

Chapter 5

The Cohen Royal Commission - a Testing Time

The Royal Commission of inquiry as to whether new States were "practical and desirable" was appointed in April 1924 and its report, which was adverse to the creation of new States, was considered by Cabinet in May 1925. Curiously, previous writers about the New State have mostly ignored the *Evidence*, which was printed in six volumes. At best, they have focused on the single volume *Report*, which summarized the Commission's findings. Moore, for example, gave a whole chapter to the *Report* but scarcely mentioned the *Evidence*.¹ Some other writers, especially those writing biographical histories, used the index of witnesses to see what was said by certain people and that was the extent of the research of the *Evidence*. Aitkin, for instance, summarized Bruxner's evidence, but left it at that.² Belshaw, in his study of David Drummond, did not read the *Evidence*, but analysed the *Report*.³ He missed vital cues given in the *Evidence* so his interpretations are partially flawed. The Royal Commission was the high point of New State agitation after its revival in 1920, so it is appropriate that the *Evidence* and the *Report* be analysed. This was the first time that the New State idea was taken seriously in Sydney and the idea was put to the test. The Royal Commission would force New State advocates to articulate their ideas in detail, and would also force opponents to articulate their opposition. There are tactics involved in choosing commissioners, in drawing up terms of reference, in framing questions and in giving evidence, so the political skills of the New State enthusiasts would be tested. My investigation was restricted to the evidence for the proposed northern New State.

When the Royal Commission was announced, the northern New State Executive jumped the gun. Early in January 1924, the Executive held "a special and urgent meeting" at Tenterfield to consider the choice of Commissioners, who

¹ Evelyn Moore, 'The Causes of the Agitation after 1901, for the Establishment of a New State in Northern New South Wales', M.A. Thesis, Sydney University (New England University College), 1953, ch. 5.

² D.A. Aitkin, *The Colonel, A Political Biography of Sir Michael Bruxner*, Canberra, 1969, pp. 79-81.

³ James Drummond Belshaw, 'Decentralization, Development & Decent Government: The Life & Times of David Henry Drummond, 1890-1941', unpublished manuscript, Armidale, 1983, ch. 4.

had not been appointed. Thompson reported that the Government proposed having five Commissioners: a judge as chairman, and a representative each from the Government, the North, the Riverina and the West. Various names had been mentioned in the Sydney press, but "no communication whatever had been made by the Government to the Executive".⁴ The Executive immediately dealt with the matter, and chose Colin Sinclair to represent the North. Colin Archibald Sinclair had trained as a solicitor, but was a grazier with an extensive property at Walgett in the north-west. His nomination "was carried by acclamation".⁵ No others were nominated, so it must have been decided in advance, but why and by whom cannot be determined; there was no indication of who else was considered. The selection of Sinclair will be shown to be one of many tactical errors made by the New-Staters. When the Premier (Sir George Fuller) and his Cabinet met to select the commissioners and their assistants, the Cabinet deliberations were equally secretive, but known publicly to have been rowdy. "There were some angry altercations", stated the *Daily Mail*. Certain Ministers, knowing the Commission had been "appointed at the dictation of Mr Bruxner", resented its being appointed at all.⁶ This foreshadowed substantial and significant opposition from some members of the Government.

Five Royal Commissioners were chosen, with Judge John Jacob Cohen as the chairman. Born at Grafton, he had spent his early years on the Clarence River, but had been at Sydney University with George Fuller. Cohen had been a Liberal but became a Nationalist and was Speaker in the Legislative Assembly from 1917 to 30 January 1919, when he resigned his seat to become a District Court Judge. Frank Nelson Yarwood, a Government nominee, was a Sydney accountant who had been very prominent in Nationalist circles. He had unsuccessfully contested the seat of Wollondilly. Joseph Laurence Astley was another Government nominee. He was president of the Dubbo Nationalist Association and had recently been nominated by his branch for appointment to the Legislative Council. He was chosen to represent the Central and Western portions of NSW. Colin Sinclair, as noted above, was the representative of the northern New State Movement. John Archer Lorimer represented the southern districts. He was a public accountant in

⁴ Thompson's report, attached to Minutes, NSM Executive Meeting at Tenterfield, 11 January 1924, Minute Book II.

⁵ Minutes, NSM Executive Meeting at Tenterfield, 11 January 1924, Minute Book II.

⁶ *Daily Mail* (Sydney), quoted in *Armidale Express* (hereafter *AE*), 22 January 1924.

the Riverina.⁷ So, the balance in the Commission favoured the Government three to two. The Governor formally appointed the Commission on 7 April 1924.

William Arthur Holman, a King's Counsel, and Harold Sprent Nicholas, a barrister with an expertise in constitutional law, were appointed by the Crown Law Office to assist the Commission. Holman, a former Premier, was still smarting under his defeat by the Progressive Party at Cootamundra in 1920. He had been a Labor man before joining the Nationalists. The Cabinet's choice of so many people who had strong ties to the Government did not augur well for the New-Staters. As Aitkin noted, the appointment of Cohen, Yarwood, and Astley as Commissioners who would be assisted by Holman and Nicholas made it certain that the Royal Commission "would not return a favourable verdict".⁸ The New-Staters had lost another tactical battle.

The terms of reference had been changed. Previous writers have not noted that there had been an earlier set of terms of reference.⁹ They were based on Drummond's speech in the Assembly in December 1923 when he suggested that the commission should cover the questions raised by the Commonwealth, namely "the boundaries of the new States, public debts and public assets such as railways and rolling-stock". He had also suggested the commission should consider representation of the new and old States in the Senate and House of Representatives, the powers to be granted to any new States, the general views of the people in the areas desiring separation, and the vexed question of the railways, and some means of giving constitutional effect to the commission's recommendations.¹⁰ The new Order of Reference was announced by the Premier on 25 March 1924. The new terms omitted the constitutional issues. Thompson said those terms were eliminated because "they would take up an immense amount of the Commission's time", but would not "assist the present New State movements in their proposals for the subdivision of NSW". The Government contended that the new Order would shorten the inquiry. The NSW Attorney-General, T.R. Bavin, had proposed the new Order and had discussed it with

⁷ *Daily Telegraph* (Sydney), 12 March 1924.

⁸ Aitkin, *op. cit.*, p. 79.

⁹ The first Terms of Reference concerned: 1 boundaries; 2 benefits and effects; 3 apportioning the assets and liabilities; 4 representation in the Commonwealth Parliament; 5 powers of the new State; 6 government of the new State; 7 railways; 8 methods of implementation; 9 miscellaneous issues. See memo from Hon. General Secretary, 21 February 1924, copy in Seward Papers, Scone and Upper Hunter Historical Society.

¹⁰ *NSWPD*, 18 December 1923, vol. 94, pp. 3670-2.

Bruxner, who had agreed to it.¹¹ Thompson acquiesced; he was in charge of the New-Staters' tactics, but he was making some terrible blunders.

The New-Staters had wanted a commission to lay down boundaries for the New State and to recommend a referendum. Neither the old nor the new terms of reference included the possibility of the desired referendum being recommended. Under its new terms, the Commission was to inquire and report whether any of the proposed new States were "practical and desirable", on their probable and economic results, and as to whether new States were necessary or whether similar ends could "be adequately secured by the creation of some form of local governing authority".¹² The New-Staters had to pass three main tests: whether the new States were practical; if so, whether they were desirable; and, whether the same ends could not be achieved in another way. The Commissioners would have any of three grounds on which to reject the proposals, so the New-Staters had no chance of getting what they wanted. They had been outmanoeuvred, because they had no competent tactical leader.

The problem began early in January 1924 when the New-Staters started organizing themselves and agreed that Thompson would appear before the Commission to present the Northern case. There is a major discrepancy between the Minutes (written by Thompson) and the newspaper report of the meeting, which indicated that some New-Staters wanted to engage counsel to conduct the case.¹³ It should be noted that the Crown paid Holman, Nicholas, the Commissioners and their staff. Later it would be claimed that Thompson "stood in the way", with the result that the Crown did not pay "the fee for counsel" to assist the New-Staters.¹⁴ Thompson believed "it would have been a shocking waste of money to have paid a counsel, because we will want all the money we have got, after the Commission's report".¹⁵ Thompson seems to have missed the point that

¹¹ Thompson's report, attached to Minutes, NSM Executive Meeting at Ballina, 19 March 1924, Minute Book II.

¹² The Terms of Reference required the Commission to investigate and report on: 1 practicality and desirability; 2 effects; 3 boundaries; 4 apportioning the assets and liabilities; 5 whether local government could achieve the same ends; 6 methods of implementation; 7 incidental matters. *Report of the Royal Commission of Inquiry into Proposals for the Establishment of a New State or New States, formed wholly or in part out of the present territory of the State of New South Wales*, Government Printer, Sydney, 1925, (hereafter *Report*), p. v.

¹³ AE, 18 January 1924.

¹⁴ Polack to Page, 6 June 1924, Page Papers, NL, MS 1633/1022.

¹⁵ Thompson to Page, 7 June 1924, Page Papers, NL, MS 1633/1022.

the Crown would have paid for counsel, "if an application had been made at the outset".¹⁶ Whether counsel would have done better than Thompson at the hearings remains a matter for debate, but it is irrefutable that the Northerners should have engaged a Crown-paid counsel to supervise the preparation of the case, to ensure it was logical, covered all the appropriate issues, and did not include obvious flaws. Many of the weaknesses which became apparent as the evidence was heard were the result of not engaging a counsel. The commission was very quickly revealing the New-Staters as sincere but highly incompetent.

The northern New State area was divided into eight districts for collecting evidence, and an organizing sub-committee was formed to supervise the preparations, but it had no supervision from a competent person. The sub-committee worked closely with the local Leagues. At Armidale, for example, the local League met on 23 January, when plans were made for organizing the local evidence for the Commission.¹⁷ The League met again on 17 May, with P.A. Wright presiding. Colonel White from Guyra outlined what they had done in Guyra, and then committees were elected to prepare evidence on these topics: settlement and primary production; populations, progress and local agitations; secondary industries; railway lines, trade and freights; mining industry and forestry; power and water supply; education and employment; and Lands administration.¹⁸ This process was typical of what occurred in the eight districts.

Every effort was made to assist individual witnesses in the preparation of their evidence. Anyone needing information was advised to write to Thompson, who also prepared a special booklet for use by witnesses.¹⁹ Given its influence and importance, the booklet should be examined. There were twenty sections: Population - decline or increase?; Is your centre progressive?; Secondary Industries; Local Agitations; Railway Lines and Freights; Ports and Waterways; Settlement and Primary Production; Roads and Bridges; Mining industry and Forestry; Power and Water Supply Schemes; Local Developmental Schemes; Education Facilities; The Rising Generation; Taxation, Finance etc.; Lands Administration; Legal Administration; Industrial Laws; Greater Local Government; Boundaries; and General New State Questions. Each section of

¹⁶ Polack to Page, 6 June 1924, Page Papers, NL, MS 1633/1022.

¹⁷ AE, 25 January 1924.

¹⁸ AE, 20 May 1924.

¹⁹ *Do You Want A New State? A Series of Questions for the use of witnesses at the Cohen Royal Commission*, Tamworth, 1924.

Thompson's guide for witnesses asked various questions. For example, 'Section 1: Population - decline or increase?' asked these questions:

- 1) What is the population of your town (and district) today?
What was it in 1901, 1911 and 1921 (census years)?
- 2) To what causes do you attribute the decrease or increase?
- 3) What reason have you to suppose that the population of your town or district would increase under New State conditions?

The booklet suggested that the witnesses should quote great population increases in American, Canadian, and Australian States in the first decade after self-government was granted. The figures were available in *Australia Subdivided*. The testimony of the various witnesses would suggest that most of them meticulously adhered to the booklet, but their use of it would greatly upset the Commissioners, as will be shown later.

The Cohen Royal Commission, as it was styled, held its first hearing at Sydney on 30 April 1924. It was a farce. No one had advised the various New-Staters of the imminent start of the hearings, and consequently they were not prepared. Killen from the Riverina declared: "I was only informed yesterday that the Riverina case might be taken today; I am therefore not prepared to give more than a short statement at the present time".²⁰ Thompson claimed: "We had no notice when the Commission was starting".²¹ Singer (Monaro New State League) said: "I did not know before yesterday afternoon that the Commission was going to sit. I saw it in the paper. We had no notification at all".²² The first session actually started without Thompson, who arrived a little later in the morning. "The train was half an hour late", he explained, and wisely refrained from claiming that in the New State trains would be punctual.²³ Such a claim would not have been out of place amid the other claims which would be made before the Commission to argue that the New State was the panacea for rural unrest.

Much of the first morning was devoted to sorting out how the Commission would work. A principal difficulty was that the various New-Staters had been unsuccessful in their attempts to obtain information from Government

²⁰ *Evidence of the Royal Commission of Inquiry into Proposals for the Establishment of a New State or New States, formed wholly or in part out of the present territory of the State of New South Wales, together with the List of Exhibits and Printed Exhibits, in Six Volumes, Government Printer, Sydney, 1925, (hereafter Evidence), Q. 7.*

²¹ *Evidence* Q. 50.

²² *Evidence* Q. 108.

²³ *Evidence* Q. 17.

departments. Killen from the Riverina explained the problem: "The Government departments feel some difficulty in taking the necessary time to prepare it without an order from the Commission". The excuse offered was: "owing to retrenchments the departments have less clerical assistance".²⁴ This was ironic. Evidence would show that there was rural hostility to the Government because of its large public service, but when it was reduced, the New-Staters resented the resulting inefficiency. Cohen said he would sign an order instructing the departments to make the information available. Meanwhile, the New-Staters were expected to start presenting their case without the benefit of all the necessary information. Clearly, that was unfair. With all the procedural matters settled, the Commission was ready to start its hearings.

The first day ended with Thompson reading his opening statement in which he outlined the Northern case for a New State. He had drafted it himself and had submitted it to the Executive at Armidale the previous day, when some modification were made.²⁵ Subsequently, the statement was printed as a pamphlet.²⁶ Thompson placed a map before the Commission, and proposed that "investigation of our claims for the New State" be made within the area indicated by these boundaries:

on the North by the Queensland border from Point Danger to its intersection with 145° East;
on the West by 145° East from the Queensland border to 32° South;
on the South by 32° South to 149° East, thence by straight line to 152° East at a point on the east coast;
on the East by the Pacific Ocean.

These boundaries had been decided at the Second Armidale Convention (see Map 4.2). There was a copy of the map in his pamphlet.

After the expected preamble about the general policy of the Northern Movement, Thompson defined his understanding of the key terms, "practical" and "desirable". He claimed his proposals were "practical" because he had shown that "under the existing Constitution the Federal Government is prepared to admit a new State on such terms and conditions as it thinks fit, provided the State

²⁴ Evidence, Q. 7.

²⁵ See Thompson's report, attached to Minutes, NSM Executive Meeting at Armidale, 15 December 1924, in Minute Book II.

²⁶ *New State for the North: Case presented before the Royal Commission at its first sitting on 30 April 1924*, by V.C. Thompson, (hereafter *New State for the North*), Tamworth, 1924.

legislature gives its consent and indicates the area it desires to be separated".²⁷ He said the only obstacle would be the resolution of difficulties such as "boundaries, allocation of public debts, and the establishment of the new legislature and administration". These, he claimed, were not insuperable difficulties because similar issues had been resolved when Victoria and Queensland had separated, albeit before Federation. So, by "practical", he meant that the creation of the New State was feasible. By "desirable", Thompson meant "eminently desirable from the viewpoint of the State and the Commonwealth".²⁸ This, however, was not how the Commission understood the key terms.

Strangely, the Commission did not expressly define the key terms of reference or indicate how they were to be assessed. It was even stranger that Thompson did not demand this information. Either, the Commissioners were acting unfairly by allowing the definitions to stay nebulous, or Thompson thought the issue had been addressed in his opening statement and nothing more was required. Had the New-Staters engaged a counsel he would have explored the matter. Certainly, he would have been more attentive to an earlier exchange, when Cohen alluded to his understanding: "The Commission wants to know your reasons. You have already made up your minds the New State is desirable - the Commission wants to know the reasons".²⁹ The "reasons" which Cohen needed to hear were that the New State could show that it could pay its way as a separate State, and would not leave the old State deficient. In short, the New-Staters had to show a surplus in their financial statement. This point was made clear at Glen Innes, where Cohen "got stuck into Abbott" because he could not explain how the New State was to be financed. Thompson said "Page had already given that information" and Cohen replied: "In that case we need only have heard from Dr Page and closed the enquiry".³⁰ The *Report* would make it clear that the Commissioners based their decision on finances, but gave no indication of its understanding of "desirable"; they merely claimed that since the New State proposal was not practical, then it was not desirable.

²⁷ This was a reference to the Prime Minister's letter, dated 12 June 1923, in response to the amended motion in the NSW Parliament in 1922.

²⁸ *New State for the North*, *op. cit.*

²⁹ *Evidence*, Q. 72.

³⁰ Thompson to Page, 6 June 1924, Page Papers, NL, MS 1633, folder 1022.

After an adjournment of two weeks the Commission resumed its hearings on 19 May 1924. Dr Page was the first witness and presented evidence consistent with what he had stated in the 1915 Grafton pamphlet, *A New State*,³¹ and had repeated in *Australia Subdivided*, and in Thompson's guide for witnesses. Page aimed to show that the effective occupation of Australia (i.e., the number of persons to the square mile, production per square mile, the railway facilities to the square mile and the development to the square mile) "lessens directly as the size of the State increases above a certain limit, and that better results ensue by the administrative area being on the small side rather than the large".³² He then cited copious figures for Victoria, New South Wales, South Australia, Queensland, Western Australia and Tasmania. Next, he made comparisons with the size of states in America, with European countries, and with New Zealand. This set a pattern which was followed by most other witnesses.³³ The analogies with America were flawed, so their conclusions were illogical and made an unfavourable impression on the Commissioners.

So far as the Commissioners were concerned, the figures in *Australia Subdivided* had been quoted "with the object of showing the growth of population was caused, or at least stimulated, by division into states with full powers of self-government". The Commissioners concluded it was "a conspicuous example of the fallacy" of cause and effect. Taking the case of Iowa, it was shown that the population was 43,112 in 1840; Iowa was admitted to the Union in 1846 and the next census was taken in 1850, showing a population of 192,214; of the ten years, six were spent as a Territory and only four as a State. The Commissioners said the same about other States which had been cited.³⁴ In fact, these Territories became States because of their population increases, not the reverse, as Page and many of the Northern New-Staters had claimed in their evidence. This point had been highlighted by the Premier during the Parliamentary debate on Bruxner's New State motion in 1922.³⁵ Foolishly, the New-Staters had continued to make claims

³¹ *A New State: Proposed Separation of Northern New South Wales. The Case for Separation*, Grafton, 1915.

³² *Evidence*, Q. 153.

³³ For an example, see Q. 3186A, the evidence of Canon Archdall. Like others, he quickly made a comparison with the rapid growth of States in America.

³⁴ *Report*, pp. 37-8.

³⁵ *NSWPD*, 5 September 1922, vol. 88, pp. 1598-9.

which had already been shown to be flawed. Clearly, the New-Staters' case was suffering from a lack of competent supervision.

The sittings in Sydney were succeeded by tours to the country. The tours were determined by the railway lines. The first tour went up the main northern line and took in Scone to Glen Innes, with sittings at Tamworth, Armidale, Glen Innes, Armidale (again), Tamworth (again), and Scone. About sixty witnesses were heard, five of whom were what Thompson called "hostile to the New State".³⁶ The evidence of some of the 'hostile witnesses' will be examined shortly. By the end of the first tour Judge Cohen felt obliged to take stock. "This tour was to last a fortnight", he said, "but it had taken three weeks". He went on to say that "if they continued at the same rate the Commission would last a year". From then on "a strict timetable" was to be enforced.³⁷ Earlier, when procedural matters were being settled, Cohen had advised that their time was limited; he said the Commission was "to report to the Government on 7 July" [1924], but he believed the Government would "extend the time if necessary".³⁸ As it turned out, the Commission was extended till 7 May 1925 - the Commission actually did last a year. It would seem that the Government granted extensions because they allowed the agitation to run its course and to expend its energies.

After a break in Sydney, the Commissioners commenced their second tour, to the Far North Coast, with sittings at Grafton, Maclean, Lismore, and Murwillumbah. This time about sixty witnesses were heard, of whom ten were hostile, most of them at Maclean, where no favourable evidence was given. The third tour went to the North West, with sittings at Gunnedah, Narrabri, Moree, and Inverell. About forty more witnesses were heard, fifteen of them hostile, especially those at Moree. There was no opposition at Inverell. The fourth and last tour was to the Middle and Lower North Coast, with sittings at Coffs Harbour, Taree, Kempsey, Bellingen, and Dorrigo. On this tour about forty-five witnesses were heard, fifteen of them hostile, especially those at Taree and Kempsey where most were hostile. There was no opposition at Coffs Harbour or Dorrigo. During the four country tours more than 200 witnesses were heard, and about forty-five of them were hostile.

³⁶ Thompson habitually used the term "hostile" to describe those witnesses who were antagonistic to the proposed New State. In law, however, the term "hostile witness" has a different meaning. Given that the term was widely used by Thompson and others, I have continued to use it.

³⁷ *Evidence*, 13 June 1924 (at Scone), Q. 7602.

³⁸ See Q. 31 and Q. 126.

The witnesses who gave evidence in the north were an interesting cross-section of their communities. There were professionals such as medical practitioners, solicitors, educationalists, and clergymen. Among the businessmen there were storekeepers, newspapermen, farmers and graziers. There were also many politicians, mayors, aldermen and shire councillors. There was also a selection of women. These diverse witnesses gave evidence on a multitude of topics: politics; the failure of the Government to implement decentralization and development, especially railways; education; pastoral and farming matters; religion and culture; women's issues; local government; Lands administration; the legal system; health; mining and transport; ports and river development. Some witnesses spoke about how separation would benefit Sydney, while others argued in favour of alternative measures such as county councils or unification. Officials from the Government departments replied to accusations made against their departments. Finally, during November, Thompson himself, gave lengthy evidence before the Commission, to "compass ground which had not been fully or satisfactorily covered by other witnesses". His statement took six hours to read.³⁹ It would seem that the Commission heard evidence from the widest range of witnesses, but something was missing. No one spoke about the Great War and its influence on the world economy and the subsequent effect on the government of each country including Australia.

Many of the grievances attested to by many witnesses were the results of a war-time economy and its aftermath.⁴⁰ The war debt had to be repaid and it was a most significant drain on the public purse. Post-war governments such as the NSW Parliament simply did not have the funds for expensive developmental works, and when these were not carried out there was agitation for the New State as the cure. Charles Wollett from Tamworth expressed it well: "It was new. People were in a terribly depressed state of mind all over the country and they thought the government was not assisting them. They thought this was an Eldorado".⁴¹ It seems that the problems of the 1920s were not understood at the time, and found expression in successive Governments falling at each election in NSW from 1920

³⁹ Thompson's evidence commenced with Q. 52593.

⁴⁰ Evidence, Q. 2854-3014; Q. 3015-3182; Q. 3325-3488; Q. 3923-3937; Q. 3955-4186; Q. 5193-5635; Q. 15853.

⁴¹ Evidence, Q. 5740.

until 1935.⁴² The evidence given at the Royal Commission reveals no real grasp of contemporary economic problems.

The most remarkable aspect of the *Evidence* was the lack of solid arguments in favour of forming the New State. The New-Staters' principal claims were that there had been a lack of resources for northern development, especially a Tablelands to North Coast railway; that the creation of the New State would decentralize population and government; that better results would ensue by the administrative area being small rather than large; and that an increase in population would follow the creation of smaller states. These were unproven assumptions, but they were strongly asserted. Mostly, rational arguments were supplanted by criticisms of government policies and practices, and assertions that such matters would be better and more efficient in the New State.

The criticisms of the government included claims that there was a lack of northern development and that the centralized government did not cater for the primary producer and failed to furnish the public works essential to his existence. For instance, there were claims that produce was destroyed because there was a lack of trucks to take it to market; that sheep and other stock were unable to reach the market; and that there were prohibitive railway freights.⁴³ Many witnesses said there was unsympathetic departmental administration.⁴⁴ Many witnesses said the North did not obtain a satisfactory return for its primary production.⁴⁵ The resentment was intensified when disasters such as floods, droughts and depressions reduced the earning capacity in rural districts. For these witnesses, the proposed New State was the panacea.

The malady was centralisation and the proposed remedy was multiplication of States. It would be possible to endorse every word of the diagnosis of the disease without agreeing with the proposed prescription for effecting a cure. If rural neglect was to be overcome, then the required remedy was a more enlightened government policy to promote and achieve decentralization. But, the New-Staters felt politically powerless, unable to control their elected government and unable to direct the allocation of resources. The New-Staters were dissatisfied

⁴² The post-Depression years have been marked by long lasting Governments. In NSW, for example, the coalition held office from 1932 to 1941, and Labor from 1941 till 1965.

⁴³ *Evidence*, Q. 3015-3182; Q. 3498.

⁴⁴ *Evidence*, Q. 7064; Q. 11043.

⁴⁵ *Evidence*, Q. 15853.

with the Sydney-based government which was perceived to be distant and dominated by "the City". Thus, "setting up a show of their own", as Bruxner called it, was the only alternative for the North.

Much of the evidence implied criticisms of the government departments. When the departmental officials appeared before the Commission they replied to the criticisms of their administration. John Garlick, Under-Secretary of the Local Government Department, replied to criticisms of his department. At Glen Innes, for example, J.F. White had said he "had it on good authority" that the subsidy for the Glen Innes to Grafton Road, "the main outlet from the Tablelands to the North Coast", had been withdrawn and that "the shire council cannot keep it in repair". Garlick produced papers which showed that Severn Shire Council asked for a grant of £480 and was given that amount; the cheque was deposited on 14 January 1924. Garlick concluded: "Mr White's statement was made on hearsay, which is not a very good authority, and is quite incorrect".⁴⁶ Garlick also replied to a claim made in Tamworth by Thomas Adamson, a farmer at Nemingah (near Tamworth) who complained that the Government had sold land worth £150,000, but would not construct a bridge over the Peel River adjacent to the land. Adamson claimed he "could not even get a hearing from the Minister". Garlick replied: "I have made a search, and there is no record here of any application for a bridge. We know nothing about it". Next day Garlick advised that it had been suggested to him that it was not the Nemingah Bridge, but the Dungowan Bridge; it was the same bridge but with a different name. Garlick produced the file, and it showed that the Government had in fact given money to the shire council to build a bridge. The bridge had been built, but had been washed away in a flood. Subsequently, the shire council asked for money for a second bridge, and "for a time it was refused", but in 1923 the Government gave the council £400 to rebuild the bridge and it was completed in May 1924.⁴⁷ Adamson had not mentioned these facts. These two examples show how a departmental official such as Garlick rebutted ill-founded complaints from the country and made the witnesses look stupid and their evidence sound unreliable.

The *Evidence* is also a rich source of anti-New-State sentiment. Witnesses who spoke against the New State were examined by Holman or Nicholas, then cross-examined by Thompson or one of his assistants. William Green, a bookseller in Tamworth, attracted much attention when he appeared before the Royal

⁴⁶ *Evidence*, Q. 3522, Q. 9942.

⁴⁷ *Evidence*, Q. 6893, Q. 20439, Q. 20631.

Commission at Tamworth on 29 May 1924. Green had joined the Movement in 1920 and became chairman of the Tamworth New State League, but "had disassociated" himself from it in October 1922.⁴⁸ His defection was significant because he was a high-profile public figure, having served on Tamworth Council for eighteen years, and having been Mayor on three occasions. Green had published his letter of resignation in the *Sydney Morning Herald* and had got wide coverage. He had also sent letters to the *Daily Telegraph* and other newspapers explaining his change of views. These were very damaging to the New State proposal. His evidence at the Commission would be even more damaging.

Green made many statements against the New State. He said he entirely rejected the Movement's principal claim that population and government would be decentralized by the creation of the New State. He said that the New State would still have centralisation: "It will just move central government from Sydney to Armidale. The departmental officers will be just as officious". He claimed there were too many impractical schemes such as Port Stephens. It would "cost £5 million to develop this port which is only 20 miles from the port of Newcastle which is already up and running". Such development, Green claimed, would result in "the loss of the North's two best markets, Newcastle and Sydney, and that would be a disaster for our farmers". He believed there was no community of interest between the Tablelands and North Coast. He claimed that financial credit would be crippled because the New State would be rural, without any secondary industries. He also claimed there would be further competition among the States and it would increase hostility among the Australian people. Above all else, Green was concerned about "the extra costs, especially the duplication of Government departments and administrative machinery, all to be paid by the tax-payer". His litany of complaints also included an objection to comparisons with America. "The quick development of America is not the result of her system of small states", he said, "but is due in great measure to the fact that America is comparatively close to Europe and has been a dumping ground for the overflow population of the old world". As indicated earlier, on this point he enjoyed the support of the Commissioners. Green also rejected the comparisons with Victoria, because NSW had a vast hinterland of western country which in most seasons was practically a desert. He rejected the claim "that the country is neglected and is denied necessary works, while Sydney and Newcastle get all they want in this regard".⁴⁹ So, Green had many objections to the proposed New State.

⁴⁸ Green's evidence, Q. 2254 to Q. 2604.

⁴⁹ Evidence, Q. 2270, Q. 2270A.

Under Holman's skilful examination, Green gave evidence regarding the perceived decline of the Movement. "There are very few New State leagues in existence", he said, "not more than twenty". In July 1921 "there were 177 leagues and ten district councils. They have nearly all disappeared".⁵⁰ He went on to cite the example of the petition campaign which had been proposed at the 1921 Armidale Convention and "was to be signed by thousands and to be presented to the Parliament, but it fizzled out". Green claimed that if it had succeeded "it would have been valuable evidence of strong support for a new State." Its failure was "valuable evidence to prove that the people do not want a New State".⁵¹ He cited the example of the proposed "appeal for £25,000 for a fighting fund" which had raised less than £500. There was the constitutional essay project "that was dropped", and there was the monthly magazine, the *New State Magazine*, which had "languished and died". All these examples led him to conclude that the people of northern NSW did not support the proposed New State. With the inside knowledge which he had gained before his defection, Green was able to draw on examples of perceived failures. Although Thompson faced Green with the many speeches he had previously made in support of the Movement and its objectives, he was not unduly unsettled by Thompson, who lacked skill in cross-examination. Green's objections had been a mixed bag, but they were very damaging to the New State idea.

The most common complaint made by the anti-New-Staters was voiced by Jonathan Coates, a telegraph linesman, when the Commission sat at Glen Innes on 3 June 1924.⁵² He claimed that there would be "an increase in the cost of government under a new State, and that would mean additional taxes". Alfred Perrott, a farmer and grazier from Dangarsleigh (near Armidale), objected to the New State because of the cost of another parliament.⁵³ As indicated in chapter 2, Perrott was a self-confessed unificationist. Charles Wollett from Tamworth thought that in the New State "taxation will be absolutely unbearable by the handful of people in the area". He also contended that even in the New State there would be centralized government.⁵⁴ Dr Edward Fitzpatrick from Tamworth

⁵⁰ Evidence, Q. 2270B.

⁵¹ Evidence, Q. 2272A.

⁵² Evidence, Q. 3548 to Q. 3570.

⁵³ Evidence, Q. 5093.

⁵⁴ Evidence, Q. 5632.

objected to the New State because "it would cause increased taxation".⁵⁵ He drew on the experience of Federation: "Before Federation we were told there would be no increase in taxation, but we have found out differently since". His main concern was that "government is extravagant. Premiers of every State and Ministers go to England occasionally, taking a big retinue. If we had a new State our Premier and Ministers would go to England at tax-payers' expense".⁵⁶ The cost of government was a major concern to these anti-New-Staters. Charles Luckett, a farmer from Duri (near Tamworth), had a new objection to the New State: "Personally I know little or nothing about constitutional law, but it seems to me as a layman that there are too many conflicting laws".⁵⁷ His opposition reflected the rising concern in Australian society about the different industrial awards.

Hostile feelings towards the New State were not restricted to individuals, but found expression at anti-New-State meetings. There was such a meeting at Tamworth on 23 June 1924, after the Commission had returned to Sydney. A resolution was carried by 300 to five expressing the opinion that the local press had not placed the New State issue fairly before the people.⁵⁸ The strongest, most organized opposition to the New State was at Maclean on the North Coast. An anti-New-State meeting had been held there at the end of May. The Grafton solicitor, Alf Pollack, claimed "the meeting was convened, most probably, as a result of a suggestion from Holman".⁵⁹ Another meeting, on 5 June, was attended by about eighty people which is most significant, because only fifteen people attended a pro-New-State meeting in Grafton.⁶⁰ The chairman of the Maclean meeting, Ken MacKay, a farmer and grazier, said: "Maclean had established itself on the North Coast as being the first sane-minded centre to call a halt to the move on the part of a few faddists and to protest against the reckless and scandalous waste of public money for no other purpose than to ensure the limelight staying

⁵⁵ Evidence, Q. 6151.

⁵⁶ Evidence, Q. 6152.

⁵⁷ Evidence, Q. 6809.

⁵⁸ AE, 24 June 1924.

⁵⁹ Pollack to Page, 29 May 1924, Page Papers, NL, MS 1633, folder 1022. There was an enclosed cutting from the *Grafton Examiner*, reporting the anti-New-State meeting at Maclean.

⁶⁰ *Grafton Examiner*, 6 June 1924.

with certain politicians".⁶¹ This statement revealed a lot of anger but not much argument; it hinted at misguided populism and political cynicism. MacKay said he had been a disciple of Earle Page, but had begun "to think for himself" and now was hostile to Page for using the New State issue to secure his return to Parliament. MacKay said his main objection was that there would be increased taxation because of the additional administrative costs.⁶²

Septimus Dowling, a solicitor residing at Maclean, testified to the strength of feeling among the anti-New-Staters. According to him there were sixty-four people at the first meeting, although the press had said forty-six, and at least eighty at the meeting on 3 June.⁶³ He believed the New State would be too expensive, and that the "area was far too scattered" for a community of interests. He also objected to the Movement itself, because "there was no genuine enthusiasm on the North Coast", and the New-Staters "had no concrete proposals".⁶⁴ He favoured county councils rather than the New State.⁶⁵ Among other objections, Dowling confirmed the general anxiety about increased taxation in the New State.

Arthur Harrison, a merchant at Maclean, a former accountant, and president of the chamber of commerce, was one of the few witnesses who voiced his concerns about the political effects on the remainder of the State because "it would be governed by the industrial sector". He believed it would also be bad for the New State area, because "the money would be kept locked up in Sydney and we could not start manufacturing". He confirmed the anxiety that had been expressed by others about a duplication of the departments: "there would be an immense drain on the public purse to provide the many institutions, for example, mental hospitals, required in the New State".⁶⁶ His objections were based on financial and political considerations.

To sum up: during the four country tours in the Northern New State area the Commissioners heard evidence from more than 200 witnesses, of whom about

⁶¹ *Loc. cit.*

⁶² *Evidence*, Q. 12350-3.

⁶³ *Evidence*, Q. 11941.

⁶⁴ *Evidence*, Q. 11951.

⁶⁵ *Evidence*, Q. 11956.

⁶⁶ *Evidence*, Q. 12533.

forty-five were hostile to the proposed New State. Clearly, Harman was wrong when he claimed there were "very few who opposed it".⁶⁷ Some of the anti-New-Staters, such as Green of Tamworth and MacKay at Maclean, were able to use their inside knowledge to work against the Movement. The most outstanding complaint made by most hostile witnesses was that there would be extra costs, because there would be the duplication of government departments and administrative machinery for the New State, and this would result in increased taxation. Other witnesses claimed there would be further competition among the States for loan money from London and it would increase the interest rate, thereby increasing hostility among the States. Other objections included: the New State would still have centralisation; there was no community of interest between the Tablelands and North Coast and this would cause conflict over schemes such as Port Stephens and North Coast developments, and the various railway proposals. There would also be political difficulties: the New State would be rural, without many secondary industries, so the Parliament would be lop-sided; the old State would be dominated by the industrial sector; and there would be one more set of different industrial awards. Some anti-New-Staters favoured different proposals for development of the North, such as country councils or unification. So, the *Evidence* revealed that there were many objections to the New State, and further, that there was significant opposition in some towns. Thus, the *Evidence* disproves Moore's claim that "in general the New State Movement was met by apathy rather than antagonism".⁶⁸

Various witnesses gave evidence about the role of the press in the New State agitation. As we saw in chapter 2, Charles Wollett of Tamworth claimed that in 1919-20 the people were in the strangle hold of a drought and the New State movement was a "newspaper stunt".⁶⁹ He also claimed "the local newspaper will not give space for anti-new-State sentiment".⁷⁰ His opinion was just one of many which Holman elicited from numerous witnesses. Ernest Monro, an alderman of the Maclean Municipal Council, complained about the monopoly of Lismore's *Northern Star* and the *Grafton Examiner* which were under the control of Dr Page and gave exclusive pro-New-State articles. He claimed there was no balanced

⁶⁷ Grant Harman, 'New State Agitation in Northern New South Wales, 1920-1929', *Journal of the Royal Australian Historical Society*, vol. 63, pt. 1, June 1977, p. 35.

⁶⁸ Moore, *op. cit.*, p. 63.

⁶⁹ *Evidence*, Q. 5631.

⁷⁰ *Evidence*, Q. 5636.

investigation of the New State proposals in the propaganda.⁷¹ He said that at Maclean much of the strength of anti-New-State feeling arose from the two independent papers. This view was shared by Robert Brown, who had been the editor of the *Northern Star* from 1911 until June 1921, when Page had purchased the paper. Until it changed ownership, the paper gave no support to the New State.⁷² Robert Heathwood of Casino said the strong support in Casino was due to the press which had been "uniformly in favour since 1920".⁷³ All this evidence would allow Holman to claim in his summing up that to a large extent the New State Movement was "press manufactured".⁷⁴

The *Evidence* reveals extremely divergent views about support for the New State proposal. For instance, at Tamworth, Canon Rupert Fairbrother stated: "At least eighty per cent of the population in Tamworth were favourable",⁷⁵ but the former Mayor, William Green, believed that "a referendum would result in seventy-five per cent of the people voting against a new State".⁷⁶ Under cross-examination by Thompson, Charles Wollett said: "If you had a referendum, in Tamworth only twenty-five per cent of the people would go to the polls, and you would still be defeated".⁷⁷ The Commissioners were given similar conflicting statements on the Tablelands. At Glen Innes, Dr Blessing claimed "eighty per cent of people support the New State",⁷⁸ but Jonathan Coates claimed there was "a lack of support from the people".⁷⁹ At Armidale, Morgan Stephens, the Mayor, claimed that "eighty per cent are in favour, very few are against",⁸⁰ but Alfred Perrott, the unificationist, believed "most people are against the New State".⁸¹ So,

⁷¹ *Evidence*, Q. 13298 and Q. 13413.

⁷² *Evidence*, Q. 17286.

⁷³ *Evidence*, Q. 20163.

⁷⁴ *AE*, 17 March 1925.

⁷⁵ *Evidence*, Q. 1645.

⁷⁶ *Evidence*, Q. 2272A.

⁷⁷ *Evidence*, Q. 5629.

⁷⁸ *Evidence*, Q. 4692.

⁷⁹ *Evidence*, Q. 3570.

⁸⁰ *Evidence*, Q. 5214.

⁸¹ *Evidence*, Q. 5069.

at Tamworth, Armidale, and Glen Innes, there was conflicting evidence about the degree of support for the New State.

On the Clarence there was also conflicting evidence. At Grafton, for example, William Ager declared: "I have met very few who are against the movement". The people were "twenty to one in favour".⁸² As noted earlier, there was great hostility at Maclean, where the anti-New-Stater, Ken Mackay, contended "that at present or at any time eighty per cent of the people had no conception of the movement at all and have never considered it".⁸³ This view was supported by Ernest Monro, who held "that the New State is not favoured by the people of the Maclean district".⁸⁴ The Far North Coast, too, had conflicting views. The Mayor of Lismore, Robert Brewster, claimed the attitude in Lismore was "generally favourable" and there was "no serious opposition".⁸⁵ This view was supported by Justin McCartie, a journalist in Lismore, who declared that "this district is very strongly in favour of the Movement" and there is "very little opposition".⁸⁶ William Davies was prepared to put a figure on the supporters: "I should say ninety-five per cent of people are in favour of the movement".⁸⁷ These opinions, however, were not shared by the prominent anti-New-Stater, Robert Brown, the former editor of the *Northern Star*; he testified that: "In Lismore there are many who oppose it". He said: "Everyone I have spoken to is against it". He claimed the initial enthusiasm had died out, and "now there is a lot of noise and activity but there are very few members".⁸⁸ So, when evidence was given by those in favour and those against, their views strongly diverged.

The Commissioners must have wondered if there was any place where there was agreement one way or the other. There were only a few places where no hostile witnesses came forward and the evidence was conclusive. One of these was Inverell, where the Mayor, James McIlveen, said there was no active opposition.

⁸² Evidence, Q. 10804.

⁸³ Evidence, Q. 12350.

⁸⁴ Evidence, Q. 13298.

⁸⁵ Evidence, Q. 13622.

⁸⁶ Evidence, Q. 14466.

⁸⁷ Evidence, Q. 15859.

⁸⁸ Evidence, Q. 17278, Q. 17287.

He knew of "only two opponents".⁸⁹ There were no hostile witnesses at Kyogle, Ballina and Casino on the North Coast. Having found places with divergent opinions, uniform support, and uniform hostility, the Commissioners must have wondered if they would find a place where there was widespread apathy. Moree was the only place where there was evidence of this. The Mayor, George Brand, summed it up: there was "very little interest for or against". It was only the coming of the Commission that had "aroused interest".⁹⁰

The question of support or antagonism was well summed up by Judge Cohen in Tamworth, where he told Thompson: "some of your witnesses say ninety per cent of the people are in favour, but that is only their view, and what this witness says is only his view".⁹¹ Several points should be noted. The witnesses claimed that support or antagonism towards the New State was usually extremely high; nowhere was it balanced. When witnesses from the same town declared there was strong support or widespread hostility, they created uncertainty in the minds of the Commissioners. Those witnesses who expressed their opinions about the strength of feeling were cross-examined about how the issue had been tested; three things were clear: the witnesses gave vague generalisations; they spoke from experience within a small circle of acquaintances; and they were not specific about timing.

When the sittings were coming to a close the Commissioners revealed that they were not interested in the degree of support for or antagonism against the New State proposal. Commissioner Yarwood was so bold as to declare: "The question of support does not interest me in the slightest".⁹² This view was reflected in the *Report*, which completely omitted any mention of the vexed issue. The New-Staters had been unable to demonstrate widespread support.

Many of the points which were argued before the Commissioners turned out to be irrelevant, because the Commissioners' Report showed they were mostly influenced by another aspect altogether, the financial statements. So far as the Commissioners were concerned, the key issue was whether the proposed new States could pay their way. In May, Earle Page, the Commonwealth Treasurer, had

⁸⁹ Evidence, Q. 30935.

⁹⁰ Evidence, Q. 30003.

⁹¹ Evidence, Q. 6246.

⁹² AE, 17 March 1925.

submitted the financial statement for the northern New-Staters. His statement was long and complex, but the figures are summarised in the following table.⁹³

Estimated revenue	£2,853,000
Expenditure	£2,444,196
Surplus	£408,804

Page had concluded: "I have shown that the northern New State area" has the ability "to finance itself and to conduct its own development".⁹⁴ His cross-examination was deferred till later.

Rather than immediately cross-examining Page, Holman called for a counter financial statement. It was given by Bertram Stevens, the Deputy Director of Finance and Chief Accountant to the Public Service since 1 January 1923. This future conservative Premier of NSW was a member of the Federal Institute of Public Accountants, and previously had been a Public Service Board inspector and the State Superannuation Board's Accountant.⁹⁵ He gave his evidence in September, telling the Commission he had prepared a "comprehensive statement setting out simply the estimated receipts as used by Dr Page in his evidence", and had "put alongside these the amounts estimated by the Treasury". There was a staggering difference, as summarised in the following table.

Source	Income	Expenditure	Result	
Dr Page	£2,853,000	£2,444,196	£408,804	surplus
Treasury	£2,132,952	£3,461,376	£1,328,424	deficit
difference	£720,048	£1,017,180	£912,620	

Page claimed to have a surplus over expenditure of £408,804, whereas the Treasury claimed there was a deficit of £1,328,424. The Treasury claimed Page had miscalculated by £912,620.

Stevens presented the Commissioners with many pages of figures to justify his claim. He stressed that he was right and Page was wrong, expressing it with the diplomatic skill expected of a senior public servant: "The whole task has been very laborious; it has involved a very detailed examination of the whole of the financial records of the departments and the Treasury".⁹⁶ Stevens was left in no doubt about which figures the Commissioners would believe. Judge Cohen said:

⁹³ Evidence, Q. 235.

⁹⁴ Evidence, Q. 241.

⁹⁵ Evidence, Q. 36705.

⁹⁶ Evidence, Q. 36715.

"On behalf of the Commission I thank you very sincerely for the painstaking manner in which you have prepared your evidence". The judge added: "the close detail commands our admiration and must assist us materially in arriving at our conclusions".⁹⁷ Stevens made several more appearances before Page was recalled for his cross-examination on 19 November 1924.

Having seen the Treasury figures, Page prepared a modified financial statement. As early as May, Page had cabled the State Statistician and Drummond to try to get an update on figures which had been published in *Australia Subdivided*.⁹⁸ When the new material was available to him, Page prepared new estimates. He drew on the services of his own department, the Federal Treasury. His officials analysed Stevens' evidence and collected comparative material from other States.⁹⁹ The Commission was about to have the unusual spectacle of the Commonwealth Treasurer and his officials versus the NSW State Treasury. It was a forgone conclusion that a State Commission would favour the State officials.

Page made it clear to the Commission that the defects of his first statement were due to the inadequate information supplied "to me by the State departments". He said some of his figures had been only estimates, and some were actual figures of expenditure.¹⁰⁰ Before giving his new statement, Page attacked the figures given by Stevens, because they showed that "NSW is by far the most expensively governed State in the Commonwealth". It would be the basis of Page's figures that "no New State would dream of beginning operations on the same extravagant lines". He said the New State administration would "be free from many superfluous functions and functionaries". He gave many illustrations.¹⁰¹ For instance, Page compared the costs of chief administration positions in NSW and Victoria for 1922-23:

⁹⁷ Evidence, Q. 37124.

⁹⁸ See copies in Page Papers, NL, MS 1633/1022.

⁹⁹ Bagot, Page's Private Secretary, cabled the Commission in October asking for "another set of evidence so Treasury officer can work on one set while Dr has other set with him". Also, Bagot to Commonwealth Treasury, 23 October 1924. Copies in Page Papers, NL, MS 1633/1031.

¹⁰⁰ Evidence, Q. 54782.

¹⁰¹ Evidence, Q. 54784.

	NSW	Victoria
Premier's Department	£27,266	£4,740
Police	£18,144	£6,841
Public Works	£165,834	£40,254

He did the same for the Education Department and the Public Service Board. He concluded: "Consequently, I do not feel able to accept the figures given to me as what is indicative for the New State". Although the figures given by Stevens were actual and therefore accurate, Page rejected them because they would not apply to the New State. It was real costs versus probable costs.

Page proceeded to argue his case to show that the actual figures would not be the probable costs. He questioned the police figures given by Stevens, who had claimed that the average cost for a NSW policeman was £430, arrived at by the total cost of the Police Department divided by the number of police. In the New State area there were currently 439 police. Multiply that by £430 and the result is £189,000. To this Stevens then added the cost of administrators and the like, but these had already been included in the calculation of the £430, so Stevens had listed them twice. Page also compared the New State with Western Australia. For 1922-23 the cost was £176,530 for 489 police. He gave many other examples.

Page questioned Stevens' figures for the Mines department in the New State. Stevens suggested the following figures:

Salaries	£9,400
Contingencies	£5,200
Prospecting	£5,000
Total	£19,600

Page claimed there would be little mining in the New State, so there would be no need for an Under-Secretary and large staff. He said that department could be included in another ministry, leaving £5,000 for prospecting as the only expense.¹⁰²

Previously Page had tried to get expenditure figures but they were unavailable to him, so he used the per capita method for estimates. Stevens was able to get the actual figures and used them. Subsequently, Page used Stevens' figures to make the new estimates of "probable" costs. The new figures calculated on "a reasonable basis" were:

¹⁰² Evidence, Q. 54975.

	Second Statement	First Statement
Receipts	£2,756,866	£2,853,000
Expenditure	£2,572,299	£2,444,196
Surplus	£184,567	£408,804

In his new figures, Income was reduced by £96,134 and Expenditure was increased by £128,103, reducing the surplus by £224,237 to £184,467. Page concluded: "There is no doubt at all that the New State can be handled satisfactorily and efficiently and on a proper financial basis". His claim was immediately challenged by Commissioner Yarwood: "I would not allow that statement to pass".¹⁰³

Stevens was recalled on 17 February 1925, to reply to Page's new statement. Stevens replied to the criticism about the information supplied by the departments: "Mr Thompson asked that he be supplied with this, that, and the other. I asked him to reduce it to what was practical, to reduce our expense". So far as Stevens was concerned Thompson was given the answers to the questions he asked. Stevens added: "If they had been accountants they would have asked for the information in a different way, so that it would have been complete".¹⁰⁴ He challenged the claim that NSW was "the most expensively governed State". Stevens believed the New State would want the same service as it had now. Therefore, a reduced cost in the New State would mean either reduced service or reduced salaries.¹⁰⁵ As for cheaper costs for education in Victoria, Stevens said that was because the salaries there were much lower, and they could be lower in NSW except that the Government paid the teachers a fair salary. Stevens rebutted the Mines' figures by citing evidence already given to the Commission in favour of extensive coal mining at Ashford and Gunnedah, and hence, the need for a Mines department.

The principal area of dispute was the issue of the interest owing on the dead weight debt. Stevens wanted to include in the debt all the services which had served NSW as a whole, but Page had wanted to exclude those which had not served the New State area. Stevens insisted that "the New State must bear its proportion of expenditure outside the area".¹⁰⁶ Stevens took expenditure on public debt and allocated it over various classes of assets, not territorially but right across

¹⁰³ Evidence, Q. 54940.

¹⁰⁴ Evidence, Q. 71541.

¹⁰⁵ Evidence, Q. 71497.

¹⁰⁶ Evidence, Q. 71503.

the State as a whole. The NSW public debt was £144,000,000. He argued that it must be distributed equally among everybody in the State on a per capita basis. The New State had one sixth of the population and therefore would have one sixth of the debt, namely, £24,000,000. Interest on that alone would be £100,000 per annum. Stevens was adamant the North could not ignore it but Page disagreed. He said "the North had only to accept responsibility for £12 million". So, for Page, the total liability for the New State was reduced from £400 million to £200 million. No one pointed out that this was an issue which could not be resolved at this Royal Commission but belonged to a commission which would be appointed to resolve the debts and liabilities after the New State had been agreed to and defined. The Cohen Commission seems to have allowed the futile debate because it gave ample evidence that the New State was not practical or desirable.

The final figures presented were:

Source	Income	Expenditure	Result
Page	£2,756,866	£2,572,299	£184,567 surplus
Treasury	£2,132,952	£3,419,024	£1,286,072 deficit
difference	£623,914	£846,725	£1,101,505

Page had predicted a surplus of £184,567 but the Treasury claimed there would be a deficit of £1,286,072. In the main, Page had submitted "probable" figures and the Treasury had submitted actual figures.

Stevens contended that the deficit would involve an addition of £3 per head to the taxation of the Northern New State if it were to have a balanced budget. It was a foregone conclusion the Commission would accept the figures submitted by the Treasury and would reject those given by Page. The *Report* in May 1925 confirmed this.

There were some crucial weaknesses in the Treasury figures. The Treasury had used a single year's budget figures as a base. Such a method assumed that the year in question was a typical one in terms of economic activity, but it was not typical. For instance, in 1923 the education expenditure was £4,026,000. Within the New State area, where one sixth of the population of NSW lived, the proportionate expenditure should have been £671,000, but was £723,000.¹⁰⁷ So, expenditure was in excess by £52,000 and the excess was for 1923 only. Commissioner Sinclair, in one of his rare contributions, asked: "Was the £723,000 normal expenditure in the North or to catch up with arrears of expenditure?" The

¹⁰⁷ *Evidence*, Q. 3260. The figures for July 1922 to June 1923 included £25,000 for Armidale High School.

conclusion was rhetorical: "So, quoting the figures for one year may not be a fair quotation".¹⁰⁸ A second weakness was that both sides used different assumptions in the preparation of revenue and expenditure estimates, and the Commission (at least in its *Report*) made no attempt to assess these. Page had argued "probable" costs and income, while the Treasury had given actual figures as its basis for expenditure and estimated income. The *Report* did not assess the different assumptions.¹⁰⁹ Given that the question of whether the New State was "practical and desirable" was decided on the 'bottom line' of the Treasury financial statement, it would seem that the Commissioners' conclusions were spurious. A more balanced conclusion would have declared that it was not proved that the New State could or could not pay its way. No doubt the truth lay somewhere between the two proposed 'bottom lines', but finding exactly where seemed beyond the competence of the Commission. It took the easy option and sided entirely with the Treasury. In particular, as noted earlier, the most significant item of expenditure was the highly contentious figure for the public debt. By accepting the Treasury interpretation of the public debt, the Commission provided ample evidence that the New State was not practical, and opened the way for the solution the Government wanted, as foreshadowed in the terms of reference, the use of district councils, not the creation of the New State.

The Royal Commission came to an end on 17 March 1925, after final addresses were heard from Thompson, Killen, Holman and Nicholas. The addresses were not printed in the *Evidence*. Thompson's address took him five hours to read. It dealt caustically with the tactics of the city press. He referred to each Sydney paper, saying they were "parochial and bitter, and had no sympathy with country people".¹¹⁰ His criticisms were typical Sydney-bashing and were an example of 'countrymindedness'. Holman's final address took six days to deliver. In his summing up Holman said that "almost everything of which the witnesses had complained had been held up because of the war, but had been proceeded with since the termination of the war". He claimed that the northern New State Movement was the movement of an active minority and that it was to a large extent press manufactured". In conclusion, Holman said the remedy was not division but devolution of power. He recommended the formation of county

¹⁰⁸ *Evidence*, Q. 3274; Q. 3276.

¹⁰⁹ These two weaknesses in the Treasury figures are based on an assessment by Belshaw (a former senior economic adviser to the Department of Industry and Commerce). See Belshaw, *op. cit.*, p. 177. He suggested that there were four weaknesses, but he was wrong.

¹¹⁰ *AE*, 27 February 1925.

councils, "for railway works and the like", to be placed in order of necessity, so they could be "sent to the Minister of Works as the public opinion of the district".¹¹¹

The *Report* was submitted to the Under-Secretary of the Premier's Department on 30 April 1925, and was considered at a meeting of Cabinet on 7 May.¹¹² The Legislative Assembly, on 24 June 1925, ordered copies to be printed. They were single volumes of 157 pages, including an index of witnesses. The review of financial matters was 26 pages long. There is not room here to analyse the *Report* in detail; only the main points can be noted.

In its introduction, the *Report* quickly foreshadowed its conclusions: "we hope not only to show that new States are not necessary, but to suggest improvements which may help to remedy some of the defects in the existing machinery of government".¹¹³ The *Report's* history of the Northern Movement set the tone for the rest of the document. The history stressed the inconsistencies on trivial matters, highlighted disagreements over the boundaries, and used emotive language to sum up the Movement's aim.

In the most scathing language, the *Report* rejected claims made in *Australia Subdivided* because they were without an adequate basis in fact. As noted earlier, the *Report* rejected the analogy with the American and Canadian experience. Above all else, the *Report* rejected Page's financial statement, claiming that "imagination rather than actual facts have been allowed to predominate". By contrast, the *Report* declared that the NSW Treasury figures distinctly showed "the fallacies of the figures previously given by the advocates of the Northern New State".¹¹⁴

The *Report* concluded that the proposal for the creation of New States was "neither practical nor desirable"; even Sinclair, the northern representative, agreed. He conceded that in an unspecified different form a New State proposal would be "practical but not desirable".¹¹⁵ In effect, he said nothing, other than protecting his back. His selection as a commissioner had been a tactical mistake. The *Report*

¹¹¹ AE, 17 March 1925.

¹¹² *Sydney Morning Herald*, 1 May 1925.

¹¹³ *Report*, p. 3.

¹¹⁴ *Report*, p. 30.

¹¹⁵ *Report*, p. 149.

recommended that district councils should be formed with power to develop public works, education, lands, public health and local government.¹¹⁶ The Commissioners acknowledged that country people had grievances, but claimed that many grievances were a result of decreased expenditure during the war and were now being addressed, especially by developments such as railway lines.

Given that the Commission's interpretation of the Treasury figures was spurious, and that the financial statements were the key issue by which the Commissioners decided that the proposal for the New State was not practical, then my conclusion must be that the *Report* was flawed. From the New-Staters' perspective, the principal problem with the Commission was its terms of reference, which excluded the possibility of a referendum being recommended. As early as June 1924, it was quite clear to Thompson that the Commissioners would not recommend the New State. He told Page: "we have no earthly hope of getting more than two men to give us a favourable verdict". Thompson persevered with the charade hoping that he could "persuade Cohen to agree to recommend a referendum in a defined northern area", which was what the New-Staters actually wanted.¹¹⁷ The New-Staters, however, had lost control over the terms of reference; recommending a referendum was excluded from the Commission's terms, and the New-Staters thereby lost the battle in the Royal Commission.

The New-Staters had been highly incompetent and were outmanoeuvred. They were frightfully naive. They had failed tactically in pressing for Sinclair as a commissioner, in not being more vigorous in pressing for favourable terms of reference, in not appointing a legal counsel and in relying too much on Thompson who was no tactician, and in losing the financial debate by relying on "probable figures" which were unconvincing.

At best, the Commission highlighted that country people had grievances. At worst, not only had the New-Staters not got the desired referendum, but they lost what they had: momentum. As will be shown in the next chapter, the *Report's* adverse findings would result in the Movement going into hibernation. From the perspective of the Fuller Government which had appointed the Commission, the findings were most satisfactory. The Cohen Royal Commission had allowed the New State agitation to run its course and to expend itself. So, more than five years after its revival, the New State Movement was no further ahead.

¹¹⁶ *Report*, pp. 131-8.

¹¹⁷ Thompson to Page, 7 June 1924, Page Papers, NL, MS 1633/1022.

To conclude: the Cohen Royal Commission was a testing time for the New-Staters; their credibility was being tested, and the leading New-Staters were being tested with regard to their political skills in a fairly tough arena. On both counts the test was failed. Not only were the New-Staters tactically incompetent, but the movement was shown to be weak. It had panacea characteristics; there was support, but when it came to specifics, many northerners began to re-think the issues and to see a cynicism in the movement. Nonetheless, it was a movement, and its supporters were impassioned. There were some true believers; they would sustain the movement from 1925 to 1930 for activity in the Federal arena, as was noted in chapter 3, and they would sustain the movement into the next decade.

The Cohen Royal Commission had forced the New-Staters to articulate their case, and had brought into the open the opposition to the movement. The Commission showed the movement was essentially a populist movement based more on passion than logic; on panacea more than solution; and on assertion without evidence. The degree of support or antagonism was such that the Commission was unable to make a conclusion. The testing time showed that, for all its weaknesses, the movement had credibility for many northerners, and presented a believable solution to general and localized grievances and rural discontent. Despite the Cohen Royal Commission's adverse report, the New State Movement would live to fight another day.

Chapter 6

Resting on their Oars

The Report of the Cohen Royal Commission in 1925 was adverse to the formation of the New State, and would lead the northern separatists to decide not to knock on the NSW Parliament's door any more; the New-Staters believed the way forward would be via the constitutional amendment. Their principal thrust between 1920 and 1930 had been to secure an amendment of the Commonwealth Constitution to allow new States to be formed upon petition to the Commonwealth Parliament. As was shown in chapter 3, by 1930, no such amendment had been secured and there was no prospect for the Constitution to be amended in the foreseeable future. Between 1925 and 1928 the Northern New State Movement had an "apparent quietude", as Thompson described it, because the Northerners had decided "to rest on their oars for a while".¹ It seemed like the New-Staters' efforts had been wasted. An Indian Summer of achievement, however, followed the NSW elections in 1927. A coalition government was formed; Bruxner, Drummond and two other country members were in the Cabinet; and these well-placed country members secured country developments, especially in northern NSW, the two most outstanding being the establishment of Armidale Teachers' College and work commencing on the Guyra to Dorrigo railway. The 1915-30 era would end without any New State being secured, but the New State agitation had not been fruitless, because it resulted in significant developments in northern NSW, and there was now an established movement which would continue, and it would find expression in revivals in the 1930s and in each decade to the 1960s, and would continue to simmer to the present. Although the Northern Movement was not grievance orientated or concession seeking, its efforts resulted in its parliamentary supporters winning bones for growling dogs. Like chapter 4, which explored New State activity in the NSW arena 1920-24, this chapter will explore party political issues 1925-30 in the context of New State agitation.

The first meeting of New State Executive in 1925 was held in April; Thompson had in mind to discuss the Cohen Royal Commission's Report, but it was not yet available.² The meeting resolved its next political objective, that the

¹ *Evidence of the Royal Commission on the Constitution together with Appendixes and Index*, (Peden Commission), Government Printer, Canberra, 1929, (hereafter *Evidence*), pp. 1131-3.

² Thompson's report, attached to Minutes, NSM Executive Meeting at Tamworth, 21 April 1925, Minute Book II.

NSW Parliament be requested to approve a referendum to be taken in an area which they were expecting the Cohen Royal Commission to define. The Executive wanted a referendum to test northern public opinion on the New State issue. The meeting also noted that the Bruce-Page Government had promised to deal with the constitutional amendment during the life of the Parliament.³ So, at the beginning of 1925 there was still a double thrust to the New-Staters' activities.

The Cohen Commission's Report was considered at a Cabinet meeting on 7 May 1925.⁴ As noted in chapter 5, the Report concluded that New States were "neither practical nor desirable", and recommended that there should be an extension of the system of local government and there should be further decentralization of administration. The Report was then shelved and would receive no further attention from the Fuller Government, because it was about to be thrown out of office.

The NSW election on 30 May 1925 resulted in a Labor victory; Labor won forty-six seats, the Nationalists won thirty-three, the Progressives won nine and there were two Independents.⁵ The Labor Government had an absolute majority and the Progressives no longer held the balance of power. In the Northern Tablelands electorate, Bruxner, McClelland, and Drummond were returned.⁶ McClelland became a member of the Public Works Committee, and as will be noted later, he voted in favour of the Guyra to Dorrigo railway. The New State issue had been a prominent theme in the Progressives' election campaign. Bruxner had delivered his policy speech at Goulburn on 28 April 1925, before the Cohen Commission's Report was known. He spoke about the necessity of decentralisation through new States. He said "Sydney cannot continue to expand and the country to regress".⁷ Even after the Report's findings were public, Bruxner continued to advocate the New State in his speech.⁸ It would seem that the New State issue was still seen as the stuff for securing electoral victories.

³ Minutes, NSM Executive Meeting at Tamworth, 21 April 1925, Minute Book II.

⁴ See the *Sun* (Sydney), 21 May 1925, which published Page's criticism of the Commission's findings; also *Sydney Morning Herald*, 21 May 1925 and *Daily Telegraph*, 21 May 1925.

⁵ D.A. Aitkin, *The Colonel, A Political Biography of Sir Michael Bruxner*, Canberra, 1969, p. 95.

⁶ See *Armidale Express* (hereafter *AE*), 9 June 1925.

⁷ *AE*, 1 May 1925.

⁸ For instance, Bruxner included an appeal for the New State when he gave his election speech at Armidale on 16 May. See *AE*, 19 May 1925.

The new Labor Government was led by J.T. Lang, and he did not act on the Cohen Commission's recommendations. It was no surprise that no action was taken on the Report. In December 1923, when Drummond's motion to hold a royal commission was being debated in Parliament, Edward McTiernan, one of the Labor members for Western Suburbs, had predicted that the Parliament would get "a wonderfully complete document, no doubt it will be a very heavy tome", but, he suggested, "like the reports of other royal commissions, it will be relegated to the archives, or allowed to collect a load of dust on the shelves of Parliament".⁹ His prophecy was fulfilled, and won the approval of Thompson, who said: "the best answer to the Commission" would be for its recommendations "to be pigeon-holed and forgotten".¹⁰

The NSW elections had delayed any meeting of the New State Executive, and no meeting was held until August 1925. Thompson declared: "every means has now been taken to test the machinery for establishing new States" and it had been "shown that a typical State Parliament today does not entertain serious notions of subdividing its existing territory". Accordingly, he suggested, "it is now necessary for us to depend wholly upon our forces in the Federal sphere".¹¹ The Executive decided to make a formal response to the Royal Commission's Report. A resolution declared that the New-Staters viewed "with gratification" the Commission's confirmation "of the urgent necessity for decentralization in administration". This was a positive interpretation of the Report. The meeting reaffirmed that "the only sound method" for achieving decentralization was "by the creation of new States".¹² Although they were down, the New-Staters declared they were not out. The movement which had begun in 1920 would continue throughout the decade, and, in one form or another, up to the present. Meanwhile, there was no point in persisting to knock on the State Parliament's door; the way forward, the New-Staters contended, would be via the constitutional amendment. So, future activity would have a single thrust, in the Federal arena only.

The Northern New State Movement had exhausted itself and the northerners would now rest on their oars. The Executive held only one meeting in

⁹ NSWPD, 18 December 1923, vol. 94, p. 3677.

¹⁰ See Thompson's report, attached to Minutes, NSM Executive Meeting at Inverell, 3 August 1925, Minute Book II.

¹¹ *Loc. cit.*

¹² Minutes, NSM Executive Meeting at Inverell, 3 August 1925, Minute Book II.

1926.¹³ The New State agitation had been "quiescent for the last two years" until the Executive decided to attempt to revive the Movement. The Executive had an informal meeting in May 1927, when Thompson offered a twelve point assessment of their plight. He said the New State issue was confined almost wholly to the north, but northern people were too divided politically to become solid on the issue of separation. In particular, he said, many people were more concerned about Labor rule than about new States. Accordingly, a New State Party would not be possible, so the Movement would have to depend on the Country Party (as the Progressive Party now styled itself), but it would not stake its existence on the New State. So far as the NSW Parliament was concerned, Thompson said, the Nationalists did not take the New-Staters seriously, and the Labor Party was too industrialized, and was indifferent to rural issues, especially the Movement. Thompson claimed that both Labor and the Nationalists had "no policy for a large measure of self-government in any part of the State". He believed that, given the expense of the Cohen Royal Commission, the NSW Parliament would not consent to any further investigation into the need for the New State. Thompson claimed that the desired referendum could not be secured without the numbers in Parliament, and the sad fact was that "we don't have them", and the balance of power would be needed to ensure a referendum was acted on. Lastly, he said that "Sydney interests will not assist us" and the State would not encourage the Federal Parliament to "tackle the issue". Given these circumstances, Thompson concluded that the New-Staters needed "new methods of campaigning, new objectives, and a unity of purpose".¹⁴ Thompson's analysis of their situation was very thorough and it is significant because it is the first time that he revealed any understanding of the "lion in the path" and the hurdles to be overcome.

Thompson told the Executive they needed a definite objective if they were "to rally supporters". He said the recommendations regarding the provincial council schemes had not been followed up, so the Movement should do so, to "test the bona fides" of the NSW Parliament. He said: "We need a scheme which will get us the support not only of the country people but also of the City". He proposed that the New-Staters should create an appealing form of decentralization and launch it at the big convention. Thompson believed it "would achieve great publicity and widespread support". So far as Thompson was concerned, "the only alternative would be something more striking, such as non-payment of taxes, or a

¹³ Minutes, NSM Executive Meeting at Lismore, 27 April 1926, Minute Book II.

¹⁴ See Thompson's report, attached to Minutes, NSM Executive Meeting at Tenterfield, 2 May 1927, Minute Book II.

refusal to recognise the authority of the State Parliament". He said such a rebellion would not be favoured by many people because "there does not appear to be any sentiment in the north for violent measures".¹⁵ Little did he know that within five years a rebellion would be given serious thought by the New-Staters, and their reluctance to proceed would end the best chance they would ever have of securing the New State.¹⁶ With the benefit of hindsight we know Thompson was wrong; there was another option: the New-Staters could defer any further action until the NSW elections; they could continue to rest on their oars. The Executive, however, were looking forward, towards an unknown future, and opted for what seemed best at the time. The Executive held another meeting at the end of June to organize the proposed convention. They resolved that it would be held at Armidale, and many northern associations would be invited to send delegates. The meeting noted that the NSW elections were forthcoming and there was "the possibility of a change of Government".¹⁷ It is now time to turn our attention to the political situation in NSW.

There were significant changes after the NSW elections in May 1925. On 14 August, Bruxner announced that the Progressives had changed their name to the Country Party. Bruxner was re-elected the leader, but towards the end of the year he resigned the leadership, and was replaced by E.A. Buttenshaw, with W.T. Missingham as deputy. Fuller resigned the leadership of the Nationalists and was succeeded by T.R. Bavin. Lang was elected Labor leader with Peter Loughlin from Cootamundra as his deputy. Although the country Progressives had viewed the Parliament as a dichotomy, representing either city or country interests, the new Country Party now recognised that for most matters which came before the House the fundamental division was Labor or non-Labor, and the Country Party had to favour one side or the other. Since 1920, it had increasingly favoured non-Labor; as Aitkin has noted, by 1925 Bruxner was no less anti-Labor than Sir George Fuller. During the life of the Twenty-Seventh Parliament the Country Party intensified its dislike of Labor, especially when Lang attempted to return the electoral system to simple majority voting.¹⁸

¹⁵ *Loc. cit.*

¹⁶ See John Joseph Farrell, 'Opting Out and Opting In: Secession and the New State Movements', *Armidale and District Historical Society Journal*, No. 40, 1997, pp. 146-7.

¹⁷ Minutes, NSM Executive Meeting at Casino, 28 June 1927, Minute Book II.

¹⁸ Aitkin, *op. cit.*, p. 89, 98-101; U.R. Ellis, *The Country Party: A Political and Social History of the Party in New South Wales*, Melbourne, 1958, pp. 95-103; B.D. Graham, *The Formation of the Australian Country Parties*, Canberra, 1966, pp. 240-2; 269-74.

By 1926 there was a general consensus that the system of proportional representation had proved unsatisfactory and the Lang Government took steps for its abolition. The Government favoured a return to single-member electorates and first-past-the post elections, but the Nationalists and the Country Party wanted a system of preferential voting. The Legislative Council insisted on some form of preferential voting, and NSW was returned to single-member electorates and the alternative vote, which would allow electors the option of indicating their first preferences.¹⁹ This system would be used for the 1927 elections (see Map 6.1).

Labor's attack on the electoral system became the signal for a determined alliance between the National and Country Parties. Other legislation which the Lang Government had passed had already combined the two non-Labor parties. With the return to single-member electorates, the non-Labor parties would need to devise an electoral strategy to prevent a split vote in a three-cornered contest. As Aitkin has noted, the defeat of the Lang Government was the primary consideration for both non-Labor parties.²⁰ Accordingly, in November 1926 negotiations began so a committee could be formed to supervise the distribution of electorates to decide whether a Nationalist or a Country Party candidate would have the best prospects for winning the seat. During 1927, Lang's Government had many internal squabbles, so he arranged for a dissolution on 7 September.²¹

Bruxner was elected unopposed in the Tenterfield electorate, because the Labor candidate's nomination arrived too late.²² Accordingly, Bruxner did not make any speeches in his electorate and therefore the New State issue was not raised. In the Armidale electorate, the two sitting members, Drummond and McClelland, contested the seat. McClelland's campaign was supported by Lang, who attracted a huge audience when he spoke in Armidale on 30 September 1927. Lang promised to build the Guyra to Dorrigo railway.²³ Drummond's election speech at Armidale made no mention of the New State, but he said it was Country Party policy to establish a teacher training college in the country; he said Armidale

¹⁹ G.S. Harman, 'Politics at the Electoral Level: A Study in Armidale and New England, 1899-1929', M.A. (Hons.) Thesis, University of New England, 1964, p. 407.

²⁰ Aitkin, *op. cit.*, p. 100.

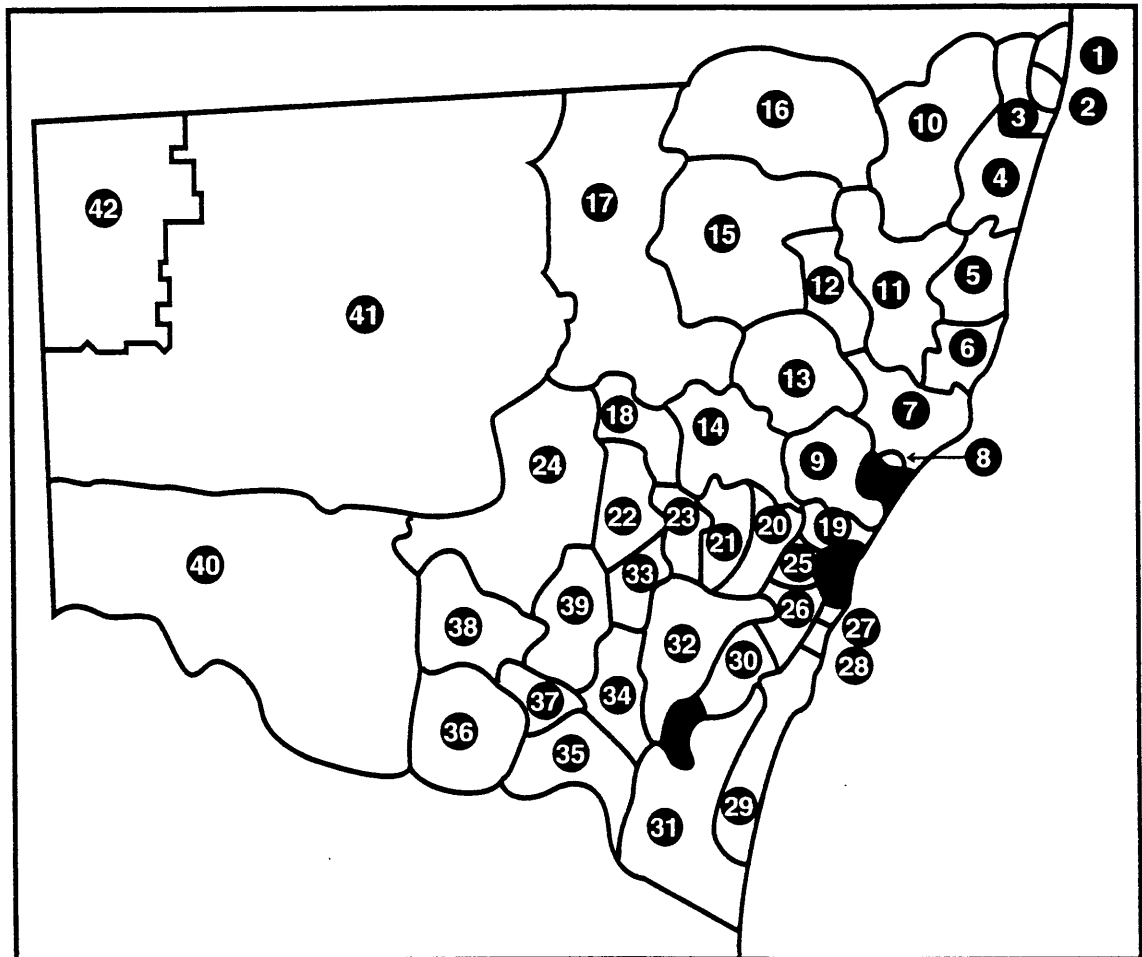
²¹ See Ellis, *op. cit.*, pp. 99-101.

²² *AE*, 20 September 1927.

²³ *AE*, 4 October 1927.

Map 6.1

Single Member Country Electorates in NSW From 1927



- | | | | |
|----------------------|------------------|----------------|----------------|
| 1. Byron | 2. Lismore | 3. Casino | 4. Clarence |
| 5. Raleigh | 6. Oxley | 7. Gloucester | 8. Maitland |
| 9. Upper Hunter | 10. Tenterfield | 11. Armidale | 12. Tamworth |
| 13. Liverpool Plains | 14. Mudgee | 15. Namoi | 16. Barwon |
| 17. Castlereagh | 18. Dubbo | 19. Hawkesbury | 20. Hartley |
| 21. Bathurst | 22. Ashurnham | 23. Orange | 24. Lachlan |
| 25. Nepean | 26. Wollondilly | 27. Illawarra | 28. Wollongong |
| 29. South Coast | 30. Goulburn | 31. Monaro | 32. Yass |
| 33. Young | 34. Cootamundra | 35. Albury | 36. Corowa |
| 37. Wagga Wagga | 38. Murrumbidgee | 39. Temora | 40. Murray |
| 41. Cobar | 42. Sturt | | |

By 1926, there was a general consensus that the system of proportional representation had proved unsatisfactory and the Lang Government took steps for its abolition. NSW was returned to single-member electorates and the alternative vote, which would allow electors the option of indicating their first preferences. This system would be used for the 1927 elections.

had been mentioned as a suitable town.²⁴ So, the New State was not an issue in the 1927 election campaign, but another significant development had been foreshadowed.

The Lang Government was defeated at the election on 8 October 1927. The Country Party gained four seats, bringing its total to thirteen. Among the new members was Grafton solicitor, Alf Pollack, who was elected to the new seat of Clarence. The Nationalists won thirty-three seats, Labor won forty, and there were four Independents, two leaning to the Left and two to the Right. The Country Party held the balance of power, but the days of conditional support had gone. The Bruce-Page Federal Government had shown the importance of having ministries and being in the Cabinet. Events before the election had made it plain that there would be a coalition if non-Labor won, so the only question now was the terms of the coalition. Even before Lang had formally resigned his commission, Bavin approached Buttenshaw with the offer of portfolios, including the Deputy Premiership. The Country Party's increased strength gave it a good bargaining position. When the negotiations ceased, a composite government was formed, with the Country Party holding four portfolios and the Deputy Premiership. Buttenshaw was given Public Works and Railways; Thorby, Agriculture, Drummond, Public Instruction (the official name for Education) and Bruxner was given Local Government.²⁵ At the first meeting of the New State Executive after the election, the New-Staters declared: "We have every reason to be gratified at the result".²⁶

The new ministry was sworn in on 18 October 1927. The Country Party ministers came to office with seven year's accumulated dreams and hopes to fulfil, and their electorate expected them to do just that. The approaching Great Depression would bring a sudden and bitter end to their hopes, but in the meantime there was an Indian Summer of intense activity, with very productive results.

Victor Thorby, in the Agriculture portfolio, enlarged Hawkesbury Agriculture College, finished Burrinjuck Dam and began the construction of Wyangala Dam. Bruxner established a public bus service in Sydney and Newcastle, an act which nearly brought down the Government and earned him the name 'Red Mick'. He concentrated on roads, as a means of off-setting the Sydney-

²⁴ *AE*, 25 September 1927.

²⁵ Ellis, *op. cit.*, pp. 104-5; Aitkin, *op. cit.*, pp. 103-4.

²⁶ Minutes, NSM Executive Meeting at Glen Innes, 25 October 1927, Minute Book II.

centred rail system and "the evil of centralism". Government spending on roads was increased, and roads were ranked in priority from state highways to local roads, which remained the responsibility of local councils. His ideas were not new, but Bruxner developed and implemented them with great enthusiasm. Bruxner also introduced another personally satisfying innovation. To promote decentralization in administration, he ordered the establishment of regional offices under the charge of resident engineers with full power to control the activities of the Main Roads Board in their areas.²⁷ Thus, the Country Party, having won thirteen seats in Parliament and using their balance of power to secure a coalition, clinched ministries, using them to great advantage in country NSW in general, but particularly in the north.

The choice of Drummond for the Public Instruction ministry was quite logical, because Drummond was very interested in the topic and had written the Country Party's education platform. Moreover, no-one else seemed to want the portfolio. In seven years Drummond had moved from virtual public anonymity to ministerial rank. Drummond shared fully in his party's Indian Summer; indeed, the scope and speed of his initial success arguably outpaced the others; within weeks he had secured the Armidale Teachers' College.

To Drummond, who saw Sydney as "the minotaur that devoured the annual sacrifice of country youth", improving country educational facilities was one way of halting rural drift to the city. In 1925 Drummond became involved in the campaign to get a university for Armidale, and then, when this did not achieve immediate success, he switched his attention to a country teachers' college. Drummond probably coined the slogan 'A Country College for Country Kids', and certainly used it effectively.²⁸ By 1927, Drummond had been able to get the concept of country teachers' colleges written into the Country Party's platform and into the party's policy speech for the 1927 election.²⁹ During the 1920s there had been increasing support for rural colleges to train teachers who would teach in rural areas. Moreover, there was overcrowding at Sydney Teachers' College; the

²⁷ Aitkin, *op. cit.*, pp. 104-24.

²⁸ James Drummond Belshaw, 'Decentralization, Development & Decent Government: The Life & Times of David Henry Drummond, 1890-1941', unpublished manuscript, Armidale, 1983, pp. 209, 217.

²⁹ In his policy speech delivered at West Wyalong on 13 September 1927, Buttenshaw stated: "We favour the decentralisation of education by the establishment of teachers' training colleges at country centres. ... These colleges may eventually form the nucleus of a university. Towns like Wagga in the south and Armidale in the North, for instance, would be admirably suited for such a purpose".

college had been built for 600 students, but the number of students had risen from 1,042 in 1925 to 1,261 in 1927. Drummond received enthusiastic support from S.H. Smith, who had been the Under-Secretary in the Department since 1922; he had already prepared a plan for country colleges.³⁰ The combination of committed Minister and Under-Secretary were an irresistible force.

Just nine days after being sworn in, Drummond asked for an urgent report on the possible establishment of country teachers' colleges, suggesting Wagga and Armidale as possible sites. Smith immediately recommended Armidale, which was already an educational centre, and had the additional benefit of an ideal site immediately available.³¹ There were about 100 acres of Crown Land which, at no expense to the Government, could be used as the site for a teachers' college. Drummond moved with speed and secrecy. The school inspector at Armidale, A.W. Hicks, was instructed to obtain quotes for the purchase of certain buildings and leases on others, and he had them by 17 November 1927 for Smith to prepare a submission to Cabinet. On 9 December, Drummond presented Cabinet with a concrete proposal to show that he could begin a working college for about £10,000, and on 12 December, Cabinet approved the establishment of the College. News of the proposed College broke on 12 December. From then till March 1928, when lectures commenced in a temporary College, there was a hectic whirl of activity in relation to the College. The position of principal of the College was offered to C.B. Newling, an out-standing Inspector of Schools at Yass. The old gaol was demolished and the two foundation stones of the new building were laid on 2 November 1929. Construction was pushed forward as fast as possible and the new building was ready for use in February 1930.³² The establishment of the Armidale Teachers' College by Drummond was a major coup.

It was a coup for Drummond because he secured it without going through the customary enquiry by the Public Works Committee. Clearly, however, there was no lack of support for a teachers' training college in a country centre before Drummond became the Minister in 1927. There was general agreement that

³⁰ For this and the next paragraph, see Elwyn S. Elphick, 'Armidale Teachers' College: Its Background, Foundation and Early Years', B. Litt. Thesis, University of New England, 1972, chs. 5, 6.

³¹ There were some eight acres of crown land occupied by the disused gaol, surrounded by neglected gardens; adjoining this were forty-one acres of Crown Land, previously used as agistment paddocks for the horses of the Gold Commissioner and the District Surveyor; diagonally opposite these blocks was the Police Paddock, containing another forty-four acres.

³² Elphick, *Loc. cit.*, chs. 5, 6.

Sydney Teachers' College was overcrowded, but other centres felt they had equal if not better claims for a teachers' college. The members for Orange and Bathurst attacked Drummond, claiming that their areas were better suited for a college. Kilpatrick from Wagga had first brought the matter of a college to Drummond's attention in November 1927, staking Wagga's claim. Armidale, however, had two advantages. Firstly, the Minister came from Armidale and he wanted the college to go there, and to support his stance, he could claim Armidale was already an educational centre, and had the additional benefit of an ideal site which was available for a college.³³ In May 1928, Drummond was attacked in the NSW Parliament by William Davies, who had been the Labor Minister for Education, May to October 1927, for stealing his proposal. Davies said: "The Minister has carried out the idea I put forward during my term of office".³⁴ Drummond claimed the initiative for the College was his, personally: "No one asked me to build a teachers' college in the country or in Armidale". He said he had been influenced by several factors: by his "intimate association with the New State Movement", and its basic creed of administrative and political decentralization; by Holman's comment at the Cohen Royal Commission, that "the first factor of success in decentralization was 'teach the teachers'"; and in 1923, on a visit to Victoria, he saw teachers' colleges in Bendigo and Ballarat.³⁵ So far as Drummond was concerned, the establishment of the Armidale Teachers' College was due to his personal influence, the Country Party, and the New State Movement. Drummond's acknowledgement of the New State Movement's influence was confirmed by the *Express*: "Were it not for the vigorous effect of the New State influence it is certain that Armidale, no matter how eminently suited, would not have secured the Teachers' Training College".³⁶ The separatist tradition had created an expectation that the Government would offer sops to the north. After the 1927 election, however, the NSW Government stopped offering sops; rather, the Country Party was in the Government, and Drummond, a well-placed Country Party Minister, won concessions such as the Armidale Teachers' College.

Drummond also had other ministerial successes. Problems in education were widely recognised by the Cabinet and his Country Party colleagues, and they

³³ *Loc. cit.*

³⁴ *NSWPD*, 16 May 1928, vol. 132, p. 589.

³⁵ A speech by David Drummond, on the establishment of Armidale Teachers' College, 30 April 1953, text in Drummond Papers, UNE Archives.

³⁶ *AE*, 5 October 1928.

gave Drummond their support. Cabinet agreed to accept a triennial programme of an additional £700,000 per annum for new schools, plus a further one million pounds over three years for repairs and maintenance.³⁷

Meanwhile, Buttenshaw had accelerated Public Works, providing many country towns with water and sewerage schemes, and several new railway lines were commenced. For northern NSW, the most important was the long desired east-west line, from Guyra to Dorrigo. It is now time to analyse its story.

The origins of the revived New State Movement ran parallel with the revival and growth in agitation for a Tablelands to North Coast railway and for a connection between the Great Northern line and Inverell. This part of the chapter will analyse the Guyra to Dorrigo railway to show how New State agitation was responded to by the Government granting concessions in the form of railway developments. Railway agitation at Inverell was analysed in chapter 1; it was noted that a connection with Glen Innes was never built, but Inverell was connected by rail when a line across to Moree was opened on 21 November 1901. Another inquiry was held in 1902, for a connection with Glen Innes, but the Public Works Committee (PWC) concluded that Inverell was well-served by the Moree to Inverell line, and Glen Innes already had a line. A similar conclusion was made after an investigation in 1914; in addition, the PWC feared produce from the west would go to Brisbane instead of to Sydney. An investigation in 1916 concluded that "it would be premature to recommend any line connecting Inverell and the Great Northern Railway until the location of the deep sea port north of Newcastle was settled".³⁸ The North Coast had no natural deep sea port suitable for international vessels. Byron Bay, Grafton, Coffs Harbour and Trial Bay were all considered for development, but no decision was made.

A conference at Guyra in September 1920 discussed the desired Tablelands to Coast Railway. Many of the speeches had a New State flavour. By September 1920, New State Leagues had been formed in many centres. The agitation for a New State and the agitation for the proposed Guyra to Dorrigo railway were running parallel and their stories were interconnecting. The Guyra meeting carried

³⁷ See Belshaw, *op. cit.*, pp. 218-21; 227-31.

³⁸ See evidence of Thomas Cooper, the Under-Secretary of Public Works, *Evidence of the Royal Commission of Inquiry into Proposals for the Establishment of a New State or New States, formed wholly or in part out of the present territory of the State of New South Wales, together with the List of Exhibits and Printed Exhibits*, in Six Volumes, Government Printer, Sydney, 1925, (hereafter *Evidence*), Q. 9040 to Q. 9344, pp. 451-2.

a motion supporting a line from Guyra to Glenreagh (on the North Coast line³⁹), with work to commence at both ends.⁴⁰ Parliament had authorized the line from Glenreagh to Dorrigo in 1910; construction work had commenced in August 1914, but had stopped in May 1917; it had recommenced in March 1920, after Labor won Government in NSW at the 1920 election (see chapter 4). The new Government had decided to complete the £25 million worth of railways which were under construction. Within months of the revival of New State agitation in 1920, the Government intimated that the Tablelands to Coast line would be referred to the PWC.⁴¹ It seemed that growling dogs would get a bone. At this stage, the New State agitation was still new, and it had yet to show it was genuinely seeking separation, not seeking concessions. So far as the Government was concerned, this agitation was in keeping with the north's separatist tradition, and the appropriate Government response was to give the north a sop.

The Government's ability to respond with a sop was handicapped because of a lack of northern agreement on a Tablelands to Coast route (see Map 6.2), so matters came to a stand still. Armidale and Guyra were united in favouring the Inverell-Glen Innes, Guyra-Dorrigo scheme, but Glen Innes favoured a Glen Innes-Grafton line, while Inverell was divided, with some residents favouring an Inverell-Glen Innes line, and others favouring the Inverell-Guyra line; Tenterfield wanted a line to Casino by either of two routes; and Walcha had a proposal for a line to the Coast. It seemed all the districts were unanimous that there should be a railway to the Coast, but that was the end of the unanimity. The confusion of opinion was "as complete as any city-run government could wish it to be", the *Armidale Express* claimed, and predicted that there could be only one result: the disunity would provide the Government with an excellent reason for "refusing the lot".⁴²

The construction of the proposed Guyra to Dorrigo railway was referred to the Committee on 22 December 1921, but the enquiry did not proceed owing to the dissolution of Parliament in February 1922. The general election in NSW in March 1922 resulted in a new Government and a new PWC. As a result of continuing northern agitation, the Government referred the Guyra to Dorrigo line

³⁹ The North Coast Railway from West Maitland to South Grafton (311 miles) commenced during 1908. The line from South Grafton to Glenreagh was opened in October 1915.

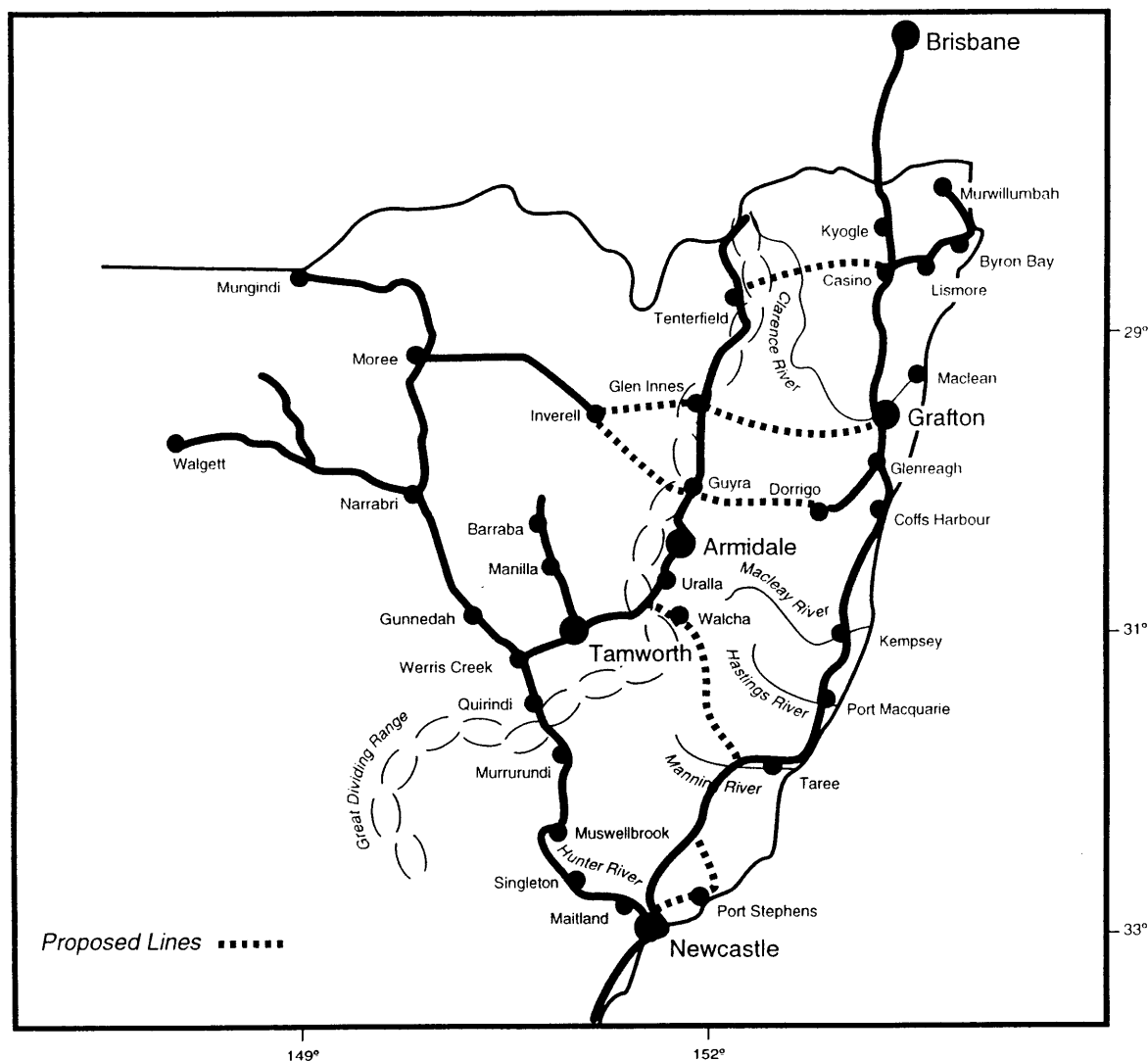
⁴⁰ *AE*, 24 September 1920.

⁴¹ *AE*, 5 September 1921.

⁴² *AE*, 9 June 1922.

Map 6.2

Tablelands to Coast Railway Proposals 1920s



There was a lack of northern agreement on a railway route from the Tablelands to the NSW North Coast. Armidale and Guyra were united in favouring the Inverell-Glen Innes, Guyra-Dorrigo scheme, but Glen Innes favoured a Glen Innes-Grafton line, while Inverell was divided, with some residents favouring an Inverell-Glen Innes line, and others favouring the Inverell-Guyra line; Tenterfield wanted a line to Casino by either of two routes; and Walcha had a proposal for a line to the Coast. It seemed all the districts were unanimous that there should be a railway to the Coast, but that was the end of the unanimity. The confusion of opinion was "as complete as any city-run government could wish it to be", the Armidale Express claimed.

to the PWC at the end of 1922. By then, Bruxner's New State motion had been debated in the Assembly, and it was clear that neither Labor nor the Nationalists would support the New State proposal, and thus, there was no chance of it being secured under Section 124. In the Government's mind, the northern separatist agitation had no future, so the appropriate Government response was to grant some sops to the north. This was all in keeping with the separatist tradition. Growling dogs should be given a bone.

The northern agitation resulted in the Government increasing its spending in the New State area. As was noted in chapter 5, the proportionate education expenditure in the New State area in 1923 should have been £671,000, but was £723,000; expenditure was in excess by £52,000.⁴³ Canon Archdall, the Headmaster of The Armidale School, told the Cohen Royal Commission that the extra spending in the New State area was the Government's response to northern agitation. Archdall went even further and claimed that "the sops thrown out are not the right sops". He said there was "a lot of misspent money" because "they are not giving us our real needs educationally". Archdall boldly declared: "I say that of recent years there has been a tendency on the part of the State to wake up to the North because the North has been kicking and making a noise. You will always find that attention is given politically to the person who makes himself unpleasant and we have been making ourselves unpleasant and getting a bit more attention".⁴⁴ It seems that growling dogs got their bones; the Government giving sops to the north was part of the separatist tradition.

The PWC took evidence at northern centres during May and June 1923. The PWC reported in October 1923, again rejecting the proposal because the choice of a port had not been decided.⁴⁵ The Committee also reported unfavourably on the Tenterfield-Casino and Glen Innes-Grafton proposals.⁴⁶ It was noted in chapter 4 that the PWC decision resulted in protest meetings which called for the Progressives to bring down the Government. Bruxner secured an undertaking that there would be a review of the PWC's decision, and Cabinet

⁴³ *Evidence*, Q. 3260. The figures for July 1922 to June 1923 included £25,000 for Armidale High School.

⁴⁴ *Evidence*, Q. 3262.

⁴⁵ *Evidence*, p. 452; Parliamentary Standing Committee on Public Works, *Report together with Minutes of Evidence and Appendix relating to the Proposed Railway from Guyra to Dorrigo* (hereafter *Report*), Government Printer, Sydney, 1923, pp. xv, xvi.

⁴⁶ *AE*, 9 November 1923.

discussed the issue at a meeting on 21 November, when it was decided the PWC "should review the proposals".⁴⁷ The Progressives had used their balance of power to compel the Government to grant the concession. On 20 December 1923, the Minister for Public Works (T.R. Ball), moved in the Assembly that the previous PWC report be remitted to the Committee "for further consideration" because "certain public bodies desired to tender fresh evidence concerning the developmental and decentralization value of the line".⁴⁸ Meanwhile, the first Official Train from Glenreagh to Dorrigo travelled on the line on 23 December 1924. The *Express* claimed: "While we have been waiting for it, millions of feet of valuable timber have gone up in smoke".⁴⁹ The PWC heard new evidence in favour of the Guyra to Dorrigo line, but on 4 February 1925, the Committee concluded that the evidence did "not justify altering their former decision".⁵⁰

The PWC's rejection of the Guyra to Dorrigo railway led to many protest meetings being held. The protest meeting at Armidale was largely attended.⁵¹ A second largely attended protest meeting was held at Armidale in March 1925, when Bruxner stated he was "wholly in favour" of the Guyra to Dorrigo line, but "not only it". As Aitkin has noted, Bruxner combined principle with shrewdness: he disapproved of 'political' railway lines, and the Guyra to Dorrigo line was just one of three proposed in his electorate - he could not support one at the expense of others.⁵² Thompson told the protest meeting that the New State would build the line.⁵³ The issue was a vote-winner so it was not surprising that it became prominent during the 1925 NSW elections. The Labor Party's policy specifically promised to construct the Guyra to Dorrigo railway.⁵⁴ There was a change of Government at the elections on 30 May 1925; the new Labor Cabinet considered the proposal, referring it to the PWC in September. This was the third time the line

⁴⁷ *AE*, 23 November 1923.

⁴⁸ Parliamentary Standing Committee on Public Works, *Supplementary Report together with Minutes of Evidence and Appendix relating to the Proposed Railway from Guyra to Dorrigo*, (hereafter *Supplementary Report*) Government Printer, Sydney, 1925, p. v.

⁴⁹ *AE*, 2 January 1924.

⁵⁰ *Supplementary Report*, p. viii.

⁵¹ *AE*, 13 February 1925.

⁵² Aitkin, *op. cit.*, p. 95.

⁵³ *AE*, 20 March 1925.

⁵⁴ *AE*, 18 August 1925.

has been referred to the PWC. Lang said that even if the PWC refused to sanction the line this would not prevent the Government from carrying out its pre-election promise. The *Express* predicted that the new PWC, having a Labor majority, would not make it necessary for the Premier to bring down a special bill for the line, which was now estimated to cost more than £1,500,000.⁵⁵ Lang said Coffs Harbour would be developed as a northern port, concurrently with the construction of the Guyra to Dorrigo railway.⁵⁶ Promising these things was one thing; getting them built would be another, because of the strong rivalry between the towns in the New State area.

Lang's statements led to another outburst of divisive conflict in the north. The Grafton Chamber of Commerce invited support from the Richmond River district, but Lismore was pushing for the Tenterfield to Casino line; Grafton and Lismore both opposed the construction of the Guyra to Dorrigo railway line, and wanted an independent officer to choose the best route.⁵⁷ An argument can be advanced that this conflict was to the Government's liking; it was an excuse for the Government to do nothing about the east-west railway while the northerners fought it out. As a result of the conflict, the Guyra to Dorrigo railway was not included among the first batch of proposals to be referred to the PWC at the end of September 1925. Consequently, the northern members made strong comments on the Premier's failure.⁵⁸ The Government, however, was in a strong position, with an absolute majority in the House and had no need to seek the good will of the Country Party. There were protests in the north, but they would achieve nothing.⁵⁹ Having won office and wanting to hold on to it, Lang could delay further action until the next election when he could dangle the proposed line as an incentive for the northerners to vote Labor. The return to single member electorates would mean that at the 1927 election the newly established Armidale electorate would have to decide which of the two sitting members - Labor's McClelland or the Country Party's Drummond - would retain the seat.

⁵⁵ AE, 4 September 1925.

⁵⁶ AE, 11 September 1925.

⁵⁷ AE, 29 September 1925; 8 December 1925.

⁵⁸ See *NSWPD*, questions from R.S. Vincent (Oxley): 13 August 1925; 27 October 1925; 20 November 1926; 13 January 1927; 28 January 1927; 15 February 1927. Questions from Drummond: 1 December 1925; 14 December 1925; 19 January 1926; 27 October 1926; 28 February 1927.

⁵⁹ For instance, there was a well attended protest meeting at Coffs Harbour in November. AE, 17 November 1925.

The PWC did not visit the north to hear evidence until April 1926, and the Committee continued hearing evidence until October.⁶⁰ The PWC Report was tabled on 13 January 1927. The motion that the line be constructed was passed four to three; Alf McClelland, the Labor member for the Northern Tablelands, voted 'Aye'. Based on a 44 hour week at 17 shillings per day, the cost was £1,895,422 for 89 miles, or £21,297 per mile. The Committee said the line was justified because: it would link the two main railway systems; there was the possibility of increased settlement and production; there would be interchange between the Coast and Tablelands; and there would be safe pasturage during drought.⁶¹ Lang said he was not able to say when the Government would introduce a bill to authorize the construction of the line. As for the question as to whether the line would go to Inverell or Glen Innes, there was still a difference of opinion.⁶²

Mostly, during 1927, nothing further was done about the Guyra to Dorrigo railway, because of the divisions in the Labor Party; in June, there was a party crisis and Parliament was dissolved on 7 September 1927. The proposed line was a very prominent issue at the election. In his policy speech, T.R. Bavin, the Nationalists' leader, said: "The policy of decentralization involves the establishment of cross-country roads and railways, such as that from Guyra to Dorrigo which has already been approved" by the PWC.⁶³ Buttenshaw, the Country Party's leader, said: "We are determined to see that the Guyra to Dorrigo railway line is completed".⁶⁴ Lang came to Armidale and promised that if Labor was returned, Labor would build the line "immediately".⁶⁵ The *Express* urged: "turn down Lang and rely on Bavin and Buttenshaw".⁶⁶ David Drummond, the Country Party candidate for Armidale, said the PWC had reported to Parliament on 13 January 1927; the House was then sitting and there had been two sessions since; so, "if the Premier had been genuine he could have passed the Authorizing

⁶⁰ AE, 9 April 1926; 22 October 1926.

⁶¹ Parliamentary Standing Committee on Public Works, *Report together with Minutes of Evidence and Appendix relating to the Proposed Railway from Guyra to Dorrigo, Third Report*, Government Printer, Sydney, 1927, pp. xvi-xviii.

⁶² AE, 18 January 1927.

⁶³ AE, 13 September 1927.

⁶⁴ AE, 16 September 1927.

⁶⁵ AE, 4 October 1927.

⁶⁶ AE, 23 September 1927.

Act and voted the money and the railway could have been started".⁶⁷ Lang had shown he could not be trusted to build the line, so the voters would reject Lang's man, McClelland, and would return Drummond.

As noted earlier in the chapter, Labor lost the election and a coalition Government was formed by the Nationalists and the Country Party. A new era for northern development had begun. The New State Movement had agitated for separation, to set up "a show of our own", as Bruxner called it, which would build the desired railway. Now, the Country Party was in Government, and it would not depend on sops; rather, well-placed Country Party ministers would win the desired developments during an Indian Summer of political achievements.

A deputation waited on Buttenshaw, the new Minister for Works and Railways, on 24 November 1927, to urge an early decision to go ahead with the Guyra to Dorrigo line. The *Express* declared: "the present opportunity to secure this greatly needed line is the most favourable that has yet presented itself".⁶⁸ Buttenshaw promised the deputation he would bring the matter before Cabinet as early as possible and would endeavour to have the Bill introduced in the present session.⁶⁹ He fulfilled his promise; the Guyra to Dorrigo railway bill was read on 31 May 1928.⁷⁰ On 20 October 1928, a crowd of 4,000 people braved extremely unpleasant weather at Guyra to witness Buttenshaw turn the first sod of the Guyra to Dorrigo railway. Thompson said he hoped most of them would live to see the turning of the first sod of something much bigger, the new Northern State.⁷¹ He would be disappointed, if for no other reason than that the Country Party was now winning concessions for rural areas and New State agitation would be muted.

Thompson had no hesitation in saying that although it had been won by the Country Party, the Guyra to Dorrigo railway was "the direct outcome of the New State Movement". Speaking at a New State meeting at Glen Innes in October 1928, he said the question of the railway was dead when the New State Movement started, and "the real propaganda for the railway commenced with the New State Movement". He claimed that the railway question had formed one of the chief

⁶⁷ AE, 4 October 1927.

⁶⁸ AE, 22 November 1927.

⁶⁹ AE, 25 November 1927.

⁷⁰ AE, 5 June 1928.

⁷¹ AE, 23 October 1928.

points of the Cohen Royal Commission's inquiry, and that the Commission specifically recommended that the Guyra to Dorrigo railway be constructed. So far as Thompson was concerned, the Commission's recommendation was the first definite recognition by any public body "that this railway was necessary and should be built in spite of the estimated losses". Triumphantly, he declared: "Thus had the Northern New State Movement recorded an achievement".⁷² His comments were fully endorsed by the *Express*: "Were it not for the vigorous effect of the New State influence it is irrefutably true that the Guyra to Dorrigo railway would today be no nearer fruition than it was twenty years ago".⁷³ The separatist tradition had created an expectation that the Government would offer sops to the north. After the 1927 election, however, the NSW Government stopped offering sops; rather, the Country Party was in the Government, and well-placed Country Party Ministers won concessions such as the commencement of the Guyra to Dorrigo railway.

In the Legislative Assembly on 19 December 1928, B.S. Stevens, the Assistant Treasurer, tabled estimates to provide for expenditure of £14,580,609 on public works during the current financial year; £100,000 was voted for the Guyra to Dorrigo railway. The cost, when the line was authorized, was £1,940,440.⁷⁴ Lamentably, the Guyra to Dorrigo railway would never be built; a year after the first money was voted for the line, no more money was available.⁷⁵ It was an early casualty of the Great Depression. All construction work on the line ceased from 14 February 1930.⁷⁶ Although the line was not finished, it had been started; the years of agitation had secured a significant concession for northern NSW.

To sum up: the history of the agitation for the Guyra to Dorrigo railway had run parallel with the revived New State agitation, and the two stories interconnected. Although the separatists genuinely sought the New State, the Government's response to the agitation was to refer the proposed line to the PWC. Just as the New State boundaries were a source of conflict among the New-Staters, so, too, were the railway proposals. The lack of northern unity had hampered New

⁷² See Thompson's report, attached to Minutes, NSM Executive Meeting at Glen Innes, 1 October 1928, Minute Book II.

⁷³ AE, 5 October 1928.

⁷⁴ AE, 21 December 1928.

⁷⁵ AE, 16 December 1929.

⁷⁶ AE, 17 February 1930.

State agitation, and it had hampered railway development. Although the Labor Party had referred the line to the PWC, and had promised to build the line, it was the Country Party in the coalition Government who had granted it.

The formation of the Bavin-Buttenshaw coalition Government in 1927 did not result in any New State approach to the NSW Parliament. The first post-election meeting of the Executive "had been called quickly" and was poorly attended. Congratulations were extended to Bruxner and Drummond on their return to Parliament and their inclusion in the new Cabinet. The meeting was mostly devoted to preparing their case for submission to the Peden Royal Commission.⁷⁷

As was noted in chapter 3, Thompson gave his evidence to the Royal Commission in Sydney on 28 February 1928. He said that in the seven years of its existence the Northern Executive had spent more than £3,000 in organizing and propaganda work, and that local Leagues had spent hundreds of pounds in their own areas. His evidence to the Commission allowed him to sum up the current state of the Movement. He said "the oft-repeated statement that the Northern Movement is dead is without foundation". He made the assertion, but he did not prove his point. He said that the "reason for the apparent quietude of the Northern Movement" was that, with the exception of the Executive, the Northerners had decided "to rest on their oars for a while". He told the Commission it "must be swayed more by what has happened in the past than by what is happening now". He assured the Commission that the Northern Movement "refused to accept as the last word the report of the Cohen Royal Commission", but was satisfied that it was useless to persist in an agitation to secure the consent of the State legislatures. Accordingly, the Northern Movement was seeking the constitutional amendment, "to secure better machinery for the proper testing of the merits of separation agitation and of the real wishes of the people in the local area concerned".⁷⁸ So far as Thompson and the Executive were concerned, at the beginning of 1928 there was still only a single thrust to the New State activity, and that was in the Federal arena.

⁷⁷ Minutes, NSM Executive Meeting at Glen Innes, 25 October 1927, Minute Book II.

⁷⁸ *Evidence of the Royal Commission on the Constitution together with Appendixes and Index*, (Peden Commission), Canberra, 1929, (hereafter *Evidence*), pp. 1131-3.

As noted earlier in the chapter, the Executive decided to hold another northern convention to keep the Movement alive. Thompson said there would have to be a reason to summon the convention, so he proposed that the convention should discuss issues relative to the new Local Government Bill which the NSW Parliament would soon be considering. He suggested that by making the local government scheme one of their objectives they could secure a strong representation from municipal and shire councils from all over the north.⁷⁹ The Executive also decided that the Peden Royal Commission's Report should be discussed at the proposed convention. Time passed without the Report appearing, so the convention was postponed. Finally, the Executive resolved to hold the convention without the Peden Commission's Report. The Provincial Council Scheme would be the main business for the convention. Thompson wanted to invite everyone who was interested, in order to secure a large attendance. A member of the Executive from each district was appointed to help organize that district.⁸⁰ The proposed convention required the New State Leagues to be revived. The Armidale New State League was revived at a meeting on 12 October 1928 and met several times before the convention.⁸¹ After the Cohen Commission hearings there had been nothing for the leagues to do, but the approaching convention was a stimulus for a revival of the leagues and the opportunity for the Movement to attract some grass-roots support. Thus, the preparations for the 1929 Convention were similar to those for the 1921 and 1923 Conventions, and highlighted the fact there were still many supporters who were willing to be involved in the Movement when there was something for them to do.

The Executive empowered Thompson to draw up and publish a brief history of the Movement for distribution at the Convention.⁸² It was narrative in style rather than analytic, and some of the statements were incorrect.⁸³ The errors were not detected by some previous writers who used the pamphlet as the source of the Movement's chronological events.

⁷⁹ See Thompson's report, attached to Minutes, NSM Executive Meeting at Tenterfield, 2 May 1927, Minute Book II.

⁸⁰ Minutes, NSM Executive Meeting at Ballina, 22, 23 January 1929, Minute Book III.

⁸¹ *AE*, 16 October 1928; 4 January 1929; 19 February 1929.

⁸² Minutes, NSM Executive Sub-Committee Meeting at Armidale, 2 February 1929, Minute Book III.

⁸³ *New States: Brief History of Movement in North and Elsewhere*, printed in Tamworth, 1929.

The Third Armidale Convention was held at the Armidale Town Hall on 22, 23, 24 April 1929. The attendance on the first day of was 275, including thirteen parliamentarians. Many municipal and shire councils had accepted their invitations for the discussion on the proposed Provincial Council Scheme.⁸⁴ Thompson's ploy had worked, and large numbers had attended the Convention, which subsequently secured significant press coverage.⁸⁵ Thompson was the first to acknowledge the ploy; he said: "They [the municipal and shire councils] would not have looked at the Convention if we had not been able to formulate this scheme". So far as he was concerned, it would have been "quite out of the question to get these people to come merely to listen to New State generalities".⁸⁶ Thompson believed it was "necessary to place the scheme before the Convention in an earnest manner", otherwise local government delegates would "think we have tricked them to boost the Movement".⁸⁷ The Convention discussed the Scheme for two full days. There was an attendance of about 250 delegates and visitors on the second day, when the Convention resolved that it declined "to express any opinion on the establishment of provincial councils". Instead, the Convention contended that there was a need for a national movement to work for a new Federal system to secure "a new distribution of powers and territory". The Convention reaffirmed the desire for the New State, and declared that the Northern New State Movement would continue "to fight by every constitutional means in its power until this great objective is attained".⁸⁸ On the third day the attendance was sixty, because the majority of the delegates, including Page and P.P. Abbott, "had gone to their destinations". Thompson moved that the Convention request the Executive to consider placing before the NSW Parliament "a proposal to take a referendum in a definite northern area in order to test the public feeling on the issue". He said there was no time to discuss this proposal, but it would give the Executive a definite suggestion from the Convention. He said the Executive would

⁸⁴ *Amended Scheme Issued by Sub-Committee*, (the Provincial Council Scheme presented for discussion at the 1929 Armidale Convention), printed in Tamworth, 1929. It had replaced Thompson's original proposal, *Provincial Councils, Proposed Scheme*, printed in Tamworth, 1929.

⁸⁵ *Northern Daily Leader*, 23, 24, 25 April 1929; *Sydney Morning Herald*, 23, 24, 25 April 1929; *Daily Telegraph* (Sydney), 23, 24, 25 April 1929; *AE*, 23, 25 April 1929.

⁸⁶ Minutes, NSM Executive Sub-committee Meeting at Armidale, 2 February 1929, Minute Book III.

⁸⁷ Thompson to Page, 16 April 1929, Page Papers, NL, MS 1633/2789/2.

⁸⁸ *Official Report of the Third Convention held at Armidale on April 22, 23, 24, 1929*, Tamworth, 1929, pp. 1-17.

have to decide whether the proposal was practical or desirable. The motion was carried unanimously, and ended the Convention's work.⁸⁹

The Third Armidale Convention had abandoned the Provincial Council Scheme; had resolved to press for a new Federal system, had reaffirmed the desire for the New State, had declared that the Movement would continue to fight for the New State; and had empowered the Executive to consider asking the NSW Parliament for a referendum in a definite area. The Convention ended with no clear decision as to how the New State could be obtained, but showed there was still support for the cause.

At its next meeting, the Executive discussed the possibility of asking the NSW Parliament to conduct a referendum in northern NSW "to test the public feeling on the New State issue". There was strong opposition to the referendum. Ager from Grafton said "it would not get them anywhere"; Pollack, the member for Clarence, said they must push for a constitutional amendment; Drummond sent a letter opposing the referendum and advocating Federal activity. The matter was settled when Thompson moved that the proposed referendum be deferred.⁹⁰ There would be no further approaches to the NSW Parliament in the current decade.

This part of the chapter will give a brief overview of what was to come, between July 1929 and 1935; the overview will set the 1920-30 New State agitation in context. The Bavin-Buttenshaw Government's Indian Summer of political achievement came to an end when the NSW Parliament was dissolved on 28 September 1930. During the election campaign, Drummond made a speech at Armidale in September before a record crowd of some 2,000 people, and he made reference to the current economic crisis: "We always said that when the sheep's back broke the country would face a crisis. The result is with us today". Page was in Armidale on 13 October 1930, to speak on behalf of Drummond; Page blamed the economic crisis on the failure of a City dominated government.⁹¹ These were expressions of countrymindedness. Drummond made no mention of the New State in his speeches. The *Armidale Express* was strongly anti-Labor, and supported

⁸⁹ *Ibid.*, p. 17.

⁹⁰ Minutes, NSM Executive Meeting at Grafton, 2, 3 July 1929, Minute Book III.

⁹¹ *AE*, 29 September 1930; 15 October 1930.

Drummond.⁹² The NSW election on 25 October 1930 resulted in a Labor victory, with fifty-five seats, a record proportion of Labor seats in the Assembly. The Nationalists won twenty-three seats, and the Country Party won twelve.⁹³ The Indian Summer was over and the Country Party was back in Opposition. Its demise, however, would see the rise of another wave of separatist agitation in the 1930s.

Lang became Premier for the second time. The *Express* foreshadowed the approaching crisis: "Lang promised everything that was likely to appeal to every man and woman, and he promised it with an utter disregard of possible effects".⁹⁴ Lang's policy speech had disowned "the repudiation policy" advocated by his party, but Lang went back on his word, and by 1931 his repudiation of interest repayments on overseas loans created near rebellion in NSW. The separatists would now come as close as ever to achieving the New State.

They argued what was known as the West Virginia Case. Before the American Civil War, the West Virginians, who were loyal to the Union, sought to separate from rebellious Virginia, and to pursue inclusion in the Union as a separate State. A convention was held in June 1861 and a provisional government was set up; it passed an Act asking Congress to admit West Virginia into the Federation; Congress passed an act of admission, and West Virginia became a fully-fledged State in the Union.⁹⁵ Page believed that New England and the Riverina, both of which supported loan repayments, could do the same. A constitution was prepared and all was in readiness but the separatists were dissuaded from the unlawful act by the new Prime Minister, Joseph Lyons. The leaders of the various New State movements were not revolutionaries and were not prepared to break the law. It remains a matter for speculation what would have happened if they had declared their areas as new States and then sought admission to the Commonwealth. Lacking the quality for such a revolutionary step they missed their opportunity. When Governor Game dismissed Lang on 13 May 1932 the crisis was defused.

⁹² *AE*, 27 October 1930.

⁹³ Aitkin, *op. cit.*, p. 128.

⁹⁴ For instance, *AE*, 22 October 1930, had a strong anti-Labor pro-Drummond pre-election summary.

⁹⁵ For an account of the Case of West Virginia, see U.R. Ellis, *The Country Party: A Political and Social History of the Party in New South Wales*, Melbourne, 1958, ch. 24.

The 1930-35 New State agitations in NSW were also expressions of the countrymindedness ideology. Andrew Moore, who furthered this theme, contended that the collapse of export prices for country products during the Depression resulted in the ideology reaching its peak. Moore disagreed with Aitkin's claim that countrymindedness had continued because those who had been raised in the country took it with them to the City; rather, Moore contended, the ideology persisted because it "legitimated the existing set of property relations". Thus, Lang was dismissed because Sir Philip Game "did his duty"; law and order had triumphed.⁹⁶

The new Stevens-Bruxner government was returned on the understanding that there would be a boundaries commission and referenda in the proposed new State areas. A new problem had arisen for the New-Staters. The NSW government was concerned about the effect of section 105A (The Financial Agreement - see chapter 3) and the likelihood of a challenge in the High Court of Australia. To fulfil their electoral pledge, the NSW Government decided to hold a Royal Commission to define boundaries but not to proceed with the expensive referenda until the High Court had given a ruling or it was clear the matter would not be taken to the Court.⁹⁷ Under the chairmanship of H.S. Nicholas, the Commission took evidence⁹⁸ then reported on three areas suitable for self-government, including northern NSW.⁹⁹ His boundaries, which included the industrial city of Newcastle (see Map 6.3), went beyond those proposed by the northern separatists. Exhausted by the Lang crisis and the Nicholas Commission, the New-Staters had neither the funds nor the energy for the required propaganda campaign and no referendum was held. The Second World War approached and pushed the issue off the agenda.

To conclude: after the Great War, rural discontent in northern NSW found expression in two political phenomena - the emergence of country parties and the

⁹⁶ Andrew Moore, 'The Old Guard and "Countrymindedness" during the Great Depression', *Journal of Australian Studies*, No. 27, Nov. 1990, pp. 52-64.

⁹⁷ David Drummond, a confidential paper titled 'Referendum Background - Stevens-Bruxner History' in Ellis Papers, NL, MS 1006, Series 6, folder 49.

⁹⁸ *Evidence of the Royal Commission of Inquiry as to the Areas in New South Wales suitable for Self-Government as States in the Commonwealth of Australia*, Government Printer, Sydney, 1935.

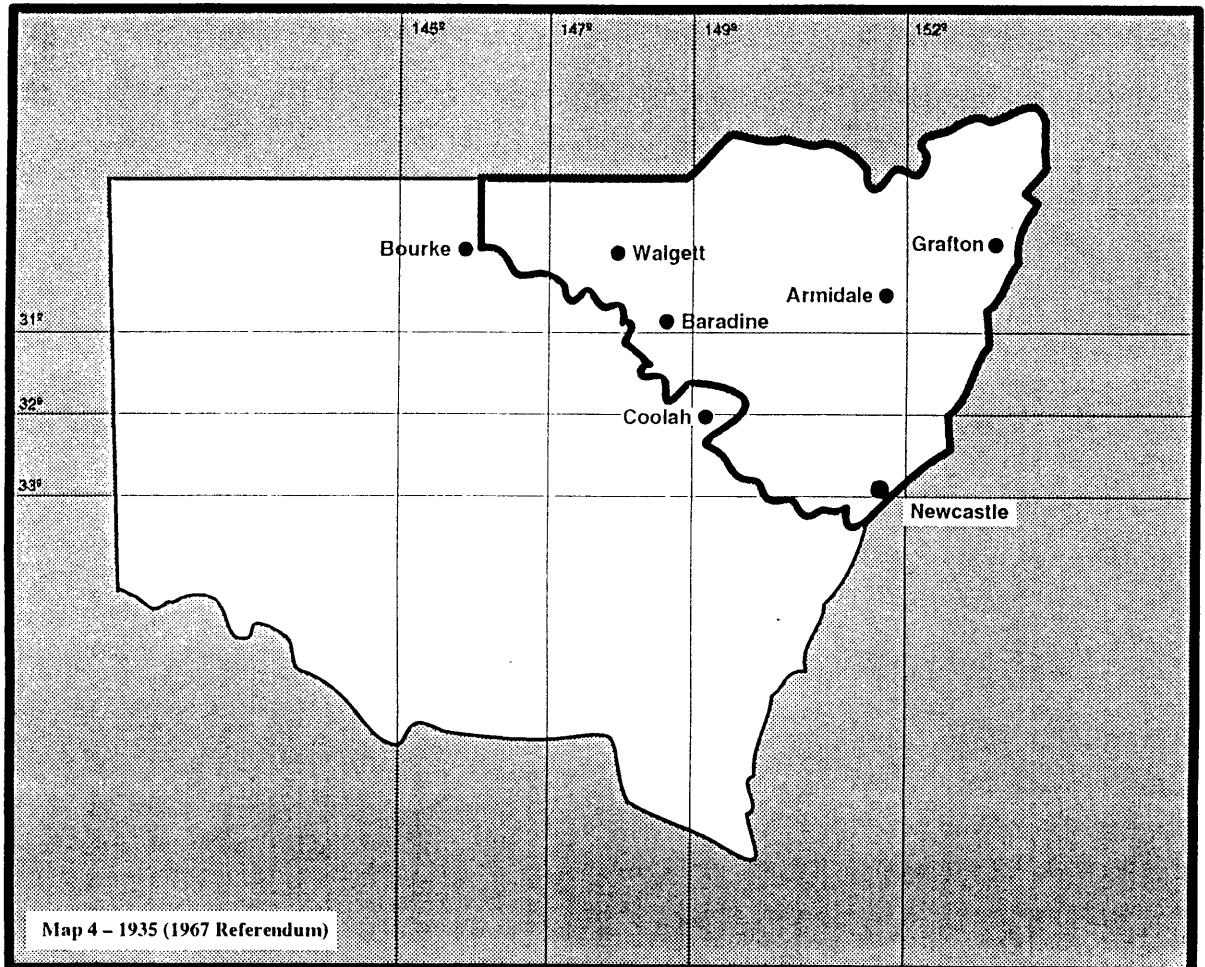
⁹⁹ *Report of the Royal Commission of Inquiry (H.S. Nicholas) Respecting areas in the State of New South Wales suitable for Self-Government as States in the Commonwealth of Australia and as to the areas in the said State in which Referenda should be taken to ascertain the opinions of the Electors on any question in connection with the establishment of New States, together with maps*, (Nicholas Commission), Government Printer, Sydney, 1935.

emergence of a new State movement. In a sense the two phenomena were twins in that they emerged from the common womb of discontent; but they had different lives and aspirations. The Progressive Party (which changed its name to the Country Party in 1925) worked within the NSW political structure. The Northern New State Movement was a different political movement, because it was uncompromising and radical; it wanted to separate from NSW.

Between 1920 and 1925, the Northern New State Movement had tried to use Section 124 to secure the New State, but had discovered the constitutional provision was an impediment rather than a facilitator. After 1925, the Movement stopped knocking on the NSW Parliament's door. Throughout the decade the New-Staters had sought a constitutional amendment, but no amendment was secured. Meanwhile, the Country Party's less radical approach had triumphed. After the 1927 election, the NSW Government stopped offering sops; rather, the Country Party was in the Government, and well-placed Country Party Ministers started winning concessions, the two most important for northern NSW being the Armidale Teachers' College and work commencing on the Guyra to Dorrigo railway. The conditional support strategy used by the Progressives between 1920 and 1925 gave way in 1927 to the coalition strategy, and it seemed to be the way forward. The Indian Summer of achievement, however, came to an end in 1930; Labor was returned to Government and the Country Party was returned to Opposition, where it again became frustrated. By 1931, the north was aroused by a new agitation and the call to separate from NSW. The new movement's efforts included a call for a revolution. Although the 1935 report of the Nicholas Commission defined boundaries for a new State in northern NSW, no new State was formed. The 1930-35 agitation, however, is another story and an analysis of the issues must be left to another time.

Map 6.3

The New State Boundaries as defined by the Nicholas Royal Commission 1935



The Stevens-Bruxner coalition Government was returned at the NSW election on 11 June 1932 on the understanding that there would be a boundaries commission and referenda in the proposed new State areas in NSW, but the new Government was concerned about the effect of section 105A (The Financial Agreement) and the likelihood of a challenge in the High Court of Australia. To fulfil their electoral pledge, the NSW Government held a Royal Commission to define boundaries but would not proceed with the expensive referenda until the High Court had given its ruling or it was clear the matter would not be taken to the Court. The Nicholas Commission took evidence then reported on three areas suitable for self-government, including northern NSW. The boundaries, which included the industrial city of Newcastle, went beyond those proposed by the northern separatists. The boundaries which H.S. Nicholas defined in 1935 were used at the 1967 New State Referendum.