A WEEKLY COMMENTARY

ON TARGET

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The Price of Freedom is Eternal Vigilance

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Thought for the Week: **Surplus Revenue Act 1908**...An Act relating to the payment to the several States of the Surplus Revenue of the Commonwealth……Payments to Trust accounts.

5 . Where any Trust Account has been established under the Audit Acts 1901–1906, and moneys have been appropriated by the Parliament for the purposes of the Trust Account, or for any purpose for which the Trust Account is established—

(a) notwithstanding anything in the Audit Acts 1901–1906, the appropriation shall not lapse nor be deemed to have lapsed at the close of the financial year for the service of which it was made ; and

(b) the Treasurer may in any year (subject to section eighty-seven of the Constitution) pay to the credit of the Trust Account, out of the Consolidated Revenue Fund, such moneys as the Governor-General thinks necessary for the purposes of the appropriation.

Life, Real or Imagined Part 2 By Neville Archibald

In my last article I talked of what could be, and left the vision of a released reality hanging. If you have done your homework, even partially, then your understanding should have improved. As I see it, it boils down to reclaiming what is real!

I know I said imagination was our enemy, the enemy of the real. Hopefully you are thinking this through and considering this. The use of our minds and how it can be for good or bad is only revealed when it takes on a solid form. The concept of a Tank, used in warfare became the bulldozer in later life. The gun for hunting became the gun in warfare. Neither makes either, the evil twin, it is the use they are put to. The real-izing of an imagined concept. An often misquoted, "Money is the root of all evil", is really "The love of Money is the root of all evil." The intention of its use, not indeed it's actual use.

In my vision I had to ask myself, how do we, as a society, flourish? How do we successfully use the reality around us. Over time we have come to develop methods of using our world.

To harvest sustainably, wood from managed forests, to dig coal from the ground and when finished reclaiming the site. To manage a herd of animals, keeping a static number and harvesting the surplus in some form, whether milk, meat or fleece.

The use of productive soil, by diligent farmers, who prepare, grow and harvest, ensuring that the soil remains productive all the while, not simply raping it for short term profit. For what would a true farmer gain by this, burdened with a long-term debt after purchase. Each of these examples contain a multitude of arguments over how it is to be done – something we are pushed to focus on, the media (largely controlled) tells us stories and creates expose's convincing us that someone must be the villain.

In fact, the majority by far, of well-meaning people are not intending to rape, move on and repeat. When it comes to the harvesting of God's bounty (for that is what it is, regardless of the god you decide to attribute it too) those involved want only to set up a sustainable industry they can pass on through generations, taking pride in the knowledge that this land has been in a family for generations and is still as good or better than it started. In most cases this is what they are aiming for and they have made it better than they found it.

In Australia, from an arid low producing landscape, we have created a food-bowl and a surety of plenty. Prior to this, scarcity often forced a nomadic peoples to move on or starve. The reality of what we now have, is taken for granted, so much so that what it was like before, is never compared, unless it is to focus on something detrimental (by and far the smallest of any fraction of our development).

By altering the land from its previous incarnation, to a garden where we have released its true potential, with the development of irrigation and improving the soil, we have enabled this country to grow, far beyond the wildest dreams of its former inhabitants.

I am not mocking these people in any way. All developed countries have had a starting point where agriculture and industry has changed from merely existence living, to a flourishing society. Some have done this many centuries previously, some are still trying to realise what they are truly capable of.

Sadly, the power of the ruling group often gets in the way of this. The most obvious example of this is the greed and corruption seen in third world countries. This often makes the news, as leaders get rich and the poor starve. In our "civilised" society, this still goes on, but the ruling power allows much of the "poor" to exist in a semi happy state, where to strive for betterment, is possible, even though at the top the "leaders" still roll in the riches created for them by those very "poor" who strive. An illusion of affluence exists, allowing us enough of our "bread and circuses" to stop rebellion.

We have seen the end result of third world rebellion, where leaders are overthrown and dealt with (often none too nicely) and another takes their place. In our case the "leaders" keep us satisfied enough to ensure rebellion or revolt is not ever thought of. If it is raised that we should be better off, or free of some of our shackles, then distraction of some form is created to blind us of it. Something else to obsess over, usually pitting one part of society against another, the reality firmly tucked away behind it.

If I am to provide my sons and daughters with a house and a productive piece of land for their future, then I must invest in that reality. I must plant trees for a wooden frame for their houses. I can dig dams for water collection and put clay aside for bricks. I must invest in the mining of copper, to wire their homes, steel to roof it.

In this way should a country look forward to its needs for the future. Ensuring at all times that we do not overtax or destroy our resources. Functional management and sustainable development to meet ours and future needs is a critical part of this forward thinking. It is the reason we have a government, to oversee much of this development - to ensure those doing it are not ripping us off or destroying our common property, our country.

Federation back in 1900, was preceded by many conversations and debates over the form this government structure must take. Each of the combining States involved recognised that as a whole we needed to be able to make deals with the outside world as one body, and to defend our island against antagonistic forces, be it actual war or economic war. To this end the federal Government was given some of the powers originally held by individual States and the limitations were agonised over. For our resultant Constitution is just that, a limiting document, to limit federal government intervention. Not only to limit its involvement in State politics but also a limit on what it has a right to do over a population and what responsibilities it has in regard to foreign interests.

"Section 51 The Parliament shall, subject to this Constitution, have power to make laws for the peace, order, and good government of the Commonwealth with respect to:-

(i.) Trade and commerce with other countries, and among the States:

(xx.) Foreign corporations, and trading or financial corporations formed within the limits of the Commonwealth:"

Here we see that they were given powers to provide for satisfactory management of our interests over that of outsiders. To do what I am sure the original framers of this document thought was obvious, to look after the interests of our new "Australian" family. Notice the words, "good government", where the verb form of government is used! It is an active word, it implies an action resulting in, correct and beneficial action for those whom it represents, US! Do our current crop of leaders understand this?

Instead, we see many of our representatives who are being more representative of vested interests than of their constituents. When this bounty is locked up or taken from us to provide obscene riches for one body (usually a body with interests outside of our country), it is in contravention to the reality of our situation. We own all this in common, some would say we hold it all in common for the use of generations to come, to be correctly managed, not stolen or hoarded.

How are we to release the true reality of our country to do this? First and foremost, we must acknowledge it is truly ours-in-common and be prepared to take a full interest in seeing that it remains that way for generations to come. We also must still retain control as a people. This can only be done through collective intent, via a form of government that we control, not one that is intent on controlling us.

Only then can we fully release reality. ***

Why Federalism Means Freedom and Security

Issued by the 1946 Referendum NO Committee

In the following pages, Professor Bland, who is Professor of Public Administration at the University of Sydney, presents a convincing explanation of the merit of a Federal system, and provides conclusive arguments why we must defeat the Referendum if we are to retain our Federal system. **Bear these points in mind**:

1. In a federal system, the Commonwealth and State Governments are each allotted certain powers and functions. The Commonwealth is not satisfied with its share of powers and wants to get a monopoly of all powers.
2. The people have repeatedly declared at previous referendums, that they do not wish the Commonwealth Government to have any more powers, let alone a monopoly of all powers.
3. By ignoring the people's clearly expressed wishes in 1944 and in submitting the proposals in another form, the Commonwealth Government is making it clear that it wishes to destroy the Federal system.
4. If the Federal system is destroyed, Australia will be smothered by regulations and orders issued by the Centralised Government at Canberra, out of touch with and unable to understand the local needs of the people.
5. A centralised system inevitably inclines to totalitarian methods. World War II was fought to destroy Totalitarianism in all its forms.
6. If the Federal system is destroyed, we shall be saddled with a system of Unification. There will then be no State Governments, no written Constitution, and no High Court to prevent violations of the Constitution.
7. In that case any Commonwealth Government will be able to do whatever it wishes. There will be no control over its use of power, and there will be nothing to safeguard the liberties of the people.
8. A Federal system automatically protects your liberty by providing legal and constitutional checks to what a Government can do. By a written distribution of powers and functions between Commonwealth and State Governments, the powers of all governments are automatically limited.
9. Under a Federal system, a Government cannot do just what it wishes, but only what the Constitution allows.
10. If, therefore, you value your liberties, and wish to preserve popular rights against authoritarian government, you will have to fight to maintain our Federal system.
11. The Referendum is not to decide whether or not you are to have your social services, but whether all of those Social Services are to be at the mercy of a Centralised Government at Canberra. THEREFORE Vote...NO, NO, NO

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Federalism in Australia By F. A. Bland

What Federalism is—

Federalism represents an attitude to and a belief in the desirability of maintaining that form of government associated with a Federal system. When people living in a number of independent States desire to retain all the advantages of political independence while having a common government for specifically defined functions, and where there is a strong sentiment in favour of union for some purposes while retaining the separate identities of the States to deal with other matters, the result is the creation of a Federal system of government.

A Federal system thus created will exhibit the following characteristics—

(a) A written Constitution which distributes the powers and functions of government between Federal and State authorities.

(b) A process by which the Constitution may be amended, but which cannot be exercised by one of the members of the Federation, whether Federal or State.

(c) A Court which is interested with the interpretation of the Constitution, and with deciding conflicts arising between the several governments, and the people affected by the actions of those Governments.

(d) A distribution of financial resources that will enable the several Governments to carry out their functions independently of each other.

For the system to work effectively, there must be such a regard for the values of Federalism on the part of the public and the several governments that there will be a sincere desire, as well as a determination to preserve it against competing forms and systems. In Australia in 1900 there was such a sentiment. Can it be said that it exists today? It existed in Germany in 1920, but to achieve his aims, Hitler destroyed it.

Why We Federated

It is true that the decision to federate flowed primarily from an appreciation of the convenience of having a single Federal Government to speak for Australia as a whole in respect of such matters as foreign affairs, defence, and tariffs. It is also true that there was a vigorous determination on the part of the States to maintain and safeguard the independence in the Federal system, and to that end the Senate was created as the States House, while the financial provisions were so designed as to ensure that the States would have sufficient resources to maintain their independence. The financial provisions of the Constitution were finally a compromise, but the compromise was accepted because of the most emphatic declaration that no Federal Government would ever be likely to adopt a financial policy which might deprive the States of their financial autonomy.

The Federal Compact

The sentiment which brought the Constitution and the Federal system into being influenced the working of the system during the first two decades. It is true that the sentiment was disturbed, and even shocked by early administrative attitudes, and by the serious inroad upon State autonomy resulting from the decision to avoid paying over surplus revenues by appropriating such surplus revenues to Federal Trust accounts. Nevertheless the Constitution was regarded as a compact as well as a Statute, and the High Court, by adopting the doctrine of 'implied prohibitions' as well as that of the 'immunity of State instrumentalities' clearly indicated that it believed its duty was to ensure that the system would work. In other words, the High Court, whose original members had been ardent federalists, approached all cases before it from the stand-point of whether or not the effects of its decision would be to disturb the Federal compact. It inclined, therefore, to such an interpretation of the Constitution as would ensure the working of the Federal System in the manner contemplated by the Federation fathers.

The Compact Officially Discarded

The **Surplus Revenue Act, 1910**, which superseded the Constitutional provision for returning to the States three-fourths of the net proceeds from Customs and Excise [*], and the imposition of direct taxation prior to and during World War I showed that the Federal Parliament, at least, had repudiated the principle of a Federal compact. This was followed by the **Engineers' case in 1920** when the High Court also rejected the idea of a compact, and, therefore, the doctrine of 'implied prohibitions.' With these developments, there disappeared official concern as to whether legislative measures, judicial decisions, or administrative methods disturbed the Federal balance, or even rendered impossible the working of the Federal system.

[*] ***Some background reference information is available here:***
The Future of Australian Federalism — Following the Money by Anne Twomey
https://www.aspg.org.au/wp-content/uploads/2017/09/03-TWOMEY-MONEY-NSW-CONF-ED.pdf

Commonwealth-State Relations - Supporting Paper No 14
https://www.pc.gov.au/inquiries/completed/productivity-review/report/productivity-review-supporting14.docx&ved=2ahUKEwiH8vSs2c-FAxWdoGMGHZxRBNsQFnoECDEQAQ&usg=AOvVaw2FaOTeMd7jo3TbmMC4eWW0

The **Uniform Taxation** arrangements of January, 1946, mark the farthest point reached in the process of unilateral action on the part of the Federal Government in destroying the substance of the Federal system, and taken in conjunction with the **Cowburn case (44 hours case)**, the **Financial Agreement of 1928**, and the legislation impounding the revenues of N.S.W. in 1932 [**], has resulted in reducing the States to a position of utter dependence upon the bounty of the Federal Government. Even when the States have struggled to avert their subordination, they have also not been averse from accepting a mess of pottage doled out from time to time by the Federal Government, if only it were large enough to satisfy their current requirements. Their descent to the role of remittance men has been both a cause and an affect in diminishing the force of popular sentiment in favour of Federalism.

[**] ***Financial Agreements Enforcement Act 1932***

But the People Seek to Preserve it

It is true that the people have persistently refused to agree to the enlargement of Federal powers, even though they have not been unaware that those powers have been strikingly extended by legislative and administrative action. Popular rejection of the 1944 powers referendum may be interpreted as a realisation that the move represented an attempt to end the Federal system. It may also be that the people realised that such a concentration of power entailed a serious threat to popular liberties in an age dominated by theories of totalitarianism. If either or both of these constructions are

correct, it would appear that there still remains some sentiment in favour of Federalism. It, therefore, seems desirable to re-state the case for Federalism in such a way as to provoke a revival of the Federal spirit, and to fortify those who wish to retain all the advantages of a Federal system. The need for such a re-statement is rendered the more urgent by the characteristic refusal of the Federal Government to accept the popular desire to maintain the Federal system. Despite the emphatic answer given by the electorate in 1944, it now seeks other powers, the use of which will have equally far-reaching effects as those rejected in August, 1944, would have had.

The Features of Our System

Any proposals that aim either at shifting the balance of the Federal system, or at widening the field of uniformity in legislation and administration should be opposed irrespective of the specific character of the proposals. But to insist upon such an attitude is one way in which we can emphasize the need for a thorough overhaul of the Constitution with a view to a new distribution of power's and financial resources, and thus a return to an effective Federal system.

In the first place, it must be realised that the demand for powers that disturb the Federal balance is in itself an explicit denial of the Federal principle, for it aims at a monopoly of, rather than that partnership in government which is a fundamental feature of Federalism.

Condemnatory references to the 'horse-and-buggy' Constitution and to the need for stream-lining our governmental structure also obscure the fact that political principles have no relation to age. Some of our most cherished popular liberties are enshrined in documents such as Magna Carta and the Bill of Rights and are ageless.

In the second place, it must not be forgotten that modernising the Constitution in the manner proposed is synonymous with a desire for centralisation of authority. Centralisation in Australia means remote government unrelieved by any of the mitigating influences of soundly established and smoothly working system of local government. Furthermore, it is futile to imagine that the abandonment of the Federal system for one of unification would inevitably be followed by the institution of real local government. The woeful experiences of Germany and Italy between the two Wars prove that the attitudes of mind and the administrative processes that result in centralisation are wholly antipathetic to the ideas that are essential to the fostering of local government.

In the third place, it must be stressed that the economic and social conditions of Australia demand a Federal system; if the resources of the continent are to be wisely developed; and if the natural diversities of the people are to be allowed full play. The outstanding advantage of a Federal system is that it allows for concentration upon matters demanding united effort without impairing the ability of the States to promote local diversities, and to apply dissimilar methods to dissimilar circumstances. In our case, a Federal system was deliberately adopted to achieve these purposes.

Federalism Re-stated

With these considerations clearly in mind, we may now turn to a re-statement of the case for Federalism, and of the principles involved.

Federalism is more than a political and an administrative structure. It is more than a means for distributing the functions of government between the Commonwealth and the States upon the basis of capacity. It is not merely a protest against unification or a denunciation of the social and economic wastes of centralisation. It is an expression of fundamental, liberal, democratic principles that stress the significance of the individual, and affirm the need to protect the individual by legal limitation of governmental powers. It brings out better than any other political system the fact that government is only one of the institutions of Society, that it is never an end in itself, but always a means for the enrichment of the life of the individual. A Federal system enables government to be so organised as to reduce it to terms that can be understood by the individual. It keeps administration close to the citizen rather than remote from him. By promoting at one and the same time unity and diversity, it prevents the Leviathan State from smothering the individual and from ruthlessly imposing its will upon him in the name of egalitarianism and uniformity.

More than any other form of government, the Federal system safeguards those principles that Thomas Jefferson was instrumental in writing into the American Constitution — freedom of worship, freedom of speech and of the press, the right of peaceful assembly, equality before the law, just trial for crime, freedom from unreasonable search or censorship, and security from deprivation of life, liberty, or property without due process of law.

Federalism Limits the Government

Because a Federal system requires a written Constitution that legally prescribes the powers of the Federal and State Governments, it's best emphasises the central theme of Liberal Democracy that the capacity as well as the powers of government are not unlimited: that there are things that not even a majority of voters may require a Government to do. In a Federal system, not merely are the scope and functions of government limited, but the manner in which those functions are administered is also subject to limitation. If the rights and liberties of the individual are thus protected, the very existence of several governments is a further protection. It is likely that there will always be some of the Governments in a Federal system imbued with a spirit of liberalism. If there is only **one** Government, the people will not have available legal and political protection from arbitrary action.

While the exercise of unlimited power by the Federal Government is prohibited by the Constitution, arbitrary action by member States may in certain circumstances also be restrained by the Federal Government. Freedom from the State and freedom in the State are likely in the future to be very difficult to achieve in Unitarian states. The federal system provides an almost automatic guarantee of such freedoms.

Federalism Protects the Individual

It is a commonplace to observe that the government in freeing the individual from the tyranny of his fellows has succeeded in subjecting him to an even more ruthless tyranny of its own. Redress of grievances arising from the action of officials is becoming more and more difficult to achieve, since Ministers cannot be aware of everything that is being done by officials. The administration of the large State thus threatens the submergence of the individual in the mass, while the trend towards totalitarianism is more and more making him nearly a means to achieve the purposes of the State. While the small

State is not immune from these tendencies, it remains true that the smaller the State the less impotent the individual is likely to feel in the face of authority. General economic and social conditions are better understood, and their treatment by the government can be more easily supervised, or at least, scrutinised by the individual. Since the closer the Government is to the individual the more responsive it is to criticism, freedom is enhanced. There is likely to be greater freedom from arbitrary action by the government, and greater freedom in relation to other citizens in the small State than is possible in larger States. It is also more likely that the small State will evoke a feeling of responsibility from the citizen than will the larger State whose problems and administration must of necessity be remote from the lives of the majority of citizens.

Remoteness tends to produce apathy because a man's interests are always directly proportionate to his understanding. Apathy and indifference upon the part of citizens inevitably tend to produce irresponsibility on the part of a Government. Any constitutional policy for Australia based upon centralisation and unification should not overlook these considerations, and if the purpose of liberal democracy is to train the citizens to be responsible, and to be captain of his own soul, it should be the path of wisdom for our statesman to foster the form and characteristics of Federalism, since the Federal system will achieve that purpose.

Who is there who has not contrasted the vital interests displayed in municipal areas by ratepayers in any proposal to increase municipal burdens with the apathy of citizens generally to the implications of Federal finance? In the municipality, government and Administration are stern realities. In the case of the Federal Government these things are invested with a character which distorts their real meaning. Even at the level of Commonwealth-State financial discussions, long term interests are constantly sacrificed for immediate advantages to the detriment of Federalism. And when States are reduced to the role of mendicants, competition for grants and subsidies is inevitable, and it becomes a virtue for each Treasurer to record the highest possible need of his government irrespective of consequences.

Need to Abandon War-time Totalitarianism

One of the most pressing needs for reviving popular faith in Federalism is to demolish the war-time structure erected under the compelling pressure of the will to survive, and to challenge the administrative habits then developed. There appears to be a belief that Federalism can survive under conditions in which the States have been deprived of their capacity to discharge substantial legislative and administrative functions, and their enjoyment of independent sources of finance. During the war, people were willing to accept an almost totalitarian system if only they might defeat the totalitarianism of the aggressors. But it would be ironical if the sacrifices of the people were now used to enslave them to the very conditions they were determined to defeat. Only a restoration of the States to a position of independence will provide a check upon the tendency to perpetuate in peace-time the political attitudes and administrative methods that so ruthlessly deprived people of their liberties during the war.

Federalism Promotes State Diversities

It must not be forgotten that the method of distributing the functions of government between Federal and State authorities is more than a device for limiting the powers of the respective governments. The purpose is to create an organisation that deliberately seeks to promote the maximum freedom of the member States to foster diversity of administration, while ensuring adequate unification in matters of common concern. None will deny the need for complete unity, even the need for uniformity of action in regard to such matters as defence, foreign affairs, and tariffs. But Federalists cannot and will not agree that uniformity should be applied generally. They do not believe that the principle of diversity is something to be overcome at all costs. Rather do they recognise that principles are a sort of natural law to be persistently followed, and, as far as we are concerned, to be intelligently applied to the peculiar conditions of the Australian economy.

Between the loose unity represented by the Federal Council of Australasia *(1885 Act)* and the current trend to compel uniformity in everything, there stands the Federal principle of diversity in unity. By insisting upon State autonomy within the Federal structure the possibility is avoided of settling down to a condition of dull mediocrity that a policy of administrative uniformity throughout Australia would almost certainly bring about.

Diversity, not uniformity, is the law of life, and a policy which seeks to treat everyone and everything alike cannot be other than disastrous and especially so in the circumstances of Australia. Even now, there are not wanting signs that people are resenting the compulsory blessings imposed upon them by the Federal Government, and are longing to be free to decide for themselves how they shall enjoy these benefits. A renewed faith in Federalism will lead people to insist that they shall be free to do so.

Present Referenda Proposals Will Destroy the States

The proposal to transfer to the Commonwealth control of organised marketing of primary products, and of the terms and conditions of employment denies the principle of diversity, strikes at State autonomy, and would deprive the States of the opportunity to develop their own distinctive economies. The proposal is also an explicit rejection of the Federal principal, and represents afresh the desire of the Federal Government to eliminate all necessity for consultation and co-operation with the States in the working out of the problems confronting the Australian economy. Instead of free agreement on the basis of a working partnership, there is to be compulsory conformity.

But Federalism Requires Collaboration with the States

The necessity for consultation and cooperation is indeed one of the most important characteristics of the federal system. Under it, Governments are compelled to submit their proposals to scrutiny and analysis that the 'party-system' tends to render unnecessary where they are only dealing with their own Parliaments. Is there much doubt that had the Federal Minister of Transport possessed exclusive power to proceed with the unification of gauges and railway extensions throughout the Commonwealth, we should have been committed to an expenditure which, far from enhancing the railway assets, might have saddled them with crippling liabilities? The necessity to secure the concurrence of the States in his scheme has resulted in its being thoroughly and critically examined.

No Constitutional Issues Involved

In his more revealing moments, the Minister of Transport

has claimed that opposition to his plan has illustrated the 'constitutional' difficulties that confront him. The demand for power to control organised marketing of primary products is also stated in 'constitutional' terms. This is simply a 'party-tactic'. There is no 'constitutional' issue in any of the proposals in the sense that without an alteration, the Federal Government cannot work under the existing Constitution. Were there no other argument, it should be sufficient to point out that the Federal system has worked for nearly half a century without the Commonwealth Government having the powers sought. There is nothing to show and no proof can be adduced to show, that the people of Australia would be better off if the powers sought by the Commonwealth Government were transferred to them. But looking back at the serious consequences that have followed from errors of judgment on the part of officials and Ministers, who have been under no obligation to submit their plans to independent examination, one would be justified in asserting that the people are likely to be worse off if the Commonwealth Government succeeds in persuading the people to agree to its proposals.

No one will deny that any government would be convenience if it were free to do what it wished. Few will agree that such freedom would always administer to the welfare of the people. It is possible to argue that it is anomalous for the Commonwealth Parliament to have power to deal with customs and excise, or with conciliation and arbitration, and yet be unable to harmonise the effects of a fiscal policy or a wage policy with the general terms and conditions of employment throughout Australia. It may be anomalous, but it is not a 'constitutional' issue. It is mainly a political issue, and partly an administrative difficulty. But it must not be forgotten that to confer upon the Commonwealth Parliament complete power to deal with the terms and conditions of employment throughout Australia would be so to upset the Federal balance as to destroy the Federal system. Between them, the Commonwealth and the States possess all the powers needed. While the Constitution remains as it is, if they want to exercise their powers, there must be agreement between the Commonwealth and State Governments. The Commonwealth wants to be able to do what it wishes without regard to the States. It does not want to work in partnership with the States; it wishes to ignore or coerce them.

We are thus brought back again to the central problem of a Federal system. It provides the means for securing unity and uniformity where that is essential. But it enables this similar conditions to be treated appropriately by the States with their knowledge of local conditions. It prevents the concentration of unlimited power in a single government, and thus protects the individual against arbitrary or unwise political and administrative actions. It compels dispassionate discussion of policies and methods, and deliberately emphasises the superiority of the principal of agreement over that of compulsion.

Therefore States must be Preserved

Autonomous States within the framework of a Federal structure are a basic condition of Federalism. Opposition to the proposed changes serves notice of an intention to preserve that autonomy at all costs. It is not a denial of the need for unity in the essential matters, but a warning that there are definite limits of the extent to which uniformity is to imposed upon us. That implies a belief that there is need for a systematic overhaul of the Constitution. But the overhaul must be general; the Federal system must not be destroyed by the process of piecemeal attrition. Furthermore, any redistribution must proceed from the premise that Federalism is a national and individual necessity. By insisting upon the preservation of the Federal system, Federalists claim the right to examine the current proposals and to appraise their effect upon Federal principles. They will not be lightly swayed by specious arguments that the Constitution needs rationalising, but will give serious consideration to the long-term effects of that policy. On the basis of past experience, there will be no hesitation in discounting the alleged economies of unified control and of large-scale administration.

Nevertheless, financial considerations are of far less importance than the preservation of the liberty of the individual and of the social advantage of a Federal system. Indeed, we must be prepared to pay for that preservation in the same coin as we pay for the right to pursue the democratic way of life.

No plea for economies, for uniformity or for unification, should confuse those who believe that a Federal system is the best way for limiting the powers of government, for legally protecting the individual from the consequences of his unwise political actions, and for promoting the dissimilar treatment of dissimilar economies in the several states.

Nor must we be deluded by any promises with regard to the use to which the Government will put any new powers it obtains. The Commonwealth Parliament has never shown the slightest concern for the solemn promises made at the time the Federal compact was agreed to. On the contrary it has gone out of its way to find means for disregarding them.

It is a fundamental principle of Parliamentary Government that no Parliament can bind its successors. Every Government must be free to act as its conscience dictates. But the creation of a Federal system was a different thing.

As we said earlier, we were entitled to expect that Parliaments, Officials, and Courts would accept the obligation to carry out the compact and make the system work. They have not done so.

Liberty Depends upon Limited Governmental Powers

It is, therefore, wise to recall some remarks of Thomas Jefferson, one of the architects of the American Constitution. He said that ***"it is a dangerous delusion were a confidence in men of our choice to silence our fears for the safety of our rights : confidence is everywhere the parent of despotism. Free Government is founded on jealousy, and not on confidence . . . It is jealousy, not confidence which prescribes limited Constitutions to bind down those whom we are obliged to trust with power : that our Constitution has accordingly fixed the limits to which and no further our confidence may go."***

Fears for the safety of our rights are justified not only by recalling the manner in which promises have been disregarded in the past. They are justified by a realisation of the manner in which Parliamentary Government operates today.

Only Federalism Provides an Effective Check upon Government

Throughout the XIXth Century, Governmental power was limited by the working of traditional checks and balances. The veto power of the King, the revising powers of Upper

Houses, and the independence of popularly elected Assemblies afforded an effective check upon the activities of government. All the checks and balances have disappeared in unitary systems of government, although many people are under the illusion that they still operate. Today, a Government with a compact majority can do whatever it wishes to do. As in England, it is possible to change the whole social and economic system by ordinary legislative measures. If we lose our Federal system, we shall have a unitary system, and there will be no limit to the exercise of power by the Commonwealth Government. There will be no States, no Constitution prescribing limits to governmental power, and no High Court to protect the people against violations of the Constitution.

On the other hand, a Federal system does provide an effective check upon the exercise of powers by both Commonwealth and State Governments. Each can do not what it wishes, but what the Constitution allows. To that extent, Federalism means freedom. For not only is the individual protected by the constitutional distribution of powers and functions between the Commonwealth and the States, but the existence of several governments is itself a protection. Furthermore, a Federal system is essential for the preservation of democracy itself. In recent years there has emerged a debased form of democracy which looks askance at tolerance, compromise, and discussion as ingredients in the democratic way of life. In many of its aspects, the new democracy is akin to dictatorship, in which everything is being determined and controlled by the masses.

And Federalism Safeguards Democracy

Federalism is a force which moderates the absolute power of the masses. And indeed democracy requires this moderating influence. It requires to be repeatedly reminded that the decision of the majority does not constitute the essence of democracy but is really an expedient. Again, Federalism is democracy between States. Both are expressions of the theory of self-determination, both are intrinsically co-operative as opposed to all forms of authoritarian organisation.

Thus, in the changed character of parliamentary government and of democratic thought, Federalism remains a most effective bulwark against arbitrary action by political parties, and the incipient dictatorship of the masses. It is a bulwark that we in Australia, warned and informed by the experiences of other States overseas, should strenuously defend. ***

Restoring The Federal Compact By Arnis Luks

At the 1890 Australasian Federation Conference and the 1891-98 Australasian Federal Conventions, many, many verbal assurances were given that the new Commonwealth would never diddle the States from what was their legitimate source of income - 3/4^{ths} of the (predominantly customs-and-excise) revenue. From 1908 the Commonwealth was maneuvering to swindle the financial lifeblood away from the States into their centralist coffers. Reading Commonwealth Acts from Federation until today, and the references found in Professor Bland's Paper, the Commonwealth swindle continues. The modern 'GST', lauded by Lib. PM John Howard to be evenly divided amongst the States, just this past budget, it is again contested, every State struggling to balance their ever-expanding debts ratio-ed against their ever-diminishing returns.

> *'Nevertheless, financial considerations are of far less importance than the preservation of the liberty of the individual and of the social advantage of a Federal system. Indeed, we must be prepared to pay for that preservation in the same coin as we pay for the right to pursue the democratic way of life'.*

LANG'S REVENUE GRIP - VITAL DECISIONS TO-DAY

https://trove.nla.gov.au/newspaper/article/230122651

The Sun (Sydney, NSW : 1910-1954) Wed 11th May 1932

...The Federal Deposit Bank, the Primary Producers Bank and the Government Savings Bank of NSW all failed during the Depression. The latter was amalgamated into the Commonwealth Bank of Australia (CBA). Sir Robert Gibson, Commonwealth Bank Board Chairman, issued a public statement to try to avoid further runs on the banks, reiterating that the position of the CBA as the central bank gave strength to the banking system.

Throughout the Depression, the Commonwealth Bank provided central banking services to the commercial banks, and credit to the government....

https://unreserved.rba.gov.au/nodes/view/46377

It has often been declared that the real winners of the first and second world wars were International Communism. It's appropriate to also declare that the real winners of the 1929 great depression were central bankers. The Premier's Plan of 1931, as recorded in the above RBA archive, shows the maneuvering of the Premier of Tasmania 'honest Joe' Lyons, moving from the Tasmanian Parliament on to federal politics under Scullins Labor, then defecting from Labor to form the UAP United Australia Party and align political forces with Lang's-Labor. Further, as a consequence of the December 1931 Federal election to form a new federal government, and then immediately betray Jack Lang and all he was attempting to achieve. Sir Philip Game dismissing Lang as acting against the Constitution, whilst Sect 51 of the Constitution dis-allows Commonwealth involvement: (xiii) 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. ***https://www.nma.gov.au/explore/features/prime-ministers/joseph-lyons***

Joseph Lyons held the Australian Prime Minister-ship 1931 through to 1941 under the United Australia Party banner. Similar to Labor PM Paul Keating, 'honest Joe' Lyons' earlier political life was solidly anchored from a socialistic perspective, however he easily morphed into the Grand-Mastership of the Loyal Lodge of Bankers' Chameleon - *The New Times p2 - March 4 1938* ***https://alor.org/Storage/New_Times/index.html***

Any consideration towards the restoration of the Federal Compact within Australia, must ensure the financial independence for every state. In our more recent political history, every state bank has been driven into insolvency and absorbed within the big four, to cut off any pathways for mitigation against centralised financial control of us all. This obscure financial flaw within our constitution, even though significant undertakings were given during the Federal Conference and Conventions, must be an integral part of any review of the Australian 'Commonwealth-State Federalist

Compact'.

The bold efforts by New South Wales Premier Jack Lang to fend off the central bank imposed 1929 great austerity/depression, must be duly noted - a brave and faithful Australian son politically destroyed by others at the altar of international finance.

https://legalopinions.ags.gov.au/legalopinion/opinion-1739

This somewhat evasive 1947 legal opinion, and the hidden story extracted from those various archives, would be an ideal candidate of further research for a PhD. A part of our history not appreciated, carefully analysed, nor recorded by the academic class.

A similar political effort to Lang-1932 was occurring on the other side of the world.

The 1935 Provincial government of Alberta in Canada was experiencing a similar fate from the imposed austerity/depression. The rise of the Social Credit Party, rallying behind lay preacher William Aberhart, caused a rare ousting of the incumbent Provincial administration, gaining 56 of the 63 Provincial seats in that 1935 election. Similar to the Australian political situation, the Canadian Federal PM Mackenzie King's government and the Lieutenant Governor of that Province of Alberta John C. Bowen, each rallied against the Provincial policies of William Aberhart's political efforts to emancipate and relieve the financially imposed impoverishment and suffering from their peoples.

https://veritasbooks.com.au/social-credit/the-alberta-experiment-c-h-douglas

In regard to the Constitutional arrangements within Canada - the 1867 British North American Act, is that each Provincial Lieutenant Governor is answerable to the Governor General of Canada, not acting independently as the monarch's representative, this being dissimilar to our own constitutional arrangements in Australia. Each State Governor within Australia, is acting independently as the monarch's representative. This did not alter the similar result experienced for both NSW-Lang and Alberta-Aberhart.

https://edmontonjournal.com/news/local-news/albertas-lieutenant-governor-once-stopped-controversial-legislation-could-it-happen-again

This unheralded record becomes essential knowledge for any active citizenry. The legend of the Anzac is an acknowledgement of the true spirit within the Australian cultural psyche; of bravery, personal sacrifice, and resilience - ***'greater love hath no man...'*** We have won the wars, but are losing the peace to central-bank imposed tyranny. No political party is offering a way out of this dilemma, of shoring up legitimate state-powers and re-establishing the constitutional boundaries placed upon the Commonwealth. Each political party is simply projecting themselves as being more capable to manage the tyranny - without any change in the policy of centralisation.

***

ESSENTIAL READING:

The Coming Commonwealth

By RR Garran

is available here:

https://alor.org/Storage/Library/PDF/Garran_RR-The_Coming_Commonwealth.pdf

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