concerning it, and have certainly attached a different importance to the symbolism of national status. Not till 1942, for example, did Australia accept the Statute of Westminster, and its action was then dictated by the legislative and administrative necessities of war. Up to the present New Zealand has not adopted it. In these Dominions of the South Pacific it has long been a common view that precise and written declarations of status are unnecessary, in so far as they are not mischievous. It is best that freedom should rest in convention, and that the spirit of a family should prevail. Sir John Latham expressed much Australian as well as New Zealand sentiment on the Statute of Westminster in the remark that "I do not want the relations of myself and my children to be determined by rules written in a book, to which each of us must refer to discover who is right and who is wrong. I do not desire such things to be made rigid by legal rules and enactments." As explained in an earlier chapter, a different attitude, shaped by a different history, was prevalent in South Africa. But these diverse views do not alter the general recognition of the Commonwealth as an association that lives by free discussion and free choice, and that constitutes the highest achievement of Dominion democracy.

We are not concerned here with an apologia for these democracies. In some matters no doubt their political leaders have been weak and their administrators unimaginative. They have evaded or retreated from tasks where the pressure of public opinion was not sufficiently persistent. One of their grievous failings has been their defective planning in the utilization of natural resources, with the malign result that in little more than a century many resources in countries richly endowed have been grossly mismanaged or wholly destroyed. Deep and serious scars have been cut in the face of the country. Axes and fire have eliminated forests, with little or no long-range plan for the use of the land. In regions of light rainfall the vital grass cover has been destroyed by excessive grazing or by unwise cultivation, and valuable soil has been washed to the sea. The pioneer has been ruthless in his attitude towards nature. In many cases individual ignorance is to blame, but more often the mistakes are due to the absence of an organized community purpose. The democracies have been absorbed in the present and negligent about the future, as is perhaps inevitable in a people who have witnessed a magnificent expansion and have been intoxicated in contemplating its more immediate triumphs. Owing to the lavish gifts of nature and the abundant capital from older societies they have been so rich as to be careless and extravagant. Powerful private interests have usually pressed for the rapid use of resources, and the still small voice of the informed who discuss the relevant facts about the physical environment has not outweighed the influence of the powerful. Then, also, the parliamentary system, especially its mechanism of financial control, has not been an instrument best designed for long-term planning. The normal parliamentary method of voting sums of money year by year often brings sharp interruption in a policy that should be projected for decades not years.

4

What is the challenge to democracy in the Dominions? In these countries there is no ideological challenge of importance to the democratic way of life. No bitter social struggle

has hitherto threatened to break the political mould or to destroy the ethical system on which democracy rests. There has not even been a sharp cleavage between leading parties on the nature of the democratic ideal; nothing so clear-cut as the conflict of ideas in the Third French Republic between national Liberals and Radical democrats. Movements like communism and fascism, which rent Europe in the quarter century after the Russian Revolution and gave to parties their watchwords and their bitterness, had directly no profound repercussions in the Dominions although the indirect influences were felt here as elsewhere in the western world. Communist groups exist in all, but despite their energy and intransigence they lack political weight, and naturally abstain from a frontal attack on the parliamentary régime, whatever may be their implicit hostility. They cannot make headway in communities where social mobility is so real and belief in the liberal way of life so deep. Other anti-democratic views in politics are confined largely to minor pockets of irreconcilable nationalists in Canada and South Africa, and in Canada at least these are probably much less important than the Communists. The general growth of nationalism in the Dominions is closely linked with rather than hostile to democracy, for it is a liberal nationalism, concerned not with ancient antipathies but with a fuller freedom for the community, and derives its impulse from the operations of democratic institutions. The potential elements of a challenge to democracy are strongest in South Africa where the policy of racial discrimination may in time among the natives lead to a powerful Communist or other revolutionary movement, perhaps pan-African in character. Social class is here dangerously associated with colour, and colour with social class, a situation wherein dwell the latent ingredients of a bitter class war.

At present the real threat to the democracy of the Dominions is not from an ideological schism, but from those forces which may undermine democracy in any modern state: public apathy, neglect or repudiation of democratic procedures by organized and self-regarding groups whose interests are involved, concentration of economic power

which helps to breed public indifference, and above all those internal social pressures associated with industrialism and which in these states impose on democracy an ever-mounting strain. There may be a gloomy symbolism in the fact that Australia, the pioneer in the nineteenth century among English-speaking countries in liberal franchises and vote by ballot, was the first state also to adopt compulsory voting because of a prevalent indifference in its electorate. It would be unwise, however, to attach undue importance to the kind of indifference that the Australians sought to combat with the compulsory ballot. Much of its motivation, however unfortunate, is not serious. It derives partly, especially among the middle class, from a thoughtless but confident belief of individuals that democracy is working so successfully that they need not participate in its operations. Such was the frank explanation, made to me by a learned colleague, for the fact that he had not cast a ballot in twenty years. There is an absence of realism in this logic, but it is fairly common in the English-speaking world, and is the product of a long era of political security when democracy, because it faced no real challenge, was taken as a matter of course. Indifference derived from disgust is more dangerous, for it may readily be translated into a hostile and militant creed. How far the indifference of disgust exists can only be a matter of personal opinion, but it does not appear to be prevalent in any democracy of the British Commonwealth. The indifference bred by optimism, however, is obviously present.

More important is the fact that in a society advancing in industrialism the requirements of economics and welfare exert a pressure for political centralization, which in turn creates the spectre of irresponsible power, inflexible administration, and a top-heavy state. Such a development must in time inevitably affect public confidence and abridge private liberties. In the British Dominions with no exception the centralizing trend is evident enough, even if for various reasons it has perhaps not reached dangerous levels. In Canada and Australia it has been checked by the rigid constitutions and by the tenacious loyalty to federal devolution in the interests of regional diversity. But in these

states federalism suffers from attrition. The two world wars of the twentieth century had a major centralizing influence, especially in Australia, by accelerating the pace of industrial development, enlarging the demand for social services, and familiarizing the people with the leadership of a national government. The concentration of much industrial and financial power in one region, as is evident in Canada and Australia, necessitates an increased emphasis on the taxing authority of the national government, and the enlarged development of social services has a like effect.

Characteristic in the federations is the pressure of the central governments to obtain an exclusive possession of income taxation, even at the price of paying heavy subsidies in compensation to the provinces and states. Such governments seek to be in the strategic position where fiscal manoeuvre is feasible and where progressive levies on income may readily be made as the growing requirements of welfare collectivism dictate. Double taxation of income under modern conditions is fraught with too many political and fiscal embarrassments to be endured, for it commonly implies different rates of taxation in different parts of the federation, with inequalities which generate discontent. Hence in 1946 it was a significant triumph for the Commonwealth Government in Australia to succeed in persuading the states to refrain from imposing income taxes on individuals and corporations in return for payments amounting to £40 million, payments which in the future will be designed to equalize the per capita financial position of the states. As this book goes to press the Government at Ottawa is seeking to obtain a similar agreement, confident in the belief that increased reliance must be placed on income taxation and that hitherto inequality prevailed in the income levies of the provinces. All such arrangements involve greater centralization and a firmer grip by the national government on the economic life of the federation. While formal federalism remains, its character is being transformed by the impact of finance, and the strains on central democratic institutions in these continental states must thus increase.

Centralizing tendencies are manifest in the sphere of

municipal rule, which in the nineteenth century constituted a distinguished part of the British political heritage. An ordinary citizen might participate directly in administration on a municipal council, contributing a portion of his time, and learning by experience the meaning of self-government. In its varied ramifications this system demonstrated the value of consultation and co-operation between local units and the national authorities. Admittedly, in some of the nineteenth-century colonies which grew into the Dominions, the municipal system was not adequately established. In great stretches of Australia, for example, owing at the outset to the penal colonies, low rainfall, and sparse settlement municipal government never became deeply rooted outside the cities. In South Africa also municipal activity was limited in the rural regions except in Cape Colony. But in all these cases the scale of government enterprise was itself so restricted that the absence of local institutions was less serious than it is today when public activity has increased and when national parliaments have replaced colonial legislatures. In communities like Ontario and New Zealand, where municipal institutions were abundantly developed in the nineteenth century, real authority is gradually slipping to the larger units of government or their agencies, while local choice and decision are contracting. Municipalities are losing something of their former vitality and significance, especially as instruments of education in democracy.

The concentration of responsibility and power comes from the increased tasks of the state in response to the challenging problems of war, depression, social insecurity, public health, and the numerous and varied issues of industrial and labour regulation. The collectivism, to which the Dominions resorted in their pioneer stage, is now enlarged under the stimuli of a more complex society, and in particular welfare policies and the claims of social justice have assumed pride of place, especially during the last two decades. In this matter New Zealand has recently shown a determined leadership for the obvious reason that it is a small and relatively compact state, with a unitary constitution, and a homogeneous people. Its notable form of welfare collectivism

doubtless exposes its democracy to less strain than that of its sister and larger states because its public is sufficiently small and alert to make debate on public issues more of a reality and to bring administrators and politicians closer to the people. Yet even in New Zealand the long fingers of administrative orders are felt by all citizens. The traditional civil liberties of democracy, such as freedom of speech and freedom to mobilize opinion, may seem less effective as agents of control in a state where administrative power must of necessity be centralized.

But in all these states, no less than in New Zealand, the pressure for positive welfare legislation has become ever stronger in the twentieth century and has set in motion centralizing tendencies. Democracy in the industrial age relentlessly leads to measures designed to equalize material welfare and further social security among the masses who enjoy political rights. In the federations, as it has been remarked above, welfare codes on a national basis have been hampered by the division of legislative powers or by the frustrations of constitutional ambiguity, but the steady pressure for such codes is at many points breaking through the network of federal law and undermining the former position of federalism itself. In Australia almost since the inception of the constitution, the Labour party has pressed for amendments that would facilitate the achievement of national standards in social amelioration and economic control. A partial triumph for this pressure in 1946 was the acceptance by the Australian electorate of an amendment that permits the Commonwealth to provide for such measures as maternity allowances, widows' pensions, child endowment, unemployment, and certain public health benefits. In Canada, for reasons previously explained, strong pressure for national social services did not originate as early as in Australia, but has been significant as a political force since the conclusion of the First World War, strengthened greatly by the depression of the thirties, and stimulated further by the upheaval of opinion which accompanied the grim events of the second world struggle. Discussion on federalism in modern Canada, despite its apparent preoccupation with finance, concerns

the effort to modify the federal arrangements—no political leader would launch a frontal attack on federalism itself—in order to make social amelioration more feasible and to achieve in the national sphere policies that would control the economy in booms and depression. But even without changes in the legal structure of federalism, the welfare and economic policies of government, federal and provincial, constantly grow, and centralizing tendencies in administration gather increasing strength.

Does this development mean bureaucracy? As in other parliamentary democracies, the augmentation of public business has inevitably shifted more power to the permanent public servants. The familiar process is evident whereby powers pass from legislators through ministers to departmental officials, and in that sense bureaucracy is developing. Administrative discretion constantly grows. The work of the public servant is increasingly seen in the land. But, in spite of this growth, there is no bureaucracy in the old world sense of an administrative caste, virtually outside popular control, marked by a special social complexion, and conscious of representing in a peculiar way the power and glory of the state. Indeed, as pointed out in preceding chapters, the public services in the Dominions are organized to be scrupulously democratic in the rules which govern their recruitment and structure, and in the spirit which actuates them, while their personnel is drawn from the mass of the people. Communities which inherited the liberal tradition and passed through the experiences of a frontier possess no concept of an exalted state, and are not disposed to recognize public servants as an exclusive *élite*. The state is simply the handmaiden of the community, and its officials are servants of the public. It is significant that, despite the exhortations of some academic political scientists, there has been a stubborn unwillingness, now modified in practice, to follow the British precedent of an administrative class recruited principally from university graduates. The politicians have exhibited the prevalent feeling for social equality in their strong belief that a fair opportunity exists for all when men are recruited with a secondary school education

and encouraged to climb by force of ability the departmental ladder. Unfortunately the brilliant and the mediocre are often made to climb at the same pace. As yet no very rigid administrative codes exist like those prevalent in the older states of Europe. All these services are still in their youth, governed mainly by statute law enacted in this century.

Nevertheless the administrative and technical experts in the Dominions make decisions of crucial public importance, command an unmatched knowledge of public business, often influence profoundly their political chiefs, retain permanence of tenure, and are human enough to have an appetite for power. Such circumstances certainly favour the emergence of an overweening bureaucracy, which may be efficient or inefficient, responsible or irresponsible, according to its internal organization and the alertness of parliamentarians and the public. Yet hitherto no significant case can be made against the Dominion public services for pride and irresponsibility. It would be truer to comment on the weakness of their professional spirit, but even that has shown considerable improvement since the colonial days when the principle of party spoils was exalted. The problems of their control in the interests of responsibility and efficiency have not hitherto appeared important to Dominion electorates, not at least since brief battles were fought over the issue of political spoils. But the expanding activities of government will make them important. Unfortunately as a guide for the electorate, the meticulous study of public administration has no robust tradition in the Dominions, although in Australia especially it has not been wholly neglected. The absorption of these countries in hasty development and their general affluence are in part responsible for inhibiting an emphasis on the analytic aspects of state procedures. There is nothing comparable in these countries to that rich literature in England, much of it biographical and autobiographical, contributed to by public men and civil servants, which illuminates the discussion of administration. The absence of such writing does not indicate a poverty in administrative achievement. It does indicate some poverty in intellectual interest and an unhealthy inarticulateness. A

growing scientific interest in administrative technique will prove to be an essential basis for administrative improvement. It will be easier twenty-five years hence to answer the question whether the Dominions have shown a major success in reconciling parliamentary democracy and modern collectivism. By then perhaps scientific knowledge of public administration will have made a genuine advance.

5

The massing of economic power which underlies much of the concentration of political power has profound effects upon the agencies of opinion, notably the newspapers. In the development of Dominion democracy the free press has played a potent role to which justice can hardly be done in this survey. In the colonies of the nineteenth century, an era when the establishment of newspapers required little capital, political leaders were often newspaper proprietors and editors to a much greater extent than in the British Isles, and the battle of opinion and the championship of programmes were carried on *via* numerous small journals. In this way the causes of cabinet government and national unification were advocated and brought to fruition. In Canada an impressive roster of influential political leaders were newspaper editors for intervals in their careers, among them William Lyon Mackenzie, Joseph Howe, George Brown, Egerton Ryerson, Thomas D'Arcy McGee, Francis Hincks, and Sir Wilfrid Laurier. These and many others sought to exert political influence directly through the press; all of them relied upon it in promoting the causes that they espoused. Thus a close nexus existed between political leadership of every kind and the newspapers, and in the other colonies a similar personal journalism existed. Henry Parkes in New South Wales fought the cause of responsible government in his *Empire* as Francis Hincks in Upper Canada fought it in his *Examiner*. Julius Vogel made the *Otago Daily Times* the most influential journal in New Zealand in the advocacy of aggressive development as George Brown made the

Toronto *Globe* the most powerful instrument for championing federation and western expansion. Pember Reeves remarked in 1898 that in New Zealand there was a newspaper of some description for every 1,500 inhabitants, and in these publications the breath of life was politics.[6] Typical of the intense zeal among the colonists for an organ of opinion was the printing of the first newspaper in South Australia in a mud hut while the foundations of the colony were still scarcely laid. The Labour party has not usually received the backing of the commercial newspapers, but from the days of William Lane the trade unions have subsidized a Labour press.

The extensive changes which have taken place in the press throughout the western world, especially in America and Britain, have inevitably affected it in the Dominions. Here also the papers are reduced in number through amalgamations, a pronounced consolidation of their ownership in fewer hands takes place, great urban journals circulate in country and town, and chains of newspapers arise. In Australia especially, owing to the remarkable urbanization of the population, such a continental chain as the Murdoch papers holds a dominant place. With this rapid advance of commercialism and finance in the press, its concern with political discussion and political opinion has lessened, while its absorption in the diverse and non-political interests of the populace has become pronounced. Its stake in the returns from advertising profoundly influences its policy. On the whole the days now seem remote when the *Examiner* of Francis Hincks might present the cogent opinion of an individual public man or small group of men who were prepared to battle for their views, or when a single organ of emphatic opinion, such as David Syme's Melbourne *Age*, could sway political thinking. The opportunity to debate public issues has changed in character, and is doubtless narrowed. Despite the growth of amalgamations, there are no national dailies in the strict English sense. The territorial size of the Dominions makes the circulation of a national daily difficult, and only a few of the great journals rise above a regional or provincial tone in their discussions. There is

[6] *National Review*, 1898, 590.

of course still a multitude of newspapers which represent minority views and interests. Nationalist organs in French Canada, like *Le Devoir*, survive although their circulation is small, and this type of journal, here as in South Africa, remains an influential instrument for nationalist indoctrination. Similarly the rise of the Bantu press in South Africa presents information and views that would find no adequate vent in the large commercial newspapers.

6

The most potent source of strength in Dominion democracy is its intimate bonds with the United States and Great Britain, especially Great Britain. Hence it is to the advantage of the Dominions that the whole community of the English tongue is becoming more conscious of itself, of its own procedures, ideas, sympathies, and needs. The flow of cultural influence back and forth grows ever greater. But in the nineteenth century, despite the vast political heritage shared in common, the frontier environment of the new world democracies somewhat estranged their leaders in mind and spirit from the ruling classes of England. "Even well-informed Englishmen," wrote Charles H. Pearson in 1867, "are apt to believe that the highest circles of Australian society have been largely recruited from successful diggers, the refuse of California, and the dregs of our own penal settlements."[7] In the succeeding year the *Westminster Review* in an article on the democracy of Victoria added force to the charge of Pearson by harshly remarking that "for the most part the legislators are simple mediocrities, vacuous, empty and dull. They are active chiefly in corruption, in the practice of which they have acquired much skill and dexterity." Doubtless political crudeness was abundant in the decade that succeeded the era of the gold-rushes, but the writer of the article had a deep prejudice concerning colonial democracy and all that it represented, a prejudice

[7] *Essays on Reform*, 192. Of English birth and, at one time Fellow of Oriel, Pearson participated in Australian politics and had an excellent knowledge of both England and Australia.

that was then characteristic and prevalent. Sir Charles Dilke, probably the best informed Englishman of his day on colonial politics, complained in the nineties that regarding colonial legislatures "we for the most part hear in this country only of the least laudable of their proceedings, and when an occasional 'scene' transcends the bounds of decency it is at once telegraphed to all our newspapers as sensational news, whereas, perhaps, the humdrum proceedings of that same legislature in passing good laws and well governing the colony have been unnoticed for months or even years."[8] He was himself convinced that the quality of government was just as good as in England and the electorate better informed. He also believed that the road taken by these communities was that which Britain itself would travel, and travel quickly when the ruling classes were overwhelmed on the one hand by the new wealth and on the other by the labour class. But the contention of this leading Liberal that British development would in time follow Australian courses was not welcome to certain sections of British governing opinion, and in the London journals during the eighties and nineties there continued to be many articles critical of Australian democracy. The Australian colonies were described as communities where every politician trembled at the labour vote, where rapacious trade-unions won benefits for their members at the expense of the general public, where a reckless attitude about the future was revealed in an extravagant borrowing for public works, and where political corruption was rife.

Yet in this period the attitude of condescension was not all on one side. Democrats in Australia and British North America looked with disdain upon what appeared to be the humiliating subservience of the English people to a landed aristocracy and to hereditary legislators. They ridiculed the apparent dominance in rural England of the squire and the parson. They were zealous to extol the superiority of their own communities, where birth and wealth had fewer privileges, and where the man who started at scratch could win the highest political distinction. Gladstone once remarked that "there is no political idea which has entered

[8]Dilke, *Problems of Greater Britain*, II, 242.

less into the formation of the political system of this country than the love of equality." In the Dominions, by contrast, equality was both a dynamic fact and a potent concept, not the equality of possessions, but the equality of opportunity, for it was implicit in the circumstances of a frontier country. In Canada it was commonly regarded as a matter of pride that Alexander Mackenzie, at one time a stone mason, should become prime minister, just as in New South Wales it was a subject for political boasting that such a dominant personality as Sir Henry Parkes began life as a Birmingham foundry-hand. New Zealand's Richard Seddon himself made much political capital out of the circumstance that he first commenced to earn his living as a railway mechanic. To his followers he remained "good old Dick," in spirit still the railway mechanic. In all the Dominions throughout their early development there was the same idealization of humble beginnings, much like that in the contemporary United States. "From log cabin to White House" was an American theme, but it had its counterpart in the colonial democracies, where equality of opportunity was no less extolled and prized. "Nowhere," wrote a prominent Australian politician in 1889, "whether in public or private affairs, does the individual count for so much as he does in Australia. There is no helpless fluttering against the iron bars of class or tradition."[9] Here precedents were not such shackles as in England, and social equality was regarded as an essential element of the democracy. We find Sir Henry Parkes in the early eighties, in an attempt to set out the points which distinguish Australians, writing that they are free from "the grinding pressure of English poverty. No man need suffer from want of food or from want of warmth." He was confident that "politically the English people in Australia enjoy a condition of equal rights not excelled by the liberties enjoyed by the people of the United States or of any other country. Every man is as good as, and no better than, his fellow citizen, except in so far as he may be greater than he in citizen virtue."[10] Even more characteristically he remarked that

[9] B. R. Wise in *Macmillan's Magazine*, LX, 1889, 184-5.
[10] *Nineteenth Century*, XV, 1884, 140.

in Australia no one need wince "under the patronising notice of a great personage." In the argument of Parkes, Australia was extolled as a land of freedom, freedom in particular from the social inhibitions of England, from the weight of its past, and from the rule of its aristocracy. Such sentiment was even more emphatically expressed by the zealous band of Australian republicans, inspired and tutored for a time in the nineties by the Sydney *Bulletin*.

With the coming of the twentieth century changes took place in these attitudes, especially when the great era of social reform began with the accession to power of the British Liberals in 1905. To democrats in the Dominions it became increasingly evident that Britain could give distinguished leadership in devising the institutions of social democracy, and the force of that circumstance grew stronger as the opportunities on the frontiers of the Dominions contracted with the maturing of their economies. Whereas previously they had prided themselves, especially Australia and New Zealand, on a more rapid prowess in democratic institutions, they now increasingly looked, under the pressures of a growing industrialism, to the example set by Britain in national social services. Moreover the gradual supersession of the traditional ruling class brought the democracy of the British Isles closer in character to that of the Dominions. Thus, while the old type of colonial loyalty was weakening and disappearing under the attrition of time, the foundations were being laid of a deeper understanding between democratic communities sharing somewhat similar problems and deriving political nutriment from the same philosophy of life. Collaboration in the two world wars of the twentieth century strengthened their sense of a common goal.

In this new consciousness of a mental unity which characterizes the modern British Commonwealth, the democracy of the United States in some measure shares. In the nineteenth century it also had prided itself on the superiority of its institutions to the aristocratic régime of Britain. It also associated its democratic order with abundant material opportunity, free land, an open frontier, and highly paid labour. Hence it looked with something almost like contempt

upon a state of the old world which lacked these valuable assets of social freedom. But in the twentieth century a change has taken place in its outlook under the impact of profound transformations within itself, the upheaval of ideological forces in Europe, and its own strategic interest in the joint control of the Atlantic with a friendly power. It has come to look with more interest and deeper sympathy upon the British state in its attempts to pursue democratic goals. The federal union advocated by some well-meaning people on both sides of the Atlantic is doubtless utopian, but the moral and psychological cohesion of the English-speaking world is advancing, and is likely to advance all the more surely in view of the ideological challenge of communism in a large area of Europe. This growing sense of a common political *ethos* will facilitate mutual exchange of ideas and methods, further the promotion of welfare through liberal-democracy, and assist this ring of states to adjust their complex life to the harsh necessities of a changing world.

SELECT BIBLIOGRAPHY

THE literature on the institutions of the overseas Dominions is extensive, and this bibliography provides only a limited selection, mainly of books and some government reports, for the guidance of students. Needless to add, the selection covers merely a portion of the pertinent published material that the author was compelled to peruse in his effort to understand the varied democratic life of these countries. Some additional references of interest are made in the footnotes.

GENERAL

Modern democratic institutions in the Dominions can hardly be understood except through their history, and to this history the most comprehensive and reliable guides are volumes VI, VII, and VIII in the *Cambridge History of the British Empire*. Each volume has an excellent bibliography. Some of the other useful histories of individual Dominions are cited below.

Among periodicals the quarterly *Round Table* from 1910 to the present provides the best survey of political developments. Two other journals, published in London, which often contain informative articles on the laws and institutions of the Dominions are the *Journal of Comparative Legislation and International Law* and the *Journal of the Society of Clerks-at-the-Table in Empire Parliaments*. Useful as a chronicle of parliamentary discussions is the *Journal of the Parliaments of the Empire*.

The voluminous writings of the late Professor Berriedale Keith are valuable for their discussion of the changing constitutional law in these countries from the first publication of his *Responsible Government* (London, 1909) to the appearance of *Dominions as Sovereign States* (London, 1938). The most comprehensive work is his *Responsible Government in the Dominions* (2 vols., 2nd ed., Oxford, 1928), but it does not of course cover the significant constitutional developments

of the thirties, which are briefly touched upon in the *Dominions as Sovereign States*. Keith was dogmatic and had marked prejudices, but students of the Dominions are in his debt. To Professor W. K. Hancock they are no less indebted for subtle analysis and grasp of ideas as well as facts in his three-volume *Survey of British Commonwealth Affairs*: vol. I, *Problems of Nationality, 1918-1936* (London, 1937); vol. II, part I, *Problems of Economic Policy, 1918-1939* (London, 1940); vol. II, part II, *Problems of Economic Policy, 1918-1939* (London, 1942). The principal emphasis of Professors Keith and Hancock is on the relations of the Dominions as members of the Empire and Commonwealth. Useful also for study of these relations are, R. MacG. Dawson (ed.), *The Development of Dominion Status* (London, 1937); Arnold J. Toynbee, *British Commonwealth Relations* (London, 1934), which contains the proceedings of the first unofficial Conference on British Commonwealth Relations; H. V. Hodson (ed.), *The British Commonwealth and the Future* (London, 1939), which consists of the proceedings of the second unofficial Conference on British Commonwealth Relations, 1938; and K. C. Wheare, *The Statute of Westminster and Dominion Status* (Oxford, 1938). Miss Gwendolen Carter traces and discusses the international policies of the Dominions in *The British Commonwealth and International Security, 1919-39* (Toronto, 1947). No adequate study as yet exists on the effects of the Second World War on the Dominions and Commonwealth. W. Y. Elliott and H. D. Hall edit *The British Commonwealth at War* (New York, 1943), which has some information of interest but suffers from the obvious limitations of being prepared during the war and of not covering the whole period.

The constitutional documents of the Dominions have been published together on a number of occasions. Two of the latest collections are: *The Constitutions of All Countries*, vol. I, *The British Empire* (London, 1938), which is issued by His Majesty's Stationery Office, and W. I. Jennings and E. M. Young, *Constitutional Laws of the British Empire* (London, 1938), which contains the main constitutional acts and decisions of the courts interpreting them. The consti-

utional enactments are often printed in the Year Books of the Dominions which also contain the most accessible and accurate source of information on the economic and social life of these countries.

CANADA

REGIONS AND NATION. Much technical literature exists in the studies of the Geologic Survey on the physiography which has affected the society and the state. Useful as a geologist's account is G. A. Young, *Geology and Economic Minerals of Canada* (Ottawa, 1926). The analysis of an economist is A. W. Currie, *Economic Geography of Canada* (Toronto, 1945). The more recent historians all in greater or less degree indicate the influence of geography on Canadian development and the place of regions in the life of the nation, especially such volumes as H. A. Innis, *Problems of Staple Production in Canada* (Toronto, 1933), D. G. Creighton, *Dominion of the North* (Boston, 1944), and A. R. M. Lower, *Colony to Nation* (Toronto, 1946). See also, for influences on the nationality, W. M. Whitelaw, *The Maritimes and Canada Before Confederation* (Toronto, 1934); R. Flenley (ed.), *Essays in Canadian History* (Toronto, 1939); Alexander Brady, *Canada* (London, 1931), E. C. Hughes, *French Canada in Transition* (Chicago, 1943), André Siegfried, *The Race Question in Canada* (London, 1907), and the later but much less significant book by M. Siegfried, *Canada* (London, 1937). Important light is shed on the society of Western Canada by C. A. Dawson in *Group Settlement: Ethnic Communities in Western Canada* (Toronto, 1936), one of a series of volumes on the pioneer or frontier fringe of Canada. Mary Quayle Innis, *An Economic History of Canada* (2nd ed., Toronto, 1945), provides not only a reliable survey of economic development, but contains a valuable bibliography on its main aspects.

THE FEDERAL EXPERIMENT. The best historical introduction to the federal experiment in Canada is W. P. M. Kennedy, *The Constitution of Canada* (2nd ed., London, 1938).

A mass of information is contained in *Report of the Royal Commission on Dominion-Provincial Relations* (Ottawa, 1940), briefly known as the *Rowell-Sirois Report.* The Royal Commission also published a series of appendices to the *Report*, prepared mainly by competent scholars, and dealing with important aspects of the federal régime. Significant as a criticism of the judicial interpretation of the Canadian constitution is William F. O'Connor, *Report on the British North America Act* (Ottawa, 1939). The constitutional decisions of the Privy Council are brought together by E. R. Cameron, *The Canadian Constitution as Interpreted by the Privy Council* (2 vols., 1915 and 1930 respectively), and by C. P. Plaxton, *Canadian Constitutional Decisions* (Ottawa, 1939). Information about federal issues after the Second World War is contained in *Dominion and Provincial Submissions and Plenary Conference Discussions* (Ottawa, 1946). An important aspect of the federal system is examined historically in J. A. Maxwell, *Federal Subsidies to the Provincial Governments in Canada* (Cambridge, Mass., 1937), and also in Luella Gettys, *The Administration of Canadian Conditional Grants* (Chicago, 1938). Brief but of some interest is W. B. Munro, *American Influences on Canadian Government* (Toronto, 1929). Many valuable articles on federalism appear in *The Canadian Bar Review*, *The Canadian Historical Review*, *The Canadian Journal of Economics and Political Science*, and *The University of Toronto Law Journal.* A recent and very useful comparative study of federalism, including that of Canada, is K. C. Wheare, *Federal Government* (London, 1946).

PARLIAMENTARY INSTITUTIONS. There is no comprehensive modern study on parliamentary institutions in Canada, but there is much information and discussion in such books as H. McD. Clokie, *Canadian Government and Politics* (Toronto, 1944), R. MacG. Dawson, *Constitutional Issues in Canada* (Oxford, 1933), R. A. Mackay, *The Unreformed Senate of Canada* (London, 1926), Eugene A. Forsey, *The Royal Power of Dissolution of Parliament in the British Commonwealth* (Toronto, 1943), and R. MacG. Dawson, *The Civil Service*

of Canada (London, 1929). Recent but brief, with an evident bias for treasury control, is the *Report of the Royal Commission on Administrative Classifications in the Public Service* (Ottawa, 1946). The standard works on parliamentary practice and procedure are Sir John Bourinot, *Parliamentary Procedure and Practice in the Dominion of Canada* (4th ed., 1916) and A. Beauchesne, *Rules and Forms of the House of Commons of Canada* (3rd ed., 1943).

PARTIES AND CONTENDING INTERESTS. No major work exists on Canadian parties, but numerous biographies, memoirs, and articles in periodicals throw light on party politics. Among significant biographical works may be cited O. D. Skelton, *Life and Letters of Sir Wilfrid Laurier* (2 vols., Toronto, 1922); J. W. Dafoe, *Laurier, A Study of Canadian Politics* (Toronto, 1922), short but penetrating; and by the same author, *Sir Clifford Sifton in Relation to His Times* (Toronto, 1931); H. Borden (ed.), *Robert Laird Borden: His Memoirs* (2 vols., Toronto, 1938); Sir John S. Willison, *Sir Wilfrid Laurier and the Liberal Party* (new and revised ed., Toronto, 1926) and *Reminiscences* (Toronto, 1919). Articles on the political parties will be found in the learned journals previously mentioned. No adequate history of the Canadian agrarian movements in politics has yet been written. Useful but limited is Louis Aubrey Wood, *A History of Farmers' Movements in Canada* (Toronto, 1924). A statistical analysis and interpretation of agriculture is provided in G. V. Haythorne and L. C. Marsh, *Land and Labour* (Toronto, 1941). The economic organizations were closely related to politics. See H. S. Patton, *Grain Growers' Cooperation in Western Canada* (Cambridge, Mass., 1928). The monographic literature on Canadian labour is rather slight. Useful is H. A. Logan, *History of Trade-Union Organization in Canada* (Chicago, 1928). A new edition of this book is in preparation. Of interest is N. J. Ware, H. A. Logan, and H. A. Innis, *Labour in Canadian-American Relations* (Toronto, 1937). A brief monograph by S. D. Clark is *The Canadian Manufacturers' Association* (Toronto, 1939).

AUSTRALIA

FORMATION OF THE COMMUNITY. An excellent analysis of the Australian geographic environment is contained in Griffith Taylor, *Australia: A Study of Warm Environments and Their Effect on British Settlement* (London, 1940). Geography as related to the actual and potential use of the land is discussed in S. M. Wadham and G. L. Wood, *Land Utilization in Australia* (Melbourne, 1939). The population problem is ably examined in W. D. Forsyth, *The Myth of Open Spaces* (Melbourne, 1942). The origins of a significant policy are traced in Myra Willard, *History of the White Australia Policy* (Melbourne, 1923). The historical forces which shaped the formation of the modern democratic state are adequately treated in vol. VII of the *Cambridge History of the British Empire* (Cambridge, 1933). Works interpretative of modern Australia are: W. K. Hancock, *Australia* (London, 1930); C. Hartley Grattan, *Introducing Australia* (New York, 1942); and, much smaller, A. Grenfell Price, *Australia Comes of Age* (Melbourne, 1945). Brief and brilliant is G. V. Portus, *Australia: An Economic Interpretation* (2nd ed., Sydney, 1933). The gold-rushes had a profound influence on the rise of Australian democracy, and a comparative historical study is provided by W. P. Morell, *The Gold Rushes* (London, 1940).

FEDERALISM AND LOCAL RULE. The richest source of information on the working of Australian federalism is the *Report of the Royal Commission on the Constitution* (Canberra, 1929). Specially illuminating is the *Proceedings and Minutes of Evidence*, published at the same time as the *Report*. Since the investigations of the Royal Commission, the most informative official publications, especially on the economic aspects of federalism, have been the *Reports of the Commonwealth Grants Commission*. In *The Commonwealth of Australia Constitution Act*, G. S. Knowles provides an annotated text of the constitution, along with the acts altering the constitution. Helpful as a legal study is W. A. Wynes, *Legislative and Executive Powers in Australia* (Sydney, 1936). The politics and administration of Victoria in a crucial

period are surveyed very competently by E. H. Sugden and F. W. Eggleston, *George Swinburne* (Sydney, 1931). The federal problems in the thirties are discussed in G. V. Portus (ed.), *Studies in the Australian Constitution* (Sydney, 1933). A discussion in the forties is that in D. H. Drummond, *Australia's Changing Constitution* (Sydney, 1943). The early history of local government is traced in C. H. Knibbs, *Local Government in Australia* (Commonwealth Bureau of Census and Statistics, 1919). Also see on municipal government F. A. Bland, *Government in Australia, Selected Readings* (Sydney, 1944), chaps. XVII - XVIII. Much information is contained in *Report of Royal Commission on Local Government* (Hobart, 1939). Many articles of merit on federalism and local rule appear in *The Economic Record*, the journal of the Economic Society of Australia and New Zealand, and in *The Australian Quarterly*, the journal of the Australian Institute of Political Science.

PARLIAMENTARY INSTITUTIONS. There is no major book on the parliamentary institutions of Australia, and most of the significant information must be derived from government documents and periodical literature, to which some references are made in the foot-notes of chap. VIII. Important is the study by Mr. H. V. Evatt, *The King and His Dominion Governors* (London, 1936). Some aspects of the subject are discussed in W. G. K. Duncan (ed.), *Trends in Australian Politics* (Sydney, 1935). Admirable studies have been made in public administration by Professor F. A. Bland, especially in his *Government in Australia*, which is an extensive selection from royal commission reports and other blue books along with an interpretative introduction of forty-six pages. Professor Bland abundantly illustrates the difficulty in Australia, as in other democratic states, of separating administration from politics. See also his *Shadows and Realities of Government* (Sydney, 1923) and *Planning the Modern State* (2nd ed., Sydney, 1945).

LABOUR AND POLITICAL PARTIES. Most light is thrown on the character of Labour and other parties by biographies and

autobiographies. See Sir Henry Parkes, *Fifty Years in the Making of Australian History* (2 vols., 1892); W. Murdoch, *Alfred Deakin* (London, 1923); N. Palmer, *Henry Bournes Higgins, A Memoir* (London, 1931); A. Pratt, *David Syme, the Father of Protection in Australia* (London, 1908); H. V. Evatt, *Australian Labour Leader* (Sydney, 1940); L. F. Fitzhardinge and others, *Nation Building in Australia: The Life and Work of Sir Littleton Ernest Groom* (Sydney, 1941); William G. Spence, *Australia's Awakening* (Sydney, 1909); Lloyd Ross, *William Lane and the Australian Labour Movement* (Sydney, 1937). Illuminating on the early organization of the Labour party is V. G. Childe, *How Labour Governs* (London, 1923).

COLLECTIVISM. Much the most significant reading on Australian collectivism is found in government reports, some of which are referred to in the foot-notes of chap. X. A notable criticism is that by Sir Frederick W. Eggleston, *State Socialism in Victoria* (London, 1932). An economic history which gives special attention to the trends of collectivism is that by Brian Fitzpatrick, *The British Empire in Australia* (Melbourne, 1941). Professor W. K. Hancock has some shrewd remarks on this subject in his *Australia*. Invaluable for understanding the origins of collectivism in Australasia is the early study by W. Pember Reeves, *State Experiments in Australia and New Zealand* (2 vols., New York, 1903). Reeves himself played an active role in framing collectivist policy for New Zealand. Two books on state policies relative to the depression conditions in the early thirties are, W. R. Maclaurin, *Economic Planning in Australia, 1929-1936* (London, 1937), and Douglas Copland, *Australia in the World Crisis, 1929-1933* (Cambridge, 1934). Significant on the history of the state and land policies is S. H. Roberts, *History of Australian Land Settlement, 1788-1920* (Melbourne, 1925). A notable essay on the rise of compulsory arbitration is that by Justice H. B. Higgins, *A New Province for Law and Order* (Sydney, 1922). Much information on the Commonwealth and state systems of conciliation and arbitration is contained in the *Labour Report*, published annually by the Commonwealth

Bureau of Census and Statistics. Informative on state policies relative to labour down to the early years of the Second World War is O. de R. Foenander, *Solving Labour Problems in Australia* (Melbourne, 1941). *The Economic Record* carries frequent articles which survey changes in state policies relative to labour. Useful for background but already somewhat out of date is W. G. K. Duncan (ed.), *Social Services in Australia* (Sydney, 1939).

NEW ZEALAND

THE DEVELOPMENT OF A SOCIAL DEMOCRACY. Two excellent studies of early New Zealand democracy are W. Pember Reeves's *Long White Cloud* (3rd ed., London, 1924), and André Siegfried's *Democracy in New Zealand* (English trans., London, 1914). Both books deal primarily with New Zealand in its period of Liberal experiment at the beginning of the twentieth century, the one by a public man who helped to further that experiment, and the other by a French political scientist who was anxious to find the secret of Anglo-Saxon democracy. Since Siegfried visited New Zealand in 1904, profound changes have occurred, and some political ideas have been thrown in the discard. The best survey of economic and social change prior to 1930 is by J. B. Condliffe, *New Zealand in the Making* (London, 1930). A great deal of the information concerning developments since 1930 must be sought in government reports and periodical articles (especially in the *Economic Record*). A general essay on the contemporary community is that by Professor F. L. W. Wood, *Understanding New Zealand* (New York, 1944). Useful as a survey prior to the Second World War is *Contemporary New Zealand* (New Zealand Institute of International Affairs, 1938). A sprightly interpretation of political development has been written by J. C. Beaglehole, *New Zealand: A Short History* (London, 1936). Important phases of agrarian life are treated by H. Belshaw and others, *Agricultural Organization in New Zealand* (Institute of Pacific Relations, 1936) and by H. C. D. Somerset, *Littledene: A New Zealand Rural Community* (Auckland, 1938). The important compulsory

arbitration system is discussed in many studies, especially (in its beginnings) in J. E. Le Rossignol and W. Downie Stewart, *State Socialism in New Zealand* (1910), and in Henry Broadhead, *State Regulation of Labour and Labour Disputes in New Zealand* (Christchurch, 1908). Later developments prior to the Second World War are traced briefly in *Conciliation and Arbitration in Industrial Disputes* (International Labour Office, Geneva, 1933), 638-53; and in *The Minimum Wage: An International Survey* (Geneva, 1939), 151-77. Articles in the *Economic Record* give more recent developments. Also see A. E. C. Hare, *Industrial Relations in New Zealand* (Wellington, 1946), an important study.

PARLIAMENT AND ADMINISTRATION. Studies cited above, especially those of J. B. Condliffe and Downie Stewart, throw light on this topic. A brief survey of government is provided by Leicester Webb, *Government in New Zealand* (Wellington, 1940), published in the series entitled Centennial Surveys. No modern book provides an adequate study of public administration in New Zealand, and pertinent information must be sought in bluebooks. A *Journal of Public Administration* is published in Wellington by the New Zealand Institute of Public Administration.

PARTIES AND POLICIES. No special treatise has been written on New Zealand political parties. Here as in the other Dominions most information on the development of parties must be gleaned from biographies and general histories. Of special note is the chapter by J. B. Condliffe in the *Cambridge History of the British Empire*, vol. VII, part II. An old-fashioned and panegyric biography but with much odd information is that by J. Drummond, *The Life and Work of Richard John Seddon* (Christchurch, 1906). Useful is W. Downie Stewart, *Sir Francis Bell: His Life and Times* (Wellington, 1937). A careful and general survey is *New Zealand* (London, 1935) by W. P. Morrell. In J. C. Beaglehole (ed.), *New Zealand and the Statute of Westminster* (Wellington, 1944), are five interesting essays (originally lectures at Victoria University College, Wellington) on the external

relations of New Zealand and the Statute of Westminster. The essays show in particular the legislative handicaps imposed on New Zealand by its non-adoption of the Statute of Westminster. On the Maori see I. L. G. Sutherland (ed.), *The Maori People Today* (Wellington, 1940).

SOUTH AFRICA

GEOGRAPHY AND HISTORY. The best brief survey of the modern Union of South Africa is J. H. Hofmeyr, *South Africa* (London, 1931). Two scholarly histories which explain the tangled roots of modern political and racial problems are those by Eric A. Walker, *A History of South Africa* (2nd ed., London, 1940), and C. W. de Kiewiet, *A History of South Africa: Social and Economic* (Oxford, 1941). There is a difference of emphasis in these two works, but they complement each other. Valuable also in a study of the historical background are G. W. Eybers, *Select Constitutional Documents Illustrating South African History, 1795-1910* (London, 1918); A. P. Newton, *Select Documents Relating to the Unification of South Africa* (2 vols., London, 1924); and Basil Williams (ed.), *The Selborne Memorandum; A Review of the Mutual Relations of the British South African Colonies in 1907* (London, 1925).

LEGISLATIVE UNION AND ITS PROBLEMS. In addition to A. P. Newton's *Select Documents*, the student should consult on the formation of the Union, E. H. Walton, *The Inner History of the National Convention* (Cape Town, 1912); R. H. Brand, *The Union of South Africa* (Oxford, 1909); and Eric A. Walker, *Lord De Villiers and His Times* (London, 1925). The legal position of the provinces is discussed in W. P. M. Kennedy and H. J. Schlosberg, *Law and Custom of the South African Constitution* (London, 1935), chap. XIII. A series of commissions have reported on the working of the legislative union, especially in its financial aspects. See, for example, *Majority and Minority Reports of the Provincial Administration Commission* (1916), *Report of the Provincal Finance Commission* (1923), *Report of the Provincial Finance*

Commission (1934), *Report of the Inter-Departmental Committee on Poor Relief and Charitable Institutions* (1937), *Report of the Committee to Consider the Administration of Areas Which are Becoming Urbanized* (1939), and *Report on Regional and Town Planning* (1944), prepared by the Social and Economic Planning Council. Invaluable for the study of city government in South Africa is J. P. R. Maud, *City Government: The Johannesburg Experiment* (London, 1938).

PARLIAMENTARY INSTITUTIONS. Kennedy and Schlosberg in *Law and Custom of the South African Constitution* and Keith in his various volumes provide information on the legal structure of the South African Parliament, but otherwise here, as in the case of the other Dominions, no modern and adequate study exists on parliamentary institutions in their varied aspects. There is much information in public documents, to which some references are made in the foot-notes of chap. XVI. Useful for light on the parliamentary tradition of the Cape which influenced the Union is Ralph Kilpin, *The Parliament of the Cape* (London, 1938). The same author wrote *Parliamentary Procedure in South Africa* (Cape Town, 1946).

NATIONALISM AND PARTIES. On party politics there has been much writing of varying quality. The histories already mentioned, including the *Cambridge History of the British Empire*, vol. VIII, are an essential introduction to present politics since perhaps in no other country in the British Commonwealth is the past so much a reality. A large collection of biographies and reminiscences provide useful information, among which may be listed here: B. K. Long, *Drummond Chaplin: His Life and Times in Africa* (London, 1941), and by the same author, *In Smuts's Camp* (London, 1945); F. V. Engelenburg, *General Louis Botha* (London, 1929); Sir J. Percy Fitzpatrick, *South African Memoirs* (London, 1932); and Deneys Reitz, *No Outspan* (London, 1943). A number of biographies of General Smuts exists, but none adequately assesses his role as political leader and parliamentarian. The most detailed but not profound is

S. G. Millin, *General Smuts*, (2 vols., Boston, 1936). Discerning biographies of two former and influential political leaders in the Cape are: Eric A. Walker, *W. P. Schreiner, A South African* (London, 1937), and Sir Perceval Laurence, *Life of John Xavier Merriman* (London, 1930). On nationalism there is much information in A. J. Barnouw, *Language and Race Problems in South Africa* (Hague, 1934). Brief but thoughtful is F. Clarke, *Quebec and South Africa: A Study in Cultural Adjustment* (London, 1934).

RACE AND COLOUR. Many and competent monographs exist on the complicated problems of colour. Senator Edgar H. Brookes, long a deep student of the native, has written *The Colour Problems of South Africa* (London, 1934) and *The History of Native Policy in South Africa from 1830 to the Present* (Pretoria, 1927). The most acute discussion of the ideas behind native policy, written from the liberal point of view, is that by R. F. A. Hoernlé, *South African Native Policy and the Liberal Spirit* (Lovedale, 1940). The analysis of a psychologist, although some of it is historical in substance, is that by J. D. MacCrone, *Race Attitudes in South Africa* (Oxford, 1937). Useful also for their history are the writings of W. M. Macmillan (again from the liberal point of view), *The Cape Colour Question* (London, 1927), *Bantu, Boer and Britain* (London, 1929), and *Complex South Africa* (London, 1930). A thorough history of the coloureds is J. S. Marais, *The Cape Coloured People, 1652-1937* (London, 1939). A useful general survey is L. Marquard and T. G. Standing, *The Southern Bantu* (London, 1939). Valuable as studies of cultural conflict are many of the essays in J. Schapera (ed.), *Western Civilization and the Natives of South Africa* (London, 1934). A highly competent monograph is Sheila T. Van der Horst, *Native Labour in South Africa* (London, 1942). Less ambitious but useful also is J. Kirk, *Economic Aspects of Native Segregation in South Africa* (London, 1929). The date at which books appear on this theme is important, for race relations are in steady change. There are many informative reports. The more important are the *Report of Native Economic Commission* (1930-32); *Report of the Interdepart-*

mental Committee on Native Education (1935-36); and *Report of the Commission of Inquiry Regarding Cape Coloured Population of the Union* (1937). Other public documents appear regularly which throw light on racial issues. Indeed, as emphasized in this book, the native issues are not something apart but are tangled with almost every other major issue of government. The periodic publications of the South African Institute of Race Relations are a valuable source of information. See, for example, on the Indian issue, H. R. Burrows, "Indian Life and Labour in Natal" (*Race Relations*, 1943, vol. X).

ECONOMIC AND SOCIAL POLICIES. The readings in the above section apply to this theme, since the economic and social policies of the state apply so much to race. No highly competent book has been written on all the varied aspects of state policy. F. J. van Biljon, *State Interference in South Africa* (London, 1939) was evidently a doctoral dissertation and is useful, but in some matters lacks maturity. Valuable articles appear in the *South African Journal of Economics*. A comprehensive analysis is that by C. S. Richards, *The Iron and Steel Industry in South Africa* (Johannesburg, 1940). A number of commission reports throw light on major policies, especially *Report of the Commission to Inquire into Co-operation and Agricultural Credit* (1934), *Report of the Railway and Harbours Affairs Commission* (1934), *Report of the Industrial Legislation Commission* (1935), and *Third Interim Report of the Industrial and Agricultural Requirements Commission* (1941).

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