



Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge.

General Washington in Farewell Address.

By R. G. Neale\*

## *New States Movement*<sup>1</sup>

In most States of Australia there have arisen organisations demanding sub-division of the old in order to create new states. The basic reason for these demands has been in the past the failure of the original state to satisfy demands for the adoption of those policies and for the extension of that political power considered necessary to ensure a more rapid exploitation of the economic resources of the region concerned. These demands have most frequently referred to land policy, loan expenditure, development of communications, the provision of public works in towns, tariffs, the extension of representation, and a share in political power. These grievances have been complicated by many other rivalries within new and developing areas; country opposition to city domination, pastoral versus mining interests, inter-city rivalries, the ambitions of political parties and the rivalry between states and Commonwealth. This basic grievance has been the source of many practical experiments in and theoretical essays on government. Current suggestions of this nature are various programmes of decentralisation, the extension of local government powers, regional development schemes<sup>2</sup> backed either by state or Commonwealth, the Labour Party's centralisation programme, and the Liberal and Country Parties' plan of national development under the supervision of a Commonwealth Government Department.

Yet the greatest difficulty in the way of solution remains now just what it was when the first demands were made for the sub-division of the original colony of New South Wales. Part of that difficulty arose out of the inability of any of the seven governments in Australia, from their inception, to provide in all territories under their jurisdictions the finance and public works which it is customary in Australia to demand that governments should supply in order

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<sup>1</sup> This paper is not an attempt to examine the desirability or possibility of creating new states, but an attempt to examine the aims and methods of past and present agitations.

<sup>2</sup> See *Regional Planning in Australia*. Issued by the Department of Post-War Reconstruction.

to facilitate development. The political counterpart of the economic problem was created by the grant to states of sovereign powers over huge territories in which settlement was confined to a small area. The larger the state and the richer and more varied its resources, the greater the probability that the spread of settlement and diversification of economy would produce demands for works beyond the resources of government and for policies opposed to the vital interests or beliefs of those areas which held the balance of political power.

Upon this conception of new states as a means of more rapid development there have been devised a number of plans for the subdivision of Australia which have remained ineffective because they have been largely theoretical, and have lacked the support of powerful local economic and political interests. Alternatively, any plans of this type, when backed by State or Federal governments, have not been recognised as vital either to the political future of the party in power or to the immediate security of the state. These features are revealed in the various plans for the political reorganisation of North and North-Western Australia.

Mr. C. L. A. Abbot (Administrator of the Northern Territory 1937-46) has recently advocated<sup>3</sup> the formation of a seventh state consisting of all Australia north of the 20th Parallel. Similar suggestions were made by Dr. H. I. Jensen, Queensland Government Geologist, in 1921, and by E. G. Theodore in 1924 when Premier of Queensland. In 1944 both Abbot and Theodore were still convinced that the creation of a seventh state and the construction of a port in the Gulf of Carpentaria, of improved road systems between the Barkley Tableland and the mouth of the Macarthur River, and the extension of existing railways, would bring about the development and settlement necessary in the North. To quote Mr. Theodore, "With the creation of a seventh state, with property already radiating from the tropical areas of Queensland, and with new railways, settlement would come quickly to the Barkley Tableland . . . would sweep to the fertile lands of Wave Hill and Victoria River in the Territory, and on to the Kimberleys in Western Australia."<sup>4</sup>

The Hon. G. J. G. Miles, M.L.C., President of the North Australian Railway and Development League, recommended to the Royal Commission on the Finances of Western Australia as affected

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<sup>3</sup> Sydney *Daily Telegraph*, 26/7/49, p. 6.

<sup>4</sup> Quoted by Abbot in Sydney *Daily Telegraph*, 26/7/49.

by Federation, that a new state be created of that section of W.A. north of the 26th parallel,<sup>5</sup> and "That whereas it is essential for the immediate welfare and defence of the nation that the north of Western Australia should be effectively peopled and developed, there should be established, pending the creation of a new state . . . a system of local administration with local representation, and that it be given Imperial, Federal, and State financial assistance for the purpose of initiating schemes of immigration, settlement, railway construction and harbour improvements.<sup>6</sup> Commissioner Higgs concluded that the Commonwealth should come to the State's assistance, he agreed with Collier, Premier of W.A., and with the President of the Northern League, that the task of development was beyond the resources of the State of Western Australia. He recommended that the Commonwealth invite the state government to surrender that portion of Western Australia north of the 26th parallel and the debt incurred on account of that area, and that the Commonwealth should grant a government partly nominee, and partly elected, with such power as it should think fit.<sup>7</sup> The plan broke down because the Premier of Western Australia demanded a pledge by the Federal Government that it would spend a specific sum each year on development. Page replied that he was not prepared to do so without full investigation of the needs of the area. He further promised action to create a new state when development warranted it.<sup>8</sup>

Another example of an attempt to use sub-division as a means of facilitating settlement in areas where there was no strong sentiment or demand is supplied by the Commonwealth Administration of the Northern Territory. Having taken over the territory from South Australia in 1913 the Commonwealth, in 1916, under the Bruce-Page Government, divided the Northern Territory into Northern and Central Australia. Northern Australia was given representation in the Commonwealth Parliament and accounts were to be kept separate in view of future formation as full states. A Legislative Council for the Northern Territory was later established. But the mere creation of these separate territories did not

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<sup>5</sup> Commonwealth Parliamentary Papers. General. Session 1925, Vol. II, p. 1582.

<sup>6</sup> Commonwealth Parliamentary Papers. General. Session 1925, Vol. II, p. 1583. Resolution 4 of League.

<sup>7</sup> Commonwealth Parliamentary Papers. General. Session 1925, Vol. II, p. 1585.

<sup>8</sup> Ellis, *New States in Australia*, p. 186.

in any way facilitate development, except insofar as the Commonwealth Government was prepared to finance and encourage settlement. After the failure of the attempts from 1913 to 1917 to foster the meat industry, little was done other than railway construction until the establishment of a Board of Inquiry in 1937, but little of their recommendations had been carried out at the outbreak of war. In 1945 the Northern Australia Development Committee was established, consisting of representatives of the Commonwealth, Queensland, and Western Australian Governments, the aim being "to examine and initiate development proposals having as their objective an increase in population, the welfare of the native inhabitants of the area, an increase in the value of production and the best utilisation of the lands and other resources involved. With waning emphasis upon the importance of Northern Australia in the defence of the Commonwealth, economic considerations became the basis of proposals for development."<sup>9</sup> Finally, in 1948, negotiations were carried on between the British Government and the Commonwealth Government to reach a long-term beef agreement.

The most powerful new state movements have not developed out of those plans propounded by State Governments in distress, or by Federal Governments seeking to promote development or by minor economic interests seeking government aid in their pioneering efforts. They have only grown in flourishing communities, such as in Central and Northern Queensland, and in New South Wales, the Northern Rivers and Tablelands, the Riverina, the Monaro and the West. All these districts had well established economies and a settled population. Demands for sub-division which have received wide support in these areas have usually followed a similar pattern of development. They have begun with a background of dissatisfaction with government inaction or policy. Frustration arising out of failure to solve these grievances by means other than separation, has hardened this general dissatisfaction into a belief in separation as the only solution. This belief has been fostered by the activities of political groups convinced of either or both the objective constitutional and democratic value of the creation of new states in the Australian Federal constitution, or of the political and economic use that can be made of demands for their construction. Such movements have flared into vital activity when met by some challenge to the economic security of its population,

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<sup>9</sup> *The Northern Territory*, p. 9. Published by the Commonwealth of Australia, October, 1949.

to the supremacy of political parties drawing their support from the regions concerned, or from the civic rivalries of cities involved.

These generalisations are quite true of the history of the New States Movements in Queensland.<sup>10</sup> As settlement spread North and West from Brisbane, vociferous and repeated complaints were made concerning road, railway and port construction, of the domination by Brisbane interests, of the failure to extend representation to accommodate the spread of settlement, of tariff and land policies, of unfair loan expenditure, and of a ruinous immigration policy. These efforts reflected the changing nature of the economy and the spread of settlement. Between 1860 and 1870 Rockhampton was the centre of the Northern Separation League, dominated by pastoral and city interests. As settlement spread North, Rockhampton became the hub of the Central Separation Movement, and Townsville became the centre of a series of Northern Separation Leagues. These represented pastoral, city, and later, mining interests, but from 1880 to 1893 the Northern movement as a whole was dominated by sugar interests which saw their industry threatened by Southern determination to end the importation of coloured labour. After Federation, when the sugar industry was secure, the movement in the North was supported chiefly by Labour and city interests, but activity subsided after the acceptance by the Labour Party of centralisation as part of its platform, and after increasing attention was paid to Northern development. Agitation by these movements, and the grievances upon which they were based, produced a long series of efforts to solve the problem. Experiments were made with increased representation, the separation of accounts and financial separation, the extension of local government, divisional organisation of government administration, differential land laws and other methods, culminating in Griffith's plan for a federal State of Queensland. This last scheme was supported by the Northern Movement, opposed by the Centre, passed by the Lower House, defeated in the Upper House, leaving separationists still demanding sub-division before federation.

In N.S.W. before federation there were the well-known series of agitations in the Northern Rivers districts; first, for separation from N.S.W. with Queensland in 1859, and then for a separate state, the last effort before federation being made in 1887. Since

<sup>10</sup> For chronological account see Bernays: *Queensland Politics During Sixty Years*, pp. 506-534.

For an analytical study, see *Historical Studies*, August, 1950, article by R. G. Neale.

1900 the most vital movements have been those in the Northern Rivers, the Riverina, and the Monaro, which were investigated by the Royal Commission appointed in 1924 by the New South Wales Government,<sup>11</sup> and those which submitted plans to the Nicholas Commission appointed 1933.<sup>12</sup>

The Northern Movement, the most deeply-rooted of these movements, again illustrates the general characteristics enumerated above. The revival of agitation from 1915 in the Northern Rivers area was assisted by the traditional opposition to Sydney domination and the memory of old grievances. The evidence before both Royal Commissions and of contemporary newspapers and pamphlets reveals that the chief grievance in these areas was lack of sufficient expenditure on railways, roads, and port facilities. "In over-centralisation in expenditure, or, in other words, the unjust distribution of the public money available for public works, we come face to face with the problem which is mainly responsible for the New State Movement. Mr. Thompson, in his evidence, has expressed the opinion that 75% of the complaints of the North arise in connection with activities which would come under this head."<sup>13</sup> To this basis were soon added complaints concerning education, lands administration, a need for law reform, closer settlement, and irrigation and agricultural development, preferential freights, and the decentralisation of secondary industry. These grievances became an integral part of the Northern Movement which set out by press campaigns, petitions, and conventions to build up public opinion.

The grievances concerning transport were not new. They had been advocated before Public Works Committees, and the Decentralisation Committee of 1911. The failure to carry out the recommendations of this Commission were frequently referred to by witnesses before Judge Cohen's Commission, 1924. In the official statement for the Northern Movement presented by Mr. Thompson, M.H.R., it was argued that "the recommendations of the Decentralisation Commission of 1911 with regard to a comprehensive scheme of Northern development have not been carried out and apparently never will be under present conditions. While the taxation upon the area has trebled since 1911, and the public debt has more than doubled, practically no development had taken place in the North with the exception of the North Coast railway, which is

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<sup>11</sup> Report of Royal Commission on New States, published 1925.

<sup>12</sup> Report published in the N.S.W. Parliamentary Papers, 1934-5, Vol. III.

<sup>13</sup> Report of New States Commission, 1924, p. 123.

still unfinished, and which from the fact that it takes all traffic past the Northern ports to Sydney, has not brought that development which was one of its main justifications.<sup>14</sup> The fact that the Decentralisation Committee did not agree with the transport system recommended by the New Staters and that it was prevented by the terms of its Commission from making a complete investigation of the needs of the North, did not prevent their blaming it for the failure to produce desired results.

Similar frustration was evident in the grievances of the Riverina movement. In the period before 1921 the most frequent demand was for annexation to Victoria and the most unpopular grievances were the lack of transport facilities, unfavourable freight charges, and the belief that revenue raised in the district was spent elsewhere. There was also a strong community of interest with Victoria due to land settlement by migrants from the Southern State, and the popularity of Victorian education. The agreement with the Victorian Government for the construction of Victorian gauge railway lines into the Riverina was rejected by the Legislative Council in 1916 because of the necessity for wartime economy. Justifiable as this might have been, it prepared the ground for the Separation Movement of 1922 directed against the Lang administration and fostered by active propaganda of the Northern Movement. In evidence before the 1933 Commission, Mr. Lorimer at Narrandera stated bluntly that "the failure of N.S.W. to carry out the changes recommended by Judge Cohen's Commission, of which he was a member, had convinced him that nothing but a grant of State powers would satisfy the needs of the proposed Riverina area."<sup>15</sup>

These New South Wales movements were marked by rivalries just as were the Queensland organisations. In the 1920's Grafton and Lismore disagreed with Tamworth, Scone, and Muswellbrook over the desired boundary of the projected Northern State. The former two desired a deep sea port to be either Coff's Harbour or the mouth of the Clarence. The latter group preferred a boundary between Port Stephens and Newcastle, with Port Stephens as a deep sea port. By 1924 a greater community of interest had developed in these areas through a realisation of the unity of the region for pastoral needs and through the consolidation of the dairy-

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<sup>14</sup> Report of Royal Commission, 1924, p. 57.

<sup>15</sup> Report of 1933 Commission. N.S.W. Parliamentary Papers, 1934-5, Vol. III, p. 1213.

ing industry. In the 1920's also there developed a rivalry between the Monaro and Riverina group. This appeared first at the conference at Wagga in 1922, when the South Coast League decided to agitate as a separate organisation.

This movement continued a separate existence and before the 1933 Commission "the evidence was generally to the effect that the Monaro was to a certain extent isolated from the rest of New South Wales, that it had problems of its own, that geographically it was connected with Gippsland, and that its interests might best be served by a decentralised control through either a commission or a provincial council."<sup>16</sup>

The Western Movement, small as it was, does represent what has been a strong element in all new states movements, namely, a belief that country areas suffer through lack of representation, through expenditure of revenue in districts other than where it was levied, and through control of commercial and developmental policy by interests who do not understand the needs of country areas. This was the real reason why the Western Movement dissociated itself at the convention in August, 1931, in Sydney, from the tripartite parallel division of New South Wales supported by the United Country Movement and the Federal Reconstruction Movement. In these plans the Western area was to be incorporated in a central state with Sydney as the capital. Arguments used in favour of this by Mr. Drummond and Professor MacDonald Holmes were that for economic reasons Sydney must have a hinterland, and this hinterland would benefit from development made possible by the use of the wealth of a huge industrial centre.

Of course, the outstanding illustration of the force of this motive in separation agitations is the identification of State and Federal Country Parties with the New State Movements. The Farmers and Settlers' Association and Graziers' Associations have been the backbone of the New South Wales Country Party and of the Northern Movement. The leaders of the Country Party, Sir Earle Page, Colonel Bruxner, Mr. Drummond, and their publicist, Mr. U. R. Ellis, have played leading and energetic rôles in organising the New State Leagues throughout New South Wales since 1915; supplying the drive behind revivals of Northern agitation; infusing energy and enthusiasm into the smaller and more periodic movements in the South and West, and adding to the Northern

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<sup>16</sup> Report of 1933 Commission, p. 46.

Movement a conviction of the necessity to maintain the powers of the States against Commonwealth encroachment.

This backing by a strong and well-organised political party was the advantage lacking to the Queensland New Staters before federation, for party divisions there usually divided both Northern and Central representatives. It was only in the 1880's that threats to Northern and Central interests were strong enough to unite them. This unity impressed the British Government to the extent that interference was promised, and it was only then that the movement became a serious threat to the Government.

In neither state was there any continuity of effort or of organisation, and only in the Northern area has there been any consistent demand for a new state in preference to any other solution. The Riverina movement was prepared at different times to try other methods, either annexation to Victoria or some system of extended local government such as district councils. It was suggested by spokesmen for the Monaro and Riverina before the 1924 Commission that decentralisation could be achieved by the establishment of a system of county or provincial councils with many powers at present operated by the State handed over to a National Parliament with increased powers.<sup>17</sup>

In all movements there has been a pattern of distinctly non-persistent activity. This periodicity reflected sometimes the prosperity or depression in the state, or the energy and constitutional convictions of the leaders. Most frequently, however, it was a response to some particular economic or political issue regarded as vital to the region concerned. This remains true despite the existence in centres like Armidale and Grafton of a very real conviction as to the desirability of new states. The persistence of this public opinion explains how quickly support for further agitation can be rallied by the Country Party.

The early Riverina movement arose out of economic grievances, but after the Cohen Commission it died down in the period of general prosperity preceding the depression. It flared up again in opposition to the Lang administration. Public meetings and petitions demanded Federal action, and when this was refused the immediate aim became constitutional reform,<sup>18</sup> through the creation of new states, in the belief that this would diminish the influence of N.S.W.

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<sup>17</sup> 1924 Commission Report, p. 92.

<sup>18</sup> See the report of the 1933 Commission, p. 1245.

Governments dominated by Sydney.<sup>19</sup> In this the active propaganda and advice of the Country Party representatives of the Northern movements played an important part. It was at this period that a reduction of the powers of the States was recommended at the Armidale Conference in 1929 and at Orange in 1934.<sup>20</sup> This was, however, opposed by Mr. Thompson, the leader of the Northern group.

The Lang administration in N.S.W. produced the most vital burst of new state agitation in the Northern Rivers region, producing serious talk of revolutionary action.<sup>21</sup> The response to this particular challenge, and the manner in which the Country Party and New State activity died down, once the crisis was passed, suggests, as does the history of Queensland movements, that demands for new states have very frequently been satisfied by methods other than sub-division, and that the movements have been used by political parties for purposes other than separation. Mr. Drummond explained the failure to follow up the effort against Mr. Lang, with attempts to secure sub-division on the basis of the report of the Nicholas Commission, in the following terms: ". . . the report was not received until late in 1934 and the Government was confronted with an election in 1935 . . . but the main factor was the lack of action on the part of the people to follow up the opportunity presented by the report." Northern bodies had been circularised "with a view to following up the report, but only two replies were received. The reason was that people were too busy getting out of the depression."<sup>22</sup> As against this, it has been suggested that the Country Party failed to continue the drive because "the separation of the right wing North of N.S.W. would have the effect of swinging politicians against the proposal, because the loss of these seats would almost certainly place them in permanent opposition."<sup>23</sup>

The recent publicity in Queensland given to the subject of New States was largely a result of the last State elections when all parties made an appeal to the basic desire for Northern development, and to any New State sentiment that might still have been in existence. The Liberal and Country Parties promised an immediate referendum and the establishment of an "Industrial Council" to further Northern

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<sup>19</sup> Mr. Drummond, writing in the *Australian Quarterly* of June, 1931.

<sup>20</sup> See below, *New States and the Federal System*.

<sup>21</sup> See Ellis, *New States in Australia*, p. 177.

<sup>22</sup> *Armidale Express*, 11/2/49, p. 3.

<sup>23</sup> *Armidale Express*, 11/2/49.

development. Mr. Hanlon, Labour Premier, followed Macrossan and Griffith when he stated "that it will not be until there are three more States in Northern Australia with representation in Canberra that we shall get a properly-balanced outlook in Canberra."<sup>24</sup> He promised to recommend the creation of new states "as soon as they are in a financial position to carry the responsibility," and prophesied financial collapse of any Northern State established at the present time.<sup>25</sup> He dealt very brusquely with a deputation for the small and uninfluential North Queensland Separation League, condemning any immediate action as "silly."

What little response the election efforts produced was along traditional lines. Demands were made for increased representation for the Northern areas which have only thirteen representatives in a House of seventy-five, for the decentralisation of industry, for railway construction, and "a measure of financial separation to prepare the way for the creation of a new state by crystallising the problem of allocation of assets."<sup>26</sup>

Although there still exists a latently powerful public opinion in the Northern Coastal towns that separation would be a "good thing," the chief concern is now, as it always has been, with development of the economic resources of the North. To this end there have been organised "Development Leagues" such as the North Queensland Development League, centred in Townsville, and the Mackay District Hinterland Development League, in nearly every coastal region. These Leagues, Local Authorities and the State Government are all looking to the Federal authority to finance Northern development as a defence measure. The chief immediate projects are the Burdekin Dam, Callide Coal, the Tully Falls scheme, the Mareeba-Dimbulah irrigation project, the Mackay-Nebo railway, and the construction of railways recommended by the Commonwealth Bureau of Economics to increase the turn-off of beef from the grazing areas.

The latest revival of the New State Movement in Northern N.S.W. preceded the Commonwealth and State elections, and the chief instrument of this revival was the Country Party. *The Countryman* devoted a great deal of space to the movement; local authorities and farmers' committees were addressed by outstanding Country Party

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<sup>24</sup> Q.P.D. Vol. CXCV, 1948-49, p. 2005.

<sup>25</sup> Letter to the Gulf and Peninsula League, published in *Cairns Post*, 19/1/50.

<sup>26</sup> *Brisbane Telegraph*, 14/4/50.

leaders such as Sir Earle Page, Colonel Bruxner, Mr. Drummond, and by the manager of the office of Rural Research and Development, Mr. U. R. Ellis, and Mr. P. A. Wright, the President of the present movement. Support was received from the N.S.W. Graziers' Association, from the *Catholic Weekly*, the Local Government Association, the Australian Women's Movement Against Socialisation, the Liberal Party, the Federation of Chambers of Commerce, the Bishops of Maitland and Newcastle, and the Coadjutor Bishop of Maitland. Committees were formed in most of the leading centres of the Northern Rivers and Tablelands, and 15,000 signatures were obtained for a petition for a referendum, and a deputation waited on the Premier of N.S.W., who promised to give the matter of a referendum his very careful attention. A constitution for the new state was drafted and approved, and can be read in the *Armidale Express* of 3rd June, 1949.

This revival has many of the consistent features of past agitations, particularly the basic grievances of insufficient attention to rural development and of the exploitation of rural areas by the great cities.<sup>27</sup> The President of the New England New State Movement Mr. P. A. Wright, argued that the political power of cities makes a reorganisation of communications impossible.<sup>28</sup> U. R. Ellis at the Armidale Conference in 1948<sup>29</sup> condemned the failure of government policies to bring secondary industries to the country. Colonel Bruxner, replying to Professor Hytten at the Summer School of the Australian Institute of Political Science, argued strongly for expansion of settlement in rural areas and the decentralisation of industry.<sup>30</sup> Sir Earle Page, in his address to the New South Wales Constitutional League, July, 1949,<sup>31</sup> saw in New States a means of redressing the balance between country and city, of achieving decentralisation of industry and manufactures, and of stopping the drift to the cities. Alderman J. I. Morehead (Grafton) developed a similar theme, emphasising the drift to the cities by quoting census figures to show that between 1933 and 1947 Sydney, Newcastle, and Illawarra gained 404,140 in population, while the total gain for the state was 382,948. However, although great play was made with

<sup>27</sup> Article by the organising secretary of the New England New State Movement, *Armidale Express*, 21/9/49.

<sup>28</sup> *Sydney Morning Herald*, March 20, 1950.

<sup>29</sup> *Countryman*, July, 1948.

<sup>30</sup> Decentralisation. Papers read at the Summer School of the Institute of Political Science, 1948, pp. 190-193.

<sup>31</sup> *The Changing Constitution*. The Proceedings of the All-Australian Convention, July, 1949, published by the New South Wales Constitutional League.

the grievances of country areas and the demand for decentralisation, no efforts were made to show just how the creation of new states rather than other methods, such as an extension of local government, or of Commonwealth activity in regional development, would remedy the situation.

The real aim of the convention and press campaigns seemed to be to marshal public opinion against the Federal Labour Party Centralisation and Socialism. The whole tone of the convention debates and publicity campaign bears out remarks made by Professor Bland.<sup>32</sup> He ascribed the present revival of a New State agitation to a reaction against the persistent efforts of the Federal Labour Party 1941-49 to increase the federal at the cost of the state powers, the attempted banking legislation, particularly the effort to force state and local authorities to use only the Commonwealth Bank, the increased scope and activities of Federal administration, and the use of the uniform tax to make the states financially dependent upon the Commonwealth.

That this is so, is evident not only from the types of association that supported the movement, but from the concentration upon a fervent condemnation of the Labour Party's policy of centralisation and socialism, rather than any constructive effort to prove that New States would solve the political difficulties of the Federation as a whole, or the economic needs of the Northern community. Colonel Bruxner, at the Country Party Conference in Sydney, in April, 1948, stated that "From the outset we preached policies of constitutional reform which would have made impossible the plans the Labour Communist Parties now have for destroying local government and concentrating all power at Canberra."<sup>33</sup> In this mood, a constitution was drafted to check totalitarian tendencies either of the right or left.<sup>34</sup> The Deputy Leader of the Country Party, Mr. Drummond, argued that the alternatives were to strengthen Federation by decentralisation and the creation of New States, or "go headlong down the path of unification and eventually to totalitarian dictatorship."<sup>35</sup> These arguments have been accompanied by consistent demands for the restoration of the financial independence of the states as being essential to the maintenance of the Federal system and the economic and efficient functioning of the states.

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<sup>32</sup> *The Changing Constitution*. The Proceedings of the All-Australian Convention, July, 1949, published by the New South Wales Constitutional League.

<sup>33</sup> *Countryman*, April, 1948.

<sup>34</sup> Mr. Drummond, *Armidale Express*, 11/2/47, p. 4.

<sup>35</sup> *Countryman*, April, 1948.

These were constant themes developed by the Country Party press campaign, and were repeated in addresses to the New South Wales Constitutional League and in Country Party speeches in the Address-in-Reply in the Federal Parliament. This antagonism by New States towards socialism is no new thing. It played its part in the opposition to Lang, and is discernible in the attitude of a minority group who favoured the inclusion of Newcastle in the Northern State in 1934. "I think," argued Colonel White, "that it would be very beneficial that that area of Newcastle with its extreme section of industrialists should be absorbed in the North, which is one of the most stable and solid areas in Australia."<sup>36</sup> It is discernible also in the attempt in the 1930's to limit the taxing and borrowing powers of the New States.

The Labour Party has since 1918 opposed the creation of New States with sovereign powers, and has approved, on the contrary, the unification of Australia, with legislative powers concentrated in a Commonwealth Parliament, and local powers delegated to provincial councils. It is true also that Labour Administration, 1941-9, continued at a more rapid rate, the process by which, since Federation, the Commonwealth powers have been increased. But it is difficult to imagine how the creation of New States, even with the legal powers of the existing states, would, as the New Staters claim, help to preserve the Federal structure. Commonwealth financial control exercised through the Financial Agreement, the Loan Council, and the Uniform Tax system, will remain.

The New Staters themselves, when thinking of separation rather than an attack on socialism, recognise that they will be dependent upon the Commonwealth, but see advantages in an independent approach. "As a State in the Commonwealth, New England would submit its programme of development to the Loan Council with those of other States, and in the preparation of this programme a degree of consideration would be given to the needs of the area which they do not receive at present, and will not receive so long as the area is part of N.S.W."<sup>37</sup> Sir Earle Page testified to the Royal Commission in 1933 that he believed sub-division would increase Commonwealth power, and in the following statement reveals his position as being close in principle to Labour Party

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<sup>36</sup> 1933 Royal Commission Report. New South Wales Parliamentary Papers, 1934-35, Vol. III, p. 1240. After some hesitation, the present movement decided to accept the Nicholas Commission boundaries which included Newcastle in the Northern State.

<sup>37</sup> The Petition, *Armidale Express*, 3/6/49.

policy: "The Commonwealth would assist to plan and finance the states to undertake as the administrative 'hands' of the Commonwealth and local governments to carry out the details as the fingers of the hands."<sup>38</sup> Any federal government committed to "regional planning" and a plan of national development under a special portfolio, and involving schemes as vast as the Snowy Mountain project, cannot afford to return to the states their financial independence, but it can use them as administrative agents.

Given the degree of popular support received by the powerful movements for the sub-division of the original Eastern States, given the strength of their grievances, the efficiency of their organisation and the concentration of their efforts, it is necessary to explain why they failed to achieve separation. Many reasons have been advanced. The constitutional difficulties involved;<sup>39</sup> the reluctance of any State Government to permit its sub-division; the difficulty of separating accounts, indebtedness and administrative systems; the interplay of party politics, and political weakness because of insufficient representation. These have all played their part in ensuring that the grievances which produced the series of demands for separation were solved for the time being by means other than separation. If this is granted it would appear that as historical movements, New South Wales agitations have been stronger as means to ends, than as ends in themselves. And this is not to deny that to many individuals New States have been regarded as a method of constitutional reform desirable in itself.

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<sup>38</sup> *Changing the Constitution*, pp. 110-11.

<sup>39</sup> See (i) The Reports of the Cohen and Nicholas Commissions.  
(ii) Article by the Hon. H. S. Nicholas, M.A., in *Decentralisation*.  
(iii) The Report of the Royal Commission on the Constitution, 1929.