

The Editor  
The Canberra Times

Thursday, July 9, is the 120<sup>th</sup> anniversary of Royal Assent to The Commonwealth of Australia Act.

Neither plebiscites among enfranchised Australians nor motions in the colonial parliaments could bring about Federation. That required an Act of the British Parliament.

British capitalists and their political agents were determined to maintain appeals to Privy Council to protect investments. In 1897, the Colonial Office worried that loans may not be secure if suits for their recovery could be finalised in the High Court of Australia, as proposed in Section 74 of the draft.

In the lead-up to the 1897 Adelaide Constitutional Convention the colonial secretary, Joseph Chamberlain, conspired with the premier of New South Wales, George Reid, to amend the draft Constitution to protect British investors by allowing unfettered appeals to the Privy Council on non-constitutional questions.

While the three Australian delegates were in London in the summer of 1900, the movement towards Federation almost stalled on the question of appeals. One delegate, Alfred Deakin, puts it: 'The Conservative classes, the legal profession and all people of wealth desired to retain the appeal to the Privy Council and had heartily and openly supported Chamberlain's proposed abolition of clause 74.' Those interests now wanted an absolute right of appeal in all cases. Chamberlain assured the Commons that he was protecting 'the private interests of investors ... a very large class ... of British subjects interested in Australia.' In the end, the three Australians compromised by agreeing to the High Court's having the power to allow appeals on Constitutional issues.

Australians propose a constitution: bond-holders dispose.

Appeals to the Privy Council continued into the mid-1980s but were no longer relevant to how financiers take care of the interests of capital. On 25 July 1985, Salomon Brothers told Treasury of the difficulties that the bank faced in supporting Australian-dollar assets. Foreign holders had been annoyed by a 1 July decision to impose a 15 per cent tax on their interest and dividends payments before remittance. Over the weekend, Canberra abandoned the withholding tax and relaxed a rule confining foreign investors to a maximum half-share in real-estate developments.

Australian governments 'will continue to take strong actions to deter acts of foreign interference ... and uphold our laws.'

Humphrey McQueen  
Griffith  
July 4, 2020