

preference, on the Canadian model, for British manufacturers. Australian manufacturers are now pretty easily in possession of the Australian market, so far as they are able to supply it; the slight preference for British goods has been operative since 1906; and now the new regulations against composite or adulterated manufactures are in force. But the scheme to bring it about that work-people shall enjoy directly some of the advantages of protection broke down within a year after the tariff of 1906 was enacted. Manufacturers generally agreed to the plan when the tariff bill was before the Commonwealth Parliament. Otherwise the law of 1906 would not have received the support of the labor men in the House of Representatives; and without that support the bill must have failed. One manufacturer, however, refused to accept the wages board plan that was embodied in the tariff. In the courts he assailed the constitutionality of the penalty to be inflicted. Judgment was in his favor; and all four aims of the New Protection cannot be pursued until there has been an amendment to the Constitution under which the Commonwealth of Australia was organized ten years ago.

A LABOR ADMINISTRATION IN AUSTRALIA

Dominions of Great Britain—Canada, Australia, New Zealand, and South Africa—an exclusively labor administration is now securely in charge of the affairs of a commonwealth. Before the Australian States were confederated, in 1900, Labor parties had had great influence in State politics; and as far back as 1898 Queensland had had a labor administration. Half-way through the Parliament of 1906–1910 there was a short-lived labor administration in the Commonwealth of Australia. The Watson Ministry, however, was little more than a stop-gap government. It was able to maintain itself in office only five months, and was succeeded by the Deakin administration. Not until after the elections of this summer was there in the Commonwealth a labor administration sufficiently strong in the House of Representatives

For the first time
in the history of
the four oversea

to live out the ordinary term of the Commonwealth Parliament. In the new Parliament representatives of labor are now easily in control of the lower house—the chamber that corresponds to the House of Commons in England—and the recent elections also added to the strength of the labor group in the Senate, where the new Fisher administration has now a majority of ten. It was a fusion of the Liberals and Conservatives, organized to curb the power of the Labor party, that ended the Watson administration. Mr. Andrew Fisher, the new Premier, is a comparatively young man. He was born in Ayrshire, in Scotland, in 1862, and before he went into politics was a miner on the Gympie gold-field. Premier Fisher has, however, been almost continuously in politics since 1893, when he was elected to the Queensland Parliament as the first representative of what was then known in Australia as the new trade unionism, which aimed from the first at the continuous and active intervention of the trade unions in politics, at direct representation of labor in the State Parliaments, and at much State intervention in the concerns of employers and employed. This has been the dominating aim of the Labor party in the politics of the Commonwealth of Australia since 1900, and the obvious success of this movement is the New Protection that has been developed in Australia. Since the tariff was greatly increased all through the schedules in 1906, as has been explained in the preceding paragraph, there has been a serious hitch in that part of the tariff policy that was intended to secure direct advantages to wage-earners from the high protection afforded by the tariff to Australian manufacturers. A constitutional amendment will be necessary to carry out what are known as the excise clauses in the Tariff Act—clauses providing that tariff protection to manufacturers shall be dependent on the payment of adequate wages. The vote at the general election which brought the Fisher Ministry into power was in effect a vote in favor of such an amendment; and with labor and protectionist majorities in control of both the House and the Senate all four phases of the New Protection should soon be in operation.

THE RAIFFEISEN AGRICULTURAL BANKS

A recent issue of the Government's Consular and Trade Reports describes the working of the Raiffeisen agricultural banks. Friedrich Wilhelm Raiffeisen was born in 1818. During his incumbency as Mayor in two country towns in Germany he noted the oppression of agriculturists by usurers. He determined to relieve farmers from this infliction. He established a farmers' co-operative banking organization. It is now in successful operation in hundreds of German and Dutch villages. The two basic principles are that each institution shall work for one particular community only, and that the bank shall not consider its own profit but only the benefit to the borrower. Thus there is removed the danger of a possible non-acquaintance with particular circumstances, as the sphere of operation is small, and also the temptation to take undue advantage of an applicant's difficulties. A definite rate of interest is charged on all loans. With the exception of a salary to the cashier, the banks are managed free of charge. The directors and managers are well-known villagers who keep informed as to the integrity of borrowers and who are willing to place their business knowledge at their fellow-citizens' disposal. Another essential feature is the indivisible fund, representing the total accumulation of all profits. When the sum reaches too high a figure, a general meeting of the bank's members decides how the excessive income shall be spent, either in raising the percentage paid to depositors or in acquiring objects and works essential to the members' welfare. The members are any persons enjoying a good reputation with legal residence in the community or its immediate neighborhood. Each village bank must become a stockholder in a central bank. The Dutch central bank is appropriately at the centrally located city of Utrecht. The Utrecht bank works like a clearing-house. All surplus funds of the local banks are deposited there, and advances are made to village banks. These banks are also inspected and controlled by the central bank. The Dutch Government grants an annual subsidy to the central bank on condition that an official accountant appointed by the

Minister of Agriculture supervises the administration. Of the village banks connected with the central bank at Utrecht, not one has thus far suffered any loss. The Raiffeisen plan, it is evident, contains an idea worthy of transplanting to this country and to its Territorial possessions.

THE SHANGHAI INTERNATIONAL INSTITUTE

Two endeavors for the better understanding of the Chinese by foreigners and of foreigners by the Chinese deserve chronicling. Both are educational and are leading to more intelligent and kindly mutual intercourse between Chinese and foreigners. The Chinese Government is not unmindful of the desirability, and even necessity, of foreign help and suggestion, and is seeking, wherever profitable, the "useful learning" of the West. But let no one think that the Chinese are not showing individual independence and energy. The anti-opium edicts are a proof of this, and the result is evident in a greater moral fiber among the men. Moreover, the anti-foot-binding movement has already relieved crippled women and enabled them better to care for their children. Thus, in order to help China, foreigners, in addition to a consciousness of the worth of their own civilization, must appreciate whatever present progress China is making and whatever excellence Chinese history discloses. In other words, any patronizing attitude by otherwise benevolent foreigners will defeat their own ends. Among the first to adopt an "equal terms policy" was the Rev. Dr. Gilbert Reid, an American who has long enjoyed an intimate acquaintance with Chinese of education all over the Empire. It led to the formation, years ago, of the International Institute at Shanghai, a joint stock company. Its members are Chinese and persons of other nationalities. As expressed on its seal, the Institute's ideals are Truth and Harmony. The irresponsible, deplorable, and often mendacious newspaper reports concerning both Chinese and Americans daily emanating from Shanghai in particular show the desirability of having at that place some counter-irritant, establishing truth instead of falsehood. As to harmony, the Institute's practical purpose is,