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CAUCUS AS AN INSTRUMENT FOR DETERMINING THE

POLICY AND TACTICS OF THE

FEDERAL PARLIAMENTARY LABOR PARTY.

IN THE COMMONWEALTH PARLIAMENT 1901 - 1960

KIM E. BEAZLEY

LEADERS OF THE FEDERAL PARLIAMENTARY LABOR PARTY

John Christian Watson (1901 - 1907)

Andrew Fisher (1907 - 1915)

William Morris Hughes (1915 - 1916)

Frank Gwynne Tudor (1916 - 1922)

Matthew Charlton (1922 - 1928)

James Henry Scullin (1928 - 1935)

John Curtin (1935 - 1945)

Joseph Benedict Chifley (1945 - 1951)

Herbert Vere Evatt (1951 - 1960)

Arthur Augustus Calwell (1960 - 1967)

Edward Gough Whitlam (1967 -)

J. C. Watson was Prime Minister in 1904

Andrew Fisher was Prime Minister 1908-1909; 1910-1913; 1914-1915

W. M. Hughes was Prime Minister 1915-1916 (Labor) and 1916-1923
(non-Labor)

J. H. Scullin was Prime Minister 1929-1932

John Curtin was Prime Minister 1941-1945

J. B. Chifley was Prime Minister 1945-1949

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CHAPTER I.

INTRODUCTION

7

The minutes of the Federal Parliamentary Labor Party "Caucus" go back to its first meeting in May, 1901. No split in the Parliamentary Party took from the "official" Party its records. When W. M. Hughes walked out of the Party meeting in November, 1916, the minutes remained with the Secretary. Not all records of the Labor Movement are thus intact. In New South Wales the Lang split broke the continuity of records in the possession of the official Party, and records of State Executives are broken in Victoria.

Because of the unbroken nature of its records some idea of the purposes and tactics of the Parliamentary Labor Party for the whole period since federation can be gained from a study of the minutes. There are no personal memoirs of equal value. G. F. Pearce in his book "Carpenter to Cabinet" makes errors of sequence and fact. King O'Malley was concerned to represent Caucus proceedings for his own credit, notably in founding the Commonwealth Bank. The press has often represented Caucus as a sinister body, forcing the consciences of members of Parliament. For the years 1916 to 1922 the Melbourne "Argus" often referred to the Federal Parliamentary Labor Party as the Federal "Caucus" Party. Caucus is still confused by some with conferences of the Australian Labor Party or the unions.

The minutes are a record of decisions. They are hardly ever a record of debates. Their value varies according to the diligence of the Secretary from time to time. Read in conjunction with the Commonwealth Parliamentary Debates they reveal a good deal. They contain, sometimes, letters and systematic statements of policy, revealing completely the nature of the Party's thinking. This has tended with the passing of time to be more and more the case with foreign policies espoused by Caucus.

In this study the primary sources are the minutes of the Federal Parliamentary Labor Party, the Commonwealth Parliamentary Debates and the records of Federal Conferences of the Australian Labor Party.

A study is made of the evolution of Caucus between 1901 and 1916 to the conscription split. After 1916 Caucus procedures hardly changed until the development of the Committee system after 1960, the codification of standing orders and provisions for secrecy of ballots. These lie outside the chosen time of this study, from 1901 to 1960, the latter date being in fact the retirement of H. V. Evatt from the Leadership.

Three great topics are then taken. These are Caucus and Foreign

Policy; Caucus and Defence; Caucus and Banking. Foreign Policy, Defence and Banking have been the most difficult subjects for the Federal Labor Party.

Before the first World War this did not appear to be the case. It was a foreign policy and defence issue which wrecked the Labor Party in 1916 - the question of the extent of Australia's commitment to the European War of 1914-1918. The Scullin Labor Government fell after disintegration on financial and economic policy and conflict with the Commonwealth Bank Board in 1932. The Chifley Government probably lost electoral support in 1949 on its attempted Bank nationalisation. The life of the Curtin Government was threatened in 1942-1943 on the question of conscription; and at present, outside the period of this study, the war in Vietnam and obligations to the United States alliance are possible explanations of Labor's defeat in 1963 and 1966.

The Labor Movement's structure the Parliamentary Labor Party's first Leader, J. C. Watson, found unmanageable. Nevertheless he persuaded the vital Brisbane Conference of 1908 to accept compulsory military training. He was expelled by Paddington Branch of the Labor Party in 1916 on conscription. Fisher was successful in handling the Labor Movement. W. M. Hughes ended his career as a Labor man openly expressing the wish for defeat of Cabinet colleagues, attacking the Labor Movement, directing raids against its press and directing the military to raid Parliament House, Melbourne, to seize the speeches of erstwhile colleagues. Frank Tudor's replacement by T. J. Ryan in the position of leadership was openly desired by a Federal Conference. Matthew Charlton could never rely on support from the New South Wales Executive of the Party. J. H. Scullin saw State branches disintegrate and, in their disintegration, break up the Parliamentary Labor Party. Curtin had to work to re-unite the Party and then to hold it together through a conscription crisis and another New South Wales split. H. V. Evatt worked for the removal of a Victorian Executive. In all this turbulent history the Parliamentary Labor Party carried on its Caucus meetings but rarely won elections. Yoked to a movement which infinitely preferred ideological battles and the triumph of viewpoints to electoral success, it repeatedly is defeated not on its own policies - though of course this has happened - but on the non-acceptability of other branches of the Labor Movement. This is not proveable of course. Nevertheless opponents of the Federal Parliamentary Labor Party have acted on the assumption that they can win elections on the structure of the Labor Movement.

S. M. Bruce's slogan "Empire and law and order" struck at the Parliamentary Labor Party's reluctance to pay any military price for the Imperial connection. It also struck at strikes by unions - the "law and order" factor. R. G. Menzies' slogan "Thirty Six Faceless Men" struck at the Federal Conference. W. M. Hughes's slogan "Outside Juntas" struck at Federal and State Executives. Conferences, unions and State and Federal Executives have not usually been concerned to ingratiate themselves to the electorate and their policies and actions to the extent to which they are indifferent to election results have frequently been electoral liabilities to the Federal Labor Party. A housewife deprived of gas and electricity during the New South Wales coal strike of 1949 could only strike at the Labor Party in the ballot box. It is possible that had Labor been in opposition it would equally have been penalized as a result of such a strike.

Similarly Conference decisions refusing "State Aid" for Catholic schools cannot be visited home on Conference by the Catholic voter, only upon the Parliamentary Labor Party which had, in fact, in Caucus voted to opposite effect.

The Parliamentary Labor Party hardly had a foreign policy until after the First World War.

Caucus passed resolutions about what the British Government should do in some instances. It should seek arbitration over the Dogger Bank incident in 1904. It should not send Chinese labourers to Natal. It should grant Irish Home Rule - the Party in Parliament said this without Caucus decisions.

The first complete philosophy of foreign policy came not from Caucus but from Conference in 1918. There is no record of Caucus instructing Fisher and Pearce for the Imperial Conference of 1911 or Scullin for the Imperial Conference at ^{London in 1930} Ottawa in 1931. There is no record of Caucus determining any of the foreign policy of the Curtin and Chifley Governments 1941-1949 except in relation to the Bretton Woods Agreements. The foreign policy statements studied in this thesis are mostly definitions of attitude.

The Parliamentary Party had a rapid ascent to power between 1901 and 1911. Thereafter war, a growing sense of dependence, first on Britain then on the United States, the adoption of the Socialist Objective in 1921, have all tended to alienate the electorate from a social reform party. Labor has gone to election after election with social security programmes which never

prove decisive. In 1929, and in 1941, it attained a total of ten years of office or power on the mistakes of its opponents. Ten years of power or office out of 51 years 1916 to 1967 is a record of substantial failure. Defence, foreign policy and banking have played a large part in the defeat.

The Labor Party has retained its original name and regards itself as identifiable with the Labor Party led by Watson in 1901.. In this it is unique among Australian political parties.

Unique to it is the pledge taken by its members, a desired solidarity behind Caucus decisions, and discipline. These, in theory, were to be factors in its success.

The thesis is, in part, a study of the effectiveness of the Caucus system.

CHAPTER II

CAUCUS IN PERSPECTIVE:

The meetings of the Federal Parliamentary Labor Party vie with the Federal Conference of the Australian Labor Party in age and are far more frequent. The meetings of the Federal Parliamentary Party - Federal Labor "Caucus" - present the most continuous and detailed history of Australian Labor Party thinking on national questions.

The Federal "Caucus" necessarily is a body consistent in its composition, in that it is composed exclusively of Labor Senators and Representatives. Yet it has evolved in its conceptions of the position and power of its leader, and its character within the Australian Labor Movement has changed.

Between the temporary chairmanship of Anderson Dawson (1) on May 7th and May 8th, 1901, and the choice of Gregor McGregor (2) and John Christian Watson (3) to speak "temporarily" for the Party in the Senate and House of Representatives at one extreme (4), and the actions of Arthur Calwell in leading demonstrations against Marshal Ky without any consultation with the Parliamentary Labor Party in January, 1967 at the other extreme, the leadership of the Parliamentary Party has gone through a considerable change and many vicissitudes.

The early minutes record elections to the Chair on May 20th, 1901 (Dawson), May 22nd, 1901 (Watson), and show no such record on May 23rd, 1901;

(1) Anderson Dawson was Labor Premier of Queensland in a 5-day Government in 1899. He was a Senator for Queensland 1901-1906, and Minister for Defence in the Watson Labor Government April-August, 1904. The minutes record that at "the preliminary meeting of members of the Federal Parliament favourable to the formation of a Commonwealth Labor Party" he was elected to the chair (May 7, 1901), and again and separately on each occasion, May 8th and May 20th. Watson was elected at the meeting of May 22nd. When Watson was chosen as "spokesman" in the Representatives on May 8th, and Chairman on May 22nd, there is no sense in the minutes of electing a Parliamentary leader. Leadership seems to have arisen by inadvertence.

(2) Gregor McGregor, Senator for South Australia from 1901 till his death in August, 1914. Leader of the Labor Party in the Senate 1901-14. Vice-President of the Executive Council, Watson Ministry April-August, 1904; and in the Fisher Ministry November, 1908-June, 1909; and in the second Fisher Ministry April, 1910-June, 1913. Afflicted with increasing blindness.

(Watson confirmed these minutes). Again, there is no record on May 29th, but after June 5th Watson is continually recorded as being in the Chair, and his chairmanship simply seems to be assumed. The minutes do not record any specific resolution making the House of Representatives "spokesman" for the Party the chairman of the private meetings of the Party. Nor do they record any resolution that the "temporary spokesman" should become "Leader". There is no necessary connection between chairmanship of Caucus and Party leadership - in Western Australia, for instance, the Leader of the Party in the Legislative Assembly is not Caucus Chairman. In the Federal Parliamentary Labor Party the "spokesman" evolved to "leadership" and became Caucus Chairman by custom. It is noteworthy that Watson and McGregor were chosen originally not by the full Parliamentary Labor Party, but separately by its members in the House and the Senate respectively.

Watson was thus set on the road to Prime Ministership, to conflict with Federal Conferences of the A.L.P., and to leadership of the Labor cause in Australia by an element of the Parliamentary Labor Party - the Representatives voting without the Senators. He was only 34 when he became Leader (5) and 37 when he became Prime Minister. He was only 43 when he left Parliament in 1910, ostensibly leaving public life for health reasons. He lived to the age of 74, dying in November, 1941. In choosing Watson, the House of Representatives members of Caucus chose a man who had what, from their point of view, would be a distinguished record. His career had had certain diverse features which seem to explain very clearly his subsequent conflicts with the Labor machine - the

(3) John Christian Watson. Leader of the Federal Parliamentary Labor Party, May 1901-October, 1907. Prime Minister April-August, 1904. Member for Bland 1901-06, and for South Sydney 1906-1910. Retired from Parliament February, 1910. Expelled from the Labor Party by the Paddington Branch (N.S.W.) November, 1916.

(4) The minutes of the Federal Parliamentary Labor Party record (May 8, 1901) "Mr. Thomas moved that the members of each House select one man to speak for the Party temporarily. Seconded by Mr Fisher and carried. Mr McGregor was chosen to represent the Party in the Senate and Mr Watson in the House of Representatives." Watson was thus casually set on the road to Prime Ministership and leadership.

"Mr. Thomas" was Josiah Thomas, Member for Barrier 1901-1917, Postmaster-General in the first Fisher Ministry (1908-9) and the second Fisher Ministry (1910-13). "Mr Fisher" was Andrew Fisher, Prime Minister later in 1908-9, 1910-13, 1914-15. He was Member for Wide Bay (Q.) from 1901-15.

(5) Born Valparaiso, Chile, in 1867.

Federal Conference, the Victorian State Executive, the Paddington Branch of the Labor Party.

Watson had been educated at Oamaru in New Zealand, and apprenticed in the printing trade. A feature of Watson's leadership of the Labor Party was the excellence of his personal relations with Alfred Deakin, the second Prime Minister of Australia (6). Deakin might be regarded as a radical Liberal in his pre-federation political career in the State of Victoria, and possibly in his first two Federal Ministries. His third "fusion" Ministry was certainly not "radical Liberal", but Watson was no longer Labor Leader when it was formed. Watson's background enabled him to understand a radical Liberal philosophy very well, and Watson's ideas of the status of elected members of Parliament and of Party procedure accord much more with a radical Liberal political philosophy than with Labor's development as an ideological and political battleground. When Watson was expelled by the Paddington Branch he argued correct procedure with them (7). Watson's understanding of the radical Liberal viewpoint seems to have derived from his employment on the Oamaru Mail before he migrated to Australia in 1886. His employer, George Jones, was a politician closely associated with the New Zealand Prime Minister Richard Seddon. Watson's concept of Parliamentary Party leadership seems to derive from this background. In New Zealand, too, he became a citizen soldier, and from the very first defence debates in 1901 he advocated compulsory military training. Watson's conflicts with the Labor machine came about with astonishing speed. He also had some remarkable victories within the machine, at Federal conferences. His conflicts on the right of the Parliamentary Labor Party to form alliances with other Parties, and to grant immunity from electoral opposition to allies almost might be said to have led to the definition of the role of Caucus in the Labor Movement and the Parliament. His conflict with Federal Conferences of the A.L.P. on the subject of the right of a Federal Parliamentary Labor Leader to choose his Cabinet when forming a Ministry defined in part the power of the Caucus over the actions of the Leader, and the Ministry, if the Ministry were Labor.

(6) There were three Deakin Ministries - September, 1903 to April 1904; July, 1905 to November, 1908; and June, 1909-April, 1910.

(7) His letter (in the Watson papers, the National Library), argues that a New South Wales Conference could not pronounce upon conscription. This was a matter for a Federal Conference, and in default of a Federal decision, never yet made (November, 1916), members were free to advocate or oppose conscription.

IMPERMANENT ASPECTS OF CAUCUS 1901-1902:

It is doubtful whether the Parliamentary Labor Party of the first Parliament lived with the expectation of its ability to form a Labor Government in the near future. The general elections of March 29-30th produced a House of Representatives consisting of 32 Protectionists, 27 Freetraders and 16 Labor supporters. The Senate consisted of 17 Freetraders, 11 Protectionists, and 8 Labor supporters. The Labor Party gave general support to Barton largely because of dislike for Reid, the Freetrade Leader. Until 1916 Caucus was the interpreter of the Federal Platform. In 1916 this function was taken over by the Federal Executive. Until the Sydney Federal Labor Conference in December, 1902, Caucus was also the author of a Federal Platform, although it never formally adopted the draft platform it obviously acted upon. There were matters, such as the South African War, upon which the Party made no pronouncements and members went their own conflicting ways in the House. (8)

The chosen "spokesman" for the Party in the Senate, Gregor McGregor, was careful to say there was no Party policy on the South African War. Boldly defining himself as a "pro-Boer" he went on to say -

"I wish it to be clearly understood that my attitude has no connexion with the Party that I am particularly connected with, because as far as this question is concerned it has no significance in Labor politics. Our object in Parliament is of a different character altogether." (9)

Watson as "spokesman" in the House of Representatives was far from claiming to be pro-Boer. He explained at the outset of his speech on the South African war -

"I say that if the Empire asks for troops I am prepared to assist her." (10)
Watson was particularly critical of the claim of the British Colonial Secretary, Joseph Chamberlain, to speak for Australia, and complained of Chamberlain claiming that Australia desired "the complete subjugation of the Boer States".

(8) For instance, Andrew Fisher, a future Prime Minister, was an opponent of the Boer War. Future Prime Ministers Hughes and Watson were supporters of it. Gregor McGregor, the Senate Leader, and George Pearce, a future Senate Leader, opposed the Boer War.

(9) Commonwealth Parliamentary Debates, Volume 7, McGregor's Speech pp. 9012-9016. Jan. 22 1902

(10) Commonwealth Parliamentary Debates, Volume 7, Watson's Speech pp. 8749-8751 Jan 14 1902

But his logic is difficult to follow, for he believed the issue of war and peace to be exclusively in the hands of the United Kingdom Government. "Peace" was a matter for Imperial statesmen. ".....It is not for me, nor for members of this House, to indicate the terms on which the war should be concluded." Watson and McGregor, in claiming the Boer War to be outside the nation's authority or the Party's interest, may be reflecting some decision of Caucus but, if so, it is not recorded in the minutes.

A resolution of the Barton Government, moved in both Houses, defending the Boer War and the conduct of Imperial forces from foreign criticism, and affirming "the readiness of Australia to give all requisite aid to the Mother Country in order to bring the present war to an end" was never debated in Caucus. (11)

Senator George Pearce was even more confused. Referring to the second part of the motion affirming the willingness of Australia to send troops, he said:-

"I enter my protest against the second part of the motion. I shall not vote against it. I shall vote for it; but I do say the time has come for us seriously to consider whether.....we should not have some voice in the management of the Empire." (12)

Watson only wanted "some indication that we are prepared to accept any settlement of the trouble which is satisfactory to the British Government." (13)

In its first test on foreign policy Caucus members were divided on the question of whether any Australian troops should be involved in a war overseas, but these divisions were exhibited in the House, not in Caucus itself, which simply and tacitly abandoned the situation to the British Government.

The limits of Australian military commitment overseas troubled the Parliamentary Labor Party right at its outset in the first Parliament. The same problem has troubled it in the First and Second World Wars, in the Malayan Emergency of 1950, in the Indonesian Confrontation question 1963-1966, and in

(11) Resolution in the House, Commonwealth Parliamentary Debates, Volume 7, p. 8739. In the Senate, Volume 7, pp. 9008-9009. Jan 14 and Jan 22 1902

(12) Pearce's speech, Commonwealth Parliamentary Debates, Volume 7, pp. 9026-9029. Jan 22 1902

(13) Commonwealth Parliamentary Debates, Volume 7, pp. 8744-51 Jan 14, 1902

the Vietnam War in 1965-67.

ATTEMPTS AT THE FIRST PLATFORM AND CAUCUS INFLUENCE IN CONFERENCE:

Notwithstanding this inability or unwillingness to make decisions on war and peace, the years 1901 and 1902 mark a high point in Caucus influence on the Labor Movement. At its meeting of May 8th, 1901, the Caucus appointed a Committee to draft "a constitution for the Party with rules of debate etc." It reported on May 20th, 1901, and it made 6 recommendations.

The first was that the Party should be named "The Commonwealth Labour Party". This name has never been officially adopted, nor used much.

The second was "that the Party should sit in each House on the cross benches".

The third was that "the Executive of the Party be elected annually, and that it consist of a Chairman, a Vice-Chairman, a Secretary, an Assistant Secretary and three members. The Secretary and Assistant Secretary to act as Whips in their respective Houses". This has never been Party procedure.

The fourth recommendation involves a claim to authority Caucus never in practice made "That members of the Federal Parliament not elected on the Labour ticket be admitted on a two-thirds vote of the Party on signing the Federal Labour Platform."

The fifth recommendation has been standard procedure for 66 years - "That current politics take precedence at all Caucus meetings of the Party". Caucus never has been a place of theoretical debate, but has devoted its time almost entirely to issues before the Parliament, to its own procedures, to its relationships with the Movement at large, and to tactics.

The sixth recommendation was that "the Commonwealth Parliamentary Fighting Labour Platform consist of the following planks, viz.

- (1) A White Australia
- (2) Adult Suffrage
- (3) Old Age Pensions
- (4) A Citizen Army
- (5) Compulsory Arbitration."

Although this report was "received" and was referred from meeting till meeting in 1901, it was never actually adopted. These five guiding points of policy were interpreted by Caucus. "A White Australia" meant a militant attitude on the repatriation of "Kanakas" - Pacific Islands labourers. On May 22nd, Caucus expressed "dissatisfaction at the vague terms in the Governor-General's speech",

and declared that they would "tolerate no half measures" on the question. On July 24th, Watson was authorized to move the adjournment of the House on the question of the employment of Lascars on mail boats. A Committee was appointed on August 7th, 1901 to study the "electoral laws of the various States" and to take the best from each. On August 14th their recommendations included "adult suffrage to all white British subjects", thus including women. In the election of 1901 the Federal Parliament had been elected on the several State franchises, which meant that women voted in South Australia and Western Australia; but not elsewhere. Old Age Pensions occupy surprisingly little of Caucus attention, possibly because New South Wales had enacted a pension scheme in 1901, drawing off some of the power in the agitation for pensions, but the Party was clearly for their enactment at the Federal level.⁽¹⁴⁾

"The Citizen Army" did not yet mean compulsory training, although Watson and W. M. Hughes advocated this in the first defence debates. Compulsory arbitration did not figure as a topic in the first Parliament. Disciplinary action of a mild kind was taken on the "White Australia" plank. At the meeting of October 2nd, 1901 George Pearce (Senator, Western Australia) moved "that Mahon (i.e. Hugh Mahon, Member for Coolgardie, and later Kalgoorlie) be requested to attend at the next meeting of Caucus and explain his action in moving an amendment on the Immigration Restriction Bill permitting employment of coloured labour in the pearling industry". This motion was withdrawn "on the understanding that the Chairman (i.e. Watson) see Mahon and inform him that the matter will be brought up at the next meeting and invite his presence". At the meeting of October 9th "Mr Mahon explained his position. Resolved that his explanation be deemed satisfactory." The Caucus had taken one other essential disciplinary action when it resolved on the motion of George Pearce and King O'Malley "That no member of the Federal Labour Party accept office in any

(14) Caucus supported a motion by King O'Malley for Old Age Pensions (Minutes June 19th, 1901). When the Deakin Ministry's Old Age Pension measure was considered by Caucus on June 3rd, 1908, Fisher, as Leader, contrived both to bind the Party to support it and, at the same time, to criticize it. He moved (seconded by W. M. Hughes) "That the Bill be accepted as an interpretation of the Old Age Pensions Plank of our platform". This was carried, and it is an instance of Caucus's early power to interpret the platform. However, Fisher then moved "That this Party, while holding strongly to the principles of Universal Old Age Pensions, without other restrictions or qualifications than age and residence, is prepared to support the Government measure on the second reading and in such details in Committee as affects the scope of the measure because it represents a considerable advance on existing legislation." This set men free to criticize its details notwithstanding the platform interpretation.

Ministry without receiving the consent of the Party, by a resolution at a duly constituted meeting". (15)

Watson and a number of members of the Parliamentary Labor Party were influential figures at the Sydney "Australian Labour Conference" in December, 1902. (16) It was clear at the outset of the Conference that the platform would be made by this and future conferences and platform making by Caucus on the lines of May, 1901 has never been repeated.

In his opening address H. Lamond, President of the New South Wales Political Labor League (Conference Chairman until Watson was elected to that office after the opening address) said Conference

"would be required to frame a platform on which Labor would stand solidly throughout the Commonwealth".

There was no shadow of dissatisfaction with the Parliamentary Labor Party. It had been

"feared the Federal Parliament would be conservative in character",
"and that the Constitution placed almost insuperable barriers in the path of reform. But the elections had brought into being the most democratic Parliament that had existed in Australia, and one in which Labor representation had been most effective." (17)

The first three resolutions of this Conference affected the selection, conduct and discipline of members of the Parliamentary Labor Party. Senator Higgs of Queensland sponsored a successful resolution -

"That subject to the acceptance of the Federal Platform and Pledge, each State shall control its selection of candidates for the Federal election". (18)

(15) Minutes 19th June, 1901, Notice previously given 12th June, 1901.

(16) So called in the "Official Report". The members of the Federal Parliamentary Labor Party present, J.C. Watson (a future Prime Minister and then Leader), W. G. Spence (A.W.U. pioneer and Labor historian and a future Minister), Frank Tudor (a future Minister and Leader 1916-22), E. R. Batchelor (a future Minister), Senator W. G. Higgs (a future Treasurer), Senator H. De Largie, Senator George Pearce (future Minister and Senate Leader), Senator McGregor (Leader in the Senate), C. C. McDonald (a future Speaker).

(17) "Opening of the Conference". Official Report of the "Australian Labor Conference, held at Sydney, N.S.W. in December, 1902, p. 3.

(18) A situation never changed since, although in New South Wales in 1931, the Federal Executive A.L.P. supported a "pro-Federal" State branch in N.S.W. in opposition to the New South Wales Labor Party (i.e. "Lang Labor"). William Guy Higgs, Senator for Queensland 1901-6. Member for Capricornia 1910-22. Treasurer 1915-16.

Conference also resolved -

"That all Labor candidates have a free hand on the fiscal question".⁽¹⁹⁾
The Conference also adopted the pledge for Federal Labor candidates,⁽²⁰⁾
Caucus members succeeded in putting on the platform

"That all industrial legislation be taken over by the Commonwealth".⁽²¹⁾
This had not been Caucus policy, but an item from the draft platform of May,
1901 in the Caucus minutes was adopted - "That the Conference approve a
Compulsory Arbitration Act, with due regard to the conditions obtaining in the
States";⁽²²⁾ and further "That lawyers be excluded from the Federal Arbitration
Court to be established".⁽²³⁾ Early ideas on assistance to industry were also
expressed in a resolution "That any bonus bill for the encouragement of the
manufacture of pig iron and steel rails be framed to ensure that bonuses be
only paid to State owned industries".⁽²⁴⁾ Another item from the Caucus pro-
jected platform of May, 1901, was the resolution "That the Conference include
the maintenance of a White Australia in the Labor Platform".⁽²⁵⁾ Another
resolution made the nationalization of monopolies a plank.⁽²⁶⁾

(19) This precedent has never been followed.

(20) The references 18, 19 and 20 are all from page 4 of the Official Report. The Pledge to be signed by all Labor candidates for the Federal Parliament read - "I hereby pledge myself not to oppose the candidate selected by the recognized political organization, and if elected to do my utmost to carry out the principles embodied in the Federal Labor Platform, and on all questions affecting that Platform to vote as a majority of the Parliamentary Party may decide at a duly constituted Caucus meeting."

(21) The mover was Frank Gwynne Tudor, Member for Yarra 1901-1922. Leader of the Labor Party (and of the Opposition) 1916-22. Minister for Trade and Customs 1908-9; 1910-13; 1914-15; 1915-16, resigning in opposition to holding the referendum on conscription. Conference Report, p.5.

(22) Mover William Guthrie Spence, Member for Darling, N.S.W. 1901-1917 and for Darwin (Tas.) 1917-19. Postmaster-General 1915-16 (Fisher Labor Ministry). Vice-President of the Executive Council 1916-17 (Hughes National Labor Ministry). Spence left the Labor Party on the conscription issue. Conference Report, p.7.

(23) Also moved by William Guthrie Spence. Conference Report, p.7

(24) Moved by Senator Hugh De Largie with Senator Higgs and Senator George Pearce playing a part in the final wording. Hugh De Largie, Senator for Western Australia 1901-23 (except for 2 months in 1914). Left the Labor Party on conscription issue November, 1916. Report, p.8.

(25) Moved by Senator Higgs. Report, p. 9.

(26) Also moved by Senator Higgs. Report, p. 8

A Caucus member, Senator George Pearce, seconded a rather strangely worded but successful motion -

"That Conference is of the opinion that Old Age Pensions should be retained as a plank in the Platform".⁽²⁷⁾

A very vital motion for the establishment of a 'Commonwealth Bank of Deposit and Issue' was moved by Senator Higgs, partly re-framed by Labor Leader (and Conference President) J. C. Watson, and oddly combined with a motion about life and fire insurance moved by Senator De Largie, so that it all finally read -

"Commonwealth Bank of Deposit and Issue and Life and Fire Insurance Department, the management of each to be free from political influence."⁽²⁸⁾

Senator Pearce also moved for the formation of an Australian Navy, and opposition to paying subsidies to the Imperial Navy⁽²⁹⁾, his motion succeeding.

Senator Higgs moved for a defensive, not an aggressive military policy and for total military expenditure to be frozen at the pre-Federation level of June 30th 1899,⁽³⁰⁾ both motions being carried, but the latter subjected to a criticism by J. C. Watson which foreshadowed his position on compulsory military training and perhaps conscription.⁽³¹⁾ Senator Pearce also succeeded in putting his Caucus motion -

"That no member of the Federal Labor Party shall accept office in the Federal Government except with the consent of a duly constituted Caucus meeting of the Party" onto the Federal Platform.⁽³²⁾

(27) The suspicion that Caucus did not do enough on this question is confirmed by Senator Pearce's defensive speech at the Conference. (Report p.9)-

"Senator Pearce, in seconding the motion, denied that the Labor Party believed that such a subject would have to remain in the background until the removal of the Braddon Blot. Mr Reid said they would have to wait for old age pensions, but it was not so. They could tax incomes, absentee landlords, and impose other direct taxation that would give sufficient revenue for the purpose. It was not as Mr Reid said "a glittering bribe". Neither the Braddon Blot nor the fiscal question would direct their attention from old age pensions."

(28) The first appearance of the Commonwealth Bank on the Federal Platform. As "National Bank" it had been on the N.S.W. Platform of 1891. King O'Malley, M.P., not a delegate at this Conference, was later to claim authorship for the plank.

(29) Report, p. 10. (30) Report, p. 10.

(31) Report, p. 10 - "The President (i.e. J. C. Watson) thought they might make a mistake if they specified the amount to be expended on defence. They wanted a declaration in their policy that the army should be one of citizens, not a standing army. Every man should understand the use of his rifle and in that connection it would be unwise to place any limit on the amount to be spent in national defence. They could express their dissatisfaction at money being spent on ornamental services instead of practical defence." Although the report does not explain

The Parliamentary Labor Party could scarcely complain of being bound by a Platform which some of its members in their capacity as Conference delegates wrote or influenced in every vital particular. Watson was a strong influence at this Conference, as he was in the Brisbane Conference of 1908. Yet the 1905 Conference, in Melbourne where the State Labor Movement had a turbulent and divided history, and where the State Executive tended to have a close and cynical view of the Federal Parliament (sitting in Melbourne), almost drove him to resignation.

If the Sydney Conference of 1902 suggests Caucus could deeply influence Conference, the Melbourne Conference of 1905 suggests Conference could strongly influence Caucus issues, even to the point of almost bringing down a Leader ultra-sensitive to his position.

WATSON'S REACTION TO THE MELBOURNE CONFERENCE DECISIONS:

objected to J. C. Watson took as personal slights criticism at the Melbourne Conference of his alliance with the Protectionist Liberals, ^{and of} the Parliamentary Labor Party's attempt to give electoral immunity to certain non-Labor candidates, and its decision that Labor Cabinets should be elected. He believed the decision concerning Cabinets to be a direct attack on his choice of his short-lived Cabinet of April-August, 1904, which had included a non-Labor man, Henry Bournes Higgins, as Attorney-General. (33) In this belief he was almost certainly wrong. The history of elected Cabinets as a platform point antedates in Labor history Watson's selection of his Cabinet in the year 1904.

Watson's contacts with non-Labor leaders with a view to political arrangements antedate the Deakin Ministry of September, 1903-April, 1904. In the Watson papers in the National Library there is a letter of the first Prime Minister, Edmund Barton. It is marked "Private" in Barton's handwriting, and is obviously a reply to a letter of Watson's:-

"I note that you are open to election as Chairman of Committees" wrote Barton. "The other candidates I hear of are Chanter of our State and Carty Salmon of Victoria. Ministers are so far unpledged, and are not likely to decide their own course until after the 24th of this month. I am bound to tell you that I have not the least idea whom we shall support for the Chair of Committees."

(31 Contd) how Watson gained his point ^{Conference put} in the plank "Citizen Military Forces and Australian owned Navy". (Report, p. 13)

(32) Report, page 10 and page 14.

(33) Member for North Melbourne, 1901-06.

The issue of arrangements with other Parties became a sharp one during and after the formation of the Watson Labor Ministry. Labor Governments have been dependent on outside support three times in the history of Australian Federation - Watson's Ministry of April 27 to August 18, 1904; Fisher's Ministry of November 13, 1908 to June 2nd, 1909; and Curtin's Ministry of October 7, 1941 to September 23, 1943. They have all had to come to terms with their outside supporters.

The election of December 16, 1903 resulted in a House of Representatives consisting of 25 Protectionists (generally supporters of Deakin); 24 Freetraders (supporters of Reid) and 25 Labor, with 1 Independent. In April, having declined to support Deakin on an arbitration issue, the Labor Party brought down the Deakin Ministry.

On April 23rd, 1904⁽³⁴⁾ Watson

"explained the present position and informed the Party that he expected to be sent for today by the Governor-General to form an administration".

Anderson Dawson and Senator Gregor McGregor then successfully moved

"That the Leader be authorized to form an administration".

This meeting adjourned from 11.20 a.m. till 3 in the afternoon, when Watson reported he had accepted the Governor-General's commission. There was sentiment still in Caucus, for a new arrangement with Deakin, for Senator Higgs and J. M. Fowler⁽³⁵⁾ failed to persuade Caucus

"That Mr Watson approach Mr Deakin with a view to the formation of a Ministry in which there must be at least four paid Labor Ministers".
Instead Caucus carried (unanimously):

"That the Chairman have a free hand in the formation of his Ministry".

Caucus seems to have had difficulty in deciding on how to handle a Ministry which included a non-Labor man. It adopted the curious expedient of deciding upon electing an Executive (which was not the Cabinet) "to assist the Leaders in both Houses", and then never elected the Executive. Notice of motion was given on April 26

"That the relation of Cabinet to Caucus be discussed"
and on the 27th April, 1904, the Minutes record

"That a long discussion took place on the relation of Cabinet to Caucus
but no resolution was decided on".

(34) Minutes of that date are quoted

(35) James Mackinnon Fowler, member for Perth 1901-1922.

So long as Henry Bournes Higgins was in the Cabinet an alliance with outside forces existed in principle. (36) The opposition to this principle was spearheaded by Charles Edward Frazer (37) who also was to be the spearhead of the demand for elective ministries in Caucus and in Conference. Frazer was to prove to be a thorn in Watson's side and there is good reason to believe that he was the man envisaged as "the rawest recruit" in the passage of Watson's tentative resignation from the leadership in July, 1905. (38) The first clash is suggested in the minutes of May 17th, 1904. Watson (for the first time called Prime Minister) "indicated the Government programme which he would lay before the House tomorrow, and also the question of a Coalition being formed".

Caucus apparently exploded with intending speakers so the two subjects were separated with every speaker limited to 5 minutes on the Programme and 5 minutes on the Coalition issue.

Frazer succeeded in blocking any coalition with a motion, carried by 21 votes to 8,

"That this Party considers it is due to its position in Parliament and its standing with the electors of the Commonwealth that its policy should be announced to the country untrammelled by any coalition."

This was a grand gesture, but there was also the point that it might be considered driving away support. To meet this Caucus prudently resolved:

"That this Party will welcome the support of those members outside its ranks who elect to assist the present Ministry, (39) or in the event of the Government being defeated, support the Party when in Opposition."

There is an element of contradiction in these two resolutions. Inducements to gain support would take on the character of an alliance, if not a coalition, and Watson moved towards alliance in lieu of the coalition he seems to have envisaged at first. The minutes of the 25th May, 1904 indicate the extent to which Watson had to consider the attitudes of the Labor Movement outside.

(36) According to Alfred Deakin's biographer, Professor J. A. La Nauze, Deakin consented to Higgins's entry into the Watson Cabinet.

(37) Charles Edward Frazer, Member for Kalgoorlie 1903-1913. Postmaster-General 1911-13. Elected at the age of 23 he died in Ministerial office, suddenly, at the age of 33.

(38) Referring to Caucus election of Ministries Watson wrote - "The Leader is usually supposed to have....the most matured judgment amongst members of the Party". Yet Caucus election of Ministries would give him "no greater voice in the selection of his colleagues than the rawest recruit in the Party". Frazer was the youngest and newest member and was fighting every aspect of Watson's alliance policy and Cabinet selection policy.

(39) i.e. the Watson Ministry.

Consistent with the decision "welcoming support" Caucus accepted a resolution that "Mr Poynton ⁽⁴⁰⁾ be admitted to the Party subject to the approval of the United Labor Party of South Australia". He had already been admitted to the Port Pirie branch of the Labor Party. On the same date, May 25, a motion that State Executives of the Labor Party be written to concerning immunity for non-Labor members of Parliament who would "give unqualified support to the Government and the measures brought forward" was discussed, but never resolved. On May 26th Caucus carried by 24 votes to 8 a resolution adjourned from the previous day that Watson "be empowered to negotiate towards an alliance". ⁽⁴¹⁾ On that date Watson wrote to Deakin in conformity with the resolution, ⁽⁴²⁾

"I have been empowered by the Labor Party, at a meeting held today, to enter into negotiations with you in reference to arranging an alliance by which the Liberal and Labor Parties may be consolidated, sufficiently at least, to ensure a programme of progressive legislation being put through Parliament in the immediate future. Our Party recognizes the desirability of securing settled administration if it can be obtained without sacrifice of principle upon the part of those concerned. Having this in view I would suggest the following as a basis:-

- (1) No definite arrangement to be arrived at until after the projected attack on the Government has been disposed of, preferably, after a vote has been taken on the inclusion of public servants in the Arbitration Bill.
- (2) In the event of an alliance being arranged representation in the Cabinet to be accorded to your Party on a numerical basis, the Labor Party stipulating for a negative voice as to the individuals to be included.
- (3) Ministers and supporters to accept the programme for this session announced by the Government."

The letter went on to suggest that details of the next session's programme should be submitted "to the joint party" with "the right of either section of

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- (40) Alexander Poynton, Member for South Australia 1901-3. Member for Grey 1903-22. Treasurer 1916-17. Minister for Home and Territories 1920-21. Postmaster-General 1921-23.
- (41) The dissenting 8 included Charles Frazer. The minutes of 26th May give the complete division list.
- (42) Letter in the minutes of June 1st, 1904.

joint party to withdraw" if agreement should prove impossible. The letter also suggested that

"All questions relating to programme and conduct of affairs by Ministry" should "go before joint party".

The final section of the letter was from Watson's point of view the least justifiable, in the sense that he could not effect what he proposed:-

"Members of joint party to be supported at elections, after the manner usual in all parties, during the continuance of the alliance."

In this letter Caucus was virtually claiming the right to endorse non-Labor candidates so that they would receive Labor support, and to refuse to endorse Labor candidates who might seek to contest seats held by Liberal allies. Apart from this presumption, ~~also~~ the letter is tactically weak. Caucus could hardly expect the Liberals to believe Caucus could grant electoral immunity. There were active and vocal State Executives which would not hesitate to make statements to the contrary. The minority Labor Government was over-anxious to continue in office when clearly not in power.

The Liberal reaction was a masterpiece of brevity, contrasting with Watson's wordy letter (43).

"At a meeting of the Liberal Party today it was resolved that present circumstances do not render advisable either of the proposed alliances or coalitions."

At the meetings of June 5th and June 15th, 1904, State Executive (44) reactions began to come in and they showed the limitations of the Parliamentary Labor Party's position. Caucus might be vested with powers of interpreting the platform, but not with power to manage electoral endorsements.

On June 5th Watson reported "that the P.L.C. of Victoria had refused to endorse the action taken by the Executive of that body when representatives of the Ministry waited on them." That is they had apparently refused to grant electoral immunity to Liberals. Watson was "authorized to communicate to any probable allies the position taken by the Political Labor Council of Victoria." On June 15th the Central Political Executive of Queensland was reported to Caucus as "stating that they refused to be bound by any action of the Party giving to members who support the Government support at the elections".

(43) Incorporated in the minutes of June 1st, 1904

(44) "State Executive" is a later term used for convenience to connote the governing body of the Labor Party in a State. The actual term for Victoria was "Political Labor Council (P.L.C.) of Victoria".

In principle the same opposition was expressed by the Political Labor League of New South Wales protesting against the action of the member for Melbourne (Dr Maloney) "in visiting New South Wales and speaking for other than pledged Labor candidates". (45)

Caucus set out to initiate the endorsement of a non-Labor candidate in a different way on August 10, 1904. The procedure is a tacit admission of its inability actually to effect endorsement.

It carried a resolution reading

- (1) That Mr James Wilkinson (46) be invited to join the Party.
- (2) That in event of Mr Wilkinson expressing his willingness to sign the Platform and join the Party the Secretary write to the Queensland Political Executive with a view to getting the approval of the political Labor organizations in Moreton electorate to Mr Wilkinson's admission to the Party.
- (3) That on such approval being obtained Mr Wilkinson be admitted to the Party.

On August 17, 1904, Caucus considered the terms of an alliance with the Liberals after defeating by 24 votes to 6 a resolution "That the proposed alliance be not entertained". An alliance was endorsed. (47) A large part of September 7th minutes is occupied with protests against this alliance. Apart from local branches the Central Executive of the Political Labor Council of Victoria forwarded a resolution that it in no way endorsed "the alliance of the Federal Labor Party with the Liberal Protectionists and will not promise to withhold opposition from any candidate not pledged to the Federal Platform of the Political Labor Council in Victoria".

On September 15 and September 21 Charles Frazer made an unsuccessful last ditch fight against the alliance by proposing

"That in the matter of the alliance with the Protectionist Liberals Mr Watson not to have permission to sign on behalf of the Party, but those favourable to the alliance to sign the agreement individually."

His resolution received only 3 votes, including Senator Pearce, a Minister.

The opposition in key states of Queensland, New South Wales and Victoria meant inevitably that the battle on political alliances and the attempted granting of electoral immunity would be transferred to the Australian Labor

(45) Minutes July 28 and August 3, 1904. William Robert Nuttall Maloney, Member for Melbourne 1904-1940.

(46) James Wilkinson, Member for Moreton (Q) 1901-6. (47) See Appendix

Conference at Melbourne in 1905. When this occurred Watson was regarded as the victim of the "outside" Labor Movement's tendency to interfere in affairs of the Parliamentary Labor Party, and he certainly regarded himself in that light. It is also possible to regard Watson as having attempted to impose on the Labor Movement a limited vision of its destiny in assuming it would need allies. Within six years it had a majority in both Houses. It is further possible to regard him as attempting to interfere with "the outside movement" in that his proposals usurped their right to endorse candidates and their right to select seats for opposition by Labor candidates to non-Labor candidates.

So long as Watson led the Labor Party the Deakinite Liberals had the prospect of Government with Labor support and independent of the Conservatives⁽⁴⁸⁾ under George Reid and Joseph Cook. When Watson ceased to lead the Labor Party the Deakinites, or most of them, moved towards the Fusion of 1909. The processes were also set in motion which established a Labor Government with a majority in both Houses in 1910.

Watson obviously wanted the Caucus of the Parliamentary Labor Party to have exclusive power to determine the policy and tactics of the Party in the Parliament, and he regarded this properly exclusive power of the Parliamentary Party to have been unjustifiably diminished by what he called "the Interstate Conference" of 1905.⁽⁴⁹⁾

Watson submitted a tentative resignation from the leadership of the Party on July 27th, 1905⁽⁵⁰⁾ and asked to be relieved of leadership on the ground of health on August 2nd.

His letter of resignation is a criticism of two decisions of the Federal Labor Conference of 1905. The first of these decisions was

"That the Federal Parliamentary Labor Party should not enter into any alliance that would extend beyond the then existing Parliament, nor grant nor promise immunity from opposition at election time."

The second was

"That this Conference recommends, in the event of the Labor Party obtaining the ministerial benches, that the Labor Ministry be recommended by the Party in Caucus."

(48) "Free Traders" and "Anti-Socialists" are alternative titles.

(49) The Commonwealth Political Labor Conference of 1905.

(50) Referred to in the minutes "The Chairman made a lengthy statement" after the Ballarat League had written announcing "Their intention to oppose Mr Deakin at the next election". July 27, 1905

Watson interpreted both decisions as censures on himself. Referring to the first decision he wrote -

"This resolution, as I have indicated earlier, practically amounts to a censure upon the Party in the Parliament, as we entered into an alliance for this Parliament and the next and promised to do everything possible to secure immunity from Labor opposition for our allies at the ensuing elections. If it is granted that alliances are sometimes justifiable how ridiculous it would be in a Parliament that stood for months on the brink of dissolution to propose an alliance for that Parliament only. Further what other Party would ally itself with us if, at the ensuing election, it had not only to fight the common enemy but also run the risk of being shot at from behind by one of our candidates. To ask any other Party to enter upon this kind of alliance would be to insult its intelligence, and it is therefore farcical to talk of permitting alliances under the conditions named."⁽⁵¹⁾

Watson never seems to have faced the facts that granting non-Labor candidates immunity from electoral opposition would mean that the branches of the Labor Party in the constituency would lose their right to select a candidate and their members the right to be candidates. An alliance beyond one Parliament would mean also that Watson and the Parliamentary Party had abandoned the expectation of a majority in their own right. Watson derides the concession in the implied affirmation by Conference of the right to form an alliance for the duration of one Parliament, but it was an acknowledgment of the legitimate sphere of Caucus authority in the eyes of the Melbourne Conference. It acknowledged by implication that an alliance within one Parliament could be a defensible Parliamentary tactic. Electoral immunity and an alliance beyond one Parliament are not Parliamentary tactics at all. They are a commitment of the whole Labor Movement to a minority role. The Conference was prepared to acknowledge that once an election was over, if the Parliamentary Labor Party were not strong enough to govern independently, it could make alliances or arrangements to get the best legislation it could through the assistance of others. This was consistent with the Labor doctrine promulgated in New South Wales in the nineties - "support for measures, not men", the role of a Labor minority. Watson was proposing support for men, and by renouncing the efforts to win seats he was despairing of the electorate in advance of its decision.

Watson was not deterred by the Melbourne Conference decision nor by the stir at the time of his threatened resignation in July-August, 1905 from leading

(51) The Watson Papers. The Australian National Library

Caucus to tell the State Executives they were wrong in their attitude. The third and last session of the second Parliament commenced on June 7th, 1906 and the elections of December 12th, 1906 were looming. At the first Caucus meeting for the last session, June 6th and 7th, 1906, after a seven months recess in which there were no Caucus meetings, Watson

"explained that during the recess he had attended the New South Wales and Victorian Labor Conferences and had explained that the Labor Ministry and Party had agreed that they would do their utmost to prevent members from being opposed if they supported the Labor Ministry. Higgs moved and Hughes seconded

- (1) That we bring under the notice of the Political Labor Executives the fact that the Federal Parliamentary Labor Party promised to do all in their power to secure for certain members of the Federal Parliament immunity from Labor opposition at the ensuing elections.
- (2) That the promise was given because the said members helped to defeat the avowed enemy of Labor, Mr G. H. Reid.
- (3) That this Party approves and endorses the action of Mr Watson in regard to his promises to such members of a conditional immunity from opposition at the forthcoming elections."

It was decided to hand these resolutions to the press. On June 20, 1906, Caucus, by resolution, let it be known to the press those to whom immunity was promised. The minutes list Isaacs, Crouch, Higgins, Mauger, Cook (of Victoria), Groom (of Queensland), Lyne, Chanter, Storrer, Kingston and Bonython.*

Watson appears to have regarded the decision of the Melbourne Conference of 1905 on Caucus election (or "recommendation") of Ministers in the event of the

* Isaac Alfred Isaacs, Member for Indi, Victoria, 1901-6. Later Chief Justice.
Richard Armstrong Crouch, Member for Corio 1901-1910, and for Corangamite, Victoria, 1929-31 (in the later period as a Labor member).
Henry Bournes Higgins, North Melbourne, 1901-6, Attorney-General in the Watson Government.
Samuel Mauger, Member for Melbourne Ports 1901-6 and for Maribyrnong 1906-10.
James Newton Haxton Hume Cook, Member for Bourke 1901-10.
Littleton Ernest Groom, Member for Darling Downs 1901-29, 1931-36.
William Lyne, Member for Hume 1901-13.
John Moore Chanter, Riverina 1901-3, 1904-13, 1914-22.
David Storrer, Bass, Tasmania 1903-1910.
Charles Cameron Kingston, South Australia 1901-3, Adelaide 1903-08.
John Langdon Bonython, South Australia 1901-3, Barker 1903-6.

formation of a Labor Government as a censure on his Cabinet selections of 1904, which had, of course, included a non-labor man as Attorney-General. (52)

In a passage which seems to include a scarcely veiled personal rebuke of the Member for Kalgoorlie, Charles Frazer, and derision of Frazer's youth and inexperience, and anger at Frazer's action in proposing the Caucus election of Ministries at the 1905 Conference, Watson wrote of the election of Ministry resolution "to which I take exception" -

"This at least implies a censure upon myself in regard to the selection of the Federal Labor Ministry, and it was particularly hard to find it supported by several delegates who are members of the Federal Labor Party.

Concerning my selection of colleagues on the recent occasion, I desire to say only that, so far as I have been since informed, it was one that would have received the endorsement of the great majority of the Party if it had been submitted to members. Be that as it may, I chose men who would, in my judgment, do most credit to our movement, though I admit there were others with nearly equal claims. But leaving aside the personnel of the last Labor Government, I most decidedly could not continue to lead the Party and be bound by such a condition as that contained in the resolution! Watson set out to vindicate the superior judgment of the Leader of the Party by explaining the disadvantages of Caucus election of Ministries thus -

"it would.....bind the next Labor Prime Minister to accept at the hands of the Caucus any colleagues it may choose for him. The Leader is usually supposed to have, or should have, the most matured judgment amongst members of the Party; yet according to the Conference decision he is to be given no greater voice in the selection of his colleagues than the rawest recruit in the Party."

Charles Frazer had moved the resolution for Caucus selection of Cabinet at the Conference. He had been elected member for Kalgoorlie in December, 1903, at the age of 23. He had repeatedly pitted his judgment against Watson's, as noted above, on the subject of alliances. The Watson-Frazer conflict on the subject of Caucus election of Ministries began earlier than the Conference of 1905 which almost precipitated Watson's resignation in July-August, 1905, and it was to continue (after Watson had actually resigned the leadership) on the occasion of the formation of the first Fisher Ministry in November, 1908.

(52) Henry Bourne Higgins

The motion at the Conference in Melbourne in July, 1905 was not the first time Watson had been confronted with this proposition from Charles Frazer. On October 5, 1904, the minutes show this -

"Charles Frazer gave notice of motion 'That in the opinion of this Party, in order to promote peace and general satisfaction within, it is desirable in the formation of any future Cabinet that the members of such be chosen by exhaustive vote of the members of this Party!'"

The matter was apparently ignored at meetings on October 12th, 19th, 20th and 26th, and on November 2nd, when it was raised again, it was postponed. It seems then to have been shelved, but it was the beginning of Frazer's campaign and it ended with his success in November, 1908.

At the meeting of October 21st, 1908, C. E. Frazer gave notice of motion "re the position of the Party and the Ministry" (i.e. the Deakin Ministry existing on Labor support). This resolution initiated the events which overturned the Deakin Ministry, support for which had been Watson's continual policy. At the meeting of November 4, 1908, the grounds of dissatisfaction with the Deakin Government were enumerated -

"That in view of the attitude of the Government in relation to New Protection, Old Age Pensions, Immigration Restriction Act, Finance and other matters, the relations existing between the Party and the Government should not continue."

Fisher ruled that this resolution, if carried, would be binding. It was carried by 19 votes to 7 "and 6 pairs on each side". On November 10 the method of disposing of the Government was decided. If Deakin moved a resolution beginning with "That" all words after "That" should be omitted! The Deakin Government accordingly fell. On November 12 Fisher reported to Caucus "that the Governor-General had sent for him and asked him to form an administration".

The minutes then proceed to reveal Watson's defiance of the Conference decisions on elected Ministries. Tactically he tried to make his resolution a vote of confidence in the Leader, consistent with his own argument that the Conference decision of 1905 was a vote of no-confidence in him. (53)

- "Watson moved and Needham (54) seconded "That the Party, having every confidence in its leader, leaves the selection of his colleagues in his hands."

(53) The Conference decision of 1905 was re-inforced with another at the Brisbane Conference of 1908.

(54) Edward Needham, Senator for W.A. 1907-20, 1923-29.

The Minutes then proceed -

"Senator Findley⁽⁵⁵⁾ moved, Frazer seconded as an amendment, "That we give effect to the resolution carried at the interstate Conference at Melbourne that future Labor ministers be recommended by the Parliamentary Party in Caucus." Amendment carried 24 to 17. The Executive's report on the question of procedure was read by Mr Fisher and adopted."

This Executive Report does not survive but it appears that Fisher and the Executive were prepared for the contingency of an election. The Conferences of 1905 and 1908 had required such an election.

The minutes show Watson fought to salvage something for his point of view -
The minutes proceed -

"Agreed that Mr Fisher be recommended without ballot."

Mr O'Malley moved "That Senator McGregor be recommended without ballot".
Carried.

Mr Watson moved and Senator Givens seconded "That the recommendations be made by open ballot".

This proposal appears to have been an attempt to continue the kind of procedure which had put Fisher and McGregor in the Cabinet without elections, and avoid elections involving using a ballot paper. It was defeated.

The minutes show Watson acted again -

"Mr Watson moved and Senator (sic) seconded "That candidates be nominated"! Was Watson, scarcely able to nominate himself because of his earlier resignation on the ground of ill-health, hopeful someone would nominate him? Was he attempting to deprive members of the right to nominate themselves so that "raw recruits" might be excluded? Whatever the explanation, the motion was lost.

There was some desire to conceal the fact of election of the Fisher Cabinet because at the next meeting, November 17, 1908, a resolution was carried -

"That the fact that Ministers were recommended by the Party need no longer be denied. Carried"

The origin of the Caucus election of Ministries is worth examination. H. S. Broadhead in an article "J. C. Watson and the Caucus Crisis of 1905"⁽⁵⁶⁾ speculates that it was possibly because Frazer may have been "a disappointed office seeker in April 1904" that he had moved the resolution at the Melbourne Conference. There are more likely explanations than that. Frazer was a

(55) Edward Findley, Senator for Victoria 1904-14, 1914-17, 1923-29, Minister without Portfolio 1910-13.

(56) Australian Journal of Politics and History, May 1962, pp. 93-97

dynamic young man. In frontier Kalgoorlie in goldrush days, at the age of 20, he had been elected President of the Boulder Engine Drivers' Association, and President of the Boulder Branch of the A.N.A., a spearhead of the federation movement. In 1901, at age of 21, he became Secretary of the Goldfields Trades and Labor Council (then the most influential Labor position in W.A.), and a member of Kalgoorlie Municipal Council. He can hardly expect to have walked into a Cabinet after only 5 months in Parliament, this career notwithstanding. The proposal for an elective Ministry had been advocated in Kalgoorlie, his electorate, and what is more by his union at least as early as 1902. David Symes's ex-employee on the Melbourne "Age", Edward Irving M.A. (Oxon)⁽⁵⁷⁾ went from the Melbourne "Age" to edit "The Kalgoorlie Miner", then a very influential paper on the Goldfields. He advocated Swiss democracy - the initiative, the referendum, the recall and elective ministries - to a readership overwhelmingly masculine, isolated, passionately pro-federation⁽⁵⁸⁾ as a community largely migrant from the Eastern States, and given to newspaper reading. The advocacy of the referendum appeared to be vindicated by the overwhelming goldfields vote (See note 58) after the Government in Perth had evaded the issue of a referendum as long as it could.⁽⁵⁹⁾

In 1902, before Frazer was even in the Parliament, his union submitted to the Fourth Trades and Labor Congress at Fremantle -

"That the time has come when the Ministry should be an elective one."⁽⁶⁰⁾

The same Congress, overwhelmingly representative of the goldfields, adopted as a plank

"Constitutional Reform; Abolition of the Legislative Council; election of State Governors; elective ministries; initiative and referendum".⁽⁶¹⁾

The presupposition that elective ministries in the Swiss sense came from Syme's ideas through Irving appears strong, but of course the goldfields' population

(57) A son of Martin Henry Irving, Professor of Classics and English in the University of Melbourne. Edward Irving had himself been a lecturer in classics and English at Melbourne. A letter from S.J.F. Hocking, the present editor of the "Kalgoorlie Miner", confirms Irving wrote the 1900 and 1901 editorials.

(58) The Goldfields Electorates voted for federation 26,330 to 1,813.

(59) Women were given the vote in W.A. for this referendum in the hope of offsetting the goldfields masculine vote. See the editorial "The Kalgoorlie Miner" July 17, 1900. "Women's suffrage was passed through Perth Parliament by men, most of whom were admittedly opposed to the reform; many of them did not hesitate to acknowledge that they supported it only because it would counter-balance the goldfields vote."

(60) Report The Fourth Trades and Labor Congress, W.A. p. 2

(61) Report

came from all over Australia and ^{was} were influenced in other places.

Symes's book "Representative Government in England" published in 1881 had influenced discussion at the Constitutional Convention debates in 1891 and 1897. The New South Wales Labor Party Platform for 1897 advocated

"A one-chambered Parliament elected on the basis of one adult one vote, headed by elective Ministries, and controlled by the initiative and referendum."

New South Wales and Tasmanian Labor candidates for Convention delegacy had sought election to the Constitutional Conventions on a platform which included the items

"Introduction of a system of non-party government by the election of ministers."

"Direct initiation of legislation by the people, and the Referendum."

Frazer was an opponent of "entangling alliances" and he could scarcely continue to be an advocate of elective ministries in the Swiss sense. They meant all-Party cabinets. The Goldfields Trades and Labor Council, whose Secretary Frazer had been, and whose delegate to the Conference in Melbourne on July 8, 1905, he was, put onto the Agenda

"That this Council recommends in event of the Labor Party obtaining the Ministerial benches, the Labor Ministry shall be elected by the Party in Caucus, and urges Congress (sic) to seriously consider this question."

The Goldfields Trades and Labor Council was being represented in the W.A. State Congress the same day as the Melbourne Conference - hence the erroneous use of the word "Congress" in the resolution, perhaps. The position of Frazer seems to have been one taken up under influences of his local Goldfields background, the organizations with which he was associated, and his convictions, not personal pique. (62)

The minutes of the meeting of November 12, 1908 do not record Fisher's.

(62) The Fourth Commonwealth Political Labor Conference, Brisbane, July 1908, considered a resolution "That elective Ministries be a plank in the Platform." Mr Ben Watkins, M.H.A., in opposing the proposal, is reported as saying "it would be at least peculiar to find their leader, Mr Fisher, in the company of, say, Mr George Reid and Mr W. H. Irvine. Elective Ministries seems to him to strike a blow at the root of Labor policy by bringing about mixtures and alliances in the Parliament. Labor was against alliances or entanglements which tended to wreck or endanger the great principles on which the Movement had grown." The proposition was rejected, and rejected again at the January, 1912 Conference in Hobart. The origin of Caucus election of Labor Ministries seems to have been the combining of the Swiss idea of elective Ministries with an opposition to "Alliances" - an all party Ministry would be an alliance, but the idea of election (by the one Party-Labor-of its own Cabinet) survived from the Swiss plan.

attitude on Caucus election of his Labor Ministry, but the Report of the Third Commonwealth Political Labor Conference at Melbourne in July, 1905, shows that he differed from Watson on alliances, and this may well be because of his Queensland background. Watson, in retrospect, regarded the 1905 Conference decision on alliances as a censure on himself, but he is not reported as having adopted this attitude at the Conference itself. "The Question of Alliances" occupies pages 19 and 20 of the Conference Report, and reveals that Watson was opposed by Parliamentary colleagues in speeches. Senator George Pearce of Western Australia actually added a section prohibiting the granting of "immunity from opposition at election time" to the resolution on alliances which jarred Watson.

Senator Turley of Queensland⁽⁶³⁾ contended that "alliances had done no good to the Labor Party" and that "the men who came in with the Labor Party did so to get in out of the wet". Turley foreshadowed an amendment which is not reported. Fisher referred to this unreported amendment and indicated that he (Fisher)

"was against alliances, generally speaking, but the only fault he had to find with the Isaacs alliance was that it endeavoured to carry them beyond the then Parliament".⁽⁶⁴⁾

Charles Frazer followed Watson himself in the Conference debate and his comment must have been a little galling to Watson -

"Although they had come out of the initial alliance without disaster, still the proposition before them was in the right direction".⁽⁶⁵⁾

Watson held the tactic of alliances to be essential and the past alliance to have been justified. He suggested that the alternative would be a fusion of the non-Labor forces, and apparently believed this would mean the permanent exclusion of Labor from power. He

"said that the view he took was that organizations outside laid down the policy on which the Party was to work and decided what the platform was to be. They arranged the pledge for each candidate to take before he submitted himself for election. But once the man was in Parliament they had to trust to his judgment to carry out their work. The alliance at any rate prevented a fusion of the two other parties who could thus have presented a solid phalanx to Labor."⁽⁶⁶⁾

(63) Henry Turley, Senator for Queensland, 1904-1914, 1914-1917
(64) The Third Political Labor Conference, Melbourne, July, 1905. Report p.20
(65) Report p.19
(66) Report p.19

At the 1908 Conference in July in Brisbane Watson surrendered on the issue of Alliances after an oblique reference to Victorian closed minds - "no argument could convince the Victorian delegate". He is reported as saying⁽⁶⁷⁾

"He knew that the feeling was against Alliances and that must be respected. There was no desire on his part to have the Labor Party join with any other Party."

The Caucus election of Ministries was again debated at the Brisbane Conference in July, 1908⁽⁶⁸⁾ but Watson said nothing. It has already been noted that subsequently on November 12th Watson moved in Caucus for the selection of Cabinet by Fisher. Watson fought hard at Conferences in 1902, 1905, and 1908 to frame the Platform in vital questions of defence and banking and to render the Parliamentary Party as independent of the Movement as possible.

The original decision for Caucus election of Ministries at the Melbourne Conference of 1905 threatened Watson's strategy of alliance with the Protectionist Liberals and the questions of the alliance and the election of Ministries are interrelated because Labor's decision brought severe criticism on Deakin from the Conservative press. Deakin had already called the Labor Party's structure "a conscienceless machine" and the Melbourne "Argus" commented

"The only change in the 'conscienceless machine', which is so odious to Mr Deakin, is that its power has been considerably extended by the Conference. It still commences its operations with an irresponsible clique in the constituencies. It goes on, as before, through secret State Conferences to a secret Federal Conference, and it acts through a secret Caucus in Parliament, which decides beforehand how members are to vote. The only response to the Prime Minister's⁽⁶⁹⁾ appeals to liberalize itself is that it has added a new function, in which Parliamentary and constitutional usage are completely set aside. In the event of the Labor Party taking office, the Caucus will for the future select the members of the Cabinet. The Caucus will in fact become the Jacobin Club of Australian politics, superseding the House of Representatives as a power, and holding the whole country in its grip."⁽⁷⁰⁾

The same article derided Deakin's subordinate role vis-a-vis the "conscienceless machine" which would not risk disunion within itself to secure that

(67) Report of the Fourth Political Labor Conference, Brisbane, July, 1908 p.27

(68) Report pp. 31-32

(69) i.e. Alfred Deakin

(70) The Argus, Thursday, July 13, 1905. Leading article.

control of Parliament it already possessed, and Deakin would be compelled "to subscribe to many things that under other circumstances he would have strongly opposed". This charge of "Jacobinism" apparently explains the Parliamentary Labor Party's reluctance to admit Caucus election of Cabinet in 1908.

The alternative form of election of Cabinet, the Swiss elective Ministry, was defeated in the 1908 Conference and finally killed in the 1912 Conference. There is an oblique reference to the continuous intellectual thread from Syme's advocacy of the elective Ministry in his book "Representative Government in England"⁽⁷¹⁾ through the columns of the Melbourne "Age".

In the 1908 Conference a Tasmanian delegate, F. J. Foster⁽⁷²⁾, expressed the optimism that exclusive power was within reach of the Labor Party.

"When he saw newspapers like the "Age" - deadly opposed to Labor- warmly advocating this scheme, just when Labor was on the brink of power, he wondered why this enthusiasm was being manifested.....Given a Labor Ministry people should get effective Labor administration."

Elective Ministries, on the other hand, would give "piebald legislation and piebald administration". To a Western Australian delegate, Senator Lynch⁽⁷³⁾, who said that the system had given ^{Switzerland} satisfaction for 25 years, Andrew Fisher interjected "It is only fair to say, however, that they have not responsible government there."⁽⁷⁴⁾

At the Fifth Commonwealth Conference of the Australian Labor Party held at Hobart in January, 1912, it was proposed that elective ministries be made a plank of the fighting platform.

The delegate who had proposed the inclusion of the plank in 1908, Senator Givens⁽⁷⁵⁾, speaking after 20 months experience of the Fisher Labor Government formed in April, 1910, said that he now "reckoned that it would be impossible to adopt in Parliament the principle of elective ministries."

Senator Gregor McGregor, Vice-President of the Executive Council in the Fisher Government, said that

"as far as the Labor Party was concerned, it practically carried out the principle of elective ministers, whereas, if the election were left to

(71) See especially p.214

(72) Francis James Foster, Member for New England, N.S.W., 1906-1913. He represented Tasmania despite being from N.S.W.

(73) Patrick Joseph Lynch, Senator for W.A. 1907-1914, 1914-1938. Minister for Works and Railways 1916-1917. President of the Senate 1932-1938.

(74) Report of the Commonwealth Labor Conference, Brisbane 1908, p.21-22.

"Elective Ministries" had been put on the platform of Fisher's State Party (Queensland) in 1907. The 1908 motion came from Q'ld for the federal platform.

(75) Thomas Givens, Senator for Q'ld. 1904-1914, 1914-1928. President of the Senate 1913-1914, 1914-1926.

Parliament, it would enable tricky people not interested in the Labor Movement to step in and defeat the object the Labor Party had in view."⁽⁷⁶⁾

The proposal was again defeated and the issue of elective ministries in the Swiss sense died in the Labor Movement. Much of the debate at conferences on the issue had been carried on by members of the Parliamentary Labor Party. By the time the Labor Party had won a majority in both Houses in April, 1910, the need to appease an allied Party had disappeared, the Deakinite Liberals were in fusion with Labor's opponents, and Watson had left the Parliament.

Watson had a great respect for Constitutional niceties in the Parliament and in the Party, and he probably did think of Caucus election of ministries as a blow at Parliamentary traditions. Watson's views on compulsory military training and conscription will be discussed elsewhere, but it is worth noting here that even after he had left Parliament he was opposed by the Labor machine. Just as he had fought with Constitutional arguments "the machine's" desire for exclusive power for Labor, its desire for the right to endorse candidates and not to be bound by alliances and offers of electoral immunity, so he fought with Constitutional arguments the aim of the Paddington Branch of the Party to expel him on conscription in November, 1916. He wrote:-

"As to my attitude on conscription, I may say at once that I cannot recognize the right of the Paddington League to expel me for advocating "Yes" at the Referendum. I have not broken any pledge in taking the action objected to, nor have I contravened any portion of the Labor Platform or rules of the ^{Paddington} ~~Parliamentary~~ Labor League. The last State Conference certainly carried a resolution opposing conscription, but that only amounted to an expression of opinion on the part of its members, and was in no way binding on members of the organization generally. Before any such resolution could have any binding effect it should have been (1) submitted to the Leagues and affiliated unions for an expression of opinion, and (2) endorsed by an Inter-State Conference. As the resolution was never submitted to the Leagues and unions and as no Inter-State Conference has dealt with it, I contend that each member of the Labor Movement was free to take an independent course at the citizen's referendum."⁽⁷⁷⁾

Watson's position was in effect that of his erstwhile colleagues in the

(76) Report Fifth Commonwealth Conference of the Australian Labor Party, Hobart, January, 1912, p.40

(77) Letter to J. J. O'Hara, Honorary Secretary, Paddington Political Labor League, November 13, 1916. In the Watson Papers, The National Library.

Parliamentary Labor Party, which had authorized the referendum, but was again not that of the Movement at large. It is fair to add that if he awaited a "binding decision" from an "interstate conference" on Conscription in November, 1916, in November, 1908 he had ignored such a decision when he had attempted to force Fisher from a Caucus election of the Ministry. (78)

Watson died on November 18, 1941, and enjoys the distinction of being the only expelled member of the Labor Party to be the subject of a condolence motion by Caucus, John Curtin referring to his services to the Labor Party with appreciation. (79)

By the end of Watson's career in Parliament (April, 1910), Caucus had evolved into a force for independent action in the Parliament, had established a smooth relationship with the outside machine, and had for the next six years the right to interpret the Federal Platform. Its harmonious relations of 1910-1915 with the outside Movement were to be shattered by the conscription issue. Fisher and Pearce attended the Imperial Conference of 1911 which foreshadowed the war of 1914-1918, but no instructions were sought from Caucus or suggested by Caucus to its Prime Minister and Minister for Defence as to the attitude they should take on issues of external affairs. These were still, in Watson's phrase of the Boer War period, matters that "concern Imperial Statesmen". Sir Edward Grey, the British Foreign Secretary, would have agreed. He informed the Dominion Prime Ministers that they would be consulted on international affairs "when time and place and subject matter permitted". Caucus down to 1916 seems never to have challenged such a concept of the position of the Dominions. It was not an instrument for external policy.

In matters of social reform Caucus was astonishingly inactive on the question of Old Age Pensions, which might have been expected to be a matter of keen interest. New South Wales had passed an Act (No. 74 of 1900) which came into force on January 1st, 1901, pensions commencing on July 1st, 1901. The Act at Section 11 allowed a pension of £19.10.0. a year each for a husband and wife or £26.0.0. a year for qualified single persons, with means tests. There were also tests of character, sobriety and freedom from criminal

(78) Minutes, November 12, 1908.

(79) Curtin was then Prime Minister and moved at the meeting of Caucus, November 19, 1941, "That this Party expresses its deep regret at the death of the Hon. J. C. Watson, its first Leader and the first Prime Minister and also records its appreciation of his distinguished services to Labor and to Australia and tenders its profound sympathy to his bereaved family."

conviction. Victoria had passed an Act (No. 1706) to provide for the payment of old age pensions on December 27th, 1900. This also had means tests and character tests and amounted to £26 a year. The Act had been elaborated a year later by No. 1751. Tasmania, South Australia and Western Australia had no legislation. The Queensland Parliament passed an Old Age Pensions Bill during the session of 1908, which was assented to on April 15, 1908, and came into operation on July 1st, 1908, the pension again being £26 a year. For 7 years Queensland had waited for Commonwealth action and, in default of that action, passed this measure which had a life of one year. This means that, while members of the Federal Parliamentary Labor Party from New South Wales and Victoria may not have had any particular sense of urgency on the question, other members must have been aware of acute distress. This statement is qualified by the fact that fewer lived to the age 65 in those years than today. Caucus was extremely inactive on the question. The Old Age Pension was put on its tentative platform of May 20, 1901. The matter was raised in the House, but not till March 9, 1904, was a resolution passed in Caucus to authorize action in the House, and this in itself was a reflection of some apathy. On that date it was resolved -

"That the action of O'Malley in moving Old Age Pension resolutions be endorsed, he having obtained permission from a majority of members at an informal meeting."

Since Caucus had met as recently as March 1st the need for an informal meeting is not easy to understand. O'Malley's resolution⁽³⁰⁾ had contained references to "the deserving poor" and on March 16 he was asked by Caucus to remove the expression from his resolution for the House. On May 17 the Watson Government announced "Old Age Pensions" as part of its policy, but this was not the result of any ^{immediate} Caucus resolution. Watson appears to have kept Cabinet remote from Caucus, but Caucus on April 23rd had consented to Cabinet's formation - "That the Leader be authorized to accept the Commission of His Excellency to form an administration", and that "the Chairman have a free hand in the formation of his Ministry". On April 28 Caucus had discussed "the relation of Cabinet to Caucus" but had resolved nothing. In practice its relation appears to have become very formal, for on June 22nd, 1904, it authorized a deputation to wait on the Minister for External Affairs (W.M. Hughes). But Watson did discuss with Caucus on July 6th the conditions

under which "the Government would ask for a dissolution and, if unable to obtain it, they would resign." NO resolution on Old Age Pensions were passed by Caucus during the Watson Government's tenure of office, but on January 27, 1905, O'Malley was again authorized to move for Old Age Pensions. It would have been a tactic indicating a greater sense of urgency if the Leader of the Party had moved this. On June 29th, 1905, a resolution asking for Watson's action was defeated by Caucus ⁽⁸¹⁾. In a letter to WATSON dated July 5, 1905, ⁽⁸²⁾ Alfred Deakin, the Prime Minister, included Old Age Pensions in the programme of his Government, but nothing transpired for a year. On July 18th, 1906, Charles Frazer succeeded in having a motion carried instructing WATSON to take to take the issue up ⁽⁸³⁾. A year later still nothing had been done, so that the minutes for July 10, 1907 record "Page ~~(83)~~ brought up the question of Old Age Pensions and was anxious to know if the present Ministry was going to take any steps to bring in a system of National Old Age Pensions." Instead of resolving on action in the House, Caucus resolved to set up a Committee to examine the financial aspects. Watson seems to have been unenthusiastic on the subject, and some resentment of this attitude, already implicit in Charles Frazer's motion of July 18, 1906 instructing him to act, seems to show in the minutes of July 31st, 1907, and August 7th, 1907. On July 31st, it was resolved

"That the Leaders of the Party in both Houses move a resolution in favour of Old Age Pensions being immediately carried into effect."

A motion that O'Malley should move the resolution in the House of Representatives was defeated 11 votes to 9 and the original motion carried 13 votes to 5. These are poor attendances, for at this time Labor had 26 representatives and 15 senators. At the meeting of August 7th, Watson

"intimated that he could not see his way at present to move the resolution agreed to by the Party on the question of Old Age Pensions. A long discussion ensued and Hutchison ⁽⁸⁴⁾ gave notice of motion to rescind the

(81) Moved by Josiah Thomas and W. M. Hughes "That the Leader of the Party move a motion of censure regretting the absence of Old Age Pensions from the Governor-General's speech". Defeated. Josiah Thomas was Member for Barrier 1901-1917. Postmaster-General 1908-1909 and 1910-1911. Minister for External Affairs 1911-13.

(82) Pasted on the inside cover of the first minute book.

(83) The resolution read "That Mr Watson urge the Government to introduce an Old Age Pension Bill this session and, if necessary, submit a resolution in that direction in the House."

(84) James Hutchison, Member for Hindmarsh (S.A.) 1903-1909.

resolution at the next meeting."

The motion to rescind was never proceeded with, and the subject did not arise again till after Watson retired from the leadership. Watson's heart appears to have been in defence rather than social reform, and at the Brisbane Conference of July, 1908, he drew attention to the case of Peru under Pizzaro's attack. The Incas of Peru had been "socialistic, peace-loving, carrying out some of the reforms aimed at today." Pizzaro

"had weapons and training to back himself up with and, with a mere handful of supporters, he was able to subjugate a whole nation, whose care for its poor and aged has not since been equalled by any other nation." (85)

After Watson left the leadership Caucus directed an investigation of the financing of Old Age Pensions and at the meeting of April 8th, 1908, Fisher reported that members of the Finance Committee were of the opinion that the amount obtained from surplus revenue (hitherto remitted to the States) should be set aside for Old Age Pensions, and Watson moved accordingly. A new resolution on the subject appears with Fisher's leadership. Not only did he have the question investigated by the Finance Committee but began to use the pressure power of the Labor Party directed to persuade Deakin to act. Fisher reported to the Party on April 10th, 1908 that Deakin had made overtures for a coalition under conditions that might be arranged. Watson had accompanied Fisher, probably because of his close relations with Deakin, and it was he who framed the terms of this new alliance, which was to include "the immediate passage of the Labor scheme of Old Age Pensions". On May 27th that the legislation was promised was conveyed to Caucus, and on June 3rd, 1908 the Old Age Pensions Bill was before the Party. The interpretative power of Caucus was invoked to resolve "That the Bill be accepted as an interpretation of the Old Age Pension Plank in our platform."

Caucus had not been an efficient instrument in this matter. Outside of New South Wales and Victoria the question was urgent, even desperate, and seven and a half years had elapsed before Pensions were enacted, during much of which time Labor had held the balance of power.

(85) Official Report of the Fourth Commonwealth Political Labor Conference, Brisbane, 1908, pp. 19-20

Relations of Caucus to Cabinet

The formation of Labor Ministries conferred on Caucus a new role, that of electing the Cabinet after November, 1903. But the problem of the relation of Cabinet to Caucus was more than the selection of the Ministry. Caucus authorized the formation of the Watson Ministry at its meeting of April 23, 1904, and that Ministry with one third of the seats in the House of Representatives and 14 out of 36 in the Senate, lasted from April 27th, 1904 to the 18th August, 1904. The minutes register the formation of the Ministry thus -

5 "Watson explained the present position and informed the Party that he expected to be sent for today by the Governor-General to form an administration. Leader to accept commission. Dawson moved and McGregor seconded 'That the Leader be authorized to accept the commission of His Excellency to form an administration'."

The meeting resumed in the afternoon at 3. It had adjourned at 11.20 to enable Watson to wait on the Governor-General. The minutes proceed:-

"Watson accepts commission: Watson reported having waited on the Governor-General and had accepted the Commission to form a Government."⁽⁸⁶⁾

Even at this stage some wanted a coalition. The minutes read -

"Higgs moved, Fowler seconded (pro forma) That Mr Watson approach Mr Deakin with a view to the formation of a Ministry in which there must be at least four paid Labor Ministers."⁽⁸⁷⁾

The motion was defeated. Caucus then carried unanimously

"That the Chairman have a free hand in the formation of his Ministry."

The first reaction of some to the formation of a Labor Ministry was to attempt to exclude Ministers from the right to vote in Caucus on the question of an Executive. According to the Minutes of April 26th Charles McDonald had, on April 20th, given notice

"That the rules of the Party be amended to provide for an Executive to assist the Leaders in both Houses."

This was carried unanimously, but before it was carried an attempt had been made to provide that "the Ministers or prospective Ministers,⁽⁸⁸⁾ should take part in the discussion on McDonald's motion, but should not vote". The fate of this

(86) Minutes April 23rd, 1904

(87) Minutes April 23rd, 1904. The first Deakin Ministry, which had been in office since September 24th, 1903, had had 8 Ministers as had Watson's Ministry, so the resolution was for a Cabinet half labor.

(88) "Prospective Ministers" - the Watson Government did not formally assume office till the next day, April 27th, 1904.

proposal is not recorded but it appears to have been defeated. The resolution for the Executive was carried, and its election deferred till the next meeting. No record of the election appears in the minutes. It would have involved an Executive separate from Cabinet. The day after the formation of the Ministry⁽⁸⁹⁾ Caucus met again and "a long discussion took place on the relation of Cabinet to Caucus but no resolution was decided on". Despite this lack of decision Watson acted on the assumption that Caucus had the right to confirm or reject the Government's programme, for the minutes of May 17, 1904 state:-

"Mr Watson (Prime Minister) indicated the Government programme which he would lay before the House tomorrow, and also the question of a coalition being formed."

Caucus assumed the right to discuss both issues separately resolving for 5 minute speeches on the programme and 10 minute speeches on the coalition.

The programme was endorsed (though this is not specifically recorded) and both issues resolved in one resolution -

"That this Party considers it is due to its position in Parliament and standing with the electors of the Commonwealth that its policy should be announced to the country untrammelled by any coalition."

The resolution, carried by 21 to 8, was the work of indefatigable opponents of alliances, C. E. Frazer and Charles McDonald.

The formation of the Watson Government came about because of the defeat of Deakin on a conciliation and arbitration bill⁽⁹⁰⁾, and the Caucus was stimulated to action by a deputation to Watson -

"Watson reported suggestions from a deputation from Melbourne Trades Council on the Arbitration Bill." Resolved -

"A Committee be appointed.....and report to next meeting."⁽⁹¹⁾

The Committee submitted two reports on the Arbitration Bill⁽⁹²⁾ and these formed the basis of the Labor Party's action in the House, various members being given the authorship of amendments.⁽⁹³⁾ When it was realized that the Deakin Government

(89) April 28, 1904

(90) The Labor amendment sought to give State civil servants (railway employees) access to the Federal Arbitration Court

(91) Minutes March 9, 1904

(92) March 16 and March 23, 1904

(93) "Brown moved Pearce seconded 'That steps be taken by the Leader to place amendments of Arbitration Bill agreed to by the Party upon Notice Paper in names of various members'." (Minutes March 23, 1904)

might fall the Party felt the occasion deserved action by the Leader of the Parliamentary Party himself, and took steps concerning pairs to increase its efficiency as a fighting force, resolving -

"That on any matter on which the Party is agreed, that no member of the Party give a pair until they have consulted either the Leader or the Whip in either House." and "That in view of the possible constitutional crisis, Fisher and McDonald be invited to allow the Leader's name to be substituted for theirs as mover of the motions concerning Civil Servants in the Arbitration Bill."

Caucus was evidently encouraged to act on the Arbitration Bill by resolutions from the Coastal Trades Council in Western Australia, the Labor Movement at the Barrier in New South Wales, and by unions⁽⁹⁴⁾ an early example of fairly intensive 'lobbying'.

The course of the Watson Government was singularly devoid of Caucus action on legislation, the meetings of May 17, 25, 26 and June 1st being taken up with questions of Alliance and immunity, as noted above. The Watson Government was pre-occupied with mere survival. The meetings of June 5 and June 15 were confronted with refusals from the outside movement to countenance alliances or electoral immunity for non-Labor men.

The minutes do not record the submission to the Party by the Ministry of the Watson Ministry's Arbitration Bill⁽⁹⁵⁾ but Caucus did decide the issue on which the Watson Ministry was to fall⁽⁹⁶⁾.

"The Chairman (Mr Watson) made a statement regarding the amendments moved by Glynn and McCoy on Clause 62 of the Arbitration Bill, and the attitude the Government intended to take up, viz. That if either of the amendments were carried the Government would ask for a dissolution and if unable to obtain it, they would resign, but the Government would be prepared to accept an amendment on the lines indicated by Mr Isaacs. Pearce moved Watkins seconded 'That Party adopt the suggestion outlined by Chairman'. Carried unanimously."

When most of the Ministers were absent at the meeting on July 13, 1904⁽⁹⁷⁾ Caucus took particular pains to convey to the absentees its wishes on an issue

(94) Minutes April 20

(95) The situation must have been of some delicacy for the Minister involved directly with the Bill, the Attorney-General H. B. Higgins, was not a member of the Labor Party.

(96) Minutes July 6, 1904

(97) Ministers recorded as absent were Watson, Hughes, Dawson, Batchelor and Mahon. H. B. Higgins did not attend Labor Caucus. The Ministers present were McGregor and Fisher.

usually regarded as vital in the Labor Movement -

"That the Ministers present consult with the Prime Minister and lay before him the views expressed at this meeting with reference to admitting lawyers to practice to the Arbitration Court with a view to its being recommitted." Possibly because of the fact that the Attorney-General, H.B. Higgins, was not a member of the Party and could scarcely be directed, the resolution in effect established a deputation rather than issued a direction.

August 1904, the month of the fall of Watson⁽⁹⁸⁾, saw three Caucus meetings, those of August 3rd and 10th again preoccupied with outside support and that of August 17th to the Arbitration Bill and on Alliance. The temper of the Labor Movement was expressed in a resolution received from the Coastal Trades and Labor Council of Western Australia, and there is no doubt it was also the Caucus view -

"That this Council is of the opinion that no compromise on the questions of preference to unionists and the non-admission of Counsel should be accepted in the Federal Conciliation and Arbitration Bill."

Caucus went through a proposed Alliance with a tooth comb.⁽⁹⁹⁾ Summing up Caucus in the period of the Watson Ministry it can be said that Caucus was in full control of the Labor attitude to issues which created the Ministry (the arbitration amendments), the tactics (pairs and the moving of important amendments by the Leader), the attempted strategy for survival (alliances and the winning of individual supporters), and the issues upon which the Government must not compromise (legal counsel in Arbitration and preference to unionists), but not in full control of the initiating of legislation, due no doubt to the presence of a non-Labor Attorney-General, and accordingly its relation with the Ministry was one of representation rather than of direction.

Caucus and the First Fisher Ministry (13th November, 1908 to 2nd June, 1909)

It has already been noted that Caucus elected the First Fisher Cabinet on November 12th, 1908 and that before that, on November 4th, 1908, it had determined the grounds upon which it would cease to support Deakin, viz. -

"That in view of the attitude of the Government in relation to New Protection, Old Age Pensions, Immigration Restriction Act, Finance and other matters, the relations existing between the Party and the Government should not continue."

(98) The Ministry's life terminated August 18, 1904.

(99) Minutes August 17, 1904

The Chairman ruled this decision to be binding on every member.

Caucus met only 6 times in the life of the first Fisher Ministry, with almost 6 months of adjournment during Parliamentary recess. (100) Fisher outlined Government policy on November 24th, 1908, the entire initiative having come from Cabinet. The position of the Cabinet was weakened.

At the meeting of November 25th, 1908, by the resignation of Senator Pearce from the Parliamentary Executive by reason of his election to Cabinet, but strengthened by Caucus refusal to force Cabinet Ministers, including the Prime Minister, off the Executive. The motion -

"That this Party proceeds to elect a Chairman and Executive for the governing of the Party in consequence of the Chairman and some members of the Executive having become members of the Government." - was lost. Caucus nevertheless maintained in principle for the duration of the first Fisher Ministry a separate Party Executive from the Cabinet, though individuals could be members of both.

Caucus also rejected the reservation of three Cabinet seats to the Senate for the future.

The only Bill discussed on December 2nd, 1908 and the next meeting May 26th, 1909, was an electoral Bill. On May 29th, 1908, Caucus endorsed a Government proposal to seek a dissolution. The dissolution was not granted and the action taken by the Ministry - no doubt the advice to the Governor-General to send for Deakin - was endorsed.

So long as Labor did not have a majority in both Houses Caucus did not develop the traditions of scrutiny of Labor Government legislative proposals which were developed during the Fisher Ministry of 1910-1913.

(100) The Fisher Government, at its formation, was accused of having no policy except to get into recess!

LABOR WITH A MAJORITY IN BOTH HOUSES:

Caucus met on April 26th, 1910, after the elections of April 13th. The Party had won 42 seats out of 75, had the general support of two sympathetic independents (G. H. Wise and Sir William Lyne) and after July 1st would have a majority in the Senate. To 5 non-retiring Senators it had added 18, because it carried every State. From July 1st it would hold 23 seats out of 36. Parliament did not meet till July 1st but Fisher called the Party to out-of-session meetings on April 26 and April 29 and on June 21 and 24.

Caucus elected Fisher by resolution - "That Mr Fisher be Leader and Chairman of the Party".⁽¹⁰¹⁾ It also decided "that there be three Ministers appointed to the Senate",⁽¹⁰²⁾ but it rejected the proposition that one of the Ministers be honorary, resolving instead that the allotment of portfolios be left to the Prime Minister, a convention followed ever since. The election of Cabinet was postponed for 3 days but Fisher was appointed returning officer by resolution. Fisher himself moved that the number of votes cast for unsuccessful candidates should not be disclosed.⁽¹⁰³⁾ It was also resolved that candidates not receiving 5 votes should "drop out".⁽¹⁰⁴⁾

When the Party met on April 29 for the election, Caucus rejected an attempt to bind it and the Leader to a system that "the distribution of portfolios and official positions should be proportionate to the total number of members of both Houses returned for the respective States".

Caucus conducted elections for the 3 Senate Ministers - McGregor, Pearce and Finlay gaining the positions - separately from the House of Representatives. With Fisher, the House had seven Ministers.⁽¹⁰⁵⁾

The minutes show that the initiative was left with Cabinet in bringing in the Government programme and no motion from Caucus suggested policy. Fisher outlined the programme and it discussed ⁱⁿ detail two months later on June 22.

At that meeting it was resolved that 22 should constitute a Caucus quorum (one third of the 65 members).

The minutes make it clear that Caucus expected a detailed supervision

(101) The mover was W.M. Hughes, April 26, 1910.

(102) The mover was Senator George Pearce.

(103) That is, disclosed to the meeting.

(104) A resolution of W. M. Hughes.

(105) Fisher, Hughes, Batchelor, Tudor, Thomas, O'Malley and Frazer.

of Bills. When Fisher presented a measure setting out a scale of land tax, amendments were moved to alter the scale of tax. They failed. Another financial proposal of the Government providing for surplus revenue to be disbursed to the States ran a gauntlet of amendments as to amount, method of calculation and time. The Government had proposed the grants to cover the years 1910 to 1920. Items of Government policy were passed without demur -- they included the initiation of the note issue -- until a Defence Bill relating to the Army was discussed. Amendments ~~were~~ ^{ed} concerning the duration of military service. Caucus continued the practice of electing a separate Party Executive, distinct from the Cabinet, but provided that Fisher and McGregor as leaders in each House should be members, with the addition of Whips and two others elected. (106) The Secretary was instructed to destroy the ballot papers in connection with the election of the Ministry. (107) With Government business concluded, initiatives came from outside the Cabinet. Thus rank and file members succeeded with the hardy annual (108)

"That the Government be requested to introduce an amendment to the Arbitration Act to exclude members of the legal profession from the industrial courts of conciliation and arbitration, except by permission of both parties to the dispute".

A more sweeping proposal was deferred pending consideration of the Cabinet's own recommendations on Arbitration. It would have required the drafting of a Bill. It was aimed at compulsory preference to unionists, a definition of an industrial dispute, the inclusion of all classes of rural workers in arbitration, and to vest in unions power to act on behalf of members. The Government's own proposals were agreed to instead. In the August 3rd meeting of Caucus Charles McDonald moved again the provision excluding counsel from arbitration proceedings because the Government, despite the decision of July 13, had introduced the Bill without this provision. (109) He succeeded with his motion, slightly amended. The Secretary of the Party reported at the meeting that he was now

(106) Minutes July 6, 1910

(107) July 6, 1910. They had thus been held since April 29.

(108) July 13, 1910.

(109) The principle was repeated thus -- "Mr McDonald moved and Senator Needham seconded 'That the Government be requested to introduce an amendment to the Arbitration Act to exclude members of the legal profession from courts of conciliation and arbitration'. Mr Foster moved and Mr Johnson seconded an amendment to add the following words:-- 'except by permission of both parties to the dispute'. With the addendum McDonald's motion became the decision (Minutes August 3, 1910). On August 5, Hughes introduced the amendment as an amendment to the Principal Act at section 27 'but no party shall (except by consent of all

circulating to Party members all notices of motion -- a step which would increase the efficiency of Caucus control of its affairs.

The Arbitration Bill remained under Caucus supervision and at the end of its passage through the House of Representatives it was resolved "that the Arbitration Bill as amended in the House of Representatives be agreed to by the Party"⁽¹¹⁰⁾ It was thus still competent for Caucus to move further amendments had it chosen. Caucus also resolved⁽¹¹¹⁾ for a special meeting on August 24, 1910, so that a Land Tax Bill could be considered. The Attorney-General explained the Bill at the special meeting and Caucus, not accepting amending proposals,⁽¹¹²⁾ authorized him to proceed with it. For some reason the decision was made to authorize the erasure of the special meeting from the minute books.⁽¹¹³⁾ The Cabinet's procedure in the House could also be challenged and debated at two successive meetings, as when W. G. Higgs moved⁽¹¹⁴⁾ "That this Party sincerely hopes that the method adopted to push the Works Estimates through in one sitting should not occur again." After hours of debate the motion was withdrawn. The reference is to the Additions, New Works and Buildings Estimates.⁽¹¹⁵⁾ Debate started at 2.16 p.m. on September 7, 1910, and the House sat all night till 7.57 a.m. the next day. Opposition Member Agar Wynne and Labor Member J. H. Catts protested in the House. J. H. Scullin, a future Prime Minister, expressed opposition because he felt that the Federal Capital Site question should be re-opened and not rushed through.⁽¹¹⁶⁾ Frank Anstey complained that he had to depend for explanations of expenditure on the Opposition.⁽¹¹⁷⁾ Higgs complained the next day in the House after his complaint in Caucus.

Catts and Anstey threatened to vote against the estimates, asserting they were not a platform matter. If they were unrestrained to this degree in the

(109 contd) the parties) be represented by counsel or solicitor". As McDonald was Speaker the defence of this amendment was conducted by Hughes and Charlton. (Commonwealth Parliamentary Debates, vol. LV pp.1221-1225, 5 August, 1910), but neither advanced any real argument as to why lawyers should be excluded. Hughes avoided any argument at all. Its omission from the Bill despite the decision of July 13 must have been because he, as Attorney-General, did not agree with it. It looks like a Cabinet effort to evade a Caucus decision, and a Caucus insistence upon the decision.

(110) Minutes August 10, 1910

(111) Minutes August 18, 1910

(112) Amendment withdrawn after discussion

(113) The erasure motion also confirmed a Cabinet decision which had been challenged

(114) Minutes September 13 and 14, 1910

(115) Commonwealth Parliamentary Debates LV11 pp.2837-2873, 8 September, 1910.

(116) Debate, Commonwealth Parliamentary Debates, vol. LVI pp. 2741-2747, 7 September, 1910

(117) Ibid p. 2762

House, the complaints in Caucus must have been strong indeed.

The threatened revolt against the Cabinet took place not long afterwards on November 16, 1910, when an amendment moved by the Labor member for Adelaide was carried by 36 votes to 12 over Cabinet opposition, the revolt including Anstey, Archibald, Charlton, Higgs, Parker Moloney, Dr Maloney, Scullin and W. G. Spence. The amendment related to conditions of entry to Duntroon Military College, allowing soldiers up to the age of 27 to enter the College if they had served three years and passed the necessary examinations.⁽¹¹⁸⁾ The revolt appears to have been provoked by Hughes's manner. He was acting as Leader in the absence of Fisher abroad. He was scathing concerning Finlayson, Labor member for Brisbane⁽¹¹⁹⁾ and was accused by Higgs of dealing with him in a "severe and uncalled for manner."⁽¹²⁰⁾ He was impatient with Roberts, who thereupon expressed distrust of him.⁽¹²¹⁾ He was downright rude to the Opposition Member for Wentworth, Kelly.⁽¹²²⁾ This last appears to have touched off the revolt. That evening in the dinner adjournment an emergency meeting of Caucus was called and "Hughes stated he had called the meeting to consider the position created by" (the amendment) "which was carried in the Land Defence Bill".⁽¹²³⁾ The date was, curiously, exactly 6 years before Hughes walked out of Caucus to leave the Labor Party on November 16, 1916. There was not much time before the resumption of the House, so it was decided to proceed with Naval Defence,⁽¹²⁴⁾ and to prevent another crisis it was decided that "should a number of members require any clause postponed for the consideration of the Party it be postponed". The Party was disposed for unity the next day. Archibald and Ozanne, who had voted against the Cabinet the previous day, moved "That the Party has the fullest confidence in the Ministry". For his part a chastened Hughes moved

"That when during a discussion of any measure upon a matter not already decided by the Party strong objections are expressed in regard thereto and the Whip has ascertained that a majority of available members of the Chambers in which matter is being discussed so desire then the Minister in Charge shall postpone the consideration of the clause until a meeting of the Party can be called to consider the case."⁽¹²⁵⁾

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- (118) Division List. Commonwealth Parliamentary Debates LIX, p. 6235
(119) Ibid p. 6227 (120) Ibid p. 6231 (121) Ibid p. 6233
(122) Ibid p. 6235
(123) Minutes, Nov. 16, 1910
(124) On the motion of the Defence Minister, Pearce
(125) Minutes, November 17, 1910

This was Cabinet deference to Caucus with a vengeance. Moreover the essence of Roberts's amendment in the House was referred by the Minister for Defence to the Defence Committee, which included Roberts. Hughes was able to amend its suggestions⁽¹²⁶⁾ showing how unrepentant he really was. His amendment⁽¹²⁷⁾ provided that the regulations should permit

"admission to the military college of any member of the forces over the age of 19 who shall pass the prescribed examination and be recommended by the Governor in Council".

Power of admission was thus effectively back in the hands of the Minister or his deputies in the Defence Department.

The minute book of the period reveals Caucus procedure at this time. The "Rules of Procedure" set out the order of business which was:-

" Minutes

Ministerial Statements and Debates thereon

Correspondence

Notices of Motion

Reports of Committees

Questions of which notice has been given."

This represents strong Cabinet control and priority of Cabinet wishes in the meetings since issues raised by the rank and file come last.

The Minute Book also sets out the rules governing debates -

- "1. Each speaker to be allowed five minutes in all debates.
2. Members for and against any question being debated to be called alternately.
3. Debates on questions/^{of} which notice has been given must be concluded on the day on which the motion is being dealt with before the end of the session.
4. Motions of which notice has been given during any session and which have not been dealt with before the end of the session shall lapse if fresh notice be not given in the new session.
5. Interjections being highly disorderly are not allowed in debate."

The third and fourth rules add to Cabinet control of business. There is evidence that motions on notice were postponed from meeting to meeting in the absence of time for adequate discussion, and also that the rule ended the previously common adjournment of matters from meeting to meeting.⁽¹²⁸⁾ The third rule also meant that

(126) By a narrow majority 24 to 22.

(127) In the minutes of November 22, 1910.

(128) Thus Higgs in moving on July 27, 1910 a notice of motion that the time limit on speeches be increased to 15 minutes specified August 3rd (the next meeting) as the time for the debate. He also gave notice of a motion that on August 10th he would move for an end to postal voting at Commonwealth

when there was little time for debate on a question of which notice had been given more matters were referred to committees, the chairman or secretary of which was a Cabinet Minister. There were four committees:-

- (1) Defence and External Affairs (Senator George Pearce, Minister for Defence was Chairman).
- (2) Home Affairs and Postal Departments (Josiah Thomas, Postmaster-General was Chairman. He was transferred to External Affairs in October, 1911, on the death of E. L. Batchelor).
- (3) Customs and Attorney-General (Frank Tudor, Minister for Trade and Customs was Chairman).
- (4) Treasury and Old Age Pensions (Charles McDonald, the Speaker, was Chairman, and Charles Frazer, Minister without portfolio, was Secretary. Frazer had been attached to Andrew Fisher in the latter's capacity as Treasurer to assist Fisher with administration). It also had King O'Malley (Home Affairs) as a member.

The Defence and External Affairs Committee also included William Morris Hughes (Attorney-General).⁽¹²⁹⁾

O'Malley as Minister for Home Affairs was not a member of the Committee dealing with the subject, but of the Treasury Committee.

The Committees undoubtedly functioned as a buffer and gave Cabinet time to study questions and make up its collective mind. It was, however, always possible for Caucus to suspend standing orders to permit the adjournment of a motion of which notice had been given and debate upon which had commenced. This was done in connection with a motion of Senator James Charles Stewart's -

"That the system of land tenure in the Federal Territory be perpetual lease without revaluations but with a land tax."

Moved at the meeting of September 6, 1910, five meetings were to pass before it was debated and accepted on the sixth - October 18, 1910. It had been adjourned to the "next meeting", which would have been the meeting of September 13.⁽¹³⁰⁾

Caucus and the Referenda of 1911.

During October, 1910, Caucus debated the referenda which were submitted to the people on April 26, 1911. These were referenda designed to write into the Commonwealth Constitution the amendments embodied in the Constitution Alteration

(128 Contd) elections and that Commonwealth elections should be held on Saturdays. The resolution set down for August 3 was not debated till August 10 and the electoral matters were referred to an electoral committee.

(129) The Defence and External Affairs Committee had 8 members; Home Affairs and Postal Departments had 9; Customs and Attorney-General had 8; and Treasury and Old Age Pensions 9.

(Legislative Powers) Bill, 1910, and the Constitution Alteration (Monopolies) Bill, 1910. The first was an effort to increase Commonwealth power over trade and commerce, the control of corporations, the subject matter of labour and employment including wages, conditions and the settlement of disputes. The second would have empowered the Commonwealth Parliament to nationalize any industry declared by both Houses to be a monopoly. In the referenda both were defeated, rejected by an overall majority in the vicinity of 250,000 and carried in each instance only by the State of Western Australia.

The minutes appear to suggest that both were immediately endorsed in Caucus, yet amendments were discussed in the ensuing weeks. At this stage, as in the measure to establish the Commonwealth Bank, Caucus appears to have approved in principle while reserving the right to go through the Bill clause by clause at a later stage.

On September 26, 1910, Hughes moved the approval of the Bill on Trade and Commerce, and on October 4 Fisher moved the same for the Bill on Monopolies. Both were accepted.

On October 20 and 21 Matthew Charlton moved an amendment to the Constitution Alteration (Monopolies) Bill to continue to provide that the declaration of a monopoly should be made by Parliament but that the resolution declaring an industry a monopoly should be submitted to a referendum of the people, and should take effect only if a majority of electors voting in the Commonwealth approved. Senator Rae moved a further amendment providing that Parliament's declaration of a monopoly should stand unless, within 3 months of the declaration, it was disapproved by a majority of electors voting in a referendum which must be taken on the petition of "not fewer than 10,000 electors of the Commonwealth".⁽¹³¹⁾

At the meeting of October 26 Charlton withdrew his amendment, Rae's was defeated and two were moved by David Robert Hall, the member for Werriwa. Hall attempted to exempt monopolies owned by a State or municipality. This was defeated. He then attempted to provide that there should be no nationalization of an industry until there had been an inquiry or report by "the interstate commission or some other such body". This also failed⁽¹³²⁾. Caucus dealt with the referenda again on October 27 and November 8, accepting minor alterations of wording. The date of the

(130) Minutes September 6 and October 18, 1910

(131) Minutes October 20, 1910

(132) Minutes October 26, 1910

referendum was determined by a motion of Charles McDonald (the Speaker) in Caucus on November 8th.

At this time Fisher was absent in South Africa and it is noteworthy how brief the minutes of each meeting under Hughes usually was. The impression is given, until the Duntroon College admission revolt of November 17th, that Hughes kept meetings down to minimal length. Caucus did not meet at all between November 25, 1910 and August 31, 1911. The second last meeting of 1910 (November 24) was noteworthy for inviting Sir William Lyne to be a coronation delegate. He was not a member of the Labor Party but Caucus accepted his nomination (by the member for Newcastle, David Watkins) unanimously. (133)

Scrutiny of Legislation

From Fisher's return to preside at Caucus meetings on August 30 till the dissolution of the Parliament on April 23, 1913⁽¹³⁴⁾ Caucus meetings are noteworthy for the close scrutiny of legislation. During the Fourth Parliament (from April 13, 1910 to April 23, 1913) Caucus followed the custom of re-electing officers, but not the Cabinet, in each session.

At the meeting of August 31 Fisher was elected Chairman for the session - thus establishing that it would have been possible for the Prime Minister not to have been Chairman - Senator McGregor (the Senate Leader) was elected Vice-Chairman, D. Watkins was elected Secretary and Whip and Senator De Largie Assistant Secretary and Whip. The Executive consisted of these 4 and two others, Senator Long and J. Matthews.

Fisher announced the Government's legislative programme for the session. This programme was adopted and appears in its entirety in the Governor-General's speech read in the Senate on September 5, 1911. It included the establishment of the Commonwealth Bank, legislation to build the Transcontinental Railway to Western Australia, a Navigation Bill, a Crimes Bill, Arbitration and Conciliation legislation, Electoral Act amendments, the development of Canberra, a works programme, seamen's compensation, and the development of the Northern Territory. The entire programme was adopted on the understanding, made explicit on August 31, that though the matters mentioned by Fisher were accepted by the Party the specific Bills

(133) Minutes November 24, 1910

(134) Fisher's Government was defeated at the general election of May 31, 1913. Labor held 37 House seats to 38 by the Liberals, but retained a majority in the Senate.

giving effect to them should be submitted to Caucus. (135)

There appears to have been some embarrassment experienced by Cabinet because of initiatives by private members on the subject of social services. At the meeting of September 7, 1911, it was resolved that suggestions on pensions should be submitted to the Caucus, Treasury and Pensions Committee, and that that Committee should be convened. A resolution against a private initiative was moved on September 14, 1911, by the Minister for Defence, Senator George Pearce

"That Senator O'Keefe be asked not to move his resolution in the Senate dealing with pensions for widows and orphans until this Party has had an opportunity of considering it." (136)

The resolution of Pearce was carried. It was tragic, perhaps, that it was, for 32 years were to elapse before widows' pensions were enacted by the Curtin Government on a Commonwealth basis, though the Lang Government enacted them for New South Wales in 1927.

The tight control applied also to Cabinet proposals. Thus when the Minister for Home Affairs (King O'Malley) introduced a Bill to amend the electoral act, it was referred to the Home Affairs Committee, who were to report their scrutiny of it to a special meeting. An instruction was also given to the Committee "that elections for the Federal House of Representatives be held on Saturdays". For the study of this particular legislation Caucus also added J. E. Fenton (Maribyrnong) and William Laird Smith (Denison) to the Committee. (137)

When the Committee reported to Caucus on September 27, 1911, Caucus referred back part of the report and asked them to study "the Victorian system of compulsory enrolment". (138) The following day a special report on the Victorian system was presented, and by 20 votes to 13 compulsory enrolment was adopted and, without division, compulsory voting. (139) By 20 votes to 4 it was resolved that elections should be held on Saturdays - perhaps some Cabinet reluctance caused Caucus to re-iterate this - and the polling hours 8 a.m. to 8 p.m. were fixed. The rest of the minutes show a clause by clause scrutiny of the Bill, and the meeting concluded with an instruction to introduce the Bill into the House in that form and further amendments could then be considered. (140) At the meeting of October 5, 1911, the process of clause by clause scrutiny of the Bill was resumed,

(135) On the resolution of J. E. Fenton (Maribyrnong) and A. T. Ozanne (Corio) Minutes August 31, 1911.

(136) Minutes September 14, 1911

(137) Minutes September 21, 1911

(138) Minutes September 27, 1911

(139) Minutes September 28, 1911 Compulsory voting was not actually law till 1924.

(140) Minutes October 4, 1911

and on the same occasion the Bill to establish the Commonwealth Bank was referred to the Treasury Committee. (141)

This Bill is dealt with fully in the chapter on Banking, and it will suffice to comment here that it was handled in a manner in conformity with what appears to have been Fisher's strategy as a leader. Unlike Hughes, he never appears to try to deprive Caucus of a chance to study legislation fully.

By the time of the election of the second Fisher Government Caucus election of Ministries was firmly established. An attempt to deprive the Party Leader of the prerogative of the allotment of portfolios was made in October, 1911. The meeting of October 11, 1911, had adjourned of a mark of respect because of the death of Egerton Lee Batchelor, the Minister of External Affairs. This was a special meeting summoned for no other purpose than to pay tribute to the memory of Batchelor. The vacancy was not filled at the ordinary meeting on the 12th but Fisher made a shuffle of portfolios, and as a consequence the vacancy was to be that of an honorary minister. It was resolved to follow ordinary procedure "for the election of Ministers.....in the election of an honorary minister". (142) Senator's Gardiner and Rae moved

"That before proceeding to elect another Minister this meeting desires to express regret that the Government did not take the Party into its confidence before re-arranging portfolios." (143)

This was defeated, apparently without division, showing that Caucus wanted no vote and no consultation in the allotment of portfolios.

That this did not mean that Caucus at this period was content to leave a great deal of initiative to Cabinet was shown clearly in November. At the meeting of November 9, 1911, Caucus rejected Port Hacking and Derwent River (Tasmania) as sites of the Naval College and carried instead a motion that it be Jervis Bay. (144) At a meeting later in the same day Pearce informed Caucus that "in view of the decision of the Party the Government had decided to announce that they would establish the Naval College at Jervis Bay". (145) This again suggests detailed supervision of administrative matters.

Caucus did not, however, claim to break the unity of Cabinet in Caucus meetings. A motion of W. G. Higgs

"That in the opinion of this Party the Government should not bind its

(141) On the resolution of Senator Finlayson, Minutes October 5, 1911

(142) Minutes October 19, 1911

(143) Minutes October 19, 1911

(144) Minutes November 9, 1911

(145) Minutes of 7.15 p.m. meeting November 9, 1911

members in Cabinet on questions not on the Labour Platform." This was defeated by 25 votes to 8. (146)

At the same meeting Fisher accepted an earlier suggestion concerning the Means Test on Old Age Pensions - that a home occupied by a pensioner and not producing an income should not count as property leading to a reduction in the pension (147), and an even stronger Caucus initiative to supervise administration was demonstrated by the carrying of a motion

"That all ordinances promulgated during a session of Parliament in regard to the Northern Territory, Papua and the Federal Capital, be submitted to the Caucus before being gazetted". (148)

Supervision did not, however, mean public humiliation of Cabinet. Caucus carried a resolution to humiliate would-be humiliators. A motion of Senator Rae's -

"That in the opinion of this Party the expenditure on Defence is excessive and should be reduced next financial year by at least £1,000,000"

- was disposed of by a resolution "that the debate be adjourned for 6 weeks". (149)

Cabinet would have experienced another humiliation had a proposal virtually repudiating a Cabinet action been carried.

Cabinet had resolved upon an appeal against a High Court decision to the Privy Council. A motion was defeated by 28 votes to 12 deploring this action and requesting a withdrawal of the appeal. The defeated motion read -

"That appeal to the Privy Council is opposed to the spirit and letter of Labor aspiration and should not be encouraged or adopted and we request the Government to withdraw the appeals of which notice has been given, or (is) intended to be given." (150)

There was one question on which Fisher was overridden by Caucus in an action which did the Party little credit. At the Federal Conference of the A.L.P. in Hobart in 1912 Fisher warned Conference against putting on the platform prohibitions on inter-racial marriage, and, as a consequence, the platform simply provided for

(146) Minutes July 25, 1912

(147) Minutes July 25, 1912, suggestion originally made minutes June 14 (Senator Rae) in a motion withdrawn on a promise of examination.

(148) Notice July 25. Motion carried August 1, 1912 minutes.

(149) Minutes August 29, 1912

(150) Minutes of a special meeting called to consider this specific resolution 7 p.m. October 24, 1912. The case in question was Colonial Sugar Refinery V. Attorney-General Sept.-Oct. 1912. The decision was that a Royal Commission could not lawfully demand information from a company concerning internal management or its overseas activities. The Privy Council upheld the substance of the High Court decision, but after the Fisher Government had fallen.

uniform laws of marriage and divorce. At the meeting of Caucus on September 5, 1912, when Labor introduced the system of maternity bonuses Fisher is reported as explaining that what was envisaged was "an allowance for motherhood and there would be no exceptions".⁽¹⁵¹⁾ Yet Caucus rejected what the benefit would apply to "wives of naturalized Asiatics".⁽¹⁵²⁾ A ruling of Fisher's that "this matter did not affect the platform" was overruled by 29 votes to 12 on September 26.⁽¹⁵³⁾

Webster, the same member who had moved the resolution deploring appeals to the Privy Council, endeavoured to lead Caucus to a new control over Cabinet. On December 12, 1912 he moved pursuant to notice

"That before appointments are made to the High Court, Interstate Commission, or important administrative positions, the names of the aspirants be submitted to this Party in meeting assembled."

The debate, surprisingly, seems to have occupied part of the meetings of December 12 and all December 15's meeting, and on December 17 Fisher oddly ruled that "as it was not a Party question no vote could be taken". A motion of dissent from the ruling was debated December 17 and 18 and finally defeated.

This was the last significant meeting before the elections of April, 1913. In these elections the Fisher Government was defeated and became an opposition facing a government with a majority of 1 - the casting vote of the Speaker. In the Senate Labor won 11 seats out of 18, losing New South Wales and Tasmania (where the Liberals took 3 in each State) and gaining 3 in Queensland, South Australia and Western Australia and 2 in Victoria. But Labor held all 18 seats not up for election and so had 29 Senate seats out of 36.

Labor thus for the first time held a Senate majority against a non-Labor Government with a majority in the Representatives, a circumstance not to be repeated until ~~1929-31~~ 1949-51

In the 3 years of office Caucus had established a practice of detailed examination of legislation and felt free once to defeat Cabinet in the House where this detailed examination had not been arranged for in Caucus. It had, however, drawn a nice distinction between administrative acts which had the character of legislation (such as territory ordinances)

(151) Minutes September 5, 1912

(152) Minutes September 19, 1912

(153) Minutes September 26, 1912. Presumably the "White Australia plank" was in question.

and administrative acts which had not (such as appointments). It had been sensitive not to invade the leader's prerogative of portfolio nomination, the solidarity of Cabinet and the Cabinet's prerogatives of appointment and legal action. It had never humiliated Fisher, but it had humiliated Hughes, obviously in retaliation for humiliation of members in the House.

Labor in Opposition 1913-1914

After the defeat of April, 1913, when, paradoxically, Labor representation in the Senate increased from 22 to 29, Fisher's leadership was challenged. He was opposed by W. G. Higgs and W.M. Hughes for the leadership.

Caucus had resolved upon an Executive of 12 - the Chairman (the Leader in the House of Representatives), the Vice-Chairman (then the Leader in the Senate), the Secretary and Assistant Secretary and 8 others. The idea of electing Chairman and Vice-Chairman by show of hands was rejected and it was resolved that the elections be as they had been for Cabinet.⁽¹⁵⁴⁾ In contrast with Fisher's original election when a resolution "that A. Fisher be elected Chairman" had sufficed⁽¹⁵⁵⁾ Fisher went to a ballot.

Fisher gained 42 votes, W. G. Higgs 18 and W. M. Hughes 1. An attempt was made to throw the Vice-Chairmanship open to the House of Representatives, but this was rejected. Senator McGregor was re-elected, gaining 35 votes to Senator Stewart's 16, Senator Pearce's 6, Senator Givens 2, and Senators Rae and Maughan 1 each. The ballots for Chairman and Deputy did not have much bearing on future results, for Hughes, who obtained only 1 vote, was to be next Leader, and Pearce (6 votes) was to be Leader in the Senate. The first ballot for the 8 Executive positions gave nobody an absolute majority. There were 43 candidates. Hughes proposed that the "sixteen highest" should be in the second ballot and this was carried. The final figures are not recorded, nor are the votes for Secretary and Assistant Secretary.

Caucus had to consider the likelihood of winning divisions in the House, and the problem of overturning a government before the electorate was prepared or the Party was ready. At the meeting which elected the Executive, for instance, it was resolved to grant 6 weeks' supply.

The minute book at this period includes the minutes of the

(154) Minutes July 8, 1913

(155) Minutes October 30, 1907

Executive meetings. It was at this stage that the Executive began its practice of meeting immediately before the Party meeting.⁽¹⁵⁶⁾ It followed Cabinet practice of recommending courses of action to the Party - resolutions where Cabinet had recommended legislation. The conviction in Caucus was that an aggressive policy should be pursued, and, in the evenly divided House, Caucus rejected a resolution to leave the granting of pairs in the hands of the Whips and resolved "that no pairs be granted".⁽¹⁵⁷⁾ It also adopted an Executive recommendation to amend the Address in Reply to the Governor-General's Speech. That speech, which contained no policy - "my present advisers having so recently assumed office", cannot have lasted more than 5 minutes, and was noteworthy for the appeal "there are no funds whatever legally available for the ordinary requirements of the Public Service", and indicated that a "Supply Bill will, therefore, be at once submitted for your consideration".⁽¹⁵⁸⁾

It is therefore not because of any legislation indicated by Mr Joseph Cook's Liberal Government but purely for a public appeal that Fisher moved this amendment to the loyal Address:- "But regret that your Advisers -

But regret that your Advisers -

- (1) propose to destroy the beneficial character of our social and industrial laws;
- (2) indicate no intention of taking such steps as will reduce the high cost of living; and
- (3) fail to realize the urgent necessity of an immediate revision of the Tariff."⁽¹⁵⁹⁾

If the strategy in the House was to attack, in the Senate it was to propose the legislation in which Labor believed.

This took the form of endeavouring to confer on Joseph Cook's Government powers it did not want - Constitution Alteration Bills dealing with Corporations, Industrial matters, Nationalization of Monopolies, Railway Disputes, Trade and Commerce, and Trusts. These were introduced into the Senate

(156) Executive Minutes August 11, 1913

(157) Minutes of Caucus August 12, 1913

(158) Commonwealth Parliamentary Debates, July 9, 1913, vol. Lxx, p.7

(159) Resolved in Caucus on August 11, 1913, and moved in the House on August 13, Commonwealth Parliamentary Debates Lxx, p. 125

on September 10, 1913 by Senator Gregor McGregor.⁽¹⁶⁰⁾ At the Referendum on May 31, 1913, the Corporations proposal had been carried in 3 States, and defeated by an overall majority of 26,113 (in 2,033,251 votes cast), the Industrial matters proposal had been carried in 3 States and rejected by 26,010; the Nationalization of Monopolies proposal had been carried in 3 States and rejected by 24,782; the Railway Disputes proposal had been carried in 3 States but rejected by 33,668; the Trade and Commerce proposal had been carried in 3 States, but rejected by 24,196; and the Trusts proposal had been carried in 3 States and rejected by 8,612.

In each case New South Wales, Victoria and Tasmania had rejected the proposal and Western Australia, South Australia and Queensland had carried it. Yet in more than 2,000,000 votes the negative majorities had been slight and the rejecting States had returned close votes - Victoria rejecting the Trusts proposal by only 3,539 in 626,861 votes cast, for instance. Labor therefore had hope in a reversed verdict and this explains Gregor McGregor's Senate motions of September 10, 1913. All of McGregor's Bills lapsed when Parliament was prorogued on December 19, 1913. As a tactic for appealing to the electorate in anticipation of an early dissolution, it was superior to the tactic of the Liberals, who ultimately produced a double dissolution on a Bill to prohibit preference to unionists - a measure so obviously contrived as to produce annoyance in the electorate. The Constitution Alteration Bills proposed by Labor at least appeared to deal with issues which could be real.

In conformity with a general strategy of suggesting the identification of its opponents with vested interests the Labor Party raised in the House of Representatives the fact that the Attorney-General, William Irvine, held a retaining fee from the Marconi Company, which was involved in litigation against the Commonwealth.⁽¹⁶¹⁾ Irvine also accepted membership of the Board of the Royal Bank of Australia Ltd.⁽¹⁶²⁾

On August 28, 1913 Frazer, the Member for Kalgoorlie, moved in Caucus a suggested amendment to the Address-in-Reply ⁽¹⁶³⁾ -

(160) Commonwealth Parliamentary Debates LXX, p.1009, September 10, 1913. Caucus had decided on these Bills, when the Fisher Government was still in power, at its meeting of November 6, 1912, and the Referenda had been held concurrently with the General Election on May 31, 1913.

(161) The Debate is reported in Commonwealth Parliamentary Debates, Vol. LXX, pp.944-1001, September 9, 1913, and the resolution was defeated by 32 to 31, Irvine himself being forced to vote to give the majority. The Attorney-General made a personal explanation on August 22, 1913 (Vol. LXX, pp.392-397). Question August 12, 1913 (vol. LXX, p.59).

"That His Excellency be informed that this House disapproves of the action of the Attorney-General in continuing to accept a retaining fee from the Marconi Company which Company is now in litigation with the Commonwealth Government; ^{and} his action in accepting a directorship of a private Bank which is in competition with the Commonwealth Bank."

The Executive of the Parliamentary Party met on August 29 and September 2 to consider this resolution, and deleted the reference to the private bank. It was obviously felt that the weakness in Irvine's position had been revealed in his statement that he had handed over the Commonwealth case in the litigation to the Minister for External Affairs (Patrick McMahon Glynn K.C.)

"It is quite possible that the Minister for External Affairs may bring forward a proposal for a compromise between the Commonwealth and the Marconi Company, and I should not feel the slightest embarrassment in voting upon such a proposal. What should embarrass me? I am now in no more relation to the Marconi Company than I am to any one of a number of persons who have given me general retainers. They are not clients of mine and I owe them no duty save that I must give them notice before I accept a brief in action against them."⁽¹⁶⁴⁾

The Executive changed the personal attack into a statement of principle, mostly adopted from H. H. Asquith, Prime Minister of Britain at the time, but significant as being made a Labor Party affirmation of the duty of ministers. The Executive resolution was finally drafted on September 2, 1913 and adopted by Caucus on September 4.⁽¹⁶⁵⁾

The Executive recommendation reads:-

"That Mr Frazer's motion as drawn up in the following amended form be adopted."

Copy of Resolution

"That in the opinion of this House Ministers of the Crown should not violate the code of rules of positive obligation laid down by the British Prime Minister (Mr Asquith) which read - Firstly that Ministers ought not to enter into any transaction whereby their private pecuniary interest may even conceivably come into conflict with their public duty.

(162) Commonwealth Parliamentary Debates, Vol. LXX, p. 59, August 12, 1913
(163) Minutes August 28, 1913
(164) Commonwealth Parliamentary Debates, Vol. LXX, p. 395, August 22, 1913
(165) Executive Minutes, September 2. Caucus Minutes, September 4, 1913.

"Secondly - That no Minister ought to accept any kind of favour from persons who are in negotiation with or seeking to enter into contractual or pecuniary relations with the Government; And that the action of the Attorney-General - the Hon. W.H. Irvine - in determining to hold a retaining fee from the Marconi Company now in litigation with the Commonwealth Government, has violated the rules of conduct here laid down and is detrimental to the best interests of the Commonwealth!

Irvine's defence depended on Bar Council practice and Wharton's "Law Lexicon". W. M. Hughes who followed Irvine in the debate⁽¹⁶⁶⁾ argued that the point at issue was not the rules of the bar but the rules which ought to govern public men.

"The honorable and learned member whose action is the subject of our consideration has treated the matter in a way that leaves some room for dissatisfaction. He said a great deal about the rules of the Bar, but very little about those rules of conduct which govern, and ought to govern, public men.....In my opinion, it is not enough to quote the rules of the Bar in a case of this sort, because such rules are meant to govern the conduct of lawyers towards their clients. They are not meant to safeguard the interests of the public in any way whatever....The public has only one adviser, the Cabinet, who form and direct the Executive Councils of this country. It is very necessary, therefore, that the conduct of those who voice the desires of the people and safeguard their interests should be above suspicion."⁽¹⁶⁷⁾

Highly significant were Hughes's views of private members and the Cabinet, and the relations between Parliament and Cabinet. He had had the mortification of leading a Cabinet defeated by Party revolt (in Fisher's absence) in 1910, and his relations with rank and file Caucus members in November, 1916, were destined to break the Labor Party and change it from a Party which looked like being the normal government of the country into one which rarely occupied the Treasury benches. His view would be supported, probably, by many contemporary commentators on politics.

Arguing that there should be "no suspicion that private interests" should "submerge public welfare" he went on to say:-

"The public have, in regard to the action of private members, the

(166) Hughes's speech, Commonwealth Parliamentary Debates, Vol. LXX, pp. 957-962. Irvine's pp. 949-962; Frazer's pp. 944-949. All September 9, 1913.

(167) p. 957

safeguard of publicity which is given by discussions in this Chamber, and which insures, to a very large extent at any rate, that every act and every word shall be open to criticism, if criticism be necessary. But Parliament in these days exists, in the main, for registering the decisions of Cabinet. Under Party government, although it retains its freedom of speech, Parliament has so far lost its freedom of action that it is unable to do little save to, in the vast majority of cases, blindly carry out what the Cabinet determines.

What is the Cabinet? This body unknown to the Constitution has grown up little by little, and has taken to itself such authority, that its very nature has now changed, although its name remains the same. The power of the Cabinet today is such that whilst the powers of the Parliament remain as far as form and theory go what they were, in practice what the Cabinet decides is done.

Indeed, where, as in this Parliament has been the case almost since its inception, parties have been very nearly divided, it follows that dissent from the decision of the Cabinet is not possible, nor even desirable, from the standpoint of party, and none has ever occurred, so far as I know, on the floor of this House, in matters of first importance."(168)

Many in Caucus might have disagreed with this assessment because of the power of Caucus to suggest or enforce changes and to ask for policies when a Labor cabinet was in office, though in practice Labor cabinets brought in to Caucus the most vital suggestions regarding policy. Moreover the Party had gone to the election with Fisher promising to bring the Swiss ideas of the initiative and the referendum for all legislation into statutory law, which would have enabled organizations of the general public to demand a referendum and suggest legislation by petition - a serious weakening of the power of the Cabinet. This shows that what might have given Hughes satisfaction did not satisfy the Party.

Charles Frazer's motion in Caucus on Irvine's position was almost his last Caucus action before his death in November, 1913, at the age of 33. He had played a major part in the campaigns against alliances and for Caucus election of Labor cabinets.

Within one day, however, the Senate and the Labor Party were to

be given a lesson in the supremacy of Cabinet over the labor controlled Senate but, possibly because of views such as those of Hughes, the Party took no action except verbal complaint.⁽¹⁶⁹⁾ The Prime Minister had written a letter to the President of the Senate refusing £250 expenses for a Senate Select Committee to visit Kalgoorlie in connection with an inquiry into the dismissal of the Supervizing Engineer of the Transcontinental Railway line (Kalgoorlie section), the refusal being made on the ground that the Government was "unable to perceive any reason for the expenditure of the money for the purposes stated". Senate President Thomas Givens took

"a very serious view of it, because if it were allowed to pass without question, this or any future Government might at any time nullify the power of the Senate to inquire into a particular matter by refusing to provide funds."⁽¹⁷⁰⁾

Senator Pearce moved on the Labor Party Executive on September 11 for a resolution against the refusal of funds

"as an infringement of the right of Parliament to appoint Committees to investigate public questions".⁽¹⁷¹⁾

Pearce wanted the protest resolution to be moved in the Senate. Hughes and Frazer moved at the Party meeting⁽¹⁷²⁾ for the postponement of this action but it was carried on the casting vote of Fisher - that it went to a casting vote shows a certain scepticism of the Senate in Labor thinking, even when Labor controlled the Senate.

At a second Party meeting later the same day Fisher "explained that as he had been informed that his name had been recorded prior to giving his casting vote he desired to withdraw the casting vote".

This negated the protest resolution. The Labor Party apparently did not want to pass any financial authority over to the Senate, even in a Caucus containing 29 Senators to 37 Representatives. This was wise for Labor, in both the States and the Commonwealth, was more likely to suffer from any conventions of political power for upper houses than were the non-Labor parties.

The Labor Party might equally be regarded as having a vested

(169) Statement by the President of the Senate, Thomas Givens (Labor), Commonwealth Parliamentary Debates, Vol. LXX, p.1002, Sept. 10, 1913

(170) p. 1002, September 10, 1913

(171) Executive Minutes, September 11, 1913

(172) Caucus Minutes, September 11, 1913

interest in the convention that the Governor-General must accept the advice of his Ministry on dissolution, including double dissolutions, but these are complications in the Party's attitude to the double dissolution announced by Joseph Cook as Prime Minister in June, 1914. (173)

From November, 1913, the Liberal Government of Joseph Cook began to manoeuvre for a double dissolution and introduced a number of Bills the Labor Party would be bound to reject. These included an Electoral Bill which restored postal voting (to which the Labor Party objected) and abolished Saturday voting. This was regarded by the Party as an attempt to deprive the working man of a chance to vote at leisure, confining him to after work and after the evening meal. Thus Hughes -

"It is naturally proposed by the Minister to abolish Saturday polling, because Saturday is the day on which the electors have most time for voting." (174)

The Government then simplified the issues to one-postal voting - in the Postal Voting Restoration Bill 1913. Other Bills apparently designed to provoke a double dissolution were the Government Preference Prohibition Bill 1913, forbidding preference to unionists in the Commonwealth Civil Service; the Australian Notes Bill 1913, requiring the Treasury to provide for a sovereign for the £ backing for any notes issued in excess of £7,000,000; and the Commonwealth Bank Bill of 1914 forbidding that Bank to conduct Savings Bank business and proposing to transfer the business which had developed to State Savings Banks. The Government Preference Prohibition Bill and the Postal Voting Restoration Bill were the ones introduced early enough to allow for a double dissolution in June, 1914.

Caucus, sensing the Government's desire for an electoral showdown, worked for one also, but was manoeuvring for a dissolution of the House without a dissolution of the Senate.

Fisher became worried at poor Caucus attendances. On October 30, 1913, there were only 28 out of 66 present; (175) and on October 31 Fisher

"made a suggestion to the Party that every absent member be communicated with. The loose attendance of members in the House must end, otherwise the Party will suffer".

He and McGregor, as leaders, sponsored the resolution -

(173) Commonwealth Parliamentary Debates, Vol. 74, p.1917, June 5, 1914, in answer to a question by Fisher

(174) Commonwealth Parliamentary Debates, Vol. 70, p.1228, Sept.16, 1913, voting was not compulsory at this stage.

(175) Minutes, October 30, 1913

"That an urgent message be sent to members of the House of Representatives requesting attendance on Wednesday next".⁽¹⁷⁶⁾

Yet attendances continued poorly - 49 on November 5, 1913, 36 on November 6, and 34 on November 13. There were 54 on November 29, when the Electoral Bill and Government Preference Prohibition Bill tactics were considered. At the beginning of the 1914 session the attendance improved - 64 on April 14, 1914 and 63 on April 15, but dropped to 25 on June 26, 1914, the last meeting before the elections.

The Executive recommended to Caucus in November --

- (1) "That no members be absent without the consent of the Leader and Whip being first obtained.
- (2) That live pairs may be arranged to the approval of the Leader and Whip. No pair to take effect without their approval."⁽¹⁷⁷⁾

The Labor Party's attitude to the Postal Voting Restoration Bill was not outright rejection. It was prepared to allow postal voting for the sick and infirm. But its attitude to the Government Preference Prohibition Bill was one of outright rejection. The Government decided tactically upon the latter Bill after appearing for a time to be proposing to fight Senate amendments on the Postal Voting Restoration Bill. It abandoned that Bill without putting it to the Senate again.

On November 5, 1913, Caucus sent the Postal Voting Restoration Bill and the Government Preference Prohibition Bill to Committees for study,⁽¹⁷⁸⁾ but the study was primarily to achieve best tactical results rather than the simple facts of the legislation. The Party, with elections in mind, provided for the printing of 20,000 copies each of Fisher's and Hughes's speeches on the Government Preference Prohibition Bill.⁽¹⁷⁹⁾

On the same day Fisher moved a no confidence motion against the Government in the House of Representatives⁽¹⁸⁰⁾ an action decided upon in Caucus the previous week.⁽¹⁸¹⁾ This motion was brushed aside by the Government as obstruction and the no confidence question was never resolved. After the Government Preference Prohibition Bill was gagged through the House of Representatives on November 18, 1913, the Executive of Caucus met on November 18 and Resolved -

(176) Minutes October 31, 1913

(177) Executive Minutes November 5, 1913

(178) Minutes November 5, 1913

(179) Minutes November 13, 1913

(180) Commonwealth Parliamentary Debates, Volume 71, p.2939, November 5, 1913

(181) Minutes October 31, 1913

"That it be a recommendation to the Senate that no business other than a temporary supply bill be proceeded with until such time as the no confidence motion is dealt with." (182)

This was the only time in federal history a no confidence motion has been thus ignored. In retaliation the Labor Senate adjourned but this could not be an indefinite tactic and on November 27, 1913, Caucus resolved

"That the resolution passed at the meeting held on November 20, requesting the Senate members to refuse to pass any government business except a monthly supply bill until the vote of confidence was dealt with be rescinded." (183)

In default of rescinding that ^{in effect} motive the Labor Party would have been manoeuvred into the position of giving the Government a double dissolution on any issue it chose.

At the meeting of November 20, Caucus chose its own ground of double dissolution, in effect, by resolutions reading -

"That the Senate amend the Postal Vote Restoration Bill in accordance with Party suggestions."

"That the Senate reject the prohibition of preference to unionists Bill(sic) and send a message to the House of Representatives giving reasons for said rejection." (184)

The Labor Party's objection to the Postal Vote Restoration Bill (i.e. "the Party suggestions" in the resolution) was primarily to the witnesses of postal votes. People more than 5 miles from their voting centre could make postal votes. Especially if polling day were not Saturday, but even then, employees and domestic servants could be put under pressure as to how they voted, for being at work they cast postal votes, perhaps with employers as witnesses. The Labor Party believed that some who insisted on voting against the Party the witness supported sometimes had their ballot papers "lost",

Caucus, however, wanted the Senate to debate the merits of the Government's legislation and rejected a proposal involving a Senate usurpation of power by rejecting Senator Rae's proposal.

"That the Party in the Senate continues to refuse to discuss any Government business but takes command of the House and proceeds

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- (182) Executive Minutes November 19, 1913. Appears in Caucus Minutes November 20, 1913
(183) Caucus Minutes November 27, 1913
(184) Caucus Minutes November 20, 1913

to pass the Referendum Bills before the end of the session."⁽¹⁸⁵⁾
In accordance with the decision of November 20 the Senate defeated the Government Preference Prohibition Bill on the second reading on December 11, 1913.⁽¹⁸⁶⁾

It was re-introduced in the House of Representatives on May 14, 1914, passed on May 28, 1914,⁽¹⁸⁷⁾ presented to the Senate and defeated on the first reading the same day.⁽¹⁸⁸⁾

But before these events, which produced the double dissolution, the Party decided to give Senator McGregor, the Senate Leader, great tactical freedom -

"Resolved. That the Leader in the Senate take such action from day to day as seems best to meet the requirements of the situation."⁽¹⁸⁹⁾

On December 11, McGregor, however, wanted instructions and at the meeting of the Executive that day it was resolved

"That as it is impossible to get a representative meeting of the Party at the present time the Executive is of the opinion that the decision already arrived at by the Party should be adhered to by the Senate members in reference to the prohibition of preference to unionists bill." (sic)⁽¹⁹⁰⁾

This decision produced the first defeat of the Bill and the first stage of the requirement for a double dissolution the same day. The attendance which did not constitute "a representative meeting" was apparently one of 35 on December 5. The meetings of November 20 and November 27 had had 54 and 43 respectively. On December 15 a small Caucus (30 only in attendance) confirmed the action of the Executive in "advising the members in the Senate to reject the prohibition of preference to unionists bill". (sic)⁽¹⁹¹⁾

Caucus did not meet between December 15, 1913 and April 14, 1914. On that latter date it elected its leaders and executive for the session and, resuming the tactic of proposing more significant legislation than the

⁽¹⁸⁵⁾ Caucus minutes November 20, 1913.

⁽¹⁸⁶⁾ Commonwealth Parliamentary Debates, Volume 72, p.4145, December 11, 1913

⁽¹⁸⁷⁾ Commonwealth Parliamentary Debates, Volume 74, p.1625, May 28, 1914. The division was 36-36 and the third reading went through on the Speaker's casting vote.

⁽¹⁸⁸⁾ Commonwealth Parliamentary Debates, Volume 74, p.1590, May 28, 1914.

⁽¹⁸⁹⁾ Minutes November 27, 1913

⁽¹⁹⁰⁾ Executive Minutes December 11, 1913

⁽¹⁹¹⁾ Caucus Minutes December 15, 1913

Government, resolved "that the Leader in the Senate give notice for leave to introduce the Referenda proposals as soon as the House (i.e. the Senate) meets."⁽¹⁹²⁾

The Executive⁽¹⁹³⁾ at its meeting of April 15 laid down an all-out strategy which some found it difficult to accept. It resolved -

"That we recommend to the Party

- (1) that in the best interests of the Party it is desirable that an appeal to the electors should be made at the earliest possible moment.
- (2) That in order to expedite the date of the appeal to the electors the Government be challenged to introduce their two so-called "Test Bills" without delay and that these be disposed of forthwith.
- (3) That an amendment censuring the Government be moved to the Address-In-Reply."⁽¹⁹⁴⁾

When these were submitted to a well-attended Party meeting at 7.30 p.m. the same day William Webster asked "if the Executive was unanimous and was informed by the Chairman that it was." When Hughes moved the adoption of the first item Webster, seconded by Senator Gardiner, moved as an amendment -

"That in the interests of the Movement every available means should be used to frustrate the Government in its effort to secure a double dissolution."⁽¹⁹⁵⁾

Then Bamford and O'Malley moved that -

"recommendations (1) and (2) be postponed and the meeting proceed to deal with (3) which provided for censuring the Government."⁽¹⁹⁶⁾

This was carried. There must have been some in the Senate who expected Labor's Senate numbers to be swept away in a dissolution, but it is hard to see how any Labor group could have accepted the Government Preference

(192) Caucus Minutes April 14, 1914.

(193) The Executive consisted of Andrew Fisher (Leader) Senator Gregor McGregor (Senate Leader) David Watkins (Newcastle, N.S.W., Secretary) Senator Hugh De Largie (W.A.-Assistant Secretary) Senator George Pearce (W.A.) Senator Edward Russell (Vic.) William Morris Hughes (West Sydney, N.S.W.) William Archibald (Hindmarsh, S.A.) Charles McDonald (Kennedy, Q.) Matthew Charlton (Hunter, N.S.W.) William Guy Higgs (Capricornia, Q.) and William Guthrie Spence (Darling, N.S.W.)

(194) Executive Minutes April 15, 1914

(195) Caucus Minutes April 15, 1914

(196) Minutes April 15, 1914

Prohibition

Abolition Bill, and a clash between the Houses was unavoidable. An effort was made by Bamford and Carr to adjourn the debate indefinitely but this was defeated.⁽¹⁹⁷⁾ The Executive recommendation was not then carried and, as a consequence, the questions continued to be debated at Party meetings on April 22 and April 23. On April 22 Caucus apparently deleted words never recorded from the motion, for in its final form it still read as recorded on April 15 and, so amended, it became the substantive motion, eliminating Executive recommendations (1) and (2). Fisher ruled it as the substantive motion on April 23⁽¹⁹⁸⁾ so that "it could be amended by amendments of which contingent notice was given if they were otherwise in order", and, seizing this opportunity, Tudor moved the adjournment till May 6. On May 6 Caucus finally adopted it, rejecting the idea of a clash between the Houses if avoidance were possible.

But the Executive was trying to come back to its original strategy and the same day recommended

"That we recommend the Party reject the Bill prohibiting preference to unionists and amend the postal voting amendment bill."

This appears to have been adopted although the somewhat obscure minutes of May 6 also record a later effort by Ready and O'Malley to amend not reject the "anti-preference bill" (sic) in the Senate and arrange that it be "referred back to the House of Representatives".⁽¹⁹⁹⁾ This effort failed.

On May 8 Fisher still wanted clarification of the strategy and Higgs and Catts moved -

- " (1) That with regard to the Government preference to unionists abolition bill now before the House of Representatives the measure be opposed at every stage:-
 - (a) the motion for leave to introduce:
 - (b) the second reading:
 - (c) the third reading:
- (2) That members of the Party are hereby invited to move hostile amendments at all possible stages."

This was carried. In carrying this motion, which obviously must also govern the attitude taken by the Party in the Senate, the Party had set up the conditions necessary for a double dissolution, but seemed unable to

(197) Minutes April 15, 1914
 (198) Minutes April 22-23, 1914
 (199) Minutes May 6, 1914

face that fact, for it still considered tactical amendments to the Government Preference Prohibition Bill, and finally appeared to be attempting to advise the Governor-General on the issue of a dissolution. The Caucus on May 21, 1914, passed a motion which was a composite of one by Higgs and another by Hughes and which meant that all other amendments having been rejected the motion for the third reading shall be amended from "That the Bill be now read a third time" to "That the Bill is not of sufficient importance and would not affect any change of the existing conditions, is introduced for purely Party purposes, and ought not to be made the basis of an appeal to His Excellency the Governor-General to grant a double dissolution under the provisions of section 57."⁽²⁰⁰⁾

On May 28, hours before Senator McGregor led the Senate to defeat the Bill, Caucus had left unresolved a motion of Senator Lynch --

"That the Prohibition of Preference to Unionists Bill be so amended as to ensure preference being given to members of organizations who give preference of services to the Commonwealth Government" --

if correctly recorded, meaningless. It also left unresolved a De Largie-Malley proposal to send the Bill to a select committee. These motions were down for later debate but they were superseded by direct action by McGregor who in the Senate directed the rejection of the first reading of the Bill. On the 29th he asked that his action be confirmed and there was not much else that could be done.⁽²⁰¹⁾ Caucus was fairly confused throughout the months of April and May trying to avoid a dissolution and at the same time vindicate Labor Policy. The Executive and McGregor were more realistic and better judges of the electorate than the "no election" Party. Nevertheless they evidently believed that the Higgs-Hughes resolution on the unimportance of the Bill and its partisan nature would inhibit the Governor-General from granting the dissolution.

Why was the Labor Party afraid of a double dissolution when the leadership of the Party constantly sought to screw the Party up to the

(200) Minutes May 21, 1914. Hughes contended in the House that the Government gave preference to non-unionists (Commonwealth Parliamentary Debates, Volume 74, p.1623.) Denied by Attorney-General W.H. Irvine at p. 1624. Irvine believed that the question of preference to unionists was "one issue which was operative more than any other in turning the balance of opinion against the late (Fisher) Government", Ibid p.1624. This may account for the choice of the issue for the double dissolution.

(201) Minutes May 29, 1914

point of rejecting the Government Preference Prohibition Bill outright and creating thereby the conditions for a double dissolution? The answer, I think, is to be found in the election of 1910 and the large number of Senators (29) in Caucus.

Senate voting was "first past the post" and generally a group carried or lost a State by a simple plurality. The 1910 elections saw the Labor Party win all the seats contested - the 18 contested Senate seats (out of 36 in the Senate) of that year.⁽²⁰²⁾ If all States could sometimes be carried by small majorities or even pluralities which were not majorities, as 1910 proved, then a clean sweep in a double dissolution might give a Party all seats. The Senate elections had proved highly volatile. In 1906 Labor had won only 5 seats - three of them in W.A.⁽²⁰³⁾ Preference to unionists might be highly unpopular with the electorate, being an interest probably only of Labor's most active trade unionist supporters. The Prime Minister quite evidently believed he was on a winner and it is not surprising that Labor Senators in some cases might tend to share his estimate. Moreover the resolution of Higgs and Hughes on the unimportance of the Bill was true in one sense. The Bill did not change anything since the preference did not exist in the Commonwealth service. It was a contrived manoeuvre not to create legislation but to create a double dissolution. Labor had painfully built up a majority in the Senate and it might disappear in a "stunt" double dissolution with the Press largely supporting the Government in a manoeuvre to prevent Labor from having what its opponents had so often used against it - an Upper House majority.⁽²⁰⁴⁾ The Party's tendency to argue that the Govern-

- (202) The result in 1910. Labor's electoral wins in the Senate.
N.S.W. 3: McDougall, Gardiner, Rae; Victoria 3: Findley, Barker, Blakey
Queensland 3: Givens, Turley, Stewart; S.A. 3: McGregor, Guthrie, Story;
W.A. 3: Henderson, Buzacott, DeLargie; Tasmania 3: O'Keefe, Long, Ready.
- (203) The result in 1906. Labor's electoral wins in the Senate.
N.S.W. 0: Victoria 1: E. J. Russell; Queensland 0: S.A. 1: W. Russell;
W.A. 3: Pearce, Needham, Lynch; Tasmania 0.
- (204) In the original elections of 1901, 8 candidates who declared themselves Labor were elected to the Senate - 4 for 6 years and 4 for 3 year terms. In the 1903 election Labor gained 10, giving, with 4 unexpired seats, a total of 14 seats. In 1906 Labor gained 5 seats. With 10 unexpired seats it held 15 in the Senate. In 1910 Labor gained all 18 seats. With 5 unexpired seats it held 23 in the Senate - its first majority. In 1913 Labor gained 11 seats. With 18 unexpired seats it held 29 in the Senate. This was the position in the Parliament of 1913-14. The fear of gaining no seats at all was substantiated for Labor at the election of 1917. At the election of 1919 Labor gained only 1 seat, Senator Gardiner, who thus faced 35 non-Labor senators. In 1925 and 1934 Labor gained no seats. In 1931 Labor carried only Queensland (3 seats).

General should not accept advice for a double dissolution was doubtless based on the refusal of the Governor-General to grant Watson a dissolution for Labor in 1904, but the circumstances were different. In granting a dissolution of the House of Representatives alone the Governor-General would have to be satisfied that no alternative Government with a prospect of support in that House was possible. The double dissolution, on the other hand, was not discretionary from the Governor-General's point of view, but automatic if the conditions of deadlock between the Houses were fulfilled. It was not the business of the Governor-General to decide that the Government Preference Prohibition Bill was merely a measure contrived for a dissolution. It was a Bill rejected the second time by the Senate after a suitable time lapse from the first rejection and in different sessions. Therefore the requirements of Section 57 of the Constitution had been satisfied.

The manoeuvring for elections became quite blatant. In a rowdy night of debate the keys of some of the doors of the House of Representatives were stolen, so they could not be locked during divisions and the Speaker's copy of May's "Parliamentary Practice" disappeared. The Government decided to make a major incident out of this, to emphasize Labor's indiscipline. At the Party meeting of May 27 -

"Mr Fisher stated that the Prime Minister had informed him that it was intended to appoint a Select Committee to inquire into the question of the removal of the Speaker's copy of May and the interference with the keys of some of the doors." (205)

For its part Caucus began a series of futile probes at the advice tendered to the Governor-General. With one side of its mind the Party expected an election and on June 5 instructed Fisher to draw up an electoral manifesto (206) and with another side sought to open the question of the double dissolution. The Prime Minister informed the House of Representatives on June 5, 1914, that he had advised the Governor-General to dissolve both Houses pursuant to section 57 of the Constitution and that this advice had been accepted. (207). On June 10 Caucus resolved -

"That the Leader of the Party in the Senate be requested to move that an address be presented to the Governor-General praying him to furnish the Senate with copies of all memoranda or other papers

(205) Minutes of Caucus May 27, 1914. Moved by Cook May 28, 1914, Commonwealth Parliamentary Debates, Volume LXXIV, P. 1592-1593. The Speaker's complaint p. 1483, May 27. The Speaker also complained of the removal of the Mace, the stealing of his notes for rulings, and the removal of markers in his "May's Parliamentary Practice". The Select Committee consisted of Archibald and Charlton of the Labor Party and Sampson and Bruce Smith for the Government.

given to him by his advisers in support of their claim to a double dissolution and his reply thereto."⁽²⁰⁸⁾

At a Caucus meeting of June 5, 1914, before the Prime Minister's announcement, Caucus resolved

"That the view of Mr McDonald to the effect that Mr Fisher should not agree to granting supply beyond September 1 be adopted."⁽²⁰⁹⁾

Evidently it was intended to force the double dissolution election to be early, or, if there were no double dissolution, then to force a dissolution of the House of Representatives.⁽²¹⁰⁾ On June 10 Fisher asked in the House of Representatives for the text of the Prime Minister's advice to the Governor-General, but Cook refused to make any disclosures. Pursuant to the Caucus resolution of June 10 that the Leader of the Party in the Senate seek the reasons for the dissolution, the Senate on June 17 petitioned the Governor-General to reveal the reasons for the double dissolution.⁽²¹¹⁾ On June 20 his reply was that his Ministers had advised him not to comply with this request.⁽²¹²⁾ Fisher had his revenge when he later published the correspondence as a Parliamentary Paper⁽²¹³⁾ but that was after the double dissolution had produced a handsome electoral victory for him. The correspondence with the Governor-General, ostensibly from the Senate, was actually drafted by W. M. Hughes, a member of the House of Representatives and Labor's former Attorney-General. The Executive had resolved at its meeting of June 17 - "That we recommend that the Governor-General be addressed by the Senate to put the Referenda Bills to the people. Also to produce reasons for dissolution," and at the Party meeting the same day "Mr Hughes presented the documents to be presented by the Senate to His Excellency the Governor-General on the questions of the Double Dissolution and the Referenda proposals. Resolved. "That the documents be approved and referred to Mr Hughes for completion".⁽²¹⁴⁾

(206) Minutes June 5, 1914

(207) Commonwealth Parliamentary Debates, Volume 74, p.1917, June 5

(208) Minutes June 10, 1914

(209) Minutes June 5, 1914

(210) In the event the whole Parliament was dissolved on July 30, 1914, and the election day was September 5, 1914

(211) Commonwealth Parliamentary Debates, Volume 74, p.2008, June 17, 1914

(212) Commonwealth Parliamentary Debates, Volume 74, p.2420, June 20, 1914

(213) Parliamentary Papers, House of Representatives 1914-17, Vol.V, p.127

(214) Executive Minutes June 17, 1914. Caucus Minutes June 17, 1914

The meetings of June 24th and June 26th were preoccupied with elections and Caucus did not again meet till September 16, 1914, after the outbreak of the Great War and after the election. When it met again it met as a government. Labor was not to gain a majority in both Houses after this 1914 election until 1943.

APPENDIX

The Preference Issue:

The issue of preference to unionists, with additional comment on the nature of the Governor-General's power of dissolution, was the subject of a lengthy paper submitted to the Governor-General by Joseph Cook in advising the double dissolution in 1914. This paper is in Parliamentary Papers, General, Session 1914-15-16-17, Volume V, pp. 129-136. The issue of preference to unionists had also been the subject of a No-Confidence motion against the Fisher Government by Alfred Deakin in the House of Representatives on September 26, 1911 and directed specifically against the administration of the Minister for Home Affairs in that (Second) Fisher Government (1910-13). Alfred Deakin's motion was debated for four days, September 26-29, 1911, and the Debate occupies pp. 768-956 of Volume LX of Commonwealth Parliamentary Debates. Deakin moved -

"That in the opinion of this House the preferences in obtaining and retaining employment recently introduced into his Department by the Minister for Home Affairs are unjust and oppressive; prejudicial alike to the public interest to the Public Service, and to relations between Parliament and the public servants".

The weakness of Deakin's personal position in moving this motion was that he as Prime Minister had provided for preference to unionists in the Conciliation and Arbitration Act of 1904, obviously because his Government was dependent at that time on Labor support, and he was therefore forced into refined explanations as to the difference between his version of preference and King O'Malley's. There was also, apparently, a marked moral difference between preference in the Government service and outside it. Referring to his motion he said - (1)

"In submitting it I shall not detain the House with considerations respecting trade unions as such. These associations are accepted by all parties as a necessary part of our industrial machinery, though indispensable and fruitful only in their legitimate sphere. Neither does the vexed question of a general preference to unionists arise. There is on our statute-book an Act having a history more extraordinary than that of any other measure passed by an Australian legislature. Its provisions represent

(1) Commonwealth Parliamentary Debates, September 26, 1911, Volume LX, pp. 768-769

the joint work of three ministries formed from the three parties into which this House divided during the first nine years of its existence.....In the discussion of that measure the battle raged furiously - and I am still speaking of the Act of 1904 - over the question of preference to unionists....Consequently preference to unionists, which is open to us for discussion on this motion, takes its root in that original Act of 1904. This limits the tests which we have to apply - I speak for honorable members on this side - to the new departure of the Minister for Home Affairs....."

Deakin found his preference provisions in 1904 a logical burden in the debate. He quoted from section 40 of that Act that it gave the Court of Conciliation and Arbitration, by its award or by order on application at any time to ^{power} direct that, as between members of organizations of employers or employees, and other persons offering or desiring service or employment at the same time, preference shall be given to such members, other things being equal."

Deakin argued that important conditions followed. Before preference was granted under his scheme of things the proposal to allow preference had to be "advertised far and wide". The industry and the industrial matter concerning which preference was to be granted had to be specified "so that all persons and organizations interested had to be heard before the Court." Thus there was a judicial trial of the issue "which invited by public notification a challenge from any persons aggrieved." The Court could only direct preference if it believed that "the majority of those affected by the award who had interests in common with the applicants were in favour of its introduction." As a safeguard against abuses the Court had a permanent power of supervision over the working of preference. Section 55 of the Act contained the proviso which Deakin quoted -

"Provided that no such organization shall be entitled to any declaration of preference by the Court when and so long as its rules or other binding decisions permit the application of its funds to political purposes, or require its members to do anything of a political character."

Deakin pointed out that the ban on political activities did not include action to obtain

- (i) Preservation of life and limb
- (ii) Compensation for injuries or death
- (iii) Sanitation
- (iv) The sex and age of employees
- (v) The hours of labour
- (vi) Remuneration of labour
- (vii) Protection of wages and salaries
- (viii) Other conditions similarly affecting employment.

It is obvious that Joseph Cook followed the arguments of Deakin exactly in his submission nearly 3 years later to the Governor-General.⁽²⁾

Deakin argued that his provisions enabled

"unionists to band themselves together for all purposes which were industrial, or which affected them as industrial workers, and still to obtain a preference from the Court."

By implication he suggested the contrast in Labor's attitude -

"It was only when they went into fields entirely unconnected with their own interests as industrial operatives that they were required to forego the power to obtain the preference in question. They then put politics first, preferring that power to preference."

Deakin and those who spoke supporting him believed themselves to be vindicating "freedom". It did not occur to him that he was in fact trying to proscribe the political activities of wage earners by attaching loss of preference - which might mean loss of employment and wages - to such political activities. He did not see that he was doing this, at root, because these activities, unlike the political activities of employers, were likely to be opposed to him.

At page 775⁽³⁾ Deakin put the difference between himself and O'Malley as explicitly as he could -

"In an application for preference to unionists, to a Court with a continuing control, we have a body which arrives at a decision judicially after close inquiry, and is able to vary that decision should any changes make that necessary. In the present instance,

(2) He refers to Deakin's speech (Parliamentary Papers, Volume V, p.131) in the memorandum to the Governor-General and quotes the Deakin Government's Arbitration and Conciliation Act of 1904 to the same effect as Deakin, including Section 55.

(3) of Commonwealth Parliamentary Debates LX, September 26, 1911.

on the other hand, we have a great number of temporary employees under the Home Affairs Department who are to be selected on a new plan - giving absolute preference to unionists. The mere fact of their unionism will put them into positions without regard to other qualifications required for the posts."

The illustrations Deakin gives make "qualifications" a little difficult to understand. Promotion by qualification the public might regard as sacrosanct in professional and administrative posts but in referring to O'Malley's probable departmental actions he said -

"The gangs employed may be anywhere in Australia or Tasmania. They may be in the Northern Territory or in the Federal Territory under Commonwealth control".....Is not the whole principle of selection revolutionized by.....applying it to numbers of men scattered here and there."

It becomes obvious he was talking about the selection of unskilled labourers. Frank Anstey, the Labor member for Bourke, (4) had no difficulty in exposing the inconsistency -

"The honorable member for Ballarat (5) told us that there were three parties in this Parliament, each of which accepted the principle of preference to unionists. Their only condition was that it should not be unrestricted, and that the principle should be safeguarded and surrounded with limitations and restrictions -

Mr Kelly: Restrictions against licence.

Mr Anstey: But the principle was there.

Mr Deakin: In the hands of a Court.

Mr Anstey: And it was either so limited and restricted as to be a mockery to those upon whom it was capable of being conferred, or it did really operate within the circle of those who cared to comply with the conditions laid down. The honorable member who just resumed his seat said that one of the conditions was that unionists should give up the right to strike; another that their operations and objects should be non-political. But providing they gave up the right to strike and were not political

(4) Anstey's Speech, Commonwealth Parliamentary Debates, LX, pp.881-887
wi September, 1911

(5) i.e. Alfred Deakin

in their objects and operations, preference was to be given to unionists. It was either then a mockery or a fact. If it was a mockery it was a piece of political sham on the part of the Government who professed to confer it. If it was effective then all the misery, iniquities, and inequalities which are now denounced as involved in the principle were then within the scope and ambit of its operation. What then have honorable members opposite to complain about?....."

Perhaps the speech of Sir John Forrest, who had been in Deakin's Cabinet in 1904 when the Arbitration and Conciliation Act gave preference, revealed political expediency in the enactment -⁽⁶⁾

"Personally I do not believe in preference to unionists; but there was no reason why I should leave the Government which introduced preference to unionists outside the Government service, in a modified way, and under judicial supervision. I consider that preference is contrary to the natural instincts of man. However, I know that anything I may say tonight.....will not have any effect on the votes of honorable members opposite. They are as solid as iron. Why? Because they are pledged to vote as the Caucus dictates."

J. H. Scullin⁽⁷⁾, then member for Corangamite, replied to Forrest -

"The right honorable member for Swan⁽⁸⁾.....told us too that he supported a bill brought in by the Government of 1904, in which he was a Minister, but admitted that he did not believe in it, and stood by it only because he was bound by his Cabinet promises. Immediately afterwards he charged us with being pledged to Caucus, and accused the Minister of Trade and Customs of violating his principles in order to hang on to office.....The Leader of the Opposition⁽⁹⁾ said that his followers are in favour of preference to unionists as a general principle; but the right honorable member for Swan⁽¹⁰⁾ declared that it means the favouring of one poor man against another."

(6) Forrest's speech, Commonwealth Parliamentary Debates, LX, pp. 797-800, 26 September, 1911.

(7) Scullin's Speech, Ibid pp. 800-806, 26 September, 1911

(8) i.e. Forrest

(9) i.e. Alfred Deakin

(10) Sir John Forrest

The Government Preference Prohibition Bill introduced by the Attorney-General W. H. Irvine on October 31, 1913, consisted of only two clauses. There was nothing to amend. Labor had not enacted preference to unionists in the Commonwealth service. O'Malley had adopted an administrative practice of preference in relation to unskilled workers and this had been blown up as political discrimination in favour of Labor partisans, as it had applied to policy making and professional positions in the Public Service, in Cook's election speeches in May, 1913. Clause 2 of the Government Preference Prohibition Bill read -

"No preference or discrimination shall be made for or against any person in relation to any employment by the Commonwealth, or by any Department or authority thereof, on account of his membership or non-membership of any political or industrial association."

This is admirably designed to manoeuvre the Labour Party into what appeared to be an indefensible position. That is all there was to the Bill. The other clause was merely the short title. To vote against it was to vote for preference and discrimination on account of political and industrial associations. It is not normal legislative practice to forbid what does not exist, but O'Malley's administrative actions presumably gave practical justification for the Bill. The discrimination in favour of unionists was not taking place under Cook's Government. The Bill evidently envisaged a future Labor Government and sought to control it, or merely contrived a deadlock.

It is clear that Cook was sensitive to the charge that the Government Preference Prohibition Bill, dealing with no immediate issue since preference was not accorded by his own Government, was in a sense a bogus issue or at least a contrived issue to produce a dissolution. He was at pains to prove to His Excellency that he had made preference a major issue and had probably been elected on this issue⁽¹¹⁾. But the torrent of words he

(11) He quoted himself at Parramatta Town Hall on April 3, 1913, thus:-
"Liberalism arrays itself against the principle obtaining today in Government employment by means of which the citizens of Australia are classified and political opponents declared ineligible for Government employment because of their political creed. The very essence of civilized Government is the equal treatment of all the citizens of the country. There should be only one door of entrance, and that always standing wide open to the Public Service, and one passport at that door, namely merit and the ability to perform the service sought. Whatever arrangements may be made outside for the granting of judicial preference, conditioned by the circumstance in which it is given, the enactment of absolute preference by the Government is a complete negation of the principle of equal citizenship. No citizen is allowed to escape his responsibilities and no citizen should be debarred from his corresponding

he poured on the Governor-General contrasted with the almost laconic reply -
"the Governor-General desires to inform the Prime Minister that.....
he has decided to accede to the Prime Minister's request and will
grant an immediate simultaneous dissolution of the Senate and the
House of Representatives."

The Governor-General desired an assurance about the granting of supply by Parliament. He gave his decision, he wrote, "having considered the Parliamentary situation". This might mean that all that was in it as far as the Governor-General was concerned was that the Senate had rejected a Bill twice and opened the way to the procedures of double dissolution under section 57 of the Commonwealth Constitution. But the Governor-General did not apparently regard himself as obliged automatically to grant a double dissolution and this gives some point to the Labor arguments directed at the Governor-General through the Senate. They appear futile arguments today, but not futile arguments if section 57 could only be invoked if other political considerations suggested that the Parliament was unworkable. If the Governor-General had discretionary power then Labor arguments that the Bill was without real significance were relevant. The Governor-General believed he had to make a political assessment.⁽¹²⁾ He went so far as ask the Prime Minister if it would be correct for him to discuss the issue with the Leader of the Opposition but commented to the Secretary of State in the same letter that Cook was "much against" this. Cook, however, was "very willing that I should see the Chief Justice". The nature of the advice received justified completely the Labor Party tactics of arguing about the unimportance of the legislation. This is not to suggest for a minute that His Excellency accepted the Labor Party arguments. It is merely to say that the Chief Justice considered that the dissolution "should only be granted if the proposed law is one of such public

(11 contd.)privileges. Equal opportunities should surely prevail in Government employment, if anywhere at all. The present system by which the Government service is being packed with political partisans should be ended as early as possible."

(12) In a letter to the Secretary of State for Colonies on June 1, 1914, he wrote "The obvious reason for the dissolution is of course that Parliament is quite unworkable, that the King's Government cannot at present be carried on under either circumstance. A dissolution of one or both Houses is inevitable, and to dissolve the lower House only would be to give an advantage to the party in a minority in that House." This apparently means that section 57 was not in his view automatic and this was the nature of the advice he had received from the Chief Justice, Sir Samuel Griffith.

importance that it should be referred to the electors of the Commonwealth."⁽¹³⁾

The defeat of the Liberals in the election of September 5, 1913, ended preference to unionists in the Government service as a vital issue.⁽¹⁴⁾ Preference to returned soldiers emerged as a new issue during and after World War I. Labor's Attorney-General W. M. Hughes had based his career on trade unionism and trade unionists. The Nationalist Prime Minister W. M. Hughes based his career on "the diggers".

(13) The Novar Papers. Cited by Sir Ernest Scott "Australia During The War"

"An occasion for the exercise of the power of double dissolution under Section 57 formally exists whenever the event specified in that section has occurred, but it does not follow that the power can be regarded as an ordinary one which may properly be exercised whenever the occasion formally exists. It should, on the contrary, be regarded as an extraordinary power, to be exercised only in cases in which the Governor-General is personally satisfied, after independent consideration of the case, either that the proposed law as to which the Houses have differed in opinion is one of such public importance that it should be referred to the electors of the Commonwealth for immediate decision by means of a complete renewal of both Houses, or that there exists such a state of practical deadlock in legislation as can only be ended in that way. As to the existence of either condition he must form his own judgment.

Although he cannot act except on the advice of Ministers, he is not bound to follow their advice, but is in the position of an independent arbiter."

(14) It is unlikely, with the outbreak of war a month before polling day, that the electors had the issue in mind on September 5, 1914.

CHAPTER III

130

CAUCUS IN PERSPECTIVE

CAUCUS AND CONFERENCE 1908-1915

The conflict between Watson and the Melbourne Conference of 1905 was followed by conferences in 1908, 1912 and 1915 in which harmony was nearly complete between Parliamentary and extra Parliamentary sections.

Caucus perhaps influenced Conference more powerfully than Conference influenced Caucus. The Conference of 1908 had among its 36 delegates 18 Federal Parliamentarians⁽¹⁾; in addition there were 9 State Parliamentarians⁽²⁾ and Andrew Fisher chaired the Conference.⁽³⁾ Caucus members initiated most vital motions for planks to the Party Platform.⁽⁴⁾

J. C. Watson, for instance, succeeded in getting compulsory military training on the Platform.⁽⁵⁾ Tudor moved for the Commonwealth Bank to go onto the "Fighting Platform",⁽⁶⁾ and O'Malley that the words "Exchange and Reserve" be added to the expression "Commonwealth Bank of Deposit and Issue."⁽⁷⁾ Tudor had the "Initiative" and the "Referendum" written into the platform and the idea of a referendum on tariffs struck out.⁽⁸⁾ It is a testimony to the conservatism of the delegates who were also members of the Federal Parliamentary Labor Party that the Report at p. 24 reveals that the proposal that widows and orphans receive pensions was not carried by a sufficient majority to go onto the platform, while compulsory military training was carried by 24 to 7 and that military and naval expenditure should come from direct taxes was carried by 29 to 3.⁽⁹⁾ Rejected without division was a motion

"That to preserve intact the ties of affection which bind us to the Mother Country, while securing that measure of freedom which is essential to the national well-being of Australia, the power of veto now possessed by the Imperial Government over Commonwealth

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- (1) For New South Wales J. C. Watson, M.P., former leader and former Prime Minister (1)
For Victoria Senator E. Findley and F. G. Tudor, M.P. (2)
For Queensland Andrew Fisher, M.P., leader, future Prime Minister; and Senator T. Givens (2)
For South Australia E. Batchelor, M.P., J. Hutchison, M.P., Senator G. McGregor (Leader in the Senate), Senator W.W. Story (4)
For Western Australia Senator H. DeLargie, Senator G. Henderson, Senator P.J. Lynch, H. Mahon, M.P., Senator E. Needham, W.G. Spence, M.P. (6)
For Tasmania J.H. Catts, M.P., F.J. Foster, M.P., King O'Malley, M.P. (3)
- (2) For New South Wales W.A. Holman, M.L.A., J.S.T. McGowen, M.L.A., both at some time Premiers (2)
For Victoria F. Anstey, M.L.A., T. Tunnecliffe, M.L.A. (2)
For Queensland D. Bowman, M.L.A., A. Hinchcliffe, M.L.C. (2)
For South Australia J.P. Wilson, M.L.C. (1)
For Western Australia Nil. All the delegates were Federal Members
For Tasmania J.A. Jensen, M.H.A., Ben Watkins, M.H.A. (2)

legislation should become inoperative, when such legislation has, after a general election, again been enacted and confirmed by a mass referendum."⁽¹⁰⁾

Federal members must have sat silently endorsing the provisions in the Constitution empowering the Governor-General to reserve legislation to the pleasure of the Queen - the United Kingdom Government. Senator Findley succeeded in getting Caucus election of ministries re-affirmed⁽¹¹⁾ and a condemnation of Party alliances with a resolution for Life and Fire Insurance⁽¹³⁾. Watson succeeded with a motion for a referendum to validate the "New Protection" which had been invalidated by a High Court decision.⁽¹⁴⁾ Givens was defeated on "Elective Ministries" in the Swiss sense.⁽¹⁵⁾ Catts had the name of the Party officially declared to be "Australian Labour Party" - according to the report with that spelling of the later "Labor".⁽¹⁶⁾

The members of Caucus who succeeded in becoming delegates were thus largely writing the Platform, and there was vested in them the power of interpreting it.

A change was however foreshadowed as a possibility at this Brisbane Conference. Albert Hinchcliffe, M.L.C. of Queensland, moved for this formation of an "Australian Political Labor Executive"

"The Executive shall be recognized as the administrative and appellate authority for the Australian Political Labor Organizations, and shall consist of two delegates from each State, such delegates to be elected at each Triennial Commonwealth Conference, provided that not more than one delegate from each State

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- (3) Elected unanimously when M. Reid, President of the Central Political Labor Executive declined the honour. Official Report of the Fourth Commonwealth Political Labor Conference, Brisbane, July, 1908, p. 7.
- (4) Changes or attempted changes in the Platform proposed as motions or amendments by Federal members at the Conference numbered 19 out of 38 such resolutions. In addition, Federal Members moved 5 declaratory resolutions out of 17. The Federal Members were more successful in getting items carried and theirs were most significant.
- (5) Report pp. 16-20. (6) Report p. 21. (7) Report p. 21. (8) Report p. 21.
- (9) Report p. 20. (10) Report p. 30. (11) Report p. 31. (12) Report pp. 26-28. (13) Report p. 21. (14) King v. Barger. Commonwealth Law Reports, Vol. 6, p. 41, March-June, 1908. The decision, handed down a month before the Conference held that the Excise Tariff Act, 1906, granting exemption from excise where "fair and reasonable" conditions of employment existed was invalid in the sections relevant to that objective because it was an attempt to exercise a Commonwealth power over terms and conditions of labour not granted by the Constitution.
- (15) Report p. 21. (16) Report p. 28.

shall be a member of either State or Federal Parliaments.....(17)

The scheme was postponed till the next Conference but it clearly breathes suspicion of the influence of the Federal Parliamentary Labor Party and suggests the first challenge to its power to interpret the Platform.

There was clearly feeling against the domination of the 1908 Conference by Federal Parliamentarians and the Official Report of the Fifth Commonwealth Conference of the Australian Labor Party at Hobart in January, 1912, shows that out of the 36 delegates only 5 were Federal Members.⁽¹⁸⁾ Moreover there was a challenge voiced by Alex McCallum of Western Australia to the influence of Parliamentarians, State or Federal, at the very outset of the Conference. He objected to the election of J. Earle, M.H.A. to the Chair.

"Mr McCallum said that in his opinion the gentleman who should occupy the position of President was the head of the organization in the State. The Conference should be governed by the organization and not by Parliamentarians. He had no personal objections to Mr Earle but was considering the principle involved."⁽¹⁹⁾

Western Australia, which in 1908 had 6 Federal Members as its 6 delegates in 1912 had only 1 - Senator Needham. The others were two Queenslanders, Andrew Fisher and Senator Givens for Queensland, and Senator McGregor and A. E. Roberts for South Australia. In 1912 Fisher was Prime Minister, McGregor, Vice-President of the Executive Council, and Roberts an Honorary Minister. J. C. Watson was still a delegate from New South Wales but no longer a Federal Member. At the 1915 Adelaide Conference there were 8 Federal Members and these were the Prime Minister, Andrew Fisher, the Attorney-General, W.M. Hughes (his only Conference and he was expelled within 18 months), J.F. Hannan, M.P., the President of the Senate (Senator Givens), R. J. Burchell, M.P., Senator Guy, Senator O'Keefe and Senator Ready.

Although the Conference at Hobart in 1912 had only 5 Federal Members, W. M. Hughes was enabled to intervene in absentia for a long letter of his was read to the Conference and this resulted in the item "Effective Federation. The inclusion in the Constitution of the powers asked for on April 26, 1911" going onto the platform.⁽²⁰⁾

The Federal Parliamentary Labor Party never again by weight of numbers among the delegates influence policy to the degree exhibited in 1908, but it

(18) Report p. 5. South Australia had 4 delegates absent owing to a State political crisis but its 2 Federal Member delegates attended.

(19) Report p. 5.

(20) Report pp. 26-27

is easy to discern a decisive influence of Fisher at the Conferences of 1912 and 1915. He had the prestige of Prime Ministership and he voiced many of the attitudes of Caucus. He was defeated in a motion to get a common objective on the platform to bind all States and the Commonwealth Parties, but this was a matter on which all delegates would be instructed.⁽²¹⁾ Fisher took the opportunity to speak at length on amendment of the Commonwealth Constitution and to confirm the Party in the policy of continuing the efforts to amend it made in 1910 and 1911.⁽²²⁾ He also intervened on the subject of graduated land tax, thereby assisting in the defeat of a motion by his Caucus colleague Senator Givens.⁽²³⁾ He intervened against a proposal to provide in the Constitution that Legislative Councils be reformed or abolished. In effect the debate left unresolved the question of whether it would be possible through the Federal Constitution to provide that no legislative or branch of any legislative be elected on other than universal suffrage, but the speeches of Watson and Senator Givens are interesting glimpses of Federal Parliamentary Labor Party opinion and do illustrate the intensity of Labor thinking on the matter.⁽²⁴⁾

With Labor in office Conference left policy initiatives in administrative matters to Fisher. Thus a motion for a Federal Tax on unearned incomes with an exemption of £1,000 was altered, on Fisher's initiative, to a declaration in favour of direct taxation. This was effected by deleting all words from "Plank 13" of the 1908 Platform except the words "Direct taxation".⁽²⁵⁾ Fisher also made a powerful educational address on the subject of an amendment moved by L. F. Giblin that the Platform include -

"A system of compulsory and contributory insurance against sickness, accident, motherhood and old age, with discrimination in favour of parents of large families."⁽²⁶⁾

(21) Report pp.6-9. The effort was defeated by 14-11. It was seconded by J. R. Hannan. (22) Report pp.10-11 for speech by Fisher. (23) Report p.14

(24) Thus Senator Givens - "The Commonwealth Constitution was an Act of the Imperial Parliament. Under that Constitution the means were provided whereby it could be amended, and the Commonwealth was also given power, if authorized by the people, to take from the States certain of their powers, and in that way extend the powers of the Federal Parliament, but the Commonwealth authority was not given the power to alter the Constitutions of the States within their respective spheres, or to say how State Government should be carried on." It appears possible for sections of the Constitution to bind both the Commonwealth and the States.

(25) The Plank in 1908 after the Brisbane Conference read "Naval and Military expenditure to be allotted from the proceeds of direct taxation." This was reduced to Direct Taxation. Report Hobart Conference of 1912 at p. 29 and p. 52, where the Plank is left in its original form despite

Fisher's technique is noteworthy and may throw light on his handling of Caucus. He talked around a subject informatively, often suggesting a new course of action, but he never offended with derision nor appears from the reports to have lectured his audience.

If there was a weakness in his leadership it was a lack of clarity about "unconstitutional" proposals. He was clear that he would proceed to try to get industrial powers by an amendment of the Constitution, but on a resolution moved by A. E. Roberts, M.P.

"That pensions be granted to widows and orphans"

Fisher did not follow out his own logic and propose a referendum.

"Mr Fisher said that no one would be readier than he to exercise a power of this kind but he was afraid that it was not within the Constitution. An amendment of the Constitution would have to be brought forward to meet this end and it should not be limited to widows and orphans. He did not know any good purpose could be served by putting this on the platform if there was no Constitutional power to put it into effect. He believed in the principle, but he must vote against it." (27)

This was a tragic decision. Widows' pensions were not enacted till 1943 and had the Fisher Government proposed a referendum to empower it to grant widows' pensions such a referendum would have stood a far greater chance of being carried than the "Trusts Combines and Monopolies", themes the Fisher Government was so convinced about. As it was Curtin enacted widows pensions in 1943 without Constitutional power. It is said the standard of social services fell behind under the long Nationalist domination from 1917, but the standard began falling behind with this speech of Fisher's.

In view of Hughes's later strictures on "outside control" of the Labor Party (28) his letter to the Conference of 1912 is somewhat ironical for he strongly affirmed the overriding authority of Conference:-

(25 contd) the carrying of Fisher's amendment by 18 to 8 because a contradictory motion was carried immediately afterwards. P.20.

(26) Report p. 21. Fisher's Speech pp.22-23. Amendment defeated.

(27) Report pp. 23-24.

(28) e.g. 11 January, 1918 in House of Representatives No Confidence Debate (Cwth Parl Debates, vol. LXXXIII, pp.2937-38) referring to the Manifesto of the Labor Party, 1914 elections. "It pledged every member of the Party to a definite policy. Those pledges were given by honorable members opposite but they did not keep them. Every man on the Opposition side was elected upon the pledge that we would stand behind the Empire to the last man and the last shilling, subordinating all things in any and every circumstance to the carrying on of the war. Did they do so? Sir, they did not. They were not

"I would strongly urge that the motion I moved at the New South Wales State Special Conference, which was rejected, should be affirmed by the Interstate Conference, viz. "That the interpretation of all planks of the Federal Platform should be the business of the Interstate Conference; that when the Interstate Conference has not so defined the meaning of any particular plank, the interpretation of that plank should, in the interval between Conferences, be the business solely of the Federal Labor Party⁽²⁹⁾, and that interpretation should be loyally accepted by every member of the Movement."

The purpose of his letter was primarily to ask the Conference not to attempt "to lay down any hard and fast rule, or define the questions that will have to be submitted to the people....."⁽³⁰⁾

The influence Hughes exercised by letter was exercised by Fisher directly on a platform matter. L. F. Giblin of Tasmania had moved a resolution providing for uniform laws for marriage and divorce, "with prevention of the marriage of Asiatics and Europeans, and prohibition of the marriage of idiots and imbeciles".

"A White Australia was one of their most important planks, and the prohibition of the marriage of Asiatics and Europeans was a step in the same direction....They shut out the Asiatic, the badly diseased, and the criminal....Statistics from all parts of the world showed that the idiot multiplied at a quite extraordinary rate."⁽³¹⁾

Fisher saved the Labor Party from this "plank". He appealed to them to confine the resolution to a simple motion in favour of uniform marriage and divorce laws, and succeeded in his appeal.⁽³²⁾ He explained the Commonwealth Bank,⁽³³⁾ especially why it was not "Federal" in character, i.e. having the participation of the States. He moved unsuccessfully for the creation of a Federal Executive⁽³⁴⁾ saying hopefully that "it was desirable to have an executive to whom the State Labor Parties could appeal when in difficulty. It would be the guiding body, and could settle differences of opinion without wrangling".

(28 contd) allowed to do so by outside organizations; but honourable members at the behest of persons outside this Parliament, repudiated the pledges upon which they were elected.....at the behest of men outside they set aside their former pledges for a mean and narrow creed which brought them deservedly to destruction...and how richly they deserve the fate that has overtaken them."⁽²⁹⁾ i.e. The Federal Parliamentary Labor Party. ⁽³⁰⁾ Report pp.26-27. ⁽³¹⁾ Report pp. 32-33. ⁽³²⁾ Report pp. 32-33. ⁽³³⁾ Report p.39. ⁽³⁴⁾ Report p.42.

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A harsh motion that "immigrants from Austria and Italy be not admitted to the Commonwealth unless accompanied by their wives and families"⁽³⁵⁾ was defeated by Fisher's intervention, especially directed against "the immoral foreigner" line of argument.

"Mr Fisher was sorry that he could not support this motion. The Party was a Labor Party but was also a Socialist Party. Some Southern Europeans discovered parts of Australia, and were doing more for the benefit of humanity by their inventions at the present day than some of the Northern races. He therefore could not support the principle contained in the resolution, and he should hesitate to stigmatize any class of people on account of their alleged lower moral code."

He rejected the idea that they must bring their wives for it would put them at a disadvantage with people coming from Great Britain and America.⁽³⁶⁾ Notwithstanding the leadership Fisher gave the Conference, it rejected a suggestion that Labor members of the Federal and State Parliaments shall have the right to be present at the Interstate Conferences as visitors.⁽³⁷⁾ Nothing emerged from the Hobart Conference of 1912 to give the Caucus any problems, and the Adelaide Conference of May 31, 1915, seemed to promise a continuance of harmony.

According to the Preface to the "Official Report of the Sixth Commonwealth Conference of the Australian Labor Party opened at the Trades Hall, Adelaide, May 31st, 1915" ⁽³⁸⁾

"throughout the whole of the deliberations the dominant national note rang clear and true." Moreover -

"The general unanimity which prevailed on leading issues showed the fine spirit of unity to bring into the realm of legislative achievement principles for which the Movement unswervingly stands."

This contrasts with the Special Conference of December, 1916, in Melbourne where, according to the same author, the delegates

"emphasized in unmistakable terms the abhorrence of organized

labor to the shackles of militarism, with which a free people had been threatened."⁽³⁹⁾

(35) Report p. 48 moved by J. Cornell (W.A.) "immigrants from Austria" evidently referred to people we would now call Yugoslavs. (36) Report p. 48.

(37) Moved by L. F. Giblin (Tas.) Report p. 48. (38) Report p. 5. The Author of the Preface was the Secretary, Archibald Stewart. (39) "Preface to the Report of Proceedings of the Special Commonwealth Conference called to deal with matters arising out of the Conscription issue."

Penned by W. M. Hughes such an expression would have referred to the Kaiser's threat to Australia. Penned by Archibald Stewart the reference was to W. M. Hughes!

Conscription was in the future, Fisher was still Prime Minister, and Hughes was a New South Wales delegate from May 31 to June 7, 1915 at Adelaide. As has already been noted, there were 9 Federal Members among the delegates and in addition there was W.A. Holman, Premier of N.S.W.; R. D. Meagher, M.L.A., N.S.W. Speaker; and 5 State Parliamentarians, including 3 Ministers. L. F. Giblin, M.H.A., also acted as alternate delegate for Tasmania.

At the outset of the Conference Fisher again took the lead, dealing brusquely with an effort by Holman (actually of a State rightist philosophy) demanding a discussion of unification.

"Mr Fisher said the proposals for the referendums to be discussed were not in the nature of unification at all, but truly Federal in their nature....it would be futile to have an academic debate on that question when people of Australia were awaiting the passage of amendments of the Commonwealth Constitution which would protect their interests."⁽⁴⁰⁾

W. M. Hughes (who subsequently shelved the Referendum proposals to which Fisher referred) responded to a point of Peter O'Loughlin, M.L.A., a W.A. delegate. Attention, he argued, was diverted to the Great War now raging.⁽⁴¹⁾

"Mr Hughes (N.S.W.) said that the point made by Mr O'Loughlin as to the wisdom of postponing the Referendums until a later date was the only one worthy of consideration. There was no doubt that the war, naturally, was obsessing the minds of Australians but nevertheless the fact remained that the interests of the people must be safeguarded."

An icy assessment of Labor politicians came ^{as a telegram} from John Curtin, Secretary of the Amalgamated Timber Workers' Union, Melbourne, and future Prime Minister, which may reflect rank and file hostility or strands of hostility -

"Resolved that the five State Labor Governments and National Labor Government should manage to protect the population against price brigands, otherwise Labor useless to workers."⁽⁴²⁾

W. M. Hughes succeeded in having a resolution passed dealing with prices

(40) Adelaide Report 1915, p. 10
(41) Report p. 11.
(42) Report p. 14.

and the power of acquisition, and passed unanimously after one of the most interesting and fully reported debates in Federal Conference history⁽⁴³⁾, and in this debate Hughes himself, Fisher, Senator Givens, and Senator O'Keefe played a decisive part.

Hughes also gave a very clear exposition to Conference of the possibility of breaking the power of State Legislative Councils, so that there was adopted an amendment of Senator Ready to the effect that a proposal to amend the Federal Constitution giving the Commonwealth Parliament power to abolish State Governors and Legislative Councils should be submitted to the electors in a referendum coincident with the next general elections. In this debate Givens, Hughes, O'Keefe, Burchell and Ready, all members of Caucus, played the major part.

"Mr Hughes (N.S.W.) said that the question could be put from two standpoints - what can be done and what ought to be done. He differed from Mr Holman and Senator Givens as to a referendum on the subject if taken being powerless or farcical. At the time the Federal Constitution was being evolved the powers of the proposed Commonwealth and the States were all in the melting pot. The Constitution was drawn up, the Commonwealth being granted certain powers, the rest going to the States. But power was given to amend any section. Section 106 provided, subject to the Federal Constitution, that the States should continue as at the establishment of Federation, but that section was no more sacrosanct than any other. Whilst the question itself might produce difficulties and complexities there could be no possible doubt that under section 128 of the Federal Constitution any words could be amended if the people so desired.....Under that section a Federal referendum could take place as to State Legislative Councils and State Governors.....⁽⁴⁴⁾

Fisher, however, thought that Legislative Councils should be left to the State branches for action.⁽⁴⁵⁾

Probably the most significant debate of the Conference took place on the subject of war, and Hughes and Fisher differed in their approaches to this question. Implicit in Hughes's speech is conscription, which is not

(43) Report pp. 14-18

(44) Report p. 19

(45) Report p. 20

implicit in Fisher's speech. (46)

Blundell, a delegate from South Australia, had moved a lengthy resolution on behalf of the Federated Carters' and Drivers' Union which foreshadowed support for a League of Nations, which the resolution called an Alliance of Nations.

"That the Labor Party, believing that the time has arrived when the nations should be prepared to settle their differences in a more rational and humane method than that of wholesale murdering of human beings and infliction of indescribable horrors on innocent women and children, favors an Alliance of Nations pledged to settle international differences by a method more in accordance with the boasted enlightenment and intelligence of the twentieth century, viz. by referring such matters to arbitration. As a means of putting the objective of this resolution into operation

- (a) It be a plank of the Fighting Platform
- (b) A Committee be appointed to bring it under the notice of workers of the other countries
- (c) And take such action as may be likely to bring about united efforts in the interest of peace. (47)

This was an amendment to a recommendation by a Committee to put on the platform "The settling of international disputes by a council of civilized nations." (48)

Hughes put his faith in our own armed strength. "To secure peace they must be in a position to enforce peace", he argued. To him the remedy for war and crime was twofold - "to remove causes and to deal with effects." There was only one way of preventing wars - "the International Policeman to deal with international criminals". The only way to keep peace was to be in a position to say to a disturber of the peace "If you do not keep the peace we will knock seven bells out of you". Foreshadowing the War Crimes trials of 1945 (30 years later), he said that the one way of stopping war was to treat wars of aggression as an international crime which the family of

(46) Hughes's speech Report pp. 23-24. Fisher's speech Report pp. 24-25
(47) Report p. 22
(48) Report p. 22

civilized nations as a whole should punish."⁽⁴⁹⁾

Fisher, as befitted a man who had learned Labor and trade unionism at the feet of Keir Hardie who was opposed to the war altogether⁽⁵⁰⁾, was closer to more common Labor thought:-

"In his opinion this Great War was taking place because they were in a transition period from an era of capitalism, where there was commercial greed, to an era when the toiling masses of the world would have more control over international affairs. That feeling was growing which would enable them to develop this system of international treaty law...he believed that in the future they would see developed a mighty power for organization and law wherein there would be an international creed for the welfare of the peoples of the earth."⁽⁵¹⁾

The debate on Land Tax was largely carried on by State and Federal members⁽⁵²⁾. Another direct taxation motion brought about Fisher's intervention.⁽⁵³⁾ To the Conference Fisher gave a warning that taxes imposed "now would not cover a tenth of the present war expenditure."⁽⁵⁴⁾ The looming battles of conscription were in Ready's speech -

"Whilst there was a 'socialisation of manhood' to fight the Empire's battles there would be to a limited degree a socialisation of wealth to find the sinews of war."⁽⁵⁵⁾

But the mood of the Conference was far from that of the Conference of December, 1916. It sent birthday greetings to King George V.

"The President proposed that the following message be sent to His Majesty:- The Commonwealth Political Labor Council in conference assembled at Adelaide loyally presents birthday greetings to His Majesty King George V; congratulates him on the attainment of his fiftieth anniversary and confidently hopes that during the coming year his reign will be crowned by victory for the British and Allied arms in the great war of freedom and the realization of an enduring peace."⁽⁵⁶⁾

(49) Report pp.23-24.

(50) Keir Hardie died in 1915. Fisher had been a youthful associate before he migrated to Australia.

(51) Report P.25

(52) Federal Members Senator O'Keefe, Senator Ready, Senator Gray, Senator Givens, Report pp. 25-27

(53) Report p. 28 (54) Report p. 28 (55) Report p. 28 (56) Report p. 39

Mr Cameron (later Senator Donald Cameron) expostulated that there should be "some mention about provision being made for the workers after the war was over", but this notwithstanding "the motion was carried to the accompaniment of cheers led by Mr Fisher." No monarch had been so feted before this occasion at a Labor Conference nor has been since. It is the measure of the utter difference of atmosphere and the Special Conference of 1916 and the Conference of 1918. At the latter Conference it was resolved that the Governments of Europe were "founded on class rule", fostered "commercial rivalry, territorial greed and dynastic ambition", and congratulated the Russian revolutionaries "upon their efforts to abolish despotic power and class privileges."⁽⁵⁷⁾

It would not be right to suggest that the Conference of 1915 expressed unalloyed satisfaction with the Parliamentary Labor Party, however. The keenest dissatisfaction was expressed on the very point at which the Parliamentary Labor Party most prided itself - its defence of "preference to unionists". It was on the double dissolution on this issue that the Fisher Government had come to power. Preference to unionists occupies pages 30 to 35 of the Report of the 1915 Conference. The mover of the motion

"That preference to unionists be placed in the Fighting Platform" could not have anticipated that what W. M. Hughes, his fellow delegate, would actually enact was preference to returned soldiers, but he had his complaints about the existing Labor Government.

W. J. Dunstan of Queensland, who moved the resolution, asserted "that although the double dissolution Federal elections in September last were largely fought and won on preference to unionists the principle should be on the platform as a guarantee of its being carried out. One or two Federal Ministers had carried out preference to unionists by insisting on its being observed, but some members of the Cabinet seemed either not in sympathy with the question or else allowed departmental heads to do what they liked, which meant that preference was not observed."⁽⁵⁸⁾

J. Lutey of W.A. said that there were a number of instances in which preference had not been observed in Federal employment. L. Cohen of Victoria made Dunstan's point about departmental heads but continued

"Since the present Government had come into power he had been

(57) Report of the Seventh Commonwealth Conference of the Australian Labor Party, Perth, June 17 - June 24, 1918, p. 11.

(58) Report Page 30.

continually interviewing ministers asking that effect be given to preference."

Only Messrs Pearce and Jensen and the Department of Defence had seen that "difficulties were properly adjusted."

"Of other Departments the same could not be said. Week after week men came to the Trades Hall, Melbourne, who had never been in a union, and asked to join because they had Federal employment to go to. This was a violation of preference to unionists, because it meant giving employment to those who were non-unionists, and yet there were capable bona fide unionists out of work..... There were 130,000 unionists associated with the Trades Hall, Melbourne, and when an application was made to place the position before the Federal Caucus they had been advised that the subject was one for the consideration of Victorian Senators and Representatives. In seeking to approach the Federal Labor Party they were representing the unionists of Australia.....Personally he would not cease to worry ministers until full effect was given to preference. The regulation.....on preference.....issued by Mr Hughes did not properly meet the position.....Ministers.....should be more than rubber stamps.....Mr Archibald, Minister for Home Affairs, did not extend even ordinary civility to deputations on preference to unionists....."(59)

Andrew Fisher came to the defence of his Ministers (60) asserting that preference to unionists was the policy of the Government. He suggested that there should be established a Commonwealth bureau of employment and unemployment "where every man could be registered according to occupation". Cohen unappeased said that "departmental heads were laughing up their sleeves". Alexander McCallum of Western Australia contended that in W.A. the Defence Department, praised by Cohen, defeated preference to unionists. To J. F. Hannan, M.P., King O'Malley was the real battler for preference and since his lead "Labor had been striving to give it effect" -

"he thought that 98 per cent of the men employed on Federal work in....Victoria were!(unionists) "It was the other 2 per cent that all the trouble was over."(61)

Senator O'Keefe interpreted Cohen's motion as want of confidence in the Fisher Ministry - probably a tribute to the warmth of the debate. Donald

Cameron joined in with the claim that the operation of preference to unionists by the Federal Government had been unsatisfactory in Western Australia, and he instanced clerks and plumbers.

L. F. Giblin, perhaps with more sympathy for politicians under attack by respectability for granting preference and by unionists where they failed to grant it, reminded conference

"that there were parts of Australia hostile to unionism, and people who did not know what unionism had done, what it stood for, and what it was capable of accomplishing for the citizens of Australia. A motion of the kind as submitted might only jeopardise the position, and Ministers should be given every credit for trying to do their best."⁽⁶²⁾

Some delegates seemed to demand a differential in wages if a man were not a unionist. Thus Archibald Stewart, the Party Secretary, -

"In 1911 the then Fisher Ministry obtained for organizations in the Federal service the right to go to the Commonwealth Arbitration Court. This the Letter Carriers' Association did. They presented their case, and at a cost of £3,000 got an award which gave them an increased wage. The Judge, in making the award in accordance with the Act, pointed out that the award would apply only to the members of the claimant organisation. When, however, the Cook Irvine Fusion Government came into power, they made the award apply to all in that branch of the postal service irrespective of whether they had paid everything or nothing in the obtaining of the award. It took the present Government eight months to revoke that order of the Cook-Irvine Ministry, action only being taken on May 12 last to see that the award applied, as it was intended to, to members of the organization fighting for the rights of its own members. Senator Pearce had always made it a point of meeting deputations on preference to unionists, hearing what had to be said and where he considered there were just grievances endeavouring to remedy them."⁽⁶³⁾

He joined in the complaints about Archibald, Minister for Home Affairs. The Attorney-General, W. M. Hughes, gave an interesting account of the operation

of preference, more frankly than perhaps he would have done in Parliament.

"The regulation issued by the Government to all heads of Departments gave effect to preference to unionists. It placed the whole matter in the hands of the unions themselves. The unions must themselves do the rest by supplying the labour. Unionism, which had become a power by persistent agitation and organization, could never hope to be a power in the land unless it was prepared to hold what it had obtained. Unionism had by this regulation all it wanted, but preference was worth little if bought at the expense of militant organization. If compulsory preference meant that unions were to sit down and do nothing it would be bought at too dear a price. Unionism should be in the position that if the law failed to give preference it should be able to command it. The Waterside Workers obtained preference for the members of their organization long before the law granted it to them. The law had only given its sanction to that which the organization had fought for and won years before. The regulation was amply sufficient for their purpose. Every time there was a vacancy in a Federal Department outside the Public Service Act there was only one way of filling it. The departmental head must notify the secretary of the industrial organization interested that there was such a vacancy or vacancies."

Mr Cohen: "He does not do it!"

"Mr Hughes said he was not at that particular moment defending administrative detail, and he hoped delegates would discriminate between the policy of the Government and any attempt by departmental heads to thwart it. No doubt there were flaws in administration. Labor Ministers could not immediately impress their opinions and authority on men who had for years been opposed to them. No doubt there were officials who were not in sympathy with the principle of preference to unionists. The Government had issued a regulation which widened the scope of preference to unionists making it apply to temporary as well as casual labour. The procedure was for the departments to notify the union secretaries of vacancies, and it was then necessary for the secretary

to supply the labour. The business of the secretary would be to notify members to be at a certain place at a certain time. There should be a roster on the union books of unemployed members, in which every man took his turn. That surely was a fair thing. They were all agreed on the principle of preference - "

Mr Cohen: "But how is it being carried out?"

"Mr Hughes said there were no doubt cases which required looking into. He admitted it was quite possible that there were high officials who looked upon the Labour Party with the hostile eye"

Hughes's contribution caused Cohen's motion to be changed into a request to the Government to exercise vigilance to see that the principle of preference to unionists was properly applied, and to engage all casual labour "wherever possible" through "the respective bona fide or affiliated unions."⁽⁶⁵⁾

The debate is an interesting example of pressure on the Federal Parliamentary Labor Party and the Federal Labor Government to implement a Labor principle which affected unionists, an assessment by the Movement of the worth of Ministers and Caucus, and an exposition by Hughes of the procedure developed for preference and by Fisher of future needs for an employment bureau.

Caucus and Government as an instrument for the preservation of civil liberties in war time came under fire, and again it was upon W. M. Hughes that defensive and expository duties devolved.

Cohen of Victoria was again in a sense the prosecutor with a resolution which was aimed at the War Precautions Act of 1914 and which read:- "That in times of peace no infringement of the Defence Act or regulations shall be tried before a court martial, and in times of war the decision of the court martial shall always be subject to appeal to civil courts."⁽⁶⁶⁾

Cohen asserted that he would not hand over "the liberties of the people to military 'roosters'". Because of recent proceedings he would trust civil courts before he would trust courts martial. He won support from R. J. Burchell, M.P.⁽⁶⁷⁾. W. M. Hughes skilfully avoided the subordination of Courts Martial to civil courts, playing upon trust of the Executive Government so long as it was a Labor Government and ignoring the general principle.⁽⁶⁸⁾

⁽⁶⁵⁾ Report p. 34. ⁽⁶⁶⁾ Report p. 49. The War Precautions Act of 1914 included the possibility of the trial of civilians by Court Martial. ⁽⁶⁷⁾ Report pp. 49-50

He succeeded in getting Cohen to accept his amendment --

"In times of peace no member of the citizen forces shall be tried by courts martial for any offences against the Defence Act or any regulation relating to such offences⁽⁶⁹⁾. In times of war all sentences by courts martial upon any person other than an alien enemy shall be reviewed by the Executive before being carried into effect."

The preface to the Conference report proudly claimed that whereasthree previous conferences in 1905, 1908 and 1912 had handled the subject of a Federal Executive this Conference had really got the Executive under way.... "and the first meeting of the Executive took place in Melbourne on June 19, 1915." It would "conserve the interests of the Labor Movement, solidifying and at the same time expediting the machinery of organization."⁽⁷⁰⁾ It marked the beginning of an era.

No members of the Federal Parliamentary Labor Party had comparable influence on conferences as had been exerted by Caucus members, especially Fisher and (in 1915) Hughes and Watson (in 1908 and 1912) until John Curtin and J. B. Chifley, 30 years and more later. Certainly detailed policy was never so deeply influenced by Caucus members again until the setting up of Committees in the 1960's to advise Conference - Committees which included Federal members.

They had, in 1902 and 1908, developed the idea of a Commonwealth Bank and an Australian Navy. They had gained compulsory military training, led the thinking on Constitutional amendments, on land tax and income tax, and on uniform marriage and divorce laws. Dissatisfaction with their efforts on price control and preference to unionists (issues which affected an even more numerous rank and file than compulsory military training) had been deflected. The Conscription Referendum dealing with a life and death demand on the rank and file was to come and the party and Caucus in 1915 were unprepared for it.

The 1915 Conference and the Caucus of 1914-16 were the last Federal Labor bodies with real policy making influence, in the sense of actually affecting national policy, for a generation 1916 to 1941. After

(69) This would, however, leave R.A.N. and permanent personnel subject to Courts martial.

(70) Report p. 6

1916 the road ahead was 25 years futility. Curtin and Chifley were to have the privilege of reversing the downward trend and applying some of the lessons of the years of doldrums. The Conference of 1915 looks like a Conference of a Party which could be the normal Government of the country, but in 50 years since then Labor has hardly ever looked like the normal Government of the country.

CHAPTER IV

CAUCUS DURING THE FISHER AND HUGHES GOVERNMENTS

SEPTEMBER 1914 - NOVEMBER 1916

The Caucus for the Sixth Parliament consisted of 42 Labor representatives and 31 Labor Senators. Its second meeting, September 17, 1914, had an attendance of 70, the largest Caucus meeting held up to that time. Motions to enlarge Cabinet from 10 to 12 and to reveal the number of votes each candidate gained in one ballot of an exhaustive ballot were rejected.⁽¹⁾ Resolutions providing for the elimination of candidates receiving less than 4 votes and then less than 10 votes were carried at stages during the ballot. At a still later stage the elimination of the lowest was decided upon. A tie occurred and this was ~~decided~~^{resolved} by resolution. "That both Messrs Tudor and Mahon be elected to the Ministry". The Ministry thus elected consisted of 11 men, for the decision to put both Mahon and Tudor in the Cabinet enlarged the Ministry by one. Fisher became Prime Minister and Treasurer. Hughes, Attorney-General; Pearce, Minister for Defence; Tudor, Minister for Trade and Customs; J. A. Arthur, Minister for External Affairs; W.O. Archibald, Minister for Home Affairs; W. G. Spence, Postmaster-General; A. Gardiner, Vice-President of the Executive Council; and there were three Ministers without portfolio designated "Assistant Ministers" - Hugh Mahon, J.A. Jensen and E. J. Russell. Pearce, Gardiner and Russell were Senators. An effort to ensure that there should be 4 Senators in the Cabinet was defeated at the meeting of September 17. It was resolved the following day that the Secretaryship be a paid office and that the Whips and Secretary should share £900 equally. By resolution it was determined that Pearce should be Leader in the Senate and that Hughes should be deputy Leader of the Party. Gregor McGregor, the former Senate Leader, had died during the election campaign.

The meeting also balloted for the Senate Presidency (Senator Givens), the Speakership (Charles McDonald), the offices of Whips, Secretary and Chairmen of Committees in the Senate and House.

Caucus minutes still used the coy expression "the following were recommended" as Ministers", and so it was resolved on September 18 that henceforth they should be referred to as "elected".

Caucus resumed its battle for Constitutional change with the passage of a resolution, not from Cabinet, that proposals for a constitutional referendum proceed immediately.⁽²⁾ It was also resolved, and again not on

(1) Minutes September 17, 1916

(2) Charles McDonald, Speaker and Queensland radical, proposed this. Minutes October 6, 1914.

Cabinet initiative, that the referendum proposals should be included in the Governor-General's speech at the opening of Parliament.⁽³⁾

It was resolved also that Widows' and Orphans' pensions be mentioned in the speech. It has already been noted that at the Adelaide Conference Fisher declared such pensions unconstitutional and made no proposals for constitutional change. It was resolved to make a gift of £100,000 to the Belgians - a reflection of the "brave little Belgium" mood of the time, and to be the occasion of a great speech of Frank Anstey's denouncing Belgian rule in the Congo in general and the Belgian reigning House in particular, and to which Hughes made a great reply.⁽⁴⁾ Caucus resolved what Bills should be mentioned in the Governor-General's speech. The Belgian grant resolution showed more clearly than any Bills, however, attitudes to the war, with Anstey beginning to be critical of the war through criticism of an ally, Hughes fervidly for the war, and Fisher dutiful but not by any means fervent. Fisher's attitude might hold both Hughes and Anstey in the one Party but Anstey's attitude would never hold Hughes. In the House on October 14, 1914, Andrew Fisher repeated the pledge he had made at Colac on August 1, 1914, and at Benalla on August 3 during the election campaign - the celebrated "last man and last shilling" promise.

"We shall pledge our last man and our last shilling to see this war brought to a successful issue."⁽⁵⁾

But he did not mean conscription, and Hughes, who had in fact been the author of the Election Manifesto which revived this Boer War phrase, ultimately did mean conscription. During the election campaign Hughes's enthusiasm for the war had caused him to suggest that the election should be cancelled, the proclamation dissolving Parliament withdrawn, and the unconstitutionality and illegality of this remedied by an Act of the British Parliament.⁽⁶⁾ He was later in the war to suggest an Act of the British Parliament suspending elections. His 1914 proposal would have had the effect of keeping Cook's Government in office and Labor in Opposition, unless, indeed Hughes was working for a "National" government as was probably the case. This he also proposed to Tudor later when he himself was Nationalist leader and Tudor Labor leader. His proposal, which was rejected by the Cook Government in a statement of the Attorney-General (Sir William Irvine) in the "Argus" (Melbourne) on August 8 did not have the authorization of Fisher and was made

(3) A successful resolution of Matthew Charlton's.

without consulting anybody in the Party. Nevertheless Fisher and the Secretary of the Party, David Watkins, virtually endorsed his action in the election manifesto of 1914 by asserting in it that "the responsibility for pressing on with the elections at the time when our very existence is at stake rests not with us, but with the Government who have deliberately refused every suggestion put forward for a political truce". The terminology is that of Hughes, and it is doubtful if anyone else felt indignation at the Government's action since nobody else had proposed election postponement. Hughes, and by consent Fisher and Watkins, were taking Caucus very much for granted. Hughes always showed great enthusiasm for this manifesto and asserted it was a pledge given by Labor members - an outrageous interpretation of a document composed without consulting them.

"Every man on the Opposition side was elected on the pledge that we would stand behind the Empire to the last man and the last shilling."

This was a world of difference between a Hughes who meant just that and an Anstey who cynically asked "When Hughes is the last man, who will have the last shilling?" There was a world of difference between Hughes who would have left the Liberals in office to wage the war and those who wanted radical constitutional amendments during the war.

At an early Caucus meeting in the new Parliament it was resolved by 19 votes to 10 that the Chairman (Fisher) the Secretary and the Deputy Leader Hughes be ex officio members of the Executive of the Parliamentary Party and that there be twelve other executive members. Apart from Fisher and Hughes none of these were in the Cabinet.⁽⁷⁾ Potentially this was a body competitive with Cabinet's leadership. Each State had one Senate member and one Representative. Normally thereafter the Executive met before Party meetings. Caucus continued to amend Cabinet proposals.

When Pearce, as Minister for Defence, brought down a scale of pensions for

(4) The Governor-General's Speech (8 October, 1914) stated the gift was in recognition of "the heroic sacrifices of the people of Belgium", Commonwealth Parliamentary Debates LXXV, p.8. Anstey's speech, pp.146-149. Hughes's speech, pp. 149-51. Fisher's Speech, p. 144.

(5) Ibid p. 174 (6) Sydney Morning Herald, August 5, 1914.

(7) Minutes October 22, 1914. The twelve elected were: N.S.W. Senator McDougall and Matthew Charlton, M.P. Victoria Senator Barnes and Dr W. Maloney, M.P. Queensland Senator Stewart and W. Higgs, M.P. South Australia Senator Newland and G. Dankel, M.P. Western Australia Senator De Largie and R. Burchell, M.P. Tasmania Senator Ready and W. Laird Smith, M.P.

war widows and their children, a minimum of £52 a year for a widow rising to £156 maximum, and their children £13 each, Caucus resolved that the children's pensions continue to the age of 16, and that the children's pensions should continue should the widow re-marry. (8)

A defeated resolution "that all widows' and children's pensions be equal", was apparently intended to grant equal pensions to widows of officers and privates. Caucus also carried an amendment to the Defence Act proposed at the Federal Conference in Hobart in 1912 prohibiting use of troops in industrial disputes. (9) In 1915 with the intensification of the war in the Dardanelles Campaign near at hand, Lynch moved for the deferment of the referenda to amend the Constitution, but this was defeated. (10) Caucus still seemed intent on radical reforms. In May Hughes explained to Caucus the procedures of the Government in granting preference to unionists, an explanation doubtless similar to his Conference explanation in Adelaide at the end of the month. (11)

Under Fisher there almost seems to have been a settled policy not to discuss the war in Caucus for it is rarely referred to until Hughes became Leader, yet enlistments for the war were rising to their highest monthly figure - 36,575 in July, 1915 - a figure greater than enlistments for the whole of the last year of the war under Hughes. Between August and December

(8) Minutes November 12, 1914.

(9) Minutes November 19, 1914. The reference is to the resolution on p.47 of the Report of the Fifth Commonwealth Conference of the Australian Labor Party at Hobart, January, 1912. Archibald Stewart, the Party Secretary, had moved "That the Defence Act should be so amended as to clearly set forth that the object of creating a citizen defence force based upon universal compulsory military training and service is for the purpose of defending the Commonwealth against possible foreign aggression and, therefore, under no circumstances should any person so enrolled be compelled to interfere with workers engaged in an industrial dispute, notwithstanding anything contained in the oath of allegiance or in any other of the conditions of compulsory military service." Carried 16 to 7. Senator Givens had supported this, as had E. Roberts M.P. J. C. Watson, the ex-Leader and ex-Federal Member, had opposed it vehemently, affirming that recent events in Sydney "might easily have been the torch which lighted civil war throughout Australia." Stewart on the other hand recalled a "fire low and lay 'em out" order in Melbourne at the time of a great strike; and a delegate Crampton referred to threats of military action against strikers in Queensland. Roberts spoke of "young bloods" who wanted to form a cavalry to suppress a bread carters' strike. In exercising his right of reply Stewart referred to the shooting of William John McLean at Grasmere in New South Wales and the decoration of the man who shot him ("for valour") by a Legislative Councillor. The depth of feeling in this accounts for so conservative a Labor man as Senator De Largie proposing the Caucus amendment. (10) Minutes April 15, 1915.

(11) Minutes May 6. Conference Report pp. 33-34.

1914 52,561 had enlisted, and 56,789 between January and June. In July, August and September, 78,860 enlisted. The War Precautions Bill, rather than the war, concerned Caucus as far as debating time was concerned, but only belatedly. The War Precautions Bill of October, 1914, had been introduced without the authorisation of Caucus, justified as a war emergency, and it had included the possibility of the trial of civilians by Court Martial. Hughes virtually gave guarantees against this in his speech and resolution at the Adelaide Conference.⁽¹²⁾ But Caucus meetings to consider legislation were essential if the Labor Party were not to disintegrate in the House, and 14 Labor members refused on one vital occasion to support the War Precautions Bill of April, 1915 (War Precautions Bill No. 2) which had never been before Caucus. An amendment by Brennan was defeated by 35 to 14, with Labor members Anstey, Brennan, Burns, Hampson, Hannan, Dr Maloney, McGrath, O'Malley, Riley, Webster, West, Yates, Matthews and Laird Smith opposing the Labor Government's legislation.⁽¹³⁾ The worst feature of the debate was confusion between the Prime Minister and Hughes, his Attorney-General, and the humiliation of the wrangling considering the contemporary events of the war. On April 28, 1915, the Prime Minister and Attorney-General seemed to differ on the meaning of clauses that men like Anstey and Brennan considered dangerous to civil liberty.⁽¹⁴⁾

(12) The resolution has already been referred to in the chapter on Caucus and Conference 1908-15, footnote numbers 68 and 69. Conference Report (Adelaide 1915) p. 50.

(13) Division List, Commonwealth Parliamentary Debates, Vol. 76, p. 2777, 29/4/15.

(14) Thus Commonwealth Parliamentary Debates, vol. LXXVI, p. 2690, 28/4/15.

Mr Fisher: Honourable members must trust somebody; that is the point. If honourable members will trust nobody, we cannot expect to win in a fight like that in which we are engaged today.

Mr Mathews: I will not trust the military authorities.

Mr Fisher: I agree with the honourable member. If the Attorney-General were to state that the military authorities will have power to incarcerate men and impose the death penalty without him and myself individually consenting I would not support the proposal. But the Attorney-General tells me that no such power is conferred by sub-clause 8, that before any one can be deprived of his life the Executive must determine the matter.

Mr Hughes: Undoubtedly. I have given that assurance in your behalf and in my own behalf.

Mr Anstey: Does the Prime Minister see every regulation?

Mr Fisher: I see every regulation of the kind referred to here. Every regulation affecting penal servitude and the death sentence is seen by me. The Attorney-General has said that that safeguard is contained in the Bill and on his authority I repeat the statement.

Mr Hughes: It is not in the Bill, but what I said was I repeated the assurance given by the Prime Minister and by me when discussing the Principal Act that no death penalty or sentence of imprisonment for life would be consummated without being submitted to me, as representing the civil power, (contd)

In view of the passage in footnote 14 it is hard not to agree with King O'Malley's reply to an interjection by W. A. Watt -

"Mr Watt: - Was this Bill before the Caucus?

Mr King O'Malley: Do honourable members opposite think that it would have got here if it had been before Caucus?"⁽¹⁵⁾

It is hard to resist the conclusion that Hughes wanted draconian powers without running the gauntlet of Caucus scrutiny; that as Attorney-General he left Fisher somewhat in the dark; and that the motive in seeking the power was the ambition to have authority identical with that conferred in the United Kingdom by the Defence of the Realm Act. Such a philosophy was in head on collision with that expressed in the same debate by Frank Brennan, who rose to "deprecate.....that peculiarly irresponsible and craven attitude of the person who is afraid to express an opinion at the very time when strength of expression and opinion is most necessary."....."The honorable Member for Wannon says "Trust the Government". The Government on the other hand say 'Trust the Imperial Parliament'. The Imperial Parliament say 'Trust our Government', and the Imperial Government say 'let us trust the Committee in regard to foreign affairs'. It is this policy of secrecy, this policy of altogether too much trustfulness and too little candour which causes a great deal of trouble in connexion with international politics."⁽¹⁶⁾

Where Hughes had to put proposals before a Labor Assembly, as at the Adelaide Conference, he was reasonably conciliatory, but once he had brought proposals into the House which had never been considered by Caucus, he relied on the atmosphere of war fear and the Liberal Opposition to get them through Parliament.

The sections of the Act which had never been seen by Caucus included a provision in Section 4 repealing section 6 of the Principal Act⁽¹⁷⁾ and empowering the making of regulations to provide for prosecution before a court martial. "If the offence is prosecuted by court martial - the same punishment as if the offender had been a person subject to military law and had on active service committed an offence under section 5 of the Army Act. Provided that where it is proved that the offence is committed with the intention of assisting the enemy the person convicted of such an offence by court martial shall be liable to suffer death."

(14 contd) and agreed to by the Executive.

Mr Fisher: If honourable members are in doubt about the approval of the Executive being necessary would the Attorney-General have any objection to inserting such a provision in the Bill?

Mr Hughes: I think it would be a mistake to put it in the Bill.

It was provided that "no person other than an enemy alien or a person subject to the Naval Discipline Act or to Military Law shall be tried by court martial for an offence against this Act." This qualification could be set aside - "In the event of any special military emergency arising out of the present war the Governor-General may, by proclamation forthwith suspend" the qualification that the offender being tried by court martial, if a civilian, had to be an enemy alien, "without prejudice, however, to any proceeding under this section which may be then pending in any civil court."

Any sentence passed by the Court martial when the proclamation was in force "shall be referred to the Governor-General for confirmation, mitigation or remission".

On all this King O'Malley commented - "When I read this Bill and examine it I realize that its god-father is Labor, but that its real father is a military, gilt-spurred booster....There are no reasons for introducing a Bill such as this, except scare and fright. It is a serious matter to allow any law to limit the civil power and increase the power of the military. Military men have no ideas of justice."⁽¹⁸⁾

Caucus was beginning to be less concerned with legislation and more with administration from May 1915 onwards. At the party meetings it was concerned with the shortage of meat⁽¹⁹⁾, debated the shortage of sugar and argued for the importation of sugar to meet a shortage - a request opposed by Cabinet⁽²⁰⁾. The sugar debate continued through June 10, 1915 Caucus meeting and the referendum proposals - by now almost the carrot to the donkey - were discussed again and Cabinet foreshadowed compulsory voting⁽²¹⁾ in the anticipated referenda. The Constitution Alteration (Trade and Commerce Bill; Constitution Alteration (Trusts) Bill; Constitution Alteration (Nationalization of Monopolies) Bill; Constitution Alteration (Railway Disputes) Bill; Constitution Alteration (Corporations) Bill and Constitution Alteration (Industrial Matters) Bill had been asked for at the Adelaide Conference of May-June, 1915. At that Conference Hughes had shown some sympathy with the

(15) 28 April, 1915. Commonwealth Parliamentary Debates, Vol.LXXVI, p.2680

(16) 28 April, 1915. " " " " " p.2688

(17) The amending Act was No.2 of 1915. Assented to April 30, 1915. The Principal Act was No.10 of 1914, assented to October 29, 1914.

(18) 28 April, 1915. Commonwealth Parliamentary Debates, Vol.LXXVI, p.2680

(19) Minutes May 20. (20) Minutes May 27 and May 28.

(21) The Compulsory Voting Act 1915 (Assented to 13 September, 1915) No. 36 of 1915 provided for compulsory voting at referenda.

view of the Western Australian delegate Peter O'Loughlin that the referenda be postponed because of "the great war now raging". Hughes had concurred: "there was no doubt that the war....was obsessing the minds of Australians"(22) and this was consistent with his August 1914 appeal for the postponement of elections. To Hughes's motion "That leave be given to bring in a Bill for an Act to alter paragraph 1 of Section 51 of the Constitution" the Leader of the Opposition, Joseph Cook, moved the addendum "as soon as adequate provision has been made by the united energies of the Government and the Parliament for the successful prosecution of the war."(23)

There is the possibility that the Constitution Alterations were no more than an effort to re-unite the Labor Party with the heart warming slogans of social reform and that this accounts for the Caucus meeting of June 10, with its referenda proposals and compulsory voting. Cook expressed the opinion that in moving the amendment he spoke for his own Party and half the Labor Party. The Opposition boycotted the debate after the Speaker had ruled out of order Cook's amendment to the motion for the second reading of the Constitution Alteration (Corporations) Bill - "That this Bill be not proceeded with at the present time, as it is expedient and necessary, in the interests of Australia and the Empire, that during the continuance of the terrible state of war now raging, there should be a cessation in Parliament of all Party conflict, and that measures absolutely necessary for the most strenuous prosecution of the war, and for the proper administration of public business, should alone be dealt with."(24) December 11, 1915 was the day fixed but on Fisher's resignation in October, 1915, Hughes had conversations with the Opposition and it was proposed that the States be requested to refer the powers to the Commonwealth.

There was almost certainly some degree of misrepresentation in Hughes's claim (as Leader) to the Party -

"Mr Hughes made a statement explaining that the Premiers or representatives of the various States had offered to take action to hand over to the Commonwealth the powers asked for by the

(22) Report p. 11

(23) Commonwealth Parliamentary Debates, June 18, 1915, Vol. LXXVII, p.4188

(24) June 24, 1915, Ibid, p. 4326

Referenda with the limitation that they should only be exercised by the Commonwealth until twelve months after the war. He explained the position and recommended their acceptance by the Party."

It was resolved by 51 votes to 6 "That the proposals of the representatives of the States be accepted and that the Prime Minister make a statement to the House accordingly."

In the first place the Premiers and the vaguely specified "representatives of the States" would not go about offering increased powers. In the second place it would be absurd for the Commonwealth to regulate "Trusts", nationalize "Monopolies" and carry on the powers sought for the war and one year thereafter. Hughes was really getting his way while pretending he was making a shorter cut. He did not believe in conducting the referenda during the war. He was quite entitled to this point of view but his devious handling of Caucus in this instance boded ill.

In June 1915, however, Fisher was still Leader. The meetings discussed through July the safe topics of the referendum and recruiting⁽²⁵⁾, the tariff, the establishment of an all-Party War Committee, the enlargement of Cabinet to include a Minister for the Navy, the election of the War Committee's Labor members, a £20,000,000 loan, and the introduction of the first Commonwealth income tax. The framing of the income tax saw July out and August in. Fisher was absent for three meetings in August, 1915, and Hughes presided. Soldiers' votes at the projected referenda and minor matters, such as Dr Maloney's hoary "initiative, referendum and recall" turned the Party into a minor debating society. A Royal Commission was asked for on the Commonwealth Railway.⁽²⁶⁾ There were no meetings between September 1, 1915 and October 28, 1915. On the latter date Fisher announced his resignation and Hughes was elected by resolution. Fisher's resignation was fatal. Under him from 1908 to 1915 it appeared as if Labor would be the normal government of Australia. Hughes was to ensure that it would not again be the normal government of the country.

(25) It was the ^{month} ~~year~~ of spectacular success in recruiting - over 36,000 recruits.

(26) Minutes August 31, 1915

CAUCUS UNDER WILLIAM MORRIS HUGHES:

Hughes was Leader of the Labor Party in a period which included only 13 Caucus meetings and he was present at only 7 of them. He attended no Caucus meetings between November 11th, 1915 and August 24th, 1916. This was due to his absence in the United Kingdom. On November 11th, 1915, only 15 days after the assumption of Leadership, he announced an invitation from the United Kingdom Government. The Caucus Minutes for that date note -

"Mr Hughes explained that through the Governor-General from the Secretary of State an invitation to go to England had been received, to consult the British Government in reference to the war. There were many reasons why he should not go and many reasons why he should. He went into detail to show the necessity for someone going to England to place the Australian views in connection with any settlement of the war. He left the matter with them."

The United Kingdom Government had not really asked Hughes to come to London to discuss peace terms in November, 1915. This was a typical gloss. They were interested in an intensified war effort and a greater Australian contribution to it. But peace settlement was better bait in the Labor Party. J. H. Catts, whom he was later to call "an enemy of the nation", and W. F. Finlayson, moved that he accept the invitation. This motion was carried by 40 votes to 3. As soon as Hughes had assumed office as Prime Minister he was asked in the House by John Livingston, Liberal member for Barker (S.A.) if he would include in the referendum proposals to be submitted to the electorate in December, 1915, "the question of whether or not they favour conscription"⁽²⁷⁾ to which he replied "The Government will not put....(a question), "of that kind at all events, to the people". The Caucus decision of November 4, authorizing the cancellation of the referendum to increase the power of the Commonwealth Parliament over the economy was implemented in the House on November 11. Hughes asked for leave to bring in a Bill for an Act to provide for the withdrawal of the writs issued by the Governor-General.⁽²⁸⁾

During the debate the Leader of the Opposition, Joseph Cook, took

(27) Commonwealth Parliamentary Debates, October 28, 1915, Vol. LXXIX, pp. 6971-6972.

(28) Commonwealth Parliamentary Debates, November 11, 1915, Vol. LXXIX, p. 7475

exception to words in the preamble which in his view

"practically pledged anyone voting for it to accept the terms... of the agreement that has been reached between the Government and the Governments of the States."⁽²⁹⁾

Accordingly Hughes, without the authorisation of Caucus, withdrew the offending words, and the preamble reference to "an agreement made between the Prime Minister...and the Premiers of the.....States" was deleted on his motion. Joseph Cook expressed "his most cordial and hearty concurrence"⁽³⁰⁾ but Frank Anstey did not. To the taunt of J. M. Fowler (Perth) that the real reason for the withdrawal was a doubt that the alterations would be accepted he replied -

"As the honorable member for Perth has interjected there were some doubts as to what the results would be if we submitted these alterations.....to the vote of the people, but now there is no doubt as to the result. We are about to remit these matters.....to the Legislative Councils of the StatesWhy refer these matters to the people when we do not know how they are likely to vote on them.....when we can be sure as to what we are going to get from the Tory Legislative Councilswe as good democrats are withdrawing the referenda writs in order that we may refer these matters to people who will not give us the powers we seek. Of course we shall still be in the same old, happy position of being able to blame someone else and resting the responsibility on someone other than ourselves."

Only New South Wales passed the necessary enabling legislation, and the significance of the affair is that some in Caucus resented Hughes jettisoning the proposals under the flimsy pretext that the States would grant the powers, and Senator Ferricks prophesied a propos the agreement between Hughes and the Opposition leaders that Hughes and Pearce would go into "a loving embrace" with the Opposition.⁽³¹⁾ Although Hughes was given the Party's blessing for the visit to the United Kingdom on November 11, 1915, he did not leave till January 16, 1916, returning July 31. Pearce acted as Prime Minister during his absence. As his departure was authorized on the motion

(29) Commonwealth Parliamentary Debates, November 11, 1915, Vol. LXXIX, p. 7490
(30) " " " " " " " " p. 7491
(31) " " " " " " " " LXXVII, p. 11400

of the "enemy of the nation" J. H. Catts, so was he welcomed back to Caucus by a resolution of J. H. Catts.

"That this Party welcomes the Rt Hon. W. M. Hughes, M.P. back to Australia and congratulates him on the valuable work he performed in Britain. The motion was carried unanimously with great enthusiasm." (32)

There is no anticipation here of the disintegration of the Party.

When Hughes was originally elected to leadership on October 26, 1915, the Caucus minutes record -

"Mr Hughes then took the chair, and in thanking them for selecting him as their Leader and the high honour thus conferred upon him, asked them to consider that no matter what he may do as their chief, without he had the same loyal support as they had accorded to Mr Fisher he could not fill the position with satisfaction to himself or the Party. We had a great deal to do. Not only were we in the midst of a protracted and ghastly war but that the referenda fight in front of us (would).....if carried entail still more work for the Party. They all knew him to be a man of strong opinions and he felt sure they would prefer him to express those opinions to the Party. He would strive to do honour to the high position they had placed him in, and in again thanking them he felt sure of their cordial and loyal support in the fight they had before them."

A motion of Senator Lynch sought to keep the Fisher Cabinet intact save for the one consequential change upon the resignation of Fisher, but this was defeated, by 39 votes to 24. George Pearce is recorded as gaining 48 votes, Albert Gardiner 45 and Edward Russell 41. These constituted the Senate Ministers. Jens Jensen received 64 (almost unanimity), Hugh Mahon 51, Frank Tudor 46, William Higgs 37, William Webster 35 and King O'Malley 34. These became the Cabinet and Pearce was elected Deputy Leader of the Party without opposition. (33)

The proceedings of Caucus under Pearce are relatively insignificant. The fate of the Labor Party was really being determined by what was

(32) Minutes August 24, 1916.

(33) Thus W. G. Spence and W. O. Archibald were defeated and replaced in Cabinet by Webster (Postmaster-General) and O'Malley (Home Affairs).

happening to Hughes in the United Kingdom, and possibly by the new relationship developing between Pearce, Senate Opposition Leader, Edward Millen, and Joseph Cook. Quotations from Hughes's speeches in the United Kingdom begin to sprinkle Hansard, almost all of them quotations taken by the Opposition to justify conscription. It is significant that it is the Liberal Opposition which quotes Hughes and refers to him often eulogistically. Thus the Leader of the Opposition, Joseph Cook, while noteworthy for inability to praise Hughes, quoted a piece of Hughes's evangelism --

"But victory is dependent on organization. We must make the final blow quickly, or the tide will turn. There is no hope for the world while the Prussian machine stands untrammelled. It must be destroyed utterly. If we fail now to make the maximum effort then, as surely as the Saviour lives, we will go down to hell."⁽³⁴⁾

In the same speech Cook referred to another speech of Hughes, the logical inference from which was conscription, quoting --

"There are many, too, who conceive that this war can be fought and won without resorting to such heroic measures. They are patriotic but not unreasonably so. They wish that England may win, but they do not wish it so much that all else -- not only life but their wealth, their business -- is dross. But believe me it is not in such a spirit that victory in this great struggle can be achieved. Victory will crown our arms only when we bend every energy to this supreme purpose, subordinating all other interests, sweeping aside all things that hinder us."⁽³⁵⁾

Cook resented Hughes lecturing Britain on organization and does not express unqualified admiration, but the greatest shock for the Labor Party was the laudatory reference made to Hughes by Sir William Irvine -- "Iceberg Irvine" to Labor -- whose hostility to unionism and Labor formed the core of an anti-conscriptionist speech by Senator Ferricks.

Irvine said of Hughes --

"I am proud of the figure he has cut in the mother country. I see nothing in his action or his words which has not operated to

(34) Quoted by Joseph Cook, Commonwealth Parliamentary Debates, Vol. LXXIX, p.7771, 10 May, 1916, and by Edward Millen in the Senate, p. 7745 same date. Senator Stewart asked the latter "Who is the Saviour and where is hell?"

(35) Ibid, p.7773. The speech was to the Imperial Council of Commerce in London.

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enhance the reputation....of the country he represents....."
In the House the Labor member for Macquarie, Ernest Carr, began his speech on the Budget 1915-16 with the words --

"I have always held that the troops sent from Australia to the war should be raised on the basis of compulsion, and I am still firmly of that opinion.....I hope that it will be the distinction of the Labor Government to inaugurate a system of compulsory service....."

Senator Lynch in a speech in the Senate on May 11, 1916⁽³⁶⁾ imputed to Germany the philosophy of Nietzsche, likened the nation to a poisonous reptile which must be knocked on the head

"and when we find the human viper abroad we must adopt the same means to deal with him."

An interjection by Senator Senior "That sounds very much like Nietzsche" drew his fire on three Labor colleagues; and when he came to the essence of his argument it was.....

"very many of our men are not seized of the imminence of the peril which surrounds Australia and the Empire at large. This peril needs to be brought home to them so that they may be compelled to do their duty to their country.....The voluntary system will never receive any kind of support or encouragement from me."

Senator Lynch attacked the popular Labor cry for the "conscription of wealth"

"I am here to give all the power that any Government wants to put into effect the right which they have at present to conscript wealth, but I entirely disagree with those who advocate the taking of wealth without interest. Their policy is for the present generation to take on its shoulders the full burden of war, and pay cash for it, leaving no burden for future generations."⁽³⁷⁾

Senator Newland, a Labor Senator from South Australia, expressed in May, 1916 what was a common conviction -- that conscription would be overwhelmingly carried in any referendum.⁽³⁸⁾

"I am confident that if a vote were taken of the people of Australia on the subject there could be no doubt as to what their verdict would be.....if honorable senators asked the boys who fought at Anzac what system they believed in there would be no doubt as to what their answer would be."

The Caucus minutes normally record decisions and proposals, not argument. However, J. F. Hannan (Labor member for Fawkner) claimed in the House of Representatives on March 6, 1917⁽³⁹⁾ to have taken notes of Hughes's speech to Caucus on his return from the United Kingdom and quotes Hughes as having a similar view and saying --

"As a party opposed to conscription we will be wiped out of existence. We must save our party. The people of Australia want conscription, and therefore we must go for it and save the Movement. If we do not the Liberal Party will come in on this wave of enthusiasm and wipe us into oblivion."

Senator Ferricks on the other hand got very close to denying the justification for the war. He attacked the Foreign Office, the lack of consultation of the people about declarations of war, the untruthfulness of wartime censorship, he denied conscription was democratic, characterised as "unadulterated lies" wartime communiques, and denied that the censorship was primarily motivated by security. He contended authority's statements meant in essence -

"We will not give you any voice in the declaration of war, and when war is declared, and is being carried on, we will not tell you the result of it. We will tell you just what we like. But we will take you by the back of the neck and if you do not willingly go into the trenches we will throw you there."

The emotional roots of his opposition, and that of many others, were uncovered- "My father, having been driven off the land in Ireland by the exactions of rack-renting landlords, had the liberty to walk out. After that he had the freedom to go to England, and there he had the inalienable privilege of working twelve hours a day for six days a week for 2d an hour in a steel furnace under the grand old Union Jack, the banner of liberty which floats over an Empire on which the sun never sets!"

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- (36) Commonwealth Parliamentary Debates, May 11, 1916, Vol. LXXIX, pp. 7798-7810
(37) Senator Lynch's point is a challenge to the pre-war Labor conviction that defence should be financed from direct taxes.
(38) May 11, 1916, Commonwealth Parliamentary Debates, Vol. LXXIX, pp. 7806-7810
(39) March 6, 1917, " " " " LXXXI, p. 11040

Class war to him was waged downwards -

"As a grown boy, I well remember seeing the Gatling guns going out West to shoot down the shearers who had presumed to go on strike for better labour conditions."

He likened some industrial legislation of Irvine to the Irish Coercion Act of 1882. -The clash of the class war view and the national defence view came in a few sentences.

"Senator Millen: You pretend that there are no liberties to fight for.

Senator Ferricks: I say nothing of the kind, but I do say we have nothing to thank Sir William Irvine or Senator Millen for in the matter of industrial liberty."

Senator Ferricks had a philosophy totally opposed to conscription:-

"I cannot grant it as the right of any Government to take any man by the back of the neck and force him into the firing line."

He anticipated clash in the Labor Party -

"It appears to me that the conscriptionists in Australia are awaiting the return of Mr Hughes. We gather that from the conservative newspapers..... He has turned out to be the 'White Hope' of the Tories in Great Britain. It appears to me that the Tories in Great Britain have been using him as a stick with which to flog the Asquith Government."⁽⁴⁰⁾

In the House of Representatives the Treasurer, W. G. Higgs, complained of the Leader of the Opposition - and in effect of the Empire - that war demands were limitless. When it was first proposed to send 20,000 Cook wanted 40,000. When 40,000 went he wanted 50,000. When 50,000 went he wanted 100,000. The figure had reached 250,000; he was still not satisfied, and he would not be satisfied with 500,000.

Caucus did not meet between November 11, 1915 and May 10, 1916. When it met there appears to have been an effort on Pearce's part to keep it on less explosive subjects than conscription. Compared with conscription a censure on O'Malley was a comparatively mild matter, though by the past standards of the Labor Party, which had never known such an action, it was very serious indeed. Nobody had ever previously proposed the censure of a Labor Minister. -

"Senator Story moved that a special meeting of the Party be held

(40) Ferrick's Speech, 10 May, 1916, Commonwealth Parliamentary Debates, Vol. LXXIX, pp. 7752-7761

on Tuesday, May 16, to consider the following motion "That the Party is dissatisfied with the administration of the Home Affairs Department by the Hon. King O'Malley, M.P., and that the question be decided by ballot."

This was defeated, but Pearce himself announced on May 18th to Caucus -

"that the Government proposed to appoint a judge as a Royal Commission to inquire into the statements made by Mr Webster and Mr Archibald in their speeches with reference to the administration of the Department of Home Affairs, also statements made by Mr O'Malley in reply to questions in the House of Representatives."

This statement ran a gauntlet of alternative proposals -

"That the proposal.....does not meet with the approval of the Party;"

"That the matter in question be referred to the Cabinet for enquiry and suitable action;"

"That a Committee of fivebe appointed from the Caucus to inquire into and report on the statements made by Mr Webster...."

These were all defeated and the Royal Commission proceeded. The Commissioner was Wilfred Blacket, K.C. and it established that W. O. Archibald as Minister for Home Affairs had endeavoured to set aside Walter Burley Griffin's plan for Canberra without the authorisation of the Government. It also revealed incompetence and maladministration in the Federal territory. (41)

Hughes's return to Caucus on August 24, 1916, led to a 5-day meeting which ended at 2 a.m. on August 29. The motion welcoming him back "carried with great enthusiasm" has already been noted.

Exactly what transpired at this meeting has been the subject of dispute, but certainly the minutes, confirmed by W. M. Hughes, contain no authorisation of the conscription referendum. If the Party was to authorize a referendum on conscription it should have passed a straightforward resolution. If it was authorizing a time for call up for home defence training that should have been a separate matter. But Hughes, at 2a.m., with one third of Caucus absent (only 44 voted and Caucus had 70 members)

(41) Parliamentary Papers, House of Representatives, 1917, Vol. 2, p. 1

got through a composite motion, which appears to have been part of a devious manoeuvre. It was carried 23 votes to 21 -

"Mr Hughes replied to the various speakers, and after further discussion made a proposition that the Government should not call up any men to the colours for training, until one month went by, but if the men responded by voluntary enlistment in sufficient numbers during this month and after, no men should be called up until after the referendum on conscription was taken. If on the other hand the number of enlistments was not sufficient, men should be called to the colours after two months had elapsed."⁽⁴²⁾

Were they voting on a referendum or a call up? It was disputed in the Senate 6 months later.⁽⁴³⁾

"Senator Lynch: At an early hour of the morning at the Caucus meeting Mr Hughes put the motion with regard to the referendum before the members and it was carried 24 votes to 21 (sic)....."

"Senator Gardiner: Will you tell the Senate what was the motion that was carried by 24 votes to 21?"

"Senator Lynch: It was a motion approving of the Referendum and the honorable Senator knows it."

"Senator Gardiner: No. It was a motion to postpone the calling up of men."

The same issue was fought out between Senator Pearce and Senator Watson the following day.⁽⁴⁴⁾

"Senator Watson: As regards the referendum there was no decision arrived at"

"Senator Pearce: Yes, there was."

"Senator Watson: I challenge any man who attended that Caucus to produce any motion on the subject which was carried."

"Senator Pearce: Bring your minute book along."

"Senator Watson: I have perused the minute book."

A week later the former Leader of the Opposition in the Senate, Senator Edward Millen, probed this mystery of Caucus.⁽⁴⁵⁾

"Senator Millen: Do you mean the Caucus meeting at which they decided to

(42) Minutes of the meeting August 24 - August 29, 1916.
(43) 28 February, 1917, Commonwealth Parliamentary Debates, Vol.LXXXI, p. 10696.
(44) 1 March, 1917, Commonwealth Parliamentary Debates, Vol.LXXXI, pp. 10775-10776.
(45) On February 17, 1917, Millen had become Minister for Repatriation in the Hughes Nationalist Government. His exchange with Gardiner was March 7, 1917. Vol. LXXXI, p. 11063.

"adopt the military service referendum?"

"Senator Gardiner: No resolution was adopted in Caucus approving that Referendum.

"Senator Millen: You ought to keep a copy of the minutes available for investigation.

"Senator Gardiner: Well, I believe I can get the permission of our Party to produce those minutes if necessary. They are not only written up, but they bear the signature of William Morris Hughes."

On the same day⁽⁴⁶⁾ Senator Pearce gave a version of events and was challenged by Gardiner to see the minutes "signed by Mr Hughes and then come and tell the Senate.

"Senator Pearce: I do not care what the minutes contain. I know and other honorable Senators know, that I am accurately stating what took place.

"Senator Gardiner: The words were written down and signed by Senator Pearce"

Perhaps Senator J. V. O'Loghlin (Labor) recently returned from the front summed it up best when he contended that the referendum was a principle of the Labor Party any way, but that the regulations governing the conducting of the referendum had certainly never been submitted to Caucus. It is also certain, he might have said, that the Bill, containing unprecedented provisions to deprive Australian citizens of the vote, was never submitted to Caucus either. It is impossible to argue that Caucus passed the motion to authorize a referendum from the record in the minutes. If the Military Service Referendum Bill had been submitted to Caucus it would certainly have been amended. It is hard to resist the conclusion that Hughes kept the debate going till he was able to confuse an exhausted Caucus as to what they were actually carrying. The failure to submit the Bill, with its precedent the failure to submit the War Precautions Bill the previous year, is at variance with the practice developed from 1910 to 1915. There is not much doubt but that they were not submitted because they would have been drastically amended.

In reality Hughes intended to get his way whether Caucus or Cabinet approved or not, and he must by this time have been fairly certain of his ability to form a non-Labor Government out of Labor supporters and Liberals, initially with Liberal support and later with Liberal fusion into a Nationalist Party. There is no evidence of negotiations to this end. It is clear, however, from the very outbreak of war, that Hughes believed in a political truce. This meant either that on August 5, 1914

he was prepared to leave the Liberals in power or he had in mind a national government. Granted his ambition it is hard not to assume that he envisaged himself in a war cabinet. If the Parliament of 1913-14 had been revived by the Imperial Parliament as he proposed, that ambition could have been satisfied only in a national government.

At the next meeting of Caucus after the August 24-29 marathon the Government began to disintegrate. The minutes of September 14, 1916 record Tudor's resignation in opposition to holding a referendum on conscription. The same minutes record Hughes's declaration that G. M. Burns (M. P. for Illawarra) and Senator M. A. Ferricks were guilty of treachery to the Party for disclosing on the New South Wales Executive the proceedings of the Party.⁽⁴⁷⁾ The meeting of the New South Wales Executive took place on September 12, and it expelled Hughes from the Labor Party. His expulsion did not affect Caucus which continued to accept him as Leader.

A struggle occurred in the Party over Tudor's resignation, and its outcome demonstrates either a strong will to unity in the Party or Hughes's continuing hold on the Party's loyalty.

"Mr Hughes read a letter from Mr Tudor, M.P. in which the latter resigned his position as a member of the Government and Minister for Trade and Customs, and expressed his regret, together with his great appreciation of the services of Mr Tudor as a Minister and member of the Cabinet.

Mr Tudor made a statement on the matter, explaining the reasons activating him in taking this step.

Mr Catts moved, Senator Needham seconding,

- (1) That the resignation of the Hon. F. Tudor as a minister be not accepted.
- (2) That he be informed that refusal to advocate conscription for overseas service, either in or out of Parliament at his own unfettered discretion, is no disqualification for Ministerial office in a Labor Government."

Senator Pearce moved as an amendment, Mr Charlton seconding:

"That the resignation of Mr Tudor be accepted with regret, and that the position rendered vacant by his resignation be not filled

(47) Caucus resolved "That Senator Ferricks should be summoned to the next meeting to answer the charges made against him by Mr Hughes." The next meeting (Sept. 27) contains no reference to the matter and the one after that (Nov. 14, 1916) Hughes and 24 members walked out. Why Burns was not summoned is not explained in the minutes.

till after the referendum is taken."

Senator Mullan moved, Dr W. Maloney seconding, as a further amendment, "That this Party accepts the resignation of Mr Tudor and approves of his action in severing his connection with a Government whose policy is to introduce a compulsory military service referendum bill, and to call up troops ostensibly for home service but in reality for service abroad."⁽⁴⁸⁾

Senator Pearce's amendment (which in effect was a defence of the Government when considered alongside the Catts-Needham motion which was a compliment to Tudor and possibly a criticism of the Government and especially when considered alongside the Mullan-Maloney amendment which was an outright censure of the Government) was carried by 47 to 7 and therefore eliminated the Catts-Needham resolution by becoming the motion. The Mullan-Maloney amendment was defeated by 37 to 9. These figures constitute a very convincing victory for the Cabinet, led by a man who had been expelled by the Party in New South Wales.

The following Caucus meeting dealt only with war loans and finance.⁽⁴⁹⁾ After September 27, 1916, Caucus did not meet till November 14. Parliament adjourned for the Referendum Campaign on October 3rd and did not meet again till November 29. The Referendum held under the Military Service Referendum Act took place on October 28, 1916. The Military Service Referendum Act (No. 27 of 1916) was not submitted to Caucus and the Act contained "unpleasant surprises", an expression Hughes was later to use in conjunction with regulations issued under the Act.

In section 7 of the Military Service Referendum Act it was provided - ".....the following persons shall be disqualified from voting at the referendum:-

- (a) any naturalized British subject who was born in any country which forms part of the territory of any country with which Great Britain is now at war."

An exception was made if such a person could produce a certificate "that that person is a parent of a person who has been or is a member of the forces."

Section 9 provided for interrogation -

(48) Minutes, September 14, 1916

(49) Minutes, September 27, 1916

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Hughes's penchant for discouraging electors with questions finally broke up the Government, producing on the eve of Referendum Day the resignation of Albert Gardiner (Vice-President of the Executive Council), Edward Russell (Assistant Minister) and William Guy Higgs (Treasurer). It followed along lines similar to those clauses of the Act intended to disqualify persons of enemy national descent from voting. On November 29, 1916, Tudor revealed their nature in the House of Representatives⁽⁵²⁾ in the face of attempts to have revelations of Cabinet secrets ruled out of order.⁽⁵³⁾

The regulations were known as the War Precautions (Referendum) Regulations. The relevant sections read:-

1. These regulations may be cited as the War Precautions (Referendum) Regulations.
2. (1) At the polling at the referendum under the Military Service Referendum Act, 1916, to be held on the 28th day of October, 1916, the presiding officer may put to any male person claiming to vote who, in his opinion, is under 35 years of age, the following question, in addition to any or all of the questions prescribed by the Military Service Referendum Act 1916:-

"Are you a person to whom the Proclamation of 29th September, 1916, calling up single men under 35 to present themselves for enlistment applies?"

(2) If the answer of the person claiming to vote is in the affirmative, the presiding officer shall put to him the following question:-

"Have you presented yourself for enlistment accordingly or been exempted?"

(3) If the answer to the question specified in the last preceding sub-section is in the negative, or if the presiding officer has reason to believe that the person claiming to vote is a person to whom the Proclamation applies, and that he has failed to obey it, the presiding officer, before permitting him to vote, shall mark the ballot paper with the word "Proclamation" or the abbreviation "Proc."(4) Any ballot paper so indorsed shall, when completed by the elector, be folded by him and handed to the presiding officer who, without unfolding it, shall in the presence of the

(52) Commonwealth Parliamentary Debates, Vol. LXXX, pp. 9246-7, Nov. 29, 1916
(53) Tudor himself, having resigned on September 14, was not in Cabinet at the time the regulations were originally submitted to an

elector place it in the prescribed envelope, and place it in the ballot box.

- (5) If the elector places it in the ballot box without having it enclosed by the presiding officer in the envelope, the ballot paper shall be disallowed at the scrutiny.
- (6) Ballot papers enclosed in envelopes in pursuance of this regulation shall not be opened by an assistant returning officer, but shall be forwarded by the assistant returning officer by registered post to the Divisional Returning Officer.
- (7) All such ballot papers shall, subject to these regulations, be dealt with in the same manner as ballot papers indorsed with the words "Section 9". (54)

Provided that for the purpose of this regulation -

- (a) "the prescribed envelope" means an envelope similar to that prescribed for the purpose of section 9 of the Military Service Referendum Act 1916, but with the word "Proclamation" or the abbreviation "Proc." written or stamped thereon, and if the vote has not been challenged under section 9 of that Act the words "Section 9" shall be struck out
 - and (b) the tribunal shall have jurisdiction to determine, in the case of an envelope bearing the word "Proclamation" or the abbreviation "Proc." whether the elector has wilfully failed to comply with the proclamation. (Any such wilful failure shall be deemed disloyalty.)
3. Any person who refuses or fails to answer any question put to him under these regulations, or who makes an untrue statement in any answer to any question, shall be guilty of an offence against the War Precautions Act, 1914-1916.

It was because of these regulations that Tudor moved, (after Hughes had walked out of Caucus on November 14, 1916 and had formed a "National Labor" Government)

"That the Prime Minister no longer possesses the confidence of this House".

The grounds of this resolution are almost certainly the same grounds as the no confidence motion moved in Caucus by Finlayson on November 14th so that they are worth noting. The no confidence motion was moved

(53 contd) Executive Council meeting on October 24.

(54) As noted above, Section 9 dealt with the disqualifications of persons born in enemy territory or the children of such persons.

"for the following reasons:-

1. That the Prime Minister secretly prepared regulations for the purpose of intimidating intending voters at the polling booths on the 28th October (Referendum Day).
2. That though the said regulations were rejected at a duly constituted Executive Council meeting, held at Melbourne on Wednesday, the 25th of October, and attended by Senator the Hon. Albert Gardiner (Vice-President of the Executive Council), the Hon. J. A. Jensen (Minister for the Navy) the Hon. W. G. Higgs (Treasurer) and Senator the Hon. E.J. Russell (Assistant Minister), the Prime Minister persisted in his reprehensible endeavour to tack on to the Referendum an unnecessary and irritating procedure designed to add penalties for military offences already provided for in the Commonwealth Defence Act.
3. That the Prime Minister succeeded in getting the objection regulations passed on Friday, the 27th of October, at an Executive Council meeting, held at Sydney, and attended by His Excellency the Governor-General, the Hon. J. A. Jensen, and himself, although the said regulations had been rejected at an Executive Council meeting held two days before.
4. That the Prime Minister then issued the said regulations, and ordered the Chief Electoral Officer (Mr Oldham) to give effect to them.
5. That the regulations were withdrawn only after Senator Gardiner, Mr Higgs and Senator Russell resigned from the Ministry.
6. That though the Prime Minister issued the discreditable regulations above referred to on the morning of Friday 27th October, he attempted to and did deceive a large section of the public of Australia by stating in the newspaper press on Saturday the 28th of October that "no such regulations had been issued."
7. That the foregoing resolutions be communicated to His Excellency the Governor-General.

Hughes in his reply ⁽⁵⁵⁾ said

"To all this I have but one answer to make. What I said in the press of the 28th October is true -no such regulation was issued. I confine myself to that point. No regulation was issued."

At a later stage he was to interject, piously and politically skilfully -

"We are asked to affirm that His Excellency the Governor-General helped to pass 'discreditable regulations'." (56)

In the face of Tudor's (and Higgs's) detailed itemization of the regulations, together with Sir William Irvine's strenuous objections to Higgs bringing Executive Council documents into the House, (and at one stage getting them from Higgs and refusing to return them directly)⁽⁵⁷⁾ what can be made of Hughes's point blank denial that the regulations were issued?

Sir Robert Garran's explanation (as Solicitor-General he was responsible for drafting the regulations) is that

"the regulation was approved. It was not, however, gazetted, so that it did not come into force. Hughes apparently had made all preparations with the Chief Electoral Officer for the question to be put if it was decided at the last moment to gazette the regulation. It was never gazetted, but it is understood that at some polling booths where the presiding officers were "at the ready" the question had been put."⁽⁵⁸⁾

Whatever the technicalities, the mere attempt to go behind the back of the first Executive Council broke the confidence of many of the Labor Party in Hughes.

For the Caucus meeting of November 14, 1916, with 64 members present, the minutes reveal -

"Mr Hughes stated that the meeting was called at the request of numbers of members by requisition and he would like to hear what they had to say. Mr Finlayson moved "That Mr W. M. Hughes no longer possesses the confidence of this Party as Leader, and that the office of Chairman of this Party be, and is hereby declared, vacant."

Mr Hannan seconded the motion.

Senator Givens on a point of order submitted that the motion could not be moved until a previous decision had been rescinded on notice being given. The Chairman upheld the point of order.

Mr McDougall moved "That the Chairman's ruling be disagreed with."

After discussion Mr Hughes stated that under the circumstances he would allow Mr Finlayson to move his motion.....

Mr Charlton moved and Mr J. Lynch seconded as an amendment "That the

(55) 30 November, 1916. Commonwealth Parliamentary Debates, Vol. LXXX, pp. 9276-

(56) 30 November, 1916. p. 9279 9277.

(57) 30 November, 1916. Interjected request for papers p. 9283. Refusal to hand them back and subsequent action of putting them on the table, p. 9287.

(58) Sir Robert Randolph Garran "Prosper the Commonwealth", p. 230. Angus and Robertson 1958.

respective State Executives of the P.L.L. be requested to appoint representatives to meet the Federal Labor Party to discuss the position as affecting the Movement."

After a break from 1.0 p.m. to 2.30 p.m. the meeting resumed.

"Mr Hughes made a statement after which he left the chair asking those who thought with him to follow him."

According to Sir George Pearce -

"The Party resumed its session after dinner. The militants, now confident of victory, had gone so far as to secretly pick their new Cabinet, and Mr J. H. Catts, a New South Wales member, resumed the discussion with a bitter attack on Mr Hughes. The Prime Minister sat calmly smoking a cigarette; suddenly he rose and held up his hand. There fell a silence on the meeting; even Mr Catts paused in his harangue. Mr Hughes put down his cigarette, gathered up his papers and in a strong determined voice said, "Enough of this; those who are prepared to stand by the British Empire and to see the War through to the end, please come with me." He thereupon walked slowly to the door.....I went ahead and unlocked the door of the Senate club room and Mr Hughes and the others filed in and took their seats. The Prime Minister rose and said "Well, here we are." As one man all.....rose to their feet and cheered and cheered again. Pearce also reveals that, during the lunch break

"Mr Hughes, Tom Givens, President of the Senate, and I held a consultation. We agreed that the time had arrived for decisive action, that it was palpably impossible to hold the Party together any longer, except at the price of surrender. The consequences of that might be the cessation of Australia's continuance in the war."⁽⁵⁹⁾

Thus the walk out was planned.

Hughes, who still held the King's commission to form a Government, formed the National Labor Ministry, which governed from November 14, 1916 till February 17, 1917, and then coalesced with the Liberals to form the Nationalist Party. Sir William Irvine refused to join this Ministry for it would not impose conscription. It attempted instead to gain authorization for conscription in a second conscription referendum in December, 1917.

(59) Sir George Pearce "Carpenter to Cabinet. Thirty Seven Years of Parliament". Hutchinson & Co., 1951. pp. 140-141.

The pressures on Hughes primarily towards conscription and secondarily to a conscription referendum in 1916 seems reasonably clear. He arrived back in July, 1916, after a month of Haig's great offensive on the Somme. Haig's tactics and strategy are still the subject of dispute. Churchill can scarcely trust himself to describe them and cites Haig's despatches⁽⁶⁰⁾ wherein Haig, after describing the powerful German position on the Somme, describes his decision to attack there. Churchill comments with heavy irony - "All these conditions clearly indicated to the Staffs a suitable field for our offensive, and it was certain that if the enemy were defeated here, he would be more disheartened than by being overcome upon some easier battleground."

What cannot be disputed was that Haig's methods were supremely costly in manpower. On the first day of the Somme offensive (July 1, 1916) the British losses were 57,470, of whom 19,240 were killed or died of wounds. The Battle of the Somme continued till November 13, the day before Hughes left the Labor Party. The British casualties are now estimated at 419,654.

Hughes had informed Haig, according to Haig's diary, that "he had the utmost confidence in me and would do all he could to help me in my most difficult task."⁽⁶¹⁾

Thus Hughes had before him a demand for unlimited manpower.

Haig had the confidence of George V, who personally intervened to make him a Field Marshal and begged him not to resign.⁽⁶²⁾

"The King begs you to dismiss from your mind any idea of resignation.

"Such a course would be in His Majesty's opinion disastrous to his Army and to the hopes of success in the coming struggle."

(60) Winston S. Churchill "The World Crisis 1916-18, Part 1, pp.172-3. (Thornton Butterworth.1927)

(61) John Terraine, Douglas Haig, Hutchinson 1963, p. 215

(62) Robert Blake, "The Private Papers of Douglas Haig 1914-18", p. 188 (London, Eyre and Spottiswood 1953)

The offensive operations of Haig in 1916 are included in the general description by Winston Churchill - (63)

"in all the British offensives the British casualties were never less than 3 to 2, and often nearly double the corresponding German losses".

Commenting further on the offensives, he writes:- (64)

"The aggregate result of all of them from 1915 to 1916 (after deducting the losses on both sides in the German attack on Verdun) was a French and British casualty list of 4,123,000, compared to a German total of 2,166,000. Not only is this true of numbers, but also of the quality of the troops. In the attack it is the bravest who fall.....The process of attrition was at work; but it was on our side that its ravages fell, and not on the Germans."

Conscription had been adopted in Britain in the Spring of 1916, and the presence in Britain of William Morris Hughes had been used to help make it acceptable to the British working classes. There was no Labor Government in the world outside of Australia. Hughes was therefore a precious advocate, from Lloyd George's point of view, of the justice of the war. According to Haig, many in Britain's army had no concern whatever with official war aims. In his diary Haig notes that he told King George V (65) 18 months after the Somme

"it was very desirable to tell the Army in a few unambiguous sentences what we are fighting for. The Army is now composed of representatives of all classes of the nation and many are most intelligent and think things out. They don't care whether France has Alsace and Italy Trieste; they realize that Britain entered the War to free Belgium and save France. Germany is now ready, we have been told, to give all we want in these respects. So it is essential that some statements should be made which the soldier can understand and approve of. Few of us feel that "the democratizing of Germany" is worth the loss of a single Englishman."

Hughes was a man who in Britain could supply reasons which the common man could "understand and approve of".

(63) "The World Crisis", Part 1, 1916-18, p. 54

(64) op. cit., p. 55

(65) Haig's Diary, January 2, 1918. Quoted John Terraine, "Douglas Haig, The Educated Soldier" (Hutchinson, London), p. 174

The pressures on him for conscription were immense. The pressures against conscription appeared slight, partisan, but in the Parliamentary arena, effective. The Postmaster-General, William Webster, was later to inform the "Argus"⁽⁶⁶⁾ - "The main cry of Mr Hughes's friendly critics is -- Why did he not bring in conscription by Act of Parliament when he returned from England covered with glory and honour -- all powerful -- they declare My reply is that he could not, if he would, and such should be patent to all who honestly desire to know. I question whether he could have got six men out of seventy two constituting the Labor Party to support such a bid; hence he had no chance of carrying it in the House of Representatives, even if the entire Opposition had stood solidly behind him, and the position in the Senate was more hopeless still."

In after years Hughes was to attack his erstwhile colleague Tudor for what Hughes considered his blindness to the great issues which governed Hughes's mind, so Hughes said. -

"The Leader of the Opposition (Tudor) has said nothing at all about the consequences of the Referendum vote to Democracy, to Australia, to the world, to civilization and the cause of peace. He has made no reference whatever to the present position of the war, the Italian situation, the darkening shadow on the Western front; no reference to Germany's attitude to the Russian peace proposals.The legions of the enemy are massing for the great attack; Forty one German divisions have been detached from the Eastern frontier and concentrated at Cambrai.....Will any man tell us that we have a right to ignore a situation which may involve the nation in destruction? I had hoped that the honorable member would have let us and the world know that he realizes his responsibility towards the people of this country, and that he has some solution to offer of these tremendous problems that confront us. ~~But~~ not a word did he suggest to the House that he recognizes the situation"⁽⁶⁷⁾

(66) Melbourne "Argus", December 26, 1917. Webster left the Labor Party with Hughes.

(67) Commonwealth Parliamentary Debates, 11 January, 1918, Vol. LXXIII, pp. 2936-2937

It was under very great stresses that the Labor Party broke, and while Conference, State Executives and Referendum campaigns were to be the channels and means of opposing Conscription, yet it would have been enacted had Caucus been agreeable.

In the next 50 years there were only to be ten years of Labor Government, only 6 years with a majority in both Houses. Senator George Pearce's estimate is valid when he wrote of the walk-out of Hughes and twentyfour others-

"It was the most dramatic action ever taken in Federal Parliament, and today, thirty two years after the event, the course we took still exercises a profound effect on Australian political life."⁽⁶⁸⁾

By 1916 Caucus procedures were almost as they are fifty years later. Caucus had operated under a Labor Government without a majority in either House (Watson's in 1904 and Fisher's 1908-9), and under one with a majority in both Houses (Fisher's 1910-13; Fisher's 1914-15; Hughes's 1915-16). It had controlled the Senate against the Cook Government 1913-14. It was next to experience Government without a majority in the Senate, that of Scullin in 1929-31. Caucus had been defeated in efforts to make alliances with other Parties and grant immunity to non-Labor candidates. It had evolved a technique of scrutinizing legislation, which broke down in 1915-16 under the pressure of wartime draconian legislation, such as the War Precautions Act and the attempt to exclude "disloyal" voters from the Military Service Referendum. It had come to elect its Cabinet as a matter of course. It had retained Hughes as Leader after his expulsion and ejected him from the Leadership only after he had left with 24 others. Had he remained it would almost certainly have retained him as Leader, for only 12 votes were needed with the 25. Charlton's compromise motion

"That the respective State Executives of the P.L.L. be requested to appoint representatives to meet the Federal (Parliamentary) Labor Party to discuss the position as affecting the Movement."⁽⁶⁹⁾

would almost certainly have been carried. On Hughes's departure it was changed to read

"That the interstate conference be requested to meet with representatives of this Party to consider matters affecting the future of the Party."

The censure on Hughes was carried unanimously, but only after his walk out.

(68) Pearce "Carpenter to Cabinet", p. 142 (Hutchinson)

(69) Minutes November 14, 1916

Had he stayed the fall would at least have been postponed, but his actions in the Conscription campaign, while affecting the atmosphere in Caucus as they did, must sooner or later have brought about a change of Leadership.

He outmanoeuvred Caucus, remained Prime Minister for seven years, and consigned Labor to the wilderness.

The problem for Tudor for the rest of the war was to prove that Labor even desired to be in the war. Tudor remained committed to voluntary recruiting and continuance at war, but the Federal Conference at Perth came out for a negotiated peace. In this were the ingredients of a further split, but the Armistice came within five months of the Conference, and the war and Conscription ceased to be issues.

CHARTER V

130.

CAUCUS AND FOREIGN POLICY

When on the outbreak of the Second World War on Sunday, September 3rd, 1939, the Australian Prime Minister, R. G. Menzies, said -

"Fellow Australians, it is my melancholy duty to inform you officially that, in consequence of a persistence by Germany in her invasion of Poland, Great Britain has declared war upon her, and that, as a result, Australia is also at war."⁽¹⁾

- he implied a constitutional doctrine that he had often made explicit, namely that the Crown was indivisible and when the Crown of the United Kingdom was at war Australia was at war ipso facto.

It was a doctrine which had been disputed on May 9th, 1939, in the House of Representatives by the Labor member for Batman (Vic.) Frank Brennan, who had advanced a theory of a divisible Crown:-

"I should like occasionally to remind honorable members of this House that Australia is an autonomous nation, which has no responsibility, either in law or in fact to any other country, and notwithstanding opinions held to the contrary by other persons for whose scholarship I have great respect, I maintain that only the Australian Government, that is to say, the representative of the Sovereign on the advice of the Australian Government, can involve Australia in war, or proclaim peace should it be at war.... It has been said that the members of the British Commonwealth of Nations have a common Sovereign. That is perfectly true, but they have a Sovereign who, in each case.....acts upon the advice of the executive government of the particular dominion or country."⁽²⁾

Doubtless "other persons for whose scholarship" Brennan had held great respect included his close colleague Maurice Blackburn, who on November 25, 1938, had argued in the House that although the Statute of Westminster had weakened one of two Imperial ties, it had not weakened the other.

One of the ties had been "a common subjection to the Imperial Parliament". The other had been always "a common allegiance to one King."

"As I have observed, the first tie has been weakened with the passage of time until now we have the declaration, contained in the

(1) Sydney Morning Herald, September 4, 1939. And in all major dailies.
(2) Commonwealth Parliamentary Debates, Vol. 159, p. 226, May 9, 1939

preamble to the Statute of Westminster....declaring that the Imperial Parliament shall not make a law for a dominion without the concurrence of the dominion affected. The preamble to the Statute of Westminster does affirm the importance of the tie of common allegiance to one Sovereign."

This legal tie, scarcely of significance in peace, became important in war.

"When war is declared it is declared by the King...or it is declared upon the King."

As a minimum "The allegiance which the Australian national owes to the sovereign of the British Commonwealth of Nations would prevent him from giving comfort or aid of any kind to anyone who was at war with Great Britain."

This would end trade with an enemy of Britain. Neutrality for a dominion would mean ipso facto secession from the Commonwealth and Empire and, presumably, a republic. Continued allegiance would mean war. (3)

If this could be the opinion of one of the most radical members of the Parliamentary Labor Party in 1938 it is not surprising that in 38 years of federation preceding that speech there is often a seeming contention even by Labor that an Australian might have attitudes to world affairs just as a private citizen in the United Kingdom might, but Australia could not have a foreign policy independently of the United Kingdom.

Caucus took scarcely any decision on foreign policy for two decades, and Conferences took none till 1916, and that so insignificant and tentative that 1918 may be regarded as the first year of foreign policy decisions in a Conference. General belief in arbitration in international disputes had been expressed in earlier conferences, but hardly pressed as a policy.

The first leaders of the Parliamentary Labor Party virtually renounced foreign policy in the first debates on external affairs. The debate turned upon a motion by the Prime Minister, Edmund Barton -

"(1) That this House takes its first opportunity, in view of the despatch of a federal contingent to South Africa, to express its indignation at the baseless charges made abroad against the honour of the people and the humanity and the valour of the soldiers of the Empire.

(3) Commonwealth Parliamentary Debates, Vol. 158, p.2139, Nov. 25, 1938.

(2) That this House affirms the readiness of Australia to give all requisite aid to the mother country in order to bring the present war to an end."⁽⁴⁾

Caucus made no decision on this matter and in voting upon it the Labor Party split in the House of Representatives. The same resolution passed on the voices in the Senate. Watson could find no justification for the way Australian newspapers "out-Heroded Herod" in their anger at what he regarded as insignificant German comment, and the resolution in Parliament "is, I think, like using the proverbial steam hammer to crack a nut". But he added

"I say that, if the Empire asks for troops, I am prepared to assist her....." As for the termination of hostilities -

"That is a matter which concerns imperial statesmen. It is not for me, nor for members of this House, to indicate the terms upon which the war should be concluded."

All the same he attacked Joseph Chamberlain for suggesting that Britain had to go on fighting the Boers because of colonial attitudes -

"It is absolutely a wrong thing for Mr Chamberlain....to attempt to make the Boers and the world at large believe that Australia and the other colonial possessions are standing out for the last ounce of flesh....."⁽⁵⁾

The power over peace and war Watson accepted as vested in the Government of the United Kingdom, but United Kingdom politicians had no right to speak for Australian public opinion.

Senator Gregor McGregor, Labor's Senate Leader, who described himself as pro-Boer⁽⁶⁾ officially declared that there was no Labor Party attitude⁽⁷⁾

(4) Commonwealth Parliamentary Debates, 14 January, 1902, Vol. VII, p. 8739. The "baseless charges" were in an article in the Vossische Zeitung, described as "one of the leading papers in Germany" by Barton. It contended that young people from Australia and Canada had been "glad to fight for the idea of Empire" so long as it meant "a promenade to Johannesburg and Pretoria". "But military ardour soon vanished when it became evident that war against the Boers was no nursery game."

(5) Watson's Speech 14 January, 1902, Commonwealth Parliamentary Debates, Vol. VII, pp. 8749-8751.

(6) McGregor's Speech, 22 January, 1902, Commonwealth Parliamentary Debates, Vol. VII, pp. 9012-9016. "Certainly I am a pro-Boer, but I want this to be distinctly understood that it is quite possible to have sympathy with your enemies and yet be a loyal subject."

(7) Labor members voting against the resolution were F.W. Bamford (Herbert, Q.), J. Thomas (Barrier, N.S.W.), J.B. Ronald (Southern Melbourne), G. McDonald (Kennedy, Q.), and Hugh Mahon (Coolgardie) was paired against W.M. Hughes, Mahon in the negative.

".....I wish it to be clearly understood that my attitude has no connection whatever with the Party.....because so far as this question is concerned it has no significance in Labor politics. Our object in Parliament is of a different character altogether. But as an individual.....I should rather agree with Him who said "whosoever shall smite thee on the right cheek turn to him the other also."

In the House of Representatives Charles McDonald, later Labor's first Speaker, contended that the despatch of troops overseas was unconstitutional -

"I maintain that the Government has no power whatever under the Constitution to arrange for sending men away....The only part of the Constitution that deals with this question is section 119 which reads "The Commonwealth shall protect every State against invasion and, on the application of the Executive Government of the State, against domestic violence." (8)

Gregor McGregor was authorized in Caucus to move in the Senate on March 16, 1904

"That this House emphatically protests against the introduction of Chinese labour into the Transvaal, until a referendum of the white population of that Colony has been taken on the subject or responsible government granted." (9)

Although this has the character of an intervention in external affairs the attitude of the Labor Party was in reality a projection of its own "White Australia Policy" as McGregor revealed. Referring to the now concluded South African War he said

- "the blood of Australia was shed and the money of Australia was spent.

Senator Findley: For Whom?

Senator Fraser: For British supremacy.

Senator McGregor: For the purpose of enabling the financiers of South Africa and the mine owners of the Rand to endeavour today to get what some honorable Senators....would like....in Australia, Chinese and other inferior labour to supplant their own white brothers."

(8) McDonald's speech, 14 January, 1902, Commonwealth Parliamentary Debates, Vol. VII, pp. 8771-8775.

(9) McGregor's Speech, 16 March, 1904, Commonwealth Parliamentary Debates, Vol. XVII, pp. 553-555. On the motion of Senator McGregor himself, Caucus authorized the motion in both Houses. Minutes, March 1, 1904.

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The issue was taken up by Alfred Deakin, the Prime Minister, in the House of Representatives, after Watson had moved a similar motion to McGregor's the following day - Watson simply altering the "emphatically protests" of McGregor to "the House records its grave objection to the introduction of Chinese labour into the Transvaal".⁽¹⁰⁾ Deakin seized the opportunity to expound Imperial relations generally, and supported Canada and New Zealand in their protests on this Chinese labour issue.

Without authorization from Caucus J. B. Ronald, Labor member for Southern Melbourne, moved an address to the King in favour of Irish Home Rule on December 1st, 1904, but was not able to continue the debate. The same address was moved by the radical Liberal Henry Bournes Higgins on August 3, 1905.⁽¹¹⁾ As in McGregor's case Ronald was following a Canadian precedent and like McGregor's motion his address was carried. The voting was 33 to 21. No Labor member voted against Irish Home Rule, and apart from Labor members, Alfred Deakin, Patrick McMahon Glynn, Isaac Isaacs, Sir William Lyne and R. A. Crouch were amongst voters in the affirmative.⁽¹²⁾ Home Rule resolutions were repeated over the next 12 years, none authorized in Caucus and all supported by Labor members, but until 1918, when the subject was included in the radical proposals of the Perth Conference, it could not be stated to be Labor policy. David Storrer, the Labor member for Bass, moved a motion apparently intended to deplore the Czar's suppression of the Revolution of 1905 in Russia, but it is very obscure in its wording, and was taken by Joseph Cook and W. J. McWilliams to refer to pogroms against Jews. Another Labor Member, W. H. Carpenter (Fremantle), thought it might lead to conflict with Russia. Storrer's motion never came before Caucus.⁽¹³⁾

These motions express general support for liberty. A more significant motion, expressing a philosophy concerning the conduct of international relations, was moved by Labor Senator W. G. Higgs in the Senate on November 3, 1904. It was not authorized in Caucus but it expresses a strand of Labor opinion which reappears several times, and later notably in support of the Covenant of

(10) 17 March, 1904, Commonwealth Parliamentary Debates, Vol. XVIII, Watson's speech, pp. 696-708, Deakin's Speech, pp. 708-719.

(11) J. B. Ronald's Speech, December 1, 1904, Commonwealth Parliamentary Debates, Vol. XXIV, pp. 7730-7732; H. B. Higgins's Speech, August 3, 1905, Commonwealth Parliamentary Debates, Vol. XXV, pp. 566-577.

(12) Division List, Commonwealth Parliamentary Debates, Vol. XXVIII, p. 3818

(13) Storrer's Speech, 5 July, 1906, Commonwealth Parliamentary Debates, Vol. XXXI, p. 1069; Carpenter's, pp. 1071-1072

the League of Nations. It arose from the panic bombardment of British trawlers by the Russian Fleet on its way from the Baltic to its ultimate destruction by the Japanese in the Tsushima Straits. The resolution read -

"That the Parliament of the Commonwealth of Australia desires to express

- (a) Its deep sense of appreciation at the decision of Great Britain and Russia to refer the Dogger Bank incident to an International Commission of Inquiry under the terms of the Hague Arbitration Convention; and
- (b) its earnest hope that the said inquiry will result in a just and peaceful settlement honourable to both nations. (14) "

If carried it was to be sent to the House of Representatives for its concurrence. If both Houses concurred it was to be cabled to the Governments of Britain and Russia. Higgs was subjected to hostile interjections and the resolution was defeated 18 to 10, the 10 all being Labor Senators. One Labor Senator (Turley) opposed it.

The initiative in the Dogger Bank episode had actually rested with Senators of the other parties, who had carried a motion a week earlier (October 28) deploring the attack on the fishing fleet but expressing the hope "that the peace existing between "the Russian and British Empires "will be preserved". George McGregor had seconded this earlier motion - again without Caucus authorization. Higgs had moved to amend it with the conciliatory wording of Richard Sedden, Prime Minister of New Zealand, who while expressing "profound sorrow" at the deaths of fishermen had felt "assured that none will regret more this untoward event than the Czar and the Russian nation". (15) This amendment by Higgs was subsequently withdrawn, but not before Labor Senator George Pearce had revealed "My sympathy in this war is with the European nation as against the Asiatic nation." (16)

Labor Senator Anderson Dawson called for the punishment of those "responsible for this dastardly outrage" in "the way in which we know how to punish our Jack-the-Rippers and Deemings." Labor Senator Turley was equally emphatic.

The debate, like Boer War debates, showed widely divergent views among Labor members in the face of the prospect or fact of war. On the other

(14) Commonwealth Parliamentary Debates, Vol. XXIII (November 3, 1904), pp. 6433-6439

(15) Commonwealth Parliamentary Debates, Vol. XXIII (October 28, 1904) p. 6262

(16) P. 6267

hand, only one Labor member intervened in a House debate on a resolution urging Britain to annex the New Hebrides, and his intervention was only to suggest the deletion of words which might be offensive to France.⁽¹⁷⁾ The resolution was carried unanimously.

The remarkable feature of these debates on external affairs is that they are almost always on motions giving advice to Britain - the exception being that on the Russian Revolution of 1905. No resolutions concerning Imperial relations were carried, because Conservatives wished the "dominions" to remain colonies and Labor wanted no systematisation of Imperial influence.

The Fisher Government of 1908-9 would have nothing to do with presenting dreadnoughts to Britain, but Labor pressed on with the idea of an Australian navy.

More advice was transmitted to Britain by Labor member Hugh Mahon (Coolgardie) in moving an address to the King on the subject of the offensive nature of the Coronation Oath in those sections which repudiated transubstantiation, the invocation of Saints, honours to the Virgin Mary and the Sacrifice of the Mass. Mahon's speech is a classic⁽¹⁸⁾ and he was supported by the Prime Minister, Andrew Fisher, by Patrick McMahon Glynn and by Sir John Quick, from whom Mahon accepted an amendment. Again there was no Caucus view of the Coronation oath, but the consensus of Labor speakers was against intolerance. The amended resolution was carried without division. It was, however, another instance in which Labor members were emboldened to take action because of action in another Dominion.⁽¹⁹⁾ There is a fairly strong hint by one speaker that Mahon may have been influenced by Cardinal Moran, Archbishop of Sydney.⁽²⁰⁾ Certainly the majesty of Mahon's prose, not to mention the literary allusions, the history and the theology seem a little unlike Mahon, although, on the other hand, an addiction to purple prose was to procure his expulsion from the House a decade later⁽²¹⁾ on a resolution of W. M. Hughes.

Caucus during the time of the Fisher Government, 1910-13, gave no instructions to Fisher and Pearce for the Imperial Conference of 1911. George Pearce in his memoirs "Carpenter to Cabinet" devotes Chapter XVII to the Conference. The Conference dealt with foreign policy and defence, naturalization,

(17) The Labor member was F. W. Bamford (Herbert, Q.), Commonwealth Parliamentary Debates, Vol. XXV, p. 811, 10 August, 1905. Debate, pp. 788-811. Resolution moved by W. E. Johnson (Lang, N.S.W.), p. 788.

(18) Mahon's Speech, 21 July, 1910. Commonwealth Parliamentary Debates, Vol. LV, pp. 602-607.

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cables, cable rates, wireless telegraphy, commercial treaties and navigation laws. Pearce also signed an agreement, endorsed by the Fisher Cabinet, regulating the co-operation of the Royal Navy and the Royal Australian Navy.

When the war broke out in 1914 Caucus was not in session, the Parliament being dissolved and a general election being in progress. There was thus never a Caucus discussion on the outbreak of the first World War.

Until the conscription crisis in August-November, 1916, war policy was not the subject of debate in Caucus.

Conference: In the silence of Caucus the Federal Conference began to act at least to the extent to adopt general principles of foreign policy. On the motion of Charles McDonald, the Speaker of the House of Representatives and one of the Queensland delegates, it resolved after a lengthy debate which reveals the beginning of some anti-war attitudes and foreshadows some of the ideas of the Covenant of the League of Nations

"That there be inserted in the Federal Objective clause (c) of the Queensland objective, viz. 'The settling of international disputes by a council of civilized nations,'"⁽²²⁾

The Conference also sent a loyal resolution to King George V on his birthday, the motion being carried "to the accompaniment of cheers led by Mr Fisher". It expressed the hope

"that during the coming year his reign will be crowned by victory for the British and Allied Arms in the great war of freedom and the realization of an enduring peace."⁽²³⁾

By December, 1916, the Labor Movement had elected a Conference which passed resolutions of a different character both aimed against policies which the activities of Hughes seemed to suggest. They were both moved by Arthur Rae, a Senator for N.S.W. from 1910 to 1914, and from 1929 to 1935.

The first resolved

"That this Conference, in the interests of humanity, is of the opinion that Great Britain and her Allies should formulate their joint demands upon the Central European Powers and publish them to

(21) Commonwealth Parliamentary Debates, Vol. XCIV, pp.6382-6475. Referring to the death on hunger strike of the Lord Mayor of Cork (Alderman McSwiney) and British rule in Ireland, Mahon had said "The worst rule of the damnable Czars was never more infamous. The sob of the widow on the coffin would one day shake the foundations of this bloody and accursed Empire." The House held by 34 votes to 17 that this was sedition and Mahon was expelled.

(22) Report of the Sixth Commonwealth Conference of the Australian Labor Party, Adelaide May-June, 1915, p.22. The "alliance of nations" is suggested by a South Australian delegate in an amendment, p. 22.

(23) Report, p. 39

the world, and thus pave the way for an early and honourable peace."⁽²⁴⁾

The Liberal Leader, Joseph Cook, attacked this resolution in the House of Representatives the next day. It was defended in interjections by Labor members Hamman and Hampson, but not in any speech.⁽²⁵⁾

The other resolution asserted

"That any proposals for Imperial Federation involving the slightest surrender of Australia's self-governing powers in return for a voice in the Empire's foreign policy would be disastrous to Australian ideals, and should not, therefore, be entertained."⁽²⁶⁾

By the time of the 1918 Conference in Perth more of W. M. Hughes's policies were under attack. It was resolved

"That this Conference.....expresses its earnest hope that in negotiating for peace, Britain will not be delayed or embarrassed by the statement that Australia insists on the retention of the captured Pacific possessions."⁽²⁷⁾

One would never guess from the Caucus minutes or from debates in the House that this had become Labor policy.

The Conference also adopted unanimously a remarkably revolutionary statement⁽²⁸⁾ on peace which enunciated principles in foreign affairs far different from all previous Labor thinking. The Governments of Europe were condemned as "founded on class rule and adopting the methods of secret diplomacy". The causes of war were diagnosed as due to "the existing capitalistic system of production for profit (which) compels every nation constantly to seek new markets to exploit". It proceeded -

"The present system, by fostering commercial rivalry, territorial greed and dynastic ambitions has created an atmosphere of mutual fear and distrust among the Great Powers, which was the immediate

(25) Commonwealth Parliamentary Debates, 7 December, 1916, Vol. LXXX, pp. 9546-9599.

(26) Report, p. 21

(27) Report of the Seventh Commonwealth Conference of the Australian Labor Party, Perth, June 17, 1918, p. 48.

(28) Report, p. 11, Debate pp. 11-13.

cause of the present colossal struggle.

While the people suffer and die in millions, thousands of ruling and privileged classes are amassing huge fortunes out of war profits. We are, therefore, convinced that peace can only be accomplished by the united efforts of the workers of all the countries involved. We, therefore, to quote the "Sydney Morning Herald" of April 18, 1917, "Rejoice over the revolution in Russia", and congratulate the people of that country upon their efforts to abolish despotic power and class privileges.

We are of the opinion that a complete military victory by the Allies over the Central European Powers, can only be accomplished by the further sacrifice of human lives, and the creation of an intolerable burden of debt, to the further impoverishment of the workers, who must bear such burdens. We, therefore, urge that immediate negotiations be initiated for an International Conference, for the purpose of arranging equitable terms of peace, on which conference the working class organizations shall have adequate representation, and the inclusion of women delegates, and we further urge that the British self-governing Dominions and Ireland shall be granted separate representation thereon. We submit that in framing the terms of a lasting peace the following principles should be observed.

- (1) The right of small nations (including Ireland) to political independence.
- (2) That the European countries occupied by invading armies during the present war be immediately evacuated.
- (3) That disputed provinces or territories shall choose their own forms of government, or shall be attached to such adjacent countries as the majority of their inhabitants may by plebiscite decide, on the democratic principle that all just government must rest on the consent of the governed. The free exercise of such choice, under conditions of political equality, to be secured by the appointment of an international commission of control.

NOTE: This course (with such safeguards for the rights of minorities in communities of mixed races as the Conference might devise) would secure a final settlement of the rival claims for Alsace-Lorraine, Poland, Transylvania and other territories similarly circumstanced.

- (4) That, prior to the disbandment of the combatant armies and the merchant navies employed in the war, they shall be utilized by an organized system of volunteer service for restoring the devastated territories at the expense of the invading powers, which shall also compensate the widows

and dependants of all non-combatants, including seamen, who have lost their lives during hostilities.

- (5) That, where amicable arrangement cannot be reached by the Peace Conference in regard to captured colonies and dependencies, such territories shall be placed provisionally under international control.
- (6) That freedom of the seas be secured on the lines laid down by President Wilson, of America, in his speech at Washington in May, 1916, when he advocated -
"A universal association of the nations to maintain the inviolate security of the highway of the seas for the common and unhindered use of all the nations of the world."
- (7) The abolition of trading in armaments and the prohibition of the private manufacture thereof.
- (8) The abolition of conscription in all countries simultaneously.
- (9) The control of foreign relations under a democratic system, based upon publicity in lieu of the present methods of secret diplomacy.
- (10) That the existing machinery for international arbitration be expanded to embrace a concert of Europe, ultimately merging into a world wide Parliament, as advocated by President Wilson in a recent message to the American Congress.

A defence of these proposals was made by Senator Edward Needham (W.A.) in the Senate⁽²⁹⁾ and by Senator Albert Gardiner (N.S.W.) in the same debate.⁽³⁰⁾ Needham drew parallels between every point and statements at some time or other of Lloyd George, President Wilson, and the British Labor Party. The particular fury of the Senators opposed to the Labor Party, including those who had left it on conscription, was, however, directed at the Perth Conference resolution in relation to recruiting.⁽³¹⁾ This read:-

- ATTITUDE TO THE WAR AND RECRUITING -

Attitude to the War:-

- (1) The attitude of Labor towards the publicly declared objects of the War is what it was at the outbreak of the War -
 - (a) For liberty and democracy and the independence of small nations
 - (b) For the honouring of publicly made Treaties
 - (c) For the maintenance of Public International Law.

(29) Commonwealth Parliamentary Debates, November 13, 1918, Vol. LXXXVI, pp. 7649-7653

(30) Vol. LXXXVI, pp. 7654-7657

(31) Report of the Seventh Commonwealth Conference of the Australian Labor Party, pp. 27-28

- (2) The aims of Labor in participating in the war purposed:-
- (a) Assistance to Great Britain, under the voluntary system, in maintaining the publicly declared objects for which she entered the War (as described in the first paragraphs) to the best of our capability, consistent with Australia's paramount and essential needs.
 - (b) Bringing about an enduring World Peace on terms of equity and justice to all mankind.

Attitude to Recruiting:-

Further participation in recruiting shall be subject to the following conditions:-

- (a) That a clear and authoritative statement be made on behalf of the Allies, asserting their readiness to enter into peace negotiations, upon the basis of no annexations and no penal indemnities.
- (b) That Australia's requirements in manpower be ascertained and met with respect to
 - (1) Home Defence
 - (2) Industrial Requirements: An immediate inquiry, upon which the Australian Labor Party shall be adequately and officially represented shall be held and its decisions immediately given effect to."

This was to be submitted to a referendum of all branches and affiliated organizations. Bearing in mind Hughes's raids on the Labor Press and the Parliaments of the Commonwealth and the Government Printing Office in Queensland⁽³²⁾ the Conference resolved -

"Should the Commonwealth Government interfere with the taking of the ballot on the proposals re the war and recruiting, the whole scheme shall become operative immediately."

The idea that members of a political party should sit in judgment on the war aims and procedures of the allies left the Nationalists almost speechless with anger in some of the debates, notably the one in the Senate in relation to a Labor motion seeking Labor representation at the Peace Conference, November 13, 1918.⁽³³⁾ Senator Lynch challenged Senator Lieutenant-Colonel O'Loughlin, a Labor Senator, who had served in the War, on his attitude to the Perth Conference, only to be told -

(32) To confiscate speeches of J. H. Catts and Hansards containing speeches of T. J. Ryan, Labor Premier of Queensland respectively.

(33) Commonwealth Parliamentary Debates, Vol. LXXXVI, pp. 7649-7680.

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"I desire to indorse entirely the peace and war proposals of the Perth Labor Conference."⁽³⁴⁾

The Labor Party paid dearly for these attitudes. In the Senate election of December 13, 1919 the Party was virtually annihilated. Of 19 seats up for election, Labor gained only 1 (Senator Gardiner, N.S.W.), and the position in the Senate was 35 Government to 1 Labor, since the Labor Party had held none of the 17 seats not up for election. In the House of Representatives Labor gained 26 seats out of 75 - an advance of 4, but numerically back still to the period of Watson's leadership except that the Senate position was far worse.

It is possible to regard the efforts by Federal Conference to formulate a foreign policy as efforts to fill a vacuum. As Watson in the Boer War had said, peace and war was a matter for Imperial statesmen; and Fisher had said Australia should give to Britain the last man and the last shilling; and Hughes had appeared to interpret Fisher literally in his conscription efforts, it was inevitable that, when a price of 60,000 dead had been exacted, the prestige of a Caucus which had been substantially mindless on foreign policy should be at a low ebb.

If the electorate was hostile to Labor politicians so was the Labor Movement.

The Queensland Executive expelled W. G. Higgs, Deputy Leader of the Labor Party, in January, 1920, for advocating a "Yes" vote in W. M. Hughes's Referendum of 1919 - a Referendum substantially along the lines of the Fisher Referendum of 1911. J. H. Catts was expelled by the N.S.W. Executive because, in essence, that executive was corrupt. Catts had certainly been a radical, but this did not save him. A Federal Conference - the Eighth Commonwealth Conference in Sydney in June, 1919 - staged a humiliating debate as to whether Tudor as Leader of the Party and J. H. Catts as Secretary should be admitted to a Conference.⁽³⁵⁾ At the Special Conference in October, 1919, really an extension of the Eighth Conference of June of the same year, Conference virtually invited T. J. Ryan to enter the Federal Parliament and assume leadership, superseding Tudor,⁽³⁶⁾ though some supporters of the motion, carried 19 to 10, denied the latter intention.

In the circumstances it is not surprising that the leader of the

(34) O'Loughlin's Speech, November 13, 1918, Commonwealth Parliamentary Debates, Vol. LXXXVI, pp. 7671-7672. The most brilliant speech defending Perth Conference was that of J. H. Catts, Commonwealth Parliamentary Debates, Vol. LXXXVIII, pp. 6374-6388, September 25, 1918. Tudor defended them ably, pointing to the similarity between Conference proposals and President Wilson's Fourteen Points, but that was on 17 September, 1919, when the war was over. Commonwealth Parliamentary Debates, Vol. LXXXIX, pp. 12393-12399.

(35) Report p. 21. Tudor was admitted, but Catts not admitted.

(36) Report, pp. 90-101, 102-105, 106. It was based on a N.S.W. resolution on the N.S.W. Executive. Victorian and Queensland Executives had resolved similarly.

Parliamentary Labor Party desired to avoid altogether any Party attitude on the first great issue after the war - the Peace Treaty itself. The Party in Parliament was now subject to constant attack as controlled by an "outside Junta".

CAUCUS AND FOREIGN POLICY BETWEEN THE WARS

Caucus and The Peace Treaty:

Caucus resolved, on the recommendation of the Parliamentary Executive, that the question of the Peace Treaty, about to be debated in Parliament in September, 1919 "that the matter be treated as non-Party"⁽³⁷⁾. Since the Party could not alter the Treaty, it appeared to want no official attitude towards it. Caucus rejected a motion "that a message be sent to the special interstate Conference summoned to meet in Sydney on October 2nd, suggesting that consideration be given to the terms of the Peace Treaty as affecting Australian interests, so the attitude of the A.L.P. may be officially and publicly declared".⁽³⁸⁾ This resolution, if carried, would have redoubled the charges of outside control. Perhaps in reaction to the sustained battering the Party had received after Perth Conference, the Caucus preferred no declared policy to any declared policy. The Parliament could not alter the Treaty any more than the Party could. In the Parliamentary debates which followed the League of Nations was considered by Labor members to be a hope, but this attitude did not markedly differentiate Labor from the Nationalists at the time. Moreover the Labor Party, in the prevailing mood of anti-militarism, did not generally force the implications of the League Covenant where military action was called for in restraining an aggressor by collective action. The Labor Party was in fact destined to reject collective security for Abyssinia in 1935.

The Anglo-Japanese Treaty Expires 1921:

No further resolution on foreign policy was moved in Caucus until April 14, 1921, when the Party considered what the Nationalist Prime Minister, W. M. Hughes, was likely to do at the forthcoming Imperial Conference.

It was believed that at the Conference Britain would be seeking support for the renewal of the Anglo-Japanese Treaty of 1911. No Federal Conference decision applied in this matter. Arthur Blakeley and H. P. Lazzarini unsuccessfully moved

"that everything possible be done to have America made a party to the Anglo-Japanese Treaty, and failing America's participation in such an agreement no Treaty shall be ratified which is antagonistic to America!"

(37) Minutes, September 11, 1919

(38) Minutes, September 25, 1919.

Although this motion was lost it has a particular interest on two counts. It is the first resolution which makes reference to the United States. It presses the need for American good will in any policy adopted towards Japan.

The motion carried read:-

"That the representation of Australia shall not be empowered to commit Australia to any agreement or understanding without such has been ratified by the people of Australia."⁽⁴⁰⁾

This committed the Parliamentary Party to nothing but a referendum and was in fact an abdication of policy making. It gave Tudor a free hand in the subsequent debates, however. Another reason for rejecting Blakeley's and Lazzarini's motion and adopting the referendum may well have been hatred of Hughes. Possibly Blakeley's motion was inspired by Hughes's speech in the House on April 7, 1921 -

"What is the hope of the world? As I see it, an alliance, an understanding, call it what you will, between the two great branches of the English-speaking peoples. Now here is a dilemma. Our interests, our safety, lie in the renewal of the Anglo-Japanese Treaty. Yet that Treaty is anathema to the Americans."⁽⁴¹⁾

When Tudor led for the Opposition the following week he supported the renewal of the Anglo-Japanese Alliance. Its value was that "White Australia" had never been challenged during the operation of the Treaty. Perhaps it helped that Hughes was anti-Japanese, but Tudor came out quite strongly -

"As to the Anglo-Japanese Treaty, I shall support any Treaty that makes for peace."

In reference to the United States he said -

"I hope that the thinking people of the United States....will not consider that our support of the Treaty is influenced by any desire to prejudice their interests".

He assumed the mantle of prophecy, twenty years before fulfilment -

"The next great war will be fought in the Pacific, the ocean whose name implies peace".⁽⁴²⁾

(39) Minutes, April 14, 1921.

(40) Minutes, April 14, 1921. An attempt by Arthur Blakely to delete "the people of Australia" and substitute "the Parliament" was defeated.

(41) Commonwealth Parliamentary Debates, April 7, 1921, Vol. XCIV, p. 7267.

(42) Tudor's Speech, Commonwealth Parliamentary Debates, April 13, 1921, Vol. XCVI, pp. 7389-7393. The speech explains Tudor's opposition to the Blakeley-Lazzarini resolution in Caucus the following day.

The most thoughtful speech in the Parliamentary debate was that of T. J. Ryan, the Deputy Leader of the Party and former Premier of Queensland, now nearing his untimely death. His speech contained the very rare grace of concern for China's rights, which were impaired by Article XXI of the League Covenant,⁽⁴³⁾ by the Anglo-Japanese Alliance, and by the Isaii-Lansing agreement between Japan and the United States. Alone in the Parliament Ryan opposed the Anglo-Japanese Alliance.

Ryan argued unconvincingly that a Treaty should be submitted to a referendum, and the untenability of the position is revealed by the fact that no Labor Government ever submitted any Treaty to a plebiscite.⁽⁴⁴⁾

Ryan and every other Labor speaker avoided reference to Japan's acquisition of the Marshalls, Carolines, Ladrones and Mariannas. Two years earlier J. H. Catts had ridiculed W. M. Hughes's claims that the Peace Treaty advanced Australian security asserting, because of the Japanese acquisitions, that Australia "is in an infinitely worse strategic position than it was at the outbreak of war", a fact concealed by Hughes "by means of a great Press campaign engineered from Paris". He attacked Hughes's role during the Fisher Government, asserting he had concealed the cession to Japan of Germany's Micronesian possessions. Hughes's counter attack had been most savage - he called Catts an "enemy of the country". The violence of the attack is possibly the measure of the sting he had received. There is no doubt that the substitution of Japan for Germany endangered Australia.⁽⁴⁵⁾

The End of the Irish Question:

Although the Irish Question had never till 1921 been the subject of a motion in Caucus, Labor members and Senators had moved Home Rule resolutions and had attended Home Rule rallies, and the Labor Party had been unanimous in votes in Parliament in favour of it. The Perth Conference in 1918 had come out for Irish independence. It was a question frequently referred to in debates between 1919 and 1921 as an example of Britain's failure genuinely to stand for self-determination, and on November 11th, 1920, Hugh Mahon had been expelled for

(43) Japan did not have to give up Shantung under the general provisions of Article XXI.

(44) Ryan's speech, Commonwealth Parliamentary Debates, Vol. XCV, pp. 7626-7635, April 21, 1921.

(45) Catt's speech, 17 September, 1919, Commonwealth Parliamentary Debates, Vol. LXXXIX, pp. 12419-12440. Hughes's Speech, 19 September, 1919, Vol. LXXXIX, pp. 12603-12611.

alleged seditious utterances concerning Ireland, from the House of Representatives on the privilege motion of W. M. Hughes.⁽⁴⁶⁾

Eight months' silence of Caucus on foreign policy was broken when on December 8, 1921, on the motion of Frank Brennan, Caucus recorded "its unqualified pleasure at the successful outcome of the Irish negotiations and congratulates the Irish people on attaining the status of a Free State on equal terms with other component parts of the British Empire". If one studies the exchange between Hughes and Brennan in the privilege debate over the expulsion of Hugh Mahon, the motion reads as an exquisite but pathetic revenge for Hughes's contentions that Ireland could not be allowed to govern itself, could not defend itself, and that its freedom was inconsistent with Empire. Brennan gave the credit to the Irish people, gloried in their freedom, and twitted his opponents with the fact that it was freedom within the Empire. A year earlier J. M. Fowler, Nationalist Member for Perth, during the privilege debate on the expulsion of Hugh Mahon, had correctly assessed that the ultimate aim of the Irish Nationalists was an independent republic, to which Fowler was opposed. Brennan could not really have believed that Ireland wished to remain a component of the British Empire.⁽⁴⁷⁾

The Chanak Episode, September, 1922:

What is called "the Chanak Incident" in W. M. Hughes's book "The Splendid Adventure", and in the hundredth volume of Commonwealth Parliamentary Debates "The situation in the Near East", led to a brief but very revealing debate in the House of Representatives and the Senate.

The debate is noteworthy for raising the simple ideological issues on which Labor was to be defeated for years, for a resumption of controversies of the First World War, for echoes of the conscription Referendum, for the adoption by the Labor Party of attitudes logically and morally defensible, but hopeless from the point of view of gaining electoral support in a strongly imperialist country like Australia then was, and possibly still is. "Imperialist" in the sense that it possessed strong Empire sentiment, but was not essentially expansionist.

The Chanak crisis came suddenly, and there seems little doubt that Lloyd George (by then well on the way to wrecking the British Liberal Party,

(46) See footnote (21) above.

(47) Mahon Expulsion Debate, November 11, 1920. Hughes's speeches, Commonwealth Parliamentary Debates, Vol. XCIV, pp. 6382-6389 and pp. 6418-6421. Brennan's speech, pp. 6421-6429. Fowler's speech, pp. 6429-6433.

which ceased to be "ministrable" the following year and ever since) was motivated by the wish to rally the patriotic fervour he had mobilized during the war years. In an effort to commit the Dominions to his policies he adopted the expedient of handing to the British Press copies of cables sent to the Dominion Prime Ministers before most of them had received them.

Hughes explained to the House that on Sunday, September 17, 1922, "at about 5 o'clock in the afternoon", he had received a cable from Lloyd George. He told the House a fact concerning which he expressed no resentment during the debate, but to which he took strong exception later, namely,

"I have mentioned the time at which the telegram from Mr Lloyd George reached me in order that I may lay emphasis on one point which I think deserves special notice. That is, that before the telegram reached me the press had received a message containing substantially the contents of Mr Lloyd George's telegram to me."⁽⁴⁸⁾

The crisis outlined in the cable was the alleged intention of Kemal Ataturk to order re-occupation by Turkish troops of a neutral zone between Greece and Turkey delineated by the Allies after the war primarily to check Greek ambitions for Turkish territory. It was certainly the desire of Ataturk to re-occupy Constantinople and the Dardanelles Straits. Under the Treaty of Sèvres the Straits were temporarily controlled by the Allies pending a final settlement. Turkish forces were for the time being excluded from the Straits. Lloyd George professed to see a Turkish move to defy the terms of the Treaty and occupy the forbidden zone.

Hughes's press statement issued on Sunday evening, September 17, 1922, gave out a maximum of emotional rhetoric and a minimum of information, and was taken by Charlton, now Labor Leader, to be a statement of the type he issued during the war as war propaganda.

Hughes told the country that Lloyd George and the British Cabinet had decided that

"The situation in Turkey demands prompt action; had asked whether Australia desired to be associated with the steps Britain was taking and whether we desire to be represented by a contingent."

The wording of Lloyd George's cable was designed for the press rather than the

(48) Commonwealth Parliamentary Debates, Vol. C, p. 2348, Hughes's Speech pp. 2347-2351, September 19, 1922. Referred to in "The Splendid Adventure". W. M. Hughes (Ernest Benn 1929) pp. 241-245; p. 253; p. 314. In the book, by contrast with the speech, Hughes is strongly critical of the British Government.

Prime Ministers. Like Hughes's subsequent speeches, it dwelt on points of the deepest sentiment - the Anzac casualties and the failure at Gallipoli. Gallipoli was now, in 1922, not in Turkish hands. It was the clear intention of the Treaty of Sevres to restore the Dardanelles to Turkey, but an ignorant electorate could be made to see a threat in Turkish re-occupation of the Straits. Hughes explained the cable thus:-

"Mr Lloyd George in his telegram emphasized the gravity of the position, pointing out that, altogether apart from the freedom of the Straits, for which immense sacrifices were made in the war, Britain could not forget that the Gallipoli Peninsula contained more than 20,000 British and Anzac graves. That these should fall into the ruthless hands of the Kamalists would be an abiding sense of grief to the Empire." The Anzac graves were to be in Kemal's "hands" for 20 years and in Turkish "hands" indefinitely, without the facts occasioning any grief to Hughes, Lloyd George or any of their successors, but each Welsh orator had an election looming and each knew how to obscure international issues and conduct khaki elections with fervour.

"The announcement that all or any of the Dominions were prepared to send contingents, even of moderate size, would, he (Lloyd George) said, in itself undoubtedly exercise a most favourable influence on the situation and might conceivably be a potent factor in preventing actual hostilities.....The Government has decided that it desires to associate itself with the British Government in whatever action is deemed necessary to ensure the freedom of the Straits and the sanctity of the Gallipoli Peninsula and would be prepared to send a contingent of troops."⁽⁴⁹⁾

The Turkish leader, Kemal Ataturk, had already announced clearly that it was not his intention to violate the neutral zone, but Hughes could predict the Labor Party's reaction and its unpopularity, so he arranged a debate for Tuesday, 19 September, in the House of Representatives. He could predict that Labor would demand a referendum. His formula was to emphasize Britishness; standing by Britain; the disloyalty of the Opposition; and to invoke the hurts and losses and sanctity of Anzac.

The Parliamentary Labor Party met three times on the issue.⁽⁵⁰⁾

(49) Melbourne "Age", September 18, 1922. And in major dailies.

(50) Minutes, September 19, 1922 (two resolutions). Minutes, September 21, 1922 (cable to the British Labor Party), Minutes, September 27, 1922 (cable from the British Labor Party).

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Before it met, however, Charlton, as Labor leader, made a press statement replying to Hughes. (51) In no circumstances would he support the use of armed force to settle the dispute. The country would have to guard against war hysteria, and against doing something out of jingoist fervour that it would regret in sane moments.

The headlines in the same issue of the "Age" (September 19) obliterate Charlton's statement with hysteria. They read:-

"The Rampant Turks"

"Russians and Arabs may join them."

"Danger of Black and Yellow v. White conflict".

This was hysterical journalism from one of the most reputable papers in Australia. There was never a likelihood of Arabic or Russian support of actions which Ataturk, so far from being "rampant", emphasized he would not take.

When the Parliamentary Labor Party met in Caucus on September 19, 1922, it resolved

"That we endorse the statement of the leader, Mr Charlton, and congratulate him upon the prompt declaration of the policy of the Labor Party with regard to the Near East crisis".

It was also resolved

"That the Leader and Deputy Leader (Charlton and Anstey) put forward the policy of the Party with regard to the Near East crisis and if necessary move an amendment to any motion which may be moved by the Prime Minister". (52)

Hughes had every debating formula for success and Caucus was confronted once again with alleged world and imperial issues, and was at the disadvantage of arguing ^{that} Australian security was not involved while racial, national, strategic and loyalty factors were making the headlines.

The Canadian Government resented the way Lloyd George publicly asked for contingents and said so through its Prime Minister. The Australian Labor Party wanted to follow Canada's lead but it had no "disloyal" French Canadian electorate to support it!

To Hughes it was a matter of securing the "defence of the deepwater line between Europe and Asia" and to this end Britain, France, Italy, Rumania

(51) Melbourne "Age", September 19, 1922, and major dailies.

(52) Minutes, September 19, 1922. Subsequently Anstey did not speak, no amendment was moved, no division took place. The debates were talked out in both the Senate and the House of Representatives. The episode influenced the Labor Party's attitude to the forthcoming Imperial Conference (Minutes, 7 March, 1923 and 26 July, 1923) in the direction of an increasing reluctance to be committed to Imperial strategies - or probably to Mr Lloyd George's manoeuvres.

↑ a repetition of anything like

Servia and Greece would probably be mobilized in "military participation".

This is a superb touch of Hughes's political and oratorical skill. It is almost a crusade for a kind of White Europe policy he represents as taking place - a Northern counterpart of White Australia.

The British Army and Navy were involved.

The Empire was at stake. "A defeat or humiliating exodus of the Allies from Constantinople...would produce very grave consequences in India and amongst other Mohammedan populations for which the Empire is responsible."

Hughes enunciated ~~an~~ Imperial doctrine which actually had its origin in the alleged necessity for the Turks to hold the Straits in British Empire interests and turned it skilfully into a doctrine that the Turks must be excluded from the Straits in Empire interests.

"Honorable members do not need to be told of the direct and intimate relation between the freedom of the Straits and the maintenance of the British Empire. That is obvious on the face of it. The interests of the Empire in Mesopotamia, Arabia, and India are all intimately bound up in the possession of the Straits by a friendly power."

The threat to Australia was direct, and Hughes's logic just fell short of accusing Ataturk of intention to take Australia.

"Those who hold the Dardanelles do, in fact, to a very large extent, guard the gateway to the East, and, if they be hostile to the Empire, menace by their very presence that other canal the possession of which to us is a matter of life and death as the gateway to our house - I mean the Suez Canal."

The poetry of Hughes - "Mesopotamia", "India", "Arabia", "gateway to the East", "gateway to our house" - was admirably calculated to convince the ordinary man that profound issues were at stake. The suggestion that Kemal was threatening the Suez Canal because of his dispute with Greece is ludicrous, but the whole speech is a magnificent example of Hughes's capacity to heap "great" pseudo-issues together to win the electorate. Electorally he always had the Labor Party on the run with such tactics and, in this manner, "the Empire" was a major weapon against Labor in the hands of both W.M. Hughes and S.M. Bruce.

Frank Anstey once complained of Hughes's ability simultaneously to occupy every position, and Hughes did this over Chanak.

"We are not to spring to arms as if we were a nation of swashbucklers."

However -

"I have received from the Returned Sailors and Soldiers' Imperial League

of Australia an intimation on behalf of the whole of its branches that
.....should the call to arms come, the Government may be assured
of the unswerving fealty of that organization."

Hughes was satisfied with the nation's response.

"There are already signs that the nation is being swept off its feet.
At present there is no need for one man to offer his services, when
such a necessity arises a notification will be made that cannot be
misunderstood."

He declared in advance that Charlton would ask for a referendum -

"it is not in such a direction as the honorable member will indicate
that the world can be governed."

Possibly what he had in mind was an election. Lloyd George certainly did.

Hughes commented -

"We are standing now, as it were, on the threshold of an appeal to the
people.....It is idle to speak of a referendum."⁽⁵³⁾

Hughes's speech is not really an answer to Charlton, whose speech follows his.
It is an answer to a press statement by the Leader of the State Labor Party of
Victoria, Prendergast. Charlton had not asked for a referendum, but Prender-
gast had. Prendergast had said -

"War without the consent of the people was one of the most disastrous
things that could happen to any country. We had thought we were in
the region of peace but the Jingo spirit followed us everywhere."

There was not "the remotest intention of letting us make our own decision.
We were not allowed to make wars. We must only fight; and we were
to be in every war of the future great or small. We were to be
coerced."⁽⁵⁴⁾

Hughes's real views, if his book "The Splendid Adventure" expresses them,
differed from the immediate attitude he adopted.⁽⁵⁵⁾ In the book he declared
that "the Chanak incident....was even less excusable, and fell clearly into
the category of acts which Britain had most positively assured us
would never happen again....Britain had kept the Dominions in abso-
lute ignorance and left them to learn through the columns of the
papers of a situation in which Britain had already committed herself

(53) Hughes's speech, Commonwealth Parliamentary Debates, September 19, 1922,
Vol. C., pp.2347-2349.

(54) Melbourne "Age", September 19, 1922.

(55) "The Splendid Adventure" (Benn) was published 7 years later, 1929.

by an ultimatum that admitted for the whole Empire no alternative but war."

The position of the Dominions -

"was not only embarrassing but deeply humiliating."

Referring to the fact that Lloyd George published the cables in the Press before the Dominion Prime Ministers received them he wrote:-

"To say this savoured of sharp practice, and appeared to be a dodge to manoeuvre the Dominions into a position from which there was no retreat, is not to put the matter too strongly...The British Government did not deny that it had intended to release the information to the press before the Dominion Governments had had time to consider the situation in Cabinet, although publication would necessarily prevent that calm review which is the essence of responsible government."

He seems very close to the at-the-moment opinion of Prendergast when he wrote seven years later -

"It appears as though the Foreign Office forgot all about them (i.e. the Dominions) until war seemed probable. Then Britain let the Dominions into the secret with the rest of the world, and calmly asked them 'to rally round the standard of the Empire'." (56)

If Hughes felt in 1922 as he wrote in 1929, then his speech in the House on "Chanak" (57) must have been motivated simply by the desire to worst the Labor Party in the forthcoming election for, unless it represents a changed opinion, the book makes his earlier Parliamentary utterance to seem insincere. The probability is that the 1929 position of Hughes is different from the 1922 position, and in between was the pacemaking determination of Canada and South Africa, where non-British populations shared no emotional identity with Britain felt by the English speaking, to interpret Dominion status as independent nationhood under a common, but divisible, Crown. This affected all the Dominions, including the "loyal" Australia and New Zealand.

The Labor Party in Parliament never really expressed the fundamental conclusions of the Perth Conference of 1918, (58) but did generally, especially in

(56) "The Splendid Adventure", pp.241-245.

(57) "Chanak" is an expression never used in the debate in the Senate or the House. It became a professional and academic name for the episode.

(58) e.g. That only the workers could achieve peace; that the Russian Revolution was to be welcomed; that there should be men and women worker delegates at peace conferences; that Ireland should be independent.

the cases of Brennan and Anstey, but also Scullin, tend to be in the vanguard of the moves to enhance Dominion status.

In the actual situation of September, 1922, Caucus attempted to answer the power of Hughes's "rally to the standard of Empire" (which was his position in 1922 though he derided it in 1929), and the power of his poetry -

"unswerving fealty"

"a matter of life and death"

"grave consequences in India"

"interests of the Empire in Mesopotamia, Arabia and India"

"freedom of the Straits"

"gateway to the East" -

with an effort to make contact with the new force arising at the heart of "the Empire" - the British Labor Party, then in the process of supplementing the Liberals as the alternative to Conservatism. This tactic of the period 1922-1925 was scarcely ever repeated. It was resolved

"That a cable^{be} forwarded to the Secretary, the British Parliamentary Labor Party, informing them of our attitude in regard to the Near East war situation, and requesting to be informed by them of their attitude" (59)

The British Labor Party replied (60)

"British Labor is opposed to any war in the Near East and believes the only effective way of avoiding it is by reference of the dispute to the League of Nations in which Turkey, Russia and Germany should be included. We are strongly opposed to Britain acting individually and demand a settlement by discussion and agreement. Arthur Henderson, Secretary."

(59) Minutes, September 21, 1922.

(60) Incorporated in the Minutes of September 27, 1922.

Responsibility and Isolationism:-

By the time the British Labor Party's reply had been received the hysteria had died down, but the positive nature of the British Labor Party cable contrasts with the simple desire for non-involvement expressed by Australian Labor over Chanak. The Perth resolutions of 1918 were controversial, but they would have involved any Australian Government seeking to implement them in a definite policy in Europe - for instance, to procure self-determination of the peoples, the reconstruction of damaged countries, and the independence of Ireland. The Caucus resolutions, on the other hand, take no responsibility for the world whatever. The British Labor Party expressed the view that the League of Nations should deal with Chanak, and that Germany, Russia and Turkey should be in the League. In Australia debates were to turn for years on Nationalist advocacy of support for the Empire as against Labor's isolationism. The Nationalist case was a great simplicity - "The Empire protects us. We should be grateful. Our boys should rally at the call of the Mother Country."

The Labor Party opposed anybody going overseas on military service. That is all. The Party never denied the Government's assumption that the Empire protected Australia. Scarcely ever did a Labor Speaker in a debate draw conclusions from the simple proposition that Britain was most unlikely to be involved in war on behalf of Australia, whereas Australia was likely to be involved in war on behalf of Britain. Indeed only once was a conclusion drawn from this to the effect that Australia would be better off without the Empire. In the Chanak debate in the Senate the daring words were uttered. Senator Gardiner (Labor, N.S.W.) said

"I hope the Australian people will awaken to the fact that to remain within, and loyal to the Empire, presupposes their readiness to participate in any war in which Britain asks for our assistance..... Australia...is represented in this Parliament, and I shall say also outside, by a sentiment which puts Britain first. While that sentiment prevails, we must be prepared to face the possibility of participating in every war in which Britain may be engaged....."

"Senator Crawford: "Do you think a Republic would be cheaper?"

"Senator Gardiner: "Much cheaper, because then we would develop as the United States developed. We should be left to our own resources. We should be obliged to defend ourselves, and we would cultivate that spirit of independence that is so necessary for the progress of any nation."(61)

(61) Commonwealth Parliamentary Debates, September 20, 1922, Vol. C. P. 2400

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Senator Gardiner later had occasion to quote a news item from the Sydney Morning Herald of September 18, 1922. The item read:-

"POLITICAL ASPECT
Mr Hughes' Comments
Empire's Safety First.

Melbourne, Sunday.

The Prime Minister (Mr Hughes), discussing the Federal political situation today said the Nationalists' position would be greatly strengthened if the Near-Eastern situation continued to develop so threateningly. "The British Government", he said, "has communicated with the Dominions on the question of sending contingents to protect their interests. These interests no doubt are the graves of our glorious dead on Gallipoli. This sound like a renewal of the national danger which enabled the Nationalist Government to remain in power so long in the Federal arena. Who would vote for a Labor Party which has flirted with Communists at a time when the national interests are endangered? The world outlook at present will greatly assist Nationalism if an early appeal is made to the country. This, combined with the improved position locally, will doubtless result in an increased National majority."

When Gardiner asked a question on the matter⁽⁶²⁾ Senator Edward Millen, for the Government, replied -

"The Prime Minister has denounced those who have placed those words in his mouth as guilty of a deliberate lie."

What really happened appears to have been that the Prime Minister's statement stopped with "our glorious dead on Gallipoli" and the rest is the journalist's comment. However that may be, the assessment of the electoral value of the crisis to the Nationalists was valid. So long as Labor had nothing but the desire for non-involvement even Empire jingoism would sound realism by contrast.

Imperial Conferences:

It would be unjust to Hughes simply to assume that the Empire meant nothing more to him than Imperial catch cries, but he certainly used the catch cries. It is not easy to reconstruct the religious awe surrounding the Empire, at least in the speeches and writings of politicians, in the 1920's. Until the British Labour Party emerged as a short-lived Government of the United Kingdom in 1924 applause was the normal Nationalist response to the activities of British Governments. When the British Labour Party took office as Government

(62) Commonwealth Parliamentary Debates, September 21, 1922, Vol.C, pp.2497-98.

in 1924 the Australian political parties went through a change of positions.

Writing in 1929 Hughes was to assert -

"the left wing of (Australian) Labor - which at present dominates the Party - is quite definitely hostile to the Empire."⁽⁶³⁾ -

and he commented that notwithstanding that S. M. Bruce had just gone to an election (1928) on the slogan of "Empire and the maintenance of law and order" -

"Labor received 1,100,000 votes against the Nationalists 866,000 and the Country Party 223,000....What Labor thinks about the Empire is therefore enormously important".⁽⁶⁴⁾

The Caucus, under the circumstances of 1921-29, needed therefore to handle Imperial relations carefully, for they were a central feature of political propaganda. The year 1923 was characterised in Caucus by a number of efforts to settle this problem.

With the prospect of an Imperial Conference later in the year Messrs McGrath and Brennan induced Caucus to accept:-

"That if Imperial Conferences are to be held to deal with Imperial Defence, Imperial Foreign Policy, and Imperial Trade Relations, this Parliament affirms its right to know -

- (a) the proposals for discussion
- (b) who are to be the representatives of Australia in order that Parliament may express its opinion before Australia is pledged to policies inimical to its interests."⁽⁶⁵⁾

This motion, carried on March 7, was not moved till the following July, for the House was in session from February 23 to March 15 only, dealing almost solely with the Address-In-Reply.

The next sittings started in July, and on 26 July, Caucus considered a resolution presented in the House and dealing with the forthcoming Imperial Conference. The resolution was moved by Prime Minister S.M.Bruce on July 24.⁽⁶⁶⁾ It was a motion to print certain papers, but these dealt with trade and defence. Moreover in his speech Bruce trailed his coat skilfully -

"We knew that as soon as Great Britain was at war, Australia was at war too. As long as Australia remains part of the British Empire, that will be our position. Obviously, also, Australia is one of the places that may be attacked in the event of hostile action against

(63) Hughes "The Splendid Adventure", p. 305, footnote.

(64) Hughes "The Splendid Adventure", p. 304, footnote.

(65) Minutes, March 7, 1923

(66) Commonwealth Parliamentary Debates, July 24, 1923, Vol. 104, pp.1478-1494 (Bruce)

the Empire as a whole."⁽⁶⁷⁾

The Minutes of the Party reveal acute division how to cope with this and what line to take in the resumption of debate.

"Empire Conference:- Mr Charlton reported that the Party Executive had given careful consideration to the question of moving an amendment with reference to the Empire Conference and that the Executive decided by a majority that no amendment be moved."⁽⁶⁸⁾

The minutes note that it was proposed

"by Messrs Blakeley and Lazzarini that an amendment be moved laying down the principles of the Party in relation to the Imperial Conference."⁽⁶⁹⁾

On being reminded of the resolution of March 7, they moved the reaffirmation of that instead.

Frank Brennan wanted to go further than he had gone on March 7. He proposed for the House of Representatives tactics that the Party should move

"That this House, in order to secure world peace, and consistently with Australia's goodwill to her kindred overseas, declares its readiness to take full responsibility for Australia's defence, and records its unwillingness to participate in warlike activities beyond the Commonwealth."⁽⁷⁰⁾

The motion was ruled out of order. It would certainly have proved politically embarrassing but it was hardly out of order. An effort was made to substitute "unwillingness to participate except by decision of the people" and eliminate "unwillingness to participate in warlike activities beyond the Commonwealth." This motion (of A. E. Green and F. McDonald) was ruled out of order on the ground it was an "extension of the platform."

Green and McDonald tried again with

"That this House in order to subserve world peace, and consistently with Australia's goodwill to her kindred overseas, declares its readiness to take full responsibility for Australia's defence, but is opposed to the raising of forces for service outside the Commonwealth, or promise of participation in any future war, except by decision of the people." The motion was lost.⁽⁷¹⁾

The Executive thereupon prevailed, and a resolution was carried that

(67) July 24, 1923, Vol. 104, p. 1479

(68) Minutes, March 7, 1923

(69) Minutes, July 26, 1923

(70) Minutes, July 26, 1923

(71) Minutes, July 26, 1923

the Leader should make a statement on the lines of the resolution of March 7. This Charlton did by quoting verbatim the resolution as the last words of his speech. (72)

The debate in the House of Representatives (73) is noteworthy because all the key figures in the Parliament spoke and Brennan really expounded the views of his defeated caucus motion. (74) The essence of the Nationalist back bench position, and the challenge put to Labor, was expressed by George Maxwell (Fawkner) -

"What is the attitude of Australia today with regard to the advisability of continuing the Imperial tie?"

As for Charlton, Maxwell said -

"I listened carefully and tried to ascertain what the attitude of his Party was....when he referred to the Imperial tie...he was timid, apologetic and equivocal." (75)

Whether or not Charlton was "timid, apologetic and equivocal", the Labor Party under Charlton was now simply debating foreign policy within an Imperial framework. The Caucus resolutions appear to want no liability from the Imperial association, but the boldness of the Perth resolution, envisaging a foreign policy outside the Imperial association, is completely lacking.

Since Caucus was not now presuming to impose obligations on the Labor Movement as a whole - nothing the equivalent of conscription - the initiative in foreign policy was left in its hands, and on the issues of the Irish question, Chanak, the Singapore Base and the Abyssinian War. The Labor Party was affected by the post war reaction of the 1920's, and, indeed, down to the outbreak of the Second World War the private manufacture of arms became a favourite topic of discussion. The exposure of the activities of Sir Basil Zabaroff and P. J. Noel-Baker's book "The Private Manufacture of Arms" gave system and information to the debates.

Caucus and the Singapore Base, 1924:

The coming into office, if not into power, of the British Labor Party, with Liberal support, for a brief period in 1924, reversed the roles of the Parties in Australia. The Australian Labor Party became for a brief period the protagonist of Imperial policy and the Nationalists became its critic. The performance of the Parliamentary Labor Party was pathetic, however, and in a

(72) The speech lasted 1 hour 19 minutes. Commonwealth Parliamentary Debates, July 27, 1923, Vol. 104, pp. 1729-1741.

(73) Vol. 104, pp. 1478-1494; pp. 1729-1753; pp. 1773-1801; pp. 1847-1898; 1942-1988.

(74) Brennan's speech, Vol. 104, pp. 1861-1869. July 31, 1923

(75) Vol. 104, pp. 1869-1870. July 31, 1923

vital debate in which the Prime Minister, S.M. Bruce, spoke for two hours, and the Country Party Leader and Treasurer, Dr Earle Page, spoke for more than an hour, Charlton spoke for five minutes and was the only Labor member to speak. Caucus appears to have been deeply divided on the question of whether or not to support the British Labor Government's decision not to proceed with the construction of the Singapore base.

According to the Minutes⁽⁷⁶⁾ there was "considerable discussion", viz. "Singapore Base: After considerable discussion the Executive was asked to draft a resolution."

After that decision Charlton moved, from the Chair,

"That this Party congratulates the British Government on its decision not to build a naval base at Singapore and hopes that other nations will follow the splendid lead towards disarmament given by Great Britain. Australian public opinion strongly supports the British Government."

The resolution was carried, and at a subsequent meeting on March 27 the text of the cable was endorsed. Acknowledgment was noted on May 15, 1924.

The Executive of the Party must have been less confident than the Caucus majority that public opinion "strongly supported" the decision to discontinue the Singapore base. They made no reference to it in the House or Senate resolutions. Neither did the resolution congratulate the British Government. Charlton maintained the thesis (that public opinion in Australia supported the policy of abandoning the idea of a Singapore Base) only by way of interjection, thus:-

"Mr Bruce.....I fail to understand how any one in Australia can hold the view that a base in the Pacific is not necessary for the defence of the Commonwealth.

Mr Charlton: The majority of the people of Australia do not think so.

Mr Fenton: And they are ready to express that view immediately."⁽⁷⁷⁾

Charlton in his speech did not even refer to the Singapore Base, dismissed the Imperial Conference of 1923 as a failure, and at the end of 4 minutes moved -

(76) Minutes, 25th March, 1924. The minutes do not record the decision to move the actual resolution ultimately presented in the House of Representatives, which resolution was probably the one the Executive was asked to draft on March 25th. (77) 27th March, 1924. Commonwealth Parliamentary Debates, Vol. 106, p. 45, Bruce's speech, pp. 34-55. Charlton's speech, p. 56.

"This House approves of the foreign policy of His Majesty's Government in Great Britain, as indorsed by a majority of the representatives of the British people in the House of Commons; aiming, as such policy does, to bring about good-will between the nations and advance the peace of the world."⁽⁷⁸⁾

Charlton refused to discuss the Imperial Conference, apparently did not regard Australia as having an obligation to "advance the peace of the world itself", and left foreign policy more completely to the British Government, now that it was a Labor Government, than the Nationalists had done.

Bruce had moved for approval of the Imperial Conference conclusions on foreign relations, on the negotiation, signature and ratification of treaties and on defence; and on imperial preference. Charlton's speech asserted that discussion of these was a waste of time, and his resolution took the form of eliminating all words after "that" in Bruce's resolution, and substituting the words of his resolution.⁽⁷⁹⁾

The same resolution was moved in the Senate by Senator Albert Gardiner⁽⁸⁰⁾, but Gardiner, although he only spoke for 7 minutes, treating the question as not worth discussing, did speak about the Singapore Base, and did offer a strategic alternative to Singapore. He interpreted the defeat of the British Conservatives under Stanley Baldwin at the elections of 1924 as a rejection by the electorate of the Singapore base -

"Here in Australia", Gardiner said, "we have a Tory section which desires to buttress Mr Baldwin by the pretence that Australia is favourable to the proposed huge expenditure on the Singapore naval base.....To carry out the Singapore project might easily involve Australia in a total expenditure of £25,000,000....In my judgment, that sum of money devoted to the development of Australia would be of infinitely greater value in the defence of the Empire.....If it is desired to have such a base, why not build it in Australia? Surely a base in this country for the defence of the trade routes would be as effective as a base at Singapore for the defence of Australia."⁽⁸¹⁾

⁽⁷⁸⁾ and ⁽⁷⁹⁾ Commonwealth Parliamentary Debates, Vol.106, p.56, 27 March, 1924

⁽⁸⁰⁾ Commonwealth Parliamentary Debates, Vol. 106, p.83, 28 March, 1924

⁽⁸¹⁾ 28 March, 1924, Commonwealth Parliamentary Debates, Vol.106, pp.83-84. His estimate of £25,000,000 appears to have been a guess. According to Senator Geo. Pearce, who represented in the Senate the Minister for Defence (E.K.Bowden) the estimate was between £10,000,000 and £11,000,000. No estimate of Australia's share had been made. (Pearce's interjection giving this estimate 28 March, 1924, Commonwealth Parliamentary Debates, Vol. 106, p.86).

Senator James Ogden voiced a dissenting view from Charlton's and Gardiner's -

"I do not agree with the decision of the Labor Government in Great Britain. I am glad to know that there is a Labor Government in the Old Country, but I do not approve of its policy of abandoning the Singapore Base proposal."

No one was going to bind him for it was not a platform matter.

"The question of Singapore Base is.....an open one so far as the Labor Party's platform is concerned. The Labor Movement permits freedom of opinion on such questions."

He complained of the tactics adopted.

"Notwithstanding that there seems to be in this Chamber, and in another House, a conspiracy of silence, I feel that there are times when one ought to speak if one's duty demands it."⁽⁸²⁾

The Government case, as put by Pearce, who had been Australia's representative at the Washington Conference of 1921, was that by adopting the Naval ratio 5:5:3 as between the United States, Britain and Japan, each Power had surrendered aggressive capacity in the Pacific, but that Singapore represented purely defensive capacity. His criticism of the British Government was stringent -

"Why need the nations in future consult Great Britain in regard to the Pacific? She will not be able to strike in that part of the world. She has placed herself in the same category as Holland. She has virtually abandoned the Pacific."⁽⁸³⁾

Immediately following this speech Gardiner "declined to discuss the matter,"⁽⁸⁴⁾ but Pearce kept the debate alive by moving the approval of conclusions in connection with the Imperial Conference Report, and Gardiner was manoeuvred into speaking next day.

It is impossible to escape the conclusion that the Labor Party was cut to pieces in this debate, and the tactics were incompetent. Caucus abdicated its control of Parliamentary action to the Executive and got exactly the kind of pious applause of Britain expressed in the resolution as it frequently criticized in its opponents. In addition, the silencing of its own members was stupid, and does not betoken much confidence in the official Party fiction that public opinion (not ascertained by any poll) supported the abandonment of the construction of Singapore Base.

(82) Ogden's speech, 28 March, 1924, Vol. 106, pp.84-85

(83) Commonwealth Parliamentary Debates, March 27, 1924, Vol.106,p.21.
Pearce's speech, pp.12-22.

(84) Vol. 106, p.22

The text of Charlton's telegram was subsequently revealed. It was printed in the Journal of the Parliaments of the Empire (Vol.V.,p.258) and, addressed to J.H.Thomas, Secretary of State for Colonies, it read -

"Labour Party entirely opposed to Bruce committing Australia to Singapore Base - Charlton."

The Labor Party therefore did not make the claim to represent public opinion, but merely stated a Party attitude. The Nationalists, on the other hand, remained convinced that the British Government's decision would not stand.

Speaking on the Defence Equipment Bill⁽⁸⁵⁾ S.M. Bruce, expressed the views of his Government -

"Ministers are convinced of the paramount importance of the Base.... and believe that it is only a matter of time for that decision to be reversed."⁽⁸⁶⁾

Bruce recognized that the British Government had chosen between spending defence money on an air force to defend Britain and a base at Singapore, but regretted their choice of air defence.⁽⁸⁷⁾

As Bruce had anticipated, the decision not to proceed with Singapore did not stand. The British Conservatives were elected with a large majority over their Liberal and Labour opponents in 1925 and decided to proceed with the base. Australia was not called on to make a financial contribution to the base on the ground that, in the absence of an intention on Britain's part to proceed with the base in 1924 Australia had incurred increased expenditure. (Australia was spending 27/2 a head on defence, New Zealand 12/11, Canada 5/10 and South Africa 2/6). The Labor Party was therefore not called on to debate any question of contribution and passed over the British action in proceeding with the base in silence. The Party had presented a confused spectacle and probably wanted the matter forgotten.⁽⁸⁸⁾

Naval Action on the China Coast 1925 and 1927:

An aspect of naval policy under the Bruce-Page Government was an exchange between Royal Naval and Royal Australian naval ships. This never involved British ships in conflict when they operated with the R.A.N. but it did involve Australian warships in conflict - at least to the extent of Imperial policing -

(85) 27 June, 1924. Commonwealth Parliamentary Debates, Vol.107,pp.1701-1711. (Bruce's speech). In an unfortunate assessment Bruce said "I do not think that any one can seriously contend that an air force is a menace to a modern capital ship." Mr Charlton:"A number of experts think that it is."

(86) Vol.107, p. 1706

(87) Vol. 107, p. 1703

(88) August 3, 1926, Commonwealth Parliamentary Debates, Vol.114,pp.4782-4783

when they served with the Royal Navy. Frank Anstey was to argue that the exchange was never of advantage to Australia, for while Australian warships passed under Admiralty control when serving with Royal Naval squadrons, the Admiralty never really relinquished control of a British warship.⁽⁸⁹⁾

Naval activity on the China coast was initially the subject of an adjournment statement by Frank Brennan.⁽⁹⁰⁾

The Melbourne "Herald" had reported an attack by 2,000 cadets of the Chinese Naval Academy at Whampoa on the foreign concession at Shameen.⁽⁹¹⁾ French and Portuguese gunboats and British sailors had returned their fire. The Melbourne "Herald" reported movements of the Australian cruisers "Sydney" and "Adelaide" and destroyers "Anzac", "Stalwart" and "Tasmania" in such a way as to suggest they were on their way to the China coast. The cruiser "Brisbane" was already there on exchange for H.M.S. "Concord".

Frank Brennan interpreted this as an "industrial dispute" with the intervention of armed forces complicating the issue:-

...."the one thing for which it (i.e. the Labor Party) has stood more sternly and strongly than for any other is that the Australian Navy and the Australian Army shall not be employed in any industrial conflict in Australia. If they should not be so employed in Australia, they should not be so employed in foreign territory."⁽⁹²⁾

Brennan feared that the entire Australian Navy would be called to the China Coast. Charlton again made his doctrine of non-involvement in "Empire" disputes clear:-

"We are too apt to think that every time a little trouble occurs..... and the Imperial Government becomes involved to any degree, there is justification for Australian participation in it....Prior to the Great War we regarded ourselves as free agents, whose duty it was to look after Australia."

In his view the Australian Navy should be used only for Australian purposes:-

"We protest against any vessel of the Australian Navy going overseas to participate in disputes with other countries. There is no justification whatever for it."⁽⁹³⁾

Bruce denied that there was any surreptitious sending of H.M.A.S. "Brisbane" to

(89) Anstey's speech, 3 July, 1925, Commonwealth Parliamentary Debates, Vol. 110, pp. 709-711

(90) Brennan's speech, and the debate (Charlton & Bruce participating) 25 June, 1925, Vol. 110, pp. 463-467.

(91) Front Page, Melbourne "Herald", final edition, 25 June, 1925.

(92) 25 June, 1925, Commonwealth Parliamentary Debates, Vol. 110, p. 464

(93) 25 June, 1925. Commonwealth Parliamentary Debates, Vol. 110, pp. 464-465

China. Its presence in China waters was not because of any emergency.

"After my return from the Imperial Conference I told the House that we had made arrangements by which an exchange of Australian and British cruisers could take place."

Officers, he said, were also exchanged without exchange of ships. As for the cruiser "Brisbane",

"It is conceivable.....that the China squadron has proceeded to the scene of the trouble, although the Government has not received information to that effect."⁽⁹⁴⁾

If that were so the purpose, he said, would simply be to safeguard the lives and property of British subjects and of the European community in China. And he commented further that the Australian Navy was recognized as an independent unit under the control of the Australian people. The Admiralty, which had always hitherto attempted some control, acceded to the Australian request at the 1923 Imperial Conference, he added. When Scullin asked if H.M.A.S. "Brisbane" was now controlled by the British Government, Bruce said it was, just as H.M.S. "Concord" was controlled by Australia.

On July 3, 1925, Charlton moved an adjournment motion to discuss an urgent matter -

"The presence of the Australian cruiser "Brisbane" in Chinese waters."⁽⁹⁵⁾ Charlton relied on Melbourne "Herald" reports. His aim "was to prevent any Australian warship interfering with the internal affairs of China." If Bruce would do nothing he hoped that at least

"reports of the debate will be published in England so that the..... Admiralty may realize its action.....does not meet with the approval of a big section of the House, representing, probably, the majority of the people in Australia."

Asians were excluded from Australia for domestic reasons, he argued, therefore we should stay out of Asian affairs.

"The people are endeavouring to improve their conditions and why should we, knowing nothing of the circumstances, send our war vessels to China....quelling disturbances there?"

It was another example of subordination to Britain -

"If we consent to be dragged at Britain's heels we shall bring trouble upon ourselves in the near future."

Frank Anstey interpreted the dispute as being industrial and in a

(94) 25 June, 1925, Commonwealth Parliamentary Debates, Vol. 110, p. 467

(95) 3 July, 1925, Commonwealth Parliamentary Debates, Vol. 110, pp. 703-706
Charlton's speech.

scarifying speech said (96)⁻³⁶⁻ 163

"What would be thought in Australia if in an industrial trouble a foreign power invaded our territory and shot down our citizens.....

The lives of British subjects are in no way threatened. It is the lives and liberties of the industrial classes in China that are at stake and it is to assist in their degradation that British cruisers are being sent there."

Bruce refused to concede that Charlton believed his own case. Treaties guaranteed foreign rights and these treaties were in the process of amendment. There was therefore no interference in domestic matters and no act of war. He seemed uncertain of the moral case -

"These troubles have been fomented by the student class.....These students have been educated abroad and have absorbed Western ideasI am not prepared to discuss whether or not there is any justification for their agitation, but I do regret that it should have occurred at a time when a settlement of China's problem seemed to be at hand." (97)

The Chinese Government, he contended, was not strong enough to protect foreigners. Therefore British, Americans, Japanese, French and Italians were justified in protecting their nationals.

The debate tangled in two moral questions - the justification of the foreign enclaves in China and the justification of forcible intervention based on China's weakness.

W.M. Hughes, no longer Prime Minister, and resenting the Bruce-Page Government (which he subsequently helped overturn), in essence supported Labor. Hughes argued, as Brennan later did, (98) that there would have been no interference with China if she had had the guns and not merely the moral arguments.

Hughes drew from this the moral that a nation should be strong. Brennan seemed not to see that in adopting Hughes's argument he undercut his own pacifist position.

Hughes rejected the idea that the British Empire was in danger. He endorsed Anstey's argument that there was equal exchange of warships. Could any (96) 3 July, 1925. Commonwealth Parliamentary Debates, Vol. 110, p.710, Anstey's speech. He took the opportunity to dwell on the desperately low wages paid to Chinese and the long hours worked by them when employed by British factories in China and British shipping lines. W.M.Hughes, who in general supported the Labor Party's case, felt that Anstey attributed the "trouble in China wholly to the efforts of the waterside workers of the country to raise their wages." (vol. 110, p. 711) d

(97) Bruce's Speech, 3 July, 1925. Commonwealth Parliamentary Debates, Vol. 110, pp. 706-709. (98) Hughes's speech, pp. 710-712. (99) Brennan's speech, pp. 712-715.

Australian Admiral direct a British warship, even on exchange, to commit an act of war?

"For my part I trust that the Prime Minister will see the wisdom of giving such instructions as will prevent any vessel of the Australian fleet from taking part in any act hostile to any nation in the world!"

As for Bruce's argument that a punitive bombardment was not an act of war -

"Now if it is not an act of war to fire upon the nationals of China in their own country in order to protect foreigners there, I should like to know what an act of war is."

If ships of the Chinese navy entered Hobson's Bay

"to shell this City (Melbourne) under the excuse that it was protecting the lives and properties (of Chinese) would that be an act of war?"

Brennan ^{charged that} ~~accused~~ Bruce and the British picked their victims, and that the intervention was cowardly and unlawful. They would never

"start pot shooting the Americans in their own country.....America would be able to hit back and China is not able to hit back." (100)

Postulating a future China of great power he said

"Most certainly we do not desire to engage in belligerent operations against them, and so create hatred of Australians.....If this Government persists in its present attitude.....we shall deserve no mercy from China." (101)

The Labor Party received support from another Nationalist, W.M.Marks, a former naval officer. On the whole the Government was on the defensive in this matter. China featured again briefly in 1927. On March 2, 1927, Charlton asked Bruce in the House of Representatives if negotiations were taking place with the Imperial authorities over China, which was then beginning a civil war. Bruce said that the Commonwealth Government had been kept informed by Britain of Britain's actions but it was "impossible to publish communications." (102) The following day Caucus considered a cable from the British Labor Party Annual Conference. The minutes read:-

"China Crisis: Upon a cable being received from the Congress of the British Labor Party and Trade Unions of Great Britain the following resolution recommended by the Executive was carried:-

"That this Party, believing in the principle of self determination and

(100) July 3, 1925. Commonwealth Parliamentary Debates, Vol. 110, p. 713

(101) p. 714

(102) 2 March, 1927, Commonwealth Parliamentary Debates, Vol. 115, p.21.
(Question time)

realizing the present turmoil in China is due to matters concerning their own domestic affairs is against any intervention by outside powers. We believe that all nations should be entrusted to solve their own internal problems and will strenuously oppose any action which may be taken to commit Australia to a foreign war!"⁽¹⁰³⁾

This was never moved in the House. On March 10 Bruce informed W.M. Marks in Question Time that the Commonwealth Government had received "no request from the British Government to cooperate in any way" in British actions "for the protection of British lives and property" in China.⁽¹⁰⁴⁾ Characteristically the Labor Party of the era did not find China worth discussing provided that Australia was not involved in its affairs. Caucus, in fact, sought no independent foreign policy in 1927 any more than it had under Watson in 1901 in relation to the South African War. All it desired was non-involvement, an attitude increasingly unreal in the face of the dictatorships of Germany, Italy and Japan in the 1930's.

The Absence of a Foreign Policy 1927-1935:

Between March 3, 1927, when Caucus carried its resolution declaring its desire not to be involved in any action taken by Britain and the Treaty Powers in China, and September 23, 1935, when Caucus passed a resolution which ended in block letters "Non Participation" in any League of Nations action to restrain Italian aggression against Abyssinia, Caucus passed no resolution on foreign affairs. That is to say that it had nothing to say on world affairs for 8½ years. This means, among other things, that there was no discussion of foreign policy during the life of the Scullin Labor Government from September, 1929, to December, 1931. No discussion took place of policy to be pursued at Imperial Conferences (other than Trade policy) or at the League of Nations. After the defeat of the Scullin Government Caucus had nothing to say of the Japanese occupation of Manchuria.

The rise of Hitler in Germany after 1932 also passed unnoticed in the proceedings of Caucus, but in the 1930's two events occurred. The Left Wing of the Trade Unions, Communists in particular, moved increasingly to the idea of resisting the Fascist dictatorships. What had been an isolationist and anti-war element more and more supported an active foreign policy. Isolationism was challenged in the union movement. The conflict was dramatized in New South Wales. Eric Andrews in his study "The 'Labor Daily's' Volte Face on The Abyssinian Crisis 1935" traces the articles in "Labor Daily" the organ of the New South

⁽¹⁰³⁾ Minutes, 3 March, 1927

⁽¹⁰⁴⁾ 10 March, 1927, Commonwealth Parliamentary Debates, Vol. 115, pp.254-255

Wales Labor Party from support for collective security to isolationism in September, 1935. On the 4th September, 1935, he cites the "Labor Daily" as characterising the presence of H.M.A.S. "Australia" in the Mediterranean as a "Provocation" to Italy. 1/68

Labor and the Italo-Abyssinian Dispute, 1935:

If there was no Labor reaction to Japanese action in Manchuria in 1931 it was because no Australian forces were involved. If there was a reaction to League sanctions against Italy it was because H.M.A.S. "Australia" was involved. The deepest tradition in the Labor Party by now was isolationism. It was in September, 1935, that Scullin resigned, announcing his intention on September 23, 1935. Curtin succeeded him as Leader, defeating Forde by one vote, but in the interregnum Forde acted as Leader. When the Party met to hear of the intended resignation of Scullin, the speeches which it was considered certain that J. A. Lyons (the U.A.P. Prime Minister) and Senator George Peace (Minister for Defence) would make, in the House and the Senate respectively, had to be answered.

The first business of the Party was Scullin's announcement. He remained titular Leader after the announcement until Curtin's election, but Forde, as Deputy Leader, had to act as Leader. This involved his leading the debate in the House of Representatives. He not only submitted a resolution. He submitted a speech for endorsement. This speech he delivered word for word in the House of Representatives, ⁽¹⁰⁵⁾ and J. S. Collings delivered it for the Labor Party in the Senate. ⁽¹⁰⁶⁾. According to the Minutes:- ⁽¹⁰⁷⁾

"Acting Leader F. M. Forde reported on the first business to be brought down by the Government and stated the Prime Minister intended making a statement on the Abyssinian position. He further pointed out that the Executive had discussed the question and recommended to the Party that he as Leader should make a statement in the House on behalf of the Australian Labor Party.

The following statement was then submitted by Acting Leader F. M. FORDE:-

'Australia has been looking to the Prime Minister to make a definite pronouncement as to his Government's attitude on the Abyssinian crisis, Weeks ago the other Dominions outlined their attitude. On the 8th September, the Prime Minister of Canada was reported to have said - 'Canadians will not be embroiled in any foreign quarrel in

(105) 23 September, 1935, Commonwealth Parliamentary Debates, Vol. 147, pp. 35-36
(106) 23 September, 1935, Commonwealth Parliamentary Debates, Vol. 147, pp. 13-14
(107) Minutes, September 23, 1935.

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which the rights of Canadians are not involved. We have bought and paid for security and peace and we mean to have them'."

The Defence Minister of South Africa stated that no son of that country would fire a shot without the people being consulted. As uncontradicted statements appeared in the press that Australia had been committed right up to the hilt, there was growing feeling that the Federal Government had blundered into a decision that might involve Australia in war. While the Australian Labor Party's platform provides for adequate home defence against foreign aggression, it also contains a proviso against raising forces for service outside the Commonwealth⁽¹⁰⁸⁾ or participation or promise of participation in any future overseas war, except by decision of the people. While I admire the efforts of countries that have been striving to settle the dispute in a peaceful manner, and particularly the way Great Britain has endeavoured to have conciliation in the dispute, I strongly hold the view that Australia should not allow the statesmen of any country to determine her course of action. The Federal Government should instruct its delegate at Geneva that Australia will not be a party to war."

Forde and the Party seemed not to face the fact that such a declaration would almost be an incitement to aggression, if adopted by other powers whom Mussolini might consider likely to restrain his policy of aggression by collective action. Forde continued

"Surely there is no more reason why Australia should become involved today than when four provinces were wrested from China by an original member of the League of Nations."

The logic of this argument is that because aggression was not restrained in Manchuria in 1931, it should not be restrained in Abyssinia in 1935. What was the reason for the attitude of the Powers who had failed to restrain Japan but now sought to restrain Abyssinia? The simple explanation might be that Japan, by reason of geographic remoteness from Great Powers in the League, could not be restrained in what were virtually her local operations in Manchuria. But

Forde had another explanation. In the face of the facts of geography he
(108) Forde is referring to Section 23(e) of the 1933 Platform "No raising of forces for service outside the Commonwealth or promise of participation in any future overseas war, except by decision of the people."

declared Abyssinia to be a wealthy prize:-

"If it were not for the oil fields of Abyssinia, and other rich natural resources desired by great vested interests, there would not be made manoeuvrings for war. There would be the same apathy as was shown towards the invasion of Manchuria.

Only recently it was announced that Abyssinia had sold the rights to exploit the oil wealth of the country to American and English interests. The price to be paid was £10,000,000. Under pressure, however, the concessionaires withdrew. It is immaterial to the masses of Australia how those oil fields are eventually distributed. Therefore we should keep out of this sordid quarrel over mineral and other wealth."

This statement meant that the Labor Party had no interest in international order, or in any attempt to arrive at justice. This almost looked like condoning Italian aggression. They were just one grabber among many. Forde, however, denied this condonation:-

"I sincerely hope that war will be averted. The control of Abyssinia by any country is not worth the loss of a single Australian life. While the Australian Labor Party is opposed to Australia's participation in a foreign war over Abyssinia, it does not, for one moment, seek to justify Italy's attitude."

Eric Andrews in his essay "The 'Labor Daily's' Volte Face on the Abyssinian Crisis 1935"⁽¹⁰⁹⁾ suggests strong Catholic influence in favour of Italy and quotes the Catholic press as bitterly attacking the League of Nations (which the Soviet Union had joined in 1934), sanctions and British policy. It is unlikely, however, that so convinced a pacifist as Frank Brennan needed the Melbourne Catholic "Advocate" to propel him to a policy of non-involvement. Whatever influence of this kind was affecting the Lang Party, the attitude of Federal Labor in Parliament was consistent with its past since 1916.

After quoting the financial cost of the first World War as \$40,000,000,000; the British war debt as £7,500,000,000; the cost to Australia as £812,000,000 and an annual interest bill of £8,000,000; Australian casualties as 60,000 killed and 160,000 wounded, Forde concluded:-

"Although we were told it was a war to end wars, the world today is on the edge of another grave cataclysm. The attitude of the Australian

(109) "Australian Outlook", August 1965, pp.207-212.

Labor Party is clear and unequivocal. It wants no war on foreign fields for economic treasure. It wants Australia to be kept free of the entanglements leading to a repetition of the horrors of 1914-18. Therefore, the Australian Labor Party, for which I speak today, says NON-PARTICIPATION.

The only thing Forde seems to have overlooked in this statement was the specific demand being made by J. A. Beasley and the Lang group for the withdrawal from the Mediterranean of H.M.A.S. "Australia". His rhetoric asked for non-participation, but he left Australian forces as potential participants. Forde was unquestionably making a bid for Leadership, but his temporary Leadership left the Leadership of Parliamentary opposition to Government policy to J. A. Beasley and the Lang Group. To the Prime Minister's motion "That the paper be printed" (i.e. that Lyons' speech be printed), Beasley moved the omission of all words after "that", and the substitution of a resolution expressing "unflinching determination not to become involved"; "alarm at the action of the British Admiralty in despatching H.M.A.S. "Australia", with an Australian crew, to the war zone"; requesting the recall of H.M.A.S. "Australia"; a formal declaration of Australian neutrality; a declaration of refusal ~~not~~ to support sanctions under article 16; and a refusal "to contribute a quota of military, naval, or air force strength for such purposes, as such action would involve Australia in war". Forde's loose and shallow document, which the official Labor Party had adopted unanimously, defined no course of action and the Party was therefore finally led, in effect, by Beasley in the House.⁽¹¹⁰⁾ Beasley's amendment was defeated by 27 votes to 21⁽¹¹¹⁾. His speech was incomparably better informed than Forde's.⁽¹¹²⁾ He held the war merely to be a war "camouflaged as sanctions"; the consequence of manoeuvrings over 40 years by Britain, France and Italy for control of Abyssinia, "the last African Kingdom with a semblance of independence"; their insincerity was shown when Japan seized Manchuria, and "China appealed to the League to intervene, but Britain, France and Italy forgot their League Covenant and very conveniently allowed Japan to proceed with its conquest". After the defeat of any attempt to prevent adjournment the debate of 23 September was adjourned till October 9.⁽¹¹³⁾

(110) Beasley's resolution 23 September, 1935. Commonwealth Parliamentary Debates, Vol. 147, pp.41-42

(111) 11 October, 1935. Division list, Commonwealth Parliamentary Debates, Vol. 147, p.730

(112) 23 September, 1935. Commonwealth Parliamentary Debates, Vol.147, pp.36-42 Beasley's speech.

(113) House of Representatives Debate, September 23, 1935, Vol.147, pp.31-42, October 9, 1935, Vol.147, pp.548-596, October 11, 1935, Vol.147, pp.705-731.

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(110) Beasley's resolution 23 September, 1935. Commonwealth Parliamentary Debates, Vol. 147, pp. 41-42

(111) 11 October, 1935. Division list, Commonwealth Parliamentary Debates, Vol. 147, p. 730

(112) 23 September, 1935. Commonwealth Parliamentary Debates, Vol. 147, pp. 36-42 Beasley's speech.

(113) House of Representatives Debate, September 23, 1935, Vol. 147, pp. 31-42, October 9, 1935, Vol. 147, pp. 548-596, October 11, 1935, Vol. 147, pp. 705-731.

Before the debate was resumed Curtin became Leader of the Labor Party and at the Party meeting of October 9 he suggested what amounted to modifications of the Party's stand, without a complete reversal. The minutes for that date read:-(114)

"Leader, J. Curtin in the Chair:- In opening the meeting the Chairman made the following statement:-

Mr Curtin said the Executive had had a meeting and it was resolved that no resolution should be moved but that the Leader should make a statement dealing with the Abyssinian situation.

The view was that, with perfect loyalty to the League of Nations and support for its high purpose, the Party should re-affirm its policy of non-participation. The fact was that the distinction between economic and military sanctions appeared to be doubtful and, once drawn into the momentum of the former, it was not possible to avoid commitments to the latter.

The League of Nations as conceived, appeared to be a different thing from that now functioning. The major Powers were not participating, and Australia must have serious regard for its own position."

The statement concluded with a comment that Australia did not have the resources to warrant the "grievous risk of participating in a war". This statement was adopted.

Curtin in his speech⁽¹¹⁵⁾ admitted that article 16 of the League Covenant "commits Australia.....not only to an economic blockade of Italy, but also to absolute cessation of all relations whatsoever with Italians." But it was inconsistent with the Pact of Paris "which means....that this country must not resort to war against other countries".⁽¹¹⁶⁾ What was the value of sanctions?

"Germany is not a member of the League; Italy is for the present outside the League; the United States of America is not a member of the League; and Japan is not now bound by article 16 of the League Covenant."

The probability was that these powers would render inoperative any effective system of sanctions.

R. G. Menzies, as Attorney-General, argued the indivisibility of the Crown.⁽¹¹⁷⁾

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- (114) Minutes, 9 October, 1935
 - (115) 9 October, 1935, Commonwealth Parliamentary Debates, Vol. 147, pp. 564-568
 - (116) Vol. 147, p. 567
 - (117) 9 October, 1935, Menzies Speech, Commonwealth Parliamentary Debates, Vol. 147, pp. 578-582

"How is it possible, with one King who makes peace or war, for the Crown to be at war in relation to Great Britain, and at peace in relation to the Commonwealth of Australia?"

Only Herzog, Menzies commented, argued that there was not one, but several Kings (who happened to be the one person) and "Smuts holds the contrary view".

"If we declare our neutrality in a matter which affects Great Britain, and in relation to which Great Britain is at war, we should be prepared to face the consequences. The moment that we declare our neutrality we should be ready, to use a homely metaphor, to paddle our own canoe, and to paddle it carrying a weight of armaments that would threaten to sink it at any moment."

This constitutional concept was consistent with his attitude 4 years later at the outbreak of war.

Brennan, who followed immediately after Menzies, attempted to refute the theory (118). He had some attitudes contrary to the anti-League ideas current and he did not play down the nature of Italian aggression. Characteristically he arrived at respect for the League through Australian nationalism:-

"The Australian working class movement cannot despise an international organization which recognizes 'Australia, a nation.' In fact, the League of Nations recognized 'Australia, a nation' before Australia recognized itself as a nation. In that respect the League in 1920 acted in advance of the constitutional position Australia has since won for itself by consent. Australia always has been a nation in the eyes of the League of Nations."

Brennan did not support the Italian apologia for war:-

"I shall never subscribe to the doctrine that the proper way to civilize and uplift a backward people is the use of modern methods of destruction and torture...Poison gas and bayonet cannot be appropriate instruments of missionary zeal."

He took exception to

"the....declaration of the Italian dictator that he calimed the moral right to exercise military force upon the Ethiopian people in a spirit of vengeance and destruction.....'wiping away the shame of Adowa'."

It is a confused debate, with Forde giving the credit to Britain for wanting
(118) October 9, 1935, Brennan's Speech, pp. 583-587

peace; Beasley accusing the British Admiralty of using the "Australia" "to compromise this country" and the British Government of hypocrisy; Curtin admitting the League Covenant to be binding, but for the pact of Paris; and, for actual Parliamentary action, the Lang group filled the vacuum in Caucus thinking.

There was logic in Menzies' view that if Australia did, in fact, want "to paddle our own canoe" it must arm for an independent policy; But Labor was not pressing for re-armament. Labor spokesmen who postulated brilliant Machiavellian discernment in the British Foreign Office were far astray, and at no period more astray than in the period of British hesitation and vacillation from 1931 to 1939. Their theories about Britain were a rationalisation of simple isolationism. Really, in their thinking, effective and responsible foreign policy was to be conducted by Britain, and Australia was not to be involved. In a sense Australia was presented with the spectacle of two sets of competing colonialists - those of the United Australia Party and United Country Party who accepted a policy, in J. A. Lyons' words, of "tune in to Britain", and those of Official and Lang Labor who would leave to Britain the actions which might determine their fate so long as they might make the cry of non-involvement. It was ironic that it was to be subsequently the Labor Party which should conduct the resistance to the Axis powers. As things stood after the Abyssinian crisis the Labor Party was psychologically unprepared for the rise of Hitler.

A British Foreign Policy devoid of the League orientation which Eden gave it in 1935 might have abandoned Abyssinia, adhered to the Stresa Front with Italy against Germany and checked the rise of Hitler. This seems to have been the policy desired by the French and British Right as realistic.

Nobody in Australian Labor evinced such a discernment of the nature of Nazism, of the possibility of keeping Germany and Italy apart, or of the desirability of the Italian Alliance. They could not have brought themselves to abandon Abyssinia for the balance of power. They would only abandon it for isolationism.

Caucus and the Munich Crisis, 1938:

The weakness of Labor foreign policy from 1919 to 1936 had been that the Party had not faced the fact that the corollary of an independent foreign policy was a self-reliant defence policy. If defence stayed in a parlous plight - and the Labor Party asked for no effective defence till 1937, then Australia would be wholly dependent on Imperial protection. The Party had faced this quite resolutely before the First World War - the need for effective defence that is - without seeking an independent foreign policy. Resentment over conscription turned the Party to 20 years of negative attitudes on defence. Curtin in the 1937 elections came out for the first time with a strong defence policy.⁽¹¹⁹⁾ This was based on changes which had been effected in the Platform in 1936.⁽¹²⁰⁾

"The Australian Labor Party expresses its greatest abhorrence of war and fascism and urges that the Commonwealth Government should endeavour to establish and maintain friendly relations with other nations." It then proceeded to outline 8 points of a defence policy which will be considered in the Chapter on Caucus and defence. The point is that a defence policy was linked with "abhorrence of fascism". War, if it came, would still come as the result of decisions of the United Kingdom Government, and if the trumpet from the United Kingdom gave an uncertain sound, then most certainly the Dominions would not go to the battle. Nor would Australian Labor. From 1936 to 1938 the trumpet from the Foreign Office gave an uncertain sound.

The Federal Parliament was in recess from June 30, 1938 until September 31, 1938. During the month of September the threat of war in Europe developed over Nazi Germany's claims upon the Sudetenland area of Czechoslovakia. Immediately Parliament resumed, the Prime Minister, J. A. Lyons, announced the existence of an "acute crisis" and that negotiations

"following upon Mr Chamberlain's visit to Herr Hitler and the subsequent agreements between the French and British Cabinets upon a policy for the peaceful settlement of the sudetenland question are still proceeding and have....reached such a delicate stage that a premature statement, even a loose word, might well imperil the peace of the world. In the circumstances I feel that I cannot

(119) With particular emphasis on aerial defence, and following the 1936 Conference proposals.

(120) Report of the Proceedings of the 14th Commonwealth Conference, Adelaide, July 1936, "Platform", p. 7. Debate pp. 27-28, p. 29

(121) 21 September, 1938. Commonwealth Parliamentary Debates, Vol. 157, pp. 3-4

and ought not to speak."⁽¹²¹⁾
Curtin concurred in this, saying⁽¹²²⁾

"However the Labor Party's policy in regard to international affairs is well known, and there is not, nor will be, any wavering in regard to it; it stands. We are advocates of peace."

He stopped short of urging the abandonment of Czechoslovakia, but the Labor Party, in fact, favoured appeasement. So did the other side of the House -the United Country Party and United Australia Party. When the debate was resumed after the Munich settlement on October 5, 1938, there was disbelief in the policy of appeasement expressed by Harold Holt and P.C. Spender⁽¹²³⁾. Holt quoted Kipling to the effect that paying Danegeld "never got rid of the Dane." Spender asserted that Neville Chamberlain "was obliged, by virtue of Great Britain's own vulnerability to make a peace with the Leader of Germany". He added, prophetically,

"We are told that Singapore will protect us. Sometimes I wonder what would happen to Singapore if it were attacked from behind."
Curtin's speech⁽¹²⁴⁾ was subjected to an unusual amount of heckling, unexpected in view of the fact that war had been averted by appeasement. He came to the familiar isolationist position -

"we should not be dragged into a war thousands of miles away merely to uphold one form of government against another."

It is hard to believe that he believed that that was all that was involved in Hitler's actions - "one form of government against another". He appeared to believe in the effectiveness of the settlement, but he can hardly have believed Hitler's final claim in Europe had been made. It is unlikely he believed in the practicability of an Australian defence policy in 1938 without outside assistance. In so far as he suspected that Britain would not be in a position to defend Australia he was to prove right. The outside assistance was to come in 1942 from the United States. And it was inadvisable to declare so emphatically he believed only in the defence of Australia. In England Curtin's speech was singled out for special comment by Ernest Bevin of the British Labor Party. Bevin was to become Minister for Labour in the Churchill Government and Foreign

(122) September 21, 1938, Commonwealth Parliamentary Debates, Vol. 157, p. 4

(123) Holt's speech, Commonwealth Parliamentary Debates, October 5, 1938, Vol. 157, pp. 421-424, Spender's speech, pp. 404-408.

(124) October 5, 1938, Commonwealth Parliamentary Debates, Vol. 157, pp. 392-397

Secretary in the Attlee Government. Referring to Curtin, whose speech he interpreted as a claim to neutrality should Britain be attacked, he said that he (Bevin) did not mind the right of the Dominions to neutrality so long as Britain had the right to neutrality when a Dominion was attacked. As it was, Bevin said, Britain was committed to the defence of all the Empire and Commonwealth. Curtin did not go so far as to use the word neutrality, but Bevin's was a fair interpretation of his speech, and most certainly of some Labor speeches, especially Brennan's. When H. L. Anthony⁽¹²⁵⁾ of the Country Party quoted Ernest Bevin's declaration of Britain's right to neutrality if the Dominions had it, the Labor Opposition chorused "Her! Hear!" As Labor references to the possibility of an attack on Australia could only have implied an attack by Japan, the attitude, if a logical corollary of isolationism, was a lighthearted approach to Australian security, not conducive to winning public confidence, and not discernible when Japan entered the war in December, 1941.⁽¹²⁶⁾

The Labor Party in Caucus dealt with the Munich Crisis in one aspect or other at four meetings. Caucus assembled on September 20, 1938, the day before Parliament assembled. It met again on the 21st, the 27th and made its last reference to the crisis on October 6th.

On the 20th it was bankrupt of policy -

" International Situation

The Leader made a statement to the Party thereupon and intimated his intention of making a very clear statement in the House of Labor's policy against war. Debate then ensued. Mr F. Brennan thought that the Party should take a more definite action by way of a 'no confidence' motion against the government and an emphatic pronouncement against any participation in world wars. He felt that this was the moment for frank declarations of the Party's policy before restrictive measures were taken by the Government to censor and suppress public statements."⁽¹²⁷⁾

Brennan was fighting Hughes in 1916 over again, and his speech in the House began with a withering attack on Hughes.⁽¹²⁸⁾ On September 21 Caucus had a

(125) Anthony's speech, 5 October, 1938, Commonwealth Parliamentary Debates, Vol. 157, pp. 424-428.

(126) British neutrality in a war in which Australia is involved is a feature of the war in Vietnam. Australia has not so far exercised the option in any British war, including the Malayan Emergency, Korea, and Malaysian confrontation. But, of course, in Vietnam, Australia was not under attack.

(127) Minutes, October 20, 1938

(128) October 5, 1938, Commonwealth Parliamentary Debates, Vol. 157, p. 401.

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special meeting:-

"Mr Curtin explained that the Prime Minister had informed him of, and permitted him to read, a cable received from the British Government asking that no discussion be made on the International Situation at this moment owing to the delicate stage of the negotiations that were proceeding to settle peaceably the dispute in Central Europe. Mr Lyons had stated that in view of this communication he would not make the statement today that he had intended to make and requested that the Labor Party consider deferring discussion thereupon in the Parliament today. Mr Curtin recommended to the Party that the discussion on the international situation be deferred until tomorrow. Mr Forde moved (seconded by Senator Collings) "That Mr Curtin's recommendation.....be adopted." Discussion ensued....The resolution was carried. (129)

On September 27, Curtin again reported that Lyons wanted a deferment of the debate but would be prepared to let Curtin move an adjournment

"Mr Lyons had informed him that he (Lyons) did not intend making a statement on the assembling of the House at 3 o'clock. The Government was prepared to grant leave to the Leader of the Opposition to make a statement. Mr Curtin explained that another course that could be taken would be to move the adjournment of the House but the Government would probably apply the closure after his speech and nothing would be gained in the way of a general discussion. He recommended that he ask leave to make a statement setting out the Labor Party's policy on the International Situation. Moved Mr Ward seconded Mr Gander "That the Leader move the adjournment of the House". Amendment: Moved Mr Forde seconded Senator Collings: "The Leader's recommendation be adopted". Amendment carried and then as the motion. (130)

The Labor Party thus preserved almost complete silence before and during the Munich crisis and the debate of October 5 in the Parliament was really by way of being a post mortem. Before that, only Curtin spoke. (131) The minutes of the Party, and even more the debate in Parliament, could prompt one to the reflection that the Labor Party was fortunate that it did not meet immediately before the outbreak of war in 1939, but a few days after it. A series of

(129) Minutes, September 21, 1938

(130) Minutes, September 27, 1938

(131) Curtin's speech, September 27, 1938, Vol. 157, pp. 236-238

of neutralist statements in August or September, 1939, might have given the Party too much to live down and prevented the emergence of the Curtin Government. The Curtin Government organized the war on principles diametrically opposed to everything the Labor Party said before the war. It imposed a form of conscription, it imposed direction of labour, and it imposed control of materials. Brennan and Ward attacked the Government's policy of silence, Brennan suggesting it was akin to Fascism that Parliament was not debating. Lyons was still declining to make a statement⁽¹³²⁾ but gave leave to Curtin to make his statement.

Curtin acknowledging that "today we feel nothing can be said or done which will prejudice the negotiation" outlined the Labor Party view in a series of propositions consistent with Caucus decisions, but not exercising the degree of freedom given him by the 1936 platform which might have been taken as resistance to Fascism, the seeking of alliances, and strong home defence. "We face facts.....from the viewpoint of the safety and security of this nation" he said. Absolutely nothing could be done for Europe - "the wise policy for this Dominion is that it should not be embroiled in the disputes of Europe".

"The wars of Europe are a quagmire, in which we should not allow our resources, our strength, our vitality to be sunk, almost, it may be, to the point of complete disappearance."

Evidently referring to the Chamberlain Government he commented

"Democracy, I am confident, has learned the futility of endeavouring to settle international grievances by force."

If the Sudetenland might be regarded as Hitler's "grievance", then it was settled to Hitler's satisfaction by the threat of force, so that Curtin's comment seems without point. Force was not futile from Hitler's point of view. It is also difficult to see any comprehension of Hitler's policy in his diagnosis of the trouble in Europe.

"The chief menace to the peace is the failure of nations to make welfare of their own people the paramount activity of their governments."

Surely social reform, however necessary, would not have saved Czechoslovakia in 1938 or Poland in 1939 from attack. Curtin was clearly intending to suggest the impending settlement was a matter for rejoicing, and he was certainly adding to the pressures on Chamberlain for appeasement. But in a

(132) "The position is still, of course, a delicate one", Commonwealth Parliamentary Debates, Vol. 157, p. 236, September 27, 1938.

sense he contradicted hope of peace - "new vulnerabilities have developed. Our security may be more menaced than it was....Our position is such that the total of our resources must be available for our own defence. This means, clearly and unequivocally.....no man must be sent out of Australia to participate in another war overseas. This is the positive and calmly considered view of the Labor Party. The best contribution we can make.....is to concentrate ourselves on the maintenance of the integrity and inviolability of this country and the safety of our own people."

Curtin's contribution was ignored by Lyons when at last he made a statement on September 28. His speech was a pedestrian history of the Sudetenland dispute,⁽¹³³⁾ and a marathon, commencing at 11 p.m. Curtin called the speech "a most extraordinary anti-climax".⁽¹³⁴⁾ Curtin wanted on this occasion, and again on October 5⁽¹³⁵⁾ information concerning communications to the Imperial Government. What support had they offered? - seems to have been the aim of his inquiry on October 5, but on September 28 he speculated that the Lyons Government had confined itself "strictly to the support of the efforts which the Government of the United Kingdom is making to ensure a settlement". He forecast that there would be "a very great diminution of the present territory of Czechoslovakia". This did not warrant war. If war broke out that would be a matter for regret "But Australia, while regretting it, should not be involved in it." He ended on a note of prayer. "I add that it is my own prayer that if war cannot be averted in some parts of the world at least the people of Australia will be spared it."

This ended the debate of September 28.

The debate, like that of October 5, which followed, seems to have been conducted on the basis of assuming there would be no alliance with the Soviet Union. This alliance was certainly not at this stage desired by the British Conservative Government. It was of course also conducted on the assumption that there would be no alliance with the United States. Curtin's assumptions of the futility of intervention in Europe were invalidated in the Second World War, but only because of the manpower of the Soviet Union and the United States.

There was not at any stage in the debate a return to the old fixed
(133) September 28, 1938. Commonwealth Parliamentary Debates, Vol. 157,
pp. 306-326 (Lyons' speech).
(134) pp. 326-327 immediately following Lyons.
(135) p. 392

idea of a referendum. When back 17 years Caucus considered two resolutions on April 14, 1921, to the effect that everything possible be done to make America a partner in the Anglo-Japanese Treaty of Alliance, and that no Australian representatives could commit Australia to agreements (alliances) without their being ratified at a referendum, an amendment to substitute "Parliament" as the ratifying authority instead of "the people of Australia" had been defeated. "Parliament" might ratify it by an anti-Labor majority, and the intention of Caucus was not to bind the Australian people to fight without their consent. This was a stance now abandoned.

When the debate was resumed on October 5 coming events cast their shadows before. Speaking of the post Munich situation, Curtin said

"the new conditions which have developed prove conclusively that small powers have, at least for a period of time, to rely entirely upon their own resources because the invader or aggressor does not give very much notice of his intentions.

Mr Anthony: Does the honorable gentleman favour universal military service in Australia?

Mr Curtin: That is characteristic of every statement made in this Parliament by the honorable gentleman and those whom he supports."⁽¹³⁶⁾

The interjection was relevant, however; and faced by the crisis in the Pacific Curtin had to extend universal military service in 1943. The cause of irritation at the interjection lay not in the policy suggested, but in Curtin's (and Caucus's) position. He was not free to draw the logical conclusion from his belief that small powers (e.g. Australia) had to rely on their own resources. Conference was to confer the authority in 1943 to draw the logical conclusion. Curtin placed reliance on industries, good wages, self-sufficiency in munitions. But at some point of time soldiers must handle the munitions in a war situation.

W. M. Hughes, Minister for External Affairs, answered for the Government. The policy Hughes advocated became in fact the policy Curtin pursued between 1941 and 1945. His speech included the charge that Curtin did not believe what he was put up to say. It was the last war-time Labor Leader addressing the next war-time Labor Leader:-

(136) 5 October, 1938, Commonwealth Parliamentary Debates, Vol. 157, p.395

"The Leader of the Opposition does not believe his own policy. He does not believe that we can avoid war by ignoring the realities of life and avoiding a provocative policy. He knows what happened in Abyssinia, in China, and in Czechoslovakia. He would have us believe that Czechoslovakia was dismembered because it treated the Sudeten Germans unjustly; that it brought war on itself because it was allied to France and Russia. But that is not true. Czechoslovakia was dismembered because.....it was weak."⁽¹³⁷⁾

Curtin's problem in constructing a national shipping line and the effect of war on sea communications were anticipated by Hughes:-

"One of the consequences of war would have been that our shores would have been open to aggression and our overseas trade would have been abruptly severed - Can the honorable member contemplate or visualize a scheme of defence for Australia based on isolation that would have kept the highways of the sea open between here and our markets?..... Does the honorable member suggest that Australia could keep open the highways of the sea? No power in this world available to us could keep these highways open except Great Britain. Yet the honorable member would have us turn our backs on Great Britain to pursue a policy of national suicide."

Hughes spoke as one knowing that although Curtin's speech was unrealistic, Curtin's real views were not.

Brennan was caught in a contradiction which illustrates the inability of anyone to make the Labor Party's stand appear realistic in the face of the constant drive for domination by the Axis powers. For that matter the Conservative Party of Britain's policy was equally difficult to justify for the same reason:-

"I never thought", Brennan said, "that I would so soon have the golden opportunity to stand in the Parliament of Australia and declare.....my admiration of the British Prime Minister's tremendous triumph for pacifism as I understand it. Not pacifism as misconstrued by honorable members opposite; not the kind of pacifism which would not defend hearths and homes, recognizing no virtue in that which is clearly defence, but pacifism of real non-aggression,

(137) October 5, 1938, Hughes's speech, Commonwealth Parliamentary Debates, Vol. 157, pp.397-401.

of real non-interference, the pacifism which would spit out of itself as something detestable the suggestion that in any conceivable situation Australian soldiers should be recruited for the purpose of giving up their lives in a minor state dispute in Central Europe in respect of which they have no concern whatever. I have at the moment nothing to say about fascism, and the inevitable necessity sooner or later for arresting its onward march..... but I make the observation that the difference between the declared fascism of Europe and the undeclared fascism of Australia is not so great as it may appear to some."⁽¹³⁸⁾

The "undeclared fascism" turned out to be the philosophy of W.M. Hughes!-

"I am not prepared to admit that there is any essential difference worth describing between the fascism of that kind of democracy expounded by the Minister for External Affairs (Mr Hughes), and the greater and wider fascism.....in Europe today."

Brennan's speech, containing the reference to the "onward march" of fascism" which "must sooner or later be arrested" is an encomium of appeasement in conjunction with the admission that fascism had not been appeased.

J. A. Beasley⁽¹³⁹⁾ revived the argument that H.M.A.S. "Australia" should not have been in the Mediterranean in 1935 - old arguments, like old Port, should be preserved for savouring!

He taunted the Government with the breakdown of the Anglo-French and Russian alliance to resist Hitler, which scarcely seems to be the responsibility of the Government. Beasley was by this time back in the Official Labor Party, so that he was not providing de facto leadership in the House as he did in 1935.

He attributed to Hughes the World War I promise of "a world fit for heroes to live in", whereas it was one of Lloyd George's flourishes. Resting his argument that men should not be called upon to risk their lives in war because of the inadequacy of repatriation pensions he begged the question whether if repatriation pensions were made adequate isolation should be abandoned. It was an unconvincing speech.

E. J. Ward was not prepared to make any concessions to anybody about

(138) Brennan's speech, October 5, 1938, Commonwealth Parliamentary Debates, Vol. 157, pp.401-404

(139) Beasley's speech, October 5, 1938, Commonwealth Parliamentary Debates, Vol. 157, pp.408-413.

anything, and his maverick activities against Curtin during the War are foreshadowed in the speech.⁽¹⁴⁰⁾ Like Brennan he was glad there was no war. Unlike Brennan he gave no credit to Chamberlain.

"I am not foolish enough to imagine that a Tory like Mr Chamberlain has suddenly been transformed into a lover of peace."

He was a critic of the settlement:-

"Instead of Mr Chamberlain and the British Imperialists lining up the democracies of the world against the German Fascist Leader, they entered into a Four Power Pact, and France, which formerly had guaranteed the integrity of Czechoslovakia in the event of aggression, rendered support to a powerful aggressor by becoming an accessory in the dismemberment of a nation it had pledged itself to support."

Was the peace a good thing or not? Perhaps not -

"the reason why Great Britain had bowed the knee to Hitler's might was because Great Britain was at present too weak to fight."

The Treaty of Versailles originally caused the trouble, he suggested. Fascism had to be fought but you did not need to go abroad to fight it. Hitler was the creation of Great Britain and the Allies but "they created a Frankenstein Monster". What Hitler really aimed at in Sudetenland was "the very valuable industries that have been developed in Czechoslovakia". Inconsequentially he added:- "Great Britain was particularly anxious to avoid, if it could, strengthening the hand of one of its rivals by allowing it to take possession of them. Yet honorable members say that....this Munich Agreement was based on international justice."

The nearest approach to any "honorable member" saying this was to be his colleague Frank Brennan in May 1939, who justified the Munich settlement, the annexation of the rest of Czechoslovakia and the annexation of Austria.⁽¹⁴¹⁾

(140) Ward's speech, October 5, 1938. Commonwealth Parliamentary Debates, Vol. 157, pp. 415-421.

(141) Commonwealth Parliamentary Debates, 9 May, 1939, Vol. 159, p. 229 (Speech pp. 225-231) "But when, as in the case of the final assimilation of Czechoslovakia with Germany, I hear the Prime Minister of Czechoslovakia say that the people of Czechoslovakia handed their interests over to the German Chancellor "with every confidence in the Reich", I feel myself compelled to believe that it was done primarily because of mutual interest, history and traditions. We should not expect a great nation like Austria to be readily gobbled up at a moment's notice unless there was some internal willingness; nor should we expect small nations which were thrown together as a result of the greed and dishonesty of those who manipulated the Treaty of Versailles to live together in harmony.... It was hardly to be anticipated that the great principle of self-determination.... would be applied in such an unexpected way..... The absorption of Sudetenland was the first move that affected Czechoslovakia and 90 per cent of the people concerned were Germans. What was wrong with that? According to Lord Runciman.... Mr Chamberlain....

Nobody in the debate of September-October, 1938 came near to rejoicing at the settlement, except Brennan. If J. A. Beasley had a grievance about H.M.A.S. "Australia" being controlled by the Admiralty in 1935 (the 10,000 ton heavy cruiser), E. J. Ward had a grievance about an earlier "Australia" having been controlled by the Admiralty to pursue Von Spee's squadron in 1914. (He referred to the 19,200 ton battle-cruiser in the R.A.N. from 1911 till 1924). He omitted to mention that Andrew Fisher had placed it at the disposal of the Admiralty.

The implication of half of Ward's statement is that Hitler should not have had the Munich settlement and that he threatened the liberties of the workers. The implication of the other half is that apparently no one should stop him.

The debate in the Senate was mercifully brief and only Senator J. S. Collings spoke for the Labor Party.⁽¹⁴²⁾ Collings, a magnificent orator of the old school, delivered his rolling periods -

".....every true democrat.....was definitely opposed to the policy of trying to settle international grievances by war".

You could choose whether the Leader of the Opposition in the Senate stood for "the Empire" or isolation -

"But there are obviously other ways in which Australia can, and should, assist in the fight on behalf of democracy against dictatorship. There are measures which this nation may take in common with the rest of the British Commonwealth of Nations, as a definite augmentation of the powers of that great democracy.....We believe that to raise forces for service outside Australia is not a deeded contribution to Empire defence, but would actually be a positive disservice to Australia and to world democracy."

In his speech of October 5, 1938⁽¹⁴³⁾ Collings cited the Munich negotiations as the sort of "peace by negotiation" in which Labor had always believed and concluded with his view that

"the whole world is happier today, that its people breathe more freely in the present and look forward more hopefully to the future, because war has been averted".

In common with its position in the episodes of Chanak, the China Coast, and the

(141 contd).....M. Daladier, what was done at the time was right, proper, reasonable. In fact, everything up to the last action of Germany was all right."

(142) September 27, 1938, Commonwealth Parliamentary Debates, Vol. 157, pp. 195-6

(143) Commonwealth Parliamentary Debates, October 5, 1938, Vol. 157, pp. 349-50. J. S. Collings' speech.

Abyssinian crisis, Caucus in the Munich affair could only define attitudes. It was not supporting the Party in the Government and could only pass resolutions.

Collings is accurate in saying that Munich was the sort of peace by negotiation Labor had always advocated, and the Labor Party undoubtedly endorsed, if not the settlement, then indeed the peace it procured. The fears of the Australian Labor Party had been quoted in England to discourage resistance to Hitler. Neville Chamberlain expressed Labor's isolationism exactly when he called Czechoslovakia "a far away country of which we know nothing". But at least Chamberlain had the logic to re-arm. Australian Labor spoke with multiple voices - perhaps you should arm; perhaps you should not; perhaps good wages and conditions would answer Hitler. Caucus, from 1918 to 1938, had been consistently bankrupt on foreign policy. It was to be Evatt's special mission to re-educate it, at least to the point of believing in international order. He, at least during the war, talked some logic on foreign policy after 20 years of pious sentiment, isolationism and denial of responsibility. Not since the Perth Conference resolution of 1918 had any attempt been made by the Labor Party to take responsibility for the world in the way Evatt and Forde did at the United Nations meetings 1944-45. When humanitarian considerations could be paramount, as in the China coast incidents, the Federal Labor Party usually did well, but it failed on the subject of Abyssinia even on this count. It would not face the need to withstand aggression anywhere because it seemed congenitally incapable of asking anybody to risk his life. The conclusion seems irresistible that it failed to provide an alternative policy to the Nationalists, the United Australia Party and the Country Party between the wars. The electorate excluded it from power; except for two years of office 1929-31 (on a blunder of S. M. Bruce) it was excluded from government from 1916 to 1941. When it came to power in October 1941 it was because of the action of two independents in the House of Representatives, not the electorate.

Caucus was not an instrument for formulating a foreign policy of any coherence between the wars.

It is not the purpose of this study to analyse the attitudes of the Labor Party's opponents, but it does help to put Labor attitudes into perspective by noting that on March 29, 1939, the "Sydney Morning Herald" featured a sub-leader complaining of R. G. Menzies. Menzies was then within three weeks of becoming Prime Minister after the death of J. A. Lyons and after defeating W.M. Hughes at a Party ballot. The "Sydney Morning Herald" suggested Menzies was deluded as to the relentless motives of Hitler, because he had asked that the

"door for negotiations (with Hitler) should be left open".

Isolationism was strong in the Labor Party, but not confined to the Labor Party. The lead from the British Government was unconvincing till Churchill's assumption of the Prime Ministership.

Chamberlain's trumpet gave an uncertain sound. The notes of Curtin and Menzies were perhaps echoes of its quaverings. Caucus, however, viewed itself with satisfaction when it met the day after the final Munich debate.

From the minutes ⁽¹⁴⁴⁾ one learns -

"Mr Curtin thanked members for their cooperation during the recent crisis. The following resolution was moved by Mr Forde and carried unanimously and with acclamation:-

'That the Federal Parliamentary Labor Party places on record its appreciation of the capable manner in which the Leader, Mr Curtin, placed before Parliament and the people the policy of the Labor Party on the European crisis and that we endorse the sentiments expressed by him'."

Caucus and War - September, 1939:

A Federal Conference of the Australian Labor Party took place in Canberra in May, 1939. The unspoken issue at this Conference, as in the Conferences of war time, was - can the Movement trust the Parliamentary Party with power to make defence and foreign policy decisions? It had not been trusted since 1916.

In times of international tension the Federal Labor Conferences and the Federal Executive have, increasingly since 1935, sought to make binding decisions and put them on the platform. A formula to fit all situations is a practical impossibility, but the constant effort to find such formulae is in truth the measure of distrust of the Federal Parliamentary Labor Party. The Labor Party floundered through Munich with a binding platform which blocked it from suggesting military co-operation with the League of Nations, with the democratic powers of Western Europe, and with the Commonwealth of Nations, unless a referendum were held. Pious resolutions on foreign policy the Parliamentary Party could advocate, but not alliances. The Adelaide Conference of 27 July, 1936, decreed there should be "no raising of forces for service outside the Commonwealth, or participation or promise of participation in any future overseas wars, except by decision of the people." This became clause (e) of Plank 23.

At the Canberra Conference of May, 1939, the South Australian delegates made an effort to write into the platform the following "amplification of policy":-(145)

"The Australian Labor Party expresses its greatest abhorrence to war and Fascism, and declares that it is essential that Australia should endeavour to establish and maintain friendly relations with other countries and co-operate with other peoples to prevent and resist aggression".

This would have authorised alliances and the arrangement of military action overseas. Curtin sensed from the tone of the Conference that it could not be accepted. (146) A. A. Calwell (Victoria) and G. Foley (W.A.) attacked collective security as having been adopted by sections of the Labor Movement only for the convenience of the Soviet Union. (147) (Collective security was A.C.T.U. policy). The attack on the concept of collective security came from every State except South Australia. It was left to Forgan Smith of Queensland to move a

(145) Australian Labor Party, Official Report of Proceedings of the 15th Commonwealth Conference, Canberra, May, 1939, p. 54.

(146) "I will be astonished if Conference makes any change in clause (e) of Plank 23." Report of the 15th Commonwealth Conference, p. 57.

successful compromise motion, which undoubtedly influenced the Parliamentary Party's debate the following week in the House of Representatives. The text of this motion will be noted later.

The Labor Party was being forced to face the facts that no form of words, no justifiable reactions about past Imperial blunderings, no grievances of Ireland, and no opposition to arms manufacturers, answered Hitler's strategy or safeguarded Australia in the Pacific. The Party, on defence and foreign policy, had become a party of words. All oppositions are, in a sense, parties of words, but the words of the Labor Party were rarely efforts to formulate a policy to deal with current reality. "Non-participation" alone is a refusal to have anything to do with current reality.

The disillusionment following the casualties of the first World War, the revelations of the costly blunderings of the generals in the First World War, the deep bitterness in the depression of the early 'twenties, and the economic blizzard of the 'thirties, all seem to have combined to create in Labor members the belief that final justifiable attitudes were cynicism and isolationism. Between 1935 and 1939 the Party saw a world in which Nazism rose to great power in Europe in five years, and pacifism, cynicism, disillusionment and isolationism in the West were rungs in Hitler's ladder to power. France did not find disillusionment of any avail in 1940. If patriotism died in the face of Hitler, so did liberty and self-respect.

The stories of Sir Basil Zaharoff, the quotations from the Royal Commission on the Manufacture and the Trade in Arms in Britain in 1936, the Left Book Club masterpiece of P. Noel-Baker on "The Private Manufacture of Arms", and all the other sources of Labor debating quotations, simply did not answer Axis aggression.

There was no escaping the fact that freedom is not free; you have to pay a price, you have to sacrifice, for your liberty, if you face ideologies like those of the Axis powers.

The debate in the House of Representatives in May, 1939, the Federal Conference a week earlier, and the Caucus meeting of September 5, 1939, were part of the painful process of the Labor Party's re-adjustment.

Brennan's speech in the May debate was the last kick of classic pacifism. It showed one recurring and ugly feature of his pacifism - the tendency

(147) p. 56. Thus Mr Calwell: He opposed the proposal that the Party should pledge itself to any form of collective security. It should be definitely stated that Australia was against foreign entanglements and overseas alliances, and against participation in imperialistic wars...The advocates of collective security today were the recruiting sergeants of tomorrow and the conscriptionists of the day after."

to represent an aggressive force which you will not resist as good. "Resist not evil" is one thing. To call evil good is another. The lowest ebb in all Labor debating was Brennan's characterisation of the absorption of Austria, Sudetenland Bohemia, Moravia and Memel as "self-determination" and "assimilation", and his flat refusal to face the nature of the Nazi State. Characteristically, he reverted to the grievances of Ireland. (148)

As a result of modification of thinking and policy the Parliament of Australia entered the war united on the question of participation in war, but not really united on what participation would entail. The events of the war itself were to determine whether Australia could have forces in Europe or the Middle East. In fact, throughout the war, units of the Royal Australian Air Force played a part in Europe. Until Japan entered the war, the Army and the Navy had a part in the Middle-East, Greece and the Mediterranean. But in the end the long anticipated problem of choosing between Europe and the Pacific was resolved by Australia choosing the Pacific. The argument of "overseas participation" as against "defending our shores" was resolved in a new synthesis - "our shores" became the base for a counter-offensive in the Pacific.

The Munich crisis changed the tone of Australian thinking, at least as expressed in the press, and the tempo of Australian defence preparation. Defence expenditure had been £3,200,000 in 1932/33 and was £26,000,000 in 1938/39. In public controversy J. T. Lang and R. Heffron engaged in the struggle for control of New South Wales Labor, embraced respectively the causes of isolationism and collective security in articles in the Sydney Morning Herald on April 19th and April 20th. On April 22nd a Heffron candidate, C.E. Martin, defeated a Lang candidate, J. P. Ormonde, in the Waverley by-election, Ormonde running third to Heffron Labor and the U.A.P. candidate, Mrs E. M. Waddell. This followed a similar result in the Hurstville by-election. Although they were State elections they seem to have been fought on foreign policy, at least as far as Heffron was concerned.

"If Britain is attacked we stand with Britain, as Britain must stand with us if we are attackedcollective security today is as vital a part of Labour's policy as is Labour's opposition to conscription,"

wrote Heffron. He criticized Lang for Lang's statement that "The threat of Japanese invasion is not real." (149) Lang stood by the 1936 Conference decision (148) 9 May, 1939. Commonwealth Parliamentary Debates, Vol. 159, pp.225-231.

(Brennan's speech)

(149) Sydney Morning Herald, April 20th, 1939.

in Adelaide, and Curtin's speech of October 3, 1938.⁽¹⁵⁰⁾ This was not a speech in Parliament. Its keynote had been "no men must be sent out of Australia to participate in a war overseas".

J. A. Lyons died on April 7, 1939 and R. G. Menzies was elected as Leader of the United Australian Party, hence becoming Prime Minister on April 18, 1939.⁽¹⁵¹⁾

Menzies made his first statement to the nation as Prime Minister on April 26, 1939, in a broadcast over the national network of the Australian Broadcasting Commission. The broadcast deals with four themes - the need to strengthen defences, the priority of the Pacific if war comes, but still the need for full co-operation with Britain, an assertion that there would be no conscription for overseas service, and the declaration of the goal of social justice at home. The latter meant a fair deal for the farmer, a reduction of unemployment and no profiteering from defence contracts.

A good deal has been said in this study about isolationism, and some references to speeches in Commonwealth Parliamentary Debates include the assertion by some Labour members, including Curtin, that defence and foreign policy begin with "good conditions at home".

It is easy to forget the unemployment situation in the 1930's and the pressure on members to give their minds to unemployment, not to foreign policy.

Commonwealth Governments of the day pursued the morally cowardly policy of collecting no valid unemployment statistics, except at the census of June 1933, and by means of the National Register of July, 1939. Otherwise all that was published was unemployment as reported by certain unions classified as the "Reporting Trade Unions". Thus where the "Reporting Trade Unions" noted 1201454 of their members unemployed for 1932⁽¹⁵²⁾, a figure Labor members always argued was an underestimate, the Census in June, 1933 revealed the existence of 563,300 unemployed.⁽¹⁵³⁾ The "Reporting Trade Unions" gave 45,967 unemployed as the average for the year 1939⁽¹⁵⁴⁾, while the National Register revealed the presence of 298,000 unemployed (264,000 males, 34,000 females) in July, 1939.⁽¹⁵⁵⁾

There is no doubt that confidence and spirit were broken by unemployment in the
⁽¹⁵⁰⁾ Sydney Morning Herald, April 19, 1939. The relevant decision of the Adelaide Conference is quoted above in the section on Munich.

⁽¹⁵¹⁾ The Country Party immediately refused a coalition under him and he formed an exclusively U.A.P. Cabinet.

⁽¹⁵²⁾ Labor Report. Commonwealth Bureau of Census and Statistics, 1952, p. 116.

⁽¹⁵³⁾ *ibid*, p. 114

⁽¹⁵⁴⁾ *ibid*, p. 116

⁽¹⁵⁵⁾ *ibid*, p. 114

work force and in the Labor Movement. Defence expenditure backed by an intelligent financial policy would have reduced unemployment, setting up trends in the economy to absorb the idle work-force. While this was not done, cynicism must inevitably have been strengthened, and the country, and particularly the Labor Movement, robbed of mind and will and conviction. Curtin's "good conditions" would not deter Hitler an iota, but they might have created a more patriotic and determined community. 560,000 unemployed would be an utterly unacceptable figure in Australia today, with 11½ million people. As a percentage of a community of 6,500,000 the figure is soul-searing, and the total of nearly 300,000 in 1939 is still a harrowing situation.

We cannot understand the wild hitting of Ward on conscription, on "war profiteering", on unemployment, on isolationism, and on defending Australia first, if we do not take note of the fact that the situation of thousands was such that the new Prime Minister, R. G. Menzies, had himself to refer in surprisingly radical terms to some of these subjects when he assumed the Prime Ministership in April, 1939. (156)

"The task of my Government.....embraces two great objectives: External security and internal justice. The first means effective defence, and that means man-power, money, materials, economic organization, self sacrifice. I will not have it that the problem of defence is simply one for 70,000 young men under training in arms. In the defence of Australia, which means the safety of all of us, we must all participate.....There must be no profiteering....I would never tolerate the idea of people growing rich upon the preparation of this country.....Capital must contribute its power to defence, just as manpower does and will.

The ordinary man asks for a happy life, not a complaining one; for a full one, not an idle one. We have not only resolved to defend Australia, but also her standards of life.....

The cause of our troubles is a disturbed world. My Government will exercise whatever influence it possesses in the direction of peace. I am not yet among those who regard war as inevitable. Patience and understanding and quiet firmness, may yet avert it, although I believe noisy partisanship never will. The peace of Great Britain

(156) Broadcast A.B.C. national network, April 26, 1939. Reported Sydney Morning Herald, April 27, 1939, p. 9, col. 8.

is precious to us, because her peace is ours. If she is at war, ¹⁹³ we are at war, even though that war finds us not in European battlefields, but defending our own shores.....

I cannot have a defence of Australia which depends on British sea power as its first element; I cannot envisage a vital foreign trade on sea routes kept free by British sea power, and at the same time refuse to Great Britain Australian co-operation at a time of common danger. The British countries of the world must stand or fall together. No Australian troops will be compelled to go to a foreign battlefield. But let no one imagine that we can stand neutral or, what is even more important, be treated as a neutral in a war in which Britain is engaged. Hence the imperative need for defence - of making this land so armed and prepared that the potential enemy will hesitate to attack us.....In the Pacific we have primary responsibilities and primary risks....."

Sydney Morning Herald, Thursday, April 27, 1939, p.9. col. 8.

The broadcast, with its implication of some doubt as to the availability of troops for Europe in event of war, because of the obscurity of the situation in the Pacific - i.e. the enigma of Japan's intentions - is a very concise summary of all of Australia's major worries. They are the recurring themes in the Parliamentary Debates of 1939.

The last reference to any foreign policy issue between the Munich Debate and the outbreak of war in the Caucus minutes was in May, 1939, when it is reported "Dr Maloney urged the sending of a letter of congratulation to President Roosevelt on his recent efforts in the cause of peace. It was resolved that the matter be left to the leader and secretary to act accordingly." There was no meeting of Caucus between June 15, 1939 and September 5, 1939, and on the latter date Australia had been at war for two days. Curtin evidently never saw fit to summon any emergency meetings, and the Party was probably spared a great many declamations and heart-searchings.

There did take place in May, 1939, however, a highly significant debate in the House of Representatives, initiated by the Minister for External Affairs, Sir Henry Gullett, and notable for the positive repudiation by that Minister of the Prime Minister's doctrine, which the Prime Minister made good on September 3, 1939, that Australia was automatically committed to war by a British action. It was also noteworthy for Sir Henry Gullett's implicit

rejection of the Prime Minister's hopes for peace, as expressed in the broadcast of April 26 (less than two weeks before Sir Henry's statement).

The debates of 1939 anticipate to a surprising degree the controversies of the war, including, of all things, the "Brisbane Line" controversy. Thus during the debate on the Supply and Development Bill, Arthur Fadden, soon to be Country Party Leader, said:-

".....increase of population is essential to Australian security.....

In this connexion I desire to put forward as strenuously as I can the claims of Queensland."

Mr Lane: "Where is that?"

Mr Fadden: "North of the Tweed. There are honorable members of this House who would give the territory North of the Tweed to the Japanese, or any other potential enemy, if it meant the well-being of the rest of Australia. The State of Queensland is the most vulnerable State in the whole of Australia."⁽¹⁵⁷⁾

And in the same debate, another Queensland member, Josiah Francis⁽¹⁵⁸⁾ warned that the fact "that all of the Ministers associated with defence - the Minister for Defence (Mr Street), the Minister for Supply and Development (Mr Casey), the Minister for Civil Aviation (Mr Fairbairn) and the Assistant Minister for Supply and Development (Mr Holt) - came from Melbourne has been used by certain people in Queensland as a further basis for their contention that Queenslandis being unjustly treated.....A letter which I shall now read is typical of a number of letters.....The letter reads -

'I meet about 40 men every week, mostly different men of all shades of opinion. The opinion gaining ground is that Queensland is to be sacrificed to tempt an invader to land far from the heart of the Commonwealth'."

The debate on international affairs initiated by Gullett on May 9⁽¹⁵⁹⁾ underlines all these factors of doubt and opinion. If Britain was at war, was Australia automatically involved? "No", said Sir Henry Gullett (U.A.P.) "Yes", said R. G. Menzies (U.A.P.). "No", said Frank Brennan (Labor). "Yes", said Maurice Blackburn (Labor). Thus Gullett, after quoting from the Prime Minister's broadcast of 26 April, said: "With the concurrence of my right honorable

(157) Fadden's speech, 23 May, 1939. Commonwealth Parliamentary Debates, Vol.

159, pp.630-635. Reference is on p. 633

(158) Francis's speech, 24 May, 1939. *ibid.*, p. 705

(159) Gullett's speech, 9 May, 1939. *Ibid.*, pp. 193-199

leader, I point out that these words are not to be interpreted to mean that any and every set of circumstances, if it led to war, should or would automatically commit Australia to participation in that war." Conversely, neither was Britain committed to an Australian war.⁽¹⁶⁰⁾ He emphasized Australia's freedom again when he interjected on Curtin's speech.⁽¹⁶¹⁾ Thus Curtin said: "The qualifications attached to the quotation from the broadcast speech from the Prime Minister is a qualification which squares entirely with the conception of Australia's position as held by the Opposition.....our membership of the Commonwealth of Nations does not automatically commit Australia to participation in war."

Sir Henry Gullet: "Hear, hear! I made that perfectly clear." .

Mr Curtin: "I, too make it perfectly clear.....the nations should know that both Government and Opposition in this Parliament consider that Australia is not automatically bound in respect of any way in which the Government of the United Kingdom is engaged."

Sir Henry Gullett: "Hear, hear!"

Despite this qualification by Gullett, the Prime Minister took a stand at the outbreak of war which showed that he did believe that the Australian constitutional position was automatic involvement in a British war, and in the debate, if he did not affirm that involvement juridically, he did affirm it practically.⁽¹⁶²⁾

Addressing Frank Brennan the Prime Minister said:

"What does the honorable member imagine would happen if a large scale war in which Great Britain was engaged broke out in Europe? Does he think that we would be allowed to go on our own sweet way and that no other nation would interfere with us? Does he really believe that Australian shipping, as well as British shipping employed for the carriage of Australian goods, would be allowed to sail the seven seas unmolested?"

As for Brennan's concern for unemployment "to dislocate the overseas trade of this country" would lead to the result "that for every unemployed person in Australia today there would be five."

The Prime Minister was tired of a parade of noble sentiments:-

(160) Gullett's speech, 9 May, 1939. Commonwealth Parliamentary Debates, Vol. 159, p. 198.

(161) Curtin's speech, 9 May, 1939. *ibid*, pp.199-204. The interjection is on p. 200.

(162) R. G. Menzies' speech, 9 May, 1939. *ibid*, pp.213-236. The quotations which follow are from p. 233 and p. 234.

"I know that it is considered respectable always to state your international policy in terms of sheerest altruism, but I believe that every now and then when we face up to the realities of the position, we are entitled, and indeed bound, to state our international policy in terms of our own elementary and vital interest. And the most vital interest of this country is to remain an independent and free country, and to see, as the first condition of its independence, that the integrity of the British Empire also is preserved."

Maurice Blackburn took a very convinced line about the Empire or Commonwealth of Nations in terms of the Labor Party's platform, the juridical position, and the practical position.⁽¹⁶³⁾ Referring to the British Commonwealth he said:-

"The party to which I belong has registered its determination to remain an inseparable member of that society. The ink is still fresh on the Federal Conference's declaration that Australia's defence policy is based upon the fact that Australia is an integral part of the British Commonwealth of Nations. That means that we regard Australia's membership of that society as permanent and indestructible. It seems clear to me that what affects that society must affect Australia."

Blackburn, at long last among Labor men or, indeed, any members of the Parliament, drew a distinction between the lack of an obligation to send troops and non-involvement -

"It is clear that although, in the event of war, we would not..... be compelled to send troops overseas or even to defend ourselves... we must be affected by the fact that Great Britain...is at war."
".....That position, as a matter of law, is unassailable."

He argued, from Canadian quotations that the "Crown was one and indivisible", (a position identical with that of the Prime Minister); that when the Crown is at war Australia cannot be legally neutral; that Australia had no legal control over the prerogative of war; as the British prerogative of war was not controlled by a British statute there was no statute which

(163) Blackburn's speech, 9 May, 1939. Commonwealth Parliamentary Debates, Vol. 159, pp. 206-210.

The quotations are from p. 207. Blackburn's reference to the Federal Conference is to the Conference in Canberra from Monday, 1 May to Friday, 5 May, 1939, the week before this House of Representatives debate. Its resolution on defence and foreign policy in which Curtin played a part, is discussed more fully later in this section.

which Australia could repeal.

"From these it follows that Australia, like Canada, cannot exercise control over its external relations and at the same time remain inseparably a part of the British Commonwealth of Nations."

He advanced practical considerations.

"This country cannot continue to trade with countries that are at enmity with Great Britain; it cannot act as if there were no war. It cannot allow the vessels of Hostile foreign nations to revictual or undergo repairs in Australian ports."

An opposite Labor point of view was put by Frank Brennan, both in practical terms and legal terms. (164)

"Most of us have experience similar to that indicated to us by the honorable member for Parkes (Sir Charles Marr), who cited a responsible educational authority as having asked whether this Parliament could not do something to solve the grave social problem of the increasing number of unemployed youths in this country. These are some of the problems that we might have been facing and upon which a little money might have been spent. But they are not to be considered as urgent or as important as happenings in the Balkan States, Czechoslovakia, Bohemia, Poland and other places in Europe. The cry is 'Let us get to Europe out of Australia; let us be anything on God's earth but Australians in an Australian parliament, doing the work that we were sent here to do'. I am, nevertheless, interested in foreign affairs as a study in my leisure time, of which I have very little, because I am interested in the human family, regarded as a band of brothers and sisters. In a secondary sense, I am interested in it because I realize the danger of this meddling and muddling Government lasting long enough to embroil the people of this country in one of those petty wars in Central Europe to which the honorable member for Barker made such eloquent and well-informed reference.

"I should like occasionally to remind honorable members of this House that Australia is an autonomous nation which has no responsibility, either in law or in fact, to any other country. If it be a fact, as has been publicly declared and preached the world over, originating in Britain itself, that Australia is a nation and is

(164) Brennan's speech, 9 May, 1939. Commonwealth Parliamentary Debates, Vol. 159, pp. 225-231

not in any particular whatsoever subordinate to any other dominion or to Great Britain itself, how can it be suggested, or argued, that we can be at war by the will of some other nation to which, as a matter of law and practice, it is publicly declared that we are not in any way whatever subject or responsible, the more so as this position is ratified by the statute law of Great Britain?.....And therefore it should be beyond the need for demonstration that nothing but the will of the Australian people, acting through an Australian government, can possibly, either in law or in fact, involve this country in war."

Mr Rankin: "What about an enemy fleet?"

Mr Brennan: "The attitude of other countries is a separate matter. They may insist upon regarding Australia as an enemy because some other dominion, or Britain itself, is involved in war. I am not saying what other nations may do in any particular set of circumstances, but I do say that the view that we ought to promulgate is that Australia, as a member of the British Commonwealth of Nations, is mistress of its own destiny. I value the friendly association between the dominions and Britain, including Ireland, the land of my forefathers, but however proud of that association I may be, it is only a sentimental association. There is no theory of law; there are no written dicta; there is no honorable understanding; there is nothing at all which binds together the members of the British Commonwealth of Nations other than the goodwill and common interests which they agree should hold them together as friendly associated powers. Therefore, when we regard the affairs of Europe, we should not overlook the fact that, as the Leader of the Opposition has said, our first consideration must be the interests of Australia."

Brennan's reference to the member for Barker was because that member, Archie Cameron, had denied the possibility of Britain assisting Poland, Roumania or Bulgaria, or making good any guarantee given anywhere in Eastern Europe.⁽¹⁶⁵⁾ After Cameron's depressing (but accurate) analysis of Britain's strategic incapacity a United Australia Party member, W. Hutchinson, interjected:

(165) Cameron was then a member of the Country Party. Cameron's speech, 9 May, 1939. Commonwealth Parliamentary Debates, Vol. 159, pp.219-225.

"What are we to do - give Germany the lot?"

"Mr Archie Cameron: I do not know that it is our affair."

Cameron was of German descent and represented many Germans.

This line of argument drew from Ward the gibe:

"I believe that the honorable member is talking to the German minority in his electorate."

Cameron replied he had fought alongside them in war and would prefer to have them as fellow-fighters than....."one or two of my honorable friends opposite". (166)

Certainly Cameron was right in forecasting British inability to implement any guarantees given to Poland. Without the Russian alliance (and Russia went into alliance with Germany) Britain could do nothing for Poland, except maintain hope by maintaining a Government and Army in exile. Curiously, the guarantee to Poland did not involve war with Russia, despite Russia's invasion of Poland.

Thus, the debate of May 1939 anticipated the problem of the allocation of Australian troops between remote and near war zones; the problem of conscription for home defence; the problem of Japan, and the consequences of Japanese entry into the war; the inability of Britain to assist Poland and Roumania in Eastern Europe; and the difficulties of wartime trade. While Menzies still held to the hope that negotiations could avert war, Sir Henry Gullett and other Government speakers had no hope that Hitler was following a policy of rectifying grievances. His aims were unlimited by such considerations as uniting people of German race, they believed. The debate of May 1939 is the last statement of all the issues before war.

Change in the Labour Platform;

Blackburn's speech is the first Labour acknowledgment of the new Labor Platform on "Defence", which is also a platform on foreign policy in the sense that it represents an abandonment of isolationism. Foreign Policy was considered by a Committee of the 15th Commonwealth Conference of the Australian Labor Party entitled the Committee for "Military, Defence and Peace Proposals". Its members were W. Forgan-Smith, M.L.A. (Q.), E. R. Dawes (S.A.), T. Dalton M.H.A. (Tas.), Alderman A.A. Calwell (Vic.), J. Curtin, M.P. (W.A.), J.S. Rosevear, M.P. (N.S.W.) (167) The Committee's recommendation was not the platform plank finally adopted. Instead an amendment moved by W. Forgan-Smith, M.L.A. (Premier of Queensland) was adopted. (168) It read:-

(166) Debates, Vol. 159, pp. 224

(167) Official Report of the Proceedings of the 15th Commonwealth Conference, Canberra, May 1939, p. 20.

(168) *ibid*, p. 55

"That this Conference of representatives of Labor throughout Australia - having regard to the grave international situation now existing-declares its adherence to the principles of Democracy, and the necessity of defending our free institutions against all forms of attack, and intimates that:-

- (1) We stand for the maintenance of Australia as an integral part of the British Commonwealth of Nations.
- (2) We stand for a policy of complete national and economic security; and
- (3) We will defend all our people in all States against aggression from any source.

To accomplish this it will be necessary to organise the resources of Australia to give adequate expression to these principles on the basis of equality of sacrifice.

We deplore the lack of preparedness for the defence of this country which is the responsibility of the Commonwealth Government, and indicate the urgency of speeding up production of necessary equipment, munitions, etc., and all things that are required in connection with adequate defence.

We reject conscription of human life which is advocated by our opponents. On every side there is evidence of their determination to continue profits as usual.

We maintain that Australia will adequately play its part in Imperial defence by the maintenance of the inviolability of Australia.

We desire peace amongst the nations, and our foreign policy will be conducted with this end in view."

Plainly the Party had been handicapped at the election of 1937 by that part of the defence platform which read "No raising of forces for service outside the Commonwealth, or participation or promise or participation in any future overseas war, except by decision of the people."⁽¹⁶⁹⁾

Curtin did not ask for changes in this and did not expect them, but he had had difficulties in countering attacks on it -

"I was obliged then (in the election campaign of 1937) and every Labor leader is obliged, to make it clear that Australian Labor's foreign policy was that we refused to give any promise of participation in any future overseas war unless the people of Australia made the decision that such participation would take place. You will remember that it was not only the term 'Isolation' that was used, but pretty mental pictures were drawn of holding a ballot while the guns were sounding, and so forth. This Party has to stand up to the arguments that will be levelled against our policy. It is no good by mere negatives attempting to

(169) Referred to throughout the Conference debate as 23(e) of the platform; it became 24(e) of the 1939 platform. Official Report of the Proceedings of the 15th Commonwealth Conference, Canberra, May 1939, p. 7

overcome dishonest propaganda." (170)

Curtin was supporting, not Forgan-Smith's amendment, but a motion of E. R. Dawes (S.A.) in favour of collective security which read: "That clause (a) of the amplification of our policy be recast to read as follows:- 'The Australian Labor Party expresses its greatest abhorrence to war and Fascism, and declares that it is essential that Australia should endeavour to establish and maintain friendly relations with other countries and co-operate with other peoples to prevent and resist aggression'." (171)

Throughout the debate this was referred to as a resolution in favour of collective security, and its sponsors were obliged to state it did not mean conscription. (172)

The opposition to Mr Dawes' motion was very sharp and he asked leave to withdraw it (173) which was granted, and Forgan-Smith's amendment became the motion.

The special attitudes of the Victorian A.L.P. were displayed by Calwell at the Conference and Brennan in the House. Some of their comments are revealing and have significance for the future. A.A. Calwell's campaign against Curtin's conscription proposals is clearly foreshadowed in his attack on "collective security". He postulated that the choice was between one set of Fascist powers and another. (174)

The belief he expressed that Australia could not be invaded was unduly complacent. The tone of the speech was very much the outlook of the Victorian State Executive throughout the war, and that Executive was the major centre of opposition to Curtin's conscription proposals.

Brennan was not a delegate to the Conference, but his outlook was also very much a product of the thinking of the Victorian A.L.P. Calwell rejected "collective security" as a product of "Russian necessity". The facts were to demonstrate that Russia could do a deal with Germany, and that collective security and the popular front were not her only possible tactics. Calwell's argument was based on Australian considerations, however false its diagnosis of the situation in Europe. Brennan's speech in the House the following week evinced a detached "logic" comparable with De Valera's when he commiserated with

(170) *ibid*, p. 57

(171) *ibid*, p. 54

(172) e.g. Mr S. O'Flaherty (S.A.), later a Senator "What we have attempted to do in the motion is simply to interpret a portion of the policy so that it could not again be set out as an alleged isolationist policy. I want to dissociate myself from anything of a conscriptive nature." *Ibid*, p. 57

(173) *Ibid*, p. 60

(174) Report of the 15th Commonwealth Conference, Australian Labor Party, p.56.

Calwell became member for Melbourne in the House of Representatives the next year.

the German ambassador on Hitler's death. What Hitler was doing was democratic, an example of self-determination, a manifestation of assimilation, and a safeguard of the peace of Europe, pleasingly devoid of imperial ferocity. Thus he attacked Sir Henry Gullett for his speech and for interrupting him. Said Brennan:

"The first of these crises was when Germany moved into Austria, and that was the first outrage to which the honorable gentleman has referred. What of it if a people vote by a 99 percent majority, as the honorable member for Kalgoorlie (Mr Green) pointed out to unite with Germany, their close neighbour and ally in the Great War, and with whom they are of one race, and speak the same language?"

Sir Henry Gullett: "After they were taken."

Mr Brennan: "After they were taken", says the Minister, true to form, for fear something, fair or accurate, might be stated in favour of a people against whom he evinces an insane and harmful prejudice. If they were such worms as to submit, and if they had no fight in them, it might be just as well for them to be taken under the tutelage of a nation capable of making up their minds for them. But I do not believe that this is the fact. On the contrary I believe that they were assimilated by virtue of their common race, origin and history."

Brennan's passion broke forth:

"I think also of the historic case running back into the centuries, of the attempt to assimilate Ireland.....There was no assimilation there."

He instanced Sudetenland, Bohemia and Moravia and Memel:

"All these assimilations were made without bloodshed. I ask when, in any historic time, such advances and such alterations of boundaries have been made so bloodlessly, and with so little Imperial ferocity, as in the recent settlement in Central Europe? Possibly the peace of Europe is better guaranteed by the combination of these peoples under a central government than by smaller competing nationalities."⁽¹⁷⁵⁾

It would be difficult to imagine a more wrong headed analysis of Hitler's methods, purposes or aims, or of his "imperial ferocity" than this.

These extraordinary arguments, such as Calwell's that resistance to Hitler was supporting Fascist States and Brennan's that Hitler was an apostle of self-determination, show the diversity of the intellectual currents flowing in the Labor Party.

(175) 9th May, 1939. Commonwealth Parliamentary Debates, Vol. 159, p. 229

The Conference of 1939 cleared the ground for Labor support for Britain. The House of Representatives debate of May 1939 must have convinced Curtin of the risk of special Caucus meetings before war broke out, and Menzies of the wisdom of announcing war as an accomplished fact.

However that may be, the next Labor voice on foreign policy was the Caucus meeting of September 5, 1939.

War:

The Party Minutes for September 5, 1939, read:

"Mr Curtin made a statement on the International Situation and his interview with Mr Menzies. The Leader read to the Party a declaration on the war situation which had been endorsed by the Executive and now recommended for adoption by the Party. Mr Curtin moved Mr Forde seconded: 'That the report and recommendation be adopted'. Debate ensued, the following members speaking - Messrs Blackburn, Darcey, Rosevear, Frost, Pollard, Scullin, Ward, Brennan, Cameron, Lazzarini, Lamp and Conelan.

The draft of the recommendation, with certain amendments, as here follows, was carried unanimously:

'The Australian Labor Party affirms its traditional horror of war and its belief that international disputes should be settled by arbitration. It deplores the fact that force instead of negotiation and discussion has plunged the peoples into war. It believes that resistance to force and armed aggression is inevitable if attacks on free and independent people are to be averted. In this crisis, facing the reality of war, the Labor Party stands for its platform. That platform is clear. We stand for the maintenance of Australia as an integral part of the British Commonwealth of Nations. Therefore the Party will do all that is possible to safeguard Australia and, at the same time having regard to its platform, will do its utmost to maintain the integrity of the British Commonwealth. As to the conduct of Australian affairs during this unhappy period, the Australian Labor Party will preserve its separate entity. It will give support to measures having for their object the welfare and safety of the Australian people and of the British Commonwealth of Nations. We take this view that these measures should include the immediate control by the Commonwealth Government of all essential raw materials ~~and~~ the resumption by the Government of the factories associated with the production of munitions and war equipment. There must be a rigid

control of commodity prices and house rents so that war profiteering will become impossible. Interest rates must be kept within bounds and the monetary system readjusted so that the National Debt be kept as low as possible.

The democratic rights of the people must be safeguarded to the maximum. The very minimum of interference with civil liberties of the people should be the objective in carrying through its measures for national security. To ensure that this be done, it is essential that the Parliament of the Commonwealth should remain in session."

The debate in the House of Representatives demonstrates a desire on all sides for a maximum of unity and a minimum of controversy, with the exception of the speech of E. J. Ward. The controversialists of the Labor Party, like Brennan, did not speak.

In his statement on the Sunday evening of 3 September announcing the existence of the state of war as a consequence of the expiry of the British ultimatum to Germany to quit Poland, Menzies had reverted to his doctrine of automatic Australian involvement. This passed without comment.

Curtin's speech incorporated the entire statement endorsed by Caucus, and he elaborated on some of the points. Opposition to the use of Australian troops was implied in the speech. It was rationalized as military necessity, but that was not the real basis of Labor's opposition. It was a philosophy of non-involvement at base.

"I say here that it is no contribution even to the security of the British Commonwealth of Nations, for this country to attempt to do things that we would like to do, without first having made it as clear as human foresight can make it that we have completely discharged our responsibility to our own people. The safety of this Commonwealth must be the paramount consideration influencing every feature of Government policy."⁽¹⁷⁶⁾

When the Curtin Government was formed in October, 1941, the Menzies and Fedden Governments had sent troops to the Middle East, Greece and Malaya and Singapore. The entry of Japan into the war led to the recall of those troops who were not actually fighting the Japanese, or prisoners.

It also led to conflict of purpose between Curtin and the British Prime Minister, Winston Churchill.

(176) Curtin's speech, 6 September, 1939. Commonwealth Parliamentary Debates, Vol. 161, pp.36-40. The quotation is at p. 38

A Pacific War Council was set up in London in February, 1942. It was composed of British, Australian, New Zealand and Dutch representatives whose duty was to study policies for the war against Japan. It recommended that Java should be defended and, incidentally to other recommendations, that Australian forces returning from the Middle East should augment the defence of Ceylon, Burma and that some should proceed to Australia itself.

Churchill on February 20 cabled Curtin asking for the 7th Division A.I.F. to be diverted to Burma; and assuming a favourable response, Churchill ordered the diversion. On February 22 Curtin rejected this plan. He asserted that Japanese air superiority in the Bay of Bengal made the journey to Rangoon an unreasonable hazard. When Churchill persisted in his request Curtin cabled on February 23:-

"Java faces imminent invasion. Australia's outer defences are now quickly vanishing and our vulnerability is completely exposed. With A.I.F. troops he sought to save Malaya and Singapore, falling back on Netherlands East Indies. All these northern defences are gone or going. Now you contemplate using the A.I.F. to save Burma. All this has been done, as in Greece, without adequate air support. We feel a primary obligation to save Australia, not only for itself, but to preserve it as a base for the development of the war against Japan. In the circumstances it is quite impossible to reverse a decision which we made with the utmost care."⁽¹⁷⁷⁾

Late in April 1942 Curtin was asking for the return of Australian forces from Ceylon.⁽¹⁷⁸⁾ Without much doubt the situation had been reached when "defending our own shores" would no longer be regarded by Australian public opinion as isolationism, but as military necessity.⁽¹⁷⁹⁾ For the first time since 1916 military considerations in the year 1942 worked in favour of Labor policy, just

(177) History of the Second World War against Japan, Vol. 11, India's Most Dangerous Hour. Major General S. Woodburn Kirby. Editor, Sir James Butler. Published by Her Majesty's Stationery Office, pp. 57-58.

(178) Ibid, p. 129

(179) The British Commander in Burma was Lieutenant-General T.J. Hutton. "When the diversion of 7th Australian Division was mooted Hutton refused to indulge in wishful thinking. He warned the authorities that to send large convoys to Rangoon at that late hour was to incur a very considerable risk, for the enemy air force was well established at short range and the air defence, even before the air battles of 25/26th February, was slender. Nevertheless, he signified that he was prepared to hold Rangoon till their arrival, though he could not promise that the presence of part or all of the Australian division would in fact change the course of events at that last moment, for he was certain Rangoon could not in fact be held. In this he was correct for the last minute arrival of an Australian division could have affected the situation no more than the arrival of the 18th Division did at Singapore. Ibid, pp. 103-104. ("History of the 2nd World War"

as the fact that the threat to Western world came from the dictatorships of the right helped public opinion to swing left. Foreign policy considerations worked the same way as military ones. These events of 1942 were 30 months away from the debate of September 6, 1939, but the events were what the Federal Conference had feared in May, 1939, and Curtin had feared in his speech. The Caucus statement of priority of Australian defence on the outbreak of war began to make sense. But to return to the debate of September, 1939, Curtin's second major point in the debate also conformed to the Conference and Caucus decisions. He rejected the idea of a "national government".

"The suggestion that there should be a government composed of all parties in this Parliament appears to me to be one which, if carried out, would not be in the best interests of either the Parliament, the Government or the people of Australia."⁽¹⁸⁰⁾

The reasons given for this statement, which seem contrary to British experience, was that "Parliament must not be a mere governmental echo", and it would be "a bad thing for a Government not to have to confront an Opposition, to face up to the examination that an Opposition can best give". Whatever validity these arguments have I think that the real reasons for rejection of the National Government were the Conference decision against it, and the probability that the attempt to form a National Government would have produced a major split in the Labor Party; Caucus was concerned for its platform and unity.

Curtin's third major point had reference to the economy and civil liberties.

"In the declaration I have drawn attention to two things - profiteering and, possibly, curtailment of the democratic rights of the people. I sincerely hope that the Government will not wait until profiteering has commenced.....Then I say that there ought to be assured to the people liberty of speech."⁽¹⁸¹⁾ Not that vigilance against subversion would not be necessary. "We will not support treason, sabotage, insurrection, or activities which will be helpful to the enemy."⁽¹⁸²⁾

W. M. Hughes welcomed Curtin's statement in a speech obviously designed to create the maximum unity.⁽¹⁸³⁾ Referring to Curtin he said:-

"His words will give great satisfaction to the people of Australia. He left nothing unsaid that we wanted to hear. He left us in no doubt as

(180) 6th September, 1939. Commonwealth Parliamentary Debates, Vol. 161, p. 38

(181) 6th September, 1939. Commonwealth Parliamentary Debates, Vol. 161, p. 39

(182) Ibid, p. 39

(183) Hughes's speech, Ibid, pp. 40-42

to the attitude of Labor in this great emergency. I cannot conceive of any way in which his statement could be amended in the interests of Australia. He has assured us that, in all things necessary for the effective prosecution of the war, his Party will co-operate wholeheartedly."⁽¹⁸⁴⁾

Scullin, who rarely spoke, was next Labor speaker. He stressed that Australia had "not a surplus of manpower" but "a surplus of foodstuffs and raw materials" which could be contributed. "We shall make our contribution to the defence of this country and to the maintenance of the integrity of the British Commonwealth of Nations."⁽¹⁸⁵⁾

T. White, the United Australia Party member for Balaclava, joined issue with Curtin -⁽¹⁸⁶⁾

"We heard from the Leader of the Opposition that no expeditionary force was to be sent from Australia to the theatre of war. That, I am sure, is news to everybody on this side of the House. It is too soon yet to tell what the alignment of the nations will be."

He envisaged, while favouring military assistance, some circumstances in which troops could be sent.

As was inevitable in war time, the debate kept moving from the subject of world affairs to defence, and underlying what was a foreign policy debate was the subject of conscription. The Government was divided on the issue, and the divisions within the government was revealed in an extraordinary debate on a Defence Bill introduced by Ward, of all people, and supported by the Government with certain reservations, on 20th September.

In the debate of 6 September, apart from Curtin and Scullin, Labor speakers were Lazzarini (mainly preoccupied with the horrors of war and the unjustifiability of profits);⁽¹⁸⁷⁾ Blackburn (unity with the British Commonwealth but opposition to the despatch of forces overseas);⁽¹⁸⁸⁾ and Beasley (a historical review).⁽¹⁸⁹⁾ There was a discursive speech of Dr Maloney, and E.J. Ward and N.J.O. Makin spoke.

Ward was always a powerful influence in the Labor Party, and this speech was significant in revealing likely future conflict in the Party. He asserted

⁽¹⁸⁴⁾ Ibid, p.40

⁽¹⁸⁵⁾ Scullin's speech, Ibid, pp.46-47

⁽¹⁸⁶⁾ White's speech, Ibid, pp.47-52. He suggested a volunteer force for overseas. He also affirmed a personal belief in compulsory military training.

⁽¹⁸⁷⁾ Lazzarini's speech, 6 September, 1939. Commonwealth Parliamentary Debates, Vol. 161, pp. 52-53.

⁽¹⁸⁸⁾ Blackburn's speech, Ibid, pp. 54-57

⁽¹⁸⁹⁾ Beasley's speech, Ibid, pp. 57-62

that a "great deal of the responsibility for the strength of Hitler today rests with the British Imperialists". If Germany could be accused of violating the Treaty of Versailles so could Britain - "Did not Britain itself connive at the violation of that Treaty when it entered into a naval agreement with Germany?" The Minister for External Affairs, Sir Henry Gullett, had strongly favoured collective security, but he was violently arraigned by Ward in a contrary sense. "According to the Minister for External Affairs, so long as the Germans were prepared to move East, with the probability that they would eventually come into conflict with the Soviet Republic, there was no need to be concerned." Ward drew parallels between Hitler's labour policy and the Government's. He was against the despatch of troops abroad. "Australia, with its vast territory and sparse population, cannot afford to send men out of this country to take part in the conflict overseas. They will be required here to defend Australia." Once you started sending any troops at all you would be committed to send more and more. "If we sent one division, before long there would be a cry for a second division. There would at least be calls for reinforcements in order to keep the original division at full strength. I am not prepared to support such a policy, for I believe that if we defend Australia, we shall do all that can reasonably be expected of us."

Many people, Ward asserted, were motivated solely by commercial rivalry to resist Germany. "I also remember the statement of Archbishop Mannix, 'Stop profits, and you stop war.' Evidently there are many men in this Parliament, as well as in Britain, who want to defeat Hitler, not because of his policy, but because Germany is a strong rival of Britain in the commercial field." Appeasement was thus forgotten. There were elements in the Government that would defend democratic institutions by closing them altogether! Profits of the Broken Hill Proprietary were excessive. The Government would do nothing about price control. It proposed "to stifle the voices of the Opposition". The great majority of Australians would oppose "any men being called upon to take arms and leave this country for foreign battlefields". He feared that members of the Opposition were too ready to say "We entirely trust the Prime Minister and the Government to deal with this situation." Menzies, he said, only echoed Chamberlain. Under the pretext of defending the country Menzies might suppress the liberties of the people. (190)

Although apparently the suspicion of the Member for East Sydney was

(190) Ward's speech, 6 September, 1939. Commonwealth Parliamentary Debates, Vol. 161, pp. 72-76.

directed at Menzies, the speech is the beginning of his hostility to those he suspected of working to form a National Government.

Ward's speech demonstrates that within Caucus there would be vigorous leadership against any such move, and against conscription. His opportunity to guarantee against conscription for overseas service came on 20 September. In an extraordinary episode he brought in a Private Member's Bill amending the Defence Act,⁽¹⁹¹⁾ split the Government in a vote, and incidentally exposed deep schisms in the Country Party, for both A. A. Fadden and J. McEwen, both future leaders of the Country Party, repudiated the statements on behalf of that party by Archie Cameron within seven days of Cameron having assumed leadership in succession to Sir Earle Page.⁽¹⁹²⁾

The Bill, which guaranteed against conscription for overseas service, was brought in to avoid a threatened boycott of the national register by the trade unions. There would be no such boycott if it was not the basis of overseas service conscription. Undoubtedly the Labor Party chose Ward as its major spokesman because his declaration of satisfaction with any guarantee would have most effect on the A.C.T.U. and the unions.

Ward's Bill, with some amendments, was carried by 46 votes to 14.⁽¹⁹³⁾ Cameron called the vote "one of the greatest surrenders to threat and to minority dictatorship that has ever been made."⁽¹⁹⁴⁾

Communist influence in the arrangement was alleged by Cameron and a number of Government speakers.⁽¹⁹⁵⁾ Referring to one clause Cameron said, "Surely that clause was drafted by the Communist Party and given to the honorable member for East Sydney." Many Government supporters claimed lack of consultation in the arrangement outlined by the Minister for Defence (G.A. Street) "at a Conference presided over by the Prime Minister and attended by the Leader of the Opposition and myself".⁽¹⁹⁶⁾ The remarkable feature of the debate was the number of Government speakers, and Country Party speakers, including McEwen, who opposed conscription for overseas service.

(191) Ibid, pp. 822-826, 20 September, 1939

(192) Thus Fadden, 20 September, 1939. Commonwealth Parliamentary Debates, Vol. 161, p. 952. "I take this opportunity to declare without the slightest degree of reservation that the honorable gentleman is not my leader." Fadden declared himself not to be in the Country Party "as it is now constituted and under its present leadership". And McEwen, "I feel myself compelled to voice my protest against the allegations of the leader of my party." Ibid, p. 948

(193) Division list, Ibid, pp. 945-946. (Second Reading)

(194) Ibid, p. 946. This drew from Beasley the gibe, "People who live in glass houses should not throw stones. During the last nine years the party which the honorable member now leads has been able to obtain for its supporters a very great deal of minority dictatorship." Ibid, pp. 947-948.

(195) e.g. Albert Lane (Barton) addressing Ward, "Its only merit is that it will

Probably the member for New England, V. C. Thompson, expressed the majority view on the non-Labor side when he said, "(The Opposition)..... is an integral part of the Government machine, and when the Opposition forces the hand of the Government to make some political concession in order to avoid an industrial upheaval we must regard it as one of the consequences of the democratic system under which we live. (197)

The compromise was not quite complete and the difference of interpretation of the agreement was brought out in this same speech of Thompson's when he said:

"I understand the Opposition is 100 per cent solid on the principle that there shall be no conscription for service outside Australia. The Government itself also takes up that attitude."

Mr Street (Minister for Defence):

"But the Government says that Australia includes the territories." (198)

Curtin was, within three and a half years, to be compelled by circumstances to define the defence area of Australia as including, in effect, the territories. Until he did, the conscription issue died down, largely realizing Thompson's hope "that this bill.....definitely removes from the arena of fictitious political controversy this issue of conscription. I hope that once the bill is passed we shall hear no more from the Opposition of that desire which they prefer to believe is always burning in the hearts of persons who are not members of the Labor Party to send men for service outside Australia against their will."

The interesting feature of the debate is the assumption that national unity was precarious. Possibly it was and possibly the tensions of the depression made it so. The atmosphere of the debate contrasts with the confidence of the Menzies Government in 1964 that overseas conscription would be accepted for Vietnam.

Foreign policy discussion after the Defence Bill debate of September 1939 was no longer a rationalization of support for and opposition to conscription. The decision of Caucus on 6 September to a considerable extent determined policy, but not to the extent of excluding the participation of volunteer forces for action overseas.

(195 contd) give a way of escape to persons like the honorable member for East Sydney and half a dozen Bolsheviki who are members of the A.C.T.U." Ibid, p.945

(196) Ibid, p. 847

(197) Commonwealth Parliamentary Debates, Vol.161,p.927, September 21,1939

(198) Ibid, p. 926

Foreign Policy and Caucus during the Labor Governments 1941-1949:

Caucus resolutions on foreign policy from 1916 till 1941 are essentially definitions, or proposed definitions, of Opposition attitudes. No resolutions governing the foreign or external policy of any Labor Government exist in the minute books down to that date. No Caucus resolution governed the policies of Fisher and Pearce at the Imperial Conference of 1911. No Caucus resolution proposed any course of action at the League of Nations during the life of the Scullin Government. Very few Caucus resolutions proposed any course of action in external policy for the Curtin or Chifley Governments, except where, as in the cases of various United Kingdom Grants Bills and the Bretton Woods Agreement, legislation had to be passed by the Parliament.

The Curtin Government (of October, 1941-June, 1945) conducted its foreign policy entirely at war, and hence Cabinet decisions on its actions and negotiations were largely secret. Moreover Dr Evatt, Minister for External Affairs for eight years of government, was not the man to share authority or seek instructions.

The recall of Australian troops from the Middle East and the conflict between Churchill and Curtin over the diversion of Australian troops to Burma, to which reference has already been made, were kept secret from Caucus - necessarily.

On November 22, 1939, Caucus passed a resolution against compulsory military training. This was a proposal which did not involve conscription for overseas service, but it certainly showed a disposition of mind which would not brook paying the price of conscription for any alliance. (199) On November 29 it was resolved to amend a resolution of the Minister for the Army "to express the opposition of the Labor Party to the sending of an Expeditionary Force overseas." (200)

These are, strictly speaking, defence decisions, but their implications for foreign policy in war time are obvious.

These resolutions were carried in the atmosphere of stalemate war in the West with nations confronting each other on the Siegfried and Maginot lines. The atmosphere after the invasion of France in May, 1940, was different. On May 9, 1940, the minutes note -

"Mr Curtin made a statement to the Party concerning the possibility of
(199) "A suitable resolution be formulated to express the opposition of the Party to compulsory military training."
(200) Minutes, November 29, 1939

an early election and the need for clarification of certain aspects of policy. He felt the Party should request the convening of a Federal Conference and recommended the following:-

"That in view of the world situation, and the state of the war in relation to the defence of Australia and the general questions associated therewith.....The State Executives of the A.L.P. be requested to convene.....a Special Commonwealth Conference!"⁽²⁰¹⁾

The Conference was duly held in Melbourne on 18 and 19 June, 1940.⁽²⁰²⁾ This Conference met Curtin's desire for clarification of policy to the extent of passing this resolution:-

"Having regard to the gravity of the world situation and the imminent danger to the Commonwealth of Australia, the Empire and the Allies, this Conference of the Australian Labor Party definitely declares as their policy

- (1) Complete and indissoluble unity with the Allies in war
- (2) The entire resources of Australia (which includes all productive and financial resources) to be under the control of the Commonwealth Government for national service in the urgent and adequate defence of Australia and the prosecution of the war.....
- (3).....Complete participation in the Empire Air Training Scheme, necessary provision for reinforcement of the A.I.F. divisions, the extent of European participation by volunteer army to be determined by circumstances as they arise, having regard to the paramount necessity of Australia's defence."

In a later passage the decisions read:-

"That a National War Council including representatives of Labor should be established to advise the Government in respect to the conduct of the war and in preparing for post war reconstruction."⁽²⁰³⁾

The motion was substantially identical with one presented to the Conference almost immediately it opened by the Premier of Queensland, W. Forgan-Smith.⁽²⁰⁴⁾

It was strongly opposed by E.J. Ward⁽²⁰⁵⁾, who was, as the Caucus minutes show,

⁽²⁰¹⁾ Minutes, May 9, 1940

⁽²⁰²⁾ Curtin was himself a delegate. Members of the Federal Parliamentary Labor Party who were delegates numbered 9. In addition there were 11 State Parliamentarians; the first majority of politicians as delegates since the First World War.

⁽²⁰³⁾ Australian Labor Party. Official Report of the Proceedings of the Special Commonwealth Conference held at Melbourne on 18 and 19 June, 1940, p. 12.

⁽²⁰⁴⁾ Report, p. 14.

⁽²⁰⁵⁾ Report, p. 15.

a thorn in Curtin's side in 1940-41. He saw in it a National Government and conscription. It was Curtin himself who moved the reference to the National War Council⁽²⁰⁶⁾ and he was opposed by Clarey, Senator Cameron and E. J. Ward. The motion was carried by 23 votes to 13.⁽²⁰⁷⁾

Curtin was thus freed of restrictions on support for the Allies and expeditionary forces. He had reversed Hughes's approach. Hughes used Caucus to influence the outside movement - unsuccessfully in the case of conscription. Curtin had used the outside movement to neutralize opposition in Caucus. He was to do it again in 1942-43, in connection with conscription.

The minutes after October 14, 1940, record the impact of Dr H.V. Evatt who had been elected in the General Elections of September 21, 1940, for the electorate of Barton. He was elected to the Executive of the Parliamentary Party at his first meeting⁽²⁰⁸⁾ and at his second meeting moved a resolution which was carried and which, among 5 points had this as its first -

"That the Federal Parliamentary Labor Party expresses its resolute determination to strengthen the war effort of the Australian nation and to ensure that Parliament as elected by the people shall be enabled to carry on effectively, particularly through the present grave and perilous situation; and, with that end in view, it hereby invites the co-operation of all other parties and all independent members of Parliament."

Curtin had early shown his pre-occupation with Japan and the possibility of Japan entering the war and on November 29, 1939, he had drawn the attention of the House of Representatives to the fact that the Japanese Foreign Office had issued a statement to the effect that the British blockade of German exports violated assurances Japan claimed Britain had given, and had suggested that if her vital interests were affected, Japan would be "compelled to institute counter-measures".⁽²⁰⁹⁾ In August, 1941, he opposed Menzies going abroad. He informed Caucus of his attitude⁽²¹⁰⁾ which was set out in the form of an Executive recommendation which Caucus endorsed:-

"Mr Curtin made a review of the Far Eastern position and its relation to world war events. He reported that the Government had requested the Prime Minister to proceed to London to consult with the British

(206) Report, p. 20

(207) Report, p. 22

(208) Minutes, October 14, 1940

(209) November 29, 1939, Commonwealth Parliamentary Debates, Vol. 162, p. 1699

(210) Minutes, August 21, 1941

authorities. The Prime Minister had declared that he would not go unless all parties agreed. The Executive of the Party had met and unanimously recommended the following resolution be adopted by the Party. The Labor Party declares:-

- (1) That, having regard to the gravity of the war as it affects the Commonwealth, it is essential for Australia to have its Prime Minister here to direct the administration in the organization of a total war effort and, therefore, we are opposed to the present proposal that the Prime Minister, Mr Menzies, should proceed to London as Prime Minister.
- (2) That arrangements be made with the British Government for representation for the Commonwealth Government in England so as to ensure that its point of view in respect to war policy will be constantly before the British War Cabinet."

The significance of this motion for Foreign Policy is that it shows Caucus priorities - the imminence of war in the Pacific overshadowed everything. In a meeting of 53 it was carried with only 3 dissentients. Its significance in the House of Representatives Chamber was that Menzies could not leave. He commanded 37 votes to 36 on the floor. Menzies was replaced as Prime Minister by Fadden and October 3, 1941, Fadden, defeated on the Budget, gave way to Curtin. Thereafter references to external policy become brief and infrequent, viz.:-

"The Prime Minister made a statement on the question of sending troops outside the Commonwealth. Portions of cables.....were read. The Prime Minister made it quite clear that the position was fully understood by both British and American authorities." (211)

Curtin's action in appointing Dr Earle Page as Britain's representative at the Imperial War Cabinet was attacked in a motion of Mr Calwell's but defeated (212) and a Labor Government was thus represented in the United Kingdom by the Leader of the Country Party. A motion of Calwell's against conscription was shelved on December 9, 1942, but the bearing of this at this stage was for Australia's own defence in the South West Pacific and is not so much an expression of a policy in Europe or the Middle East. It is considered in the study of Caucus in relation to defence.

A declaration moved by Curtin in Caucus on January 26, 1943, was less an instruction by Caucus to Cabinet than a rallying cry for the war effort. It

(211) Minutes, April 30, 1942

(212) Minutes, September 1, 1942. Calwell moved "That Caucus disapproves the co-opting of Dr Page to the War Cabinet".

included the generalization on foreign policy -

".....Australia's indissoluble unity with the British Commonwealth of Nations, and its unswerving loyalty to the cause of the United Nations⁽²¹³⁾. Other than in references to the fact that Curtin gave "a short resume of the war position"⁽²¹⁴⁾, "a statement on the war position"⁽²¹⁵⁾ or an announcement that Curtin "had decided that he should go overseas for consultation with the other Prime Ministers"⁽²¹⁶⁾ there is no inkling of a foreign policy discussion. Dr Evatt is mentioned only in connection with his work as Attorney-General. Curtin's last months were troubled by illness and his death announced July 5, 1945. No foreign policy report or discussion seems to have taken place in Caucus in his last year.

The Foreign Policy of the Chifley Government (formed July 13, 1945 and to continue till December, 1949) owed virtually nothing to Caucus, and, indeed got its first mention on August 28, 1945 with the assertion "Dr Evatt made a very interesting statement on foreign affairs". It began to be discussed, however, in the form of ratifications of United Nations agreements, but by their very nature these could not be initiated in Caucus and, until Bretton Woods, there was no suggestion that any arrangement should not be ratified. The first of these ratifications was agreed to in Caucus on August 29, 1945, but it is dismissed in a line. That was what the San Francisco Conference was worth. Its delegation had been chosen by Cabinet, not Caucus. Cabinet selection of representatives was the basis of an I.L.O. delegation.

N. J. O. Makin

"Advised that Cabinet had decided that Senator J.S. Collings be the Minister at the gathering and Senator D. Grant the second representative thereat."

A Caucus attempt at election was defeated.⁽²¹⁷⁾

It was shortly after this that references to the Bretton Woods Agreement began to appear in Caucus Minutes in such a way as to suggest controversy.⁽²¹⁸⁾

The Bretton Woods Conference from 1 July to 22 July (1944) was one of the conferences antecedent to the United Nations Conference at San Francisco in 1945, which set up the United Nations Organization.

(213) Minutes, January 26, 1943.

(214) Minutes, September 20, 1943

(215) Minutes, February 8, 1944

(216) Minutes, March 15, 1944

(217) Minutes, July 17, 1946

(218) Minutes, November 28, 1946. On November 26 ratification had been proposed.

In the Curtin Government's statements on international affairs in 1944 the Conference is usually referred to in conjunction with United Nations Agencies, such as U.N.R.R.A., with what became U.N.E.S.CO, with the Food and Agricultural Organization, and with projected bodies to deal with refugees, war crimes and other consequences of the war situation. (219)

The Curtin Government, convinced of the necessity for full employment and of the Keynesian thesis that the maintenance of high levels of employment produced high levels of international trade, argued through Evatt that "it is absolutely essential.....that the major industrial countries....maintain a high level of employment." (220)

The United States Government was not convinced of this. When Curtin tabled documents on the Bretton Woods Conference on September 7, 1944, the documents included not only the draft agreements for a monetary fund and a reconstruction bank, but criticisms made by the Australian delegation at the Conference. The first criticism in Parliament of the arrangements as constituting an invasion of sovereignty came from Country Party member J. P. Abbott. (221) The first Labor criticism had been earlier, but outside of the Commonwealth Parliament. The Tasmanian Treasurer, Dwyer-Grey, was reported by Melbourne "Herald" as critical on 3 June, 1944; and the Melbourne "Labor Call" asserted on 8 June, 1944, that the agreement might deny Australia the benefit of labor financial policy by imposing another authority over Australia.

The existence of the controversy slowed down Chifley's action for the ratification of the Agreement by Australia, but late in 1946 the minutes show that

"The Prime Minister moved -

"That authority be given to the Government to introduce legislation to ratify the Bretton Woods Agreement." (222)

The discussion was adjourned to the following day. Prime Minister Chifley was not averse to this adjournment for reasons which became apparent on the 29th November. The Federal Executive of the A.L.P. was meeting and Chifley hoped for its support. At the opening of the Party meeting Chifley was not sure of the

(219) e.g. in papers printed in Commonwealth Parliamentary Debates, Vol. 179, pp. 622-3, September 8, 1944.

(220) Speech in New York April 28, 1943, quoted in Commonwealth Parliamentary Debates, Vol. 179, p. 623, September 8, 1944.

(221) Commonwealth Parliamentary Debates, September 20, 1944, Vol. 179, p. 1096, "Prices and Wages in Australia shall be determined by some external body."

(222) Minutes, November 26, 1946

nature of their support - whether they would issue a directive or an opinion - but during the meeting it became clear that support was a favourable opinion only. (223)

"The Prime Minister declared the meeting open. Mr Edmonds then asked the Prime Minister what was the position with regard to the previous discussion on the Bretton Woods proposal in view of the resolution carried by the Federal Executive the previous day. The Prime Minister stated that he was not sure of the terms of the resolution but he would endeavour to obtain it as early as possible for the meeting."

For good measure, he read the relevant Federal Executive rule and had it recorded in the minutes. (224)

Since Chifley could not quote any directive the discussion proceeded. When the message came from the Federal Executive it was a mild resolution, and it was incorporated in the minutes:-

"Having heard the Prime Minister on the matter and the reasons for and against the Bretton Woods Agreement, the Executive believes that Australia should be a signatory to the Agreement."

This was later attacked by the Australian Railways' Union pamphlet "Bretton Woods" which alleged that this was carried by 7 votes to 5 only because "it is suggested" at least two delegates disobeyed their State branch. (225) The agenda of the Federal Executive, as published by the Labor "Standard" on November 22, 1946, made no reference to "Bretton Woods" so instructions are most unlikely to have been issued.

On December 4, 1946, Senator Alec Finlay moved as an amendment to Chifley's motion for ratification that the question should go to a Federal Conference for decision (226), which amendment was carried. Caucus therefore abdicated control of foreign policy in this particular. According to the A.R.U. pamphlet the vote for Finlay's amendment was 29 to 26, but the minutes record no voting figures. This is not to doubt or to endorse the figures given.

Reference to the Federal Conference meant a decision in 1948. December 31, 1946, was the expiry date for ratification. Unfortunately for those who

(223) Minutes, November 28, 1946

(224) Then rule 5, subsection h: "The Federal Executive shall have plenary powers to deal with and decide any matter which...affects the general welfare of the whole Labor Movement provided no decision of Federal Conference shall be abrogated....The Executive decision....shall be binding upon all members of the A.L.P....."

(225) J. J. Brown and J. F. Chapple "Bretton Woods", p. 15

(226) Minutes, December 4, 1946

thought a holding fight to December 31 would be decisive the expiry date was extended. "The Standard", organ of the Labor Party in N.S.W., had earlier noted this expiry date⁽²²⁷⁾ and noted that Russia, India, South Africa, Argentina, Australia, New Zealand, Venezuela, Liberia, and Haiti had not joined....."they will be wise nations if they continue to be recalcitrant."

The Caucus argument went out to the world - to the Australian Broadcasting Commission and in pamphleteering, and they are the arguments prepared for Caucus by some of its members.

Senator Donald Cameron reproduced his Caucus speech in "Labor Call"⁽²²⁸⁾. The International Monetary Fund was an "international dictatorship of bankers" reducing "member nations to the level of vassal States" denying "the right of self government and its aim was "minimum wages and maximum profits". In comparison with Bretton Woods conditions the depression of the thirties would.... "appear merely a passing phase."

On January 9, 1947, "Labor Call" published the cases for and against ratification by E. J. Ward and J. J. Dedman, both Cabinet Ministers! The A.R.U. pamphlet⁽²²⁹⁾ alleged that "Mr Ward is supported in his views by many of the best brains of.....the Cabinet". This was not very flattering for Chifley, Evatt, Dedman and McKenna. Ward may have been the most effective pamphleteer, but he was no match for Chifley and Evatt at party organization, and Chifley worked to get a decision that Conference would not have the question submitted to it. This pre-supposed influencing State Executives, and by March, 1947, Chifley could be sure of them.

Ward waged a speaking campaign and, apart from his article in Labor "Call", he published a pamphlet⁽²³⁰⁾. Criticised for attacking Cabinet decisions he attacked Evatt in the Party for ignoring Cabinet, apparently on the principle that attack is the best defence -

"Mr Ward said he was assured by a press representative that Dr Evatt held a Press Conference at which he made certain remarks that indicated that the immigration policy might be changed, and that no minister should make such statements without consulting Cabinet. Mr Ward also raised the question of foreign policy statements and said that the Minister for External Affairs should submit such statements at least

(227) "The Standard", July 5, 1946, Article on front page

(228) "Labor Call", December 26, 1946, p. 7

(229) "Bretton Woods", p. 16

(230) Circulated January 10, 1947 (cyclostyled) "The Case Against the Ratification of the Bretton Woods Financial Agreement."

to Cabinet. Dr Evatt in reply denied the accuracy of newspaper statements....and said that in his.....reports on foreign affairs he gave an account.....always in line with Government policy. The administration of his Department had to be carried out on a day to day basis andit would be,....impracticable to submit every statement to..... Cabinet scrutiny. No other Minister did that."⁽²³¹⁾

The following day⁽²³²⁾ Chifley moved in Caucus -

"That authority be given to introduce legislation to ratify the Bretton Woods Agreement - entry being subject to Australia being allowed to join on conditions applied to original members."

This motion was subjected to the unsuccessful attack of two amendments, one by Dr Gaha (Tasmania), for a free vote in the House and the Senate, and one by Senator Nash (W.A.), for submission to a Federal Conference. South Australian members had been instructed by their State Executive to oppose ratification - unconstitutional action of a kind which was again declared by the Federal Executive to be beyond the powers of a State Executive.

After the defeat of Gaha's and Nash's amendments ratification was carried.⁽²³³⁾

The ratification of the Bretton Woods Agreement was an instance of a real control by Caucus of an aspect of Foreign Policy, and this was rare in the history of the Chifley and Curtin Governments. Of course Liberal, Nationalist, U.A.P., and again Liberal, Parties in coalition with the Country Party or alone, do not pursue foreign policies controlled in any way by their Party meetings.

Ratification was delayed for two years by opposition which Chifley worked continuously to allay. Division within the Cabinet strengthened the power of Caucus in this case. The doctrine of Cabinet responsibility was regarded as non-existent. Ward openly attacked the Cabinet majority opinion and walked out from the House vote. That Cabinet members are not bound to support Cabinet decisions in Caucus - or Executive members Executive decisions when Labor was in Opposition - was always a contention of Ward's and this was a noteworthy application of his doctrine. Current with this case had been the question of whether or not the United States should have Manus base for peace time use, but Evatt had concealed this question from Caucus. The Party was subsequently attacked for the refusal of the base.⁽²³⁴⁾ If there were any answers

⁽²³¹⁾ Minutes, March 4, 1947. ⁽²³²⁾ and ⁽²³³⁾ Minutes, March 5, 1947

⁽²³⁴⁾ e.g. "The Case Against Socialist Labour. Background Notes for Candidates, Speakers and Canvassers", p.127. (Liberal Party of Australia, Federal Secretariat, Sydney, 1949.

only Evatt knew them.

The debates in the House of Representatives and the Senate on the International Monetary Agreements Bill were very tame after the struggle in the Labor Movement. E. J. Ward was absent from the divisions and unpaired. (235)

Whatever else he could be charged with, Chifley could not in this instance be charged with regimenting his Cabinet or the Party. The matter was tarried over for 2½ years. Archie Cameron (Country Party) lamented the lack of the "entertainment" expected and regretted not hearing

"the Minister for Transport (Mr Ward), or our rather silent friend, the Minister for Information (Mr Galwell) stating the case against the Bretton Woods Agreement, because, in their hearts, they are opposed to it."

He speculated whether Ward would

"discover sudden and urgent business in his office.....and depart when the division bells ring".

No Labor member who was opponent of the Bill to any degree in Caucus spoke in the House. In the Senate, Senator O'Flaherty spoke. His opposition had been public, and he expressed the hope "that members of the Labor Party outside Parliament who hold views similar to my own will accept this temporary defeat". But the defeat was not temporary. There the controversy ceased and has not really been revived. Caucus wanted to abdicate responsibility to Conference but was not allowed. It therefore controlled Cabinet action throughout. The pamphleteering, with its exaggerations, wearied of the subject. By the time the debate ended it was felt that nothing of great significance was accomplished except that a Party which had come to support international action and organization had been at long last consistent in supporting world banking and financial organization. The lurid nature of the pamphleteering may be assessed from Ward's purple passage -

"My concluding reference to the Bretton Woods Agreement is that it offers no solution of world problems but quite insidiously sets up controls which will reduce the smaller nations to vassal States and will make every Government the mouthpiece and tool of International Finance. World collaboration with anti-social private financial interests can only mean mass unemployment, slavery, misery, degradation and final

(235) The debate in the House, Commonwealth Parliamentary Debates, Vol.190, pp. 590-593 (Chifley's speech, 13 March, 1947) and pp.934-1006, 20 March, 1947. Division lists pp.1004-5, Senate Vol.190, pp.1059-84, 25 March, 1947. No division. The Bill became Act No. 5 of 1947.

destruction." (236) -92-

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Dedman's pamphlet cannot match this for entertainment, (237) and many who could read Ward's could not wade through Dedman's. He asked that the proposals be "sympathetically examined" - as if a financial proposal deserved anything other than analysis. He argued that "what we shall sell abroad in the future" would depend on 4 factors -

- (i) Implementation of full employment in other countries
- (ii) The development of economically backward countries
- (iii) The stability of exchange rates
- (iv) The extent to which the United States could be prevailed on to spend its current overseas income in other countries.

Ward, and the Australian delegation to Bretton Woods, had seen difficulties in the Agreement in adopting full employment as an objective (238) but Dedman contended that the objective would be looked after by the International Trade Organization. He had no real ground for this statement. Australia's trade does not depend on "economically backward countries" (point ii), nor is the International Trade Organization a major factor in their development, as Dedman forecast. Bretton Woods did not look after point (iv). Trade was assisted far more by the rehabilitation of Japan by American gifts and by policies of reconstruction such as the Marshall Plan. Ward was on safer ground, in the circumstances of 1947 in contending that stability of demand was guaranteed by a world shortage of primary produce. Not to ratify, Dedman argued, would lead to exchange depreciation, and that to competitive exchange depreciation "one of the easiest roads to international anarchy". The pamphlet concluded on an evangelical note -

"For 'Peace on earth, goodwill towards men' will become a reality only when all peoples in all lands decide to march forward together in

(236) Concluding words of the pamphlet. Ward argued that after Australia, under the terms of the Agreement, had made a quota payment of £62,500,000 into the Fund in gold and in its own currency, and that as a consequence had gained drawing rights to balance her trade payments of a quarter of this amount in any year till her contributions were exhausted, Australia would find this £15,625,000 a year for 4 years "infinitesimal" compared with the sum of £250,000,000 per annum - the value of equipment and goods Australia would find necessary. This is very slippery reasoning. Australia would not have to finance its imports out of the £15,625,000 but by its exports. From this he argued the Agreement would mean "slashing wages" and "cutting pensions". This was a repetition of the Premiers' Plan of the depression years.

(237) "The Case for Bretton Woods", J.J. Dedman. This was a reprint of his "Labor Call" Article, January 9, 1947.

(238) Paragraph 43, "Documents Relating to the United Nations Monetary and Financial Conference held at Bretton Woods, U.S.A., from 1 July to 22 July, 1944"

co-operation and by agreement with each other."

Nobody would quarrel with that, but few in the Labor Party felt that the angelic chorus was necessarily identified with Bretton Woods. The ratification of Bretton Woods produced none of the disasters forecast by Ward and none of the great results forecast by Dedman. It was just another agency of the international cooperation. Caucus was a tardy instrument of decision.

Other items of foreign and external policy which had to be submitted to Caucus were the ratification of an I.L.O. Convention⁽²³⁹⁾ and legislation embodying gifts of £25,000,000, then £10,000,000 and £10,000,000 again to the United Kingdom.⁽²⁴⁰⁾ This total gift of £45,000,000 was provided for in United Kingdom Grant Acts No. 28 of 1947; No. 58 of 1948; No. 50 of 1949. The first was criticized in Caucus as contrasting with the harshness with which London finance had treated the Scullin Government during the depression, but Chifley emphasized the world's indebtedness to Britain in her fight against Hitler.

In the last two years of the life of the Chifley Government the issue of the recognition of Communist China developed but it did not feature in Caucus. Dr Evatt took the view that Communist China should "wait in its place in the queue" for admission to United Nations with other Powers.⁽²⁴¹⁾ These Powers at the time included Germany, Japan, Italy and Spain, but the irrevocable nature of the Communist victory in China became only slowly apparent in 1949, and recognition had not been extended to this Chinese authority by the time the Chifley Government fell. Its status was only one of a number of problems of recognition or admission to the United Nations. After the war Australian relations with China, insofar as they came to Caucus, came only through legislation relating to UNRRA. This had been debated in the House in September⁽²⁴²⁾ 1944. China received most Australian UNRRA Aid, and it also received post UNRRA relief from Australia.

From Leslie Haylen, M.P., the member for Parkes, Caucus received disquieting reports of the waste and corruption involved in the disposal of UNRRA aid to China by the Kuomintang on the black market - substantially the points made years later in his book "Chinese Journey".⁽²⁴³⁾ An Australian UNRRA official administering aid to China, H. R. Heath, was detained in prison under

(239) Minutes, March 26, 1947

(240) Authorized in Caucus respectively, as recorded in the Minutes, on March 4, 1947, August 30, 1948, September 6, 1949

(241) Remark to Senator J. Armstrong, Minister for Supply, told to the writer.

(242) Commonwealth Parliamentary Debates, Vol.179, p. 590, September 7, 1944

(243) L. Haylen "Chinese Journey", Angus and Robertson, Sydney, 1959, pp. 63-64

cruel conditions. The Chinese, who held him chained and without trial, were believed by other UNRRA officials to be covering up for the corruption of Kuomintang officials handling the aid.⁽²⁴⁴⁾ Chifley did not wish to jeopardize the UNRRA programme and discouraged any move in Caucus on the subject because, whatever the evil in China, its significance for other parts of the world was great.⁽²⁴⁵⁾ After Chifley's Government had fallen Chifley cited these experiences as evidence of the unworthiness of the Kuomintang regime.⁽²⁴⁶⁾

The Chifley Government participated in the Berlin airlift of 1948. The matter was not decided in Caucus nor was there any criticism in Caucus.

In office the policy of the Labor Party was mostly decided in Cabinet, and most issues of foreign affairs did not come before the Party. The nature of the controversy over Bretton Woods, and its duration, suggests that on the whole this may have been fortunate. Certainly caucus might not be a good instrument for discussing dangerous or delicate issues.

In Opposition Again - The Malayan Emergency (1950-55) and the Korean War (1950-1953):

The Malayan emergency was declared in being on June 16, 1948, when the British Commissioner in Malaya proclaimed it. His proclamation was followed by a counter appeal by the Communists - "The Malayan Peoples' Anti-Japanese Army" - who issued on June 19, 1948, a "call to arms" against the British.

The Malayan emergency was the work of 8,000 Communist terrorists, the vast majority of them Chinese, led by a Chinese, Chin Peng. Chin Peng had been armed and assisted by the British during the war to organize a resistance movement against the Japanese - hence the name "Malayan Peoples' Anti-Japanese Army". The United States had sent arms to Ho Chi Minh in Indo-China for the same reason. The situations which developed in Malaya and Indo-China illustrate a world trend. From 1941 to 1945 the Western Powers thought in terms of winning the war against Japan. Stalin thought beyond that objective to winning the world ideologically and militarily, and laid the foundation for this strategy during the war. It was not a strategy involving the use of Soviet armed forces.

After the war the Western powers in Malaya and Indo-China were confronted with a determined effort to take over these countries. During May, 1948,

(244) "Sydney Morning Herald," April 28, 1947.

(245) For his views in office Commonwealth Parliamentary Debates, September 9, 1948, Vol. 198, p. 334, and March 2, 1949, Vol. 201, p. 838

(246) Commonwealth Parliamentary Debates, March 23, 1950, Vol. 206, p.

there took place in Malaya a campaign of indiscriminate killing of Chinese sympathetic to the Kuomintang - Mao Tse Tung was still in the process of conquering China - and the killing of European planters and Malay political figures.

On July 8, 1948, Arthur Creech-Jones, Secretary of State for Colonies, described this in the House of Commons as "an attempt by murder and violence to destroy authority and order", and also to "reduce the economic life of the country to chaos by the murder of management, European and Chinese", with the ultimate objectives of impeding Malayan recovery and creating Communist authority in the country.

The Malayan emergency featured in world Communist propaganda. On this Creech-Jones commented

"In view of the vilification of Britain and of wilful lies regarding the Malayan situation which have been put across from Moscow, it should be clear that we are not faced in Malaya with the emergence of a Nationalist movement.....It is not a movement of the people of Malaya, but of gangsters who are out to destroy the foundations of society and of orderly life."

Creech-Jones' House of Commons statement went on to say

"We are arming the authorities with the requisite powers to cope with a situation of violence which has become too formidable a feature in the life of the territory."

On July 21, 1948, the Seamen's Union in Australia decided to boycott any vessels carrying arms from Australia to Malaya. The Chifley Labor Cabinet, on August 3, 1948, decided to send arms to assist the forces of law in Malaya by R.A.A.F. transport planes. This decision did not come before Caucus for discussion and was never criticized after the event.

In November, 1949, just before the fall of the Chifley Government, the Colonial Office published a report by Stanley Awbery, British Socialist M.P., and F. W. Dalley, former Assistant-General of the Railway Clerks' Association of Great Britain, to the effect that the Chinese Terrorists in Malaya "maintain contacts with Communist organizations in Malaya, China, Australia, India and elsewhere", and "work to Communist directives".

The Chifley Labor Government fell at the general elections of December 10, 1949, retaining control of the Senate, but heavily defeated in the House of Representatives. (247)

(247) In the 1946 elections Labor won 42 seats in the House of Representatives, the Liberals 18 and the Country Party 12. There were 3 Independents (Coles, Lang and Mrs Blackburn). In the Senate after the 1946 elections Labor had 33 seats, the Liberals 2 and the Country Party 1. For the

For some months after the fall of the Chifley Government Malaya was not an issue in Australian politics. On April 21 there appeared in daily press a statement of E. J. Harrison, M.P., who combined the posts of Australian Minister for Defence with Resident Minister in London - an impossible combination. He could thus be both diplomatic and undiplomatic at the same time.

In the House of Commons on April 20, 1950, two Conservatives, Austin Low, M.P., and L. D. Gammans, M.P., asked Gordon-Walker (Commonwealth Relations Minister) whether he intended to seek Australian assistance. Harrison, apparently inspired by this, proceeded to lay down a line for Australia, New Zealand, Malaya and Britain.

The "Sydney Morning Herald" for April 21, 1950 gave prominence to his statement "The 70% Chinese population" he said "must be assured of British continuity in Malaya". The real need for "assurance" in Malaya was in the hearts of Malays confronted with an exclusively Chinese terrorist organization. Harrison's population statistic was wrong and his declaration of British continuity was impertinent. In Caucus it was to be considered no part of Harrison's business to declare British intentions.

The report continued -

"The Minister said he was puzzled to understand why an estimated five to seven thousand Communist terrorists could hold at bay between fifty and seventy thousand troops."

Obviously the strategy of counter terrorism must be all wrong so Harrison suggested the right one -

"What is necessary is not so much an army in the modern sense but a frontier force on commando lines, with the spirit of high adventure, and preferred to restore the Empire."

He expressed the view that any offer to "dominion" forces of the privilege of being in such a force

"would meet with a great response from adventurous minded dominion troops in Australia and New Zealand and the fighting Gurkha regiments."

(247 contd) elections of 1949 the Senate was enlarged from 36 to 60 and the House of Representatives from 75 (including the Northern Territory) to 124 (including the Northern Territory and the Australian Capital Territory) Labor won only 48 seats in the House (a gain of 6), the Liberals 55 (a gain of 37) and the Country Party 19 (a gain of 7). In the Senate (now on proportional representation) Labor finished with 34 seats (a gain of 1), the Liberals 20 (a gain of 18), and the Country Party 6 (a gain of 5).

In Caucus Harrison's preparedness to speak for New Zealand and Nepal was regarded as jingo excitability but attention focussed on the more dangerous vein that the force

"would be free of the red tape of army peace time regulations". Harrison also said that the force must not be encumbered "by a sense of fair play". This was a demand for counter-terrorism by Britain, with a promise of Australian participation. In the same issue the "Sydney Morning Herald" applauded this statement, mildly remonstrating -

"There are obvious limits moreover to the extent to which Britain can afford to abandon her sense of fair play for a policy of ruthlessness." The "Sunday Herald" of April 23, 1950, published photographs of nine young men interviewed and unanimously found willing to fight the terrorists.

The Malayan Emergency was real enough. What was lacking was dignity in Harrison's statement. It was adolescent jingoism. When Caucus met the statement was carefully considered. (248)

An Executive statement was endorsed.

"The Federal Parliamentary Labor Party declares its opposition to the use of Australian armed forces in the present civil disturbance in Malaya."

Evatt and Chifley had actually authorized the use of the R.A.A.F. in Malaya, but the nature of Harrison's statement had disturbed them. The statement continued -

"The Labor Party directs public attention to the indiscreet utterances of the Australian Resident Minister in the United Kingdom (Mr E. J. Harrison), who is also Minister for Defence. These utterances have not been repudiated or qualified by the Commonwealth Government and may, therefore, be assumed to express the Government's views.

The Labor Party notes with concern the impertinent action of the Resident Minister in presuming to declare the willingness of New Zealanders to volunteer for the proposed force - an action obviously taken in advance of any declaration of policy by the New Zealand Government.

The terms of Mr Eric Harrison's statement do not establish any case for Australian intervention in Malaya, declaring, as they did, that the rebel forces are outnumbered by at least ten to one."

(248) Minutes, April 26, 1950

The statement then proceeded to those aspects of the Minister's remarks regarded as particularly offensive - his ignorance that the terrorists were Chinese, not Malays, and his conviction, based on this ignorance, that the Malays needed a lesson.

"Mr Eric Harrison's statement was deplorably frivolous - with loose references to 'the British spirit of fair play being interpreted by the Malays as weakness'. This is an unwarranted imputation of opinions to the Malay people. He made irresponsible references to volunteers who would be 'actuated by a spirit of high adventure'; to a 'frontier force free of any peace time regulations.....free of all peace time restrictions'. All these expressions convey an impression of Australia's irresponsibility and aggression. They suggest Australians are contemptuous of human rights and indifferent to the safeguard of decency and fair dealing implied in any limitations to militarism."

Actually Harrison was grossly undermining the policy of the Attlee Government, which was not "to restore the Empire" in Malaya, though undoubtedly Harrison and the Conservative Opposition with whose strategy he appeared to be trying to co-ordinate his action thought that "restoration of the Empire" and "ending an appearance of weakness" should be the aims. But the Australian Labor Party underestimated the need for pacification before independence. The Party's statement continued -

"The Labor Party warns the Australian people of the unwisdom of the proposal with which the Commonwealth Government is toying. At this stage, when such Powers as Great Britain, the United States, Holland and France are withdrawing, or have withdrawn, from Asian territories, or are conferring wide measures of self-government upon them, it would be dangerously foolish for Australia to assume the task of policing any Asian Colonial possession."

The Executive statement was designed to remind the Government that Australians should not be thinking of the Malaya question in terms of Harrison's 'hunting expedition', and complained of the facts that

".....no attempt has been made to analyse the attitudes of the Chinese, Indian and Malay populations of Malaya. No real information has been given on the subject of the activities of British Gurkha or locally

recruited troops. No reference has been made by the Australian Prime Minister nor by Mr Eric Harrison to the desirability of consultation withwell disposed" (Asian Governments).

The Party, to an extent, safeguarded its freedom of action by the warning "against military action having no better basis than the loose and imprecise assertions of the Resident Minister".....and asserted that "Australian intervention in Malaya would not have the character of trivial adventure of a force under a minimum of discipline" but would be "a grave step". "Emphasis on the voluntary nature of the.....force" should not be allowed to conceal the fact that the Australian Government and nation would be fully involved".

Before this was drafted both Dr H. V. Evatt and E. J. Ward had asked the Prime Minister (R. G. Menzies) questions in the House.⁽²⁴⁹⁾ Evatt wanted to know if Harrison's "statement about Malaya" and "his earlier comment which contained at least an implied criticism of the British Government" represented the Menzies' Government's "considered views". Menzies had no knowledge of the statement "beyond what appeared in the Press". He would "await the full text" before comment. Ward promptly construed this as meaning that Harrison's statement was unauthorized and wanted to know whether "an offer of any kind of active..... intervention" had been made to the British Government. Menzies said that "no communication had passed between the Governments on the question of military action and the matter "was on the knees (sic) of the gods".

Before Harrison's statement, Ward had questioned whether "investments in Malaya" would lead "to any overseas military campaign".⁽²⁵⁰⁾ Menzies "suspected the identity" of the newspaper on which the question was founded. Ward, on the adjournment, complained of Menzies' evasion.

When the Prime Minister did make a statement in the House on May 30, 1950, it was incomparably more skilful than Harrison's.⁽²⁵¹⁾ He foreshadowed a statement made next day.⁽²⁵²⁾ In the meantime he had had the advantage of discussions with Malcolm McDonald, the Commissioner-General for the United Kingdom in South East Asia. The situation was deteriorating. Communist victories in China had encouraged the terrorists in Malaya. He made clear in the first

(249) April 21, 1950, Commonwealth Parliamentary Debates, Vol. 207, p. 1773 (both question and both answers)

(250) April 19, 1950. Commonwealth Parliamentary Debates, Vol. 207, p. 1566

(251) May 30, 1950, Commonwealth Parliamentary Debates, Vol. 208, pp. 3349-3351

(252) May 31, 1950, Commonwealth Parliamentary Debates, Vol. 208, pp. 3464-3465

statement that the terrorists were Chinese, not Malays, thereby correcting Harrison's ineptitude about teaching Malays a lesson. He argued that jungle war required great forces; that Malaya's emergency was a campaign of terrorism which was part of a global pattern; that Zhdanov had laid down the strategy; and that Australia had vital strategic interests in Malaya. In the statement of May 31 he revealed that his government had had "under consideration a request by the United Kingdom for "aircraft and crews" and for the "servicing" of "aircraft of the Royal Air Force stationed in the Far East. No request for other forms of military assistance has been made."

The Labor Party was caught off balance. The terrorists had no aircraft so there was not much risk to R.A.A.F. crews. The Chifley Government in its participation in the Berlin airlift had exposed R.A.A.F. men to far greater risk in an area remoter from Australia. Menzies quoted a statement of Chifley (as Prime Minister) made on June 19, 1946 to the effect that Australia must carry responsibility for the defence of the "British Commonwealth" in the Pacific. Moreover he quoted a Labor Cabinet decision of May, 1948 to authorize joint strategic planning with the United Kingdom and New Zealand "for the regional defence of the South West Pacific, the boundaries of which include Malaya". Caucus knew nothing of this. The debate on Malaya was not resumed. It was overshadowed by the Communist Party Dissolution Bill debate, the Constitution Alteration (Avoidance of Double Dissolution Deadlocks) Bill and the outbreak of the Korean War.

Malaya Emergency Issue Renewed 1955:

On April 1, 1955, Menzies announced publicly that Australia's contribution to the forces still fighting in the Malayan Emergency would include an infantry battalion and supporting arms with reinforcements kept in readiness in Australia. There would also be a fighter wing of two squadrons and a bomber wing of one squadron, an airfield construction force, an aircraft carrier and two destroyers. He announced this in the House. (253) The situation in Malaya called for a new effort not so much because it had deteriorated/^{as} that the ending of the terror appeared to be in sight.

Tunku Abdul Rahman writing 10 years later described the 1955 position:-
"The British Colonial Secretary, Mr Lennox Boyd, visited Kuala Lumpur in 1955. As Leader of the Alliance Party I had talks with him and informed him that no amount of British arms would by itself ever rid Malaya of Communism. The solution could not come by military means

(253) Commonwealth Parliamentary Debates, April 20, 1955, Vol. House of Representatives 6, pp. 44-54

alone; it was essential to win the hearts and minds of the people, to ratify their aspirations, and thus draw them away from the enticements of Communism which uses freedom and independence as its battle cry. The people of Malaya, I said, wanted independence for their own country; if this could be achieved they would be responsible for the fight against Communism and they would win. Any delay in achieving independence would only benefit the Communists, as Communism.....flourished on colonialism."

As a result of this, the Tunku continued, there were elections:-

"We swept to victory, winning 51 seats out of 52 seats contested, and I became Chief Minister and Minister for Home Affairs."(254)

The Tunku's suggestion that all was well after this is belied by the fact that fighting continued for 5 years, and Malaya always needed outside forces, as she did during Sockarno's "confrontation" policy. Tunku Abdul Rahman consulted Chin Peng, Communist Leader, on December 28, 1955, and was satisfied that Chin Peng had no motive of liberation but Communist domination.

The Tunku, in the same article, did consider that "Field Marshal Sir Gerald Templar.....managed to make considerable inroads into Communist strength!"

It is safe to say that the Labor Party, Australian public opinion, and indeed, Western military thinking, never understood the guerrilla situation in Malaya. If military theorists had done so they would not have been so ready to assume the effectiveness in Vietnam of a repetition of Sir Gerald Templar's fortified villages - called by the Americans "strategic hamlets" in Vietnam. The Labor Party did not understand the race issue in Malaya, which ensured that the moment the Communists became exclusively Chinese they were bound to lose.

Until 1954 the Commonwealth Government was morally supporting the French in Indo-China, but the Indo-Chinese situation did not at this time concern Caucus for there was no suggestion that Australian forces would be sent there to assist the French.

The guerrilla situations in Malaya and Vietnam, it is now clear, differed in vital respects. Malaya had no common frontier with a Communist power over which arms and supplies could come to the Communist insurgents. Indo-China (later Vietnam in name) had a common frontier with China. Chin Peng had no following apart from some Chinese. He could not become a "national liberator"

(254) "Foreign Affairs", July 1965, Article "Malaysia, Key Area to South East Asia", pp. 659-670

to Indians or Malays. There was a large and wealthy Chinese middle class not open to his blandishments. There was no such racial division in Indo-China, and no significant middle class. The more the French fought the more they tended to make Ho Chi Minh a national leader. Free elections, accepted by the people as a valid expression of their own will, could be conducted in Malaya, and the Tunku Abdul Rahman, overwhelmingly victorious, was accepted by all except terrorists as a national leader. In North Vietnam no such process could throw up an alternative leader to Ho Chi Minh. The British clearly indicated an objective of independence in Malaya. The French did not in Indo-China. Ho Chi Minh's forces were linguistically and racially identifiable with the rest of the Vietnamese, and the people, to use Mao-Tse-Tung's metaphor, could become "the water" supporting the guerrilla "fish". Chin Peng's forces were not racially, and often not linguistically, identified with the Malayan peasants. The Vietnamese peasant farmers objected to being shifted to strategic hamlets. Land use in Malaya tended to be in plantations and plantation workers would readily move to fortified villages. In Malaya, that part of the Malay population who might, from fear or sympathy, support insurgents with food, were "squatters" - some 450,000 of them - and transfer to land in a fortified area was more like a recognition of their rights than a denial of their rights. Moreover these peasants represented an insignificant group economically, whereas in Indo-China "the peasant" simply was "the economy".

In Malaya the estimated force of Communist insurgents was 8,000, and finally deployed against them were 80,000 British, Australians, New Zealanders, Fijians, Dayaks and Gurkhas, and 180,000 Malayan troops and special forces. Despite this build up to a ratio of 32 to 1, the emergency lasted from 1948 to 1960. In the Indo-China war France deployed 380,000 men against Ho Chi Minh's 500,000 - a very different military situation.

The Hobart Conference of 1955 opposed the despatch of troops to Malaya. The Caucus declaration of April 26, 1950 was unanimously adopted, and it was endorsed by such members as W. Bourke, S. M. Keon and J. Mullens, who subsequently

(255)
(255) Official Report of Proceedings of the 21st Commonwealth Conference, A.L.P., Hobart, March, 1955, p.52. This Conference in a declaration on "International Affairs and World Peace" said "The Australian Labor Party is satisfied that the use of Australian Armed Forces in Malaya will gravely injure Australian relations with our Asian neighbours while in no way contributing to the prevention of aggression. The guerrilla operations in Malaya have lasted five years. They will eventually be ended by some form of agreement or amnesty. Action towards this end should begin now." The prophecy was erroneous. There was no amnesty at the end (though there were amnesties to individuals and groups) and Chin Peng wanted no agreement. The Conference did not consider what should be done if terrorism persisted.

became D.L.P. The Hobart Conference break up, alienating from Labor a large part of the Catholic vote among wage earners, made unchallengeable the whole South East Asia strategy of the Menzies Government from 1955 to 1965. E. J. Harrison's statement of April 20, 1950, was the first event in a series which revealed, however, an "Empire" stand in Government thinking, to culminate in 1956 in the Suez Crisis, to find later expression over Cyprus, but after Suez the United States became more and more important in the Government's thinking, and in West Irian and elsewhere the United States was not particularly sympathetic to "Empires".

Caucus had freely made its decisions on the Malayan emergency of 1950, but in 1955 there existed the Hobart Conference decision against the despatch of Australian troops to Malaya.⁽²⁵⁵⁾ The issue came before Parliament in a ⁽²⁵⁶⁾ statement of the Prime Minister, R. G. Menzies, on "Foreign Policy and Defence".

In this speech the Prime Minister claimed as the six cardinal principles of his foreign policy -

- (1) We support the Charter of the United Nations, its structure and procedures.⁽²⁵⁷⁾
- (2) We support and closely co-operate with the British Commonwealth,⁽²⁵⁸⁾ which existed before the Charter, whose strength is vital to the maintenance of peace, and which offers no challenge to the United Nations, since it has for years acted through that body in conformity with the spirit of its Charter.
- (3) We work incessantly for the closest collaboration between the British Commonwealth and the United States who, between them, are exemplars of peaceful pursuits and of high international ideals, contain the bulk of the military and productive power of the free world, and offer no aggressive threat to others.
- (4) We pursue good neighbour policies towards Asian countries in this section of the world.
- (5) We encourage the development of the world's peaceful trade, including our own with other countries.

(256) Commonwealth Parliamentary Debates, April 20, 1955, Vol. House of Representatives 6, pp.44-54.

(257) This contrasts with the attitude to the United Nations during the Suez affair.

(258) The expression needs clarification. India and Pakistan did not consider it the "British" Commonwealth.

- (6) We will justify the co-operation of other nations by ourselves accepting obligations, and doing what is necessary at home to make those obligations performable.

Referring to Malaya, and probably with Hobart Conference decisions in mind, Menzies said "there is always somebody willing to say that.....provision by.... Australia of military forces.....in an Asian country like Malaya....represents a form of imperialism". In contrast with the Harrison thesis of "teaching Malays a lesson" five years earlier Menzies made the interests of Malays paramount - "commitments of this kind are.....in the interests of Malaya..... We are not forcing ourselves on Malaya. The Malayan community knows perfectly well that it has.....the protection of British arms; that it is.....steadily moving towards self-government and that nothing but disaster could come if it were plunged by Communist aggression into a state of Communist serfdom."⁽²⁵⁹⁾ Menzies stated the proposition that it is better to fight in other people's countries and not in your own, a standard statement of later years, but rather better expressed than usual -

"If Communist forces again come on the march and a great war ensues, the farther North the lines of defence are drawn, the better for those communities of Vietnam, and Laos, and Cambodia, and Thailand, and Burma, and Malaya, and the Philippines, and Indonesia, and all the rest of us who wish to retain control of our future and govern ourselves in our own way."

He characterised the situation in words which Dr Evatt was later to comment upon with technicalities rather than to attempt to rebut it -

"The coming of independence to Malaya is being delayed at this very moment by the disorders brought about by the operation of Communist-inspired and Communist-led bandits. These bandits are not groups of nationalists fighting for the freedom of their country. You find the Malaysians not on the side of the bandits, but fighting as members of the local security forces to save their country. These Communists - 90 per cent of them Chinese - are not welcomed by the local people; on the contrary, they extort food from them by terror."

The debate was not resumed till April 27. At the Caucus meeting that day Dr

(259) Commonwealth Parliamentary Debates, April 20, 1955, Vol. House of Representatives 6, p. 49

Evatt notified members that he intended to move a motion. He did not seek the endorsement of this motion and he did not in fact move it in the House. The minutes read - (260)

"The Leader advised he would speak in the Foreign Affairs Debate tonight and during the debate it was intended to move -

"That this House records its disapproval of the proposals contained in the Prime Minister's speech to despatch Australian armed forces to Malaya."

A full attendance was requested when the vote was to be taken on May 3. Evatt in his speech⁽²⁶¹⁾ which lasted 90 minutes made some of the points made by the Tunku Abdul Rahman in "Foreign Affairs" in July, 1965, that the Terrorists would be isolated by a working programme of self-government in that public opinion would swing behind elected leaders. The clock of progress, Evatt complained, was being stopped until the guerrillas were destroyed, but the guerrillas would be defeated by the public support for a working democracy. However acceptable this might be for the people of Malaya in 1965 when uttered by the Tunku, it was not acceptable to the Australian electorate that year. Evatt quoted Sir Cheng Lock Teng, President of the Malayan Chinese Association -

"The minor benefits that an autocratic form of government like the one in Malaya confers on the country will never compensate for the spiritual degradation it involves."

Evatt could rarely resist a legality or technicality even if uttering one made it appear he wanted a free hand for terrorists -

"The problem of the guerrillas in Malaya is entirely outside the scope of Seato. It is not covered in Article IV(i) of the Treaty, because no case of aggression by means of armed attack has taken place."⁽²⁶²⁾

And thus the technicality -

"The Prime Minister erred in describing the Chinese engaged in guerrilla activities in Malaya as foreigners or immigrants who have recently arrived in the country. That is not the position. They settled in the Malayan peninsula before the first colonists came to Australia in 1788."⁽²⁶³⁾

The point about the Chinese terrorists was not that their ancestors had come before 1788 (anyway, Chinese migration had been continuous to Malaya just as

(260) Minutes, April 27, 1955

(261) April 27, 1955, Commonwealth Parliamentary Debates, Vol. House of Representatives, 6, pp. 190-205

(262) Ibid, p. 201

(263) Ibid, p. 198

European migration to Australia was continuous after 1788) but that they were trying to impose their authority in Malaya by armed force. Evatt argued against the use of troops from Australia exactly along the lines of Menzies' forecast -

"Australia's true role in South East Asia will not be helped but obstructed by the present proposal to send our armed forces to Malaya, either for garrison duty or to take part in jungle fighting. This will lead only to acute misunderstanding between the Asian peoples and Australia. It will be easily misrepresented as an act of aggression. (264)

R. G. Casey, Minister of External Affairs, replied - (265)

"One of the basic doctrines of defence is not to wait until the enemy is on your shores and your homes are being destroyed before you take steps to defend yourself..... We must rely, first of all, on the maximum force that we can create and organize, but that of itself will not save us from destruction. Therefore we must rely on the combination of Australia with the most powerful friends that we can find. We have found them but Labor did not."

No doubt Casey was referring to the United States, Great Britain and New Zealand. It is difficult to understand why Labor did not "find" them as friends. Perhaps Casey was referring to the refusal of Manus Base. Labor in office (but Chifley was Leader, not Evatt) had in fact co-operated with the "powerful friends" in the Berlin airlift, in Malaya, and, for that matter, in the Second World War.

The debate concluded Caucus consideration of Australian military action for terrorist control of Malaya, which was scarcely referred to in the House by Labor speakers again. The accomplished fact was accepted. The state of emergency ceased in 1960 when Chin Peng and a remnant estimated at 470 followers took to the jungle on the Thai side of the Malaya-Thailand border. Malaya was not again a subject of significant discussion until, merged in Malaysia, it faced Indonesian confrontation. The Parliament elected in May, 1954, was dissolved in November, 1955, and the twenty-second Parliament elected in December, 1955. At the 1954 elections Labor had gained 59 seats, the Liberals 47, and the Country Party 17. In the 1955 elections Labor gained only 49 seats, the Liberals 57 and the Country Party 18. In 1954 it had been near to Government, but the secession of voters to the A.L.P., Anti-Communist, (later the D.L.P.) weakened the Labor Party in 1955 and it was not again near to Government till 1960.

(264) Ibid, p. 200

(265) Ibid, p. 210

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THE KOREAN WAR (1950-53):

At the Cairo, Potsdam and Moscow Conferences during the Second World War, and in its immediate aftermath, Korea's independence from Japan had been promised, and an agreement that Soviet forces should occupy Korea North of the 38th parallel and United States forces occupy South of the parallel had been made.

Within a week of the surrender of Japan, on September 8, 1945, United States forces had landed at Juntzen, twenty miles from Seoul, the capital, and occupied their zone. By September 19, 1945, representatives of all political parties in South Korea protested against the division of their country, complaining it had made the country economically unworkable and that the arrangements even divided three provinces. In December, 1945, the "Big Three" Foreign Ministers - Bevin, Byrnes and Molotov - met in Moscow and arranged for a four-power trusteeship over Korea. The trustees were the United States, Britain, China and the Soviet Union. This trusteeship was to continue 5 years. The Soviet and the United States, it was agreed, were to supervise through a joint commission, and a Provisional Democratic Government was to be set up after consulting all political parties. Korea had some 400 political parties by this time.

By May, 1946, negotiations between the United States Commander in Korea (Major-General A. V. Arnold) and the Soviet Commander (Colonel-General Terenty Shtikov) for the purpose of establishing an interim government had broken down. The Soviet delegation refused to consult with Korean parties wanting immediate independence (by which they really meant a refusal to consult Syngman Dr Rhee). The United States contended that however deplorable it was that some parties did not accept the arrangements of the Foreign Ministers the previous December, yet it was not in accord with the United States conception of democratic political activity that these dissidents should not even be consulted. The Soviet Union tested the attribute of a Party being "truly democratic in its aims and methods" and therefore to be consulted, by whether or not it accepted the Four Power Trusteeship. Syngman Rhee accused the Soviet Union of seeking to "Communize Korea". This charge struck a responsive chord in the United States. It is the measure of United States wartime illusions that they expected Stalin to do anything else.

The occupying powers, in the developing atmosphere of the "cold war", got nowhere near to agreement on a Provisional Government for all Korea, and the matter subsequently went to the United Nations. A United Nations Commission for Korea was set up in October, 1947. Its objectives were that there should be

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By May, 1946, negotiations between the United States Commander in Korea (Major-General A. V. Arnold) and the Soviet Commander (Colonel-General Terenty Shtikov) for the purpose of establishing an interim government had broken down. The Soviet delegation refused to consult with Korean parties wanting immediate independence (by which they really meant a refusal to consult Syngman Dr Rhee). The United States contended that however deplorable it was that some parties did not accept the arrangements of the Foreign Ministers the previous December, yet it was not in accord with the United States conception of democratic political activity that these dissidents should not even be consulted. The Soviet Union tested the attribute of a Party being "truly democratic in its aims and methods" and therefore to be consulted, by whether or not it accepted the Four Power Trusteeship. Syngman Rhee accused the Soviet Union of seeking to "Communize Korea". This charge struck a responsive chord in the United States. It is the measure of United States wartime illusions that they expected Stalin to do anything else.

The occupying powers, in the developing atmosphere of the "cold war", got nowhere near to agreement on a Provisional Government for all Korea, and the matter subsequently went to the United Nations. A United Nations Commission for Korea was set up in October, 1947. Its objectives were that there should be

Korean elections by March 31, 1948. A United Nations Commission should supervise the election in each zone, and upon the formation of a Korean National Government, soviet and United States troops should withdraw. Ominously, Communist countries abstained from voting on the resolution which these actions. In January, 1948, the Soviet authorities refused the United Nations Commission permission to enter North Korea, and in February they proclaimed the formation of a "Democratic Peoples' Republic" and a "Peoples' Army" for Korea, that is, for North Korea with an ultimate claim to apply the proclamations to all Korea implicit in their attitude.

On March 3, 1948, Ernest Bevin, British Foreign Secretary, complained that the Soviet Union was claiming sovereignty over all Korea for the Democratic Peoples' Republic. The United States announced her intention to hold elections in South Korea on May 10, 1948, under the supervision of the United Nations Commission. In all these decisions in the United Nations the Australian delegation played an active part, supporting them all, but the Caucus was not in any way involved in the policies adopted by the Chifley Cabinet. They were Cabinet decisions.

The United States announcement of an intention to hold elections in South Korea produced strong Soviet opposition, and at Pyongyang an "All-Korea Joint Political Conference", convened under Soviet auspices on April 23, 1948, resolved that "under no conditions, under no circumstances, and at no time will the people approve of separate elections in South Korea. We will do out utmost to prevent the holding of separate elections in South Korea". With this resolution treated as a directive, South Korean Communists created disturbances and carried out sabotage during the election. Nevertheless a Korean National Assembly was in existence as a result of the elections by May 31. On May 1, in the North of Korea, a "Korean Peoples' Committee" adopted a Constitution for the whole of Korea, again signifying a Northern claim to all Korea.

Syngman Rhee had become South Korean President. The South Korean Assembly in November, 1948, declared that a Communist Army of 250,000 in the North was poised to cross the 38th parallel and asked for United Nations approval of United States troops to remain. In all this process, for reasons not explained or reported to Caucus, Dr Evatt had opposed the authorization by the United Nations of United States sponsored elections in South Korea.

On June 29th, 1949, United States troops, except for 500 advisers of the South Korean Army, had been withdrawn. On August 15, 1949, the Chifley Government, without the matter coming before Caucus, recognized the Government of

South Korea. South Korea complained of frontier clashes on the 38th parallel. On June 25, 1950, large scale invasion of South Korea by North Korean forces took place. On June 27 the United Nations Security Council called for military sanctions against North Korea. The Soviet Union, which could have vetoed any action, boycotted the Council on the ground that Dr Tsiang should not represent China there. By this time the Soviet recognized the new Chinese Communist regime, not that of Chiang Kai Shek. There are two puzzles concerning the Soviet attitude - her withdrawal of troops and her failure to veto the Security Council resolutions. The first action may have been to produce a United States withdrawal, with confidence in the subsequent ability of North Korea to conquer South Korea as a consequence. The failure to stay to veto United Nations action may indicate that the Soviet Union aimed to embroil Communist China with the United States. The Security Council resolution in any event put the issue before the Australian Parliament, and on July 6, 1950, a special one day meeting of Parliament took place. Caucus met the same day to consider policy in this matter. Caucus had never been consulted on Korea affairs by Chifley or Evatt before. This illustrates the fact that Caucus in Opposition has control of policy when policy means defining attitudes. Its control of policy when a Labor Cabinet is in office is not nearly so constant.

The minutes read:-

"Mr Chifley stated that the Executive had met and had considered the Government's proposals for calling the special meeting of Parliament to deal with the war situation in Korea and the action already sponsored by the Government. He stated that the Executive had prepared a statement of the Labor Party's attitude to the armed attack made upon the Republic of Korea by the forces of North Korea; and that the Government's action in supporting the Security Council of the United Nations Organisation on its declaration that urgent military measures were required to re-establish peace and security, and its recommendation to members of the United Nations that assistance should be furnished to the Republic of Korea in order to repel the armed attack upon it by North Korea should be approved by the Party."

He stated, inter alia, that the statement, as prepared, would be submitted to the Caucus by Dr Evatt who would move for its adoption. He also informed Caucus that, so far as he was aware, the Prime Minister, when submitting his statement to the House, would only deal with Korea, and he requested all members who would take part in the debate to adhere strictly to the question

of Korea."(266)

The statement subsequently adopted read:-

"The Federal Parliamentary Labor Party has given consideration to the armed attack made upon the Republic of Korea by the forces of North Korea. The Security Council of the United Nations determined that such armed attack constituted a breach of international peace within the meaning of the United Nations Charter. It called upon North Korea to withdraw forthwith its armed forces within the existing boundary between North Korea and Korea at the 38th parallel. This direction of the Security Council was disobeyed. Accordingly, the Security Council decided that urgent military measures were required to re-establish peace and security and recommend to members of the United Nations that assistance should be furnished to the Republic of Korea in order to repel the armed attack upon it by North Korea.

It is part of the basic policy of the Australian Labor Movement to give 'steady and unwavering support for the United Nations and for the purposes and principles declared in the United Nations Charter'(267) and also to achieve 'co-operation within the British Commonwealth of Nations in support of the United Nations organization for the purpose of maintaining international peace and security'.(268) These objectives have consistently been applied by Federal Labor Governments since the foundation of the United Nations in 1945.

The United Nations Charter aims at the preservation of international peace by providing that force shall be employed by the organization in preventing and repelling breaches of the peace and armed aggression. The territorial integrity of the Republic of Korea has been infringed by the armed forces of North Korea. The Security Council was clearly warranted in deciding that armed force should be employed by the United Nations for the purpose of restoring international peace in the area.

Consequently, the actions of those members of the United Nations in complying with the request of the Security Council by placing at its disposal certain armed forces were entirely justified. The United States, the United Kingdom, Australia and New Zealand, acted in strict conformity with their obligations under the United Nations Charter.

(266) Minutes, July 6, 1950. On July 4 the Federal Executive had met and, following suggestions on Foreign Policy from Chifley, re-affirmed their support for the United Nations Charter and its principles. Chifley had thus blocked any dissidence which might have been forthcoming from Caucus, but there would not have been much. It would probably have been confined to E.J. Ward, Senator Morrow and Senator O'Flaherty, who were instances of members publicly critical. In Caucus Senator O'Flaherty suggested that United States

In 1947, the United Nations intervened in the problem of establishing Korean independence by the appointment of a General Assembly Commission whose primary function was to take the preliminary steps to establish a unified and independent Korea in accordance with the promises made to the Korean people by the Allied leaders during World War II and endorsed subsequently by the General Assembly itself. This commission was continued in existence by the General Assembly in 1948 and 1949.

The present objective of the United Nations is not only the restoration of international peace but also the early establishment of a united, democratic and independent Korea which will itself, in due course, become a member of the United Nations.

In the view of the Labor Party, it is essential that this twofold objective shall be kept constantly in view.

The Labor Party has also considered the military contribution to the United Nations that Australia should be prepared to make in the present Korean situation.

The United Nations Charter contemplates that the contingents to be provided by a member should be fair and reasonable, having regard to the total membership of the United Nations and to the capacity of the contributing nations. Accordingly, while approving of commitments already announced by the Government of Australia in relation to Korea, the Labor Party is strongly of the opinion that any additional commitments should be undertaken only with the approval of Parliament.

The Labor Party is also strongly of the opinion that parallel with the military action now being taken, the United Nations should also take action by way of mediation and conciliation aimed at the voluntary withdrawal of the forces of North Korea to their own territory and the establishment of a United Nations authority for the purpose of bringing into being an independent, democratic and united Korea in accordance with the Declaration of Cairo of 1945 and the subsequent declaration of Potsdam."⁽²⁶⁹⁾

It was a resolution very much the individual work of Dr Evatt and embodying his experience at the United Nations. Though the resolution was carried unanimously

(266 contd) motives were "the mineral wealth of Korea" - the only time Korea was ever accused of wealth!

(267) and (268) Quotations from the platform of the Party as it had been left by the 1948 Conference.

(269) Minutes, July 6, 1950

public reservations were later expressed by Senator William Morrow and Senator S. O'Flaherty. In a sense Caucus had no problem since "firm and unwavering support for the United Nations" was the Labor Party platform. Nevertheless it will be noted that the resolution expresses the desire for a Parliamentary check on the number of troops to be committed, and this was extended by War in his speech to accusations that some in the Government intended to denude the country of manpower.

The Debate in the House:

Parliament had adjourned on June 23 and the meeting for which Caucus prepared was an extraordinary one day sitting on July 6. For the Government the Prime Minister (R. G. Menzies), the Treasurer (A. Fadden) and the Minister for External Affairs (P. C. Spender) spoke. The Opposition debate was led by J. B. Chifley, an unusual arrangement for discussions on international affairs. He was followed by H. V. Evatt, A. Fraser, L. Haylen, A.A. Calwell and E. J. Ward. Interjection occurred only on Ward's speech, which was calculated to disturb the unwonted unity of the Parliament - unwonted when international affairs were under discussion!

The Prime Minister reviewed the history of Korea in recent years, announced that the Australian warships "Shoalhaven" and "Bataan" would serve under United States command "on behalf of the Security Council", called for enlistment in the armed forces, and assigned Australia's fighter squadron, then in the occupation of Japan, to the Korean War.

He moved:-

"That this House, having before it the Charter of the United Nations and the recent resolutions of the Security Council in relation to Korea, approves of the action taken by the Government in placing at the disposal of the United Nations the forces indicated in the statement of the Prime Minister."⁽²⁷⁰⁾

Chifley⁽²⁷¹⁾ immediately pledged the support of the Opposition for the motion. He referred to Labor's record of support for the United Nations. He declared the need for Korea to have a "democratic, liberty-loving Government". He paid a tribute to the United States:-

"We realise that the United States will have to carry a very heavy

(270) Menzies' speech. Commonwealth Parliamentary Debates, July 6, 1950, Vol. 208, pp. 4836-4839.

(271) Chifley's speech, Ibid, July 6, 1950, pp. 4839-4841.

burden in that conflict and that before the trouble is brought to a successful conclusion other nations may also be heavily involved. Australia was proud to be associated with United States forces during World War II. I had some personal experience of active co-operation with the United States forces during that conflict. I hope that the harmonious relations that have existed between our two countries in the past will continue."

He affirmed the need for freedom and self-government to be granted everywhere in Asia. In its support for U.N.O., in its references to wartime relations with the U.S.A., and in its references to freedom in Asia, Chifley's speech demonstrated every important lesson learnt in the Labor Party during the war.

Fadden's speech, which last^{ed} four minutes, is little more than an expression of pleasure that the Parliament was united. (272)

Evatt reviewed the history of Korea again with a detailed account of United Nations proceedings. Normally his references to the United Nations were attacked as unreal, and W. M. Hughes had written a pamphlet deploring what Hughes regarded as his obsession with U.N.O. (273) But in this debate such criticisms had no place, since the war was a United Nations operation. Nevertheless Evatt touched on the weakness of U.N. - the veto, against which he had consistently campaigned. (274) The veto was inoperative only by accident he said:-

"That accident is the fact that Soviet Russia has been absent from the Security Council for a period of nearly six months, and was absent when the resolution was adopted. Had Russia been present at that time, the probability is that the resolution would not have been carried in accordance with the United Nations Charter. However, the fact is undoubted that the resolution is binding." (275)

Soviet delegate Gromyko's contentions to the contrary, Evatt argued, were "unsound".

Evatt's speech was, as often, legalistic, but there was compassion in it, and a desire for the emergence of a free government in Korea. He followed Chifley's example of warmth of appreciation of the United States:-

(272) Fadden's speech, Ibid, July 6, 1950, p. 4841.

(273) W. M. Hughes, "U.N.O., Dr Evatt and World Peace", Sydney, 1949.

(274) Evatt's speech. Commonwealth Parliamentary Debates, July 6, 1950, pp. 4841-4

(275) Evatt's speech, Commonwealth Parliamentary Debates, July 6, 1950, p. 4843

"No doubt there have been a few setbacks in the history of the United Nations, but there have also been many successes, and the support of the President of the United States of America has been of crucial importance to the world. I believe that his decision of a few days ago, when we were all waiting for a lead, will prove to be of immense benefit to the peoples of the world."

Ward's speech threw stones in the smooth pond of Parliamentary unity, but not in such a way as to oppose the motion. The Prime Minister, he alleged, had, during the war, always "wanted to run away overseas". Taunted irrelevantly about his appointment of "Jock" Garden to his Department during the war, he jeered at the interjector's use of his stamp allowance. Points of order flew. "It is only", Ward declared, "because the United Nations wants military action now that the political parties opposite have rushed in to support that body", whereas Labor had always supported it. Astonishingly he had doubts about South Korean desires for United States support - quoting their earlier wish for United States' withdrawal. This was, of course, a wish expressed in an earlier and different situation.

"There is a limit to what we can do in assisting the United Nations to carry out its decisions and we ought to recognize that limit."⁽²⁷⁶⁾

Apropos of no statement in the debate he accused "some honorable members opposite" of the intention to "denude" Australia "of every able-bodied man!"

Happily back in the atmosphere of accusation, the familiar hints at isolationism, and stress on the undesirability of forces being sent overseas, he concluded the debate. Nobody bothered to reply.

Australia had entered a war, with a unanimous Parliament. The Labor Party had unanimously decided to support the war, and stood on the principle that Australia must contribute to international organization to enforce peace. The Korean War was never in dispute.

(276) Ward's speech, Ibid, p. 4860

THE SUEZ AFFAIR, 1956

On July 26, 1956, Colonel Nasser, President of Egypt, nationalized the Suez Canal, touching off a crisis, which, a few months later, was to lead to an Anglo-French invasion of Egypt. The Australian House of Representatives had adjourned on June 22 and did not meet again until August 29. During this recess, in the month of August, the Prime Minister, R. G. Menzies, attended two London Conferences dealing with Suez. One proposed to Egypt a Board to operate the canal. The second proposed the establishment of a Suez Canal Users Association to collect canal dues, virtually ignoring Egypt. Menzies was the envoy to Nasser from the ^{first} London Conference. Caucus was in recess, with the Parliament, from June 20 until August 28.

The Suez Affair was debated in the House of Representatives three times - on September 25, 1956 (before the Anglo-French invasion of Egypt);⁽²⁷⁷⁾ on November 1, 1956 (the day of the expiry of the Anglo-French ultimatum to Egypt and Israel and the launching of the invasion);⁽²⁷⁸⁾ and on November 8, when a "cease fire" had come into force.⁽²⁷⁹⁾ Dr Evatt, as Leader of the Labor Party, and R. G. Menzies, had one thing in common during these debates. Neither wanted a word uttered on the subject of Suez by any of their Party colleagues, so that what took place, by their arrangement, was three two-man debates.

The Caucus minutes contain four references to the Suez crisis. Evatt, who was ultimately to find that he was supported by a unanimous Caucus, nevertheless discouraged discussion to such an extent that this unanimity was not revealed till the day of the third debate. Caucus was treated to Evatt monologues. The minutes of Caucus of September 19, October 31, November 1 and November 8 refer to Suez. The adjournment of the Menzies-Evatt debate of September 25, and the fact that the adjourned debate remained on the House of Representatives business sheet, was upon occasion quoted by the Minister for External Affairs (R. G. Casey) as a reason for not answering controversial, as distinct from factual, questions on Suez.⁽²⁸⁰⁾ The silence of the Minister for External Affairs on the real points at issue in Suez was complete. At no time

(277) Commonwealth Parliamentary Debates, September 25, 1956, Vol. House of Representatives 12, pp. 816-26 (Menzies) pp. 826-37 (Evatt).

(278) Commonwealth Parliamentary Debates, November 1, 1956, Vol. House of Representatives 13, pp. 2056-60 (Menzies) pp. 2060-66 (Evatt).

(279) Commonwealth Parliamentary Debates, November 8, 1956, Ibid, pp. 2115-20 (Menzies), pp. 2120-2126 (Evatt)

(280) e.g. Commonwealth Parliamentary Debates 9, October, 1956, Vol. House of Representatives 13, pp. 1231-32. R.G. Casey in reply to J.F. Cairns. Casey differentiated between factual replies to the Leader of the Opposition

did he appear to support the Anglo-French action; and Dr Walker, the Australian representative at the United Nations, had instructions which had apparently not allowed for invasion of Egypt. Dr Walker, in fact, abstained from voting on a United States resolution before the Security Council and supported a Soviet resolution.⁽²⁸¹⁾ This confusion may support Dr Evatt's contention that at the last moment the Australian Government was not informed by the United Kingdom Government of its intention to invade Egypt. It may also indicate, if Menzies knew of the invasion beforehand, secrecy on Menzies' part. The suddenness of the crisis, and Dr Evatt's conviction that he had said the last word for the Labor Party on the issue, were factors operating to hurry the issue out of Parliament. When Parliament sat again in March, 1957, the incident was over. Referring to Menzies, Evatt said in the November 1st debate -

".....he"(Menzies) "noted with pleasure - that was his word - the remarks of the President of the United States of America. President Eisenhower, whom the Prime Minister quoted, has said, as the right honourable gentleman pointed out, that the use of force in the Middle East is both unwise and improper. Clearly it is unwise because it is a wrongful act from the point of view of expedience and wisdom, and it is improper because, as the President made it clear, it is contrary to the Charter of the United Nations. Obviously it is. The Prime Minister said he was pleased with the President's statement - and I share his pleasure - that this difference of opinion will not extend to other matters. But we are not dealing with other matters. We are dealing with the issue of an ultimatum by the governments of the United Kingdom and France, directed nominally against Egypt and Israel, but really against Egypt only. Was it right that this should be done? What kind of policy has this Government on Foreign Affairs?

The Prime Minister has said that he is pleased with the remark of President Eisenhower. Apparently he does not mind the fact that Australia was not even consulted by the United Kingdom Government, despite the interests of this country in the Middle East, which the Prime Minister emphasized so eloquently only a few weeks ago when speaking of the Suez Canal dispute. At that time he said that we must act in concert with the United Kingdom. Now he does not worry about that. He goes even further and says that the action of the United Kingdom in issuing this ultimatum was right. President Eisenhower says it was wrong.

(280 contd) and debate. He regarded himself as "inhibited from replying" and "avoided any expression of opinion". Menzies was, in effect, his own Minister for External Affairs in the Suez crisis.
(281) As stated in Menzies' speech, November 1, 1956, Vol.H. of R.13, pp.2057-8.

It was not only the British Commonwealth of Nations that was not consulted. President Eisenhower first read of the ultimatum in the newspapers of his own country although there was ample time to notify him beforehand. As a matter of fact the Prime Minister read to the House only yesterday a statement made by the Prime Minister of Great Britain in the House of Commons, in the course of which it was pointed out that there had been consultation on the Middle East situation early this week, either on Monday or Tuesday, or perhaps on Sunday night between the United States, Great Britain and FranceI say they were not informed because Britain and France did not want them to know of it until action had been taken. It was to be an ultimatum delivered nominally to Israel and Egypt, but really directed at Egypt, and on this occasion.....no one can say that any one in the Security Council has suggested that Egypt was an aggressor. How could Egypt be an aggressor?..... Israeli forces are 100 miles inside Egyptian territory. Then comes the brilliant scheme! Whose mind thought of such a scheme?.....the genius who contrived the ultimatum says "Would you mind going back 10 miles on each side?" If Israeli forces went back 10 miles they would still be 90 miles inside the territory.....they were invading....Move Egyptian forces back 10 miles and they are away from the canal which they must defend..... (282)

The difference between Evatt and Menzies, and also between the Labor Party and the Government, stemmed from the fact that from the outset Evatt and Labor believed Egypt's nationalisation of the canal to be legal, and Menzies that it was an act of aggression justifying the use of armed force against Egypt. In the early stages of the crisis Menzies was abroad, and acted for the United Kingdom Government, and for the London Conference of signatories to the Suez Convention of 1888, in negotiations with Nasser. The mere fact of the negotiations, and the nature of the propositions which Menzies conveyed to Nasser, showed that Britain, France and Australia declined to accept the Suez Canal nationalisation at all. If the nationalisation of the canal was an act of aggression, the Anglo-French attack was counter-action. It was ostensibly justified by the desire to keep Israeli and Egyptian forces apart, and keep the canal open; but at no time was Menzies able to sustain the pretence that it was a police action which had nothing to do with anger and resentment against President Nasser. He showed such anger and resentment himself.

On August 30 Evatt asked Sir Arthur Fadden, who was Acting as Prime

(282) November 1, 1956, Commonwealth Parliamentary Debates, House of Representatives, Vol. 13, pp. 2060-2061

Minister in Menzies' absence at the London Conference, for the text of the proposals carried at the London Conference. Evatt suspected all along that these terms were not negotiable, and were intended as a virtual direction to Nasser. He asked Fadden if "those proposals are primarily a basis of discussion in order to settle the dispute". Fadden replied that the Minister for External Affairs, arriving home that day from abroad, would make known whether Dr Evatt's request for information could be complied with. (283).

The following week, on Tuesday, September 4, Casey replied to Evatt's question of the previous Thursday, giving the text of the statement endorsed by 18 nations of the 22 represented at the London Conference. (284) In the statement the preamble asserted that the signatories were "seeking a peaceful solution in conformity with the purposes and principles of the United Nations". It defined an "adequate solution" as one which would "respect the sovereign rights of Egypt including its right to just and fair compensation for the use of the Canal" while at the same time "safeguard the Suez Canal as an International Waterway in accordance with the Suez Canal Convention of October 29, 1888". They assumed for the purposes of their statement "that just and fair compensation" would be "paid to the Universal Company of the Suez Maritime Canal", and that in event of disagreement as to what constituted "fair compensation" there would be a "provision for arbitration".

They re-affirmed the principle of the Suez Convention of 1888 that there should be established "a definite system destined to guarantee at all times and for all the Powers the free use of the Suez Maritime Canal". With "due regard to the sovereign rights of Egypt" such a system should assure "efficient and dependable operation" and ~~maintainance~~ maintenance; the "insulation of the operation of the Canal from the politics of any nation"; a fair return for Egypt; tolls as low as consistent with these objects, and a profit only for Egypt.

"To this end operating, maintaining and developing the Canal and enlarging it so as to increase the volume of traffic in the interest of the world trade and of Egypt would be the responsibility of a Suez Canal Board."

Egypt would grant this Board "all rights and facilities appropriate to its

(283) August 30, 1956, Commonwealth Parliamentary Debates, Vol. House of Representatives 12, p. 17

(284) September 4, 1956, Commonwealth Parliamentary Debates, Ibid. pp. 135-136

functioning". Egypt would have a seat on the Board. The aim of the Board would be the "best possible operating results without political motivation in favour of or in prejudice against any user of the Canal". This point was clearly aimed to end Egypt's refusal of the use of Suez Canal to Egypt. The Board would make periodical reports to the United Nations. An Arbitral Commission to settle disputes as to an "equitable return to Egypt" was to be set up. "Effective sanctions for any violation of the convention by any party to it or any other nation, including provisions for treating any use or threat of force to interfere with the use or operation of the Canal as a threat to peace and a violation of...the United Nations Charter".

On this same day, September 4, 1956, Evatt referred in a question to a suggestion made by the Minister for the Army, J. O. Cramer, for the use of Australian military forces. Sir Arthur Fadden in a reply assured the House that a "misconstruction was placed on" the statement of the Minister, and that the use of Australian forces had "never been considered".⁽²⁸⁵⁾

~~Suez Maritime Canal~~ It was the task of Mr R. G. Menzies, the Australian Prime Minister, to "convey and explain" the London statement to Nasser. As, in the course of the crisis, Egypt's exclusion from the Canal was being suggested as a new stroke of policy, G. M. Bryant, Labor Member for Wills, asked - "Is it a fact that ships of Israel have, from time to time, been prevented by the Egyptian Government from using the Canal? What steps has this Government taken to bring this apparent violation of the 1888 Agreement to the notice of the Egyptian Government and other signatories of that agreement?"

Israel had been denied use of the Canal when the military protection of the Canal depended on British forces. Casey, in reply, said that the Security Council had directed Egypt to discontinue this embargo on Israeli shipping, but that the resolution had not had any effect on the Government of Egypt.⁽²⁸⁶⁾ Egypt claimed to be at war with Israel "technically".

On September 25 -

"Dr Evatt reported that the Executive (of the Parliamentary Labor Party) had considered the Suez Canal situation and it was recommended that a

(285) September 4, 1956, Commonwealth Parliamentary Debates, House of Representatives, Vol. 12, p. 136

(286) Question and Answer, 4 September, 1956, Commonwealth Parliamentary Debates, House of Representatives, Vol. 12, p. 141

full debate on the subject be sought and that in the meantime the Leader seek a statement from the Prime Minister on the situation. (287)

Evatt, in his statement to Caucus, held that the dispute was one for the Security Council and General Assembly of the United Nations. What Evatt meant by a "full debate" is not clear. To Caucus it would suggest a number of speakers, but the arrangement Evatt entered into caused the debate to consist of 72 minute speech by Menzies and a 78 minute speech by Evatt. The debate was then adjourned.

Menzies interpreted Nasser's action in nationalizing the Canal to be a reaction to an American decision and a fit of pique -

"On 26th July Colonel Nasser, stung by the refusal of an American loan for the High Dam, the Aswan Dam, purported, by a so-called nationalization decree, to terminate the concession and appropriate the assets of the Company. In express terms he made it clear that the Canal was being taken over so that financially it should serve the special needs and interests of Egypt. While he paid lip service to the 1888 Convention, the terms of which he had, in the judgment of the United Nations, glaringly broken in the case of Israel, he made it plain, though in rhetorical terms, that in future the Canal was to be an instrument of Egyptian politics and the servant of Egypt's financial needs. This position he re-asserted in our Cairo discussions. This high handed and, as I believe, illegal action, produced a world crisis."

A study of the interjections, however, shows that they ^{came} ~~came~~ thick and fast. After the Prime Minister philosophized on force for some time to a stunned Opposition, and then came back to the theme of force as one alternative policy. Looked at in retrospect it is hard to escape the conclusion that Menzies' speech of September 25, 1956, was intended to condition Australian public opinion for an attack on Egypt. Menzies characterized as "a suicidal doctrine" the view that force could never be employed except in self-defence and "except by and pursuant to a decision of the United Nations Security Council". Such a view "would mean that no force could ever be exercised against any friend of the Soviet Union except with the approval of the Soviet Union, which is absurd". He was referring in this passage to the existence of the Soviet Union's power of veto in the Security Council. What he objected to most about this view was that its exponents "enjoyed great prominence in Egypt, and profoundly.....influenced the current of our conferences with Colonel Nasser in Cairo."

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"They ended by convincing the Egyptian Government....that there was no danger in rejecting our proposals; that, force being absolutely out, Egypt could afford to sit back, agree to nothing, carry off the spoils of victory, and further build up its prestige in the Middle East."⁽²⁸⁸⁾

In his own view "the right to employ it (force) cannot be completely abandoned or made subject to impossible conditions".

Such a doctrine of abandonment of force would be contrary to the "lively and evolving history of the British Empire and the British Commonwealth of Nations". These entities were "not the product of any theory". It was our task to "build up a firm order of law and decency, in which smash and grab tactics do not pay". We were not to carry the search for peace so far that

"we stand helpless before unlawful actions which, if allowed to go on unchecked, can finally dissipate our strength and deprive the world of that power and authority, both moral and physical, which reside in the free nations."⁽²⁸⁹⁾

The Prime Minister felt that there were three stages of policy -

"First, negotiation for a peaceful settlement by means of honorable agreement. So far we have tried this without success. The failurehas not been due to any unfairness or illiberality on our side, but to dictatorial intransigence on the other."⁽²⁹⁰⁾

This was a reference to the first London Conference, which had charged Menzies with the responsibility for taking its proposals to Nasser. The Second London Conference constituted and defined a body to be known as the Suez Canal Users Association. This body was to collect the Suez Canal dues - a form of economic sanctions on Egypt....."the fruits which Colonel Nasser hoped for will be largely ungathered by him, and his attitude towards making the fair agreement we offered him vastly improved". By this device, also, the shipping nations paying their dues to the Suez Canal Users Association would be showing that they were not "prepared to allow their own economic sovereignties to be subordinated to the aggressive sovereignty of one nation." It was this Second London Conference which represented his second stage of policy.

"Secondly, the putting on of pressure by co-operative effort on the

part of the user nations. Colonel Nasser must be brought to understand

(288) September 25, 1956, Commonwealth Parliamentary Debates, House of Representatives, Vol. 12, p. 823

(289) Commonwealth Parliamentary Debates, Vol. House of Representatives 12, p. 824

(290) Ibid, p. 824

that his course of action is unprofitable to his country and his people, and that he is abandoning the substance for the shadow....The more Canal revenue is diverted from the Egyptian Government, the less will the Egyptian people believe that it pays to repudiate."⁽²⁹¹⁾

The third phase was to take the matter to the United Nations but should it, by reason of the veto, prove unable to act, "we may find ourselves confronted by a choice which we cannot avoid making -

- "(a) We can organize a full-blooded programme against Egypt, or
- (b) We can use force to restore international control of the canal, or
- (c) We can have further negotiation, provided we do not abandon vital principles, or
- (d) We can "call it a day", leave Egypt in command of the canal, and resign ourselves to the total collapse of our position and interests in the Middle East, with all the implications for the economic strength and industrial prosperity of nations whose well being is vital to ours."⁽²⁹²⁾

In the course of his speech he asserted that "E. J. Ward and J. F. Cairns "never agree with their own country. No doubt they are in close communication with Mr Shepilov, except that I must say he speaks very well".⁽²⁹³⁾ Further, there was one thing about Ward "He is always in favour of the enemy."⁽²⁹⁴⁾

Referring to Egyptian troops "incontinently" seizing "the premises and plant" of the Suez Coal Company, he said "This is what is advocated by the honorable Member for Yarra" (Cairns).⁽²⁹⁵⁾ These were answers to interjections, mostly unrecorded, indicating that the Hansard reporting staff could not catch individual interjections among many. Not since W. M. Hughes had painted a word picture of the disasters to follow Kemal Ataturk's alleged policy at Chanak in September, 1922, had such a word picture of disaster in the Middle East been painted in the House of Representatives as the Prime Minister depicted if Nasser nationalized the Canal - just as he identified his policy with "his country" in lashing at Ward and Cairns, so he insisted on regarding the closure of the Canal as a consequence of Egyptian nationalisation:-

"The third matter concerns the impact of the Suez Canal confiscation on

- (291) Ibid, p. 824
- (292) Ibid, p. 825
- (293) Ibid, p. 824
- (294) Ibid, p. 823
- (295) Ibid, p. 820

Australia and on the great new nations of South and South East Asia, whose interests we respect and have done something to help. So far as Australia is concerned, I need hardly say that an open canal is essential to British prosperity and that a closed canal could mean mass unemployment in Great Britain, a financial collapse there, a grievous blow at the central power of our Commonwealth, and the crippling of our greatest market and greatest supplier.

We are not alone in this. The nations and peoples of South East Asia, being much nearer to Suez than we are, are even more dependent on it than we are. Further even than this, Asia contains great populations which need the development assistance of foreign capital and friendly cooperation. Colonel Nasser's policy of repudiation in the name of sovereignty is not calculated to help the very countries whose admiration and support he is now claiming." (296)

The trouble with this argument is that, if "the nations with great populations" referred to meant India and Pakistan, ^(as they obviously were intended by Menzies to do) ~~as they obviously did~~, Nasser was not only "claiming" their admiration, he was getting it. He had their support at the United Nations. Menzies' powerful speech, designed to put opponents in the position of traitors, produced an atmosphere in the House similar to the Communist Party Dissolution Bill in 1951. The prospect of Britain taking military action always intimidated opposition in Australia with the mobilization of strong Imperial sentiment. But, unlike the Communist Party Dissolution Bill, Suez was not merely a question of Australian opinion. The United States, the Soviet Union, Canada, and the overwhelming majority of the United Nations opposed the course of action Eden and Menzies sponsored, and these forces were to break the policy and enable Egypt to achieve nationalisation, and none of the consequences foreseen by Menzies followed. Menzies advocated "enlightened self-interest" and he appealed to what he believed to be the "self interest" of countries of South and South East Asia. The ex-Colonial territories, however, supported Egypt, which they regarded as defying Imperialism. They would be prepared to face economic losses, had Menzies' analysis been correct, in the interests of anti-colonialism, colour sympathies and, in the cases of Pakistan and Indonesia, Moslem solidarity. Man does not live by bread alone.

(296) Ibid, p. 825

Menzies regarded the Soviet Union as the source of mischief, and tied the Soviet Union in with the Opposition.

"The second matter concerns the attitude and activities of the Soviet Union. I hope that honorable members opposite will not be too upset over this. My observations in London and since have convinced me that: First the Soviet Union is not locking for a world war, but is willing to stir up and foment trouble in those regions where the strength of the Western democracies can be materially weakened. Secondly, it is anxious to increase its influence in Egypt⁽²⁹⁷⁾ by the provision of arms and the development of economic ties. How to reconcile this with Egypt's sovereignty is a problem it will leave to Colonel Nasser. Thirdly, it has been in constant and persuasive touch with Colonel Nasser during the recent negotiations. It is of great significance that, at the first London Conference, Mr Shepilov openly declared the argument for Egypt, in terms, in phrases, in slogans, which I was later to hear used, word for word, by Colonel Nasser himself, in Cairo."⁽²⁹⁸⁾

The violence of the Prime Minister's speech had not been anticipated by the Labor Party, which had expected a routine report of the two London conferences, and ^{an} exposition of Government policy in the forthcoming Security Council meetings on the subject of Suez. Menzies had rarely taken over foreign policy like this in the past, the speeches on world affairs usually being left to P. C. Spender and R. G. Casey during their terms as Minister for External Affairs.

Evatt had merely sought from Caucus that morning authority to ask the Prime Minister for a debate. He began -

"I want to say immediately that I think it is appalling that on the very eve of the discussion of this dispute by the chosen representatives of the United Nations, the permanent and elected members of the Security Council, a speech of this kind should have been made in Australia. I can imagine that the arguments advanced by the Prime Minister would have to be considered under certain circumstances, but we must remember what the situation is. After weeks of delay, ^{ur} during which this ^{dispute} ~~speech~~ has been more and more exacerbated by violent speeches from this side and that - when finally the United Nations is to take possession of the dispute and, in a calm and deliberative way, try to mediate in order

(297) The Soviet Union assisted Egypt financially and technically with the Aswan Dam after an American refusal to assist. (July, 1956).

(298) 25 September, 1956, Commonwealth Parliamentary Debates, Vol. House of Representatives 12, p. 825

to get a settlement, - this type of speech is made."(299)

Evatt's insistence on the United Nations approach was consistent with the A.L.P. platform for "answering support" for the United Nations. Menzies' case against the United Nations approach had been his anticipation of the veto. In fact the veto was to be exercised by Britain during this crisis. Evatt reminded the House that the veto was possessed by the five permanent members of the Security Council. Evatt suspected the reference to the Security Council. Evatt suspected the reference to the Security Council was not genuine -

"We do not want what one English politician called 'a run through the Security Council', just to get the hands going up to indicate the numbers necessary to apply the veto, and then act, as the Prime Minister indicates."(300)

Evatt proceeded to reject what he considered pretexts. The contention that the nations of South and South East Asia were being considered, he scorned:-

"The Prime Minister referred to the great new nations of South East Asia. Just think of how they became nations!.....I remember statements made by Conservative leaders in Britain. Those men were not willing to consider Full nationhood for India, Ceylon, Pakistan and Burma."(301)

As for the idea that these Powers were indignant -

"The Prime Minister of India has suggested a plan. He has said 'What does it matter if we have Egypt running the Canal.....' ".(302)

Nothing had been done to open the Canal for Israel before. The indignation on behalf of the Suez Canal had not caused Menzies or anybody else to propose the Company's revival. If the nationalisation were not valid, as Menzies argued, "the property should be restored to the Company from which it was taken. But the Company has been kept out of it. The eighteen nations do not want to give control.....to the Suez Canal Company".(303) The argument about closing the Canal was absurd. Egypt was not trying to stop ships going through the Canal. It was vital to Egypt that they should. The Prime Minister had commenced his speech with a sneer at Egypt, said Evatt,

"He said that Egypt did not build the Canal. Who said they did?....but Egyptian labour was used for the work."(304)

He differentiated between Menzies and Casey and defended the United Nations.

"Something may appear impossible today, but one speech in the Security Council or the Assembly may transform the atmosphere. I regret that the

(299) 25 September, 1956, Commonwealth Parliamentary Debates, House of Representatives Vol. 12, p. 826

(300) Ibid, p.835 (301) Ibid, p. 827 (302) Ibid, p. 830 (303) Ibid, p. 828

(304) Ibid, p. 836

Prime Minister is not better acquainted with that atmosphere"....."I believe that the policy of the Minister for External Affairs in these gatherings is a policy of conciliation....."(305)

Evatt reported to Caucus on October 31, 1956, on the serious position developing between Israel and Egypt. We now know that the Government of France was encouraging ^{an} Israeli attack to provide the case for Anglo-French military action. Evatt's report suggested a general crisis. (306)

On the following day, November 1, there was an emergency meeting of the Executive of the Parliamentary Labor Party at 9.30 a.m. It drafted a statement of policy which, according to the minutes of the Federal Executive of the A.L.P., which happened to be meeting under the Presidency of F. E. Chamberlain, was taken by Dr Evatt and A. A. Calwell (the Deputy Leader of the Parliamentary Labor Party) to the meeting. It is probable, but not proveable, that Dr Evatt feared that, with Britain now at war, the Parliamentary Labor Party might waver or divide. The resolution of the Parliamentary Party's Executive does not appear in the minutes, and if it were not for the minutes of the Federal Executive its text would not appear in any Labor records. The resolution was provoked by the Anglo-French ultimatum to Egypt and Israel and the subsequent attack. The minutes of Caucus (307) read -

"Dr Evatt reported on a resolution which was drawn up by the Executive of the Parliamentary Labor Party and endorsed by the Federal Executive of the Party, concerning the Party's stand on the Israel-Egypt dispute."

The Parliamentary Executive meeting at 9.30 a.m. was followed at 11 a.m. by the visit of Evatt and Calwell to the Federal Executive and the meeting of Caucus at 1.45. Caucus endorsed the resolution and congratulated the Parliamentary Executive.

The minutes of the Federal Executive A.L.P. show (308) that the document handed to it by Evatt and Calwell read -

"This morning a special meeting of the Executive of the Parliamentary Labor Party considered the crisis in Egypt and unanimously adopted the following resolutions:-

- (1) That the Executive of the Parliamentary Labor Party expresses its strong condemnation of the threat of military force contained in

(305) Ibid, p. 837

(306) Minutes, October 31, 1956

(307) Minutes, November 1, 1956

(308) Minutes, Federal Executive Australian Labor Party, November 1, 1956

the ultimatum addressed by Britain and France to Egypt and Israel; and also the subsequent use of force in pursuance of that ultimatum.

- (2) In our opinion the real object of the ultimatum was to obtain effective possession and military occupation of the Suez Canal Zone - which is admittedly Egyptian territory - for the purpose of enforcing against Egypt an alteration of the present method of control and operation of the Suez Canal.
- (3) We repudiate the principles stated by Mr Menzies in Parliament in his Suez Canal Speech⁽³⁰⁹⁾ and we accept the principles stated in reply to Mr Menzies by the Leader of the Opposition⁽³¹⁰⁾ affecting the use of force or threats of force in international affairs - viz. that such threats or use of force are contrary to the Supreme Charter of the United Nations and can be justified only where military force is authorized by the United Nations Organization, or is used in self-defence against an armed attack as provided in Article 51 of the Charter.
- (4) In the present crisis we are in agreement with the attitude of the British Labor Party in condemning the ultimatum to Egypt.
- (5) We demand immediate reconsideration of the present disastrous situation either by the Security Council or by the General Assembly for the purpose of achieving an immediate cessation of hostilities between the United Kingdom and France on the one hand and Egypt on the other.
A copy of this request to be immediately forwarded to the Secretary-General of the United Nations.
- (6) The Labor Party declares that it will oppose any attempt by the Menzies Government to involve Australia in the Suez Canal War.

The Federal Executive minutes note its own unanimous endorsement of these six propositions from the Parliamentary Executive.

This was the first time in history that the Labor Party opposed entry into a British war - as distinct from the Malayan Emergency police action which was not an international war.

Armed with these propositions Evatt debated in another two-man debate against Menzies on the night of November 1st. By then the attack on the Canal

(309) i.e. the speech of September 25, 1956, Commonwealth Parliamentary Debates, House of Representatives, Vol. 12, pp.816-826

(310) Ibid, pp. 826-837

Zone by Britain and France was under way.

The Israeli invasion of Egypt was an action for which Egypt was scarcely in a position to complain. Casey, in a reply to G. M. Bryant on September 4, had drawn attention to the fact that the exclusion of Israeli ships from the Canal by Egypt (for years before the Canal nationalization) had been founded on an Egyptian assertion that Egypt was in a state of war with Israel. Under those circumstances, whoever was entitled to complain of Israeli action, Egypt was not. Menzies said nothing of any Anglo-French encouragement of an Israeli attack on Egypt and this was never admitted by him in his career as Prime Minister. He treated the outbreak of fighting as spontaneous.⁽³¹¹⁾ In explaining the outbreak of war the opening paragraphs of his speech in fact justify Israel, but this was no relevant part of his argument justifying Anglo-French military action. The debates of November 1 and November 8 are characterised by an almost total absence of Opposition interjections and, as a consequence, none of the personal insults in Menzies' speeches which were a feature of the debate on September 25. The silence of the Opposition was a tactical measure asked for by Dr Evatt and consonant with the gravity of the brief Suez war.

The key passages of Menzies' speech justified a claimed lack of consultation (did Menzies in fact know of collusion between France and Israel and the pre-arrangement of the attack which made consultation at the last moment unnecessary?); and justified the Anglo-French invasion.

"I now proceed to say something about two questions which will present themselves to the minds of honorable members in relation to the actions of Great Britain and France.

First, is the United Kingdom at fault in not having engaged in a pre-consultation with the other British Commonwealth countries? Our answer to this question is that she was not at fault at all. The circumstances were those of a great emergency. Hostile armed forces were rapidly approaching each other, and extensive combat was imminent. As I have said, in that combat vital interests in the passage of the Canal were quite likely to suffer the most serious damage. The canal is an international waterway with a guaranteed freedom of passage for the ships of all nations; but that guarantee would cease to have much value if the Canal itself was put out of action by becoming part of a theatre of

(311) November 1, 1956, Commonwealth Parliamentary Debates, Vol. House of Representatives 13, pp. 2056-2057 (spontaneous in the sense of no reference to Anglo-French encouragement) also *ibid* pp. 2115 (November 8)

active war. There was literally no time to be lost if any action was to be taken to keep the combatants out of the Canal area, and afford it proper protection."⁽³¹²⁾

This, of course, ignores the fact that the invasion could not have been mounted in the 12 hours of the ultimatum. The troops had been ready for weeks. It also ignores the fact that the moment the invasion was launched the Egyptians could, and did, block the Canal by sinking ships in it. The "protective" action produced the situation it was ostensibly designed to prevent. Menzies continued -

"Effective consultation.....would plainly have occupied considerable time and the urgent position might have fallen into irretrievable disaster. In our opinion, therefore, Great Britain, whose canal and other Middle East economic interests are so vast, was correct in proceeding upon her own judgment and accepting her own responsibility.....The second great question that arises is as to the propriety of the action taken by Great Britain and France. Upon this point the Government of Australia believes that the action was proper. It had already been demonstrated, in the case of the Israeli ships, that a resolution passed by the Security Council and condemning Egypt can be set at nought in the absence of strong executive action. Israel has also ignored some United Nations' views....the Canal would have been involved in war long before any United Nations' action could become effective. Great Britain and France, therefore, decided that they would, so to speak "hold the ⁽³¹³⁾pass."

The purpose was to have Israeli and Egyptian forces withdrawn, he said, "so that the operation of the Canal would not be menaced". It was a "police action taken in a state of great emergency" and its aim was "to enable counsels of moderation thereafter to prevail".

"We see nothing sinister in all this. On the contrary, it seems to us to be quite realistic and to pay due regard to the moving and inexorable facts of life."⁽³¹⁴⁾

There was, however, one regrettable fact. The United States did not support the action. It was "a great misfortune" that there had been "public differences between those two great democracies", a breach which could "give satisfaction only to the Communist powers in their continuing cold war."

"But I would like to urge with all humility that our friends in America

(312) November 1, 1956, Commonwealth Parliamentary Debates, Volume House of Representatives 13, p. 2058

(313) Ibid, p. 2059

(314) Ibid, p. 2059

129
~~130~~ 259

should understand the pressure of events upon both Great Britain and France, and the true nature of the action taken by them; action which, if both resolute and prompt, may well be the only means now existing for preventing a general conflagration in the Middle East."⁽³¹⁵⁾

If it be true that France encouraged an Israeli attack on Egypt, that could scarcely be a formula for preventing a general conflagration in the Middle East. It would be a formula for igniting one. Menzies, however, insisted that the object of Britain and France was "not to make war, but to prevent war by separating the two belligerents." The Australian Government had not made "any commitments", nor had it been asked to commit itself. It was still "open to Egypt to end the present military operations" by withdrawing its troops 10 miles from the Canal.

Evatt half way through his reply was subjected to sustained heckling from the Government benches, including from Menzies himself. He ridiculed the ultimatum, provoking a barrage of interjections which became an uproar then and again when he suggested the life of an Egyptian was as important as any life in the world.

On the ultimatum:-

"Then the ultimatum says "unless you both agree to do this"⁽³¹⁶⁾, we will come in with armed forces and occupy the whole of the Canal zone...and... Ismailia, Suez and Port Said! Was there ever such a transparent device used in international affairs? What was the real object?"⁽³¹⁷⁾

As for President Eisenhower:-

"What would the great General Eisenhower have said about it?"⁽³¹⁸⁾ He would have said "It is monstrous. I could not stand for such a proposition. I could not occupy the position of President of the United States and endorse it. How can I, if Egypt is being attacked, compel the people who are defending their own country to move back 10 miles."⁽³¹⁹⁾

The whole policy was "simply to allow the British and French forces to occupy the Canal Zone, and to return to the position from which Great Britain withdrew voluntarily a few years ago."

Evatt attacked the ruthlessness of the bombing, provoking an uproar which

(315) Ibid, p.2059

(316) i.e. withdraw 10 miles from the Canal.

(317) November 1, 1956. Commonwealth Parliamentary Debates, Volume House of Representatives 13, p. 2061

(318) i.e. "it" was the ultimatum. Evatt was discussing the concealment of the ultimatum from Eisenhower.

(319) November 1, 1956. Commonwealth Parliamentary Debates, Volume House of Representatives 13, p. 2061.

caused the Speaker to "remind the House that the Prime Minister was heard in silence, and I ask honorable members to pay the same respect to the Leader of the Opposition". Evatt drew attention to Dr Walker's vote on behalf of Australia at the Security Council, supporting a Soviet resolution condemning the ultimatum. He speculated on Walker's future vote, producing the following exchange:-

"Mr Menzies - 'If you are really interested, I can tell you that Dr Walker's instructions in the General Assembly will consist of my statement tonight.'

"Dr Evatt - 'He will find some difficulty in fathoming it.'

"Mr Menzies - 'He is a very intelligent man.'

"Dr Evatt - 'He must be if he can understand that statement.' "(320)

There was a contradiction, Evatt suggested, in expressing pleasure in Eisenhower's statement and taking action contrary to it. Menzies had justified lack of consultation with Commonwealth countries. Evatt commented -

"I consider that, if the governments of Australia.....Canada and New Zealand were not consulted they should now bring all their persuasive powers to bear on Great Britain and France....."(321)

Evatt pledged to oppose "any attempt by the Menzies Government to involve Australia in what may in truth be described as a Suez Canal War".

The House adjourned till the following Thursday, November 8, in the early hours of the morning on Friday, November 2.

In the weeks interval the Suez invasion became a fiasco, with world opinion strongly against Britain and France, and United States pressure against them decisive.

Menzies made his third speech on Suez in the atmosphere of a "cease fire" in Egypt consequent upon the announcement by the United Nations of an international force for use in the Suez Canal Zone.

November 8 was a special one day sitting of the Parliament to consider Suez and the use of Soviet forces in Hungary, where Soviet tanks had crushed a rising.

The Caucus minutes record that the Executive of the Parliamentary Labor Party had met:-

"Dr Evatt reported on the Executive discussion on the Suez Canal Dispute and the unanimous recommendation was that the Leader, in reply to the Prime Minister's statement of this day, would re-affirm the Labor Party's attitude that Australia should act in accordance with the spirit of the

(320) Ibid, p. 2064

(321) Ibid, p. 2065

United Nations and support a contribution by Australia to a United Nations Police or Peace Force in Egypt."⁽³²²⁾

The Caucus meeting lasted only 25 minutes. Dr Evatt indicated the lines he would take in a debate on the Hungarian situation. This again was a two-man debate - the participants being Sir Philip McBride (Minister for Defence) and Dr Evatt. It followed the two-man debate on Suez.⁽³²³⁾

In Menzies' third speech on Suez he again took the line that a war had broken out between Israel and Egypt⁽³²⁴⁾, which had threatened the Canal and necessitated Anglo-French police action. He specifically and angrily denied an Anglo-French conspiracy with Israel -

"For example, it has been repeatedly said from Cairo that the Anglo-French action in Egypt was the result of a pre-arrangement between Great Britain, France and Israel. This story was always fantastic, and particularly so to anybody familiar with the efforts made by Great Britain to avoid conflict between Jordan and Israel or Israel and Egypt. But the propaganda has gone on. There must be quite a few scores of millions of people today, particularly in Asian countries, who have been persuaded to believe that this allegation is true."⁽³²⁵⁾

This statement of Menzies is contradicted by Anthony Nutting, Minister of State for Foreign Affairs (1954-56) in the United Kingdom Government. According to Nutting, General Maurice Challe, Deputy Chief of Staff for the French Air Force, and Albert Gazier, Acting Foreign Minister in the French Government, met with Sir Anthony Eden and Anthony Nutting at Chequers on October 14, 1956 -

"The plan as (Challe) put it to us was that Israel should be invited to attack Egypt across the Sinai Peninsula and that France and Britain having given the Israeli forces time to seize all or most of Sinai should then order both sides to withdraw their forces from the Suez Canal in order to permit an Anglo-French force to intervene and occupy the Canal on the pretext of saving it from damage by fighting. Thus the two Powers would be able to claim to be "separating the combatants" and "extinguishing a dangerous fire" while actually seizing control of the entire waterway and of its terminal ports, Port Said and Suez."⁽³²⁶⁾

As for Menzies' picture of Britain's efforts to keep peace between Israel and Jordan, thus Nutting:-

⁽³²²⁾ Minutes, November 8, 1956

⁽³²³⁾ Hungarian Debate, November 8, 1956, Commonwealth Parliamentary Debates, House of Representatives 13, pp. 2126-2128.

⁽³²⁴⁾ Ibid, p. 2115 ⁽³²⁵⁾ Ibid, pp. 2118-2119

⁽³²⁶⁾ Melbourne "Age", May 29, 1967. Article by Nutting.

"As part of our cover plan and to heighten the impression that Israel was about to attack Jordan, it had been agreed with the French and Israelis that, as and when Israel began to mobilize her forces, feint concentrations should be made near the Jordanian border, after the rumour had been spread by the Israeli Military Intelligence that Iraqi forces had entered Jordan. At this point we were to "warn" the Israelis that an attack on Jordan would bring into play the Anglo-Jordan Treaty. This, it was felt, would not only put Nasser off his guard, but would enable us to pose as true "peace keepers" in the Middle East."⁽³²⁷⁾

Dr Evatt knew nothing of the Challe-Gazier conversations with Eden and Nutting but his deductions came close to the truth:-

"....it is perfectly clear from the statement of Sir Anthony Eden, which the Prime Minister read in this House last week, that the British Ambassador was instructed to go to the Israeli Government in Tel Aviv, and that he got from it the information that there was mobilization of a very special character. He got the assurance of the Government of Israel that there would be no attack on Jordan. That meant, obviously, that there would be an attack on Egypt and, from the very first.....it is perfectly clear that the British and French move was timed to coincide with that deep penetration of Egyptian territory by the forces of Israel!"⁽³²⁸⁾

Menzies persisted in the view that Suez invasion was a "police action":-

"These two great powers, therefore, concluded that action was necessary if the Suez Canal was to be kept free and open and out of the zone of war."⁽³²⁹⁾

Evatt rejected this:-

"They said it was a police operation. Is it? When a peace officer..... sees two persons brawling in the street.....is it his function to come in and kick to death.....the one who is practically collapsed? That is exactly what happened in Egypt, and Great Britain and France treated the incident as an opportunity to wage war against Egypt."⁽³³⁰⁾

Menzies had a number of comments to make on Hungary, the Soviet Union, and the Soviet Union's action in Egypt -

"It therefore comes as a shock to civilized onlookers to find that at the

(327) Melbourne "Age", May 30, 1967, Article by Nutting

(328) November 8, 1956, Commonwealth Parliamentary Debates, House of Representatives Vol. 13, pp. 2121-2122

(329) Ibid, p. 2115

(330) Ibid, p. 2123

very moment when the Soviet Union has, by brute force and savage rapacity, been crushing the flame of independence in Hungary.....it should have the effrontery to pose as the defender of Egyptian liberty and to issue the wildest threats against the Western Powers". (331)

He was sensitive to the charge that the Egyptian imbroglio encouraged the crushing of Hungary.

".....it has been said by some that the action taken by Great Britain and France in delivering an ultimatum to Egypt and Israel and following it up by armed action encouraged the Soviet Union to make an attack on the people of Hungary. This statement is monstrously untrue." (332)

Evatt in his Hungarian speech contended that British aggression "tipped the scales in Soviet planning towards violent action" and that "British defiance of United Nations Assembly resolutions has sapped the Assembly's strength at a most critical moment." (333)

Evatt quoted German opinion to the same effect. He also emphasized the United Nations General Assembly resolution which called upon the United Kingdom and France to withdraw all their forces immediately from the Egyptian territory immediately, stressing that it was carried by 65 votes to 1 (Israel dissenting). "The General Assembly of the United Nations may be considered as representing the public opinion of all the world." (334) Evatt agreed with Menzies' strictures on Hungary and that the threat of Russia to intervene in Egypt by force "is completely wrong and completely unlawful". Over the years Evatt had been accused that his foreign policy had been "a one man band", and he took time for some revenge for this.

"Of course the tragic figure of the Minister for External Affairs (Mr Casey) during this situation needs only to be mentioned without being described. He is everywhere but at the point where decisions are being made. He should be at the General Assembly when the General Assembly is meeting. But he is not; he is in Great Britain or in Canada. Similarly, when decisions were being made here, he was away. When decisions were being made in Egypt or in England, he was here. I believe that he understands far better than the Prime Minister what the obligations of the United Nations are and that he would not have been - and he should not have been - a party to the great blunders that have been made." (335)

(331) Ibid, p. 2118

(332) Ibid, p. 2119

(333) Ibid, p. 2128. The quotations are from the "Manchester Guardian".

(334) Ibid, p. 2120

(335) Ibid, p. 2125

However much a "one man" foreign policy developed on the Government side the Suez crisis showed the same phenomenon on the Labor side. Four foreign policy debates took place in a row with Evatt arranging and exercising the sole prerogative to speak for Labor. His Suez speeches were among his best. The Hungarian debate died swiftly for the House had been called back for only the one day (November 8) and did not resume till March 19, 1957. On April 2, 1957, the House had the benefit for the first time of a speech by Casey which dealt with Suez.⁽³³⁶⁾ Evatt complained that he dealt with it "by completely omitting...the most appalling events" - the invasion of Egypt. Evatt said that Casey always gave an impression of goodwill⁽³³⁷⁾ and rebuked an interjection of Calwell to the effect that Casey ought to resign with the reply "It would be a great pity if he did."⁽³³⁸⁾ But Casey had dealt with events in Vietnam, Suez was over, the Canal re-opened and foreign policy was no longer pre-occupied with the Middle East but with South East Asia. The Labor Party's stand on Hungary - United Nations action - had come to nothing. Hungary, too, was finished.

In the 37 years between the Treaty of Versailles in 1919 and the Suez affair in 1956, Caucus had moved from isolationism to alliances (during the war), and support for the United Nations after the war. It had played little part in the decisions on foreign policy made by the Curtin and Chifley Governments. These Governments greatly expanded the Department of External Affairs, established a diplomatic service independent of Britain's; and had pursued a foreign policy, often parallel with Britain's but in no way subordinate. In the Chanak affair in 1922 Caucus simply wanted Australia to play no part. It had not asked for League of Nations action. In the Suez crisis Caucus virtually defined Britain and France as aggressors, and asked for United Nations action, even addressing the Secretary-General. In the Chanak episode Matthew Charlton had committed the Party to an attitude before it was consulted. In the Suez affair Evatt had not done quite that, but his initial speech owed little to any Caucus resolution. It owed much to the Party Platform, which on Foreign Policy was virtually his. Both Charlton and Evatt, however, in the respective situations had unanimous support.

Before the existence of the Federal Executive in 1916 the interpretation of the Platform was vested in Caucus. After 1916 it was vested in the Federal

⁽³³⁶⁾ April 2, 1957, Commonwealth Parliamentary Debates, House of Representatives
Vol. 14, pp. 410-419

⁽³³⁷⁾ Ibid, p. 419

⁽³³⁸⁾ Ibid, 423

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(338) Ibid, 423

Executive, subject to appeal to Conference. The Executive of the Parliamentary Labor Party was thus technically correct in seeking the endorsement of the Federal Executive for their November 1 Suez resolutions, but the submission of these resolutions to the Federal Executive had depended on the fortuitous circumstance that it was meeting in Canberra at the time. Had this not been so, the resolutions would have been submitted to Caucus directly.

There is no doubt that Evatt, in this delicate matter, wanted no Party disunity and trusted no other voice but his own. Menzies was in the same position. He had forcibly seized hold of foreign policy and, in conjunction with Eden and the French - the real power being theirs - had produced a situation in which Britain retained neither the goodwill of the Arab world nor control of the Canal. British troops were escorted out of Egypt by Canadians. Action, which depended on the support of the United States, had been taken deceiving the United States. Menzies "went it alone" in the House and so did Evatt. Hence the strange two-man debates.

CAUCUS AND DEFENCETHE "CITIZEN ARMY":-

The future members of the Parliamentary Labor Party in the first Federal Parliament campaigned in the first federal elections without a leader and without a general federal platform. Among these individuals was one, William Morris Hughes, whose ideas on defence were highly unusual. He was an advocate of a form of conscription. He came from the United Kingdom at a time when the Englishman's immunity from conscription was held to be a mark of an Englishman's freedom, as contrasted with the liability of continentals to training and the dominance of a military caste.

In an interview published in "The Bulletin" in February, 1901, "Hermes" discovered these views of "W.M. Hughes, M.L.A. for Lang (Sydney), The Longshoreman's Champion" -

".....Yes, I'm going for the all-Australian Parliament. The Federal Labor League has selected me for West Sydney.....the great questions are - White Australia, Old-Age Pensions, a National Bank, and a Democratic Military System.....The military question is one the party will have to watch closely. It will want careful adjustment. This country can't afford a big standing army, and doesn't want it if it could. The standing army means the military caste, altogether antagonistic to democratic practices and ideals, as seen in the insolence and cruelty of the German officers to civilians. Citizen soldiers are cheaper and the Boer War has proved their efficiency for defence. The whole population (male) ought to be trained to arms, every male between 13 and 21 undergoing three months training every year, of which six weeks should be continuous. By 21 he should be a fair soldier and a respectable shot. After 21 the term might be shortened so long as he kept his shooting up to standard. I take it this country doesn't want an offensive army, but an armed people who can shoot straight, and a regimental machine so that every man can fall automatically into his place no matter how suddenly the trouble comes. Straight shooting should be encouraged by assistance to rifle clubs and national prizes for good marksmanship. Encourage shooting until it becomes the national sport, as archery used to be in England."⁽¹⁾

J. C. Watson, the first Leader of the Parliamentary Labor Party, credited W. M. Hughes with originating the idea of compulsory military training:-

(1) "The Bulletin", Sydney, February 17, 1901.

"The Leader in this new conception among the Party was the Hon. W. M. Hughes, who tabled a motion in the first session of the Federal Parliament favouring compulsory military training, but secured only a few supporters. Thenceforward he continued to advocate the principle, in and out of the House, and gradually won over members of the Party."⁽²⁾

This statement is inaccurate. Hughes moved, not a motion, but an amendment to the Second Defence Bill, and the episode took place during 1903, not in 1901. The First Defence Bill was in fact withdrawn. What became most significant about Hughes's amendment to the Second Defence Bill was that Watson seconded it. The early defence policy of the Australian Labor Party was formulated at the Conferences of 1902, 1905 and 1908. At these Conferences the decisions were taken for a Citizen Army, an Australian Navy, and for compulsory military training. Watson was a delegate at all these conferences and played a decisive part in the compulsory military training decision. Hughes was at none of the conferences. Whatever Hughes's part in inspiring members of Caucus, the role of inspiring Conference was left to Watson. Watson's references to Hughes may be influenced by fact, but they are modified by modesty.

Hughes's motion was presented in the House of Representatives on August 5, 1903⁽³⁾ and withdrawn. Hughes had not been authorized by the Party to move any amendment to the First Bill in 1901, but he circulated an unrecorded amendment which was never moved. There is a reference to this on August 30, 1901 and this may have been the motion to which Watson referred. Hughes did not speak to it. It is recorded in the minutes⁽⁴⁾ that "the Defence Bill was discussed shortly, when it was determined to consider the Bill at the next Caucus meeting" but no decisions were subsequently made, and the most divergent views were expressed by Labor members. The July-August debates of 1901 show the views of Labor members uninfluenced by any federal platform. The debates on the Defence Bill of 1903 by contrast show the influence on Labor members of the decisions of the Conference of 1902 in Sydney - decisions greatly affected by members of Caucus who were delegates at the Conference.

In the Parliamentary debates of 1901 Hughes held that conscription was implicit in the very nature of government -

"every government has, by the very nature of government, the power to call out its citizens in a defence of the country."⁽⁵⁾

(2) The Watson Papers, Australian National Library. Paper entitled "The Labor Movement", Section headed "Attitude on Defence". (Page 13 of 16 pages of typescript).

(3) Commonwealth Parliamentary Debates, August 5, 1903, Vol. XV, p. 3093

(4) Minutes, July 10, 1901. (5) Commonwealth Parliamentary Debates, 31 July, 1901, Vol. 111, p. 3292

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Charles McDonald, Labor member for Kennedy (Q.), and later first Labor Speaker, was at the other extreme, and sought to rebut the Hughes-Watson contention that conscription for a Citizen Army was the answer to militarism. To Hughes and Watson a conscript Army meant Australian national independence. Since neither favoured a foreign policy independent of Britain, as both demonstrated in the Boer War debates, there is probably an element of appeal to radicalism rather than sincerity in this approach. To McDonald, Australian conscription meant British recruiting in Australia, as, indeed, Hughes's attitude in 1916 was subsequently to demonstrate. McDonald said -

"Some honourable members say that in order to prevent the growth of militarism it is wise to have some form of conscription....It might be thought that with such a system it would be much more difficult for the wealthy classes of the country to place themselves in a position of control. I do not, however, agree with that view, and I hope that no such system will ever be introduced here. I hope that the day will never come when we shall have conscription in full force.....I trust that the day will never dawn when Australia will be a recruiting ground for the British Army."⁽⁶⁾

In the debate on the Defence Bill of 1903 Andrew Fisher joined in the assault on the Hughes-Watson amendment for compulsory service -

"I venture to tell the Leader of the Labor Party that it is not a question to be dealt with without an appeal to the electors." - and he attacked the argument that "moral backbone of our young men can best be built up in barracks."⁽⁷⁾

The attitudes of Hughes, Watson and Fisher were to remain consistent. Fisher, as Prime Minister, declined to impose conscription for overseas service. Hughes and Watson were expelled on the issue, but Hughes and Watson had always contended down till the First World War that compulsory military training did not mean conscription for overseas service. McDonald had caught the real meaning of their positions in his speech. If it came to the point, they would conscript for Britain.

These differing positions were not wholly without some Caucus sanction. A Committee appointed at the first full Caucus meeting on May 8, 1901, drew up a tentative platform presented to the Caucus meeting of May 20, 1901, and

(6) Commonwealth Parliamentary Debates, 7 August, 1901, Vol. 111, p. 3519
(7) Commonwealth Parliamentary Debates, 5 August, 1903, Vol. XV, p. 3103

debated at subsequent meetings. (8)

Watson was a member of the Committee and it recommended

"A Citizen Army" (9)

Watson presided at the Conference of the Labor Party at Sydney in 1902 and with the Vice-President (T. Price) and the Secretary (A. Hinchcliffe) was appointed to a Committee "to embody the resolutions adopted by the Conference as a Labor Platform and report to the Conference the next day". (10) There had been no debate on a Citizen Army, but among the "Planks" produced by Watson, Price and Hinchcliffe was "Citizen Defence Force"

Watson had made a reference to a citizen army during the debate which arose out of a resolution to limit defence expenditure. Watson's intervention is recorded -

"The President thought they might make a mistake if they specified the amount to be expended on defence. They wanted a declaration in their policy that the Army should be one of citizens, not a standing army. Every man should understand the use of his rifle." (11)

The "Citizen Defence Force" Plank, which emerged from Watson's Committee, was adopted. It seems safe to assume this was Watson's personal achievement, for at the Conference he was its only advocate, yet a "Citizen Defence Force", as it then stood on the Platform was not yet what Watson had envisaged - "Every man should understand the use of his rifle." It was not yet universal training. That was to be Watson's battle at the Conference of 1908. Watson's experiences in Caucus could have led him early to the conclusion that Caucus was not the best place in which to formulate a defence policy. The May 20 meeting in 1901 never led to an adoption of the Citizen Army plank. He was appointed to a Committee to study the first Defence Bill (12), but as the Bill was withdrawn the Committee dissolved. He was appointed to an Estimates Committee of the Parliamentary Labor Party. (13) Despite the fact that three members of the Committee - Ronald, McDonald, and O'Malley - were distinctly anti-military, and Batchelor and Fowler, its other members, only intermittently interested in defence, apparently it was Watson who got through this Committee a recommendation to Caucus "that Citizen Forces be encouraged". The Estimates Committee made a recommendation to Caucus concerning expenditure which was adopted by the 1902 Conference on the motion of Senator W. G. Higgs (Q.). (14)

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(15) The Watson Papers, National Library, Section "Attitude to Defence", p.13

The 1902 Conference in Sydney and the 1905 Conference in Melbourne left the recruitment of the citizen army a question of voluntary enlistment. Watson, in his paper "The Australian Labor Movement"⁽¹⁵⁾ draws attention to the first Labor defence platform pre-federation. "The New South Wales Platform.....proposed 'establishment of our military system on a purely voluntary basis'," and he adds "there was little variation in the other colonies". The 1905 Conference in Melbourne shifted "A Citizen Army" from the general to the fighting platform.

It was Watson's conviction, however, expressed at the 1908 Conference in Brisbane, that the only method of giving effect to the Party's platform for a Citizen Army was to adopt compulsory military training. Before this took place thought was given to the creation of an Australian Navy.

The Australian Navy:

Any Australian Army, however recruited, was inevitably stationed in Australia, in peacetime at least, and under Australian control. It was not inevitable, however, that the naval defence of the Commonwealth should be entrusted to an Australian-owned or Australian-controlled navy.

Prior to federation the naval defence of the Australian colonies had been conducted by British naval forces. The naval question after federation, at least as debated in the Labor Movement, amounted to this: should Australian naval defence be conducted by the Royal Navy or should a Royal Australian Navy be created?

For more than a generation before Australian federation, House of Commons sentiment in the United Kingdom had favoured self-governing colonies sharing the burden of defence with the Imperial Government. On March 4, 1862, the House of Commons unanimously resolved:-

"That this House (while fully recognizing the claims of all portions of the British Empire to Imperial aid in their protection against perils arising from the consequences of Imperial policy) is of the opinion that colonies exercising rights of self-government ought to undertake the main responsibility of providing for their own internal order and security, and ought to assist in their own external defence."

The creation of the Royal Australian Navy is not quite the pioneering achievement that, in Australia, it is often believed to be, for the Colonial Defence Act of 1865 conferred upon colonies the right to build naval vessels and create naval forces, subject to the approval of the United Kingdom Government, and on terms which made such forces part of the Royal Navy. Their crews could have the status of Royal Naval sailors or Royal Naval reservists.

New South Wales, Victoria, Queensland and South Australia had naval forces under the terms of the Colonial Defence Act (1865). They had been encouraged - indeed enjoined - to this course by the Report of a Royal Commission to the House of Commons in March, 1882 -

"With regard to the larger question of Naval defence of Australia generally as an integral portion of the British Empire, and (defence) of Australian commerce on the high seas, the time, in our opinion, has arrived when the colonies may reasonably be expected to take upon themselves some share of that defence - a burden hitherto exclusively borne by the mother country."

The idea of an Australian Navy was not exclusive to the Labor Party, as Labor propaganda tended later to suggest, but there was certainly a Conservative group opposed to it, and some rationalized an opposition based on a reluctance to relinquish colonial status as an opposition to expense.

After Federation the Prime Minister, Edmund Barton, approached the British Admiral Commanding on the Australian Naval Station and asked his views on a general scheme of naval defence. The Commonwealth had inherited four petty colonial navies and was maintaining them as part of the Royal Navy. The whole discussion is set out in a Parliamentary Paper.⁽¹⁶⁾ The British Admiral (Beaumont) advised against an Australian Navy, and recommended that the small forces inherited from the four colonies, which had now become States, should be abolished.

Beaumont stated the naval defence needs of Australia as "A squadron of at least six cruisers in commission, two of them first class cruisers of 7,000 to 8,000 tons displacement, and the others second class cruisers of the improved Highflyer type". He also advocated that "there should, in addition, be two such second class cruisers in reserve". As for authority -

"The vessels should be under the Admiral in Command of His Majesty's ships on the station, the crews subject to the Naval Discipline Act, and embarked under the same terms of engagements as in the Royal Navy." While he thought that "the future may see the creation of an Australian Navy" his recommendation was for a scheme of local training of reserves and a contribution of £190,000 to an Imperial squadron. He thus recommended what George Pearce, later to be perennial Minister for Defence, inside the Labor Party and

(16) Senate Paper No. 22, August 28, 1901.

outside it, castigated as Imperial "tribute".⁽¹⁷⁾ At the Imperial Conference of 1902 the Barton Government consented to "tribute", i.e. a naval subsidy, of £200,000 - £10,000 more than Beaumont had recommended. Beaumont believed that the Commonwealth "should take no part in the creation or maintenance of Naval Reserves or State Naval Forces". For the Federal Government to form a permanent force out of existing colonial navies would not be sufficient for Australian defence "unless the force is only intended to supplement the crews of His Majesty's ships in war".

These ideas were congenial to Sir John Forrest, Minister for Defence from January 17, 1901, to August 7, 1903. Forrest, a reluctant and belated convert to the cause of federation, had not been enthusiastic about the creation of an Australian nation, let alone an Australian Navy. He had once asked plaintively why the colony of Western Australia should seek to set up a government in the Eastern States which did not love it, whereas it was known the Imperial Government did. In the first defence debate he was shocked at a suggestion of Watson's to acquire 100,000 rifles - the cost would be £500,000! In a memorandum to Barton, Forrest, as Minister for Defence, wrote -

"I am not prepared to recommend under existing conditions the establishment of an Australian Navy. Even if it were established I am afraid it would not be very efficient."

Cost is argued by Forrest as a major consideration, but there is not much doubt that what really motivated him was what was to be called later in Canada "the Crown Colony mind".

"Duty and stern necessity require that we shall stand shoulder to shoulder with the Motherland in the determination to maintain inviolate the integrity of the Empire."

As to cost, only Great Britain could raise money:-

"Great Britain spends annually on her Army and Navy about £50,000,000.... or about £1.5.0. per head of her population. If the Australian Commonwealth contributed in the same proportion it would amount to something like £5,000,000 a year, whereas our entire military and defence vote does not exceed £800,000 a year, or only about 4/- per head of population."

As it happened, the Federal Conference of the Labor Party considered the

(17) In a speech in the Senate. Pearce's speech, 19 August, 1903, Commonwealth Parliamentary Debates, Vol. 15, pp. 3794-3800

question of naval defence before the Caucus of the Federal Parliamentary Labor Party did. In a debate influenced by all the considerations made public by the Senate Paper No. 22, and Forrest's public statements,

The Conference held at Sydney in December, 1902, debated "The Naval Subsidy" - the title of a section of the Conference Report.⁽¹⁸⁾ Caucus considered naval questions for the first time in July, 1903.⁽¹⁹⁾ The Conference, however, had 9 Caucus members as delegates from various States, including the Leader of the Party, J. C. Watson; the Leader in the Senate, Senator Gregor McGregor, and the future Minister for Defence, Senator George Pearce. In addition, there were W. G. Spence, F. Tudor, E. L. Batchelor, C. C. McDonald, Senator W. G. Higgs and Senator Hugh De Largie. Senator Pearce, consistent with his later opposition in the Senate to the "tribute" moved

"That this conference opposes the proposal for an increased subsidy to the Imperial Government for the maintenance of an Imperial squadron, and considers that any money available for naval defence should be used in the formation of a Navy that would be owned and controlled by the Commonwealth."⁽²⁰⁾

Sir John Forrest might quail before costs but the seconder of Pearce's motion (Guthrie) airily advised the delegates

"by keeping the proposed £200,000⁽²¹⁾ for their own use they could have a permanent ship fully manned of 3,200 tons, 320 feet in length, 42 feet in beam and of 12,000 nominal horse power."

Conference, digesting these technical details, was assured that the 200,000 highly elastic pounds would provide

"in addition four cruisers, one of which could be stationed at each port and used in peace time for the training of men."⁽²²⁾

Forrest would certainly have refuted that statement had it been made in the House of Representatives. It was also sceptically received by J.T. McGowen, later Premier of New South Wales. McGowen asked Watson if Pearce's motion would mean the withdrawal of the present subsidy (i.e. of £106,000 a year).

Watson said that he "understood the motion to mean that on the expiration of the present arrangement the Labor Party would oppose any similar

(18) "Official Report of The Australian Labor Conference, held at Sydney, N.S.W. in December, 1902", p. 10

(19) Minutes, July 8, 1903

(20) Report (1902) p. 10

(21) Barton's proposal to increase the subsidy from 106,000 to 200,000 (at the Imperial Conference) was publicly known by the Conference's time of meeting,

(22) Report (1902), p. 10

arrangement in the future."

McGowen proceeded to refute Guthrie's estimates -

"Mr McGowen pointed out that the £106,000 would have to be paid for a definite period. It would take four years to manufacture the vessels mentioned by Mr Guthrie and all the time the £100,000 (sic) would have to be paid. Under those circumstances how much money would be available as mentioned in the motion. Australia today was not protected by the Australian squadron.⁽²³⁾ It was the whole of the British Navy that gave moral protection. If the Federal Parliament established a sinking fund with a view of ultimately getting an Australian squadron⁽²⁴⁾ he would be with them, but to say to the members of the Federal Parliament "refuse to continue the present subsidy" was unwise and impracticable."⁽²⁵⁾

Delegate Guthrie was evidently badly shaken by this for when a delegate named Phillips moved "that the next business be proceeded with" he seconded that as well, endeavouring to stifle Pearce's motion which he had supported. Conference refused to proceed with the next business; instead it carried Pearce's motion with only three dissentients, and these did not include McGowen or any member of the Federal Parliamentary Labor Party. (One dissentient, H. Beard, later became a member of the House of Representatives for Batman (Victoria) in April, 1910, and died in December, 1910).

Pearce, in concluding the debate -

"argued that Conference should express its desire for an Australian Navy. The enemy that might vitally affect the interests of the workers was Japan".⁽²⁶⁾

In July, 1903, Sir Edmund Barton moved the second reading of the Naval Agreement Bill, which was an agreement between the Admiralty and the Governments of Australia and New Zealand.⁽²⁷⁾ This, Sir Edmund said, no doubt using the meticulous calculations of John Forrest, meant that

"under the new agreement we are to have a squadron of modern ships, the cost of which is roughly from £2,000,000 to £2,500,000 and that is what we are to get for a payment of £200,000 a year, as against a payment of

(23) By "Australian squadron" McGowen meant the Royal Naval Squadron assigned by the Admiralty to the Australian Naval Station.

(24) In this connection he means an Australian owned squadron

(25) Report (1902), p. 10

(26) Report (1902), p. 10

(27) Barton's speech, Commonwealth Parliamentary Debates, July 7, 1903, Vol. XIV, pp. 1772-1802, a marathon speech

£106,000 a year for ships whose prime cost was about £850,000."

This represented a naval cost increase of $4\frac{1}{2}$ d. a head of population - from 8d. to $1/0\frac{1}{2}$ d.!

The next day Caucus met, and the relevant minutes read:-⁽²⁸⁾

"O'Malley moved 'That Party unite in opposing subsidy'. Motion ruled out of order. O'Malley moved, McGregor seconded, 'That Party favour opposition to subsidy'. Higgs moved, McDonald seconded 'That without wishing to bind every member on the question of a naval subsidy this Party is of the opinion that it would be expedient as well as just to oppose the renewal of the subsidy in any form and that if it cannot be carried the Party should oppose any increase of the present subsidy'. O'Malley withdrew his motion. Brown moved as an amendment 'That the Party, while not making the question a Party one, should endeavour to act on the subsidy in harmony with the policy laid down at the Sydney Interstate Conference'. Fowler seconded. Batchelor moved 'That Party oppose ratification of the Naval Agreement on the ground that the people have not had an opportunity of expressing their opinion on the subject'. O'Malley seconded. The other motions were withdrawn and Batchelor's carried."

The final decision arrived at seems pointless. Objection to the Bill on the ground that it had not been submitted to the people in a referendum would have been a ground of objection to every Bill. Defence was clearly a responsibility of the Commonwealth, and a Labor Conference had been prepared to declare that a proper exercise of the defence power was to create an Australian Navy. Caucus apparently considered itself free to disregard the decision of the Sydney Conference notwithstanding that Brown and Fowler had invoked the platform.⁽²⁹⁾

In the Senate debate Pearce opposed the naval subsidy, proposed an Australian Navy, and seconded a proposal that the Naval Agreement Bill should be referred to a select committee.⁽³⁰⁾ Senator Higgs had moved this. At the 1902 Federal Conference in Sydney Higgs had moved two resolutions, both carried, one to the effect that "the policy of the Commonwealth was defensive, not offensive" and the other to the effect that military expenditure should be kept at the level of the year immediately preceding June 30, 1899".⁽³¹⁾

(28) Minutes, July 8, 1903

(29) "Brown" was Thomas Brown, M.P. for Canobolos and later for Calare (1901-13). "Fowler" was J.M. Fowler, M.P. for Perth 1901-1922.

(30) Pearce's speech, 19 August, 1903, Commonwealth Parliamentary Debates, Vol. XV, pp. 3794-3800

(31) Report, Australian Labor Conference, Sydney, 1902, p. 10

Pearce had told the Sydney Conference that

"they should state why they opposed the subsidy, viz. because it was not a contribution to the defence of Australia.....for the present contribution they had been getting a set of obsolete vessels".⁽³²⁾

His line of argument in the Senate was consistent with this. He asked the Senate -

"Are we to assume that if we reject this measure Great Britain will at once withdraw all her fleets from these waters - that there will be no Australian squadron⁽³³⁾ - and that in time of war we shall be left at the mercy of any enemy of the Empire? If that is the view taken, we have a very small opinion of the value which Great Britain places on her commerce in these seas."⁽³⁴⁾

Pearce's speech shows original thinking - Holland's ability to get on with an insignificant navy, a false prophecy concerning Japan's inability to oppose Russia effectively in Manchuria, and the future of the United States' power. Its vital feature was the opposition to "tribute" and the demand for an independent defence in the form of a national navy.

"If it is necessary for the naval defence of Australia that this payment should be made, why do we not disband our militia and pay £750,000 per annum to the British Army for land protection?"

He foresaw circumstances when there might be no protection from Britain -

"The argument for an Australian Navy is that the British Navy has its own work to do."⁽³⁵⁾

Watson's speech showed preoccupation with cost, Hughes's showed preoccupation with effective defence.

Captain Groswell, whose thinking was to guide the Labor Party advocates of an Australian Navy, Watson thought underestimated the cost.

"I desire to say at once that I have every sympathy with those who wish to see the development of an Australian Navy."

But this was for the distant future -

"It is almost impossible to look forward to the immediate establishment of an Australian Navy."⁽³⁶⁾

(32) Ibid, p. 10

(33) i.e. Squadron of the British Navy stationed in Australia

(34) 19 August, 1903, Commonwealth Parliamentary Debates, Vol.XV, p. 3794

(35) Ibid, p. 3796

(36) July 14, 1903, Commonwealth Parliamentary Debates, Vol. XIV, pp.2044-2048

W. M. Hughes attacked the Naval Agreement Bill as postponing for ten years the development of an Australian Navy.

"Further, I entertain a very strong objection to Australia being used as a recruiting ground for the Imperial Navy.....I object to the utter absence from the agreement of any provision for the establishment of any Australian fleet."

During the currency of the agreement £2,000,000 would be paid to Britain.

"At the end of that period what shall we have to show for such an expenditure? We shall not have even a canoe by which we could cross the Yarra."⁽³⁷⁾

The Labor Party had no real argument against those who asserted the policy of an independent navy to be impossible until Party spokesmen became bolder in advocating the raising of money for defence purposes. The 1905 Conference made no alteration to defence policy, but printing for the first time the platform under the headings of "Fighting Platform" and "General Platform" it caused "Citizen Army" to be part of the "Fighting Platform" and an Australian-owned Navy" to be part of the General Platform. Probably the belief that cost would prevent immediate action motivated the item's relegation to a place among the more distant objectives of the Party set out in the "General Platform".

The Citizen Army and a Compulsory Basis:-

Acceptance by the A.L.P. Federal Conference in Brisbane, 1908 of Watson's motion that compulsory military training "for all males" was the "only method of giving effect to" the Party's platform for a Citizen Army was the culmination of at least seven years' effort by Watson -- Watson would say the culmination of at least seven years' effort by Hughes.

It was accepted as democratic defence for Australia as a homeland -- but ultimately Hughes and Watson fought to extend compulsion to European battlefields.

It was accepted as an answer to the rise of Japan, recently victorious over Russia in the war of 1904-5, -- but in the First World War many of the men trained under the schema went to Europe and Egypt escorted by Japanese cruisers.

It was accepted as a logical consequence of the "White Australia Policy" -- but most men trained under it who fought in war fought Germans in Europe. It fitted Australia to meet the need for mass armies in Europe in the slow war of attrition of 1914-18. The 1908 decision is the bridge between Labor thinking

(37) July 21, 1903, Commonwealth Parliamentary Debates, Vol. XLV, pp.2313-2323

as expressed by Senator George Pearce in 1901, when he held that 12,000 men were enough for Australia to contribute from its manpower for the South African War, to the thinking expressed by George Pearce in 1916, when 300,000 men were not enough, and further drafts of manpower were needed for the Western Front. In short, it bridged the gap between an Australia of colonial contingents to an Australia intervening in a struggle in Europe between European Great Powers.

Caucus men in the Conference:

The debate on Defence in the Conference of 1908 is one of the most carefully reported in the records of Federal Labor Conferences. (38)

It was very largely a debate conducted by members of the Federal Parliamentary Labor Party, and one who was soon to be a member -- Frank Anstey. Apart from Watson, J. Hutchison, M.P., J. Catts, M.P., King O'Malley, M.P., W. A. Holman, M.L.A., Senator De Largie, W. G. Spence, M.P., Senator Henderson, Senator Needham, Frank Tudor, M.P., James Hurst, Mrs K. Dyer, Senator Givens and Ben Watkins, M.H.A., spoke. The debate is one of the clearest revelations we have of the state of opinion in Caucus, for Caucus arguments are not recorded and the Conference arguments of Caucus members are recorded.

Watson claimed that "the scheme which had been laid down by the Deakin Government was very largely on the lines of that mapped out by Mr Hughes, to whom a great deal of the credit was due in this connection". Although Watson did not name Japan, he clearly referred to Japan when he is reported as explaining -

"They had to face the position with respect to a people who were clever and warlike, and who were not governed by altruistic motives. There was the prospect, too, of the awakening of the sleeping giant - China." This implied that compulsory training would be for home defence.

Watson argued that

"peace could only be secured by being prepared for war - by having every male trained and ready to take up arms in defence of his native land.... At the present time in Australia only one in 50 was trained, and he wanted to see the other 49 trained and ready should the necessity ever arise. The suggestion that his proposal meant militarism was altogether erroneous. The citizen force was the antithesis of militarism, which

(38) Official Report Fourth Commonwealth Political Labor Conference, Brisbane, 1908, pp. 16-20.

meant a body of janissaries, or soldiers who lived altogether apart from the people, and were ready to crush them when wanted."

This argument surely could mean that the great conscript armies of Europe were the antithesis of militarism. To counter the suggestion that they meant militarism Watson read to the Conference and had incorporated in the record a lengthy article by "a well known Socialist Leader and writer in England", Mr Quelch, in a magazine article entitled "Socialism, Militarism, and Mr Haldane's Scheme".

The Australian Labor Party appears to have accepted the quotations given by Mr Watson with scarcely any demur.

For instance, he quoted Quelch as writing -

"Now this is not a new question. It has been discussed over and over again in the International Congress of the Socialist Party, and the conclusion always arrived at has been that the only way in present circumstances to promote peace and combat militarism is not by disarmament but by increased armament - by the abolition of all professional standing armies and the military training of all citizens so as to render all professional armies unnecessary."

Quelch preached a new basis for the equality of man with man - equality in a thorough military training. Watson read this excerpt to the Conference:-

"We Socialists advocate the military training of all citizens and the abolition of professional armies, as ensuring the maximum of military efficiency and the minimum of menace to democratic principles and popular rights.....We propose that every man should undergo a thorough military training so as to be equal to any other man. No one suggests that with such universal training all strife would cease, or that the master class would lose their ascendancy. In advocating this universal training we are pre-supposing present class antagonism and the ascendancy of the master class."

What Quelch aimed at, and Watson endorsed the aim, was "the Armed Nation - the real nation in arms". In some unexplained way this was not militarism, jingoism or conscription.

It was democratic, according to Quelch, because otherwise "the master class" would be "unfortunately more powerful with a small body of janissaries of trained professional soldiers" (expressions which Watson adopted in his own speech),

"in the midst of an unarmed untrained people, than they would be if all

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"in the midst of an unarmed untrained people, than they would be if all

were equally well armed and well trained.....As to the contention that such universal military training would encourage militarism and jingoism the very reverse would be the case. With the responsibility for war brought home to every household there would be far less jingoism than there is today when 'respectable' people put out their fighting as they do their washing, for others to do, and consider that they are wasting the money they spend on the army unless there is some fighting going on. Universal military training - every citizen drilled and armed - with no professional soldiery, would free us from the menace to civil liberty constituted by a standing army in the midst of an un-armed population, while it would provide in the most economical manner possible the most efficient means of national defence that could, under any circumstances, be required.....It is for social democrats to take hold of this opportunity to oppose conscription and militarism, and to push forward their own proposals of the Armed Nation - the real nation in arms - every man a citizen and every citizen a soldier."

Neither Britain nor Australia had conscription in 1908, so that the idea that universal military training was an "opportunity to oppose conscription" was strange. Watson endorsed the reasoning about a "master class" in a half-hearted way, but showed his real interest was national defence when he is reported as follows:-

"In conclusion he urged that it was essential from the Labor standpointaltogether apart from the question of their interests as citizens generally - that the whole of the male community able to carry arms should be trained, and whilst only a small section remained so trained it was a distinct menace to the national safety of Australia. Today under the prevailing military system, the arms of the community were under the control of the people of privilege - the employing class - but he wanted to ensure that all should be placed on an equality in the training to arms, and that it would not be a monopoly of one particular class. Every man was at any rate liable for service in time of war... and that being so it was in the highest degree necessary that he should be trained, for without training such a man was not only inefficient, but a danger to his own comrades. They must face the position firmly, and in order to do that he hoped the resolution would be carried."⁽³⁹⁾

It is hard to believe that Watson really thought that "the arms of the

(39) Official Report, Fourth Commonwealth Political Labor Conference, Brisbane, 1908, pp. 16-17

community" were "under the control of the people of privilege - the employing class". They were under the control of the Government of the day, Labor or non-Labor, and he was advocating universal military service under the control of the Deakin Government. Caucus as a consequence of the Brisbane Conference, we have already noted, decided to move amendments to Deakin's Defence Bill in favour of compulsory training.

There is no record that any one objected to the description of a nation in arms as being "a Socialist aim". It would certainly not have been Keir Hardie's conception of Socialism.

J. Hutchison, M.P., seconded the motion. He feared danger from "the East". He looked forward to the day when "the Labor Movement was strong enough throughout the world to stop all wars", but until that day preparedness was necessary.

J. Catts, M.P., wanted to link "Citizen Force" with its financing by "direct taxation". He fought for this in Caucus after the Brisbane Conference. "Defence", he said,

"meant insurance on property, and those who had their property protected ought to be asked to pay for it".

Watson interjected,

"That is a separate question. We want to affirm the principle laid down in the motion."⁽⁴⁰⁾

Catts did succeed at the conclusion of the debate in having carried by 29 votes to 3 a motion "That military and naval expenditure be allotted from the proceeds of direct taxation",⁽⁴¹⁾ and this became point 13 of the General Platform. Compulsory military training was included in point 5 of the General Platform.⁽⁴²⁾

The most forthright opposition from a member of the Federal Parliamentary Labor Party came from King O'Malley, who considered that the conscription methods of Europe and militarism were involved. The report reads:-

"Mr King O'Malley wondered if the Labor Party had gone mad on militarism. Labor had been fighting and warring for justice and freedom, and now they proposed to adopt the most diabolical methods of Europe, and give the gilt-spurred roosters power to blow a bugle and snatch farmers' sons, business men's sons, and Labor men's sons and send them to the front."

(40) Official Report, Fourth Commonwealth Political Labor Conference, Brisbane, 1908, p. 17

(41) Ibid, p. 20

(42) Ibid, p. 40

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(40) Official Report, Fourth Commonwealth Political Labor Conference, Brisbane, 1908, p. 17

(41) Ibid, p. 20

(42) Ibid, p. 40

He had evidently not taken much note of Watson's views expressed in the House before 1905 for he is reported as complaining -

"He was surprised to hear Mr Watson, whom he regarded as the spirit of liberty and the palladium of justice, speaking in such warlike tones about being prepared, and getting ready. He thought it was foolish for the Labor Party to get mixed up in this way with anything that smacked of militarism."

O'Malley had an un-Marxian terminology of class war. The proletariat were "roosters", the bourgeoisie were "Brahmapoetra roosters", the military "gilt spurred roosters" and moneyed people "hoodleiers".

Senator De Largie affirmed that

"whilst he was supporting the resolution none could say that he favoured militarism, for from his early boyhood he had seen too many instances of the manner in which militarism operated in connection with the suppression of men who stood up for their rights in industrial strikes."

These were his radical credentials. Senator De Largie considered that

"in Japan's forces lay Australia's danger. Were they going to meet a possible invasion from that quarter with an elaborate apology, or a desire to refer the matter to the Arbitration Court, or take the proper course and train our men for any eventuality that might arise?"⁽⁴³⁾

Fear of Japan was also expressed by Holman who, while supporting training for adults, opposed "the miserable cadet system and the erroneous views it tended to create on immature minds".⁽⁴⁴⁾

Mrs Dyer saw no need for compulsion and "no urgency to rush this on Australia".⁽⁴⁵⁾

W. G. Spence, M.P., postulated an "Asiatic coming along to their homes to commit violence". What would they do? They would throw him out. "What applied to the individual case should be made to apply to the Asiatic collectively.....they could not rely on the volunteer system."⁽⁴⁶⁾

Senator Henderson found hope in the growth of the Labor Movement throughout the world, but wanted compulsory training in the meantime.⁽⁴⁷⁾

Senator Findley was in opposition - "The Australian Labor Party, anterior to Federation, were a peace party.....some Australians were thinking that unless a citizen army or a Commonwealth navy were started every hearth

(43) Official Report Fourth Commonwealth Political Labor Conference, Brisbane, 1908, p. 17.

(44) Ibid, p. 17

(46) Ibid, p. 18

(45) Ibid, p. 18

(47) Ibid, p. 18

and home was threatened". He did not join in that idea.⁽⁴⁸⁾

E. L. Batchelor, M.P. was concerned at the political situation, at the undesirability of "incoherence or inaction". "During this Parliament or the next the Labor Party would be called upon to explain what form of Citizen Defence Force they proposed. The position would not be met by merely saying 'we are opposed to militarism'."⁽⁴⁹⁾

To Forster, M.P., the White Australia Policy⁽⁵⁰⁾ was involved. "The man who voted for a White Australia should be prepared to carry his rifle in support of that principle."

Senator Needham, later to be a leading opponent of conscription in 1916, supported compulsory training, but feared Japan less than "Germany seeking an outlet for colonial expansion".⁽⁵¹⁾

Frank Tudor, later to lead the Labor Party in 1916 as an anti-conscriptionist party, opposed any change in "the plan as it stood at present".⁽⁵²⁾

Senator Givens, also feared Japan, resenting "a step" which Australia had taken "in seeking to set her own house in order" - presumably White Australia - and this could mean war. He supported Gatts too - "when the manhood of Australia offered to go to the forefront of the fight....they had done their duty.....and.....the property owners should be called upon to bear the upkeep."⁽⁵³⁾ Anstey was not impressed by Senator Given's references to the wealthy.

"Mr Anstey thought that Senator Given's reference to the wealth of Australia did not adorn the tale. The property did not belong to the workers, and if Senator Givens wanted to fight for the man who had the money he should be allowed to do so, of course.....This proposal was to arm the whole nation, and nothing less."⁽⁵⁴⁾

In exercising his right of reply Watson said that

"so long as those in the Citizen Force were drawn from every class of the community, no exception could be taken to it.....As to Mr O'Malley's argument, based on the dominance of militarism in other parts....this proposal would in the very nature of things be anti-militarism owing to each citizen being on an equal footing".

He had been reminded by Senator De Largie of Pazzaro's attack on Peru. Peru was Socialistic "peace-loving, carrying out some of the reforms aimed at today". Pizzaro

(48) Ibid, p. 18
(50) Ibid, p. 18
(52) Ibid, p. 19
(54) Ibid, p. 19

(49) Ibid, p. 18
(51) Ibid, p. 19
(53) Ibid, p. 19

"had weapons and training to back himself up with and, with a mere handful of supporters, he was able to subjugate a whole nation, whose care for its poor and aged has not since been equalled by any other nation".⁽⁵⁵⁾

Watson then withdrew his motion in favour of one from Tasmania which read "That Plank 8 be amended to read - "Citizen Defence Force with compulsory military training and Australian-owned Navy."

Catts and Findley tried to delete "compulsory" but were defeated by 21 to 10. Watkins added the words "and controlled" to "Australian owned" Navy by 21 to 5, and in the final form "Citizen's Defence Force, with compulsory military training, and Australian owned and controlled Navy" it was passed 24 to 7.⁽⁵⁶⁾

The decisions taken in July, 1908, at the Conference were the background of the October, 1909 meetings of Caucus which considered the Deakin Government's Defence Bill.⁽⁵⁷⁾

Back in Caucus:

Defence played a much more important part in Caucus immediately after Brisbane Conference, and compulsory training as the policy of the Party was pressed immediately as early as the meeting of September 15, 1908. The question was fought through in a specially important series of meetings of Caucus on October 6, October 7, October 13, October 20 and October 27, 1909, when the Labor Party was proposing numerous amendments to the Third Deakin Ministry's Defence Bill. The meeting of October 13, 1909, was marked by an attempt by E. L. Batchelor to prevent the Party from moving amendments involving the compulsory principle.

The record shows Pearce moved and Senator Givens seconded

"That we support the compulsory principle. Question debated at length. Moved by Mr Batchelor seconded. Mr Tudor, "That the Chairman do not submit the motion in favour of compulsory training" - voting for 13, against 14. Amendment lost. Senator Pearce's motion carried 15 for, 9 against. Mr Hall moved Mr Hughes seconded "That any member desiring a free hand on question of compulsory service be given same on ground of election pledges. Carried."

This last motion is remarkable - election speeches were held to be capable of freeing a member from the provision in the Labor Platform affirming

(56) Official Report Fourth Commonwealth Political Labor Conference, Brisbane, 1908, p. 20

(57) Which became the Defence Act, 1909 (No. 15 of 1909)

(55) Ibid, pp. 19-20

compulsory military training. Remarkable too is how narrowly the Batchelor-Tudor proposal in opposition to compulsion was defeated at a poorly attended meeting. Tudor had provoked a ruling at the meeting of October 6 when Pearce had presented a detailed Defence report, which was adopted. Fisher ruled "That the decision of the Party on the Defence question would bind members. J. H. Catts moved Senator Russell seconded

"That I desire to move dissent from the Chairman's ruling to the effect that the Party is to be bound on decisions of the Party regarding the Defence Bill containing the compulsory principles, without provision that the necessary expenditure be allotted from the proceeds of direct taxation now before the House."

The action of Hall and Hughes at the October 13 meeting in releasing members from Brisbane decisions because of election pledges could only be a release from the obligation to support the decision till the next election. Catts' suggestion at the October 6 meeting that the Brisbane decisions linked compulsory military training with direct taxation to finance it was a serious challenge - that is, the beginnings of the demand "no conscription of manpower without conscription of wealth". No one was bound, suggested Catts, unless both policies were proposed together. Catts' motion was defeated.

If compulsory military training was accepted with difficulty by Caucus when the Brisbane Conference ordained it, it is safe to say it would never have been adopted by Caucus without the Conference decision. On October 13, in the middle of these discussions, Pearce attempted to resign from the Defence Committee of the Party, but his resignation was not accepted and he withdrew it.

He leaves us a bare hint of his problems in Caucus in his memoirs:

"Whilst the troublesome section in the Party gave us a lot of trouble in the Party room, they did not dare do much on the floor of either House because we were so obviously carrying out the will of the ⁽⁵⁸⁾people!"

Citizen Armies and Conscription:

Field Marshal Lord Haig had been one of a comparatively few in Britain who had correctly forecast the role of Britain's citizen army - the Territorials - before 1914. As British Commander-in-Chief he was to use unprecedented masses of manpower, sustain such casualties as 60,000 men in one day on the Somme, and direct a British army in which traditional British professional forces and traditional British limited commitment on the Continent became

(58) Pearce "Carpenter to Cabinet", p. 106

concepts of the past.

If the 1908 Conference could have seen the future meaning of "citizen armies" and universal military service it would probably not have adopted them.

The emphasis on the fact that it was not for overseas service made the Citizen Army based on universal training finally acceptable to the Labor Party, and produced inevitably the conscription split when the Labor leadership under Hughes sought to add Europe to the field of compulsory service.

Did anyone in Caucus really realise what the 1908 policy was leading to? Probably only Pearce, and then he only after 1911. His memoirs make clear⁽⁵⁹⁾ that after the Imperial Conference of 1911 he was consciously preparing for an European war expected by 1915. He suggests E. L. Batchelor and Andrew Fisher knew this also. Batchelor died in October, 1911, and Fisher never committed himself to conscription for overseas service.

Pearce in his memoirs records conversations with Field Marshal Lord Roberts of Kandahar and with Secretary of State for War, J. S. Haldane, in 1911, in which the relation of universal military service to a possible war in Europe was discussed.⁽⁶⁰⁾ Roberts, after having had "our universal military training in Australia" explained to him

"expressed the view that if that scheme was in operation in Great Britain there would be no war, because if Britain had half a million citizens in training Germany would not dare to strike". But Haldane told Pearce -

"Had we introduced universal military training ten or even five years ago I would agree with Lord Roberts; but to introduce it now would set Europe ablaze. It would be regarded by Germany as evidence that we intended to make war."

In Parliament after the Brisbane Conference:

The Brisbane Conference decision for compulsory military training and for the financing of defence out of direct taxation left room for a conservative policy emphasising the compulsion and a radical policy emphasising taxation on the wealthy. There was no Commonwealth income tax at this time. It commenced in 1915.

W. M. Hughes took an early opportunity to emphasise the need for compulsory military training.⁽⁶¹⁾ Hugh Mahon took an early opportunity to emphasise the need for income tax.⁽⁶²⁾

(59) Pearce "Carpenter to Cabinet", pp. 81-2 (60) Ibid, p. 82

(61) W. M. Hughes's speech, 7 October, 1908, Commonwealth Parliamentary Debates, Vol. 47, pp. 860-878.

(62) Hugh Mahon's resolution, 8 October, 1908, Ibid, Vol. 47, p. 952. Speech

The second Deakin Ministry (5th July, 1905 to 13th November, 1908) was totally dependent on the Labor Party. When it was overturned by a vote on November 10, 1908, it was defeated by 49 votes to 13. There were 7 Ministers in the House of Representatives and 6 of them voted in the 13. Forrest, who had been in the Deakin Ministry from July 1905 to July 1907, voted against it. Andrew Fisher's amendment to a Deakin motion ended the Ministry. The Defence Bill it introduced in 1908, and which disappeared with the Government, provided for compulsory military training. It had the support of the Labor Party. Otherwise it was unlikely to have been proposed. It was introduced by Deakin's Defence Minister, T. T. Ewing, on 29 September, 1908.⁽⁶³⁾ It sought to add to the Defence Act of 1903-1904 Part IIIA "Obligation in Respect of Naval and Military Training" and Part IIIB "The National Guard". "The Obligation in Respect of Naval and Military Training" provided in a projected section 58A that -

"All male inhabitants of Australia....who have resided therein for six months and are British subjects, shall be liable to be trained, as prescribed, as follows: -

- (a) From 12 to 18 years of age in the Cadets or Senior Cadets; and
- (b) From 18 to 26 years of age in the Defence Force."

Section 58B prescribed the duration of training.....

"in each year -

- (a) in the Cadets and Senior Cadets, fifty two attendances of one hour each and four attendances of one whole day each, or their equivalent, as prescribed; and
- (b) in the Defence Force, for the first three years, eighteen working days, or their equivalent, as prescribed; and
- (c) in the Defence Force, for the last five years, seven working days, or their equivalent as prescribed."

Section 58G, which W. M. Hughes commended but which he suggested was insufficiently sharp and immediate to be felt by a young man, virtually provided for the loss of citizenship by those who defaulted on training.

"58.G. Every person who evades or fails to comply with all the requirements of this Part of the Act with respect to personal service in the Defence Force shall, unless and until he has performed equivalent personal service as prescribed -

(62 contd.) 5 November, 1908, Vol. 48, pp. 2051-2058

(63) Ewing's speech, 29 September, 1908, Ibid. Vol. 47, pp. 437-456

- (a) be and remain ineligible for employment of any kind in the service of the Commonwealth; and
- (b) be and remain disqualified from being an elector of Members of the Parliament; and
- (c) be and remain disqualified to receive an invalid or old-age pension!"

Before the Bill was introduced Hughes and Mahon both sought Caucus endorsement for their respective attitudes -

"Thomas asked for leave to move (for Hughes) resolution re compulsory military training. Leave granted."⁽⁶⁴⁾

"Mahon asked for permission to move a similar motion to that given notice by him last session relating to the cost of defence being borne by direct taxation. Leave granted."⁽⁶⁵⁾

Hughes had no need to move his resolution. Evidently he was informed of the terms of the Bill to be introduced on September 29th.

Hughes's Speech:

Hughes's Parliamentary speech began with an attack on the Leader of the Opposition, George Reid, as an opponent of an Australian Navy and compulsory military training.⁽⁶⁶⁾

It developed into an attack on the British Labor Party.

"The Labor Party of Great Britain put forward a manifesto of which, although phrased in other language, the remarks of the Right Honorable Member for East Sydney are an echo. They are perfectly satisfied, as he is, that there is no danger of war. They are like ostriches with their heads in the sand, or hens whose senses have been dulled by their own clucking."⁽⁶⁷⁾

Referring to Haldane's scheme for a Territorial Army in the United Kingdom, Hughes said -

"Mr Haldane spoke hopefully of a force of some 800,000 men, and it was expected to be, at any rate, 320,000; but on 1 June of this year the

(64) Minutes of Federal Parliamentary Labor Party, September 15, 1908
 (65) Ibid, September 17, 1908
 (66) But Reid interjected "Years ago I threw out the suggestion that there might be a system of compulsion for youths up to the age of eighteen years; but I did not contemplate the present scheme." Commonwealth Parliamentary Debates, 7 October, 1908, Vol. 47, p. 861.
 (67) Ibid, 7 October, 1908, Vol. 47, p. 864

total strength was only 144,620. That shows conclusively that the voluntary system in England has utterly failed."⁽⁶⁸⁾

Even if the volunteer system were not a failure it was wrong.

"Another point is that the volunteer system is wrong in principle. We were asked this afternoon why this burden should be cast only on men of 18, 19 and 20 years of age, and it was urged that it should be equally distributed over men of all ages. If that argument is applicable to universal training it applies with twenty times more force to the volunteer system. Why should only one man out of every forty be asked to bear upon his shoulders the burden of defending his country....It appears to me and to all who support the principle embodied in the Bill that since defence concerns every one, everyone has a right to take part in it."⁽⁶⁹⁾

Commending Section 58G, he said -

"Sub clause 58G provides that such persons(i.e. defaulters) shall be and remain ineligible for employment of any kind in the service of the Commonwealth, disqualified from being an elector, and from receiving an invalid's or old age pension. It appears to me that, to a youth of eighteen years of age, the fact that in forty seven or forty eight years he will not be eligible for an old age pension, is not likely to prove an effective deterrent."

As for invalid pensions -

"Every man goes forth into the world believing that though death, disease and accident attack other men, he would be immune. I do not think that a young man would be inclined to serve his country merely because of a fear that failure to do so would render it impossible for him to secure an invalid pension. On the contrary, he might think that if he did serve his country he would require such a pension sooner than might otherwise be the case."⁽⁷⁰⁾

Regarding employment in the Commonwealth Civil Service -

"I quite agree that it would be very proper to debar from employment in the Public Service those who declined to take up this duty."⁽⁷¹⁾ But this did not go far enough - "They should be debarred from employment in the Commonwealth and State services."

(68) Ibid, 7th October, 1908, Vol. 47, p. 867

(69) Ibid, 7th October, 1908, Vol. 47, p. 868

(70) Commonwealth Parliamentary Debates, 7 October, 1908, Vol. 47, p. 873

The deprivation of citizen rights he supported even if that were not an immediately effective punishment.

"As to the proposal that they should be deprived of the franchise, I agree with the Leader of the Opposition and others who say that this would not deter some persons from declining to perform this, the first duty of citizenship; but.....it would certainly remove them beyond the pale.....Those who refused to serve would be thus, to all intents and purposes, pariahs and outcasts."⁽⁷²⁾

He touched on the need for a tax on those exempt - "In Switzerland, every person who, for any reason, is exempt from service pays a tax."

What was the purpose of it all?

"We have arrogantly declared to the world that this is to be a white man's country. There are 4,200,000 of us, of whom 21,000 bear arms, and perhaps 5,000 or 6,000 of them bear them efficiently. We debar the coloured nations from entry. To the 400,000,000 of Chinese, to the 44,000,000 of Japanese, flushed with their triumph over a nation that humbled every other country in Europe in its turn, we have said, 'You must not come in.' And the weapon with which we propose to keep them out is a parchment Act of Parliament with a red seal on it."⁽⁷³⁾

But the real danger was war with Germany. He quoted Hyndman - "who holds a high place in the Socialist Movement of Great Britain".

"There is no doubt that Germany.....is steadily making ready.....for a crucial naval engagement in the North Sea, followed by invasion of this country" (i.e. Great Britain).⁽⁷⁴⁾

Hughes's speech turns on the prospect of war in Europe, but his conscriptionist stand of 1916 is not yet clearly suggested.

It seems that Catts and Mahon held to the proposal for direct taxation in the hope that its rejection would involve the Labor Party's rejection of compulsory training, but, in practice, modern war was to be the mobilization of all manpower and resources, and their failure to see that this would be so is indicative of the strength in their mind of Liberal thinking of 19th century vintage. Hughes's quotations from Fabian writings show that the Fabian Society of Britain favoured conscription in the face of Germany's rise, and believed it to be socialist in principle. This is in fact the modern Communist position

(72) Ibid, p. 874

(73) Commonwealth Parliamentary Debates, 7 October, 1908, Vol. 47, p. 877

(74) Ibid, p. 863

where Communists have power.

Mahon's Resolution:

On the 5th November, 1908, Mahon was able to speak to the resolution of which he had given notice on October 8, the day after Hughes's speech-

It read -

1. That in the opinion of this House, the practice of defraying the cost of national defence out of Customs and Excise taxation is inequitable and unjust, and ought to be discontinued.
2. That, as one of the main objects of national defence is the protection of private wealth in its various forms, the possessors of such wealth should be required to contribute by direct taxation an adequate sum towards the naval and military expenditure of the Commonwealth. (75)

The suggestion that "protection of private wealth" was a motive in defence is remote from the thinking in Hughes's speech.

To Mahon -

"the present system of taxation.....permits wealth to escape adequate payment for the protection extended to it....."

"It is quite true, of course, that national defence is instituted for additional ends other than the protection of the country's wealth. We maintain it for the preservation of home and liberty, because we desire to hand down to our children all the benefits of an enlightened civilization." (76)

There was no exploration by Mahon, as by Hughes, of the possibility of war in Europe - only "preservation of home and liberty".

"Using round figures the private wealth of Australia may therefore be safely set down at £1,000,000,000. One thousand million!.....Yet the owners of it do not directly contribute a shilling to the fund which guards it against confiscation." (77)

Compared with the certainty of Hughes that the duty of a man is to defend his country, Mahon has doubts concerning the motives of some who advocate this.

"We shall probably hear in the course of this debate that the protection of wealth is only a subsidiary object in any scheme of national defence that nations equip and maintain armies and armaments chiefly to

(75) Commonwealth Parliamentary Debates, 7 October, 1908, Vol.47,p.852, Vol. 48, P. 2051.

(76) Ibid, Vol. 48, p. 2051

(77) Ibid, Vol. 48, p. 2053

preserve their national entity, their free institutions, and the lives and liberties of their citizens....."

For instance, certain individuals are heard to declaim one moment that it is the common duty of every man, poor as well as rich, to defend the country at the risk of his life. Let a worker offer himself for Parliament, however, and in the next breath these same gentry say "Why should we elect this fellow - he has no stake in the country!"

They are quite dogmatic about the duty of the worker to society when the guns begin to shoot, but dubious whether he should enjoy certain privileges when all is plain sailing. Though good enough to fight for them, he is not good enough to legislate for them. The only place where they cheerfully acknowledge the equality of the worker is on the field of battle."⁽⁷⁸⁾

Mahon was not so ready as Hughes to see the position of the Australian worker in 1908 as blessed, and seems to aim at Hughes's observations on the European situation in his concluding remarks:-

"Consider a case typical of the great industrial army - that of a man who, after long years of hard and poorly paid toil, finds his powers waning. The needs of a family, illness and accident, or some other cause over which he had no control, may have prevented him from making provision for old age."⁽⁷⁹⁾

Or take the man who trudges the streets of our cities, or tramps the plains of the interior, in quest of an elusive and precarious job.⁽⁸⁰⁾

If, after reflecting on their position, these men were to conclude that they could not be much worse off were Australia a German or Russian possession, how should we show them to be wrong? Would honourable members convince them, by a declamatory recital of the blessings of free institutions, freedom of speech and action, liberty of the subject and the rest: or would they suggest that membership in a world wide Empire ought to compensate for a shortage of rations."⁽⁸¹⁾

The Fisher Ministry and the Third Deakin Ministry:

- (78) Commonwealth Parliamentary Debates, 5 November, 1908, Vol. 47, p. 2057
- (79) It should be remembered that Mahon was speaking on 6 November, 1908, and that the age pension of the Commonwealth did not come into operation until 1st July, 1909 - invalid pensions not until 15th December, 1910. There had been age pensions in N.S.W. and Victoria before this.
- (80) There was no unemployment benefit.
- (81) Mahon's fatal eloquence on the demerits of Empire produced his expulsion from Parliament on 11 November, 1920. Commonwealth Parliamentary Debates, Vol. 94, pp. 6382-6475.

Because the Deakin Ministry went out of office on 13 November, 1908, the Defence Bill of 1908 lapsed. The provisions in it for depriving persons not complying with the call up of pension entitlements and the vote were never re-enacted in future legislation, though ineligibility for employment in the Commonwealth Civil Service was.

A Labor Ministry under Andrew Fisher commenced a precarious existence from 13 November, 1908 till 2 June, 1909.⁽⁸²⁾

Watson had announced on 23 October, 1907, that he intended to retire from the leadership of the Party⁽⁸³⁾ and he ultimately retired from Parliament on the expiry of the third Parliament in February, 1910.

His most striking contribution to Party policy had been the compulsory training plank at the 1908 Conference.

Fisher had defeated Hughes and W. G. Spence for the Leadership at the Parliamentary Party meeting of 30 October, 1907, and was thus Prime Minister when the Labor Ministry was formed after the fall of the Second Deakin Ministry. Pearce became Minister for Defence for the first time. No defence legislation was brought in.

The Fisher Government was defeated on an adjournment motion on the Address-in-Reply on 27 May, 1909, and resigned 2 June.⁽⁸⁴⁾

Deakin formed his Third Ministry, and a Defence Bill was introduced by the Defence Minister, Joseph Cook, on 21 September, 1909.

As a sample of the detailed scrutiny to which the Bill was subjected by Caucus we may quote the following:⁽⁸⁵⁾

"The meeting proceeded to consider the Defence Committee's report on the Defence Bill. The following amendments were dealt with and carried. Amendments to the Bill: We outline herewith the amendments we recommend should be moved to Bill in Committee -

'Page 2 Section 5 line 6 - omit 'Volunteer Forces'.⁽⁸⁶⁾

Page 2 Section 5 line 22 - omit 'the Volunteer Forces'.

Page 4 Section 13 - Raise the question on this Clause as to whether

power is given compulsorily to use land for rifle ranges, etc.

(82) It had not a majority in either House.

(83) Minutes. "That the Party hears with very deep regret the decision of Mr Watson to resign the Leadership owing to the severe strain upon his health! Watson was only 40 when he retired from the leadership.

(84) Defeated by 39 votes to 30, 27 May, 1909, Commonwealth Parliamentary Debates, Vol. 49, p. 126

(85) From the Minutes of the Federal Parliamentary Labor Party meeting of 20 October, 1909. Every member of Caucus must have had a printed copy of the Bill with him for the discussion to be intelligible.

(86) Had the effect of emphasising compulsory training.

Page 5 Section 13 line 12 - omit 'twelve' and insert 'ten'. (87)

Page 5 Section 15 line 21 - for 'one registration or one muster parade in each year' insert 'seven whole days in camps of continuous training'. (88)

Page 5 Section 15 line 25 - 'twelve'. (89)

Page 5 Section 15 line 40 - for 'two' insert 'eight'. (90)

Page 5 Section 15 line 46 - after 'drills or their equivalent' insert 'in camps of continuous training up to the age of twenty years, and seven whole days in camps of continuous training up to the age of twenty-six years'. (91)

There is more in similar vein.

The Party also adopted as proposed new clauses the following:-

"All promotions in the Citizen Forces to the rank of non-commissioned officer and promotion from the ranks to commissioned officer, shall be from those who have served in the ranks of the Citizen Forces, and appointments and promotion shall be allotted in the next lower grade who are most successful in competitive examination.

The competitive examination shall be of a practical character, and no written work shall be demanded other than of the nature required for the rank concerned in the field and in the ordinary exercise of duties.

The standards and manner of holding such examinations shall be prescribed in the regulations. All books required for such examinations will be issued to candidates without charge. (92)

The regulations for the drill, training, inspection and discipline and government of the Defence Forces shall be in accordance with the following principles:-

(a) The Citizen Forces shall be instructed only in those duties that are

(87) This meant a truly amazing proposal for a Labor Party to advance. The section provided liability for training "(a) from twelve years to fourteen years of age in the Junior Cadets." The proposed amendment was to reduce the age of commencement of training from twelve years to ten years of age. The idea of a ten-year-old undergoing training seems quite fantastic.

(88) The paragraph provided that men 20 to 26 should, "except in time of imminent danger of war", have a service limited to one registration or one muster parade a year. They were presumed trained between 18 & 20 years of age.

(89) This appears to mean to the age of twelve be reduced to ten as before.

(90) The provision read "The training of the Citizen Force shall begin on the first of July in the year in which the persons liable reach the age of 18 years, and shall continue for two years. The "two years" was changed to "eight years".

(91) The section proposed to be amended read "The prescribed training shall be, in each year ending the thirtieth day of June, of the following duration..."

required of them in war,

(b) There shall be no military funerals in uniform except on active service or in the case of those who have been on active service,

(c) Military uniform shall be of one character only, as prescribed, and shall be worn only on parade or other military duties. Uniform shall be supplied free of charge to all ranks including officers,

(d) The system of military salutes shall be reduced to the simplest form for military discipline."

At the next meeting the other emphasis was brought to the fore -

"Mr Catts notified the meeting that he desired that the Defence Bill be recommitted for the purpose of making provision in Clause 2 that the Act shall commence on a day to be fixed by proclamation, after ways and means had been made from the proceeds of direct taxation. The meeting approved."⁽⁹³⁾

The Senate did not bother to argue with Senator Needham when he moved the reduction in training age from twelve to ten years in the Junior Cadets, but rejected it by 16 to 7.⁽⁹⁴⁾

The later part of the resolution adopted by Caucus on October 20, relating to uniform free of charge and military discipline, was proposed by Senator Givens, for the Labor Party, and rejected.⁽⁹⁵⁾

The debate on this new Defence Bill tended to swing onto the Navy, a probable consequence of compulsory military training being generally accepted once the 1908 Conference decided the question for the Labor Party. Conference had also decided for an Australian owned and controlled Navy, and this was still in question in some minds, although the Deakin Government had now accepted the policy.

Hughes twitted Joseph Cook with his change of front on both the questions of compulsory military training and an Australian Navy.⁽⁹⁶⁾ Then came a remarkable statement by Hughes. After quoting an exchange of words between Fisher and Cook on September 21, 1908, when Cook had envisaged the use of the force raised by the Bill of 1908 overseas -

(91 contd).....(C) in the Citizen forces sixteen whole day drills or their equivalent".

(92) Moved by Senator Pearce in the Senate it was defeated 14 votes to 13. Commonwealth Parliamentary Debates, 12 November, 1909, Vol. 53, pp. 5772-5773. The rest of the resolution was moved later.

(93) Minutes, October 27, 1909. But the Second Fisher Government of 29 April, 1910 to 24 June, 1913, with a majority in both Houses, never enacted this. Catts appears to have contented himself with a statement on the third reading. Commonwealth Parliamentary Debates, 28 October, 1909,

"Fisher: 'Does the honourable gentleman mean that the men could be sent abroad without being re-sworn?'

Cook: ' I tell the honourable member candidly that if these men are wanted for overseas service in the defence of the Empire, no Government of the Commonwealth worthy of the name would hesitate to send them.'"

Hughes went on to say --(97)

"Any proposal of that sort ought to be strongly opposed. Does the honorable gentleman realize that Germany, France and Switzerland, whose forces consist entirely of compulsorily trained men, find the greatest difficulty in obtaining expeditionary forces?

Germany, which has the most perfect military organization in the world, always finds itself at the greatest possible disadvantage in obtaining expeditionary forces for overseas. The men evade service abroad, and the law is, therefore, that they are to be compulsively trained solely for home defence.....While it is right to compel a man to fit himself to defend his country, it is not proper to compel him to fight beyond it. If it is, I can only say that I am not a convert to the principle.....I subscribe to a sane Imperialism involved in the necessity of preserving the British Empire. I shall not permit even the Minister of Defence to declare himself a greater believer than I am in the might and value of the Empire; but that Empire is not to be defended by pressed men."

Watson's Retirement and subsequent expulsion:

After his retirement as Leader, Watson hardly ever spoke, but intervened briefly on a Naval Loan Bill⁽⁹⁸⁾ and the Defence Bill.⁽⁹⁹⁾ His contribution on the Defence Bill was only on the availability of liquor in canteens.

After Watson's triumph at the Brisbane Conference Caucus took over the policy of compulsory military training and gave detailed attention to the action of its members on Defence matters, except for Hughes's action in moving

(93 contd) Vol. 53, pp. 5143-5146.

(94) Commonwealth Parliamentary Debates, 2 December, 1909, Vol. 54, p. 6708

(95) Ibid, Vol. 54, p. 6706 and 6707, 2 December, 1909

(96) Ibid, Vol. 52, p. 4461, 13 October, 1909

(97) Ibid, Vol. 52, p. 4473, 13 October, 1909

(98) Ibid, Vol. 54, pp. 6779-6781, 2 December, 1909

(99) Ibid, Vol. 54, p. 7000, 4 December, 1909

to allow members freedom to adhere to pre-election pledges, No member of the Labor Party, in fact voted against the Defence Bill or in fact availed himself of Hughes's resolution. It appears that the adoption of points from the Defence Committee report to Caucus was treated as binding.

Without doubt Hughes's speech in opposition to compulsion for overseas service was in accordance with the understanding of most Labor members of what was Party policy.

Individual Labor speeches regretted any expenditure on defence (100) - "a tax imposed upon the world's industry by men's ambition and greed" - and in the traditional attack by Liberals on Labor as unpatriotic "The Worker", official organ of the Labor Party, was quoted. (101)

It attacked the idea of an Australian Navy, notwithstanding that Conference in 1908 made this Labor policy. It did argue for compulsory military training, but was unrepentent in class war.

"One of the first steps towards effective defence of any country is to make that country worth defending. For half the people of Great Britain, where most of us come from, it really would not matter if the country fell into the hands of the Germans tomorrow. The question is one which must be considered free of the cant of patriotism, and we say in all seriousness that to 13,000,000 inhabitants of Great Britain who never have enough to eat, and to additional millions who live continuously on the poverty line, a successful German invasion would mean nothing deplorable, and might mean an improvement of their lot. To half the British population then, there would be nothing to lose, there might be something to gain, by setting up of a German Government to match the German dynasty on the throne."

Again it seems clear that any movement by any Labor leader beyond compulsory military training for home defence would break the unity of the Party. The debate of 1909 provides evidence of the force of opposition to conscription for overseas service.

Watson, out of Parliament, advocated conscription in 1916. He was expelled from the Labor Party by expulsion from the Paddington Branch. In

(100) e.g. that of J. Hutchison, M.P., who was within a few weeks of his death on December 6, 1909. Commonwealth Parliamentary Debates, 13 October, 1909, Vol. 52, pp. 4481-4495, nearly a two-hour speech. Yet Hutchison had seconded Watson's defence motion at Brisbane.

(101) Issue of February 13, 1909, quoted Commonwealth Parliamentary Debates, 13 October, 1909, Vol. 52, pp. 4496-4497.

his letter to the President of the Paddington Branch he denied the validity of their action, and their power to expel. There should, he said, be a Federal Conference decision and nothing in the Federal platform forbade conscription. Men were free to advocate or oppose it. (102)

Conscription for overseas service was not expressly forbidden in the platform, but the compulsory training authorized by the platform was fully understood to be for home defence. Watson himself had stressed this.

Watson felt he could logically argue that a Labor Government had authorised an appeal to the people by way of referendum, that the referendum was part of the Party's Platform, and that what the referendum authorised would be the Party's Platform. If the Platform provided for an appeal to the people, their verdict became policy. But from the point of view of his opponents, the subject matter put to the people should be what the Platform authorised, and the platform did not authorise overseas service conscription. It was illogical to expel men advocating a "Yes" vote, and not expel those who proposed the referendum - which would involve many of the Federal Parliamentary Labor Party. But the endless demands of the First World War in its battles of attrition swept aside Watson's reasoning of the 1908 Conference. Conscription no longer appeared to be, in some strange way, an answer to militarism.

The "Citizen Army" was in Watson's advocacy in 1916 to become an overseas expeditionary force. Watson had not originally argued for that. Hughes had once expressly repudiated it. They, and not the Party, had changed position. This was the essence of the Conscription crisis.

DEVELOPMENTS IN THE DEAKIN GOVERNMENTS (JULY, 1905 - NOVEMBER, 1908; JUNE, 1909 - APRIL, 1910) AND THE FISHER GOVERNMENT (NOVEMBER, 1908 - June, 1909)

It is significant that Alfred Deakin did not speak in the Naval Agreements Bill Debate.

He became Prime Minister on the 24th September, 1903, and again on July 5, 1905, and, in a despatch (104) to the British Government, was extremely critical of the Agreement. His criticisms were rejected by the Admiralty. Deakin, dependent on Labor support, and himself for a brief time a supporter of the Watson Labor Government (105), may be expected to have been influenced by Labor and to influence it. His relations with Watson were close, and a

(102)

(103)

letter in the Watson papers in the National Library appears to be referring to Captain Cresswell and naval shipbuilding plans.⁽¹⁰⁶⁾

Deakin seems to have agreed with Labor criticism of "the tribute". He wrote to the United Kingdom Government -

"Our £200,000 a year would seem in part repaid if we were enabled to take a direct and active part in the protection of our shores and shipping. But as we have no identification with the squadron..... there is so far nothing naval that can be called Australian or even Australasian. No Commonwealth patriotism is aroused while we merely supply funds that disappear in the general expenditure of the Admiralty. The Imperial sentiment languishes too, since the squadron is rarely seen in most of our ports."

Deakin's views, and the Admiralty rejection of them⁽¹⁰⁷⁾ were published in a Senate Paper.⁽¹⁰⁸⁾ In the meantime the indefatigable Captain Cresswell set out to re-educate Parliament⁽¹⁰⁹⁾ and a succession of Ministers for Defence⁽¹¹⁰⁾ with detailed schemes for an Australian Navy set out in Reports and Memoranda. Cresswell, who was later Vice-Admiral, was knighted on the recommendation of the Second Fisher Ministry and appointed by them First Naval Member of the Naval Board, a position he held from 1911 till 1919. If anybody deserves the title "Father of the Australian Navy" he does.

All was not plain sailing in Caucus, especially when Labor was not the Government and support for Deakin's naval policy, even though it was originally Labor's, could be represented as collaboration.

Conflict over the navy developed in two Caucus meetings in May and June, 1908.

Fisher reported to Caucus (111) "on behalf of the Executive that the
(104) 28th August, 1905. Quoted Macandie "The Genesis of the Royal Australian Navy: A Compilation" pp. 138-142

(105) In office 27 April, 1904, to 18 August, 1904

(106) Dated October 31, 1906

(107) "On the part of their Lordships" (i.e. of the Admiralty) "they desire absolutely to dissociate themselves from any expression of dissatisfaction with the terms of the Agreement."

(108) Senate paper No. 98 October 10, 1906

(109) Report dated January 1, 1906. Text Macandie "Genesis of the Royal Australian Navy: A Compilation" Chapter XXII.

(110) The texts of these are given in Macandie op. cit. as follows:- August, 1906 to the Hon. Thomas Playford (2nd Deakin Government) Chapter XXIII Macandie op. cit. March, 1907 to Deakin himself on leaving for an Imperial Conference. Macandie op. cit. Chapter XXVII. 2nd September, 1907 to the Hon. T. T. Ewing (2nd Deakin Government) Macandie op. cit. Chapter

Government⁽¹¹²⁾ would appoint a Commission to enquire into the Postal Department and that they would pass the surplus Revenue Bill and an Old Age Pension Bill and a Bill to provide for the appropriation of £250,000 to start an Australian Navy." Fisher suggested that the Government should be granted supply for three months. The minutes proceed - "Watson moved, De Largie seconded, the adoption of the report. Frazer moved, Batchelor seconded 'That the portion of the report relating to the Naval Vote be struck out'. Lost 13 to 7. Catts moved, Frazer seconded 'That the question of the Naval vote be postponed till next meeting'. Lost 13 to 7. Poynton gave notice that the motion re Naval Vote be rescinded at the next meeting and members be notified to attend."

The matter was duly raised at the next meeting⁽¹¹³⁾ but the reference is brief.

"Poynton moved, Findley seconded 'That the part of the resolution relating to the Naval vote carried last week be rescinded! Motion lost."

Evidently Poynton felt that the meeting of May 27, which began with 27 present and ended with only 20 voting on the Naval vote, was not representative. The meeting of June 2 had 34 present. These decisions of Caucus appear to have been more important for the first Fisher Government than for Labor's role in opposition."

Creswell's 1905 scheme was condemned in London by the Committee of Imperial Defence, which envisaged the Imperial Navy carrying out the naval defence planned for an Australian Navy. The Imperial Conference of 1907, however, armed Deakin with a scheme for torpedo boats and submarines. The Cabinet did not adopt the scheme. Creswell opposed the acquisition of submarines - contending that they could not be targets for practice attacks without endangering life; they were useless at night; their range was limited; they could not

(110 contd) XXXI 11th September, 1907, to the Hon. T. T. Ewing Macandie op. cit. Chapter XXX. 13th December, 1907, to the Hon. T. T. Ewing Macandie op. cit. Chapter XXXI. 4th February, 1909, to the Hon. G. F. Pearce (First Fisher Government) Macandie op. cit Chapter XXXV. Pearce acted on this immediately and ordered destroyers in the United Kingdom the following day. 22nd February, 1909, to the Hon. G. F. Pearce Macandie op. cit. Chapter XXXVII. Creswell's documents form the basis of the Fisher Government's views on naval defence transmitted to the Secretary of State for Colonies April, 1909 Macandie op. cit. Chapter XXXVIII. Creswell's documents form the basis of the Fisher Government's views on naval defence transmitted to the Secretary of State for Colonies April, 1909 Macandie op. cit. Chapter XXXVIII. Creswell's meticulous reasoning is a reflection of the intense scientific attention given to naval affairs in the period of the Anglo-German naval race 1900-1914. He set out to overcome objections to

scout or transmit intelligence; and they were only effective for attacking ships near ports. The memorandum must have been remembered ruefully when Lieutenant Otto Weddigen in U 9 sank the cruisers "Hogue", "Cressy" and "Aboukir" in 1914.

Deakin set aside from surplus revenue the sum of £250,000 which occasioned the stir in Caucus on May 27 and June 3. His Government fell on November 13, the Labor cabinet had only to decide in recess without further reference to Party or the Parliament to use the money to order destroyers and the Australian Navy was under way. Three Caucus votes - two on May 27 and one on June 3, 1908, clearly authorised this.

The Change in Concept. Not merely destroyers but larger units.

The Fisher Government fell on an amendment to the Address-in-Reply, and went out of office on June 2, 1909. After its departure a naval fever swept the Empire. The idea of contributing dreadnoughts to the Royal Navy was taken up in New Zealand, Malaya and Canada⁽¹¹⁴⁾ and, since Australia had opted for an Australian Navy on the argument that such a navy would be its best contribution to Imperial defence, the pressure that it should include a capital ship and cruisers grew. The intensity of German naval competition changed the Admiralty outlook. They no longer wanted to monopolize Imperial Naval Defence. They would seek increased strength in any way. Before the Fisher Government's advent they had "made a careful inquiry into the scheme...for the establishment of a local naval force in substitution for the existing Naval Agreement",⁽¹¹⁵⁾ and had suggested an Australian Navy of 6 destroyers and 9 submarines as a beginning. Concession of an Australian Navy in principle meant that the Admiralty could not control the type of ship it acquired.

Even while the Fisher Government was in office and had ordered the destroyers, the Government of New South Wales, forgetting that defence was not a State function, cabled the United Kingdom Government that

"if the Commonwealth Parliament resolves to make the offer of a dreadnought to the Imperial Government the Governments of New South Wales and Victoria have agreed to contribute proportionately to the cost of the

(110 contd) expense; to educate in the principles of naval strategy; to obtain first destroyers and then an Australian fleet; and to educate the Ministry in the forms of training and equipment which made for naval efficiency.

(111) Minutes May 27, 1908

(112) Second Deakin Ministry, 5 July, 1905, to 13 November, 1908

(113) Minutes June 3, 1908

same. If, however, the Commonwealth Parliament does not adopt this course, Governments of New South Wales and Victoria have agreed immediately to take the necessary steps to obtain the authority of their respective Parliaments to share costs of a dreadnought on a per capita basis."⁽¹¹⁶⁾

A few weeks before his Government fell Fisher suggested an Imperial Conference on Naval Defence.⁽¹¹⁷⁾ Pearce was to have attended the Conference, arranged for July, but J. F. G. Foxton, Honorary Minister in the third Deakin Government, went instead. The First Lord of the Admiralty laid before Conference a memorandum suggesting that if a Dominion desired a Navy it should commence as a fleet unit consisting of a battle cruiser ("Indomitable" class of the "Dreadnought" type), 3 unarmoured cruisers of the "Bristol" class, 6 destroyers, 3 submarines. The cost of such a fleet would be £3,700,000 and its upkeep £600,000 a year.

On November 24, 1909, Joseph Cook, Minister for Defence in the 3rd Deakin Government, moved in the House of Representatives -

"That this House approves the new scheme of Naval Defence adopted at the recent Imperial Conference, and is of the opinion that immediate steps be taken to provide the proposed Australian unit of the Eastern Fleet of the Empire".⁽¹¹⁸⁾

The Labor Party appears to have been caught completely by surprise and no resolution on the subject is in its minute books. They might have been forewarned by the Imperial Conference publicity, but the Navy was not discussed between the Conference and Cook's resolution, nor after Cook's resolution.⁽¹¹⁹⁾

In the absence of any Party decision Frazer, Mathews, O'Malley, Page, Thomas, Tudor, Webster, McDonald and Maloney seized the opportunity to vote against the resolution and Catts to obstruct⁽¹²⁰⁾, and to heckle. Both Catts and Webster moved that the Minister be no longer heard - defeated 38 to 3 and

(114) Which subsequently led to the presentation of the battle cruiser "New Zealand" and the battleships "Malaya" and "Canada" to the Grand Fleet.

(115) Letter to Deakin August 20, 1908

(116) April 4, 1908

(117) April 29, 1908

(118) Thus avoiding the expression Royal Australian Navy. Commonwealth Parliamentary Debates 24 November, 1909, vol. 54, p. 6251, speech pp. 6251-6259.

(119) The November 24, 1909 meeting was the last meeting of Caucus until after the General Elections of April 13, 1910, which brought in the Second Fisher Government with, for the first time in each House, majorities in the Representatives and the Senate.

(120) Division lists. Commonwealth Parliamentary Debates, vol. 54 pp. 6255, 6256, 6258, 6259, 24 November, 1909.

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and 36 to 3 with most of the ⁻³⁸⁻Labor Party voting with the Government. In anger Cook concluded the debate by moving the question be put, refusing an adjournment to Fisher. The motion on the Fleet Unit was carried 39 votes to 9 - Carr Catts, Fisher, Hutchison and Watkins voting with the Government. Most Labor members were absent from the division.

Sir John Forrest introduced the Naval Loan Bill on December 1, 1909, and no Caucus meeting was held to consider it. ⁽¹²¹⁾It planned expenditure of £3,750,000 on a fleet unit, financed out of a loan of £3,500,000 and the £250,000 already spent under the Fisher Government's decision on the destroyers. The provisions of the Bill thus conflicted with Labor decisions that defence should be financed from direct taxation. The Bill did, however conform to Brisbane Conference decisions for an Australian owned and controlled navy.

Forrest remarked "It is, I know, argued sometimes that borrowing for defence is an unsound policy", to which Batchelor interjected - "That is everywhere admitted". Forrest replied "It is not everywhere admitted. It is not admitted by me." ⁽¹²²⁾The debate was resumed by Fisher the same day. ⁽¹²³⁾Fisher asked for direct taxation and turned the argument based on the patriotic appeal to assist Britain against the Government .

"It was pointed out that we in Australia are better off individually and collectively than the people of Great Britain, and yet have been content to enjoy the benefits of the protection of the Mother Country for the contribution of the paltry sum of £200,000 per annum. It has been stated that the cost of defending the Empire amounts to 23 shillings per head as far as the people of Great Britain are concerned, but only 5 shillings per head so far as the people of Australia are concerned. In my opinion the contribution of 10 shillings per head would be a fair thing, and an additional contribution of 6 shillings per head for three years would pay for the proposed new ships with their equipment. Is that more than the people should be asked to pay?" ⁽¹²⁴⁾

Fisher complained "The idea of defending our country without borrowing seems to shock some people." ⁽¹²⁵⁾Other Labor speakers were not slow to emphasize the Government's belated conversion to an Australian Navy - which under-

(121) Commonwealth Parliamentary Debates, Vol. 54 pp. 6632-6635, 1 December, 1909, Forrest's speech.

(122) Ibid, p. 6634. (123) Fisher's speech, Ibid pp. 6656-6663, 1 Dec., 1909.

(124) Ibid, p. 6657-8 (125) Ibid, p. 6659 1909.

estimated the speed with which Deakin had accepted the idea, and, probably the extent to which his acceptance had encouraged Labor. After all, their first expenditure on the Navy had been from the £250,000 Deakin set aside for the purpose. Batchelor⁽¹²⁶⁾ and O'Malley⁽¹²⁷⁾ concentrated on the loans aspect as disastrous, O'Malley complaining that "the idol of the Fusion Government is Mammon, the god of gold, and its trinity, coin, credit and boodle". He asserted "If I had dreamt, as a member of the Labor Party, that this is what the Australian Navy would mean, nothing would have prevented my voting for the continuance of the subsidy to Great Britain". Their speeches set the tone of the Labor side in the debate. The concluding speaker for Labor, Thomas Brown, set out the Party's attitude explicitly⁽¹²⁸⁾:-

"Finally, Australian naval defence should be (a) paid for by Australian money; (b) built by Australian labour and skill out of Australian material as far as possible; (c) manned by Australian men animated with Australian patriotism; and (d) an Australian fleet under Australian supervision and control up to the point when the Empire needs united action under central control. The cost of defence should be levied on the wealth rather than on the poverty of the community; and therefore should be paid out of direct rather than indirect taxation or public loans."⁽¹²⁹⁾

Although there was no Caucus decision, this was clearly the Brisbane Conference decisions applied.⁽¹³⁰⁾ The Bill was carried by 25 to 18, and with 28 members paired - the Labor Party voting or paired against it. The insisted this was not opposition to a Navy but to a loan. In the Committee stages C. Frazer, with no authorization from Caucus, moved

"This Act shall commence on a day to be fixed by proclamation after approval by a majority vote of the electors of Australia voting by referendum".

The amendment apparently was felt to comply with Labor policy concerning referenda, for no Labor men voted against it. Yet only 10 Labor members voted - Mahon, McDougall, Poynton, Spence, Thomas, Tudor, Webster, Wilks, Brown and Frazer, with an independent, Wise, supporting them. Paired were

(126) Ibid, pp.6671-6677

(127) Ibid, pp. 6686-6690

(128) Ibid, pp.6786-6793

(129) Ibid, p. 6793

(130) Official Report of the Fourth Commonwealth Political Labor Conference, Brisbane, July, 1908, p. 20

"The motion for the Citizen Force and Australian Navy was then put and carried by 24 to 7 in this form. 'That the following be substituted for the present plank:- 'Citizens Defence Force, with compulsory military training, and Australian-owned and controlled Navy.' The motion of Mr Catts, seconded by Mr Lamond, was put and carried by 29

Watson, Roberts, Fisher, Hall, Page, Hutchison, Chanter, Watkins, Hughes, Batchelor, Carr, Catts, O'Malley, Foster, Maloney, Mathews and Bamford.

In the Senate Pearce made the main Labor speech - a Pearce much better informed after his few months as Minister for Defence. (131)

"AlthoughI am at variance with many members of my own Party..... I have no hesitation whatever in saying that I believe that in time of war, or the imminence of war, the control of the Australian Fleet should pass to the Admiralty". (132) He was not at variance on the subject of loans. 'Great Britain spends, annually, £37,000,000 on the Navy..... and not one penny of that money is borrowed. That is a significant advantage that Great Britain has over Germany. Over 50 per cent of the naval expenditure of Germany is provided from borrowing. Great Britain is not piling up one penny of debt in the race for naval supremacy, but every year Germany is adding to her financial difficulties in carrying out her policy of defence, or it may be aggression!" (133)

The Bill passed the Senate by 14 to 9. (134) In Committee, an amendment to raise the interest rate was defeated 12 to 13, Labor Senators voting with Senate Ministers against the Fusion rank and file. (135)

The whole debate on the Naval loan bill in the Senate showed superior Labor discipline to that exhibited by the Labor Party in the Representatives.

The Second Fisher Government and the Navy:

The elections of April 13, 1910, produced a Labor majority in both Houses. Caucus met on April 26 and April 29, 1910 and elected a Ministry - Fisher, Hughes, Batchelor, Tudor, Thomas, O'Malley and Frazer from the House of Representatives, and McGregor, Pearce and Findley from the Senate. Batchelor died in October, 1911 and was succeeded by Roberts. At the first Caucus meeting on 26 April Dr W. Maloney gave notice "That he would move that the revenue derived from the Commonwealth Land Tax will be applied to the defence of Australia". This motion disappears without explanation from the minutes,

(130 contd) to 3 in this form. "That military and naval expenditure be allotted from the proceeds of direct taxation.""

(131) Pearce's speech. Commonwealth Parliamentary Debates, 4 December, 1909, vol. 54, pp. 6944-6951

(132) Ibid, p. 6949. Pearce found this decision made for him before he became Minister for Defence in the Third Fisher Ministry on September 17, 1914. The Cook Ministry made the decision on the outbreak of war in August, 1914.

(133) Ibid, p. 6950

(134) Ibid, p. 7032

(135) Ibid, Division list p. 6976

(136) Minutes, June 22, 1910.

probably because "The Government proposal re the loan proposals of the late government and to repeal the Naval Loan Act was agreed to".⁽¹³⁶⁾

There were three items of naval legislation in 1910 - the Naval Loan Act Repeal Bill, the Naval Appropriation Bill, and the Naval Defence Bill. Nothing very informative on the policy emerges from the Minutes. At the third meeting after the April elections, at the end of the meeting, "Senator Pearce explained the proposals of the Government with respect to Naval Defence, which were agreed to".⁽¹³⁷⁾ Thus all naval proposals for the first session were carried at the one meeting.

Fisher in moving the second reading of the Naval Loan Repeal Bill⁽¹³⁸⁾ explained that "certain payments which have.....fallen due have been met out of ordinary current revenue, and it is our policy to continue so to meet them". He had shifted ground a little from the previous year - "Only in the case of war or great national necessity should we borrow for defence purposes." He was not optimistic. "No doubt this will embarrass our finances considerably."

"Sir John Forrest - "Then why do it?"

Fisher - "Because borrowing is bad in principle."

He assured the House there would be no curtailment of the construction programme. Sir John Forrest saw a possible source of finance in the profits of the note issue,⁽¹³⁹⁾ but in his speech⁽¹⁴⁰⁾, while not opposing repeal, defended a policy of borrowing. The Naval Loan Repeal Bill⁽¹⁴¹⁾ was a literal carrying out of the Brisbane policy.

So, also, was the Naval Appropriation Bill.⁽¹⁴²⁾ Its decisive clause was the second - there were only two clauses.

"There shall be payable out of consolidated revenue....the sum of two million five hundred and ninety thousand pounds towards the construction of a fleet for the naval defence of the Commonwealth."

The Naval Defence Bill⁽¹⁴³⁾ in clause 7 set up the Naval Board and to it Creswell was appointed. He and the Labor Party had been consistent advocates of an Australian Navy and this was his reward.

(137) Minutes June 22, 1910

(138) Commonwealth Parliamentary Debates, Vol.55,p.682,22 July, 1910

(139) The Governor-General's message recommending an appropriation for the Australian Notes Bill was read the same day, July 22, 1910

(140) Commonwealth Parliamentary Debates, Vol.55,pp.711-715,26 July, 1910

(141) Which became the Naval Loan Repeal Act (No. 6 of 1910)

(142) No. 18 of 1910

(143) No. 30 of 1910

Caucus and the Naval and Military Colleges:

Conference Records and Hansard show a fear in members of the Labor Party of the development of a military caste. They desired also that the armed forces should be Australian in character. On conditions of entry to the Royal Military College a rank and file revolt, provoked in the House of Representatives by the rudeness of W. M. Hughes, Acting Prime Minister and Attorney-General, to Finlayson, the member for Brisbane, carried an amendment against the wishes of the Government. The voting was 36 to 12⁽¹⁴⁴⁾ with only the Cabinet, the Party Secretary, and a few other members voting in the negative. This was to produce marked repercussions in Caucus.

During the Committee stages of the debate on the Defence Bill, Higgs, Labor member for Capricornia, moved an amendment concerning conscientious objectors, which was negatived, without division. This had not been authorized in the Caucus meeting of the previous day, November 15, 1910. The minutes of that day reveal "Senator Pearce explained certain amendments to the Defence Act". He moved "That they be adopted by the Party". "After discussion the Chairman put the amendments separately and they were all adopted."⁽¹⁴⁵⁾

There is no suggestion of an attempt to evade Caucus consideration. In spite of the presentation to the Party of the details of the Bill a revolt took place in the House of Representatives which caused the defeat of the Ministry on a clause of the Bill and re-submission of the matter to Caucus. The revolt was caused by W. M. Hughes's rudeness, but it caused a democratic principle to be emphasised in the rules governing entry to the Royal Military College. The scrutiny the projected College received on this occasion appears to have affected the Naval College established later.⁽¹⁴⁶⁾

Two Queensland Labor members, W. F. Finlayson (Brisbane) and W.G.Higgs (Capricornia) had expressed fears of class distinction in amending provisions introduced by W. M. Hughes concerning military training in colleges and high schools. They had not received general support. Higgs then raised the question of conscientious objectors. Hughes had brusquely brushed his views aside. Higgs thereupon moved, without authorization at any Party meeting, a provision for conscientious objection. It was rejected on the voices. When

clause 19 dealing with the Military College was reached, Roberts expressed
(144) Division list, Commonwealth Parliamentary Debates, 16 November, 1910,
Vol. 59, p. 6235

(145) Minutes, November 15, 1910

(146) The Division list is in Commonwealth Parliamentary Debates, 16 November,
1910, Vol. 59, p. 6235. The Bill and proposed regulations already made

concern that it was understood that the Minister intended to introduce regulations providing that only youths between the ages of fifteen and nineteen would be allowed to enter the College. He felt this would have the effect of preventing the ranker from ever becoming an officer.

"I know that we are making a distinct advance on other military college systems by proposing to open our Military College to all persons, and in making provision for their maintenance while they remain in College. We are throwing open the doors of our Military College to larger sections than are the Military Colleges of either America or England; but the individual must have decided between the ages of fifteen and nineteen years that he is going to adopt a military career; otherwise there can be no hope for him."⁽¹⁴⁷⁾

Hughes defended the Bill as it stood by urging that the recommendations of Field Marshal Lord Kitchener had been closely followed.⁽¹⁴⁸⁾ Roberts was then supported by Fenton (Labor) and Sir John Forrest, a former Minister for Defence and, with some differences of view, by Finlayson. Finlayson suggested that migrants from the forces of other countries might make better officers than British⁽¹⁴⁹⁾ and this provoked Hughes into a tirade.

"The honourable member for Brisbane, a native of Scotland - a citizen of the British Empire - puts forward as a serious proposition the suggestion that we should staff our Australian army with Germans and other foreigners."⁽¹⁵⁰⁾ He then went on to suggest the proposal meant French officers or Japanese officers. "We are also to take some of the honorable member's friends who have been in the British and Canadian armies."⁽¹⁵¹⁾ He envisaged a "bewildering variety of officers - the Japanese with their 'Banzai', the Germans with their 'Hoch', and the French with their 'en avant'." He then accused Finlayson of proposing to "turn down the Australian".

When Roberts exercised his right to speak a second time in Committee he clearly voiced a fear in the minds of most of the rank and file of the Party. (146 contd) for a democratic entry system and for the maintenance and payment of cadets in the Royal Military College, a provision eliminating the advantage of wealth and contrasting with the arrangements in British and American Naval and Military Colleges.

(147) Robert's speech, Commonwealth Parliamentary Debates, 16 November, 1910, vol. 59, pp. 6221 - 6223

(148) Hughes's speech, Ibid 16 November, 1910, pp. 6223-6224. Hughes answered Roberts courteously

(149) Finlayson's speech, Ibid, p. 6227, 16 November, 1910

(150) Hughes's speech, 16 November, 1910, Ibid pp. 6227-6228. Finlayson had not mentioned Germans or any particular nationality.

"The more we discuss the matter, the more we see of the Bill, and the more we see of the regulations and the Ministerial trend of mind, the more clear does it become that we are about to create a military caste so far as the officers of the permanent forces are concerned."

As for Hughes quoting Kitchener as an authority -

"Lord Kitchener's first proposal was that a premium of £80 should be paid for entry into the College, and that the boy's parents should keep him while he was there. This clearly indicated that in Lord Kitchener's opinion only a small section of the community, irrespective of ability, should ever be allowed entry to the College".

Mr Hughes - "The poorest person can get in."

Mr Roberts - "That is so now, but when Lord Kitchener is quoted as an authority.....we should remember....his recommendations on this subject."⁽¹⁵²⁾

Roberts feared selection before examination - class distinction before the test of ability. Hughes was defended by Mr W. H. Kelly, member for Wentworth, but by this time he was apparently so angry he could not follow the purport of Kelly's remarks and he accused Kelly of "acting the fool". Asked by the Chairman to withdraw the remark he asked which expression should be withdrawn - "acting" or "fool". Kelly undertook to make no reference to Hughes's temper - "it is sufficiently apparent".

Roberts' amendment -

"Provided further that persons who have served three years in the forces may, at any time before they attain the age of twentyseven years, and after passing the prescribed examination for entry, enter the Military College for the purpose of becoming graduates thereof."

Carried by 36 votes to 12, it caused the debate to stop abruptly. The minutes of the same day show why.

A special meeting was called that evening at 7.15 p.m.⁽¹⁵³⁾ The minutes of this meeting and one on the following day show that the revolt in the House led to an increase in rank and file authority. Those for November 16 read -

"Mr Hughes stated that he had called the meeting to consider the position created by an amendment which was carried in the Land Defence Bill

(151) A curious point of derision. The Australian Army had had British staff officers and the recommendations embodied in the Bill were Kitchener's.

(152) Ibid, p. 6232

(153) The debate had stopped at 4.56. Hughes was acting Prime Minister, Andrew Fisher being abroad. Minutes, November 16, 1910.

(sic). After discussion, Senator Pearce moved "That the Acting Prime Minister proceed with the Naval Defence Bill and, should a number of members require any clause postponed for consideration of the Party, it be postponed". Carried."

This decision was the only one of the meeting. The Ministry had had a severe rebuff. As a consequence it was felt at the next meeting to be necessary to carry a vote of confidence in the Ministry.⁽¹⁵⁴⁾ The Minutes of this meeting read:-

"Mr Hughes presided. There were 48 members present. Moved by Mr Archibald and seconded by Mr Ozanne "That the Party has the fullest confidence in the Ministry.' Carried. Mr Hughes moved 'That when during a discussion of any measure upon a matter not already decided by the Party, strong objections are expressed in regard thereto, and the Whip has ascertained that a majority of available members of the Chambers in which the matter is being discussed so desire, then the Minister in Charge shall postpone the consideration of the Clause until a meeting of the Party can be called to consider the case.' Carried."

Senator Pearce moved to amend the Land Defence Bill (sic) by inserting the following provision 'provided further that persons who have served two years in the permanent forces may at any time before they reach the age of 23 years and after passing the prescribed examination covering the practice as well as the theory of military service for entry enter the military college for the purpose of becoming a graduate thereof."

Mr Hughes moved 'that the matter be referred to the Defence Committee along with himself for consideration and report to the Party meeting to be held on Tuesday, 22 instant.' Carried. The meeting then closed."

The meeting of November 17 seems to accept an implied criticism of previous procedure that matters not submitted to Caucus had been submitted to Parliament. Pearce's motion attempted to alter the one carried in the House (Roberts' amendment) by changing the age limit from 27 to 23. Hughes evidently wanted no debate on this until it had been considered by the Defence Committee for age of entry was the issue in its recommendation.

Two meetings were held on November 22.⁽¹⁵⁵⁾

(154) Minutes, November 17, 1910

(155) One held at 7.15 p.m. is listed in the Minutes as a meeting separate from one held earlier the same day

The minutes of the earlier meeting record -

"Roberts presented the Report of the Defence Committee which stated that the Committee had recommended the following modification to the amendment made in Clause 19 of the Defence Bill - 'provided persons who have served two years in the Defence Forces may after passing the prescribed examination for entry to the Military College and at any time before they attain the age of twentyfive years enter the college for the purpose of becoming a graduate thereof.'"

A second recommendation was that the modification be made in the Senate. Although Hughes had sat in association with the Defence Committee he fought back. "Hughes moved as an amendment to recommendation number one 'That the following words be submitted in lieu thereof 'provided further that the regulations shall provide for admission to the Military College of any member of the forces over the age of nineteen years who shall pass the prescribed examination and be recommended by the Governor-in-Council.'" Hughes's amendment was carried by 24 votes to 22.

The detail of Roberts' motion was probably unwise. It would be somewhat difficult to grant commissions to students much older than others in a military college by way of a college training and, in practice, other methods of promotion of men to commissioned rank have been used.

But the whole temper of the Labor Party was against privilege, against the Kitchener recommendations referred to by Roberts, and against an officer caste.

The rejection of British practice in army officer training was followed by rejection of British practice in the training of naval officer cadets.

F. B. Eldridge writes - (156)

"In one respect, the Commonwealth Government determined on a procedure which was a drastic departure from the Admiralty practice. It was decided that in Australia the basis of entry should be thoroughly democratic; that the country should be able to draw upon all ranks of society, for the most suitable officers for its navy, and that no boy with the necessary qualifications should be hindered from entering the College because of the lack of either financial or social standing by his parents. The College therefore would charge no fees - and not only that;

(156) F. B. Eldridge "A History of the Royal Australian Naval College" (Georgian House, Melbourne, 1949. p. 16)

(157) i.e. the Fisher Labor Government. Opposition support for Roberts on the Defence Bill of 1910 suggests Parliament was agreed on the principle.

from the moment of entering the College the boy was to become a member of the Permanent Naval Forces of the Commonwealth, which henceforth demanded his entire service, but which also from henceforth bore the whole cost of his training and maintenance even to the provision of the weekly pocket money."

These arrangements cannot be demonstrated to have been argued in Caucus. There was no comparable effort to provide for late entry to the Naval College to that which had been made to provide for late entry to the Military College. Nevertheless Caucus still debated conditions of entry, though the minutes reveal nothing of the nature of the debate. It is probable that "democratic" entry was the occasion of discussion.

The minutes record⁽¹⁵⁸⁾ "By consent Mr Page raised the question of the method of selecting boys for the Naval College. Debate followed, after which the Minister for Defence promised to consider the matter and would make a statement to the Party next weekly meeting."

Entry by examination seems to have been the point at issue for the next meeting but one⁽¹⁵⁹⁾ "Senator Pearce presented a report respecting the question of examination" (for entry) "to the Naval College". No debate is recorded as following this report. It must have established the system Eldridge describes - democratic entry, payment of cadets.

Caucus's control of details of the Naval College was very tight. The minutes reveal the following somewhat surprising proceedings⁽¹⁶⁰⁾ in two meetings in one day:-

"Mr Higgs moved and L. Smith seconded 'That the Naval College be established on the Derwent River, Tasmania'. Lost. Moved by Mr West and seconded by Mr Carr 'That it be Port Hacking'. Lost. Dr Maloney moved and Page seconded 'that it be established at Jervis Bay'. Carried."

In the second meeting the same day at 7.15 "Senator Pearce stated that in view of the decision of the Party, the Government had decided to announce that they would establish the Naval College at Jervis Bay".

Eldridge did not apparently know of the Caucus decision when he wrote his history. Jervis Bay became the site after the rejection of alternatives because at this stage of labor history Caucus was exercising the most detailed control - much more detailed than in the era of Scullin, Curtin or Chifley Governments, judging by its toothcomb procedure on bills.

(158) Minutes, September 19, 1912

(159) Minutes, October 4, 1912

(160) Minutes, November 9, 1911. The second meeting was at 7.15 p.m.

Caucus members in conferences, and Caucus members in Caucus thus established as Labor policy an Australian-owned and controlled navy, financed from revenue, officered by men trained in an Australian Naval College with conditions of entry more democratic than those existing elsewhere. These principles were carried out by the Fisher Government, checked by a Caucus which insisted on detailed supervision and consultation.

It was the high point of Caucus control. The evasion of Caucus control was one aspect of the conscription crisis which developed under Hughes after the retirement of Fisher. The possibilities of a bad relationship between Hughes and the Party and Hughes's determination to get his way, if necessary on narrow votes, were foreshadowed in Roberts' defeat of Hughes in the House on the Military College, and Hughes's fight back in Caucus. Pearce, not Hughes, handled the Naval legislation in Caucus with more harmonious results, but with a close scrutiny by the Party.

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The process by which Caucus forfeited the confidence of the Labor Movement, or a decisive part of it, on the conscription issue, was gradual between 1914 and 1916, but it is detectable to a degree in Caucus correspondence.

The Conference of the Australian Labor Party in 1918 had retained compulsory military training for home defence. That of 1919 provided for its abolition. Distrust of what had happened in Caucus in August, 1916, when the conscription referendum had been identified with a call up date for home defence units was a factor in the change.

Aspects of the Conscription crisis of 1916 have been considered in conjunction with the evolution of Caucus procedures from 1901-1916, but it is worth considering the crisis in some depth to ascertain its effect on the Labor Movement. For Hughes ignored Caucus in many of his actions, and this is a factor in the later determination of the Labor Movement to bind Caucus down on defence and foreign policy. Curtin also ignored Caucus on the Conscription question of 1942-43, but, unlike Hughes, he did not ignore the Labor Movement.

Curtin's success in holding the Labor Party together through the Conscription issue of 1942-43 goes some way to establish the fact that, given the structure of the Australian Labor Movement, it is far more vital for a Parliamentary Leader to have the support of a Federal Conference than to have the support of Caucus, at least on an issue demanding sacrifice from the community.

CAUCUS AND THE CONSCRIPTION ISSUES OF 1914-1918 and 1942-1943

On Tuesday, October 24, 1916, in Melbourne, the Solicitor-General of the Commonwealth, Mr Robert Garran, handed to the Treasurer, Mr W. C. Higgs, draft regulations under the War Precautions Act to be considered by four ministers meeting as the Executive Council. These ministers were the Treasurer, who received the regulations on behalf of the Minister for Defence, who was not present; Senator E. J. Russell, Assistant Minister and, at the time, acting as Minister in Charge of electoral matters; the Vice-President of the Executive Council, Senator Albert Gardiner; and the Minister for the Navy, Mr Jens Jensen.

Unwittingly Garran was touching off a crisis, which led to the fall of the Labor Government, the departure from the Labor Party of Hughes and more than one third of the Labor parliamentary membership, and to a generation of Labor exile from effective power in the Commonwealth from 1916 to 1941. The interlude of the Scullin Government from 1929 to 1931 is hardly to be called effective power.

The regulations handed to Higgs had not been seen by Caucus, nor discussed with the Caucus Executive. They were rejected by the Executive Council ministers, apparently winning no support except that of Jens Jensen. Hughes then took them to another Executive Council meeting in Sydney, consisting of himself, Jensen, Webster and the Governor-General. They were accepted by this Council but not gazetted. The regulations authorized presiding officers in electoral polling places for the conscription referendum of October 28, 1916, to ask questions of men of apparent military age. Necessarily these questions had been transmitted to electoral officers preparatory to their authorization by the Executive Council and prior to their gazetting. Apparently 9,000 telegrams to presiding officers had been despatched. While they were not gazetted they were nevertheless, in some places, asked. On Friday, October 27, the three by-passed ministers, Higgs, Gardiner and Russell, resigned from the Hughes Labor Cabinet. Tudor had resigned more than a month before (on September 14) and his place had been left unfilled.

On November 14th, 1916, a specially requisitioned Caucus meeting was the venue of a censure motion on Hughes arising from this episode. It was Hughes's political genius to convey the impression that he was walked out of the Party meeting, his position rendered untenable, because of conscription, but the fact is that he was under censure for his attacks on his colleagues and the Party for his deceit of the Melbourne Executive Council ministers, and for the nature of the questions the regulations intended to authorize. These regulations, or proposed regulations, became the reasons for censure motions in the Parliament against the Second Hughes Government after Hughes left the Labour Party.

From 1901 to 1915 Caucus proceedings are characterized by a detailed scrutiny of legislation.

With Hughes's assumption of leadership in October, 1915, this changes, partly because Hughes liked to be a law to himself, and partly because the nature of wartime government by emergency regulations precluded Caucus discussion - for reasons of secrecy.

Within 13 months of its inception the Hughes Labour Government was wrecked. The concentration of attention has been on the actions of Prime Minister W. M. Hughes. Caucus has been given relatively little attention. The means whereby Caucus was induced to authorize the conscription referendum give an impression of misleading on Hughes's part - which he would no doubt regard as justified by the war emergency - but after the Bill was in the House, and at the time of Tudor's resignation, Caucus gave overwhelming support to the leadership. No crisis in Caucus meetings occurred directly because of the first conscription referendum.

A crisis develops from the way a nation, or a group, or a political party has been living over a period of time. This crisis over the regulations was no exception. Caucus failed the Labour Movement because it allowed the conscription question to drift from November, 1914, to November, 1916. It was clear as soon as the third Fisher Government took office and met Parliament in September, 1914, that Pearce was

advocating an extension of compulsory military service overseas,⁽¹⁾ although, when taxed with this by Senator Mullan,⁽²⁾ by the Queensland Executive,⁽³⁾ and by other Labour bodies,⁽⁴⁾ he denied it.⁽⁵⁾ If Caucus had been consistent to its assurances to the Labour Movement it should have placed on the minute book clear anti-conscription resolutions for publication if opposition to conscription was the conviction of the majority, as indeed it was. Caucus was content to make anti-conscription declarations the content of its correspondence with the outside Labour Movement, instead of the subject of binding resolutions on the minute book. Caucus did not keep effective control of the administration of the War Precautions Act. Objections to regulations under that Act leap to sudden prominence in Caucus minutes after Hughes left the Party. Regulations partly under the War Precautions Act produced the crisis which broke the Labour Government. Caucus was content to allow the Military Services Referendum Bill to be authorized by an unclear declaration at an unrepresentative meeting at an absurd hour of the morning. It proposed too late a special Interstate Conference of the Labour Party. At the vital series of meetings from August 25th to August 29th, 1916 - classified as one meeting in the minute book, a fact which had unfortunate consequences - it allowed a motion which could have saved the situation to be left unresolved. The Caucus seems to have had many members who took the naive view that Labour members could advocate opposite sides of a referendum case on a life and death issue without prejudicing the unity of the Party. Many held it to be a kind of abstract democratic exercise in the initiative the referendum and the recall, authorized by the platform of the Party,⁽⁶⁾ failing to see that opposite views on such a question as conscription in war time must create such personal animosities as would make it difficult for unity to be maintained. Both sides in Caucus seem to have been surprised at

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- (1) Speech on the Address in Reply, Commonwealth Parliamentary Debates vol. 75, p. 104. 14 October, 1914.
 - (2) Issue twice raised by Senator Mullan. Commonwealth Parliamentary Debates, vol. 75, p. 565 and p. 783. 12 November, 19 November, 1914
 - (3) Letter from L. McDonald, Queensland Secretary, Minutes, Nov. 19, 1914
 - (4) Correspondence book and/or minutes record a letter to W. Wright, Secretary, Brisbane Electorate Executive. Later assurances on conscription given to J.J. Foot, Operative Painters, Melbourne; G. Gavan, Brisbane Industrial Council, and Smith, Clerks' Union, Melb.
 - (5) Pearce's denial. Commonwealth Parliamentary Debates, vol. 75, pp. 565-566 and again pp. 783-784. 19 November, 1914

the electorate's rejection of conscription in the referendum. The manoeuvre whereby Hughes retained the Prime Ministership, with Liberal support, seems not in any way to have been foreseen, except perhaps by Senator Ferricks. Caucus in particular, and the Party as a whole, missed the opportunity presented by the Federal Conference of May 31, 1915⁽⁷⁾ in Adelaide to get the conscription question resolved. Caucus had set up a system bound to loosen its links with the Cabinet - a system whereby the Executive of the Parliamentary Party was not the Cabinet, but a separate body.⁽⁸⁾ Thus Cabinet as a whole was not dealing with Party correspondence, as it was later to do under Scullin, Curtin and Chifley, and did not act as a Party Executive in its dealings with the Labor Movement at large. The separation of functions under Fisher and Hughes between Cabinet and Parliamentary Party Executive undoubtedly tended to insulate Cabinet from the Labor Movement and from the Parliamentary Party.

As both Hughes and Pearce⁽⁹⁾ made clear the need to have a referendum arose because the Parliamentary Labor Party would not authorize a straight-out imposition of conscription. Since Caucus was thus aware that a majority of its own members was opposed to conscription it should not have allowed Hughes to manoeuvre it, in a snap vote, into authorizing a referendum bill under the appearance of authorizing something else. Exactly what Caucus had authorized became the subject of a dispute between Senators Pearce and Gardiner. The Senate was treated to the spectacle of the former Minister for Defence in the Hughes Labor Government, ⁽¹⁰⁾ Pearce, arguing with the former Vice-President of the Executive Council, Senator Albert Gardiner, as to what the Government had proposed to Caucus and what the Caucus

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- (6) Objection to this view voiced by Frank Brennan (Batman, Vic.), Commonwealth Parliamentary Debates, vol. 79, p.8558, 14 September, 1916. The Military Service Referendum Act (No. 27 of 1916) did not deal with a subject matter ever submitted to referendum under Swiss custom.
- (7) This in spite of the fact that L. McDonald, Queensland Central Executive Secretary, who had written against conscription to the Parliamentary Party on behalf of the Executive, was a delegate to the Conference.
- (8) The Executive set up by resolution on October 22, 1914, consisted of 15 members, 13 not in Cabinet. The Leader and Deputy Leader of the Party were, however, Executive members ex officio, and also Cabinet Ministers. Thus Fisher and Hughes were on the Executive.
- (9) Hughes's Ministerial War Statement, September 1, 1916, vol. 79, pp. 8421-8427, 1 September, 1916

decided. It was Gardiner's contention that there were no government proposals and Caucus had made no decision on a conscription referendum, merely on call-ups for military service.

The Sequence of Events:-

To disentangle the story it is necessary to study the Parliamentary Debates and the Caucus minutes of the lifetime of the third Fisher Government and the First Hughes Government.

Although Fisher's pledge of "the last man and the last shilling" was periodically given an airing during the conscription debates of 1916, it was not seriously regarded as an undertaking to impose conscription for war service.

Some remarks of Senator George Pearce, Minister for Defence, in the Senate, misread later in conjunction with a misunderstood amendment to the Defence Act, produced the first correspondence from the Labour Movement with the Parliamentary Party on the subject of conscription for overseas service.

In his Address-in-Reply speech of the 14th October, 1914, Pearce paid a number of compliments to Senator Edward Millen, his predecessor as Minister for Defence in the recently defeated Cook Liberal Government.

Upon Millen had fallen the responsibility for organizing the expeditions which had led to the capture of German New Guinea by Australian forces. German New Guinea was "beyond the limits of the Commonwealth" as far as Section 49 of the Defence Act, 1912⁽¹¹⁾ was

(10) He continued as Minister for Defence in the Hughes "National Labour" Government, 14th November, 1916 to 17th February, 1917; and the Hughes "Nationalist" Government, 17th February, 1917 to 10th January, 1918, and in later governments.

(11) "Military Forces not liable to serve beyond the Commonwealth".
"49. Members of the Defence Force who are members of Military Forces shall not be required, unless they voluntarily agree to do so, to serve beyond the limits of the Commonwealth and those of any Territory under the Authority of the Commonwealth." The Defence Act, 1903-1912, as amended by no. 5 of 1912.
This differentiated between the Army and the Navy, the latter for service anywhere. It guaranteed against military conscription for the war in Europe, the Middle East and the Pacific. It is possible that the War Precautions Act might have authorized regulations imposing conscription without an amendment to the Defence Act, but this is doubtful. It was in any case not an issue when Pearce spoke.

concerned, and the forces participating were volunteer or professional, not compulsory trainees trained for home defence. Section 49 allowed compulsory service to be required of citizen forces up to the Papua- New Guinea border, but not beyond it into the German Colony.

Said Pearce:- "I wish now to say a few words regarding Senator Millen's suggestion that our defence scheme makes no provision for service abroad. That has always struck me as a weakness, for the reason that in the very expeditions organized by the late Government for service in the Pacific.....we could not send a single soldier unless he were a volunteer."⁽¹²⁾

No reaction to these remarks seems to have occurred until they were read in conjunction with an amendment to the Defence Act 1903-1912.⁽¹³⁾

Section 31 subsection (2) of the Defence Act 1903-1912 had read:- "No Permanent Military Forces shall be raised, maintained, or organized except for Administrative and Instructional Staffs, including Staff Corps, Army Service, Medical, Veterinary, and Ordnance Corps, Artillery, Fortress Engineers, and Submarine Mining Engineers." After the words "Staff Corps" Pearce proposed the addition of the words "Aviation", which provoked no controversy. After the whole section he proposed to add the words "or except Expeditionary Forces in time of war".

Now this amendment merely adds to the types of permanent forces the Government might raise. It does not extend the sphere of compulsory service. But Pearce's earlier words deploring the fact that "the defence scheme" made "no provision for service overseas" were remembered. The new provision covering expeditionary forces was suspect in some Labour quarters. The Bill

(12) Commonwealth Parliamentary Debates, vol. 75 p. 104. Pearce went on to envisage that Australia's sphere of influence would be widened because German possessions would come "under the British flag" making it necessary to extend the Defence Act to islands "in our sphere of influence" and "practically in our seas". A fair construction placed on his words would be that he was suggesting something very similar to what Curtin enacted in the second World War in 1943. Newspaper reporting could easily turn this into advocacy of a general extension of compulsory service "overseas", that is, anywhere, especially if the quotation of his remarks stopped with the word "weakness".

(13) The amendment was effected by the Defence Act 1914 (No. 36 of 1914)

14 October, 1914

was read a first time on November 11th, 1914. The second reading was not moved till November 13th, 1914. On November 12th, Senator Mullan took the opportunity given by a Supply Debate to quote Senator Pearce's remarks on Pacific service, noted above, and to inform Senator Pearce that "that statement has been construed by some people as a declaration of an intention on the part of the Government to amend the Defence Act in the direction of making it compulsory for our Citizen Forces to serve outside the boundaries of the Commonwealth". He added that "certain statements have been published in the press which possibly misinterpret the intentions of the Minister and the Government....." and that "these have provoked a considerable amount of comment".⁽¹⁴⁾

Senator Mullan was a Queensland Senator. The minutes of the Caucus meeting for the same day, November 12th, 1914, record the receipt of correspondence from L. McDonald, the Secretary of the Central Political Executive in Queensland⁽¹⁵⁾ and from W. Wright, the Secretary of the Brisbane Federal Labor Executive.⁽¹⁶⁾ They were brought by the hand of Finlayson, Member for Brisbane.⁽¹⁷⁾ Their text does not survive, but the text of Caucus replies to them is still preserved.

The minutes themselves deal inadequately with these letters by recording merely that Senator Pearce "made a statement explaining that his remarks in the Senate must have been reported wrongly as he did not make the statement mentioned in the correspondence".⁽¹⁸⁾

The letters were referred to the Executive of the Party, which had been set up on October 22nd, 1914, at the Caucus meeting, and which met for the first time on November 19th. The Executive thus dealt with the conscription question at its very first meeting. The Executive minutes are interpolated with the Caucus minutes in the minute book during the Fisher and Hughes Labour Governments of 1914 to 1916, a procedure which ceased afterwards and does not exist today.

⁽¹⁴⁾ Commonwealth Parliamentary Debates, vol. 75 p. 565, 12 November, 1914

⁽¹⁵⁾ That is, the State Executive of the Labour Party in Queensland

⁽¹⁶⁾ That is, the Executive of the Council covering the Federal Electorate of Brisbane

⁽¹⁷⁾ A fact which emerges in the text of the reply

⁽¹⁸⁾ Minutes, November 12th

The Executive minutes merely record:- "Resolved 'That the Secretary, Brisbane Executive and the Secretary of the Central Political Executive be informed that Senator Pearce's remarks had been misreported, and that it was not the intention of this Party to amend the Defence Act in the direction indicated.'"(19)

The outgoing correspondence of the Fisher-Hughes era survives in carbon copy form in a book kept with the minutes. Two years of correspondence outward 1914 to 1916 represents the only correspondence which does survive in 63 years of proceedings. We therefore have the text of what the Executive and Caucus authorized be sent to McDonald and Wright in identical letters. They constitute decisions against conscription in the form of authorized assurances to responsible Labour bodies that conscription would not be applied.

To McDonald on November 24th, 1914, the following assurance was sent - after all for presentation to the Executive of a State Branch:- "Dear Sir, Your letter per Mr Finlayson having reference to some remarks supposed to have been made by Senator Pearce on the Defence Bill were considered by my Party. I have to say that Senator Pearce was not correctly reported, and further our Party has no intention of amending the Defence Act to provide for compulsory service abroad, I am yours, D. WATKINS."(20)

These private assurances in correspondence were matched by public assurances given by Pearce in the Senate.

In his reply to Senator Mullan on November 12th, 1914,(21) he expressed the view that "some garbled account of my utterance appeared in the press". He continued - "Anybody who can read into those remarks a declaration that I am in favour of forcing our Citizen Forces to serve outside Australia is looking for an opportunity to twist my meaning."

Senator Senior thereupon interjected, very logically,

(19) Minutes, November 19th

(20) David Watkins, Member for Newcastle, then Secretary of Caucus and of the Executive

(21) Commonwealth Parliamentary Debates, vol. 75, pp.565-566, 12 November, 1914

considering the nature of Pearce's remarks to Senator Millen - "The Honorable Senator contemplated the area being extended?" And Pearce replied - "Yes. But if any assurance is needed on the matter, my opinion today is the same as when the first Defence Bill was introduced into this Parliament. In that Bill it was proposed that power should be taken to compel troops to serve outside the Commonwealth. I was one of the first to attack that provision."⁽²²⁾ Thus on November 12th, Pearce assured Caucus he was being misrepresented and then the same day assured the Senate similarly. He was an opponent of conscription, and had been since the subject had first been raised in 1901.

On November 19th, when the Executive directed Watkins to give the reply to McDonald quoted above, a directive endorsed by Caucus's acceptance of the outward correspondence, Mullan again raised the question of conscription. He asked if the amendment to section 31 of the Defence Act, then before the Senate, empowering the Government to provide "expeditionary forces in time of war" meant any departure from the home defence principle. "This proposed amendment is of sufficient importance to warrant a statement from the Minister for Defence as to what it involves. I wish to be sure that it is not the object, which the Minister stated the other day was not his intention, or the intention of the Government, of departing from the principle of the present Act, the establishment of a purely Citizen Force for the defence of the Commonwealth."⁽²³⁾

In his reply Pearce was explicit - "The object is to give us power, in time of war, to raise Expeditionary Forces, by voluntary enlistment, in accordance with the Defence Act....The enlistment must be purely voluntary."⁽²⁴⁾

The debate thereafter veered to the use of troops in industrial

(22) Pearce is not on record as attacking the first Defence Bill on this ground in Commonwealth Parliamentary Debates. He may refer to speeches outside Parliament.

(23) Commonwealth Parliamentary Debates, vol. 75, p. 783, 19 Nov., 1914

(24) Ibid, pp. 783-784

disputes. On November 19th, Caucus authorized the insertion in the Defence Act ⁽²⁵⁾ of the provision forbidding this. It had been put on the Party platform by the Federal Conference of 1912 at Hobart. Together with conscription assurances this doubly reassured the Labour Movement.

The first opposition to conscription affecting the proceedings of the Parliamentary Party in Caucus thus came from Queensland - a co-ordinated action by Wright, McDonald and Finlayson taken up in a harmonious action in the Senate where Mullan extracted assurances from Pearce.

The War Census Act 1915:

Caucus found it necessary to give further assurances to sections of the Labour Movement because of the passage of the War Census Act of 1915. ⁽²⁶⁾

The Act was suspected by some of being a prelude to conscription. Senator Mullan ⁽²⁷⁾ and Finlayson ⁽²⁸⁾ in their respective Houses made speeches expressing this point of view, and they may have helped provoke the correspondence which Caucus answered during August, 1915. Senator De Largie ⁽²⁹⁾ welcomed it because it was a first step to conscription. The Opposition welcomed the War Census Bill - a circumstance which probably increased radical suspicion of it, especially as Senator Bakhap ⁽³⁰⁾ supported it for the Opposition while his motion favouring conscription was on the notice paper. When De Largie derided the United Kingdom Government for not imposing conscription in his speech, he was perhaps touching the one point which was preventing the issue from being raised in Australia in 1915. The real agitation for conscription in Australia came only after the United Kingdom had imposed it. The hate characterizing the conscription campaign grew with the attempt to extend conscription to Ireland.

(25) Moved in Caucus by Senator De Largie (W.A.) and Senator Watson (N.S.W.) Section 51 of the Principal Act was amended to add the words "Provided always that the Citizen Forces of the Commonwealth shall not be called out or utilized in connexion with an industrial dispute."

(26) No. 20 of 1915, assented to July 23rd, 1915

(27) Mullan's speech, Commonwealth Parliamentary Debates, vol. 77, pp. 5100-5102 (21st July)

(28) Finlayson's speech, Ibid, pp. 5064-5065 (16th July)

(29) De Largie's speech, Ibid, pp. 5081-5085 (21st July)

Hughes introduced the Bill in the House of Representatives⁽³¹⁾, in a speech which showed some dependence upon whatever the "British Nation" might do on the question. Said Hughes:-

"The Bill does not contemplate conscription, nor is a measure to legalize conscription necessary so far as service within Australia is concerned. I wish to make this plain at the outset, because in the minds of some is the fear that we may resort to a method of carrying on this great struggle altogether foreign to the spirit which has animated the British nation for many hundreds of years. I do not believe conscription is necessary. I do not say that the future may not hold with it possibilities which may shatter our present conceptions of what is necessary, for no man can say what this frightful war.....The future may hold in store events which may shatter every preconceived idea of what is proper to be done, and grind to powder every political and every economic principle which we consider to be sacred and eternal."

Granted that a nation is at war, and considers that it ought to wage the war through to victory, which was the unanimous position of the Parliament in 1915, Hughes really gave the full case for a selective conscription when he said:-

"To draw from the vitals of society its best and most promising citizens, whose sublime spirit animates them to proffer their services, and to hurl them into the fighting line without regard to their obligations to their dependants or the industrial requirements of the community is a short way to national suicide." Hughes was not yet Prime Minister. Fisher, the Prime Minister, denied an intention to conscript⁽³²⁾. DeLargie more than hinted that the original intention of the Bill had been conscription and attacked the Vice-President of the Executive Council, Senator Gardiner, for evasiveness in introducing the Bill:-

(30) Bakhap's speech, Ibid pp.5098-5100 (21st July). Bakhap's motion for Conscription and speech, Ibid pp.4923-4926 (15th July, 1915)

(31) Hughes's speech, Ibid pp. 4833-4838, 14th July, 1915

(32) Fisher's denial, Ibid p. 4843. He expressed vehement opposition to conscription in 1903 when Hughes proposed compulsory military training.

"I know the circumstances under which this Bill was originated just as well as does the Vice-President of the Executive Council. I know when it was initiated and I think the interpretation which I place upon it is a good deal more reasonable than is that of the honorable gentleman." "Moreover," said De Largie - "When the measure was first projected nine out of every ten members of our party believed that it meant exactly what I regard it as meaning today." He forecast his future departure from the Labour Party:- "If the Labour Party are afraid to take the only step by which they can do their duty to the country in the present circumstances it is goodbye to the Party and the Labour Government.....All prejudice against conscription should be set aside at the present moment."

Under the circumstances it is not surprising that the minutes and correspondence book record reactions the following month. The letters giving assurances conscription was not involved went out to J. J. Foot, Secretary of the Operative Painters' and Decorators' Union, Trades Hall, Melbourne; and to Smith, Secretary of the Clerks' Union, Melbourne. Brisbane was again represented by G. W. Gavan, Secretary, the Brisbane Industrial Council.

Caucus authorized a letter to Foot dated August 7th, 1915.⁽³³⁾

"In respect to your letter with a covering resolution protesting against any form of conscription, I am instructed to inform you that the Act providing for registration is purely for organization purposes, in connection with home defence, and has no relation to any proposition in regard to conscription."

This is clearly a situation of drift. Categorical statements are made in correspondence that conscription is not intended. Hughes says it is not intended now, but might be. Fisher says it is not desired. De Largie says it was really intended and the Government ought to fall if it does not go through with it. Nobody in Caucus put any specific resolution on the books. The Federal Conference had assured the King of loyalty on his birthday, and given three cheers, but had not touched the subject. Any worsening of the war situation

(33) Correspondence volume

would inevitably heighten tensions, and no real lead had been given. A study of the schedules of the War Census Act, which set out the two forms to be filled in to answer questions on health, occupation, military experience, age, place of birth, nationality, dependants, marital status and naturalisation in one case, and assets, income and wealth in the other, convinces one that the first Census form only makes sense as the basis for intended conscription of manpower and the second as the basis of conscription of wealth - new taxes and possibly a capital levy.

The War Census Act caused no great stir in Caucus, judging by the minutes, possibly because the subject matter was put by Hughes verbally and not in the form of a printed Bill, and the schedules had not been seen.

The minutes for July 8th, 1915, record "Mr Hughes made a statement that the Government intended to bring in a bill providing for the registration of all males 18 to 60 years of age and of all residents in respect to wealth. Debate ensued, after which the proposals were put and carried".

Compulsory registration was queried by letters from the Brisbane Branch of the A.W.U. and Queensland Branch of the Painters and Decorators on July 15th. Nothing of this correspondence survives but it adds to the impression that the centre of opposition to conscription at this time was in Queensland.

Hughes Leader and the Cabinet Reconstruction:

On October 27th, 1915, the Hughes Ministry was formed. After Fisher's notification of his intended resignation from the Prime Ministership, Caucus insisted, by a vote of 39 to 24, on a complete "spill" of the Cabinet. After electing Hughes to the leadership unanimously on the motion of De Largie and Matthews - the former always to be a supporter and the latter a bitter opponent - the following ministers were elected. Their votes are in parenthesis. From the Senate: Pearce (48) Gardiner (45) Russell (41)
From the Representatives: Jens Jensen (64) Mahon (51) Tudor (46)
Higgs (37) Webster (35) O'Malley (34)

Including Fisher's resignation, this represented three changes - Archibald and Spence were defeated; O'Malley, Higgs and William Webster entered the Cabinet. Higgs was distinctly anti-conscriptionist.

Hughes Abroad:

The Minutes for November 4th, 1915, record that Hughes "explained that through the Governor-General from the Secretary of State" he had received "an invitation to go to England -- to consult the British Government in reference to the war. There were many reasons why he should not go and many why he should. He went into details to show the necessity of someone going to England to place the Australian views in connection with any settlement of the War. He left the matter with them. "Mr Catts moved and Mr Finlayson seconded 'That the invitation be accepted'" This was carried, "only 3 voting against".

In the concluding stages of the War Census Bill debate Hughes had told the House of Representatives:- "I despair of being able to impress on minds of honorable members who have lived in an atmosphere utterly remote from that now being breathed by the modern world any conception of what the Bill is for.....My honorable friends are unable to see that for the first time in the history of the world it is the whole nation that is at war." But he assured the House - "In no circumstances would I agree to send men out of this country to fight against their will".⁽³⁴⁾

Hughes's nearness to war, and the remoteness of some members, of which he complained, were to be accentuated by his journey abroad. It is unlikely that Hughes thought that the purposes of his conversations with the British Government were to be a settlement of the war, as he had informed Caucus.⁽³⁵⁾ The day after his assumption of the

(34) Commonwealth Parliamentary Debates, vol. 77 pp. 5065, 5066, 16 July, 1915

(35) Minutes, November 4th, 1915.

Prime Ministership - on October 28th, 1915 - he had rejected a suggestion of an opposition member, Livingston, to add a referendum on conscription to a projected constitutional referendum⁽³⁶⁾. From November 11th, 1915, to May 10th, 1916, Caucus was in recess. There were then only three Caucus meetings - May 10th, May 11th and May 18th. Pearce presided at these. Thus, in a deteriorating war situation, Caucus was not functioning - for 6 months from November 11th, 1915, to May 10th, 1916, and for three months from May 18th, 1916 to August 24th, 1916. The minutes show that the issue of conscription was raised by Sydney branch at the Caucus meeting on May 18th, 1916, but disclose nothing of any decisions.

According to Senator Pearce, however, this was a critical time. In his memoirs "Carpenter to Cabinet", in the chapter on Conscription, Chapter 30, he says that letters from Hughes revealed to him the desperation of the United Kingdom manpower situation. "It became imperative in his view that our divisions be kept up to strength." Pearce thereupon became convinced that "the Government would inevitably have to face the question of conscription". Pearce therefore asked the Government Whip, James Page, to "privately sound as many members of the Party as possible", while Pearce himself sounded the Trade Union leaders. "Whilst the results of these inquiries did not reveal enthusiastic support they certainly gave no indication of the bitter opposition that subsequently developed."⁽³⁷⁾

Hughes's Return:

Hughes's return to Caucus and a form of a proposal for a conscription referendum are in the minutes of one continuous meeting which lasted from Thursday, August 24th, to 2 a.m. on Tuesday, August 29th, 1916, omitting Sunday, August 27th, but including Saturday afternoon, August 26th. From the proceedings themselves, which show that a vital motion was left "in the air" unresolved, and from the

(36) Commonwealth Parliamentary Debates vol. 79 pp. 6971-6972,

(37) Op. cit. p. 136

28 October, 1915

subsequent dispute between Gardiner and Pearce as to what had happened, it appears that the procedure of treating 5 days sittings as one continuous meeting was unfortunate. As the meeting was adjourned, and as each day was not treated as a separate meeting, minutes were not read. No proposals of Hughes are recorded with any clarity till the last paragraph. He seems to have been sounding Caucus as to what he could get. A vote taken at 2 a.m. in a depleted meeting on August 29th after 5 days sitting seems discreditable as a means of deciding a vital issue, and savours of rather unscrupulous manoeuvring, as does the text of the motion or proposition itself. A series of proposals seem to have been outlined and altered from day to day.

The meeting began promisingly for the Prime Minister.

After an initial report by Hughes on the visit to the United Kingdom and France the Party carried "unanimously and with great enthusiasm"⁽³⁸⁾ a motion of Mr James Catts and Senator Givens - "This Party welcomes the Rt Hon. W. M. Hughes, M.P. back to Australia and congratulates him upon the valuable work he performed in Great Britain." On the resumption of the meeting the following day it is stated "Mr Hughes made a complete statement on the position of Australia, and the conduct of the war. Mr Hughes also outlined a policy for the Government in this connection. A number of questions were answered by Mr Hughes".⁽³⁹⁾

What were these proposals? The Vice President of the Executive Council in the Hughes Labour Government was to argue on March 7th, 1917, in the Senate, that there were no Government proposals. This he asserted by way of interjection on a speech of Pearce's.⁽⁴⁰⁾

In his own speech Gardiner said Caucus never approved of the Military Service Referendum Bill.⁽⁴¹⁾

(38) Minutes, August 24th, 1916

(39) Minutes, August 25th, 1916

(40) Pearce's speech, Commonwealth Parliamentary Debates, vol. 81, pp. 11069-11070. 7 March, 1917

(41) Gardiner's speech, Ibid, vol. 81, p. 11063, 7 March, 1917

It is possible that Hughes outlined "a policy for the Government" not previously discussed in Cabinet. Pearce was very definite that three proposals were put to the Party by Hughes. If so, the minutes do not record them. The proposals Pearce alleged were so clear and so definite that it would be monumental incompetence on the part of the Secretary not to record them if they were moved as three motions, or as one. In Pearce's version they were - "First, that there should be a referendum on the subject of conscription;⁽⁴²⁾ secondly, that a proclamation should be issued under the Defence Act and the War Precautions Act calling up men for service under the Defence Act three months prior to the taking of the referendum, so that when it was taken the men should be sufficiently trained to be sent away; and thirdly that if conscription were carried at the referendum, that would be deemed to give the Government authority to proceed".

The only proposition recorded in the minutes differs from these. At the end of the marathon Caucus meeting in the early hours of August 29th, the minutes record - "Mr Hughes replied to various speakers and after further discussion made a proposition that the Government should not call up any men to the colours for training until one month went by, but if the men responded by voluntary enlistment in sufficient numbers during this month and after, no men should be called up until after the referendum on conscription was taken. If on the other hand the number of enlistments was not sufficient, men should be called to the colours after a month had elapsed. The voting on Mr Hughes's proposal was - Ayes 23 Noes 21. The meeting adjourned at 2.a.m." Now this is not a motion to hold a referendum on conscription. It mentions the date of such a referendum as a reference point for military call ups, but this is an odd way to arrive at a decision to hold a referendum.

Gardiner asserted in the Senate that the understanding of

(42) One would expect the resolution authorizing the conscription referendum to take this direct form, but it does not, according to the minutes.

Caucus was that it had passed a motion in relation to the call up. In the course of a speech in which Gardiner was complaining of Hughes, Senator Millen interjected a question -

"Do you mean the Caucus meeting at which they decided to adopt the Military Service Referendum?"

To this Gardiner replied -

"No resolution was adopted in Caucus approving of that referendum."

The minutes appear to bear out Gardiner's contention that there was no seconder and that the substantive motion did not authorize a conscription referendum. He suggests it passed because members were impatient to get at the real issue - conscription - as yet not presented. At 2 a.m., after 5 days debate, technicalities could go by the board. Mullan's contention that it was a snap vote seems borne out by the fact that on August 24, the minutes record 69 present but, on August 29, only 44 voted. 25, more than one third of the Party, were absent from the vote. A 2 a.m. meeting was

entirely unnecessary. The proceedings bear the hallmark of the old trade union meeting trick - prolong the meeting till your opponents get bored and leave.

Pearce's account also gives a description of a confused ending, notwithstanding the precision of his "three proposals". Continuing from the passage quoted above, Pearce said:- "That was the proposal put forward by the Government; and after discussion had proceeded upon it, Mr Hughes, on behalf of the Government, altered that proposal to the effect that the men should be called up under the proclamation two months prior to the taking of the referendum. Pressure was brought to bear on Mr Hughes and the Government in that Party meeting to have the calling up of the men after the referendum had been taken, and a number of members of the Party present intimated that if that were done they would support the Government proposal. As a compromise the period for which the men should be called up prior to the taking of the referendum was brought down to one month, and Mr Hughes then put forward the Government proposal with that compromise. Those who were present at the meeting well remember that he said "Well we come down to one month, and I put the proposal to the vote. All those in favour of that - "that" meaning the Government proposal with the compromise reducing the term for which men were to be called up to one month instead of three months before the taking of the referendum" -

Senator Gardiner: "There were no Government proposals."

Senator Pearce: "The proposal put by Mr Hughes was the Government proposal, with the concession as to one month prior to the taking of the referendum which had been pressed upon him."

Senator Gardiner: "Is the honorable Senator prepared, when the Senate adjourns to go with me and inspect the minutes, signed by Mr Hughes, and then come and tell the Senate the result?"

Senator Pearce: "I do not care what the minutes contain. I know, and other honorable Senators know, that I am accurately stating what took place."

Senator Gardiner: "The words were written down, and signed by Mr

Hughes."

Senator Pearce: "I have not seen the minutes, but I have a clear recollection of the matter, because as Minister for Defence I was keenly interested in it."

Senator Lynch: "The Minister refers to the vote, which was carried early in the morning, about half past two o'clock?"

Senator Pearce: "Yes. The military necessities of the situation were that the men should be available to be sent overseas after the referendum, and it was therefore desirable that we should get them into camp at the earliest possible moment. Mr Hughes made what I said at the time was an unwise concession.....However, when he made that concession, Mr Hughes put the proposition to the meeting as a whole, and those present knew very well when they voted upon it. A majority of 24 to 21⁽⁴⁴⁾ agreed to that proposal put before the meeting by the Government. By carrying that proposal the Caucus agreed to the taking of the referendum, to the calling up of the men one month before the referendum was taken, and to the decision being accepted by the Government as authority to proceed if conscription were carried at the referendum. Yet after that several honorable Senators came down here and violated that decision of a duly constituted Caucus meeting by voting against the Military Service Referendum Bill."⁽⁴⁵⁾

In spite of Senator Pearce's precise points, if his description of Hughes's procedure is correct, Gardiner is not to be blamed for believing the vote was on the call up, viz. - "Well we come down to one month, and I put the proposal to the vote. All those in favour of that....." Pearce's own wording demonstrates the lack of clarity of the proceedings.

Hughes adjourned the meeting immediately after the vote. It is not hard to believe that, in the absence of a written motion - and the minutes reveal that the vote was upon an unseconded verbal statement - many thought they voted on the call up issue. The

(44) Leaving aside the substance of the question Pearce's recollection of the voting is inaccurate. All others and the minutes say 23 to 21.

(45) Commonwealth Parliamentary Debates, vol. 81 pp.11069-11070. 7 March, 1917

substance of Hughes's statement recorded in the minutes show that they did. It would be underestimating Hughes's skill in dealing with Caucus to assume this procedure to have been accidental. The epithet used against Hughes by the Opposition had for some time been "slippery". His action over the electoral question regulations on October 27th, 1916 - taking defeated regulations to a differently composed Executive Council - was certainly "slippery". One cannot resist the impression that his handling of Caucus on August 28th - 29th was "slippery" also.

The Minutes for August 25th show that after Hughes had outlined a policy for the Government, but moved nothing, Senator Lynch, seconded by another Western Australian, Senator Needham, had moved a motion which could have produced clear decisions regarded as binding. "The proposals outlined by the Chairman be discussed and decided by Caucus before they are further dealt with by Cabinet." The fate of this motion is thereafter not recorded. It was not put. When Caucus resumed on August 26th, in the absence of any minute reading of proceedings of the 25th - the meeting merely being treated as adjourned - it was probably forgotten. Caucus undoubtedly lost its grip on the business before it, voting on unseconded verbal statements and not on definite motions.

The unseconded statement of Hughes, carried by 23 to 21, believed by some to be a resolution on call up procedure, in which a conscription referendum is merely used as a time point of reference for the call up, was accepted ultimately by the majority as authorizing the conscription referendum.

At all events, no effort was recorded in the minutes to set the referendum aside, though 22 members considered there was no binding resolution and also, in some cases, that it was a matter on which they could not be bound, and voted against the Military Service Referendum Bill.

Tudor's Resignation: Caucus Efforts for Unity:

Conscription featured again in the Caucus meeting of September 14, the same day as W. M. Hughes moved the second reading of the Military Service Referendum Bill, and Brennan opposed it, in the House of Representatives.

The minutes of this meeting are amongst the most interesting in 60 years of Caucus. The hostility of the New South Wales Executive intrudes into the meeting. That of Victoria's Executive does not. Nevertheless the Victorian Executive, two days before, had taken steps to break up the Hughes Government, a circumstance which gives great significance to the very strong Caucus votes to maintain unity.

On September 12, 1916, the Central Executive of the Political Labour Council of Victoria resolved:- "That, in the opinion of the Central Executive, the two Victorian members of the Federal Labor Ministry, Messrs Tudor and Russell, should resign forthwith from the Hughes Ministry."

The resolution followed several months of clear indications by the Victorian Executive of opposition to conscription. According to Senator Russell he, as a Minister in the Government, had received a letter from them asking his attitude to conscription, dated June 16, 1916.⁽⁴⁶⁾

On September 14, Tudor resigned from the Ministry. Russell did not resign on the conscription referendum issue and remained in the Ministry till October 27 - the day before the referendum.

The September 14 meeting was affected, therefore, by the attitude of the Victorian Executive. It was probably meeting with the knowledge that Hughes's expulsion was likely. This did not occur till the next day, September 15, but the meeting began with the strong suggestion that Hughes regarded anyone working in league with New South Wales Executive against his leadership as a traitor to the Parliamentary Party. The Minutes record ⁽⁴⁷⁾ "Senator Grant, as a

(46) Commonwealth Parliamentary Debates, vol. 80, p.9764, 14 December, 1916.

(47) Minutes, September 14, 1916. Caucus proceedings at this time should not, by convention, be disclosed to anyone. At a later time this was made explicit in standing orders. Minutes 1901-1960 contain frequent references to leakages, especially to the press.

matter of privilege, drew the attention of the meeting to the fact that, at a meeting of the New South Wales P.L.L. Executive, some of the business transacted at a recent Caucus meeting had evidently been conveyed, as members there were well informed as to what took place." There is, of course, no such thing as privilege (in the sense of the New South Wales Executive being punishable) covering the proceedings of Caucus. But Hughes took the statement seriously as applying to Caucus members. The minutes proceed - "Mr Hughes made a statement on the matter in which he said that Senator Ferricks and Mr Burns had been guilty of conduct treacherous to the Party. Mr Charlton moved, Mr McDonald seconding, that Senator Ferricks should be summoned to the next meeting to answer the charges made against him by Mr Hughes." This motion was carried, but it is never subsequently recorded in the minutes how Ferricks fared or if he ever appeared. The matter was never raised again, the next meeting, of September 27th, dealing only with innocuous matters, and the next, that of November 14th, being the occasion of the censure motion on Hughes. The suggestion of bad relations with the N. S. W. Executive and the suggestion of the Caucus trial of a member were sensational enough, but the real sensation of the meeting was the Tudor resignation. Later in the day, in the debate on the Military Service Referendum Bill, Frank Brennan was to forecast this resignation as the beginning of the break-up of the Hughes Government,⁽⁴⁸⁾ but he did so in the face of strong decisions by Caucus to prevent the break-up. Tudor himself made no statement in Parliament on his resignation. The minutes proceed:- "Mr Hughes read a letter from Mr Tudor, M.P., in which the latter resigned his position as a Member of the Government, and Minister for Trade and Customs, and expressed his regret, together with his appreciation of the services of Mr Tudor as a Minister and member of the Cabinet." The minutes record the fact that Tudor supplemented this letter with an explanation, but record nothing of his remarks.

(48) *Commonwealth Parliamentary Debates*, vol. 79 p. 8558, September 14th 1916. "I am not surprised that, as a result of this grave and gross breach of faith on the part of the Prime Minister, his government has already begun to crumble."

Catts and Peace - The Battle of Tactics:

An effort was immediately made to use the Tudor resignation as an occasion for censuring the rest of the Cabinet. If Hughes could get a resolution through to authorize a Referendum while seeming to authorize a call up, Catts could draft a resolution which censured the Cabinet while seeming merely to commend Tudor. Catts moved, with Senator Needham seconding:- "(1) That the resignation of the Hon. F. Tudor as a Minister be not accepted. (2) That he be informed that refusal to advocate conscription for overseas service, either in or out of Parliament at his own unfettered discretion, is no disqualification for Ministerial Office in a Labour Government." Caucus in its 63 years of history has had no more skilful draftsman of motions than J. H. Catts. His motion to amend Hughes's proposal to expel Hugh Mahon from the Parliament is a masterpiece of drafting, as shall be noted elsewhere.

It is a delicate censure on the Government, skilfully seeking to capitalize on Tudor's popularity, which was later to win Tudor leadership.

But Senator Peace countered with equal skill and, significantly, his seconder was Matthew Charlton, also a future leader of the Labour Party and one who, on the day of the break up on November 14th, was still fighting to maintain a precarious unity. Pearce's amendment read:- "That the resignation of Mr Tudor be accepted with regret, and that the position rendered vacant by his resignation be not filled till after the referendum is taken." To those who were attached to Frank Tudor, this held out the strong hope that Tudor could rejoin the Ministry after the people had decided the conscription issue. It eliminated any suggestion of supporting his stand, while professing respect for his person. It extricated the Party leadership from any need to strike back at Tudor, while deflecting the implied attack on them.

Such finessing was not for Senator Mullan. He had extracted pledges from Pearce on conscription in the Senate, had opposed every

suggestion of it, had quoted Ministerial assurances against it⁽⁴⁹⁾, must have been aware of the correspondence from Queensland back in November, 1914 and the replies, and was prepared now to make charges of virtual deceit. His motion, which was seconded by Dr Maloney, would, if carried, have been interpreted as a direct rejection of the whole Government by Caucus. It read:- "That this Party accepts the resignation of Mr Frank Tudor, and approves of his action in severing his connection with a Government whose policy is to introduce a compulsory military service referendum bill, and to call up troops, ostensibly for home service, but in reality for service abroad." Caucus therefore had before it three choices, Mullan's proposition undoubtedly meaning the end of the Government if adopted, and Pearce's the status quo. The minutes record the fate of these propositions. "Senator Pearce's amendment was first put to the meeting, the voting being Ayes 47, Noes 7.

Senator Mullan's further amendment was then put, the voting being Ayes 9, Noes 37.

Senator Pearce's amendment was then put as the motion and carried." The vote is a vote for the unity of the Parliamentary Party in the face of the situation developing in the State Executives of New South Wales and Victoria. In a sense it was a vote for continued confidence in the Government. It constitutes a refusal to demand any new policy arising from the opportunity presented by the Tudor resignation. It was, in a sense, an authorization at this late stage of the conscription referendum, since Tudor had resigned, not merely in opposition to conscription, but to the conducting of a referendum on the question. There is no record of Gardiner or anybody else raising the question as to whether or not the Military Service Referendum Bill had in fact been authorized.

(49) e.g. Commonwealth Parliamentary Debates, vol. 77 pp. 5100-5102
21 July, 1915

Growing Tension in the Labour Movement and the Military Service Referendum Bill Debate:

Hughes's announcement of the Conscription referendum had been made on August 30th. That Tudor's resignation was delayed till September 14th suggests three possibilities.

He was concerned for unity and struggled against resignation within his own mind; or else he was influenced by the Victorian Executive expression of opinion (that he and Russell should leave the Ministry) of September 12th; or else he waited for the next Party meeting after that of August 25th - August 29th.

But an ugly tone had come into affairs in the Labour Movement outside, and it began to be echoed in the House on September 1st. Long before this, on July 29th, the affairs of the Labour Movement had been disrupted when Commonwealth officers had raided Melbourne Trades Hall to seize anti-conscription manifestoes about to be sent out to Labour organizations throughout the Commonwealth. Early in September soldiers broke up anti-conscription meetings.⁽⁵⁰⁾ On September 1st in the House of Representatives Matthews, a Labour member, had asked the Prime Minister:- "Is it the intention of the Government to utilize the provisions of the War Precautions Act in order to lock up all who are objecting to conscription? A start was made in Melbourne last night." To this Hughes replied:- "The Government will not hesitate to use its powers under the War Precautions Act in any and every direction necessary for the welfare of the country. Whether the exercise of those powers is necessary in regard to the matter mentioned by the honorable member I will not say just now."

The debates for September, 1916, in both houses contain many references to what some regarded as unfair censorship. Mutual trust was simply disappearing, though both Tudor and Gardiner referred in later speeches to the period before the referendum as a period characterized by conscious efforts for unity.

(50) Allegedly authorized to do so by Senator Pearce. The question of servicemen in uniform at political meetings then became an issue. The authorization is unlikely.

In a sense Hughes and Pearce became protagonists of a dual struggle. Both would have imposed conscription straight out if they could have done so, but it was impossible for them to say publicly that a Conscription Referendum was for them merely a *measure fautive de mieux*.

Rationalisations:

Pearce justified a referendum - "to take up the position of refusing to allow the people to vote on this question is quite a different proposition from opposing a Bill which was never considered at the last election. I heard of no candidate on that occasion who told the electors that, if returned, he would be prepared to amend the Defence Act to make soldiers available for overseas service".

Senator O'Loughlin:- "We had no mandate at the last election for that."

Senator Pearce: "That is so, and, therefore a member in that position would be perfectly justified in taking whatever action he thought fit, and neither party could complain of his action because such a Bill is on neither platform. Neither party put it before the electors, and therefore members of both are perfectly free.....to prevent its passage. The journals outside.....say there is a majority in the country for conscription, and that, therefore, honorable members should bow to the will of the majority.....If there is a majority of the people for compulsion the referendum will be carried; if not, it will be lost. But if there is not a majority in favour of this course then this Parliament has no right to carry that law." (51)

Hughes's ministerial war policy speeches of August 30th and September 1st had to make a better case than abstract democratic rights involved in the referendum. Always bold, Hughes argued that absolutely no time was lost, (52) that the need was for trained men and the referendum campaign gave time for training; (53) that the process was faster than getting a conscription bill through Parliament, (54)

(51) Commonwealth Parliamentary Debates, vol. 79 pp. 8409-8410, 1/9/16

(52) Ibid vol. 79 p. 8425. 1 September, 1916

(53) Ibid vol. 79 p. 8423. 1 September, 1916

(54) Ibid vol. 79 p. 8423 - 8424. 1 September, 1916

and that he could not get such a bill through the Senate any way. (55)
This latter point is the interesting one. If a Labour leader could validly enact conscription, with the consent of a Caucus majority, the Senators would have no right to oppose it. (56) Labour held 31 seats out of 36 in the Senate. The real point - that he would never have got a Caucus majority for conscription - he never mentioned. This would have been damaging to the conscription campaign and would have emphasised that he was out of touch with his Party, for his aim was conscription via a "yes" vote. (57) Nevertheless he too, made a point which suggests that the Parliament had no moral right to enact conscription without a referendum - "But this is a country where the people rule; and in this crisis - in which their future is concerned - their voice must be heard. The will of the nation must be ascertained. Autocracy forces its decrees upon the people; Democracy ascertains and then carries out the wishes of the people. In these circumstances, the Government consider that there is but one course to pursue, namely, to ask the electors for their authority to make up the deficiency by compulsion. Set out briefly, the policy of the Government is to take a referendum of the people at the earliest possible moment upon the question whether they approve of compulsory oversea service to the extent necessary to keep our Expeditionary Forces at their full strength." (57)

Hughes faced a shrewd question on this -

Mr Watt: "Supposing honorable gentlemen opposite had been in favour of compulsion, would the right honorable gentleman then have thought an election or a referendum inevitable?"

Mr Hughes: "I think so."

Mr Watt: "Would it have been inevitable with an unanimous Parliament?"

Mr Hughes: "If the Parliament is unanimous on any subject, it may fairly be assumed to reflect the opinion of the whole people. But

(55) Ibid vol. 79 p. 8423 at foot and p. 8425 the problem of the "August body.....another place." Hughes's whole speeches Ibid pp. 8402 - 8403 and pp. 8421 - 8427; 30 Aug., 1 Sept., 1916

(56) This is not to say they would not have done so.

(57) Ibid vol. 79 pp. 8402 - 8403, 30 August, 1916

those who are against compulsion reflect the opinion of a large number of persons outside, and, therefore, the people should be consulted."⁽⁵⁸⁾

These replies are ingenious. They are negative testimony to the sense in which Caucus was controlling the situation, though no resolutions reached the books. It was opposed to straight out conscription.

Second Reading Debate - House of Representatives:

The main significance of Hughes's speech on the second reading of the Military Service Referendum Bill was perhaps that it accompanied the action which produced his expulsion by the New South Wales Executive the following day. His speech⁽⁵⁹⁾ is entirely technical and brief,⁽⁶⁰⁾ and it was followed by a violent speech by Frank Brennan.⁽⁶¹⁾ One might have expected Tudor to follow. The interest of the debate is that it reveals attitudes in a way the Caucus minutes do not. To Brennan to suggest that the Military Service Referendum was an example of the "initiative referendum and recall" was merely an attempt to lure "adherents of the Labor Party..... to support this Bill."⁽⁶¹⁾ It was an "iniquitous proposal to coerce all free Australian citizens." It was "a departure of the gravest character from the Prime Minister's plighted word". It was "an unexampled act of oppression and coercion". The Prime Minister "was sure of the support of the Opposition as soon as he adopted its policy". Conscription had had a baneful effect in France - a fact censored by the Government. In the European autocracies they had never applied it to send men 12,000 miles. Only Tudor had left the Government at this stage but to Brennan it was doubtful whether "the remnant were capable of being called a Government."⁽⁶²⁾

He attacked the call up proclamation. Hughes interjected to accuse him of inciting bloodshed in Australia, presumably to resist conscription,⁽⁶³⁾ and was supported by Sir William Irvine and

(58) Ibid, vol. 79, p. 8424, 1 September, 1916

(59) Commonwealth Parliamentary Debates, Vol.79, pp.8557-8558, 14 September, 1916

(60) 11 minutes duration, Ibid Vol.79, pp.8558-8560, 14 September, 1916, and vol. 80, p. 8561, 14th September, 1916

(61) Ibid vol. 79, p. 8558, 14th September, 1916

(62) Ibid vol. 79, pp. 8558 and 8559, 14th September, 1916

(63) Ibid vol. 79, p. 8560, 14th September, 1916

Sir Robert Best. Brennan's speech is a speech against conscription, or against the advocacy of a "yes" vote, and illustrates the Parliamentary tactical difficulty a proposal for a referendum imposed on opponents of conscription. He met the difficulty by asserting that on a matter like this no majority, however large, could coerce any minority, however small.

Mathews (Melbourne Ports) was the next Labour speaker.⁽⁶⁴⁾ At the outset he made his position clear. "I am an anti-conscriptionist and I refuse to support the initiation of a Bill to give an opportunity for conscription."⁽⁶⁵⁾ Mathews sailed very close to the wind - ".....I recognize that it would be just as well for Prussianism to rise victorious from the War as for the Democracy of the world at the end of the war to be in the lands of plutocrats." He contrasted profits for some with longer hours of work for unionists in the United Kingdom. The Prime Minister had better keep conscripts away from volunteers. He quoted an article in the Sydney Morning Herald. After the war "Capital will be scarce and labour plentiful. Therefore wages will be low, rents high, food dear and unemployment plentiful." Underlying his speech is a philosophy of class war. Underlying Brennan's is rather Irish Nationalism.

Poynton (Grey), the next Labour speaker, supported the Bill.⁽⁶⁶⁾ His speech gave pleasure to Sir Robert Best, the Liberal who followed him.⁽⁶⁷⁾ To Poynton, Australia's participation in the war was having "a marked moral effect on allied nations". The benefits of the Labour Movement, such as early closing and preference to unionists, were obtained by compulsion. He regretted that it should be necessary to go to a referendum. He had lost a son at the war and had another there now, but he would rather see "the whole of my blood relations wiped out than that they should suffer under German tyranny. He concluded

(64) Commonwealth Parliamentary Debates, vol. 80 pp. 8561 - 8568.)

(65) Ibid, vol. 80 p. 8562

(66) Ibid, vol. 80 pp. 8569 - 8571

(67) Ibid p. 8571

(64-67) 14th September, 1916

by saying that Australia must show, if necessary that "we are prepared, as Andrew Fisher said, to give the last man and the last shilling in order that we may win the war."

Finlayson (Brisbane) supported the idea of a referendum, congratulating the Opposition on their conversion to it, but there were subtle variations. He stood by the initiative and the referendum. In this case Parliament was the initiator. If it were being initiated outside he would be justified in supporting or opposing the initiative. In this case he opposed conscription. He had always supported recruiting. Large numbers had been rejected by faulty medical tests. They were now being invited to apply again. Conscription was not necessary. He was critical of electoral provisions for the Army ~~and the Territories.~~

Dr Maloney (Melbourne) had his problem with the Labour Platform on the initiative, referendum and recall⁽⁶⁸⁾ - "As one who has lectured on the question of the initiative and the referendum since 1890 in most of the States of Australia, I must say that I little thought that that splendid instrument for giving effect to the views of the people would be made use of in a matter like this." Fisher, he asserted, would never have brought in this Bill. No country in the world had ever instituted conscription by a popular vote.⁽⁶⁹⁾ He quoted the enormous populations of allied countries - 284,000,000 for the Allies in Europe compared with 123,000,000 for the Central Powers. 244,000,000 in India and 72,000,000 in Japan - "Yet the cry is for little Australia to send more men." Cancelling naturalization papers for Germans was like tearing up the Treaty in regard to Belgium. My democracy was learnt from Germans." Like Mathews he dealt with war profiteering. He expressed concern at the way censorship was being used. Bamford (Herbert) took credit for being the first "to voice conscription on the floor of this House.I announced that I was

(68) Ibid, vol. 80 pp. 8586 14 September, 1916.

(69) In this he anticipates Sir George Pearce's conclusion that no belligerent country of the First World War would have carried the Conscription Referendum. Pearce, "Carpenter to Cabinet", p. 138

a conscriptionist. I still am."⁽⁷⁰⁾ He had hoped that when the Prime Minister returned he would introduce conscription immediately. The voluntary recruiting which existed had been practically coercion. The Prime Minister ought to be an autocrat. The country needed one. Australia was defended abroad, not in its own shores. Democracy would not last if the Empire fell. If members had pledged themselves on this matter they should revoke their pledges.

Carr (Macquarie)⁽⁷¹⁾ accepted the view that "today our frontiers are in France". He accepted the referendum on this matter only as a compromise. Those charged with the safe conduct of the nation's affairs were in possession of information which could not be given to the people, therefore the people should not be called upon to decide. If Mr Hughes and the Government do not know what to do how could the people tell them what to do. He favoured conscription. His speech produced pleasure in the heart of his Liberal successor⁽⁷²⁾ in the debate, who wondered why some of the Labour speakers had not been interned.

Tudor (Yarra)⁽⁷³⁾ pointed out that until the talk of conscription in Victoria alone 30,000 recruits a month were coming forward. Talk of conscription had caused a falling off in the flow of recruits. This Bill was not really an application of the initiative, the referendum and the recall. He was logical- "Numerous arguments have been advanced during this debate as to why we should vote against conscription, which in my opinion have nothing to do with this question." We should do our share in the war, he asserted. Conscription and anti-conscription arguments were for the platform in the referendum campaign.

To Hannan (Fawkner)⁽⁷⁴⁾ the "authorities at Home" by enlarging the front Australians had to hold could indefinitely expand the demand for Australian manpower, and even under conscription Australia could

(70) Commonwealth Parliamentary Debates, vol. 80 pp. 8599 - 8604

(71) Ibid, vol. 80 pp. 8601 - 8604, 14 September, 1916

(72) Fleming (Robertson) Ibid, pp. 8604 - 8606, 14 September, 1916

(73) Ibid, pp. 8606 - 8608, 14 September, 1916

(74) Ibid, pp. 8614 - 8619, 15 September, 1916

not make good the wastage. He denied that Australians were fighting for home defence in the sense that it was understood in Europe or had ever been understood in Australia. He defended Fisher against the imputation of being a conscriptionist. People with members of their families at the front would in many cases vote against conscription. He would not support conscription even if the voluntary system were a failure, but it was not a failure. If 5,000,000 French were situated geographically as Australians their voluntary enlistment would be less than Australians."

Webster (Gwydir - Postmaster-General)⁽⁷⁵⁾ said that in supporting recruiting he had always warned that compulsion would come if volunteering failed. He did not think that those "in the organization to which I have belonged for the best part of my life" who "issue their instructions to us to do this, that or the other" would in later years "look back with very little pleasure" on their present attitudes. We could only develop "our White Australia" under the protection of the British Flag. "I would sacrifice everything rather than have the escutcheon of my reputation besmirched by any suggestion of disloyalty to the men I have urged to go to the war." As for the referendum - "The referendum is in accordance with our platform, and with all the modern usages of a democratic people, because it is the instrument by which they may express their wishes in vital matters.....If this course is objected to successfully we shall be striking at the very keystone of our democratic arch." And for the future of the Labour Party - "I am not speaking in any bitterness or anger, but with the deepest sympathy for those who are trying to drive a wedge into the Party to which I belong and split it asunder....I trust my friends who differ from me will treat me as I will treat them, with all that fairness and consideration to an honest man giving honest opinions."

Charlton (Hunter)⁽⁷⁶⁾ supported the idea of the referendum. He wanted clear proposals on war finance to provide for conscript

(75) Ibid, pp. 8625 - 8627, 15 September, 1916.

(76) Ibid, pp. 8629 - 8632, 15 September, 1916.

forces. Taxation of wealth was the only sense in which there could be equality of sacrifice. Charlton gives the impression of being one of those who really wanted the electorate to decide.

Chanter (Riverina)⁽⁷⁷⁾ was prepared to trust the Prime Minister on conscription of wealth. Compulsion was inevitable. Fisher's manifesto in 1914 would certainly cover conscription. The voluntary effort had failed. Burns (Illawarra)⁽⁷⁸⁾ quoted the pledges he had always given against conscription. The voluntary system had not been given a fair trial. It had been discouraged by military excesses and abuses. Despite this the Prime Minister had told the men of H.M.A.S. "Australia" that Australia had enlisted 290,000 men "in May last". Australia's figures, relatively, were better than Canada's. He had objections to offer to the censorship. To Hughes's motion "that the Bill be read a second time" he moved "That the following words be inserted after the word "That":- "in the opinion of this House, conscription of human life is inadvisable, and that the proposal of this Government, if given effect to, would be destructive to the best interest of Australia."⁽⁷⁹⁾ This motion had no authorisation in Caucus.

Archibald (Hindmarsh)⁽⁸⁰⁾ interpreted the motion of Burns as a no confidence motion in the Government. If carried, there would be no referendum. Australia had depended for 100 years on the British Navy. He was prepared to send men "to the limit of our capacity". "All the male population cannot be sent away. No man outside a lunatic asylum and, perhaps, the Juntas of Melbourne and Sydney, would suggest that such a thing should be done." Hughes was being abused but "the name of William Morris Hughes is written largely over everything achieved by Labour in recent years." The I.W.W. should be dealt with - "these vermin" - and its leaders deported back to America. Conscription would not be foisted permanently upon us. Our simple duty was to protect Australia as an integral part of the British Empire.

(77) Ibid, pp. 8635 - 8639, 15 September, 1916

(78) Ibid, pp. 8641 - 8643; 8658 - 8661 | 15 Sept., 1916; 20 Sept., 1916

(79) Ibid, p. 8661. The vote on his motion, Ibid, 8694. Defeated by 49 votes to 12. The 12 voting for it (all Labour) - Anstey, Brennan, Burns, Finlayson, Hannan, Dr Maloney, Parker Moloney, J. Page, J. B. Sharpe, Tudor, Catts and Mathews. 15 September, 1916

(80) Ibid, pp. 8667 - 8672 , 20 September, 1916

Anstey (Bourke)⁽⁸¹⁾ made a speech which would defy compression. He complimented the Opposition on their consistency; exhibited some of Hughes's methods of defaming his opponents; the war situation had improved, not worsened; conscription was inimical to the future of Australia which was situated geographically and economically like no other country. Anstey's comments on the position of the Parliamentary Labour Party are most illuminating:⁽⁸²⁾ "I object to...."(the Bill) "in the first place, on the ground that it does not represent the will of the majority of our Party. It does not even represent the will of the majority of the Cabinet itself. The Prime Minister does not lead this Party with regard to it; he does not even represent the Government or a majority of it. He speaks mainly for himself, or at the most for a minority of his Cabinet. He depends for the execution of his efforts on the belief that he holds the majority of this Party in a cleft stick - he believes that they cannot frustrate his efforts without letting the other side in."⁽⁸³⁾

The special Victorian position, the belief which underlay the Victorian Executive in commencing a campaign for the break up of the Government on September 12th, and shortly after to demand that there be no reconciliation in the Party, was expressed by Anstey thus:- "I should prefer to see the Opposition dealing with an issue of this character. I would sooner see them here - in power; because I do not think that even the honorable member for Flinders⁽⁸⁴⁾ would go any further than the present Prime Minister is prepared to go. If the Opposition were in office, and were responsible for this proposal, we should be able also to put up a stronger power of resistance against it. As it is, many people are prepared to accept it because of the hand from which it comes."

In the course of the debate a good deal had been made of the Labour Party manifesto of the 1914 elections, in which Fisher had

(81) Ibid, pp. 8674 - 8683, 20 September, 1916

(82) Ibid, pp. 8679 - 8681, 20 September, 1916

(83) Anstey did not anticipate that Hughes would lead the other side. Senator Ferricks prophesied several times that Hughes and Cook would soon be together and also Senator Pearce and Senator Millen.

(84) i.e. Sir William Irvine, philosophically Labour's most convinced opponent, an out and out conscriptionist who did not believe in the referendum, but in direct imposition of conscription.

pledged total commitment of Australia to Britain's war. Many opposition speakers held it had implied conscription. Said Anstey - "I am ready to abide by the manifesto referred to.....framed by intelligence so astute its language would cover any position that any politician might wish to occupy at any time.....It said 'We shall do everything'. How clear, how definite, how precise that is, and how impossible to escape from! I said 'I am lost'. Then I read the next few words 'that is necessary'. I said to myself 'Glorious loophole'. What is necessary? What you think; what I think; it covers the Women's National League, the Industrial Workers of the World, anybody, everybody. That is the virtue of a good political manifesto...."⁽⁸⁵⁾ The gravamen of Anstey's case was that the Government wanted 200,000 men ostensibly as reinforcement for 100,000 men in 1917, and that this meant that the Australian commitment was being enlarged indefinitely.⁽⁸⁶⁾ Parker Moloney (Indi)⁽⁸⁷⁾ took exception to suggestions that "German gold" and the I.W.W. were behind opposition to conscription, and to this as a repetition of the Prime Minister's hints. His speech deplored abuse of Hughes and credited him with speaking his honest convictions. The scale of the demand for troops was inordinate. Agriculture could not stand it. Under a voluntary system Australia had 6% of her population in the field, Russia 4 $\frac{1}{2}$ %. Moloney was accused by Poynton of being willing to "let our men perish".

Hughes (West Sydney - Prime Minister)⁽⁸⁸⁾ intervened in a speech which, while applying to Burns' amendment the epithets "shallow" and "hypocritical" was largely a simple defence of the referendum. After the defeat of the amendment J. H. Catts (Cook)⁽⁸⁹⁾ spoke. He claimed that the "overwhelming majority" of the Labour Party was opposed "to the Prime Minister's programme of conscription for overseas service." The Party had had no opportunity of formulating a war policy based on the information the Prime Minister had brought back

(86) See Appendix B for Anstey's recruiting figures

(87) Ibid, vol. 80, pp. 8686 - 8693 | 20 September, 1916

(88) Ibid, vol. 80, pp. 8693 - 8694 | 20 September, 1916

(89) Ibid, vol. 80, pp. 8694 - 8704 | 20 September, 1916

with him. He believed there was a Liberal-Labour coalition. Pressure would influence the service vote. The Prime Minister was assuming dictatorial powers. The Prime Minister by insinuation was branding opponents of conscription as traitors in the pay of Germany. The campaign was to be weighted against the "No" case by £1,000,000 of public funds for the "Yes" case. Nations in the Pacific had aggressive intentions against Australia. He made clear he meant Japan. This meant men should not leave Australia.

Yates (Adelaide)⁽⁹⁰⁾ intended to vote for the Bill, but only to give the people a chance to decide. A referendum on conscription was the lesser of two evils - the other was that the Opposition would come into power. Fisher had said that the Labour Party would never agree to conscription unless it were first made an election issue. He objected to censorship, Trades Hall raids, to war profits, to borrowing.

Laird Smith (Denison)⁽⁹¹⁾ was for the referendum and objected to the fact that Dr Maloney had led an audience of 30,000 the night before in "Three cheers for Labour and humanity and down with Hughes and militarism". He deplored the bitter, unfair, and unjust vilification of Hughes. Conscription was wrongly called militarism. In fighting Germany you were fighting militarism. Australia was the only part of the British Empire making the wealthy pay. Hence there was no need to talk of conscription of wealth. If he were not endorsed by the Labour Party as a result of his stand he would simply go back to his calling as a worker.

Lynch (Werriwa)⁽⁹²⁾ declared himself an anti-conscriptionist, but favoured the referendum. He had suggestions for a juster financing of the war.

Fenton (Maribyrnong)⁽⁹³⁾ favoured the referendum, held it was of the essence that a referendum gave both sides a fair chance for their case, and hoped for good feeling.

The second reading was then carried by 46 to 10⁽⁹⁴⁾. The ten

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| (90) | Ibid, vol. 80 pp. 8717 - 8725 | 20 September, 1916 |
| (91) | Ibid, vol. 80 pp. 8727 - 8733 | 20 September, 1916 |
| (92) | Ibid, vol. 80 pp. 8733 - 8736 | 20 September, 1916 |
| (93) | Ibid, vol. 80 pp. 8736 - 8740 | 20 September, 1916 |
| (94) | Division list vol. 80 p. 8740 | 20 September, 1916 |

voting against the Bill were Burns, Catts, Hannan, Maloney, Mathews, Parker Moloney, Sharpe, Tudor, Finlayson and Page, and W. G. Mahony, Brennan and Anstey were paired against it. In the Senate 9 voted against the second reading⁽⁹⁵⁾ - Senators Barnes, Ferricks, Findley, Maughan, McKissock, Mullan, Stewart, Turley and Blakey. Since 22 members of the Parliamentary Party were not prepared even to have a referendum on conscription it makes intriguing the small vote of 7 against Pearce's motion to accept Tudor's resignation and keep his position open until after the referendum; and also the vote of 9 for Senator Mullan's virtual censure on the Government at the Caucus meeting of September 14th.

It means that a majority of those totally opposed to conscription were not prepared to press the matter in Caucus with the motive of replacing the leadership.

The debate in the House of Representatives is disappointing reading. It was impossible to confine it to the issue of whether or not there should be a referendum. The case for conscription boils down to the assertion that the Empire must be defended and conscription was the scientific way to do it. There are no war aims but victory. Nothing like President Wilson's 14 points, of the near future's news, originated in the debate. The aim of appealing to the neutral world is non-existent. References to the United States are contemptuous. The anti-conscription case has glimmerings of Australian independence, sheer antipathy to war, and some perception that the unity of 1914-15 was disappearing from the country under Hughes's Prime Ministership. It is in some instances characterized by class war. In Anstey's case his correct analysis of the drafts of men asked for led him to conclude that the demands of the Government on manpower concealed far greater participation in the war than the maintenance of 5 divisions, but beyond that the whole case is poor. The case against conducting a referendum is almost non-existent.

Those supporting conscription have no idea of the appalling British casualty lists, which censorship has suppressed. If this

(95) Division list, vol. 80 p. 8964 , 22 September, 1916

information had been available it might have added to a determination, when there was a Nationalist majority in 1917, to impose conscription by a Parliamentary majority.

On the other hand what Winston Churchill calls "the frightful slaughters, often barren"⁽⁹⁶⁾ were probably concealed "by the wartime censorship, actual and moral"⁽⁹⁷⁾ with a sound instinct for preventing the development of opposition to the war.

Expulsion and Continued Leadership:

Hughes was expelled by the Executive of the New South Wales Labour Party on September 15th. He nevertheless presided on September 27th at a Caucus meeting - a procedure later unthinkable - and his expulsion was not raised at the meeting. To an attendance of 54 Hughes outlined financial proposals of the Government, but there was not the slightest suggestion the Government would not be carrying on. Either a State Executive expulsion meant nothing, or membership of the Labour Party outside was not necessary to membership of the Parliamentary Party, or members were waiting for a Federal Conference. A motion by Archibald (Conscriptionist) was seconded by Senator Stewart (anti-Conscriptionist) and carried. It was the last meeting before the referendum. On the day he walked out of Caucus on November 14th, Hughes signed the confirmation of these minutes of September 27th. In later years any man expelled by his State Executive never even came into Caucus. But Hughes was to preside again on November 14th and to be subject to a censure motion moved in Caucus on his leadership. It almost appears as if the first Caucus minutes which describe the Federal Parliamentary Labour Party as an assembly of "members favourable to the formation of a Commonwealth Labour Party" were still an accurate description of the conditions of membership. ~~The Party constitutional theory of the time will be discussed later.~~

The Executive Council Crisis - Resignation of Higgs, Gardiner and Russell:

From September 27th, 1916 to November 14th, 1916 there was no

(96) Churchill: "Great Contemporaries" - Essay on Haig, p. 225

(97) Ibid, p. 224

meeting of Caucus. On October 27, 1916, Higgs, Russell and Gardiner resigned from the Ministry. Ernest Scott in the Official History of Australia in the War, misinterprets somewhat the reason for the resignations and definitely misinterprets what he regards as a failure on Hughes's part to fill the ministerial positions.

According to Scott - "On the day before the referendum three other members of the Government resigned.....Their resignations were influenced by what they described as "the undue interference of the Prime Minister in the conduct of the referendum, in issuing resolutions under the War Precautions Act providing that military questions may be put to voters at the polling booths'.....The offices of the four members of the Cabinet who had now resigned were not immediately filled, a clear indication that by the end of October Mr Hughes anticipated that the Cabinet had not reached the end of the process of sloughing."⁽⁹⁸⁾

That Scott should think that the resignation was due to a simple objection to the questions is a tribute to the effectiveness of Hughes's refusal to discuss the facts.⁽⁹⁹⁾ The Opposition when Tudor⁽¹⁰⁰⁾ and Higgs⁽¹⁰¹⁾ raised the matter in the House concentrated on the impropriety of Executive Council proceedings being discussed⁽¹⁰²⁾ or its documents used. Hughes even sought the cover of the Governor-General's prestige⁽¹⁰³⁾, and the debate revealed how he had misrepresented the reason for the resignations.⁽¹⁰⁴⁾

But all this lay in the future, in the censure debate in the House of Representatives.

Sir Robert Garran in his memoirs confirms the accuracy of what Higgs and Tudor said in the House of Representatives. Garran drafted the regulations which caused the crisis and handed them to Higgs. Moreover he had to deal with some of the repercussions.⁽¹⁰⁵⁾

(98) "Official History of Australia in the War of 1914-18", vol. XI, "Australia During the War" by Ernest Scott, pp. 352-353.

(99) Hughes's speech, Commonwealth Parliamentary Debates, vol. 80, pp. 9276-9277, 30 November, 1916

(100) Tudor's speech, Ibid, vol. 80, pp. 9243-9248, 29 November, 1916

(101) Higgs's speech, Ibid, vol. 80, pp.9279-9284, 30 November, 1916

(102) Sir William Irvine's objections, Ibid, vol. 80, p. 9246, 29 November, 1916, p.9280, 30 November, 1916, pp.9286-9288, 30 November, 1916

(103) Ibid, vol. 80, p. 9278, 30 November, 1916

(104) Ibid, vol. 80, p. 9284, Quotation by Higgs of a press interview, 30 November, 1916

(105) Sir Robert Garran: "Prosper the Commonwealth", pp.229-230.

Garran makes no comment on the proprieties of the matter but a non-Labour Senator and, moreover, one who was to be a distinguished minister in the Hughes Nationalist Government, made a strong statement about it, supporting the attitude of Higgs, Gardiner and Russell and their objection to the contents of the proposed regulations - Senator E. D. Millen.⁽¹⁰⁶⁾

As for Scott's comment on Hughes's failure to fill Cabinet vacancies, this was not Hughes's prerogative in Labour practice. Caucus elected ministers and Caucus was not to meet till November 14th. Tudor's place had been left open deliberately, by Caucus decision. On Tuesday, October 24th, 1916, while an Executive Council meeting was in progress, the Solicitor-General handed draft regulations under the War Precautions Act to Mr W. G. Higgs, with a request from the Prime Minister that the regulations be signed and not published or notified in the Commonwealth Gazette until a direction to do so was received from the Prime Minister. The draft regulations were presented to the Executive Council meeting the following day, Wednesday, October 25th. This meeting rejected them.

On Friday 27th, Hughes caused another Executive Council meeting to be convened, consisting of the Governor-General (Sir Ronald Munro-Ferguson), Hughes, Jensen and Webster, and the regulations were approved. They were not, however, gazetted and therefore did not legally come into force. The referendum was being conducted by some 9,000 returning officers, assistant returning officers and presiding officers, who had received copies of the regulations with the intimation that the questions they authorized were to be asked when notification was received that they were gazetted. Telegraph offices throughout Australia were kept open to 4 a.m. on Referendum Day 28th, from Friday night 27th October, for notifications to be sent withdrawing the regulations. But the time allowed was too brief and in many places the questions were asked.

Higgs, Russell and Gardiner, hearing on Friday 27th of the

(106) Senator Millen's speech, Commonwealth Parliamentary Debates, vol. 80, pp. 9261 - 9270, 30 November, 1916

other Executive Council meeting in Sydney and the apparent promulgation of regulations they had rejected, resigned. One of them, Russell, entered the next National Labour Hughes Ministry. Liberal Senator Millen's comment on the situation, and on Russell, is interesting:-

"After the Executive Council had refused to approve of the regulation, the Prime Minister - not convening the same members of his Ministry - called an Executive Council meeting consisting of himself, Mr Webster, Mr Jensen, the last named being the only one of the four who had originally turned it down. At that meeting this regulation was approved. Assuming, as I have a right to do, that the facts are as stated, there was only one course open to those Executive Councillors who had disapproved of it in the first instance. There was only one course open to a man with any self-respect, namely to resign from the captaincy of a chief who treated him with such scant consideration. It seems to me that the action taken by the Prime Minister was so extraordinary, so arbitrary, and so absolutely unreasonable, that if those Ministers who dissented from the regulations had remained in the Government, they must have done so at the forfeiture, not only of their own self-respect, but that of the community at large. Apart from the method pursued to get it adopted, the regulation itself was sufficient to have justified the resignations of Ministers."

Senator Bakhap: "Opinions differ about that."

Senator Millen: "And I am expressing my opinion.....I disagree altogether with that regulation. Seeing that it involved a matter of vital public policy, it had no right to be put through the Executive Council in that way. Let there be no mistake about it. It was put through and it was acted upon. It was only withdrawn, not because of any change of policy on the part of the Government, but because of the fear of the consequences that might follow from giving effect to it.....I am sorry that Senator Russell has left the Chamber because I wish to say a few words personal to himself. As I remarked just now,

I can only approve the action of those Ministers who resigned from the late Government as a protest against the regulation and, therefore, it is incomprehensible to me that one of them - Senator Russell -- is still seated on the Treasury Bench. I submit to him that out of regard for his own public standing and reputation he owes some explanation to the people. If he does not give it he must not be surprised if people think lingeringly of the story of the Vicar of Bray."⁽¹⁰⁷⁾

This was the view of probably the most respected member of the Senate, and one of the most able Ministers in the future Nationalist Government.

If the attempt to issue regulations which used the proceedings at the ballot box as an occasion to police Commonwealth laws on other matters⁽¹⁰⁸⁾ and the by-passing of one group of Ministers who had disallowed the regulations in Executive Council were not enough to break up the Ministry, Hughes's attack on his colleagues on Referendum Day must have made the break-up finally certain. He informed the press that "no such regulations were issued",⁽¹⁰⁹⁾ which showed a reluctance on his part to stand to them. He went on to say "it was an attempt to impose on the credulity of electors" on a par with "Maltese and coloured labour dodges"⁽¹¹⁰⁾, characterized the story "as the last card in the anti-conscriptionist pack". Hughes must have decided that any reconciliation was impossible, for he added:- "Personally, I hail their resignations as a sure omen of victory. Mr Higgs, in a spirit of lugubrious prophecy, told a reporter the other day that if conscription were carried he would have to resign. He and his coadjutors have only anticipated the inevitable by a few hours, for the people now know the kind of men who stand behind the anti-conscription party, and understand perfectly the motives that animated them, and are resolved to vote them down and out."⁽¹¹¹⁾

(107) Commonwealth Parliamentary Debates, vol. 80 pp. 9262 - 9263

(108) See text of regulations in Appendix A

(109) Technically this is correct. They were not gazetted

(110) A reference to an anti-conscriptionist allegation that Australians at the front would be replaced with cheap Maltese labour. Maltese arrived before the referendum, causing the Government to try to divert the ship carrying them.

(111) Cited Commonwealth Parliamentary Debates, vol. 80, p. 9284

(107) and (111) 30 November, 1916

The Labor Party had now reached the position in which Dr Maloney had led a crowd of 30,000 in "Three cheers for Labor and humanity and down with Hughes and militarism",⁽¹¹²⁾ and Hughes was expressing the hope that the electorate would "vote down and out" three of his Ministers but, although he led the Labor Party, he could not replace the Ministers except by a vote of Caucus.⁽¹¹³⁾ He had misrepresented the reason for their resignation, and had pretended their references to the regulations were inventions. After the second referendum on conscription many came to regard his attitudes as a major reason for the referendum defeats. The difficulties in passing a referendum were not understood fully in 1916, as they came to be later after repeated refusals by the electorate to carry any referendum unless all political parties were agreed on the referendum issues, but Hughes does not impress as a tactician in his handling of his relations with the Labor Party. It is difficult to see how he was advancing his cause.

In a debate after the first referendum Senator Turley expressed the feelings of some members of Caucus about the interference with the franchise implicit in the questions proposed to be authorized by the draft Executive Council regulations. "The ballot box is to be used to know whether a man has been guilty of breaking the law.....I want to know what confidence the public can have in men who have used the power reposed in them to use the ballot box for a purpose like that. Fancy proposing to put a question whereby a man shall incriminate himself in respect of a violation of the law without going into a court of justice at all!.....If men broke any other law, should they be challenged at the ballot box?"⁽¹¹⁴⁾ Hughes might have made a case for himself by arguing that if Higgs, Gardiner and Russell could support section 9 of the Military Service Referendum Act (See appendix) and exclude people from the franchise on the ground of German descent and a tribunal's

⁽¹¹²⁾ Quoted Laird Smith, *Ibid*, vol. 80, p. 8728, 20 September, 1916

⁽¹¹³⁾ Which invalidates Ernest Scott's reasoning as to why he had not replaced Tudor, Higgs, Russell and Gardiner. Scott: "Australia during the War", p. 353. Scott ignores the fact that to summon a meeting of Caucus to fill Cabinet vacancies by election would raise the question whether members were prepared to serve under Hughes. If not, he would have to be replaced.

⁽¹¹⁴⁾ Commonwealth Parliamentary Debates, vol. 80, pp.9410-9411, 6 December, 1916

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opinion that they were disloyal, they ought to have been able to swallow the proposed regulations which made dodging the draft disloyalty. After all, the Commonwealth, in section 9, ^{of the Act} virtually repudiated the citizenship conferred by naturalization. Under the proposed regulations it was taking away the franchise in a referendum on a military question from military deserters. Section 9 had had the scrutiny of Parliament, however, whereas the proposed regulations had not.

The proclamation calling up the men preparatory to a conscription verdict in the referendum was issued under section 60 of the Defence Act.

This empowered the Governor-General "in time of war" "to call up all persons liable to serve in the Citizen Forces to enlist and serve as prescribed". It also provided that if the Parliament were not sitting at the date of the issue of the proclamation it should be summoned to meet within ten days after that date. The anti-conscriptionist majority in the Senate kept the Senate sitting in an effort to receive and debate this proclamation. The House of Representatives was not summoned within the ten days.

The legality of the proclamation was afterwards debated in Parliament.

The Caucus Meeting of November 14th, 1916:

Testimony seems to be general that both sides in the conscription campaign expected a "Yes" vote to be carried. Hughes's references to the resignation of Higgs, Russell and Gardiner show that he did - they would be voted down and out. As Senator Pearce puts it ⁽¹¹⁵⁾ "it was generally believed that the vote of the people would be overwhelmingly in favour of conscription. Even those who opposed conscription held this view". With the defeat of the referendum Hughes's position was seriously weakened in the sense that the policy he regarded as vital had been rejected, and the character of ~~the~~ ^{his} campaign had been a fight against Labour men, who had now received

(115) Pearce "Carpenter to Cabinet", p. 137

public support on the conscription issue.

A special Party meeting was held on November 14th. It was not a meeting called in the normal course of events.

Pearce states that "a Party meeting was called and for two days and nights motions and amendments to that end" (i.e. removing Hughes) "were debated," (116) but his memory of the duration of the meeting plays him false. Hughes walked out after lunch the first day, not the second day, as Pearce writes. He is obviously confusing it with the marathon meeting of August 24th to August 29th. (117) Moreover the meeting was not "called". It was requisitioned. The minutes of November 14th read:- "Mr Hughes presided. There were present 64 members. The minutes of the meeting held on September 27th, 1916, were read and confirmed.

Mr Hughes stated that the meeting was called at the request of numbers of members by requisition and he would like to hear what they had to say. Mr Finlayson moved "That Mr W. M. Hughes no longer possesses the confidence of this Party as leader, and that the office of Chairman of this Party be, and is hereby declared, vacant". Mr Hannan seconded the motion. Mr Givens on a point of order submitted that the motion could not be moved until a previous decision had been rescinded on notice being given.

The Chairman (118) upheld the point of order. Mr McDougall moved: "That the Chairman's ruling be disagreed with".

After discussion Mr Hughes stated that under the circumstances he would allow Mr Finlayson to move his motion.

Mr Turley moved and Mr Russell seconded (119) that each speaker's time be extended to ten minutes'. Carried.

(116) Pearce "Carpenter to Cabinet", p. 140

(117) Pearce's memory plays him false on a number of issues. He suggests that Russell, Gardiner, and Higgs resigned on the same issue as Tudor, but they did not. (Ibid, p.137) He says (Ibid, p.66) that Hugh Mahon was expelled from the House during World War I for having used language the House regarded as disloyal. Mahon was expelled on November 11th, 1920, two years after the War, for statements on British policy in Ireland and concerning the fighting in Ireland out of which, ultimately, the Irish Free State emerged. Pearce seems to project everything back to the War.

(118) i.e. W. M. Hughes

(119) For the occasion the minutes refer to all senators as "Mr".

Mr Charlton moved and Mr J. Lynch seconded as an amendment: 'That the respective State Executives of the P.L.L. (120) be requested to appoint representatives to meet the Federal Labour Party to discuss the position as affecting the Movement'. Discussion ensued. At one o'clock the meeting adjourned until two-thirty p.m.

Meeting resumed at 2.30 debate resumed.

Mr Hughes made a statement after which he left the Chair, asking those who thought with him to follow him.

Mr Finlayson moved and Mullan seconded 'That Mr McDonald take the Chair pro-tem'. Carried.

Mr Finlayson's motion respecting the position of Mr Hughes as Leader was then put and carried unanimously.

Mr Charlton's amendment altered as hereunder was then put to the meeting and carried: 'That the interstate conference be requested to meet with representatives of this Party to consider matters affecting the future of the Party'. Carried.

Resolved: 'That the names of those remaining be recorded and published'.

Resolved: 'That the meeting at its rising adjourn until 11 a.m. tomorrow'.

Mr Finlayson moved and Catts seconded 'That we express our appreciation of the vigorous fight put up against conscription by Senator Needham in Western Australia and Mr E. Yates, M.P., in South Australia, as they were the only Federal members speaking against it in their respective States.'

Mr Catts moved and Maloney seconded 'That Messrs McDonald, Higgs and Mahon prepare a statement for the press tomorrow.' Carried. The meeting then closed. "

What theory underlay Hughes's presiding at the meetings of September 27th and November 14th? No move had been made against him in other States, and it is possible that Caucus accepted the reasoning which, elsewhere in the Movement, its former leader, J. C. Watson, was

(120) i.e. Political Labour Leagues

advancing against the Paddington Branch's demand that he show cause why he should not be expelled for advocating conscription. Watson, in a letter to L. J. O'Hara, Honorary Secretary, Paddington Branch Political Labour League, ⁽¹²¹⁾ had argued that before any resolution adopting any policy could be binding

"it should have been (i) submitted to the leagues and affiliated unions for an expression of opinion and (ii) endorsed by an Inter-State Conference. As the resolution ⁽¹²²⁾ was never submitted to the leagues and unions and as no Inter-State Conference had dealt with it, I contend that each member of the Labour Movement was free to take an independent course at the citizens' referendum."

It may have been considered by Caucus that the situation was covered by one of the early resolutions of the Federal Executive which came into existence in June, 1915.

The 1915 Federal Conference had decided 'The Executive shall be the administrative authority in carrying out the decisions of the Inter-State Labour Conference and in the interpretation of the Constitution'. One of the Executive's early decisions had been

"That each State Executive be informed that the decision of any Conference other than the Inter-State Conference of the Australian Labour Party shall not be binding on the Federal Labour Party or the Commonwealth Government unless indorsed by such Inter-State Conference." Since Senator Givens, who was close in the counsels of Mr Hughes, quoted this in the Senate Debate on the 22nd September, and it undoubtedly meant at the time that Caucus was not bound by the New South Wales Executive's action in expelling Hughes, it is not unlikely it was known to all Caucus members, and accounts for the obvious peace of the meeting of September 27th, and the nature of the proceedings on November 14th, when Hughes's leadership was the subject of a no confidence motion, but the fact of his leadership and membership was not in question.

(121) The Watson Papers, The National Library. The letter is dated November 13th, the day before this Caucus meeting.

(122) i.e. a resolution condemning conscription

Sir Ernest Scott accepts too readily Senator Hugh De Largie's assertion "We left the meeting before we were kicked out. The foot was poised to kick us, and we thought it was about time to move."⁽¹²³⁾ Who were "we"? Conscriptionists? But Hugh Mahon was a conscriptionist and Hughes had declared him to be one in vehement terms in an interview with the "Melbourne Herald" on October 21st. "He was certainly one of the whole-hearted supporters of conscription in the Ministry. He supported the policy.....with vote and voice in the Cabinet." Higgs had quoted this in self-defence when he was attacked for revealing secrets over the Executive Council proceedings. He cited it as an example of how Hughes himself revealed Cabinet secrets. Further, Mahon had been sent by Hughes to solicit Archbishop Mannix's support for conscription.⁽¹²⁴⁾ It is surprising that Sir Ernest Scott can on the one hand accept the De Largie assessment and on the other Hughes's assessment that the Charlton compromise⁽¹²⁵⁾ would have been carried if he and his supporters had voted for it.

It should be emphasized that what was at stake in the meeting was not the end of Hughes's membership of Caucus but his leadership. Scott quotes Hughes as expressing the opinion a compromise would have been carried.

According to Sir Ernest Scott, Finlayson said nothing in support of his action when he moved the motion of censure. He simply read it. The minutes at this stage do not reveal who spoke, nor do they contain any précis of what was said.

Senator Givens, who attempted to side-track the motion by his point of order, was President of the Senate. According to Pearce, Hughes, Givens and Pearce formulated the strategy of the walk out.⁽¹²⁶⁾

Finlayson, one of the earliest to accuse Hughes of intending conscription, had been told by Hughes - "The honorable member for Brisbane has the bee of conscription in his bonnet, and because of the obstinacy of his race I give him up."⁽¹²⁷⁾

And it was noted above that Finlayson had brought to Caucus the first objections to the idea of conscription from the Labour Movement, in the

(123) Ernest Scott: "Australia During the War", p. 365

(124) Frank Murphy "Daniel Mannix", p. 35

(125) Or Senator O'Keefe's compromise which Scott quotes but which is not in the minute book. "Australia During the War", p. 364

(126) Pearce: "Carpenter to Cabinet", p. 140

form of a letter from L. McDonald of the Queensland Executive.

Charlton's amendment "That the respective State Executives of the Political Labour Leagues be requested to appoint representatives to meet the Federal Labour Party to discuss the position as affecting the Movement" would obviously have blocked the whole censure motion. Charlton would have needed only 8 votes additional to those who walked out and his own to have carried his motion. According to Sir Ernest Scott, Charlton afterwards said that his "intention was to bring about a reconciliation". (128)

The balance of power in the Party is set out in the record in an appendix to the minutes of November 14th, 1916, which lists those who left and those who remained. It reads as follows:-

"Record of Members who remained at the meeting held on Nov. 14th/16 after Mr Hughes left the room:

House of Representatives: Anstey, F., Brennan, F., Burns, G., Catts, J., Charlton, M., Fenton, J., Finlayson, W., Hannan, J., Higgs, W. G., Hampson, A., Mahoney, W., Mahon, H., Maloney, W., Mathews, J., Moloney, P.J., McDonald, C., O'Malley, K., Page, J., Riley, E., Sharpe, J., Tudor, F., Watkins, D., West, J., Yates, G.E.

Senate: Barker, C., Barnes, J., Blakey, A., Ferricks, M.A., Findley, E., Grant, J., Guy, J., Maughan, W.J., McDougall, A., McKissock, A.N., Mullan, J., Needham, E., O'Keefe, D.J., Ready, R.K., Turley, H., Watson, D., Gardiner, A., Long, J., Stewart, A.

Record of members who left with Mr Hughes on Nov. 14th, 1916:

House of Representatives: Archibald, A., Bamford, F., Burchall, R., Carr, E., Chanter, J., Dankell, G., Hughes, W.M., Jenson, G., Lynch, J., Poynton, A., Sharpe, J., Smith, L., Spence, W.G., Webster, W.

Senate: Buzzacott, DeLargie, H., Givens, T., Henderson, G., Lynch, P., Pearce, G., Russell, E., Senior, Storey, W., Newland, Guthrie, R.

Scott quotes a resolution which he attributes to Senator O'Keefe and which he asserts was moved at this Caucus meeting. (129)

(127) Commonwealth Parliamentary Debates, vol. 77 p. 5065. Finlayson was a Scot, born in Kilsyth, Scotland, in August, 1867. Hughes's speech 16th July, 1915.

(128) Scott "Australia During the War", p. 364

(129) Ibid, p. 364

The resolution does not appear in the minute book - either an unpardonable omission on the part of the Secretary (D. Watkins) or somebody misinformed Scott. (130)

This O'Keefe resolution is stated to have read (131)

"That all Ministers who resigned be reinstated pending the holding of an interstate conference; that the Party recommend each State Executive to appoint six delegates to an interstate conference to be held in Melbourne one month from date; that the Party agrees to be bound by the majority of such conference on the question as to whether the then Ministry shall continue in office, or hand their resignations to the Caucus, which shall immediately elect a new Ministry."

Charlton's is called by Scott a "second amendment". It is not in the minute book. Two amendments were usually set out clearly as in the minutes of the meeting of September 14, when both Pearce and Mullan had amendments to Catts's motion on Tudor's resignation. (132) It may be O'Keefe intended to move his motion but had no chance in the walk out by Hughes, or that, the walk out making the amendment inapplicable, it was not recorded. But this would be unusual, if it were proposed at all. Hughes's parting words, according to the minutes, are that he asked "those who thought with him to follow him". Pearce makes them far more cutting - "Enough of this; those who are prepared to stand by the British Empire and see the war through to the end, please come with me." If the censure grounds in Caucus were those moved immediately Parliament resumed this remark would be irrelevant, for Hughes was called on to justify his treatment of his Ministers. Russell, one of the Ministers who resigned with Higgs, walked out with Hughes - hence Senator Millen's curiosity and his hints about the "Vicar of Bray".

After the departure the Caucus meeting turned the meaning of

(130) Scott makes no reference to the minutes, and does not cite his source.

(131) Scott op. cit. p. 364

(132) Minutes, November 14, 1916, and September 14, 1916

Charlton's motion from reconciliation to a request for a Federal Conference. ~~There was nothing else they could do.~~

Aftermath:

Caucus met again the next day, 40 being present as compared with 64 on November 14th.⁽¹³³⁾ They proceeded to "the election of officers to fill the vacancies caused by the followers of Mr Hughes leaving the Party". Leader and Deputy Leader were Tudor and Gardiner respectively.

The Party decided to sit in opposition in both Houses. The proclamation calling up men in anticipation of an affirmative vote at the Conscription Referendum, and concerning obedience to which the questions were to be asked by presiding officers at the Referendum, was the target of attack.

On the motion of Brennan and O'Keefe it was resolved -

- "1. That the proclamation of September 29th should be immediately withdrawn and all men in camp released forthwith excepting those desirous of volunteering in the Australian Imperial Forces." Carried.
- "2. That the prosecutions arising out of the proclamation be discontinued and that clemency be exercised in cases of sentences already imposed." Carried.

The habits of government died hard. Gardiner and Parker Moloney successfully moved "That a deputation wait upon the Minister for Defence (Senator Pearce) to urge him to act promptly in the manner indicated by the resolutions", and it was further resolved that Tudor, Gardiner and Brennan should be spokesmen. Then came the last touch. "Mr Mahon and Mr O'Malley intimated that they were resigning from the Hughes Ministry. The meeting then closed."⁽¹³⁴⁾ O'Malley was later criticised at a Federal Conference for this delay.

At the meeting of November 14th, Catts had delivered a back-hander at Mahon in complimenting Needham as the only Federal member in Western Australia speaking against conscription. Needham (an anti-Conscriptionist) and Mahon (a Conscriptionist) were the only Western

(133) Minutes, November 15th and 16th, 1916.

(134) Professor Geoffrey Sawyer says "Australian Federal Politics and the Law 1901-29" at page 132, that Mahon and O'Malley resigned anticipating the Caucus revolt against Hughes. The minutes reverse this. According to the minutes they announced their resignations following the walk out.

Australians remaining in the Party.

Senator Peace, Senator De Largie, Senator P. J. Lynch, Senator Buzzacott and Senator Henderson all followed Hughes, leaving Senator Needham the lone W.A. Labour Senator. (135)

R. J. Burchell, member for Fremantle, was the other Western Australian who walked out with Hughes. Mahon (Kalgoorlie) was the only other Labor member from the State. Fowler (Perth) had once been Labour but had left the Party in 1909.

Mahon was an Irish Nationalist who had been imprisoned for Nationalist activities in Ireland, and it is surprising he was a conscriptionist, for he was certainly an anti-Imperialist, in both the Boer War and the "troubles" in Ireland in 1920. Although Pearce considers the Irish question a major factor in the defeat of the referendum, (136) and Scott records the strenuous efforts of the Government in beseeching the British Government "to settle the difficulties in Ireland.....or at least give Mr Hughes the credit for pressure to ease the difficulties there", (137) the Caucus Minutes, and the Conscription Referendum debate speeches of Labour members, are almost entirely devoid of reference to Ireland. On a number of occasions Irish Home Rule resolutions were passed in the Parliament, but Ireland is noticeable in the minutes in the early twenties, rather than during the war.

The first conscription crisis ended in Caucus with the recording of the names of those who left and those who stayed, after the minutes of November 16th. (138)

The second conscription referendum does not feature in the Caucus minutes until after it had been conducted. Parliament was not in session when the Hughes Nationalist Government decided to conduct the second Referendum, so that it was held on the basis of regulations under the War Precautions Act - by means of War Precautions (Military Service Referendum) Regulations 1917. The minutes of the

(135) Western Australia had, in fact, voted overwhelmingly for Conscription - 94,069 Yes, and 40,884 No. It was to do so again on December 20th, 1917, by 84,116 to 46,522.

(136) Pearce: "Carpenter to Cabinet", pp. 136-7

(137) Scott: "Australia During the War", p. 349

(138) See above

last meeting of the Federal Parliamentary Labour Party show no inkling that there is to be a Referendum. The date of that meeting was September 20th, 1917, and the Referendum was held on December 20th, 1917.

The first meeting after the Referendum was on January 3rd, 1918. The meeting carried a motion of Mr Frank Brennan's - "That this Party extends to the people of Australia, coupled with the name of its leader, its hearty congratulations upon the great victory achieved against conscription at the Referendum on December 20th."

The Developments of 1918:

After the defeat of the second Referendum the recruiting for the 11 months January to November was not equal to what it had been in certain single months in Andrew Fisher's time. Hughes carried on, after a resignation to fulfil a promise to resign should he not get conscription. On February 7th, the Director-General of recruiting reported to the Government that both sides of the "compulsory service issue" should be brought together for the common purpose of obtaining, by voluntary methods, the necessary reinforcements. In April, following an appeal by Lloyd George for reinforcements the Governor-General sent invitations to many organizations for a Governor-General's conference. The resolutions of the Caucus meetings instructing Tudor and Gardiner as to the attitude they were to take at the Conference express all the feelings of the Labour Party in the struggles of the conscription campaigns, and about the tactics and methods of Mr Hughes in those campaigns.

At the meeting of April 11th, 1918, Tudor and Gardiner reported having received and accepted invitations to the Governor-General's conference. They had evidently accepted without consulting the Parliamentary Party.

"Messrs Catts and Barnes moved: 'That the action of the leaders be endorsed but that it be a condition to them remaining at the conference that the discussion thereat be free and open, that the

press are permitted to attend the conference and freely report its proceedings, save only as regards military news of value to the enemy, such to be determined by a committee of the conference equally representing both sides, that these conditions be guaranteed by the passage of a War Precautions Regulation suspending as much of the existing regulations as would interfere with the foregoing."⁽¹³⁹⁾

Once again this was a neat piece of drafting by Catts, involving a delicate repudiation of the leaders, while seeming to endorse their action, by tying conditions to their acceptance.

"It was defeated in favour of an amendment (Watkins and Riley):

"That the actions of the leaders be endorsed and the matter of press etc. be left to the delegates themselves."⁽¹³⁹⁾

But Catts was not to be outdone. Tudor and Gardiner would not have a free hand. He moved, with Higgs's support -

"That a Committee be appointed to draft a statement of the Party's position in relation to recruiting."⁽¹³⁹⁾

The Committee, though only 5 in number, was a most representative one of shades of opinion and its report is a fascinating "cahier of grievances". The members were Tudor, Gardiner, Catts, Higgs and Charlton.

They worked the afternoon of April 11th, 1918 and by 7 p.m. they could present a report to the Party.

It consisted of 11 paragraphs, some actually points, set out in the minutes, not all of which were accepted. It was called "a statement of matters requiring attention as a preliminary to securing national unity and the co-operation of all classes to help Britain."

"(1) Restoration of the status, of which they have been deprived, of de-registered unions, restoration to their employment of victimized unionists, abolition of bogus unions and bureaux for the employment of scab labour. In other words, the restoration

(139) All from the minutes of April 11th, 1918

of unions and unionists to the position occupied at, and prior to, the first conscription campaign in 1916."

This paragraph was adopted in toto.

The second paragraph met a mixed fate. The decision on each point is in parenthesis immediately after it.

"(2) Repeal of all War Precautions Regulations not vital to the conduct of the war." - (adopted)

"Abolition of press censorship and limitations upon free speech, except as relating to military news of value to the enemy." - (adopted)

"Cessation of political and industrial prosecutions under the War Precautions Act and refund of fines and cash in connection with all political prosecutions prior to this date." - (adopted)

"No internment of citizens other than alien enemies, nor deportation of any such citizens unless a definite charge is laid and substantiated by public trial." - (rejected)

"Representation of labour on all boards administering matters arising out of the war." - (rejected)

"(3) Adoption of Labour's Soldier and Pension Policy." - (adopted)

"(4) Adoption of Labour's Repatriation Policy." - (adopted)

"(5) Cost of Living - Genuine regulation of prices." (adopted)

"(6) Postponement of any amendment of the electoral law, or any other Party legislation until after the end of the war." -

(paragraph deleted)

"(7) Definite and unambiguous statement of Australia's war aims." (adopted)

"(8) The requirements of Australia in manpower to be ascertained and met with respect to (a) Defence of Australia (b) Maintenance of Australian production, commerce and industry as the first duty of Australians to Australia." (adopted)

"(9) Guarantee by non-Party Council of review that measures herein provided shall be given effect to and maintained."

(paragraph deleted)

"(10) No compulsion, military or economic, upon any Australian citizen." (adopted)

"(11) Restoration of responsible government by the Federal Parliament." (paragraph deleted)
The amended report was adopted. (140)

The points are a recital of the actions by which national unity was destroyed. Pearce in his memoirs continues to fight the conscription campaign, in the part of "Carpenter to Cabinet" dealing with the era. He seems quite incapable of seeing that in the Fisher period national unity was such that, without the devices to eliminate the voting rights of "the disloyal", the descendants of Germans, and the manoeuvres of Hughes to put his cabinet colleagues "down and out", there were some single months of the Fisher period when recruitment exceeded a twelve months' recruitment under Hughes after conscription had been proposed. Scullin, at the Governor-General's Conference, sought a "return to those days of harmony that characterized the early years of this war".

Fisher's view, in a private conversation quoted by Scott, is interesting. When it was put to him that a Party professing socialist principles should adopt conscription as a logical and economical method of raising forces, he said:- "I am not blind to the fact that conscription is logical, but men are not logical. It is economical and saves lots of waste - of putting the wrong men in the wrong places - I know and feel all that as well as you do. But men are not logical and you cannot rule them by logic. I never believed that if conscription were carried in Australia, you could enforce it. I think you would have had terrible trouble if the bill had been passed." (141)

Commemoration, Pledges and the Imposition of Conscription in 1943:

The minutes of the meeting of the Federal Parliamentary Labour Party for October 28th, 1936, contain the entry:-

(140) From the minutes of the meeting of April 11th, 1918 (evening session)

(141) Cited Scott: "Australia During the War", p. 244

"Conscription Anniversary

"Mr Scullin and Mr Brennan shared the honours of moving the following resolution:- 'That this meeting of the Federal Labour Party on the anniversary of the defeat of the conscription referendum by vote of the whole people twenty years ago this day, congratulates the Commonwealth on the result of the vote and the present generation of Australians upon its inheritance of freedom from military domination inspired by bureaucratic fascism and pledges itself to oppose in future as in the past the odious policy of conscription for foreign service.'" (142)

But the wheel was turning full circle. The Labour Party in 1908 had adopted compulsory military training partly because of fear of Japan. What if the prospects of invasion by Japan should become a reality? Curtin in Caucus was responsible for the only motion of appreciation of ^{an} expelled men which was ever moved. On November 19th, 1941, J. C. Watson's death was noted. - "On the suggestion of Mr Curtin it was decided 'That this Party expresses its deep regret at the death of the Hon. J. C. Watson, its first leader and first Prime Minister, and also records its appreciation of his distinguished services to Labour and to Australia and tenders its profound sympathy to his bereaved family.'" (143)

If Curtin could respect the conscriptionists he could respect the anti-conscriptionists, including one who might well have overturned his government on December 11th, 1942. The minutes of July 17th, 1944, record that "Mr Curtin spoke in very high appreciation of the great qualities of the late Mr Blackburn and invited members of the Party to place on record a tribute to Mr Blackburn and an expression of sympathy for his relatives." (144)

Maurice Blackburn, in his last years of Parliamentary membership, was an independent member of the House, having been

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- (142) Minutes
(143) Minutes, November 19th, 1941
(144) Minutes July 17th, 1944

expelled from the Labor Party by the Victorian Executive on a question not related to his Parliamentary duties but of discipline. He had insisted on membership of an organization designated by the State Executive as a Communist front. On May 1, 1942, he made a speech giving something of the history of the anti-conscriptionist movement.⁽¹⁴⁵⁾ The Prime Minister had made a statement on International Affairs⁽¹⁴⁶⁾ and moved that it be printed. To this motion Fadden had moved an amendment "That all the words after 'that' be left out with a view to insert in lieu thereof the following words:- 'in order that the Australian Imperial Force and the Australian Military Forces may be effectively welded into one fighting army available for offence as well as defence, this House is of the opinion that all territorial limitations upon the power of the Commonwealth Government to employ the Australian Military Forces should be removed'.⁽¹⁴⁷⁾ Fadden's amendment was subsequently defeated by 31 votes to 27.⁽¹⁴⁸⁾ Blackburn had taken the opportunity to make a speech giving something of the history of the conscription question,⁽¹⁴⁹⁾ and in which he expressed the view, speaking "as one who is no longer a member of the political organization of Labor", "that there is no possibility of the Labor Party unitedly accepting conscription, or even of a majority accepting it".⁽¹⁵⁰⁾ The episode must have suggested to Blackburn an approach for himself to take. By December, 1942, it was known that the Prime Minister was proposing to the Labor Movement a change in Labor policy. When Curtin moved on December 10, 1942, that a statement of his on international affairs reviewing the war situation should be printed,⁽¹⁵¹⁾ Blackburn, adopting Fadden's technique, moved "That all the words after 'that' be left out with a view to insert in lieu thereof the words 'this House, reaffirming the policy upon which the majority of

(145) Commonwealth Parliamentary Debates, Vol. 170, pp. 809-813, 1 May, 1942

(146) 29 April, 1942, Ibid, Vol. 170, pp. 599-604

(147) Ibid, vol. 170, pp. 797-800, 1 May, 1942

(148) Division list, Ibid, Vol. 170, pp. 846-847, 1 May, 1942

(149) Ibid, Vol. 170, pp. 809-814, 1 May, 1942

(150) Ibid, p. 811, 1 May, 1942

(151) Commonwealth Parliamentary Debates, Vol. 172, p. 1694, speech pp. 1687-1694, 10 December, 1942

its members were elected, opposes the imposition of any form of compulsory service outside Australia and the Territories of the Commonwealth'.⁽¹⁵²⁾ Calwell seconded the amendment and reserved the right to speak.⁽¹⁵³⁾

This action was not, of course, authorized by Caucus, but the Government's existence was now threatened.

Soon after Brennan made a speech which sometimes equalled the bitterness he had formerly directed against Hughes.⁽¹⁵⁴⁾ He reminded Curtin that Curtin had presided at an anti-conscriptionist meeting at the Bijou Theatre on July 5th, 1915, when Brennan spoke. He reminded Curtin of Pearce and Lynch - "all arch conscriptionists, advocating conscription without using euphemisms. They said what they meant. They called a spade a spade.....conscription flourishes remarkably well in the congenial atmosphere of Western Australia."⁽¹⁵⁵⁾

He proceeded to attack the Prime Minister's proposal to the Federal Labour Conference as outlined in the "Labor Call" - "That having regard to the paramount necessity of Australia's defence, as expressed at the Federal Conference of the Australian Labour Party in June, 1940, the Government should be authorized to add to the Defence Act in the definition of 'Commonwealth' which at present defined the Territory to which the Act extended the following words:- 'and such other territories in the South West Pacific area as the Governor-General proclaims as being territories associated with the defence of Australia!'"⁽¹⁵⁶⁾ He concluded by saying:- "Having carefully studied all the facts I am driven most reluctantly and painfully to the conclusion that, whilst other members of the Cabinet were making crystal clear their opposition to conscription in principle, the Prime Minister has never been in sympathy with the policy of the Party on that vital issue."⁽¹⁵⁷⁾

(152) Ibid, vol. 172 p. 1700. Speech pp. 1700 - 1703, 10 December, 1942

(153) Ibid, p. 1703,

(154) Ibid, pp. 1706 - 1711 10 December, 1942

(155) A reference to the fact that Pearce, Lynch and Curtin were returned to Parliament from Western Australia

(156) The Federal Conference took place in Melbourne on Monday, November 16th, 1942. It sought the opinion of the State Executives on Curtin's proposal and resumed on Monday, January 4th, 1943. Victoria and Queensland opposed. The other States consented. The debate in the House therefore took place while State policies were being ascertained.

(157) Ibid, vol. 172 pp. 1710 - 1711, 10 December, 1942

Mr Calwell stated in his speech⁽¹⁵⁸⁾ that he had moved opposition to Mr Curtin's proposals on the Victorian State Executive:- "I moved a resolution at the meeting of the Victorian Central Executive of the Labour Party expressing the view that there was no fundamental difference between the proposals enunciated by the Prime Minister (Mr Curtin) in 1942 and those enunciated by the right honorable member for North Sydney (Mr Hughes) in 1916." He emphasized Communist support for conscription - this certainly was no echo of World War I - , but a quotation from the Melbourne "Herald" that coloured labour might be imported for food production was used by Mr Calwell to be the basis of a direct suggestion, similar to that of the anti-conscriptionists of the first world war, that conscripts would be replaced with coloured labour.⁽¹⁵⁹⁾

The crisis was averted by failure to press the question to a division and by a motion by C. A. Morgan that the debate be adjourned. In this Calwell could vote with the Government, and the vote was 34 to 34. Blackburn voted in opposition. The Speaker, Walter Nairn, a Nationalist, gave his casting vote for the continuance of the debate. The amendment was then negatived on the voices, none pressing for a division. Rosevear then moved that the question (Curtin's motion) be put, which was carried by 35 to 33, Calwell voting with the Government and Blackburn with the Opposition. The original motion was then resolved, on the voices, in the affirmative. There was enough discipline in the Opposition not to press the disagreements to a fall of the Government - such a result Blackburn apparently drew back from encompassing.⁽¹⁶⁰⁾

This demonstration in the House followed on events in the Caucus. At the meeting of December 9th, 1942, it was moved:- "That this meeting of the Federal Parliamentary Labour Party is opposed to any proposals for the conscription of Australian manhood for overseas service, as being fundamentally the same in principle as those the Labour Movement rejected in 1916."⁽¹⁶¹⁾ Curtin ruled the motion out of

(158) Ibid, vol. 172 p. 1713 - 1722 , 10 December, 1942

(159) Ibid, p. 1720

(160) Division lists, Ibid, pp. 1824 - 1825 , 11 December, 1942

(161) Minutes, December 9th, 1942. A. A. Calwell was not at

this time a Cabinet minister.

order. The matter had been referred by Conference to the State Executives and was therefore sub judice within the Labour Movement.

The definition contained in the Act which incorporated the decision did not have the unlimited area of service Brennan had suggested.

Curtin moved the second reading of the Defence (Citizen Military Forces) Bill, 1943, on February 3rd.⁽¹⁶²⁾ Section 3 provided:-

"In this Act 'the South Western Pacific Zone' means the area bounded on the West by the one hundred and tenth meridian of East longitude, on the North by the Equator and on the East by the one hundred and fiftyninth meridian of East longitude." Section 4 provided:-

"Notwithstanding anything contained in the Defence Act 1903-1941 or in the National Security Act 1939-40, any member of the Citizen Military Forces may be required to serve in such area contained in the South-Western Pacific Zone as is specified by proclamation, and the power to make regulations in pursuance of those Acts, or either of them, shall extend to the making of regulations in relation to any such member so required to serve in that area, and to the service of the member in that area."

Blackburn, in attacking the Bill, said:- "It is obvious that this Bill does not exhaust the authority given to the Prime Minister by the Australian Labour Party. The limits of that authority are significant because the Prime Minister can call upon the members of that Party to support a measure going beyond the limits set by the present bill and extending to the limits of the South West Pacific Area, however that may be defined from time to time....The Government may have hoped to placate its supporters in the States by bringing in a bill which does not exercise completely the authority given to the Prime Minister by the Party."⁽¹⁶³⁾

A fascinating voice was that of W. M. Hughes:- "This Bill imposes conscription in this country for the first time in its history, and it is imposed by a man who all his life has bitterly opposed it, and

(162) Commonwealth Parliamentary Debates, vol. 173 pp. 264 - 270. The Bill became an Act (No. 2 of 1943) 3 February, 1943

(163) Blackburn's speech, Commonwealth Parliamentary Debates, vol. 173, pp. 451 - 456, 10 February, 1943

has pledged himself and his party many times to prevent its imposition." "Furthermore," said Hughes, "the Prime Minister had imposed industrial conscription." He (Hughes) had been exposed to obloquy as the "high priest of conscription", but he had never imposed it. "As Prime Minister I had stated definitely that conscription would not be imposed on the people without their having been previously consulted. And in due course they were consulted. The referendum of the people on this occasion was the first occasion on which the people of any country had had an opportunity to say whether they would accept conscription. And from that day to this the people of no other country have been given this opportunity. When the proposal submitted to the electors was rejected their decision was accepted by the Government of the day." His concluding words were a masterpiece of vindication of his own role, if one could accept that he had really wanted the first referendum. "The Prime Minister is reported in the press to have said to the Australian Labour Party Conference that there was a great difference between what he intended to do and what I had done.....He said that I had defied the Australian Labour Party Executive, and so had deserved expulsion, while he had sought its authority for what he proposed to do. After some adventures that authority was granted and so, apparently, he was deserving of eulogy. I pledged myself to give the people an opportunity to express an opinion on the conscription issue and I did so. The Prime Minister gave the same pledge, but he has dishonoured it - he has not given the people an opportunity to express an opinion..... The fact is, that conscription has been introduced behind the backs of the people."⁽¹⁶⁴⁾ The measure was conscription, though some Labour speakers had denied it. "This great principle, which divided the country in the last war in a way in which nothing has ever done before or since, is not affected by geographical areas or military commands." The Opposition, while criticising the Bill, generally supported it. A. G. Cameron (Barker) had moved an amendment to the second reading to provide that the bill should be withdrawn and redrafted to provide

(164) Ibid, vol. 173 pp. 324 - 328, 4 February, 1943

that any member of the Citizen Military Forces might be required to serve anywhere. (165) Cameron's amendment was rejected by 56 to 13, most of the Opposition voting with the Government. The 13 exceptions were:- A. O. Badman, A. G. Cameron, A. W. Coles, J. G. Duncan Hughes, E. J. Harrison, Sir Charles Marr, R. G. Menzies, Dr A. G. Price, J.H. Prowse, P. C. Spender, Sir Frederick Stewart, R. S. Ryan and F. H. Stacey. Fadden, Hughes and McEwen were among the majority voting with Labour. (166)

In the Senate the second reading was without division. (167) In committee Senator McLeay, as Leader of the Opposition, moved an amendment to empower the Governor-General to proclaim "a grave emergency" and that then, notwithstanding anything in the Act, the Governor-General could make regulations extending the requirement of service beyond the limits set out in the Act. (168)

The amendment was negatived 17 to 17. (169) There is no casting vote for the President in the Senate. A further amendment, of Senator Spicer's, to alter the limits from the 90th Meridian East Longitude to the 180th Meridian East Longitude and to include New Zealand was also negatived 17 to 17. (170) Senator Crawford, (Country Party, Queensland) provided the Labour minority with the means of equalizing and blocking the amendments.

Failing the acceptance of these amendments in committee, there was a division on the third reading, (171) the Bill being carried by 22 votes to 12.

In the Party conflict over the Bill, Curtin did not attack any Labour man. There was no equivalent to such a statement as Hughes made about Higgs, Russell and Gardiner on October 28th, 1916, expressing the hope that they would be voted "down and out". Curtin was, however, attacked by a Parliamentary colleague. He did not answer the attack. The minutes for March 24th, 1943, reveal that he

- (165) Ibid, p. 317. Seconded by Duncan-Hughes, 4 February, 1943
(166) Division list, Ibid, p. 607, 11 February, 1943
(167) Ibid, vol. 173 p. 875, 18 February, 1943
(168) Ibid, p. 875, 18 February, 1943
(169) Ibid, pp. 876-877, 18 February, 1943
(170) Ibid, pp. 877-878, 18 February, 1943
(171) Ibid, p. 878, 18 February, 1943

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(170) Ibid, pp. 877-878, 18 February, 1943
(171) Ibid, p. 878, 18 February, 1943

left the Chair and that his deputy (F. M. Forde) read a letter from him to the Caucus which said, inter alia:- " In view of the accusation made against me by Mr Calwell, i.e. that I will finish up on the other side (the anti-Labour side) leading a National Government, I invite the Party either to dissociate itself from the accusation or appoint another leader. Obviously, if the charge has a semblance of justification, the Party is in an invidious position in trusting its leadership to a potential traitor."

Mr Calwell withdrew the statement he had made and expressed regret for what had occurred. The Party unanimously carried a vote of confidence in Curtin.

The return of the Curtin Government in August, 1943, with a majority in the House of Representatives, and a majority to come in the Senate on July 1st, 1944, stilled all further controversy in Caucus on the issue. A great influx of new members, strongly attached to Curtin, rendered an already strong personal position impregnable in the Party till his death on July 5th, 1945.

The Anti-Conscriptionist Tradition not wholly challenged:

Curtin did not in reality wholly dissipate the anti-conscriptionist tradition in the Labour Party. His aim was to meet an immediate defence need, not reverse a tradition. The A.I.F., as a volunteer force, remained alerted for service anywhere; the militia, for service within the defined area. The United Australia Party and the United Country Party fought the election of August, 1943, on the basis of "One Army For Australia", - that is, the attestation of the militia for service anywhere and the merging of forces. It had been a major criticism of many Nationalists of Hughes in 1917 that he had not sought authority for conscription at an election, when the popularity of the National Party would have carried the mandate in with a Parliamentary majority. But the United Australia Party had no equivalent popularity in 1943.

This criticism of Hughes is an interesting commentary on the theory of a mandate from the electors, supposedly gained by a government at an election.

To isolate the question of conscription at a referendum

invited defeat. Mention it in an election policy speech and you gain a mandate!

If Curtin had greatly increased the area of proposed compulsory service in the Defence (Citizen Military Forces) Bill, or had sought authority from the Labour Movement for what was known as "one army for Australia", it is possible that in the atmosphere of 1942-1943 he might have got it. But he did not venture so far. The Opposition criticism of the Labour Party's limited area conscription, with the Japanese in New Guinea, did not register with the electorate. Although Mr Calwell, in attempting to pass an anti-conscription motion in Caucus, had incorporated in its text a charge that what Curtin was proposing was in essence what Hughes had proposed, and although Hughes himself insisted on their identity in principle, in fact the Defence (Citizen Forces) Act of 1943 bore clear resemblance to what Pearce had proposed in the Senate on October 14th, 1914.⁽¹⁷²⁾ This had started the conscription controversy and provoked the correspondence from the Queensland Executive. In a sense, the Labour Movement closed the controversy in 1943 on the exact note that it had begun in 1914. In the circumstances of 1943 it endorsed Pearce's proposition of October 14th, 1914. Curtin, unlike Hughes, had never to face the problem of reinforcement for distant European battlefields.

His political assets lay in several things - first, in his refusal to enter any controversy to vilify his opponents. He was a target, but never retaliated. Caucus came to resent those who attacked him. Further, he was prepared to ask Caucus to resolve the question of leadership when his leadership was attacked. He did not waste his breath in self-justification. Caucus could endorse the attack, and change leaders, or repudiate it. One senses that leadership meant very much to Hughes - as the Nationalists found when they took the steps necessary to substitute Bruce for Hughes in 1923. To Curtin it did not. He by-passed Caucus altogether as his initial battleground, and

(172) Commonwealth Parliamentary Debates, vol. 75 p. 104
14 October, 1914

ruled out of order Caucus attempts to anticipate a decision of the Labour Movement. He determined the limits of what was required, whereas Hughes, accepting the Army Council of the United Kingdom's view that 16,500 a month were the reinforcements required from Australia - a gross overestimate - lost the initiative for his Government, and the capacity to argue the case convincingly. Fundamental to it all, of course, was the difference of atmosphere in Australia when the battleground was New Guinea, and not France.

APPENDIX A

REGULATIONS UNDER WAR PRECAUTIONS ACT 1914-16 AND THE MILITARY SERVICE REFERENDUM ACT 1916

I, the Governor-General in and over the Commonwealth of Australia, acting with the advice of the Federal Executive Council, hereby make the following regulations under the War Precautions Act 1914 - 16, and the Military Service Referendum Act 1916 to come into operation forthwith.

WAR PRECAUTIONS (REFERENDUM) REGULATIONS:

1. These regulations may be cited as the War Precautions (Referendum) Regulations.
2. (1) At the polling at the referendum under the Military Services Referendum Act, 1916, to be held on the 28th day of October, 1916, the Presiding Officer may put to any male person claiming to vote, who in his opinion is under thirtyfive years of age, the following question, in addition to any or all of the questions prescribed by the Military Service Referendum Act 1916:-

"Are you a person to whom the Proclamation of 29th September, 1916, calling upon single men under thirtyfive to present themselves for enlistment, applies?"

(2) If the answer of the person claiming to vote is in the affirmative, the presiding officer shall put to him the following question:-

"Have you presented yourself for enlistment accordingly, or been exempted?"

(3) If the answer to the question specified in the last preceding sub-regulation is in the negative, or if the presiding officer has reason to believe that the person claiming to vote is a person to whom the proclamation applies, and that he has failed to obey it, the presiding officer, before permitting him to vote, shall mark the ballot paper with the word "Proclamation" or the abbreviation "Proc."
- (4) Any ballot paper so indorsed shall, when completed by the

elector, be folded by him and handed to the presiding officer, who, without unfolding it, shall in the presence of the elector place it in the prescribed envelope, fasten the envelope, and place it in the ballot box.

- (5) If the elector places the ballot paper in the ballot box without having it enclosed by the presiding officer in the envelope, the ballot paper shall be disallowed at the scrutiny.
- (6) Ballot papers enclosed in envelopes in pursuance of this Regulation shall not be opened by an assistant returning officer, but shall be forwarded by the assistant returning officer by registered post to the Divisional Returning Officer.
- (7) All such ballot papers shall, subject to these regulations, be dealt with in the same manner as ballot papers indorsed with the words "Section 9"

Provided that, for the purpose of this Regulation

- (a) "the prescribed envelope" means an envelope similar to that prescribed for the purpose of section 9 of the Military Service Referendum Act 1916, but with the word "Proclamation" or the abbreviation "Proc." written or stamped thereon, and if the vote has not been challenged under Section 9 of that Act the words "Section 9" shall be struck out; and
- (b) the tribunal shall have jurisdiction to determine, in the case of an envelope bearing the word "Proclamation" or the abbreviation "Proc." whether the elector has wilfully failed to comply with the proclamation. (Any such wilful failure shall be deemed disloyalty)

3. Any person who refuses or fails to answer any question put to him under these regulations, or who makes an untrue statement in any answer to any such question, shall be guilty of an offence against the War Precautions Act 1914-1916.
The purpose of the regulations was designed to eliminate people whom Hughes deemed "disloyal" - evasion of military service being considered a disloyalty which should involve forfeiture of citizen rights, at least as far as the referendum was concerned.

The principle had been proposed for a pre-war Defence Bill, but had not been accepted by Parliament at that pre-war time.

Section 9, referred to in the regulations, constituted another effort to eliminate the "disloyal" within the Act itself. It was part of the persecution of people of German descent common in the First World War. The section reads:-

"9. (1) In addition to the questions prescribed by section one hundred and fortyone of the Commonwealth Electoral Act 1902-1911, the presiding officer may, either of his own motion, or at the request of a scrutineer, put to any person claiming to vote at the referendum, and shall put to any person who he has reason to believe was born in any country which forms part of the territory of any country with which Great Britain is now at war, the following question:-

"Are you a naturalized British subject who was born in any country which forms part of the territory of any country with which Great Britain is now at war?"

- (2) If any person refuses to answer the question fully, or by his answer shows that he is not entitled to vote at the referendum, his claim to vote shall be rejected.
- (3) If any person answers the question in the negative, the presiding officer shall, before permitting him to vote, endorse the ballot paper with the words "Section 9".
- (4) If in the case of any person enrolled in any proclaimed subdivision, the presiding officer has reason to believe that that person is the son or daughter of a person who was born in any country with which Great Britain is now at war, the presiding officer may issue to the person a ballot paper endorsed with the words "Section 9".
- (5) Any ballot paper issued to an elector in pursuance of either of the last two preceding sub-sections shall, when completed by the elector, be folded by him and handed to the presiding officer, who without unfolding it shall in the presence of the elector place it in the prescribed envelope, fasten the envelope and place it in the ballot box.

- (6) If the elector places the ballot paper in the ballot box without having it enclosed by the presiding officer in the prescribed envelope, the ballot paper shall be disallowed at the scrutiny.
- (7) Ballot papers enclosed in envelopes in pursuance of subsection (5) of this section shall not be opened by an Assistant Returning Officer, but shall be forwarded by the Assistant Returning Officer by registered post to the Divisional Returning Officer.
- (8) The Divisional Returning Officer shall, as soon as practicable, submit to the prescribed tribunal or tribunals lists of the names, addresses and occupations of the electors whose votes are enclosed in the envelopes received by him, and shall retain each envelope unopened until the tribunal has made a determination in accordance with the provisions of this section.
- (9) The tribunal shall have jurisdiction to determine whether or not each elector whose name is on the list submitted to it is in its opinion disloyal, and the members may inform their minds on the subject in such manner as they think fit.
- (10) The determination of the tribunal shall be notified to the Divisional Returning Officer of the Division in which the elector is enrolled.
- (11) If the tribunal determines that an elector is in its opinion disloyal, the ballot paper shall be rejected by the Divisional Returning Officer without the envelope being opened; otherwise the ballot paper shall be admitted to further scrutiny in the prescribed manner.

Frank Brennan and Frank Anstey were among the few members to attack any part of the section when the Military Service Referendum Bill was going through the House of Representatives. Subsection 4 of section 9 which refers to "proclaimed divisions" meant that in areas where many people of enemy origin or descent lived - say South Australia German areas - the special procedures under subsection 4

would apply. Subsection 4 is referred to in clause 2 of the Act, and when clause 2 was being debated Frank Brennan said (Commonwealth Parliamentary Debates, vol. 80 p. 8743):- "We have no indication of what those subdivisions will be. As a matter of fact the Government may proclaim any subdivision that they may choose, but immediately they do proclaim a subdivision it will come under the onerous and utterly unjust provisions of clause 9. That clause deals with the sons or daughters of persons who happen to have been born in any country with which we are now at war. Under this Bill such persons may be hall-marked, stigmatized, catechized and ultimately brought before a Pecksniffian tribunal and cheated of their right to vote. Their loyalty may be called into question and determined by a tribunal of whose constitution we have no indication whatever."

Anstey (Ibid, vol. 80 p. 8744) seized the chance to point out that this concern about German descent should be applied to the King if it were logical - "In this Bill it is proposed to prevent Australian-born citizens from exercising the franchise. That being so I am up against it. If a man is an Australian native, he should have the right to vote. If this disqualification is to apply to him, let us reach right out and apply it to King George at once."

The Chairman: "I ask the honorable member to withdraw that remark. It is an improper reference to royalty."

Mr Anstey: "What have I said disparaging to any man?"

The Chairman: "The Standing Orders are perfectly clear. They distinctly provide that honorable members must make no irreverent reference to the King."

Mr Anstey: "And I have not done so."

The Chairman: "The honorable member has done so."

Mr Anstey: "That is merely your opinion and it is a city*view, too."

Mr Fowler: "May I point out that you sir, are intrusted with the duty of upholding the dignity of Parliament at the present time?"

Mr Page: "And why does the honorable member wish to aggravate the position?"

Mr Fowler: "Are we in a Parliament or a lunatic asylum?"

* Probably the word was "silly"

The Chairman: "I appeal to the honorable member for Bourke to obey the chair by withdrawing the observation to which his attention has been called."

Mr Anstey: "Show me what wrong I have done."

The Chairman: "I have already done so."

Mr Anstey: "All I said was that if a valid objection could be urged against Australian born citizens voting it could also be applied to royalty itself. I stand to that statement. I say that I made no more imputation upon His Majesty than I did upon Australian-born citizens."

The Chairman: "If the honorable member assures me that he did not intend to make any imputation upon royalty, I will accept his assurance."

Mr Anstey: "Of course I do."

A contrary view was expressed by W. A. Watt. (Ibid, vol. 80, p. 8745):- "When I read the Bill, it struck me that the desire of the Government was a very healthy and proper one. They seemed to recognize that there are scattered over Australia a number of German communities - I know two or three in this State, and other honorable members may know them in their own - where disloyalty has reared its head during the war, and not been challenged, so far as I know, and where internments should have been wholesale. It is wise to quarantine some of these areas, and, by proclaiming a subdivision or portion, the votes of those people are subjected to a more rigid test than others, although the voters are not disfranchised. The vote of a man in certain subdivisions is placed in an envelope and dealt with by a special tribunal in a special way later on. In one of our country towns, on the first birthday of the Kaiser after war broke out, the German farmers took a barrel of beer out into the street after a sale and "hoched" the Kaiser. There was only one policeman in the town and no soldiers, and, as the civilians were frightened to interfere, the thing passed unnoticed.

This clause should be a warning to these people that their votes will be subjected to close scrutiny, and I hope the Government will stand by the Bill."

APPENDIX B

The relevant section of the Labour Election Manifesto, 1914, reads:-

"As regards the attitude of Labour towards the war, that is easily stated.....War is one of the greatest realities of life and it must be faced. Our interests and our very existence are bound up with those of the Empire. In time of war half measures are worse than none. If returned with a majority we shall pursue with the utmost vigour and determination every course necessary for the defence of the Commonwealth and the Empire in any and every contingency. Regarding, as we do, such a policy as the first duty of Government at this juncture, the electors may give their support to the Labour Party with the utmost confidence.

And this we say, further, that whatever be the verdict of the people, we shall not waver from the position taken up by Mr Fisher on behalf of our party, viz. that "in this hour of peril there are no parties, so far as the defence of the Commonwealth and Empire are concerned, and that the Opposition^(a) will co-operate with the Government^(b) and stand behind them as one man." The position, then, is that if the electors give us a majority, we shall expect Mr Cook and his supporters to stand behind us. On the other hand, if Mr Cook has the majority, we shall stand behind him in all things necessary for the defence of the Commonwealth and the Empire.

(a) Fisher was speaking as leader of the Opposition

(b) The Government was the Cook Government (24th June, 1913 to 17th September, 1914)

This manifesto was signed by Andrew Fisher as Party Leader and David Watkins (Newcastle) as Party Secretary.

According to Anstey in the House of Representatives, 28th February, 1917, the manifesto was actually written by W. M. Hughes.

(Commonwealth Parliamentary Debates, vol. 81 p. 10,750)

APPENDIX C

ANSTEY ON THE DEMAND FOR MANPOWER:

(Commonwealth Parliamentary Debates, vol. 80 pp. 8677-8678)

"It is proposed to put the 5th Division into the field at the beginning of the year, making five altogether in France, and it is estimated that 200,000 reinforcements will be needed for the year 1917, at the rate of 16,500 per month. Let us see what this means. Is it a reasonable proposition to require 200,000 men at the rate of 16,500 per month for the purpose of reinforcing 100,000 troops? Apparently the whole of the 100,000 will completely disappear and be replaced at the end of six months. I ask honourable members seriously whether they believe that even in this atrocious war, such a rate of casualties is possible, and such a rate of reinforcements necessary?"

Sir Ernest Scott in "Australia During the War", p. 358, quotes the (British) Army Council's demand "which had been cabled by the Secretary of State for the Colonies on August 24th, as follows:-

"Army Council wish your Government to be informed that owing to heavy casualties recently suffered by Australian divisions in France, it will be necessary to draw on third division for reinforcements. They therefore recommend that a special draft of 20,000 infantry in addition to normal monthly reinforcements be sent as soon as possible to make good the present deficit, and so enable third division to be again brought up to strength. They further recommend that for three months following despatch of this special draft the monthly reinforcements of infantry sent should be calculated at 25% of the establishment, that is, about 16,500 per month for five divisions. Council are aware provision of this additional personnel may greatly inconvenience your Government in training and other arrangements, but it is the only means of retaining third division for service in the field."

According to Scott the Commonwealth Government had replied (August 31st, 1916):-

"Will send special draft of 20,000 infantry immediately as transport comes to hand, and thereafter 16,500 per month."

The Government must have been confident of the referendum result.

Scott points out that according to Mr Donald Mackinnon,

Director-General of Recruiting, the figure of the Army Council was "an overestimate" and "a hindrance and discouragement to recruiting." He quotes Major-General Legge's estimate as 5,100 per month. "Birdwood," he writes, "on October 28th, 1917, told the Commonwealth Government that 5,500 a month would maintain five divisions, and that the highest estimate was Brig.-Gen. F. H. Foster's - viz. between 6,340 and 7,340 a month."

Scott comments (p. 359):-

".....in the light of these figures, it is apparent that the Australian commanders in the field and the Army Council asked for more than twice as many men as were eventually thought necessary to keep the five divisions up to strength. The anti-conscriptionists in 1916 had not the assistance of this astonishing result, but there were among them men who had worked out the requirements on the basis of wastage, and came to the conclusion that the estimate upon which the Government acted was excessive. And it was afterwards indubitably demonstrated that, in this, they were right."

It should be remembered that, in default of United States entry into the War, which was not really anticipated in October, 1916, no amount of scraping of the barrel of the Empire for manpower could have prevented a negotiated peace. Anstey's speech is full of the conviction that there were no real aims, and that there was a demand for manpower which Australia could not sustain, and, in those assumptions he was justified by the situation until the entry of the United States into the war. He claimed to be a conscriptionist who opposed this conscription because it would be ruinous.^(a) Anstey gravely underestimated the casualty rate that offensive battles could produce.

In September and October, 1917, in the Third Battle of Ypres the Australian divisions sustained 38,000 casualties.

In November, 1917, Hughes in his Bendigo speech said that the reinforcements required were 7,000 a month. The Director-General of Recruiting in his Report for 1917 commented that 16,500 a month, something beyond attainment, oppressed recruiters with the size of their task. The alteration of the figure to 7,000 established "a feeling of uncertainty or even insincerity."

(a)

"I have no objection to conscription, to compulsion. I have no objection to force; I never had, either in the work of unionism or in the work of the nation. I do not draw any limitations to it in any shape or form - whether in regard to organizations or nations. In a time of strife I believe there is something in the doctrine of Kennedy, the old Chartist, when he said 'Moral suasion is all humbug: nothing convinces like a lift in the lug.' I have no scruples along these lines and I wish to secure liberty, safety, protection; but I desire to make sure that compulsion will secure those things. I do not want liberty, safety and protection to be a subterfuge for oppression, degradation and destruction. I do not even mind forces being sent oversea, if it is oversea that we are going to find liberty and secure protection; but I wish to make sure that is in that direction that we will achieve those ends. I have not yet heard an argument in any shape or form to convince me that that is so.....The real position that confronts Australia is not in the things said but in the things unsaid."

(Commonwealth Parliamentary Debates, vol. 80 p. 8676)

Anstey's opposition to what seemed endless demands for men is the clearest example of the belief that the anti-conscription campaign was for the survival of the nation. Anstey's anti-conscription and his close friend Curtin's conscription in the circumstances of 1943 are alike argued for in this passage.

APPENDIX COMPULSORY TRAINING AND EXPEDITIONARY FORCES

After the Conscription crisis of 1916 the Labor Movement kept close control of the defence platform in so far as it might relate to compulsory military training, and the despatch of forces overseas.

The matters were considered at the Seventh Commonwealth Conference of the Australian Labor Party at Perth in June, 1918. The Conference had come out strongly for a negotiated peace, and had continued the opposition to conscription of the 1916 Conference. The question arose whether it favoured participation in the war at all. Moreover members of the Federal Parliamentary Labor Party had to take some attitude to recruiting campaigns, especially F. G. Tudor, the Parliamentary Leader. The debates, reported at extraordinary length, occupies pages 23 to 37 of the Report of the Seventh Commonwealth Conference. The second debate related to the retention or abolition of compulsory training.

The following resolution was declared carried on the subject of the attitude to the war and recruiting - in essence a decision on expeditionary forces is involved.

ATTITUDE TO THE WAR AND RECRUITING

Attitude to the War:

1. The attitude of Labor towards the publicly declared objects of the War is what it was at the outbreak of the War.
 - (a) For Liberty and Democracy and the independence of small nations
 - (b) For the honouring of publicly made treaties
 - (c) For the maintenance of public international law
2. The aims of Labor in participating in the War purposed:-
 - (a) Assistance to Great Britain, under the voluntary system, in maintaining the publicly declared objects for which she entered the War, (as described in the first paragraphs) to the best of our capability consistent with Australia's paramount and essential needs.
 - (b) Bringing about an enduring world peace, on terms of equity and justice to all mankind.

Attitude to Recruiting:

Further participation in recruiting shall be subject to the following conditions:-

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Attitude to Recruiting:

Further participation in recruiting shall be subject to the following conditions:-

- (a) That a clear and authoritative statement be made on behalf of the Allies, asserting their readiness to enter into Peace negotiations, upon the basis of no annexations and no penal indemnities.
- (b) That Australia's requirements in man-power be ascertained and met with respect to -
 - (1) Home Defence
 - (2) Industrial Requirements.

An immediate inquiry upon which the Australian Labor Party shall be adequately and officially represented, shall be held, and its decisions immediately given effect to.

Provided that this determination shall be immediately submitted by Each State Executive - with recommendations from this Conference for its adoption - to a referendum of all branches and affiliated organizations, and shall become operative upon a majority of the votes of those voting being cast in the affirmative. The ballot to close not later than November 1, 1918. Should the Commonwealth Government interfere with the taking of the ballot on the proposals re the war and recruiting, the whole scheme shall become operative immediately. (1)

The attitude of Labor at the outbreak of war was confined to the manifesto signed by Fisher and Watkins and apparently composed by W. M. Hughes. There was no 1914 Conference to define an attitude, and as the "last man and last shilling" manifesto was part of the election campaign of 1914 Caucus never considered it and it was never endorsed by any Labor body. It was simply and silently accepted. The 1915 Conference did not consider it. If "the last man" meant conscription, the 1916 Conference rejected it. Caucus could get no real instruction out of this declaration of the Perth Conference. It depended on a Party referendum whether or not Party participation in recruiting should continue. The war was over only 10 days after November 1, 1918.

As a First World War resolution its significance ceased when the War ended.

There was so much about compulsory military training on the Agenda that the Agenda Committee brought down a series of contingent motions on the subject -

(1) Report, pp. 27-28

"The Agenda Committee has found that there are many difficult proposals for the amendment of the Defence Act, and it is understood that many delegates are pledged to varying proposals. In order that delegates may be given a fair opportunity to carry out their pledges, and that the time of the Conference may be economized, we recommend that the following course be taken by Conference:-

That a discussion on the questions of compulsory training and compulsory service in time of war be held, at the conclusion of which the following proposals may be moved, seconded and put separately without amendment or debate -

(a) That all clauses of the Defence Act relating to Compulsory Training and to Compulsory Service in time of war be repealed.

If (a) is not carried by the required majority, the next question shall be

(b) That Compulsory Training be abolished. If that is not carried by the required majority, the President shall put the following questions -

(b₁) That Compulsory Training be limited to persons over 21.

If that does not receive the required majority -

(b₂) That Compulsory Training be limited to persons between 20 and 26. If that does not receive the required majority -

(b₃) That Compulsory Training be limited to persons over 18.

After these three resolutions have been dealt with, whether they be carried or not, the President shall put this question -

(b₄) That the system of Compulsory Training be referred to a committee of six, with instructions to make the recommendations it seems necessary to democratise civil liberty (sic) rights of conscience and industrial organization.

After (b₄) the President shall put

(c) That Compulsory Service in time of war, as provided by the Defence Act, be abolished. If this does not receive the required majority the President shall put this question -

That the question of Compulsory Service be referred to a committee of six with instructions to democratise Compulsory Service, to safeguard civil liberty, rights of conscience and industrial organization." (2)

It appears likely that

(2) Report, pp. 28-29

(b₄) is misprinted and should read "democratise Compulsory Training", by analogy with the expression used in (c) "democratise Compulsory Service". This fantastic procedure was adopted. The upshot of it all was that the 1918 Conference made no change. Some sections were carried, but in the absence of a constitutional majority of 19. What is significant is the attitude taken by present and future members of Caucus. Tudor said that, "as a delegate to the Brisbane Conference in 1908 he had voted against the principle of compulsory military training" (for home defence). He had, however, changed his views. "He was satisfied that if Conference were to vote in favour of repealing the compulsory training clauses in the Act that it would be taking a most retrograde step". He was "quite sure no delegate wanted to lessen Australia's safeguards but to strengthen them."⁽³⁾

A future Prime Minister, J. H. Scullin, who abolished compulsory military training in 1931, considered in 1918 that the alternatives of "knocking out Citizen Forces for home defence were disarmament and standing down helplessly, Britain sending out her own army and navy, or a hybrid volunteer system which would create a military caste." He warned "if this form of defence were knocked out, a Labor Government would be precluded from having a Citizen Army". Scullin was a leading opponent of conscription for overseas service but he asked whether opposition to conscription for overseas service had as its corollary "that home defence should be thrown overboard". "He wanted Conference to understand that, if ever a certain power sought to invade the fair land of Australia, he would not hesitate to conscript the manhood of Australia to defend the hearths and homes of this young democracy." (Scullin supported conscription in 1942-43 in the face of the Japanese invasion threat) He explained that his opposition to conscription had not been "on account of the sacredness of human life, but because of the principle that men should not be forced to go away to foreign frontiers and fight in a war in which they had never been consulted". In his view "sending untrained men into a fight was leading them into a shambles".⁽⁴⁾ Another future Prime Minister, John Curtin, indicated he was voting for the retention of compulsory military training because of his instructions, but his faith was in air forces for Australian defence. (The first view expressed in the Labor Party on this question). "He looked to other methods of safety, chiefly air craft.....With an efficiently

(3) Report, p.30

(4) Report, pp. 31-32

equipped aircraft service, knowledge of the approach of an invading fleet could be gained, and it would then be a comparatively easy matter to send super aircraft freighted with high explosives against the ships of the enemy." He explained it was the effective way to defend "a vast coastline".

A future Minister for the Navy, Norman Makin, M.P. favoured the abolition of compulsory training. (5)

Maurice Blackburn accepted in essence the arguments for a democratic army which J. C. Watson had put up at the 1908 Conference -

"The Socialists of Europe stood for the same sort of citizen army system as existed in Australia, and in England the most radical of the Socialist Parties stood for a compulsory citizen army." (6)

J. H. Catts, M.P. stood for compulsory training between the ages of 20 and 26 (7). He also had been against compulsion in 1908 but had changed his mind.

The future Postmaster-General in the wartime Labor Government opposed compulsion (Donald Cameron, later a Senator). (8)

Senator O'Keefe supported it, with a minimum age of 18. (9)

The 1919 Conference:

By 1919 the atmosphere had completely changed and Conference voted 22 votes to 1 for the abolition of compulsory military training. There were two conferences in Sydney in 1919 - the Eighth Commonwealth Conference in June and a Special Conference in October. Senator Albert Gardiner supported compulsory training but was under instructions to vote against it. He was "no more ashamed of compulsory military education than he was of compulsory secular education". (10) It was this decision which determined Labor attitudes for the next two decades. As for "expeditionary forces" the Conference passed a resolution against the war of intervention in Russia (Report P.81).

It was the 1918 Conference which produced the platform point which lasted till 1940 and which was the subject of comment in 1939 by Curtin and Calwell -

"No raising of forces for service outside the Commonwealth, or participation, or promise of participation in any future overseas war, except by

(5) Report, p. 32

(6) Report, p. 30

(7) Report, p. 30

(8) Report, p. 31

(9) Report, p. 31

(10) Report of the Eighth Conference, Sydney, p. 73

decision of the people."

With its number being changed at each conference, this remained a platform item till the special Conference of 1940 superseded it.

The 1919 Conference retained the point, but where the 1918 Conference had decided as platform points -

- (a) No military training for persons not entitled to vote.
- (b) Compulsory training between earliest voting age and four years afterwards. Employees to be trained in employers' time and without deduction of wages; payment of standard wages for time spent in camp.
- (c) Obligation of training to be enforced in civil courts only. (11) -

The 1919 Conference substituted -

"Amendment of the Defence Act to secure

- (a) Deletion of clauses relating to compulsory training and service."

The two Conferences had in common a series of anti-militarist resolutions introduced or retained on the platform - abolition of military oaths; abolition of distinction between commissioned and non-commissioned officers; recognition of the principle of election of officers (altered at the Conference "to election of qualified candidates"); salutes and other "useless discipline" to be abolished; and the "Defence Acts to require annual renewal, as in England."

It would be fair to say that the Parliamentary Labor Party ignored the whole of this platform. No adjournments of the House were ever moved to abolish saluting or to provide for the election of officers. Nobody in the Labor Movement ever asked for the implementation of most of these points. They were simply electoral liabilities. The Parliamentary Labor Party has suffered a good deal from points put on the platform on impulse by delegates who never gave a thought to what appearance a policy would have in an election campaign. The changes in 1937 and 1940 have been noted in the period leading up to the Second World War. After the Second World War, at the Melbourne Conference of 1945 compulsory military training was abolished. This was because one Western Australian delegate, Senator J. A. Cooke, broke from the other 5 delegates from that State to vote for the abolition of compulsory military training. By 19 votes to 17 it was removed from the Platform (as left after the special conference of 1942-43). In 1951, again

(11) Report of 1918 Conference (Defence Committee Recommendations), p. 44

by 19 to 17, it was permitted again.

Chifley asked the Conference for a clear direction on the National Service Bill of the Menzies Government.⁽¹²⁾

National Service had been an item of the Governor-General's speech opening the 19th Parliament.⁽¹³⁾ The National Service Bill passed the House of Representatives on November 30, 1950. The Senate delayed the Bill postponing debate three times on December 6 and 7, 1950. It was made an order of the day for the first day of sitting in 1951. It did not finally pass the Bill till March 15, 1951. This was the period of Labor control of the Senate, but the passage of the Bill was in fact due to the Conference of 1951.

The Queensland Executive had submitted to Conference the following defence policy -

"That our defence policy be re-framed to make it compatible with the present world situation and provision made for

- (1) Co-operation within the British Commonwealth of Nations in support of the United Nations Organization for the purpose of maintaining international peace and security.
- (2) Compulsory military training with a minimum of interference with industry.
- (3) The inclusion in the Australian Home Defence Area of the islands adjacent to New Guinea, in accordance with the policy adopted during the last war.
- (4) Overseas military service on a voluntary basis.
- (5) The service overseas of any Expeditionary Force to be maintained under the control of the Australian Government."⁽¹⁴⁾

The Defence, Migration and Foreign Policy Committee Report recommended that the Conference should resolve -

"That this Conference approves the principle of compulsory military training for home defence, subject to a proper regard for the national economy. The Federal Executive is empowered, after reviewing the position, to take such action as is considered to be in the best interest of Australia."⁽¹⁵⁾

This was carried by 19 to 17.

On the motion of F. E. Chamberlain (W.A.) and Kevin Byrne (W.A.) it was resolved -

(12) Speech to Conference, March 2, 1951. Conference Report (1951 Canberra),
(13) 22 February, 1950, Commonwealth Parli. Debates, Vol. 206, p. 7 p. 50
(14) Report of the 19th Conference (Canberra, March, 1951), p. 31

"That Conference instructs the Federal Parliamentary Labor Party not to prevent the passage of the National Service Bill."

The Senate Labor majority had at one stage appointed a Select Committee to consider the Bill and the Government had instructed Service chiefs not to appear before it. The Senate Committee considered this a breach of privilege. In this context "an instruction to pass" the Bill inflicted maximum damage on the Labor Party. The Cabinet instruction to Service chiefs was a breach of privilege, but a direction to vote was not. The Senate majority, for tactical reasons, considered a Bill needed investigation by a select committee, but was open to instruction by a body which had not investigated it.

In Caucus on November 8, 1950, had ruled "that it was a plank of the Federal Platform of the Party to oppose conscription and compulsory military training".

On November 29 the Party adopted a defence statement as part of the tactical battle in the Senate. The statement read -

"The Labor Party stands for the adequate defence of Australia and its Territories. The policy of the Labor Party re-stated at its last Triennial Conference is - "The establishment of an adequate and properly balanced defence organization on a voluntary basis". We are satisfied that such a force can be raised by a voluntary enlistment if a vigorous effort is made to achieve this result. The Labor Party has not participated in the present recruiting campaign largely because the government made a fundamental change in the terms of enlistment and service as a result of which the Citizen Military Forces - essentially the basic home defence force - were required to serve anywhere in the world. The Labor Party is of the opinion that, if no such change had been made, sufficient recruits for the Citizen Military Forces would have been forthcoming. The Government has entirely failed to furnish any evidence of any potential enemy possessing the capacity to attack or invade Australia in the foreseeable future. The Government's plan fails to give sufficient attention to the fact that, in modern times, the effective defence of a nation is largely dependent upon a well-developed and decentralized industrial capacity."

After references to population growth and the 5 year defence programme of the

Chifley Government in 1948 the statement concluded that the Labor defence programme

"was progressing and would have succeeded but for the untimely and unjustified decision of the Government to alter the character of the Citizen Military Forces from a home defence to an expeditionary force for service anywhere else in the world." (16)

The Menzies Government had not been in office for a year, so there was some logical weakness in suggesting that a programme designed to complete in 1953 had already been vitiated in November, 1950. Compulsory Military Training lasted till 1959 when the Government abolished it. Conscription for Vietnam, opposed by Labor, lies outside the time limits of this study, but shows that the issue started in 1916 still exists.

(16) Minutes, 29 November, 1950.

CHAPTER VIII

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THE LABOR PARTY AND THE COMMONWEALTH BANK

The Commonwealth Bank, established originally by the Commonwealth Bank Act of 1911⁽¹⁾ is, in its origins, often accepted as a conspicuous example of Caucus control of legislation. This is because of the claims of King O'Malley, member for Tasmania and Darwin (Tasmania) from 1901-1917. O'Malley asserted in a pamphlet "The Commonwealth Bank: The Facts and Its Origin" that he organized a group in Caucus who forced the Bank on Andrew Fisher, the Labor Prime Minister.

A National Bank first appeared on a Labor Platform in New South Wales in 1891. Its presence on the platform in 1891 therefore owes nothing to the Bank crashes of 1893. Professor J. S. Butlin in his book "Australia and New Zealand Bank"⁽²⁾ has analysed the banking crisis in Australia of the 1890's. Using the definition of a bank as being "any institution which so described itself and which solicited public deposits" he demonstrates that "so defined there were at least sixtyfour banks in Australia in mid 1891; by mid 1893 fiftyfour of them had closed, thirtyfour of them permanently. Of banks in a more restricted conventional sense there were twentyeight and only nine of these remained open continuously".⁽³⁾

Opinion in favour of State Banking or government intervention in banking, grew in the 1890's. The radical Premier of South Australia established a State Bank in 1895. The Tasmanian Labor Platform incorporated "a national bank" in 1897.

In the first Federal election campaign W. M. Hughes, then M.L.A. for Lang, and the Federal Labor League's selected candidate for West Sydney, advocated a National Bank. In an interview with the "Sydney Bulletin" on February 17, 1901, he said -

"Then there's the codification and amendment of the Banking Laws and the establishment of an Australian National Bank, to be run on strictly business, as distinct from political lines. There are other things, plenty of them, but the great questions are - White Australia, Old Age Pensions, a National Bank, and a Democratic Military System."⁽⁴⁾

When Andrew Fisher made his Second Reading speech introducing the Commonwealth Bank Bill of 1911⁽⁵⁾, he referred to twenty years discussion of such a

(1) No. 18 of 1911

(2) In Chapter 12

(3) "Australia and New Zealand Bank", p. 279

(4) "The Bulletin", February 17, 1901, p. 15

(5) November 15, 1911, Commonwealth Parliamentary Debates, Vol. LXII, p. 2644

Bank. He seems to have dated this from the discussion of the New South Wales Plank of 1891. At the 1903 Conference of the Federal Labor Party in Brisbane in 1903, McGowen, who had been Labor Premier of New South Wales, claimed thirty years of advocacy of a National Bank.

At the Conference in Sydney in December, 1902, the first Federal Labor Conference after Federation, the report shows that Senator W. G. Higgs (Queensland) and F. W. Coneybeer, M.H.A. (South Australia) succeeded in having a motion carried -

"That a Commonwealth Bank of Deposit and issue be established, the directors of which shall only be appointed and dismissed by Act of Parliament".⁽⁶⁾

It did not go into the Platform in this form. There are two records of the 1902 Conference. The fuller record quotes J. C. Watson as intervening and stressing the need for the Bank to be free of political influence. This was not an intervention suggesting the Bank be free from a high political purpose. What he had in mind was political influence brought to bear in favour of individual clients which he said had happened in the case of advances to settlers in a New South Wales Government sponsored scheme⁽⁷⁾. His words to the Conference almost echo those of W. M. Hughes in Hughes's Bulletin interview of February 17, 1901.

In the final form adopted by the Conference the Platform point concerning the Bank was combined with a resolution on the subject of Insurance. Senator Hugh De Largie (W.A.) and H. Beard (Victoria) had successfully proposed "That Federal Life and Fire Insurance be a Plank of the Platform".⁽⁸⁾ The combined points made a Platform item which read:-

"Commonwealth Bank of Deposit and Issue and Life and Fire Insurance⁽⁹⁾

Department, the management of each to be free from political influence." The following Conference in Melbourne in July, 1905, did not deal with the Commonwealth Bank. The Bank featured in J. C. Watson's campaign for the elections of 1906, but until October 21, 1908, the subject of Banking received no mention in Caucus minutes. On that date it is recorded -⁽¹⁰⁾

"O'Malley gave notice of his intention to ask for leave of the Party to move an amendment on the Budget relating to Banking."

(6) Report

(7) Report

(8) Report

(9) Report

(10) Minutes, October 21, 1908

The carrying of an amendment to the Budget would achieve nothing about banking. It would achieve the fall of Alfred Deakin's Protectionist Liberal Government. Nothing happened to that Government as a result of any motion on banking. Instead it fell on November 13, 1908, as the result of a notice of motion given in Caucus immediately prior to O'Malley's motion by C.E. Frazer (Kalgoorlie) who had campaigned solidly for four years in Conference and Caucus against any alliance with Deakin. C. E. Frazer "gave notice of motion re the Party and the present Ministry".⁽¹¹⁾ The motion, the text of which was given in full at the later meeting on November 4, 1908, was carried, and its essence was that the relations existing between the Labor Party and the Deakin Ministry should not continue.⁽¹²⁾ As those relations meant support for Deakin, discontinuance of support led to his fall.

What O'Malley had in mind is therefore not clear, but it is possible his proposal for a National Postal Bank and a scheme of State-Federal financial relations which had been printed as a Parliamentary Paper of April 15,⁽¹³⁾ 1908. This would possibly account for it being associated in O'Malley's mind with the Budget.

O'Malley's notice of motion of October 21, 1908 could not be the way to implement a scheme for a bank. It could only be a censure for not establishing a Bank. Of itself it can hardly be regarded as the origin of Caucus action on banking.

The O'Malley scheme set out in the Parliamentary Paper of April 15, 1908, was a statement of some thousands of words, seven chapters, and statistical appendices. It is tempting to speculate that its actual author was L. F. Giblin, who was active in the Tasmanian Labor Party at the time, for it is very unlike O'Malley's speeches and style.

However that may be, what O'Malley submitted was perhaps the most detailed scheme any Federal Labor Conference ever received, and it was far more than a scheme for a bank.

The scheme dealt with the cessation of monthly payments of surplus revenue by the Commonwealth to the States; the assumption by the Commonwealth of responsibility for State debts; the establishment of a National Bank of Deposit and Issue, Exchange and Reserve for the purpose of carrying out with facility and economy the finance transactions of the Commonwealth and States;

(11) Minutes, October 21, 1908

(12) Minutes, November 4, 1908

(13) Parliamentary Papers (General) Vol. 11, 1907-8, pp. 1075-1081

the establishment of a sinking fund; the appointment of sinking fund trustees; and the inauguration of the scheme.

The National Postal Bank is dealt with in the fourth chapter. It was proposed "That this Bank be conducted purely as a Government Department, absolutely free from political control". A Government Department free from political control seems a contradiction in terms, but what was meant was probably what W. K. Hughes meant in his "Bulletin" interview of February 17, 1901, and what J. C. Watson meant in his Presidential intervention in the framing of the 1902 Platform - namely, no political intervention in the affairs of clients to favour advances to individual bank customers.

The States and the Commonwealth were to be joint shareholders in the Bank. The Bank was to control the note issue. This was not provided for in the Commonwealth Bank Act of 1911,⁽¹⁴⁾ nor in the Commonwealth Bank Act of 1914,⁽¹⁵⁾ but was provided for in the Commonwealth Bank Act of 1920,⁽¹⁶⁾ a measure of the Hughes Nationalist Government. The National Postal Bank was to handle State and Municipal loans. The General Post Office in each State was to be its head office. The regulations governing the Bank were to be drawn up by the Board of Management in conjunction with the Council of the Associated Banks.

The complexity of O'Malley's scheme, and its State-Federal financial features, caused it to be treated as a proposal governing State-Federal financial relations. He combined two ideas which need not have been combined when he moved

"That no financial scheme between the Commonwealth and the States can be satisfactorily adjusted without the establishment of a National Postal Banking System".⁽¹⁷⁾

The scheme was thereupon referred to the Committee on State and Federal Financial Relations.

On the motion of F. G. Tudor, M.P. (Victoria) and W. E. Ager (Victoria) it was resolved that a Commonwealth Bank should be a plank of the "Fighting Platform". The record continues (p. 20)

"At a later stage it was agreed, on the motion of Mr King O'Malley, to make the Commonwealth Bank one of Issue, Deposit, Exchange and Reserve!"

(14) No. 18 of 1911 (15) No. 24 of 1914 (16) No. 43 of 1924
(17) Report, Brisbane Federal A.L.P. Conference of 1908, p. 20

This is the 1902 Platform with "Insurance" eliminated and "Exchange and Reserve" added.

Tudor's motion was put on the "Fighting Platform" in the simple form "Commonwealth Bank". The "Fighting Platform" became the electoral campaign programme of 1910, and Labor won the election. The Commonwealth Bank Act of 1911 was the implementation of this "Fighting Platform".

Page 33 of the 1908 Conference Report shows the fate of O'Malley's proposal when it came back from the State-Federal Financial Committee. The Committee recommendation was "That Conference approves the general outlines of Mr King O'Malley's scheme relating to a National Bank".

This did not involve it going into the platform, although W.G. Spence in "Australia's Awakening", published in 1909, assumes it did. It was never printed as part of the Platform and what approval "in general outline" means is not clear.

There was never any question of the Party being committed to the idea that the Post Office should be the banking premises. The proposition that the Bank should be jointly owned by the Commonwealth and States would delay its establishment indefinitely for there was not much likelihood that the non-Labor States would approve. They would also have to consent to the Commonwealth Bank transacting all their business. His proposition that the management of the private banks were to have a vital part in controlling the reserve regulations of the Bank was hardly acceptable to Labor.

The Post Office could not have borne the complicated work of the Bank as it grew so rapidly. It was not merely a proposal that post offices should provide savings bank branches, as happened from the very inception of the Bank. The whole Bank O'Malley proposed was to be "postal".

O'Malley complained that the Brisbane Conference had not listened to him, and that it was run by "States' Rights" men. (18)

Certainly the Commonwealth Bank Act of 1911 owes little to O'Malley's scheme.

Caucus was in recess from November 25, 1910 till August 30, 1911.

The minutes for August 30, 1911, record

"Mr Fisher gave an outline of the Government programme for the ensuing session which included the following proposals....."

There follow 18 proposals, the first of which is "National Bank". A note in the Secretary's handwriting comments that an Arbitration Bill should

(18) September 1, 1909. Commonwealth Parliamentary Debates, Vol. LI, pp. 2864, 2873

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have been put first.⁽¹⁹⁾ Caucus met again on August 31 and it is recorded that on the motion of D. R. Hall⁽²⁰⁾ and F. J. Foster⁽²¹⁾ it was decided "That the matters mentioned by the Chairman (i.e. Fisher) at the meeting of August 30 be part of the Government programme. Carried"⁽²²⁾

The margin of the minutes provides a heading for this. It is called "Resolution re Government Programme". This programme would need to be incorporated in specific Bills. Immediately following the "Resolution Re Government Programme" is another resolution, the marginal comment upon which is "Party to deal with Bills". The minutes read "Mr Fenton⁽²³⁾ moved and Ozanne⁽²⁴⁾ seconded "That Bills be first submitted to the Party in meeting." Carried."

The endorsement on August 31 of the August 30 programme was sufficient to put the outline of the Government's policy, including the establishment of the Commonwealth Bank, in the Governor-General's speech of September 5, 1911. In this speech is the item -

"13. A Bill will be submitted to provide for the establishment of a Commonwealth Bank, and for uniform banking law."⁽²⁵⁾

Caucus is recorded in the minutes as debating the details of the Bills in the programme it had endorsed on September 1. An electoral bill, which was very detailed, occupied the meetings of September 21, 27, 28 and October 4. On October 5, 1911, the Commonwealth Bank Bill was before Caucus. It was decided on the motion of Finlayson, member for Brisbane, that the Bill should be referred to the Committee for consideration.⁽²⁶⁾

The Committee concerned was one of four set up. The inner back cover of the second minute book shows this Committee to have been the Treasury and Pensions Committee and it consisted of C. McDonald (Chairman), C. Frazer (Secretary), Findlay, W. Russell, Senator E. Needham, King O'Malley, W. Maloney, W. G. Spence, A. T. Bamford and Brown. The minutes for October 19, 1911, show that W. G. Spence presented the report of the Treasury Committee on the Banking Bill and it was resolved:

- (19) Minutes, August 30, 1911
- (20) M.P. for Werriwa (N.S.W.)
- (21) M.P. for New England (N.S.W.)
- (22) Minutes, August 31, 1911
- (23) J. R. Fenton, M.P. for Maribyrnong (Vic.)
- (24) A. T. Ozanne, M.P. for Corio (Vic.)
- (25) September 5, 1911, Commonwealth Parliamentary Debates, Vol. LX, p. 6
- (26) Minutes, October 5, 1911

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"That a special meeting be held on Wednesday 25th, to consider the Banking Bill." On October 25, 1911, the minutes note that on the motion of Riley and Archibald it was resolved "That the Government introduce the Banking Bill. Carried."

This authorized its introduction into the Parliament. The Governor-General's message for an appropriation for the Commonwealth Bank Bill was read in the House the same day.

The First Reading of the Bill was moved by Fisher on November 1, 1911. (27)
The Second Reading was moved by Fisher on November 15. (28)

The minutes of Caucus for November 28, 1911, show that Fisher convened "a special meeting to further consider the National Bank Bill". No decision arose from this discussion but the following day (November 29, 1911) the minutes record

"Discussion ensued on the National Bank Bill. Resolved 'That the Party approve the principle of one Governor of the Bank.' The Chairman (i.e. Fisher) put the question -

'That the provision of the Bill be approved along with the suggested amendment of the Prime Minister wherein he promised to keep an open door in regard to the States should they desire to be in some way mutually associated with the Commonwealth Bank. Carried'. "

This concludes all references to the Commonwealth Bank in the minutes during the Fourth Parliament until June 12, 1912, when Fisher reported "The Governor of the Bank had been appointed and was engaged on his duties". The procedure of the Bank Bill through Caucus thus occupied from August 30, 1911, to November 28, 1911.

The Commonwealth Bank Act of 1920 (No. 43 of 1920) vested the note issue in a Notes Board indirectly connected with the Bank in that the Bank Governor was Chairman. The Commonwealth Bank Act of 1924 (No. 15 of 1924) put the Bank under the authority of a Board, which was not subject to the authority of the Treasurer. The Labor Party supported the 1920 measure and opposed that of 1924.

The significant Caucus activities, however, concerned the abortive Commonwealth Bank and Reserve Bank Bills of 1930, the Commonwealth Bank Act of 1945 and its accompanying Banking Act; the Banking Act of 1947; the Commonwealth Bank Act of 1951; and the Commonwealth Banks Act of 1959 and the

(27) Commonwealth Parliamentary Debates, Vol. LXI, p. 2078, November 1, 1911
(28) Ibid, Vol. LXII, p. 2644, November 15, 1911

Banking Act of 1959.

The abortive legislation of 1930 consisted of efforts - frustrated by a Senate in which Labor was outnumbered 29 to 7 - to vest the Treasurer with authority to direct the Commonwealth Bank. The 1945 Act is the achievement by Curtin and Chifley of this authority over the Bank, which Theodore could not achieve in 1930. The 1947 Banking Act was the attempted Nationalisation of Banking. The Liberal Banking legislation of 1951, 1953 and 1959 also throws light on Caucus attitudes and procedures.

Post War -

At the Eighth Commonwealth Conference of the Australian Labor Party in Sydney in June, 1919, all questions on the Agenda dealing with the nationalisation of banking and insurance were referred to a committee consisting of T. J. Ryan, Senator Albert Gardiner, Andrew Clementsen, M. J. O. Makin and D. L. McNamara.⁽²⁹⁾ The Committee recommended as a plank of the Fighting Platform "Nationalisation of Banking and Insurance."⁽³⁰⁾ The Report of the Conference does not reveal much thought concerning the structure and functions and tests of efficiency of such a monolithic financial institution as a monopoly Bank, and the truth is the Labor Party has never thought this out.-

"Mr McNamara (Victoria) reported that the Committee appointed to go into the matter of Banking and Insurance had recommended that in place of the half dozen motions on the agenda paper under the heading of "Finance" they should adopt a concrete new plank of the Fighting Platform as follows:-

'Nationalisation of Banking and Insurance'. Mr McNamara said that this, if carried, would be placed on the Platform for the first time. At the present time banking and insurance was in the hands of private individuals, and they were able to exercise a power almost greater than that possessed by Parliament itself. Banking and Insurance should be controlled by Parliament in the interests of the whole of the people. He instanced that although the banks had under £30,000,000 in capital and property, they exercised control of £250,000,000 of the people's money, often using it against the interests of the people themselves. The plank should be put into operation at the earliest possible moment. Mr Clementson (W.A.) seconded the motion. He said that if anybody wanted to get an idea as to the power of the banks they had to take the example

(29) Report, p. 55

(30) Report, p. 69

of the United States, where the financial institutions were crushing the life out of the nation. Under the present system prices were inflated when it suited the bank magnates to do so. This affected the cost of living. That was an evil they should suppress. All the great exploitation agencies of the country depended on the private banks to enable them to perpetuate the evil.

The motion was carried."⁽³¹⁾

This debate, not conspicuous for rationality if it is correctly reported, put "the concrete plank" of Bank nationalisation on the Platform, but "the earliest possible moment" to put it into operation was 28 years later, in 1947.

Meanwhile the Labor Party faced the Commonwealth Bank Act, 1920 (No. 43 of 1920); the Commonwealth Bank Act 1924 (No. 15 of 1924); the Commonwealth Bank Act (Rural Credits) 1925 (No. 16 of 1925); and the Commonwealth Bank Act (Savings Bank) 1927 (No. 36 of 1927). The Scullin Government attempted two Commonwealth Bank Bills, a Reserve Bank Bill, and the Curtin Government enacted the Commonwealth Bank Act of 1945 and the Banking Act of 1945 before any attempt was made to nationalize banking.

The legislation in 1920 replaced Treasury control of the note issue with control by a Notes Board. Sir Denison Miller, Governor of the Commonwealth Bank, was Chairman of the Board. Its deflationary policy dissatisfied the Country Party and in 1924 the Treasurer, Earle Page, gave the Commonwealth Bank some central banking powers and placed it under the control of a Commonwealth Bank Board. Three of four members of the Notes Board were on the Commonwealth Bank Board. The Commonwealth Bank Board was itself to be accused of chronically deflationary policies during the depression, but Page undoubtedly intended it as a corrective. The Act of 1924 was badly drafted, a copy of legislation in the United Kingdom with no particular relevance to Australia in all its sections. The Board was the subject of Labor Opposition, but not, as in 1951, from the mere fact that it was a Board but because it was representative of private interests.

Caucus resolved to amend the motion "that the Bill be now read a second time" with the motion

"That all words after "that" be eliminated with a view to inserting the following :- 'In order to preserve the Commonwealth Bank as a National

Institution and to extend its operations for the purpose of controlling credit and exchange it is desirable that appointments of financial experts should be made to its management, who shall be fully employed in the service of the Bank, as the proposal of the Government to appoint persons representing squatting and commercial interests who are diametrically opposed to National Banking is designed more in the interests of private financial institutions than of the Peoples' Bank. (32)

Caucus was far from being a Labor Government in 1924 but there were State Labor Governments and Caucus sought to direct them to strengthen the Commonwealth Bank by seeking that a Federal Conference should suggest action to them.

"That the Federal Conference recommend to all State Governments to transact the whole of their banking business with the Commonwealth Bank and that in those States where an amalgamation has not taken place early steps be taken by the Labor Governments to effect an amalgamation of the States' Savings Banks with the Commonwealth Bank. (33)

The proviso for State Banking business to be carried on with the Commonwealth Bank became Section 48 of the Banking Act 1945, with very great consequences.

Labor was to attain to power under Scullin/ⁱⁿthe economic depression, and to disintegrate by stages.

Six members, led by J. A. Lyons, joined the Opposition on 6 March, 1931, and on March 11 five led by J. A. Beasley withdrew from Caucus to form the "Lang Labor Party".

Struggles over financial and banking policy played a major part in disintegration, but before this the Scullin Government showed lack of resolution in ^{not}contesting the Senate's rejection of vital legislation to the point of double dissolution.

Caucus certainly does not give the impression of wanting to fight the Senate.

The minutes of the Scullin Government period are quite remarkable for the persistence with which Caucus resolved as if the Senate majority were not adverse, and as if the Commonwealth Bank could be directed by the Treasurer, which was certainly not the case in the 1924 legislation which Labor inherited and could not amend.

It is possible that Caucus made clear to G. F. Pearce, Leader of the

(32) Minutes, June 19, 1924

(33) Minutes, July 31, 1924

Opposition in the Senate, that it would not fight when it tamely abandoned constitutional amendment proposals. The Scullin Government probably disintegrated because of the bitterness over the social service "economies" imposed by the Premiers' Plan - a deflationary attempt to rectify the depression. This policy followed the failure of a "Fiduciary Notes Bill" (to create £18,000,000 new purchasing power) to pass the Senate.

The first Labor legislation on the Commonwealth Bank was not at the request of Caucus but at the request of the Commonwealth Bank Board. The drop in export prices had caused a decline in gold reserves and this with the cessation of effective access to the London market was believed to require action to protect the gold reserves. Theodore, the Labor Treasurer, wanted the Treasurer to be empowered to acquire gold on the advice of the Bank Board. The Opposition in the Senate amended this to acquisition by the Treasurer and the Bank Board jointly. The power to prohibit the export of gold was acceptable to all parties, but there was an Opposition amendment in the House of Representatives, to limit the operation of the Bill for six months.

When in 1931 legislation was accepted empowering the Commonwealth Bank to ship gold to London, with only Lang Labor in opposition, the initiative again did not come from Caucus but from Sir Robert Gibson, the Chairman, and the rest of the Commonwealth Bank Board. Caucus consented.

Caucus, of course, had nothing whatever to do with the appearance of Sir Robert Gibson at the bar of the Senate to give evidence on a similar question, and to hint at the economies of the Premiers' Plan.

Caucus was simply moving in one orbit and not, in fact, planning legislation so long as it did not insist that there were limits to what it would endure from the Senate.

Unless it was prepared for a double dissolution Caucus meant virtually nothing in meeting the needs of the Australian people.

It was not prepared for a double dissolution. The experience of the Commonwealth Bank Board's conservatism and deflationary policy burnt deep into J. B. Chifley, and accounts ^{for} his strong reactions against the idea of the restoration of a Bank Board in the Menzies Government's legislation of 1951.

The real achievement out of all this was Section 9 of the Commonwealth Bank Act of 1945 giving the Treasurer final authority over the Bank. Although opposed by Menzies, the provision was re-enacted in his legislation of 1951, 1953 and 1959 and is a testimony to the disastrous immunity from control by

the Government of Sir Robert Gibson, called by his champion, Sir George Pearce, "the Grand Old Man of Australian Finance".

The Scullin Government - Labor with a majority in only the Lower House:

Almost 13 years after W. M. Hughes and 24 followers left the Labor Caucus the Parliamentary Labor Party experienced government again.

The election of October 12, 1929, fought on the issue of the Bruce-Page Government's decision to vacate most of the field of federal arbitration, gave Labor a gain of 15 seats, so that in the House of Representatives the Party had a total of 46 out of 75 seats. The Nationalists won 14, the Country Party 10, and Independents 5. The Independents were survivors of the group of dissident Nationalist and Country Party members who had voted to defeat the Bruce-Page Government in the previous Parliament. One of them, McWilliams, died before Parliament met, and the Labor Party won his seat of Franklin (Tasmania) in the resultant by-election. The 47 seats Labor then had in the House of Representatives did not solve the problem of the Senate, for the Scullin Government, for in that Chamber, unaffected by the dissolution, Labor had only 7 seats out of 36.

Caucus met for the Twelfth Parliament for the first time on October 22, 1929.

Scullin was chosen as Leader by unanimous resolution.

Theodore was chosen as Deputy Leader similarly. Theodore and Chifley succeeded with a resolution to confine the Senate to 2 Ministers - "one portfolio Minister or Vice-President of the Executive Council, and one Honorary Minister."

Chifley also succeeded with a resolution that the full Cabinet be "9 portfolio Ministers and 4 Honorary Ministers". The elections resulted in Senator J. J. Daly and Senator J. Barnes being elected as Senate Ministers. Scullin made Daly Vice-President of the Executive Council and Barnes an Honorary Minister. For the Representatives those elected (with the portfolio subsequently allotted in brackets) were F. Brennan (Attorney-General), F. Anstey (Health and Repatriation), J. E. Fenton (Trade and Customs), F. M. Forde (Honorary), A. E. Green (Defence), J. A. Lyons (Postmaster-General and Minister for Works and Railways), Parker Moloney (Markets and Transport), Arthur Blakeley (Home Affairs), and J. A. Beasley (Honorary). None had had previous experience of Commonwealth Ministry, although Lyons and Theodore had been State Premiers in Tasmania and Queensland respectively. It was 15 years, more than half the history of federation, since the Parliamentary Labor Party had elected a Cabinet.

The elections had been fought in an atmosphere of industrial unrest. The earliest meetings contained within them the seeds of the approaching schism of New South Wales Labor under J. T. Lang. Senators Dunn and Rae, both subsequently to be "Lang Labor", moved for what was in effect financial assistance to the N. S. W. miners' strike, but framed as assistance to their families, in proposing that "a sum of £25,000 be set aside for Christmas relief to miners' wives and children, and unemployed miners".⁽³⁴⁾ On top of this embarrassing motion, which Scullin resisted, came the action of the member for Hunter (Rowley James). Following on a statement of the Prime Minister on the coal situation, Scullin reported "Mr James, M.P., had informed him that he intended to move the adjournment of the House on the coal ~~question~~ situation". Scullin had informed James that "before a member took the step of moving the adjournment of the House it was necessary to secure the consent of the Party."⁽³⁵⁾ But James defied him.

At the next meeting Scullin complained to Caucus that James had moved the adjournment on December 3 and had disclosed Party affairs.⁽³⁶⁾ James again defied him, saying "he had no regrets to offer the Party for his action."⁽³⁷⁾ The defiance brought no punishment but rather success for, on the motion of Parker Moloney and John Curtin, it was resolved "That a committee consisting of the Prime Minister (Scullin), the Attorney-General (Brennan) and Mr James confer for the purpose of preparing a statement suitable for delivery in the House".⁽³⁸⁾ It was not to be the last time that the Party under Scullin was to attempt to paper over its cracks with "statements".

The Scullin Government's career started with the assumption, never embodied in an actual resolution, that the Cabinet should be the Executive of the Party, and it actually handled the correspondence the Secretary, J. L. Price, received.⁽⁴⁰⁾ The Executive of the Parliamentary Party when it is "in government" has ever since been Cabinet. Industrial unrest, however, did lead to the appointment of "an industrial committee to act in conjunction with the Attorney-General and the Minister for Industry".⁽⁴¹⁾

(34) Minutes, 28 November, 1929

(35) Minutes, 29 November, 1929

(36) Minutes, 5 December, 1929

(37) Minutes, 5 December, 1929

(38) Minutes, 5 December, 1929

(40) e.g. Minutes, 12 December, 1929 "That all correspondence which the Secretary had acknowledged be referred to Cabinet".

(41) Minutes, 12 December, 1929. It was a committee of 14 and included two future Prime Ministers (Curtin and Chifley), and a future High Court Judge (McTiernan).

The minutes of the Scullin era often have an unreal air about them. Radical resolutions were constantly passed for legislation which had no chance of passing the opposing majority in the Senate. However, Constitutional referenda for submission to the people do not, in the last resort, need the Senate's assent. Accordingly confidential advance information was given to Caucus after the recess over Christmas, 1929, on Wednesday 5 March, 1930. They were the Constitution Alteration (Power of Amendment) Bill, 1930 and the Constitution Alteration (Industrial Powers) Bill, 1930. The Power of Amendment Bill proposed to vest the power to alter the Commonwealth Constitution in Parliament, so that an Act amending the Constitution required only an absolute majority in both Houses. It raised the question as to whether the amending procedure provided in section 128 of the Constitution could itself be amended.

In Caucus a member from one of the smaller States, John Curtin, endeavoured to restore a referendum procedure to this by moving "That if within 3 months 20% of the electors in each State requires the submission of the proposed law to a referendum the same shall be heard and if the proposed law is disallowed by a majority of electors in a majority of States, shall not be effective".⁽⁴²⁾ He was defeated. The Bill as it stood was inevitably regarded as unificationist.

The Industrial Powers Bill proposed the deletion of the words "conciliation and arbitration for the prevention and settlement of industrial disputes extending beyond the limits of any one State" in Section 51, paragraph XXXV of the Constitution, and inserting in their place "industrial matters including - (a) labour;

(b) employment and unemployment;

(c) terms and conditions of labour and employment in any trade, industry, occupation or calling;

(d) the rights and obligations of employers and employees;

(e) strikes and lock outs;

(f) the maintenance of industrial peace;

and (g) the settlement of industrial disputes.

Parliament would have become an arbitration authority itself, if it chose, if it had been vested with these powers. Notwithstanding the sorry experiences of Bruce in proposing radical changes in arbitration, Caucus adopted this apparently unanimously. Moreover, an initiative from Caucus members for a

(42) Minutes, 5 March, 1930

further Constitutional proposal, accepted by Cabinet, was reported a month later. (43)

The proposal was the cause of the calling of a special meeting, and since it was a Constitutional matter it is a striking example of a "rank and file" initiative -

"The Prime Minister explained the reason for calling a special meeting of the Party. A number of members of the Party had suggested a third proposal, "Trade and Commerce", should be introduced as a Bill, and included in the proposed referendum. He reported that Cabinet had given consideration to the question and recommended that we bring down another Bill to provide for Trade and Commerce. He asked the Party to make a decision."

The following day the future judge, McTiernan, moved that the Bill be brought down. This was carried. The Trade and Commerce Bill proposed to remove limiting words from Section 51, paragraph (i) of the Commonwealth Constitution - which provides that the Parliament has power to legislate for "Trade and commerce with other countries, and among the States". The words "with other countries and among the States" were to be eliminated. Commonwealth power would then have extended to intra-State trade - an unqualified power over trade and commerce, except that State railways were to be immune from federal authority.

The Senate rejected all 3 Bills, and the Scullin Government did not re-submit them. If submitted again to the Senate after a lapse of three months, and if they had been defeated again, they could have been the subjects of referenda without Senate consent under Section 128 of the Constitution. They were defeated in the Senate on May 28, 1930, and Cabinet and Caucus do not give evidence of much fight in the minutes of May 29, 1930:-

"Mr Scullin made a statement in connection with the three Referendum Bills and action the Government had taken in the matter re the time that must elapse before the question is submitted to the people. The government had given the matter serious consideration and decided that owing to the difference of opinion of the Crown Law Officers and the legal opinion which the Government sought from Sir Harrison Moore and Mr Harbinger, not to take the referendum at present."

The wording is vague and conceals a complete abandonment. The referendum could not have been taken "at present" in any case. What was being decided in fact

was that the legislation should not be proceeded with three months hence. Caucus accepted the statement. Senate obstruction to Scullin was encouraged.

Opposition in Government:

The long years of Opposition had produced an Opposition mentality and the minutes reveal a constant tendency on the part of some members to treat the Government as hostile, and to ignore its difficulties with the Senate. In short, the Caucus was defective in discipline. A tendency to side with strikers against the Government and side with unemployed against the Government was exhibited by some members, as if the Government's inability to get financial measures to deal with the economy through the Senate were the Government's fault. The only thing that would have forced Cabinet and the Caucus dissidents to fight on the same side would have been a double dissolution. H. P. Lazzarini,⁽⁴⁴⁾ in particular, drafted motion after motion on the need for bank credit. One has the impression that he ignored the fact that the Commonwealth Bank Board could not be directed by the Treasurer and the Senate could not be persuaded to pass legislation.

The Party alarmed the electorate and mobilized press opposition with radical gestures, such as the Constitution Alteration (Powers of Amendment) Bill when the really intelligent strategy would have been to narrow the front on which the Party was fighting to financial measures to deal with unemployment and the economy. The problem was to make an expansionary financial policy acceptable, and on measures of this nature the double dissolution should have been forced.

The meeting of March 13, 1930 was the occasion of an attempt by George Edwin Yates, member for Adelaide, to move an addendum to the ministerial financial statement -

"Mr Yates intimated to the Party that he proposed to move an addendum to the ministerial financial statement, that the following new paragraph be added:- "In view of the present deplorable condition of many thousands of citizens of Australia through unemployment, and for continuing government undertakings now held up in consequence of the present financial position, and for the purpose of stimulating government activities to improve the economic position generally, the Government will arrange with the Commonwealth Bank to issue credits on deposited bonds of the States and Commonwealth for all government requirements in lieu of loans'."(45)

(44) Member for Werriwa, N.S.W., 1919-31, 1934-52

(45) Minutes, March 13, 1930. The Cabinet proposals under discussion were the Central Reserve Bank Bill of 1930 and the Commonwealth Bank Bill.

The amendment was ruled out of order, but "Bank Credit" became a major feature of Caucus discussions and debates in the House of Representatives. The Central Reserve Bank Bill and the Commonwealth Bank Bill of 1930 would have increased the Treasurer's influence in the economy, but they were killed in the Senate in one case and in the Representatives in the other.

The Central Reserve Bank Bill was a conservative measure, giving effect to the idea that a Banker's Bank was needed, with the duty of discounting Treasury Bills and holding the reserves of the trading banks and handling government accounts. The Central Reserve Bank Bill was the one defeated in the Senate⁽⁴⁶⁾ and the Commonwealth Bank Bill died in the first reading in the House of Representatives. The lack of resolution and conviction in the Government is shown by its failure to fight the Senate on the Central Reserve Bank Bill and the lack of drive behind the other measure. The charges of corruption against the Treasurer (E. G. Theodore) in connection with some Queensland Government mining deals at Mungana, concerning which a Royal Commission held that Theodore had been guilty of "fraud and dishonesty" when Premier of Queensland, appears to have intimidated the Scullin Government from any appeals to the electorate. The state of opinion was pro-Labor still, however, for as late as October, 1930, Caucus had occasion to pass a motion of Lazzarini's -

"That a letter of congratulations be forwarded to Mr J. T. Lang of the New South Wales Labor Party on the magnificent success of the Party in the recent State elections".⁽⁴⁷⁾

The Mungana case, however, formed the background to the defeat of the Central Reserve Bank Bill in the Senate by the device of moving that it be read six months hence. This was probably the best chance for a double dissolution ever presented to Scullin.

The A.L.P. Federal Conference at Canberra in 1930 wanted £20,000,000 bank credit issued for unemployment, and Yates and Lazzarini used this figure in resolutions.

On May 14, 1930, Yates moved "That the Government arrange to make £20,000,000 available through the Commonwealth Bank for the purpose of supplying the wants of the States and Commonwealth for Public Works".

On June 12, 1930, Lazzarini gave notice that he would move -

"That legislation be immediately enacted to give effect to the Australian

(46) April 23, 1931, Commonwealth Parliamentary Debates, Vol.128,p.1220

(47) Minutes, October 27, 1930.

Labor Party Canberra Conference decision - namely making available £20,000,000 for unemployment".

These very modest proposals were regarded as highly heterodox in the financial thinking of the time, though it is certain that but for the barrier of the Senate the Scullin Government would have carried through the expansionary policy which today would be regarded as necessary.

As an amendment to Yates's motion of May 12, Caucus on May 21 set up a special Finance and Unemployment Committee to consist of the Prime Minister, the Treasurer, Mr Anstey and four others. Anstey was presumably the guarantee that there would be a fair consideration for heterodox views. The four elected to fill the other positions the next day, May 22, were Yates himself, E. J. Holloway, R. V. Keane and J. T. Tully. Scullin clearly intended to make them face the difficulties he faced, for it was reported to Caucus at its meeting of May 29 that they would interview "the Commonwealth Bank authorities". The results of this interview, if it ever took place, are not recorded in the minutes. Instead is an extremely gloomy entry in the minutes for June 12, 1930 -

"Finance and Unemployment Committee

The Prime Minister reported that the Finance and Unemployment Committee had met, and held meetings, but that they had been unable to come to a decision. He therefore recommended to Caucus that he be given permission to make a statement to Parliament this afternoon to the effect that a loan for £1,000,000 be raised to relieve unemployment, this amount to be divided among the six States of the Commonwealth with a view to supplementing the amount each State proposed to provide for unemployment."

This was agreed to. Immediately afterwards Lazzarini gave notice of motion for £20,000,000 "bank credit". Commentators have generally made the point that the Caucus was divided, fragmented and impotent in the face of the depression crisis and the Senate. This is true, but it is not true that it was a Caucus which usurped the functions of the Executive. Professor Geoffrey Sawyer makes the point that Caucus made appointments to the High Court - a clear usurpation if it had occurred. There is a belief that packing the High Court was part of a struggle to get radical legislation accepted.

"After the resignations of Powers J. and Knox C.J., the bench was reduced to give; having regard to the need for economy, and to the not unduly crowded state of the Court's list, Scullin and Brennan said they would make no further appointments for the time being. But in September, 1930,

while Scullin and Brennan were away and Labor was going through a period of left-wing dominance, Caucus resolved that the Government should appoint to the bench two men known to have social views sympathetic to Labor - the leading Constitutional silk and recent Labor member of the New South Wales Parliament, Herbert Vere Evatt, and the federal Labor member Edward Aloysius McTiernan, who had had constitutional experience as well as a good general practice, and had been Attorney-General in a New South Wales Labor Government."⁽⁴⁸⁾

There were no meetings of Caucus between August 6, 1930 and October 27, 1930. Moreover, the minutes of October 30, 1930, record the only entry concerning High Court vacancies.

"Moved Mr Keane seconded Mr Watkins 'That the existing vacancies on the High Court be filled'. Motion withdrawn."

Later on the same page Professor Sawyer records that Scullin and Brennan objected to High Court appointments "being canvassed in Caucus". It is possible discussion took place on the withdrawn motion, but the canvassing of an issue is different from saying that Caucus resolved on the appointment of two judges, and the September period is clearly wrong, occurring as it does during a 12 weeks recess from Caucus meetings.

There has been a marked tendency among political writers to follow as accurate Warren Denning's book "The Caucus Crisis", but journalism depending on leakages is not always accurate, and in the impending break up of the Party what was given to the press was apparently not always accurate.

Thus S. Encel in "Cabinet Government in Australia", at pages 180-181 writes -

"While Scullin and two other ministers were abroad, moves were made in Caucus to force the Acting Prime Minister (J.E. Fenton) and the Acting Treasurer (J. A. Lyons) to agree to drastic financial measures against Scullin's wishes. On 4 November, 1930, Caucus passed a resolution moved by Frank Anstey, Minister for Health, calling for a twelve months' moratorium on the repayment of Commonwealth bonds due to mature in the following month. Three days later Lyons cabled to Scullin in London describing these moves as repudiation. 'I notified the Party I would not be prepared to carry out their decision, but would communicate with you and ask you if you approved their action to relieve me of my position in

(48) Geoffrey Sawyer "Australian Federal Politics and the Law", 1929-49, p.34

the Cabinet and appoint a successor. Scullin replied supporting Lyon's attitude and instructed him to proceed with his intention to recommend to the Loan Council the floating of a conversion loan. He also sent a message addressed to Caucus as a whole, appealing to them to reconsider their views which, if put into effect, would destroy the credit of Australia: "It is a reversal of the Party's declared policy to honour national obligations and no self-respecting Government could agree to it." The Loan Council agreed to the floating of the loan, to support which Scullin sent a public message from London."

The minutes give a somewhat different picture. There was no meeting on 4 November. The minutes date the meeting at Thursday, November 6, 1930. The previous meeting is dated Thursday, October 30. Lyons, as Acting Treasurer, had had a financial proposal defeated at the October 30 meeting on the motion of E. G. Theodore, the suspended Treasurer. His proposal at the November 6 meeting was defeated by combined motions of Curtin and Anstey.

The minutes for November 6, 1930, show that

"The Acting Treasurer⁽⁴⁹⁾ referred to the £27,000,000 Loan falling due in December, 1930. He said the Loan Council would meet at Canberra on Tuesday, 11 November, 1930, and he recommended to the Party that he should be authorized to advise the Loan Council to issue the Loan under three options, viz. 6% for 2 years, 5 $\frac{3}{4}$ % for ten years, 5 $\frac{1}{2}$ % for twenty years. Regarding the financial scheme recently approved by the Party to be referred through Cabinet to the Board of the Commonwealth Bank, the Acting Treasurer suggested that the scheme should be submitted to the Board by the whole Cabinet." Richard Crouch and Dr Maloney moved the endorsement of Lyons's proposals. The minutes continue:-

"Amendment moved by Curtin, seconded by Mr Yates - 'That the Cabinet as a whole meet the Directors of the Commonwealth Bank prior to the meeting of the Loan Council and require the Directors to meet the Loan due on 15 December, 1930.' Mr Anstey recommended 'That a Bill be at once prepared and presented to Parliament renewing for a period of twelve months the £27,000,000 loans falling due between this and the end of December'."

Shortly after an attempt to adjourn the debate had been defeated it is recorded -

"Mr Curtin was given permission to add to his motion the recommendation

(49) i.e. Lyons

of Mr Anstey. The amendment as moved "That the Cabinet as whole meet the Directors of the Commonwealth Bank prior to the meeting of the Loan Council and require the Directors to meet the Loan due on 15 December, 1930, and in anticipation of the Directors failing to do this that a Bill be at once prepared and presented to Parliament renewing for a period of twelve months the £27,000,000 loans falling due between this and the end of December."

This amendment was carried by 22 to 16.

Mr Fenton's reactions to this (he was Acting Prime Minister) are set out in the Minutes. Apparently calling the vote into question he

"informed members that there were 13 of the Party absent, viz. Ministers and Mr Coleman in London, 3 members on the sick list, and six Senators."

The Acting Prime Minister and the Acting Treasurer said -

"that in view of the vote that they would consider their position".

There was no further meeting of the Party until after the Loan Council. The Loan Council met on the 11 November and Caucus on the 12, and Fenton could report the success of the Loan Council meeting -

"Loan Council had met yesterday and unanimously decided upon a £28,000,000 loan, 6% for two years, 5 $\frac{3}{4}$ % for ten years, and 5 $\frac{1}{2}$ % for twenty years. The whole Cabinet would meet the Directors of the Commonwealth Bank in Melbourne and place the Party's financial proposals before them to take action. The Prime Minister would be back in Australia on the 14 January, 1931. Cabinet had met and were unanimous⁽⁵⁰⁾ in their opinions that the Party should not precipitate a crisis while the Prime Minister and his two Ministers were absent."

What was the purpose of the Curtin-Anstey motion? It seems to have been an attempt to put pressure on the Commonwealth Bank to meet the loan.

Fenton had not up to this stage read any cables passing between himself and Scullin, but the press had interpreted the proposals as repudiation, and to rebut this N. J. O. Makin⁽⁵¹⁾ had moved

"That this meeting of the Federal Parliamentary Labor Party strongly deprecates and emphatically denies any suggestion of or association with the repudiation of any financial obligation and will faithfully discharge all lawful commitments. Any attempt to construe Labor's financial policy to the contrary is false, and designed wilfully to mislead the public.

(50) i.e. including Anstey

(51) The Speaker of the House of Representatives

and to prejudice the Australian Labor Movement in its lawful efforts to control the financial and economic conditions of Australia in the best interests of the people of the Commonwealth."⁽⁵²⁾

This burst of indignation was intended evidently to reinforce the action Fenton had taken at the Loan Council, which had been tantamount to ignoring the previous resolution. When Fenton made his statement about the Loan Council Yates (the member for Adelaide) and Lazzarini moved --

"That this Party re-affirms the decision of last week⁽⁵³⁾ to meet the present financial position and effect be given thereto."

The minutes reveal, perhaps, the purpose of Lyon's cables, for immediately after this Yates-Lazzarini motion they read --

"At this stage Mr Fenton read cablegrams which had passed between himself and the Prime Minister. Mr Curtin suggested that Mr Yates should withdraw his motion. Mr Yates was granted permission to withdraw his motion. It was agreed on the voices that this matter stands adjourned until Mr Scullin's return."⁽⁵⁴⁾

It was thus Curtin who induced Yates not to persist in support of what had been Curtin's motion. The procedure seems to suggest that Fenton would not have read the Scullin cable unless somebody persisted with the motion carried the previous week.

The impression that some members of Caucus, in the desperate economic crisis, and shaken by the scale of unemployment, were trying to bluff the Commonwealth Bank Board into what seems now the logical policy of expanding credit, is strengthened not only by the so-called "repudiation" episode just outlined, but by the meetings of October 28 and 30, 1930. On October 28, three proposals, which might be neatly categorized as Left, Right and Centre, were made.

Lazzarini and Dr Maloney proposed that the Government should demand of the Commonwealth Bank directors the taking up of £28,000,000 loan moneys falling due and issue the necessary bank credits or notes for this purpose.

Lions and Senator Barnes moved a complete financial policy -- free exchange rates, stabilization of internal prices by monetary control, reduction of interest rates, provision of credits for industry and efforts to be made by the Commonwealth Government to induce the Commonwealth Bank to carry out such

(52) Minutes, November 12, 1930

(53) i.e. the Curtin-Anstey motion

(54) Minutes, November 12, 1930

apolicy.

Gibbons and Theodore proposed -

- "(1) That the Commonwealth Bank be required to create sufficient credit, as and when required, for the following purposes:-
- (a) Finance the requirements of the Commonwealth Government in connection with all services covered by Parliamentary appropriations;
 - (b) Meet internal loans maturing during the financial year;
 - (c) Provide £20,000,000 for financing State and Commonwealth loan works programmes;
 - (d) Provide financial accommodation through the Commonwealth Bank, trading banks, State financial institutions and, if necessary, through insurance companies, to be used for productive purposes in primary and secondary industries. The ultimate amount of credit to be issued under this head to be determined by the effect on commodity price levels.
- (2) The credit under the various heads be made available at an interest rate not exceeding 5% per annum.
- (3) An effective exchange pool be continued to provide Australian Governments with first claim on Australian funds in London. The external exchange rates be fixed at such rates as will give primary producers the full benefit of the exchange premium on their exports to compensate for the diminished market prices."

This is possibly the most systematic statement in the minutes of Theodore's financial thinking for the depression.⁽⁵⁵⁾

It was carried by 26 to 14.⁽⁵⁶⁾ The striking feature of all this is its futility. The Commonwealth Bank could not be forced to adopt the policy, and the same meeting received a notice of disapproval of the re-appointment of Sir Robert Gibson as Chairman of the Commonwealth Bank Board. Gibson was not a supporter of such policies.

Banking Legislation During the Curtin Government:

The failure of the Scullin Government's banking proposals and the failure of the Commonwealth Bank Board to co-operate with the Government's policies was the embittering experience underlying the determination of Chifley and Curtin to reform the banking system in 1945, when Labor had a

(55) Minutes, October 28, 1930

(56) Minutes, October 30, 1930

majority in both Houses. The changes were embodied in the Commonwealth Bank Act 1945 (No. 13 of 1945) and the Banking Act of 1945 (No. 14 of 1945).

The vital features of the Commonwealth Bank Act 1945 were the abolition of the Commonwealth Bank Board; the provision in section 9 for the supremacy of the Treasurer over the Bank; reversion to the control (subject to the Treasurer) of the Bank by a Governor; and the provision for active competition with the trading banks.

On the abolition of the Commonwealth Bank Board, Chifley commented when introducing the Bill -

"in 1924 there was a change from single control under a Governor to a Board which consisted of six members, who had been 'actively engaged in agriculture, commerce, finance or industry', and two ex officio members, namely the Secretary to the Treasury and the Governor of the Bank. The selection of persons who have the qualifications and experience to manage a central bank but at the same time no other interests in the community is obviously a difficult, if not an impossible task. Most persons with suitable qualifications have other interests which might at times conflict with their duties as members of the Board. It may be that these interests can be completely submerged when affairs of State are under consideration. Nevertheless the Government feels that an institution of this character should be under management which is entirely divorced from private interests. After careful consideration, the Government has decided to revert to the original conception of control by a Governor."⁽⁵⁷⁾

The Governor was to be assisted by an advisory council. Chifley left no doubt this move was inspired by the past -

"In 1931, in the depths of the depression, the Commonwealth Bank and the private banks refused to assist the rehabilitation plans of the Commonwealth and State Governments designed to relieve acute unemployment and to restore industry. The present Government is determined to ensure, so far as lies within its power, that this will not be repeated."⁽⁵⁸⁾

Section 9 of the Commonwealth Bank Act was the Curtin Government's effort to "ensure that this will not be repeated". It provided -

"9-(1) The Bank shall, from time to time, inform the Treasurer of its monetary and banking policy.

(57) 9 March, 1945, Commonwealth Parliamentary Debates, Vol. 181, p. 551
(58) Ibid, 9 March, 1945, p. 547

(2) In the event of any difference of opinion between the Bank and the Government as to whether the monetary and banking policy of the Bank is directed to the greatest advantage of the people of Australia, the Treasurer and the Bank shall endeavour to reach agreement.

(3) If the Treasurer and the Bank are unable to reach agreement, the Treasurer may inform the Bank that the Government accepts responsibility for the adoption by the Bank of a policy in accordance with the opinion of the Government, and will take such action (if any) as the Government considers to be necessary by reason of the adoption of that policy.

(4) The Bank shall then give effect to that policy."

To foster active competition section 18 (2) ended the restrictions of the past on the activities of the Bank.

"The Bank, through the General Banking division, shall not refuse to conduct banking business for any person, by reason only of the fact that to conduct that business would have the effect of taking away business from another bank."

Commenting on this Chifley said -

"It is the Government's view that a government bank should participate in active competition with the private banks."⁽⁵⁹⁾

The Banking Act 1945 provided for the continuance in peacetime of wartime banking controls, especially the system of "special accounts" whereby all or part of a private bank's increase in resources might be frozen in a compulsory special deposit in the Central Bank. The Commonwealth Bank could also determine the general advance policy to be followed by private banks. The Commonwealth Bank was given the power of compulsory purchase of foreign currency from the private banks for financing Australia's overseas obligations for imports and interest. The Commonwealth Bank was given power, with the approval of the Treasurer, to make regulations controlling rates of interest on private bank advances, private bank deposits, and rates of discount chargeable by private banks, or any person, in the course of banking business.

Section 48 (1) of the Banking Act of 1945 provided -

"Except with the consent in writing of the Treasurer, a bank shall not

(59) 9 March, 1945, Ibid, p. 550

conduct any banking business for a State, or for any authority of a State, including a local governing authority."

This section was later successfully challenged in the High Court, with very great ultimate consequences for the Labor Party.

These Bills were presented to Caucus on February 19, 1945. When Chifley brought forward the Bills

"he made available to members explanatory notes in connection with each Bill. He asked members to write their names on the copies they held, to treat them as confidential and hand them in at adjournment and finally, when the debate was concluded, to hand them in to the Whip."⁽⁶⁰⁾

The following day Chifley moved "That the Bills dealing with Banking legislation be introduced into the House."

To this the member for Perth, T. P. Burke, moved an amendment opening the way for nationalisation of banking -

"That the present Bills be withdrawn and a Bill introduced giving the Government power to acquire the business and assets of the private banks as a going concern."⁽⁶¹⁾

This was to be part of what Chifley himself was to propose in 1947, but on this occasion Chifley said nothing. Burke, in the course of his speech, reminded Curtin of a brilliant speech advocating the nationalisation of banking which Curtin had made at St Mary's Hall, West Leederville (W.A.) in 1931. Curtin commented drily. "Yes, Tom. I remember that speech. I also remember that that year I lost my seat."⁽⁶²⁾ Burke's proposal was defeated.

Calwell and Bryson moved an amendment -

"That a new clause be inserted in the Bill to provide: (1) That a classified list of officers, the salary attaching to each promotion, be published periodically. (2) That applications be invited for all vacancies as they occur. (3) That the right of appeal of unsuccessful candidates against any promotion be established. (4) That the suggested promotion appeals board consist of a representative of the Bank Officers, a representative of the Governor of the Bank, with an independent Chairman, the decision of such Board to be final."

Chifley undertook to make some such provisions in the Act and Calwell withdrew his motion. A motion by Senator Sheehan for a promotions appeals board was also promised study. The Calwell and Sheehan proposals are in fact

(60) Minutes, February 19, 1945

(61) Minutes, February 20, 1945

(62) Letter T. P. Burke to the writer.

incorporated in Sections 162, 164, 166 and 167 of the Commonwealth Bank Act, 1945. E. J. Ward and T. P. Burke failed in the motion

"That the licensing provisions be amended to provide that the Government, being the authority which issues the licence permitting the operations of a private bank, be also the authority which may withdraw the licence for continued and flagrant failure to carry out the obligations contained in the regulations."⁽⁶³⁾

Burke's proposal for nationalisation of banking was in accordance with the Labor Platform. Two years later, when Chifley proposed nationalisation of banking himself, he ruled that, because it was a Platform matter, there could be no opposition. This would seem to indicate that the Chairman could invoke the Platform, but not a private member. Or alternatively, if Chifley was free in 1945 to consider the time was not ripe for nationalisation, others should have been free to consider the time was not right for nationalisation in 1947.

The 1945 Commonwealth Bank and Banking Acts were made one issue of the elections in 1946. The Chifley Government was returned. The 1943 and 1946 elections are the only instance in Federal history of the Labor Party winning two successive federal elections.

In *City of Melbourne v. The Commonwealth (The State Banking Case)*⁽⁶⁴⁾, the City of Melbourne Council asked of the High Court a decision that Section 48 of the Banking Act of 1945 was invalid. The Melbourne City Council had received from the Treasurer a letter dated May 1, 1947, informing the Council that

"I propose to specify, on or about 1 August, 1947, certain authorities.... including the City of Melbourne, to be authorities in relation to which section 48 of the Banking Act 1945 shall apply."⁽⁶⁵⁾

Section 48 had specified that except with the consent in writing of the Treasurer, a bank shall not conduct any banking business for a State or for any authority of a State, including a local governing authority.

Melbourne City Council made representations to the Treasurer for exemption from the provision on May 13, 1947, and was refused on May 23.

The Section was held to be invalid in the High Court when Melbourne City Council challenged the power. The Chief Justice (Sir John Latham) and

(63) Minutes, February 20, 1945

(64) July-August, 1947. Commonwealth Law Reports, Vol. 74, p. 31

(65) Commonwealth Law Reports, Vol. 74, p. 33

Justices Rich, Starke, Dixon and Williams held the section to be invalid. Justice McTiernan upheld it.

Section 48 was entirely severable from the rest of the Banking Act of 1945, and nothing in the judgment suggested other sections of the Act might be invalid. Chifley over-reacted to the judgment, or else he believed that the private banks had a strategy for a succession of challenges to sections of the 1945 Banking Act. Three days after the judgment was delivered he announced that the Government intended to nationalise all private banking.

There is some mystery about Chifley's logic in this case. Firstly, why should he have assumed that what the High Court felt was not a law with respect to banking at all, but a law with respect to local government, and therefore outside the power of the Commonwealth, had any bearing on the rest of the Act which did relate to banking?

Secondly, if Chifley thought that a Conservative Court would knock sections out of the 1945 Act as beyond the power of the Commonwealth, why should he assume that that same Conservative Court would accept total nationalisation? It seems likely that he was lured by part of Justice Owen Dixon's judgment -

"In these conditions Section 48 forbids the banks to do the business of the States unless the Treasurer of the Commonwealth consents. Section 5 of the Crimes Act 1914-1941 operates to make the Treasurer and any subordinate officer of the State guilty of the same offence as the bank if they should procure the bank to disregard the prohibition. There is thus a law directly operating to deny to the States banking facilities open to others, and so to discriminate against the States or to impose a disability upon them. The circumstance that the primary prohibition is laid upon the banks and not upon the States does not appear to me to be a material distinction. It is just as effectual to deny to the States the use of the banks and that is its object. This, I think, is not justified by the power to make laws with respect to banking. I cannot see that it is to the point to argue that under Section 51 (Xiii)⁽⁶⁶⁾ the Commonwealth might give the Commonwealth Bank a monopoly complete, except for State Banks, and that what Section 48 does is to give a monopoly restricted to State business. That is only to say that instead of establishing a monopoly with all its advantages

(66) i.e. of the Commonwealth of Australia Constitution Act

and disadvantages shared by the whole community, States have been singled out and deprived of the freedom of choice which the existing system afforded.

At bottom the principle upon which the States become subject to Commonwealth laws is that when a State avails itself of any part of the established organization of the Australian community it must take it as it finds it. Except in so far as under its legislative power it may be able to alter the legal system, a State must accept the general legal system as it is established. If there be a monopoly in banking lawfully established by the Commonwealth, the State must put up with it.

But it is the contrary of this principle to attempt to isolate the State from the general system, deny it the choice of the machinery the system provides and so place it under a particular disability. Whether the right to exercise such a choice is of great or of small importance to the States is not a material matter for inquiry. It is enough that it forms part of the functions of the Executive Government of the States in administering the finances of the States."⁽⁶⁷⁾

Caucus was not initially consulted as to the nationalisation of banking. Chifley announced it as a Cabinet decision publicly and then presented the question to Caucus more than a month later. Caucus did not meet between May 29 and September 16, 1947, and Labor members learned of the policy to which they were committed during recess -

"If there be a monopoly of banking lawfully established by the Commonwealth, the States must put up with it."

There is no doubt but that Chifley believed that he could lawfully and quickly establish such a monopoly. Caucus met on September 16, 1947, after 5 weeks of press and public uproar and the beginnings of the campaigns of private banks and bank staffs against the proposal. The minutes for September 16, 1947, reveal -

"Mr Chifley asked leave to introduce a Bill for the Nationalisation of Banking (Banking Bill 1947). He stated that there was a recommendation from Cabinet for the nationalization of banking and he moved for its adoption. Seconded by Senator McKenna. Carried unanimously."

It was not simply like that. The writer remembers quite clearly that Chifley declared it to be a Platform matter and that opposition could not be accepted.

(67) Commonwealth Law Reports, Vol. 74, p. 84

Every member was pledged to the policy. Moreover, Frank Brennan warned Caucus that it would have a fight on its hands, from which it was far from certain that Labor would emerge victorious.

The nationalisation of banking decision can hardly be regarded as an example of Caucus initiative.

Section 46 of the Banking Act, 1947, prohibited private banking. The section was later invalidated in the High Court on the ground that it infringed Section 92 of the Commonwealth Constitution with its guarantee of freedom of interstate trade and commerce. The invalidation of this section was decisive. Other sections invalidated could have been rectified by amendment of the Act, but this would have required an amendment of the Constitution.

On appeal to the Privy Council by the Commonwealth, the Privy Council held that it could not hear an appeal on the question of whether Section 46 of the Banking Act 1947 infringed Section 92 of the Constitution but, out of courtesy to the parties, the Privy Council expressed an opinion, not a decision, agreeing with the High Court decision on that specific issue.

Chifley is a legend in the Labor Party and is remembered with warmth and affection by those who knew him. This does not alter the fact that he had led the Party into a political and logical morass.

Politically the Labor Party had the worst of all worlds. Weeks had passed between the announcement of intended nationalisation and the introduction of the legislation, enabling a full scale opposition campaign to be developed before any Labor member could be sure of the exact nature of the Bill.

The measure was invalidated, so that the Labor Party, electorally, had to take the odium of the attempt without any chance to demonstrate that nationalisation might work out in the public interest.

Banks which had followed a policy of holding aloof from politics were forced, when confronted with simple extinction, to adopt political methods.

No significant newspaper supported the Labor Party on the issue. Those which had supported the 1945 legislation could not regard it as having been tried, and there was no finally clear argument to support the view that the significant aspects of the 1945 legislation were in danger.

Chifley had rejected nationalisation in 1945 and could never establish that anything had emerged in the economy in the ensuing two years for which

Bank Nationalisation was a specific remedy.

The Parliamentary debate scarcely proved anything about nationalisation. It was a repetition of partisan versions of banking history in Australia which had been given a previous airing in 1945.

The finance of the private banks was made available to defeat the Labor Government, and this ensured that every issue had a full airing to present the Government in an unfavourable light - relations with medical practitioners, foreign policy and petrol rationing.

The staffs of the private banks were made available to defeat the Labor Government, and this meant that thousands of highly presentable, articulate, and intelligent canvassers were working for the defeat of Labor candidates.

In truth, the Labor Movement had put Bank Nationalisation on its platform without any systematic consideration of how a nationalised system would operate. Nobody in the Labor Party knew what principles would control the advances policy of such a bank. Nobody in the Labor Party knew what would be the tests of the efficiency of such a vast structure. The proposal was made at a time of full employment when criticism of the role of private banks was least likely to attract support from any sufferers.

The shareholders of the private banks proved highly disciplined. A provision in the Banking Act 1947 made it more attractive to sell private bank shares to the Commonwealth than to await compulsion. The Commonwealth Bank was authorized to purchase any private bank shares for sale, and at the share price prevailing at the time of nationalisation. Some of the management of the private banks feared a rush to sell to the Commonwealth Bank, creating "voluntary nationalisation", but this did not happen to any significant extent.

The Chifley Government was defeated in December, 1949, and Labor commenced a period in opposition which continues to the present, (1967).

Caucus and the Menzies Government's Banking Legislation, 1950, 1953, 1959:

During the General Elections of 1949 R. G. Menzies, as Leader of the Liberal Party, undertook to repeal the Bank Nationalization legislation of 1947, and to review the working of the Commonwealth Bank Act of 1945. The result of his electoral victory, his campaign policy and his review, was the Commonwealth Bank Bill 1950. This was introduced in the House of Representatives on March 16, 1950 by the Treasurer and Leader of the Country Party, A. W. Fadden. It was to become the subject of a double dissolution. It

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passed the House of Representatives without amendment on May 4, 1950. The Second Reading was debated in the Senate between May 10 and May 25, 1950, and debated in Committee till June 21. The Senate amended it by deleting the provisions it contained for re-establishing the Commonwealth Bank Board of Directors. The House of Representatives resolved on June 22, 1950, that the Senate amendments should not be accepted. This completed the first disagreement between the Houses necessary for a double dissolution.

The Parliamentary situation was that in the House of Representatives the Government had 74 seats to Labor's 47, but in the Senate the Government had 26 seats to Labor's 34. Although the double dissolution was to take place on the Commonwealth Bank Bill it seems likely that the Government would have preferred the dissolution to take place on the Communist Party Dissolution Bill or the National Service Bill.

The Bill was presented a second time to the Senate on October 11, 1950, and it dallied in the Senate until March 15, 1951. On March 4, 1951, the 19th Commonwealth Conference of the Australian Labor Party, meeting in Canberra, resolved "No restoration of the Commonwealth Bank Board".⁽⁶⁸⁾ The Senate then decided to refer the Bill to a Select Committee. The Senate directed that a report should be delivered within a month. On March 16, Menzies transmitted advice to the Governor-General that this constituted "failure to pass" the Bill within the meaning of Section 57 of the Commonwealth Constitution and declared further

"my advice to you is, as I have said, that you should forthwith dissolve the Senate and the House of Representatives simultaneously so that the conflicts which have arisen may be authoritatively resolved."⁽⁶⁹⁾

Accordingly the double dissolution took place on March 19, 1951.

The Commonwealth Bank Act of 1950 did not drastically alter the Commonwealth Bank Act of 1945. When J. B. Chifley led the debate for the Opposition he denied the necessity for any amendment to the 1945 Act, but also drew attention to a considerable shift in opinion on Banking in the non-Labor Parties which the 1950 Act registered. The repeal of Bank Nationalization did not worry him -

"that legislation is merely a dead horse on the track".⁽⁷⁰⁾

The Commonwealth Bank Board was a different matter.

(68) "Australian Labor Party. Official Report of Proceedings of the 19th Commonwealth Triennial Conference, held at Canberra on 1 March, 1951, and following days.", p. 47.

(69) Documents relating to the simultaneous dissolution of the Senate and the House of Representatives by His Excellency the Governor-General on 19 March, 1951. Parliamentary Papers, General, Session 1957-58, Vol. V., p. 929.

(70) 28 March, 1950, Commonwealth Parliamentary Debates, Vol. 206, p. 1234

"The principal matter to which I direct attention is the provision for the appointment of a Commonwealth Bank Board. I should like to ask the Treasurer the following questions:- Has there been anything in the management of the Commonwealth Bank since the legislation of 1945 became law that can be cavilled at? Has any action been taken by the two governors of the bank since that year that has been contrary to the national interest? Has anything been done during that time which has not been for the good of the community and in the interests of the sound management of the Bank? The answer to each of these questions must be "No". Nothing has been done since 1945 which warrants any change in the present system of management of the Commonwealth Bank."

Caucus action in regard to the Banking legislation of 1950 had some unusual features. It discussed possible lines of legislation before the Bills were introduced. Chifley told Caucus

"there would be two Bank Bills introduced to amend existing Banking Acts and probably a Bill dealing with the control of the note issue.

At this stage Dr Evatt gave to the Party an analysis of the Banking Bills.⁽⁷¹⁾ He pointed out where the Bank Nationalization Act of 1947 had been ruled unconstitutional in most of its essential features and said that, although some of the Sections were ruled to be valid, viz. in regard to the power of the Commonwealth Bank to purchase shares by voluntary agreement, these remaining sections were hardly sufficient to warrant opposition to the repeal of the Act. The Government's banking legislation would probably be confined to amending the Commonwealth Bank Act 1945 by establishing a Board which could override the Governor. If that were done the effect on the Banking Act 1945, which gave the Commonwealth Bank very important banking powers and controls in relation to private trading banks, might be very serious. Dr Evatt referred in detail to the sections of the Banking Act 1945 so far as it gave power to the Commonwealth Bank. He analysed the two authorities affecting the Governor of the Commonwealth Bank, viz:-

(a) the Advisory Council; and

(b) the Treasury and the Commonwealth Government. He said it was always

(70) 28 March, 1950, Commonwealth Parliamentary Debates, Vol.206, p.1234

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the policy of Labor to make the Bank subject to the control of the Treasurer....."(72)

When the Executive of the Parliamentary Labor Party met on March 23 they drafted a recommendation which they presented to Caucus the same day and which was the result of their consideration of the Commonwealth Bank Bill, 1950:-

"Mr Chifley stated the Executive had met and discussed the proposed Banking Bill of the Government and they recommended to the Party -

- (1) that the Party do not oppose the legislation for the repeal of the 1947 Bill;(73)
- (2) that the Party do not oppose the expansion of capital for the various sections of the Bank; and
- (3) that the Party oppose the creation of a Bank Board in any form at all."

The third recommendation was to have a history. Chifley attended the Federal Conference a year later in Canberra on March 2, 1951, and asked for instructions for the Parliamentary Labor Party - almost an unprecedented action for an Opposition Leader, although Curtin had sought from Conference a change on conscription when he was Prime Minister. Chifley asked for instructions on current legislation -

"A number of matters need a clear cut judgment of the Conference so that the Federal Parliamentary Labor Party may know where it stands. They include.....Banking Bill; Secret Ballots; National Service Bill."(74)

Chifley had been present when the Banking, Taxation and Finance and Prices Committee Report was debated at the Conference.

In the course of discussion on item 112, a South Australian Executive resolution -

"That the Federal Parliamentary Labor Party be complimented on its continued opposition to the Menzies Government's attempt to restore the Commonwealth Bank Board."(75)

The writer had asked Chifley -

"Mr Chifley, what is the Labor principle involved in insisting that the Bank must be governed by a Governor and not by a Governor with a Board?"

(72) Minutes, March 8, 1950

(73) i.e. the Act which had purported to effect bank nationalisation.

(74) "Speech by the Leader of the Federal Parliamentary Labor Party (Mr J.B. Chifley) to the Federal Conference of the A.L.P., Canberra, March 2, 1951." Report of the Conference (19th Commonwealth Conference) p. 50.

(75) Report, p. 47

Does it really matter to us so long as the Treasurer can direct the Board, as he can now direct the Governor?"

Chifley had simply said -

"If you won't fight on a Board you won't fight on anything."

After that reply a Tasmanian delegate, G. W. A. Duthie, M.P., had moved the adoption of item 112 with an addendum -

"Clause 1 (a) - no restoration of the Commonwealth Bank Board."⁽⁷⁶⁾

Caucus was therefore bound to the third point of the Parliamentary Executive's recommendation the following year -

"(3) That the Party oppose the creation of a Bank Board in any form at all."

As in all previous discussions of banking, Chifley revealed how deeply what he regarded as the incompetence and conservatism of the Commonwealth Bank Board in the depression days of Sir Robert Gibson had burnt into his consciousness.

"I admit that the way in which the proposed board has been neatly presented to the House has been neatly camouflaged. Some honourable members may not be familiar with the history of this matter, and even some supporters of the Government have offered the criticism that the bill is not all that they had hoped for; but, as I shall show, the proposal relative to the appointment of a bank board has a most sinister implication from the stand point of those who believe that the people's bank of Australia should be controlled by persons entirely independent of outside interests, and in the interests of the people. The Board's decisions on great financial questions should be in accordance with the policy of the Government of the day, whatever that government may be. The Government has moved a long way on that matter. It was said that the French Bourbons never learned anything and never forgot anything. The leaders of this Government have been able to forget a lot, including all that they said about the control of banking in 1945; but, at least, they have learnt something. I judge from the Treasurer's second reading speech that they have finally adopted the view that the government of the day should make the final decision about matters of great financial and economic policy in the light of what is best for the community."⁽⁷⁷⁾

(76) Report, p. 47

(77) March 28, 1950, Commonwealth Parliamentary Debates, Vol.206, pp.1235-36.

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(76) Report, p. 47

(77) March 28, 1950, Commonwealth Parliamentary Debates, Vol. 206, pp. 1235-36.

The degree of "Caucus control" received a passing comment in an exchange between Chifley, Fadden and W. C. Wentworth.

Thus Chifley -

"When the 1945 banking legislation was being discussed by the Parliament, the present Treasurer spoke of the great dangers to which it would give rise. He said that I would go to Caucus, that it would want another £15,000,000 or £20,000,000, and that I should have no option but to give effect to its desires. What are the facts?

Mr Fadden:- The right honourable gentleman did not go to Caucus at all. he just did things.

Mr Chifley:- My colleagues know that I consulted them upon all great questions.

Mr Wentworth:- Such as bank nationalization? The right honourable gentleman did not go to Caucus about that. He announced it."⁽⁷⁸⁾

Wentworth's comment was accurate. The 1945 legislation was thoroughly discussed in Caucus. The 1947 legislation was declared by Chifley to be beyond discussion. It was a platform matter. It is a fair assessment that Chifley brought his government down by his unilateral approach on bank nationalization. He worked in March, 1951, for a direction to the Party to refuse the Bank Board, and as a consequence produced a double dissolution in which Labor lost control of the Senate. Did the Bank Board really matter? It was not similar to the Bank Board of 1930. It was to consist of the Governor of the Bank, the Deputy Governor, the Secretary to the Treasury and seven other members of whom two were to be civil servants or officials of the Bank. Fadden announced that the two were to be Dr Roland Wilson (then Commonwealth Statistician and economic adviser to the Government) and L. G. Melville (then economic adviser to the Commonwealth Bank, and for twenty years previously). Chifley had himself pointed out that final authority was with the Government. The Board was a deep emotional issue and he was reacting almost to the word "Board" although the "Board" of 1950 was a totally different body in authority from the "Board" of 1930. There is also the consideration that financial knowledge in 1950 was totally different from financial knowledge in 1930. It may well have been that a Governor in 1930 would not have been much wiser than the Board. Theodore's directives, could he have issued directives in 1930, would almost certainly have been wiser than orthodox policy, whether of a Board or a Governor.

(78) Ibid, p. 1242

The fact remains, however, that Caucus had a thorough chance to discuss the legislation of 1945 when Curtin was Leader, and he considered that advocacy of bank nationalization had been fatal to him in 1931. Chifley twice deprived Caucus of a chance to make up its mind by declaring the Platform in 1947 and by getting a binding direction from Conference in 1951.

The tactics pursued in the Senate were largely devised by the Senate Labor Leader, Senator Nicholas McKenna, but they were communicated to Caucus and could have been disallowed. On March 6, 1951, two days after the Federal Conference decision "no restoration of the Commonwealth Bank Board" McKenna moved

"the adoption of the Executive recommendation that, if the Commonwealth Bank Bill were called on in the Senate, the Opposition should, as previously decided, appoint a Select Committee to consider aspects of the Bill. He explained that this course did not affect the recent Federal Conference decision to oppose the establishment of a Commonwealth Bank Board as there were various other matters dealt with in the Bill."⁽⁷⁹⁾

The Select Committee was purely tactical. Since the Party was bound to a decision not to accept a major feature of the Bill - the Bank Board - the Select Committee (exclusively Labor since nobody else would serve on it) could not find in favour of the Bill. Moreover the Bill had been before Parliament for nearly a year and, apart from the Board, its other features were a perpetuation of the 1945 legislation. The Select Committee consisted of Senators Amour, Benon, Arnold, Cameron, Critchley, Katz and Murray. In his letter to the Governor-General Menzies commented that "since its second presentation to the Senate a period slightly over 5 months...has elapsed."

"Under these circumstances the decision of the Senate to remit to a Select Committee of some members of the Senate the consideration of a Bill which has, in precisely its present form, been well known both in substance and in detail to all members of the Senate ever since it originally reached them on May 10, 1950, is clearly nothing more than a delaying procedure."⁽⁸⁰⁾

If the tactic was to avoid a double dissolution it failed. Clearly, the Bill

⁽⁷⁹⁾ Minutes, March 6, 1951.

⁽⁸⁰⁾ Letter dated March 16, 1951. Parliamentary Papers, General, Session 1957-58, Vol. V., p. 924. Page 10 of Documents relating to the Simultaneous Dissolution.

had been delayed so long in the Senate that "failure to pass" was becoming a reasonable description of the Senate procedure. The public nature of the Conference decision also made an "inquiry" by a Select Committee seem farcical.

In the resultant double dissolution Labor lost control of the Senate and the Bill was subsequently passed. Chifley died on June 13, 1951, and Dr H. V. Evatt became Leader. Banking and economics were not primary interests of Evatt, as they had been of Chifley.

The Legislation of 1953:

The Commonwealth Bank Bill 1953 and the Banking Bill 1953 were introduced into the House of Representatives on 19 February, 1953, by the Prime Minister, R. G. Menzies. The Commonwealth Bank Bill of 1953. The Bill created a separately incorporated Commonwealth Trading Bank to replace the General Banking Division of the Commonwealth Bank; The Rural Credits Department; the Mortgage Bank Department, and the Industrial Finance Department were to continue to be associated with the Commonwealth Bank, but its primary responsibility was to be to function as a central bank. There was to be no reversion to the state of affairs existing when Sir Ernest Riddle informed the Royal Commission on Banking in 1937 that the Commonwealth Bank was not to take business from other banks -

".....the Commonwealth Trading Bank will have a duty to develop and expand its business. It is a purely competitive bank. It has a perfect right and a duty to expand its business. Therefore, quite obviously, it will not refuse business on the mere ground that some other bank has had that business before."⁽⁸¹⁾

The Commonwealth Trading Bank was to be managed by a general manager under the Governor of the Commonwealth Bank and to be appointed by the Government on the recommendation of the Commonwealth Bank Board. The Government, in 1953, rejected the concept that the Governor of the Commonwealth Bank should be unrelated to the affairs of the Commonwealth Trading Bank.

The Bill had a special provision in clause 18 that not all business being conducted by the General Banking division should be transferred to the Trading Bank, and Menzies stated that the Government had in mind matters of social and industrial importance which ordinary commercial banks would not have handled, and that the intention was to ensure that the Commonwealth Trading Bank was not loaded with burdens not borne by other trading banks. There was a provision

(81) R. G. Menzies, 19 February, 1953, Commonwealth Parliamentary Debates, Vol. 221, p. 123

to recruit university graduates up to an intake of 10 per cent of the intake in any one year to the Bank's staffs.

The Banking Bill of 1953: dealt especially with the provisions of the Banking Act of 1945 which empowered the Commonwealth Bank to call up money from the private banks to special accounts held in the Commonwealth Bank. The Bill cancelled the uncalled liability of the trading banks to deposit their reserves in special accounts with the Commonwealth Bank. It did not remove the power of the Central Bank to immobilize some portion of the private banks' deposits so that, in an inflationary boom, the amount of available credit might by that device be reduced. It did, however, start off the system afresh. The uncalled liability of the private banks in October, 1952 was £545,000,000, and in Menzies' view, such a liability could enable a Government to smash the private banks. The Commonwealth Trading Bank, under the Bill, was to start off with a base liability of £15,000,000 and to be on the same footing thereafter as the private banks. The amount standing in the special accounts in October, 1952 was made the base liability of the private banks. The liability thereafter was not to extend to 100% of the increase of assets but to 75% of the increase of deposits. The bill also provided for repayments from the special accounts to the Trading Banks. The interest paid the Commonwealth Bank on deposits in the special accounts had been limited to 17/6 per cent. That limitation was removed.

Caucus did not spend much time on the Bills. There was no longer any issue of Labor control of the Senate and the Labor Party's attitude to the Bills would not have practical effect.

On February 25, 1953, Evatt recommended to the Party that the Bills should be opposed, but it was also agreed to refer the Bills to a Committee to systematise opposition to the Bills. On March 4, 1953, Caucus gave its attention to a secondary feature of the Commonwealth Bank Bill 1953 -

"Mr Keon desired to know whether the Party should move an amendment to the provision in the Banking Bill re the 10% of university graduates to be employed by the Bank, particularly as Labor was in favour of impartiality of selection. Dr Evatt stated that Labor had originated the competitive examination for the staff of the Bank and suggested that this matter should be opposed by all members and particularly in the Committee stages of the House."⁽⁸²⁾

Attention was again on a secondary feature of the legislation on March 11, when an executive resolution on Bank Officers' appeal rights and Bank Officers' borrowing rights was accepted.

In 1945 the Labor Party had pioneered new thinking in relation to Banking - techniques aimed at full employment. In 1953 and 1959 it became stereotyped into a "hands off the people's Bank" attitude, which suggested, without analysis, that a separation of Trading Bank from Central Bank, and the later creation of a Development Bank and a Reserve Bank, were actions designed to dismember and destroy the Commonwealth Bank.

The statistics do not bear this out. In 1950 the Commonwealth Bank had 423 branches. In 1958 it had 649. In 1950 its Savings Bank branches and agencies numbered 4,642. In 1959, 6,844. In 1950 its deposits were £84,000,000 and in 1958 £272,000,000. In 1950 its trading advances amounted to £62,500,000 and in 1958 to £118,000,000.

Of the 1953 legislation Evatt said

"Is not the real purpose of the Government to weaken the Commonwealth Bank on its trading side compared with the private banks.....The bill could have no other purpose.....It subverts and destroys the structure of the Commonwealth Bank." (83)

Of the 1959 legislation he said -

"It is clear beyond doubt that the sole inspiration of these changes is the need to placate the Government's financial backers - the private banks - by sacrificing the interests of the Commonwealth Bank of Australia.....The fragmentation of the Commonwealth Bank structure into a Reserve Bank and a Banking Corporation, and the meek acceptance of the private banks' contemptuous departures from the Central Banks' requests and policies represent nothing more than the collapse by the Government in the face of private bank pressure....." (84)

The Reserve Bank and the Commonwealth Banking Corporation have continued to grow more powerful in the economy despite these prophecies. Debate had tended after the death of Chifley to sink to the level of accusations of destroying the Commonwealth Bank (by Labor against the Liberals) and intention to nationalize "by the back door" (by Liberals against Labor). Fear

tended to favour the Liberals. After all in 1947 Labor had attempted to

(83) 3 March, 1953, Commonwealth Parliamentary Debates, Vol. 221, p. 449

(84) 10 March, 1959, Commonwealth Parliamentary Debates, Vol. House of Representatives 22, p. 441

nationalize "by the front door".

The Caucus minutes record no decisions on the Bank measures of 1959, and when Evatt spoke on March 10, he had no instruction. The Commonwealth Banks Act 1959, the Banking Act of 1959, The Banking (Transitional Provisions) Act of 1959, carried through changes which set up a Reserve Bank, a Banking Corporation governing a Trading Bank, a Savings Bank and the Development Bank (all with the prefix "Commonwealth"), but the essential feature of the 1945 Act - ultimate Government authority - was retained. This was Labor's real achievement. Labor itself had tried to set up a Reserve Bank in 1930. Short of advocating "nationalisation", which since 1947 was scarcely practical politics, there were only secondary points to make and the shibboleth "hands off the people's bank" was wearing thin. Labor might logically object to Treasury instructions. It almost won the election of 1961 on Government economic policy. But it had nothing new to say on banking, which was ensuring high levels of employment. Depression financial policies were dead. Abstract socialistic banking doctrines interested nobody.

Caucus fought in 1930-32 to find a banking policy to answer the depression. In 1945 it decided against nationalization and found an effective bank structure and banking policy for full employment. Thereafter it was brushed aside by Chifley invoking the Platform (1947) and the Conference (1951). He lost first his Government and then the Senate. Caucus discussions probably undermined the authority of Government if the Government were Labor. Probably to the public "sound finance" was a mystery or a revelation and arguing policy shook confidence. It certainly did in the '30's. Caucus was not, perhaps, an effective tactical instrument on banking, but neither was Conference or Chifley's unilateral decisions. The Board had become a shibboleth; accusations against the private banks had become a shibboleth; dismembering the bank had become a shibboleth, but the Liberal Party and Country Party had been pulled over onto what had once been exclusively Labor ground - the authority of Government and its duty to use banking policy as a major weapon to effect national well being. It was a real achievement.

The more the outside Labor Movement have sought to take the initiative in banking policy from the Parliamentary Party, as in the depression era (when clearly Theodore's was the most intelligent policy offering) the more

certainly they have procured Labor's defeat. Chifley's invoking of the Platform in 1947 may have bound the Party but it did not win public opinion - the same can be said of his action in procuring Conference intervention on the Bank Board issue in 1951. The Parliamentary Party can produce no support by asserting that an item is on the Labor Platform. It must stand or fall by its inherent soundness and public appeal. If Conferences framed more of the policy with that in mind Labor might govern more.

CHAPTER IX

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CONCLUSIONS

The distinctive feature of the Parliamentary Labor Party is its Caucus meeting. It cannot be argued that it has assisted the Party to electoral success. Over 66 years the minutes contain complaints of "leakages" to the Press from Party meetings, and almost continuously reports of discussions and votes have suggested constant division. It is possible that a Labor Cabinet which presents legislation after it has been the subject of criticism and a vote in Caucus is not strengthened in the Parliament or before public opinion. That a Party committed to supporting a Cabinet should scrutinize Cabinet proposals before they are submitted to Parliament seems to be an unimpeachably democratic procedure. But it is probably true to say that the fact that a proposition has been strongly criticized within the Party makes it a less acceptable proposition to the public. The electoral record of Labor in the Federal Parliament over 66 years does not suggest that Labor's methods are efficient in winning public support.

What non-Labor parties have done in defence, foreign policy and in connection with the economy has usually been accepted at the time as patriotism or "sound finance" as the case may be. Probably because of the permanent internal controversy of the Caucus meeting, the Labor Party's defence, foreign and economic policies have always been regarded as controversial. Labor Governments have, in fact, submitted as little of their foreign policies to Caucus as possible, and the same is largely true of defence policy. Caucus never debated Evatt's policy of assisting Indonesian independence, supporting Israel, "internationalizing" Jerusalem, or refusing Manus base to the United States. The decision of the Chifley Cabinet to acquire the aircraft carriers "Sydney" and "Melbourne" and the "Daring" class destroyers in 1948 was never debated.

If any of these policies had been argued Cabinet would probably have lost some authority before public opinion.

The Labor Party's Caucus method does not assist Labor in office nor into office.

After Andrew Fisher, the most successful leaders of the Labor Party have sought to strengthen their position in Caucus by coercing Caucus with decisions of Conference or the Federal Executive.

It was W. M. Hughes's error of tactics that he tried to impose conscription on the Labor Movement through an apparent Caucus decision for a referendum and by an affirmative vote at the referendum.

Curtin, confronted by a willingness on the part of the Victorian Executive and Victorian members like Calwell and Brennan to destroy his government on the conscription issue, prevented controversy in Caucus by referring the question to Conferences in 1942 and 1943. Caucus was then bound by Conference decisions.

Chifley unsuccessfully tried to put pressure on Caucus over the Bretton Woods question by obtaining the decision he wanted from the Federal Executive. He did bind Caucus to direct the Senate to reject the Menzies Government's banking legislation in 1951 by asking Conference to insist on opposition to the legislation. This opposition produced the double dissolution of 1951.

Evatt, angered with Victorian critics in Caucus, used the Federal Executive and the Federal Conference to attack and dissolve the Victorian State Executive, which was the power base of his critics.

These instances of coercing Caucus are at least a tribute to its power to decide against the leader's recommendations. They are also symptomatic of fear of Caucus divisions and Caucus indiscipline. The role of Caucus in destroying the Scullin Government has never been forgotten. The New South Wales wing of the Party set out to destroy politically the Treasurer E. G. Theodore - to drive him from public life. There would be few economists to contend today that he was ^{not} one of the few men in the Parliament with a real plan for the depression.

Professor S. J. Butlin comments -

"The legislative proposals of E. G. Theodore, the Treasurer in the Federal Labor Government, had to be considered by banks with ingrained suspicions. Theodore, by far the ablest member of the government, could, as events showed, win their confidence, and could have done business with them. It was his, and Australia's, misfortune that his at times over-logical proposals could only be considered in an atmosphere of bitter political controversy, with various deep cleavages developing within his own party, with Federal and State governments manoeuvring against each other, and a Federal Opposition, in command of the Senate, increasingly using the situation with an eye to forcing and winning an election."⁽¹⁾

(1) S. J. Butlin "Australia and New Zealand Bank ", Longman's 1961, pp. 398-399

Caucus proved itself to be a hopeless instrument for assessing the real nature of Theodore's proposals; a section of Caucus was an instrument for Lang's vendetta against Theodore; another section was plainly afraid of his proposals; no part of Caucus was capable of a disciplined fight against the Senate; and Caucus cleavages were so great that finally decisive sections preferred to destroy the Scullin Government than to maintain it.

Caucus did no real thinking on Foreign Policy from 1901 till 1918 and finally the vacuum was filled by the Perth Conference of 1918. From 1918 to 1939 Caucus foreign policy was simply isolationism. From 1941 to 1960 there were periods of interest in foreign policy, but on the whole Evatt's personal lead was decisive.

The influence of leaders at times has been decisive. In 1945 Curtin opposed Bank nationalisation in Caucus and Chifley said nothing. Caucus rejected bank nationalisation. In 1947 Chifley proposed bank nationalization and told Caucus it was bound by the platform. Caucus accepted bank nationalization.

Caucus members made the defence policy of Labor before the First World War, but they did it at Conferences.

Probably the conflict between Caucus and Conference when J.C. Watson attempted to grant immunity at elections to Deakinites and to cement inter-party alliances for the lives of several parliaments warned members that the decisive battle ground for policy was Conference, not Caucus.

From 1901 to 1915 Caucus seems to have been accepted by the Movement as, on the whole, the repository of the best thinking in the Party on defence external affairs, arbitration and banking. From 1918 to 1939 Caucus was treated as unfit to formulate any defence or foreign policy which would make any demands on the nation, and Caucus plainly failed the nation in economic policy during the depression. Its prestige in the Movement was high from 1941 to 1949 - a tribute, on the whole, to Curtin and Chifley. Curtin never found Caucus an easy place even when he had the confidence of the nation.

Since the Labor Movement at large has so frequently distrusted Caucus and has sought constantly to limit the Parliamentary Party's freedom of action, it is not surprising that the electorate has not responded to the Labor Movement's election time appeals to support the Party. A Movement which does not trust the Parliamentary Labor Party cannot logically appeal to the public to trust it. The Conscription Crisis of 1916 began a distrust which has never dissipated.

Caucus could not prevent the New South Wales splits of 1927 and 1932-41, but in the latter period Curtin, as Parliamentary leader, was decisive in producing unity. Evatt, on the other hand, was decisive in producing the Victorian break away (to the Democratic Labor Party) in 1954, when he lodged charges against the Victorian Executive that year. Although the fate of members of the Parliamentary Labor Party was involved in the electoral consequences of these splits Caucus was never consulted, either in steps for unity or steps to expel or discipline a branch.

Although the Conference of 1908 decreed compulsory military training, the Conference of 1919 opposed it, the Conference of 1943 decreed conscription, and the Conference of 1945 abolished compulsory military training, technical questions of defence, so long as no compulsory obligations were imposed, have always been left to the Parliamentary Party. The Conference of 1915 supported the First World War and the Korean War was supported by Conference and Executive. Caucus did not actually advocate conscription in either case. Volunteer forces were envisaged, and the 1916 Conscription Referendum was enough to break the Party.

The structure of the Labor Party - Federal Executive, State Executives^s Federal Conferences, State Conferences, branches and "preference to unionists" was taken over in detail as a model for ex-service organization, with "preference to returned soldiers". Possibly the Labor Movement is weakened by the failure of ordinary Labor supporters to take any responsibility for unions and branches and they are united only on "demands" from time to time. The Labor Movement as a whole has no clear vision as to what it is for. It has usually been against - against conscription, interventionist foreign policy, Premiers' Plans and so on. This should not be exaggerated, but the needs of defence, education, health, aborigines, New Guinea or Asia have never aroused the excitement in the Labor Movement aroused by an increase in Parliamentary allowances!

Caucus is an instrument for supervising legislation, but its control over administration is negligible. Although Caucus controlled the Commonwealth Bank Bill of 1911 in detail, for instance, there is no evidence to suggest that Caucus knew anything of Fisher's disputes with the banks about the note issue, the provisions concerning reserves against the note issue, ~~the provision~~ or anticipated his use of profits from the note issue. Of course Caucus can complain about administrative policy and, in opposition, move adjournment motions on such questions. A Labor minister,

desiring re-election to the Ministry, needs a good case to answer complaints. Senator J. M. Fraser was probably defeated for the Ministry in 1946 because of the belief he had mishandled negotiations with the medical profession - an administrative question. Caucus had made no recommendations for better handling of negotiations. It can only re-act when something seems wrong.

There is not the slightest likelihood that the Party will abandon Caucus procedures.

Caucus is undoubtedly concerned about winning elections but it is linked with an outside organization which has a completely unprofessional approach to elections. Federal Conferences and Federal Executives have no real interest in finding out why Labor persistently loses elections. Primarily their meetings are struggles for a point of view, and the acceptability of the resultant policy to the public scarcely matters.

Caucus is the most representative Labor body and the one which most constantly considers in detail national issues, but this gives it no authority in the Labor Movement. Its status, relative to the Australian Labor Movement, is lower than the British Labor Party's relative to the British Labor Movement. It is feared as the branch of the Party most likely to impose obligations on the rank and file. On the whole unions are not geared to taking responsibility for national policy and where they can put pressure on a government which imposes obligations - as they can through the structure of the Party on a Labor Government - they are less disposed to accept obligations from Labor than from non-Labor.

State Parliamentary Labor Parties deal with a relatively simpler structure - one State Conference and one State Executive. When the Federal Executive enters as a complicating factor - as in the case of the Federal Executive intervention against the Cahill Labor Government in New South Wales on the question of State aid - a State Government can be shaken by contradictions between parts of the Party. To Federal Labor Caucus this is a constant. The Party was shaken by a New South Wales situation during the Lang era 1927-1941. W. G. Higgs, its Deputy Leader, was expelled by Queensland for supporting Federal Labor policy in 1920. State Executives pulling in opposite directions over the Premiers' Plan in 1931-32 helped bring down Labor's Scullin Government.

The Caucus system has remained confined to Labor. The results of the system over 66 years mean it will continue to be. It is logically defensible but it is not a factor in public confidence. In all its parts

the Labor Movement is reluctant to give anybody authority. Caucus has probably been prepared to do this to its leader more than most branches but the Movement as a whole is not prepared to give Caucus authority. This has militated against the success of the Caucus system.

Caucus election of ministries has been no particular formula for unity. There is no evidence that it has produced greater unity of Cabinet. There is evidence that it has forced Labor Prime Ministers to accept uncongenial colleagues. Curtin was defied by E. J. Ward over the question of "The Brisbane Line".² Curtin repudiated Ward's charges that Menzies had planned to abandon the defence of Northern Australia and suspended him for a Royal Commission when Ward, in endeavouring to sustain his charge, alleged that documents were missing from Defence Department files. Ward was re-elected by Caucus just the same, and his attacks on Curtin in Caucus increased.

Similarly Curtin had to accept A. A. Calwell in the Cabinet after Calwell had charged Curtin with being a traitor to the Party who would cross the floor and lead a National Government.³ The charge was retracted after it was repudiated by Caucus. E. J. Ward campaigned publicly against Cabinet decisions on the Bretton Woods Agreement without leaving Cabinet, so that, under Labor, the doctrine of collective Cabinet responsibility must at least be regarded as being modified. Caucus is thus an instrument for less Cabinet discipline, not for unity.

The Cabinet under Scullin was openly disunited and, in fact, it was from Cabinet that the Party disintegrated. Its members were the representatives, not of a coherent policy behind Theodore's economic measures, but of various factions in the Caucus.

Some of Watson's fears expressed in 1905 about Caucus election of Ministries have been justified, notably in weakening leadership and coherence, especially in a crisis.

Caucus control of policy, limited by Conference and Federal Executive control of the platform, and Caucus control of tactics in the Parliament, have not produced in Australian Federal politics a successful political force.

If the aim of a political party is to govern to implement its policy, the Caucus method has not produced governments very frequently.

It is arguable that Labor attained power in 1929 on the mistakes of Bruce and in 1941 because of the disintegration of the U.A.P.-U.C.P.Coalition.

This leaves virtually no electoral success between 1914 and 1966 which

can really be attributed to the structure or creed of the Labor Party except the election of 1946. That of 1943 might reasonably be called a war time rally behind Curtin.

Caucus is a fascinating experiment in politics. Labor's opponents have by and large campaigned on slogans opposing the Caucus idea of political discipline in Parliament, and dispute in private at the point of formulating policy. The privacy has been conspicuous by its absence. As success has been mostly with Labor's opponents, it may follow that Caucus is not effective in winning power.

(2)
The "Brisbane Line" story is in Volume 175 of Commonwealth Parliamentary Debates.

The sequence:-

22 June, 1943: Fadden itemizes Ward's charges that the Menzies Government intended to abandon North Australia to the Japanese from press reports pp. 20-21, and quotes a letter from Curtin denying this and stating that the "Brisbane Line" proposal was made to the CURTIN Government and rejected by it. Curtin makes this explicit in answer to an interjection, p. 32.

22 June, 1943: Ward insists on the charges and maintains documents are missing from Defence files - "reliably informed", pp. 57-58

24 June, 1943: Curtin denies documents are missing from Defence files, p. 316. Curtin announces Royal Commission, p. 333.

30 June, 1943: Curtin announces terms of reference. Ward protests. Curtin defends, pp. 572-574.

(3)

Minutes, March 24, 1943:

The point is not simply that personal clash would make it unlikely that Labor Prime Ministers would select certain individuals who are elected to Labor Cabinets. Between Curtin and Calwell there had been a fundamental policy clash. Conscription for service within a defined area was Curtin's defence policy, and Calwell had campaigned actively and publicly against this. He was subsequently elected to Cabinet and accepted the policy. The Curtin and Chifley Cabinets maintained cohesion in spite of such issues as conscription, the "Brisbane Line" and Bretton Woods, in which there was public clash, but there is no doubt that the Prime Minister was subjected to great stress - perhaps destructive stress in Curtin's case. The Scullin Cabinet could not survive similar tensions. There is little doubt that an elected Cabinet is more liable to such tensions than a selected one. There is, of course, the contrary argument that an elected Cabinet is less likely to consist of "yes" men. In the stress of war and severe economic depression these tensions are likely to be worse, and the election of Cabinets must tend to encourage dissidence, by making Ministers independent of the Prime Minister. In times of comparative freedom from stress this is probably an advantage.

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The Labor Party and the Origin of the Commonwealth Bank

By KIM E. BEAZLEY

In seeking to establish his claim to be the founder of the Commonwealth Bank, King O'Malley put out five versions of the manner in which he accomplished it.

The first was in his pamphlet "The Commonwealth Bank—The Facts and Its Creation".

The pamphlet was apparently provoked by C. C. Faulkner's book *The Commonwealth Bank of Australia* published in 1923. It mentions O'Malley in a footnote on page 2, assigning him no significant role in the Bank's origins.

O'Malley, stung by this, commented in his pamphlet on page 1, "If my work for the creation of a Commonwealth Bank can be explained in a mere footnote, the work of the rest of the Government can be explained in one word—Against."

It is this accusation that the rest of the Cabinet opposed the creation of the Bank—no good reason being given for opposition by O'Malley—which makes logically necessary his claim to have forced Cabinet to act by the passing of a motion in Caucus, and therefore the organization of a group—"a Torpedo Brigade"—to carry the proposal.

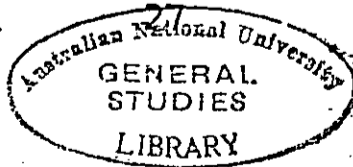
O'Malley's claims have not been analysed in the Labor Movement. The story he got across—namely that O'Malley surprised Fisher by getting the numbers in Caucus to overwhelm Fisher's opposition—is accepted. Nobody bothers to study his actual claim. The fact is that O'Malley could not stick to one story. It is further a fact that Fisher, not O'Malley, introduced the Bank into Caucus as a Cabinet recommendation.

Most who have written on this subject have not seen the minutes of the Federal Parliamentary Labor Party. Two members of the Fisher Government, who survived almost as long as O'Malley (who died in 1953), namely George Pearce (died 1951) and W. M. Hughes (died 1952), both went on written record insisting Fisher originated the Bank in Cabinet. The minutes of the Federal Parliamentary Labor Party show that he originated it in Caucus under circumstances which make a forcing action by a "Torpedo Brigade" impossible.

The Pamphlet Version:

O'Malley's pamphlet explains the origins of the Bank on pages 11 and 12. Under a block heading entitled "The Truth" O'Malley wrote:—

Fisher and Hughes dominated the Cabinet, and as Fisher was the Treasurer, the oracle of finance and the final analysis, and Hughes his expert legal adviser, such authorities ended all debate, and when the word passed, "No bank", it was final



AUSTRALIAN POLITICS.

I was informed that if I dared to appeal to the Party I would be gazetted out of the Ministry. I interviewed a high Government House official, who assured me that a Minister could only be gazetted out by the Governor-General if guilty of mal-administration. So I continued, with Dr Maloney, secretly, to organise the Commonwealth Bank fight . . .

After 15 months of private whispering and spiritual touting, near the end of September, 1911, I notified the Cabinet that I was appealing to the Caucus on the Commonwealth Bank issue. You can imagine the consternation and the Christian replies received from these Christian men.

CAUCUS ACTION.

Early in October, 1911, a very lengthy and strenuous Caucus sitting was held, in which the urgency of the immediate establishment of a Commonwealth Bank was stressed from all points of view by most of the Party present. Many members felt and spoke under the keenest feelings, realising that the opportunity of the Party for giving birth to a great Australian banking scheme depended on their votes that day. Mr Fisher was in the chair when it was decided to take a vote on this momentous subject. He declared that as the consensus of opinion was so absolutely in favor of this great scheme, it was unnecessary to count members, and that the Government would accept it as an instruction and would bring down as soon as possible a Bill that would give effect to the Party's wishes.

Note that in this version Fisher is warned in Cabinet, and there is no vote in Caucus, because Fisher yielded to a consensus of opinion. The version clearly indicates that although there was a consensus in Caucus there was consternation in Cabinet.

Never again did O'Malley assert that Fisher was warned, and never again did he assert there was a consensus. Hereafter Fisher is always represented as surprised and the Bank is represented as being carried by a majority which finally settles down to 1 vote.

The Second Version—Conversation with Dr. Jauncey:

O'Malley had a series of interviews with Dr. L. C. Jauncey when Jauncey was writing his book *Australia's Government Bank*. As a result, in the book the origins are explained (pages 57 and 58) as follows:—

As the leaders of the Labour Government opposed the establishment of a national bank, King O'Malley began to organize the rank and file of the party to force the leaders to act in the matter . . .

It was at this stage that the "Torpedo Brigade" came into being. The purpose of this group was to force the Labour Government to establish a Commonwealth bank. As leaders of the Government threatened to force King O'Malley out of the Ministry if he persisted in his advocacy of the bank, the Founder of the Commonwealth Bank was compelled to work in secret . . .

After 15 months of secret organizing . . . enough members of the Labour Party had promised support to make it reasonably safe to bring up the question of a bank in Caucus. Members of the "Torpedo Brigade" decided that at the meeting of the Caucus on October 5, 1911, whoever was called upon by the Prime Minister for new business would move the adoption of a bank bill by the Government. This honour fell upon J. M. Chanter and Dr. Maloney seconded the motion. After a vigorous fight advocates of the bank defeated the leaders of the Government and forced them to bring down a bill for the bank.

The only respects in which this account squares with O'Malley's pamphlet version is in the date—"early October" in the first version becoming "October 5th". In other respects the versions are contradictory. There is now no consensus, but "a vigorous fight", and Fisher was surprised, not warned.

The Essence of O'Malley's Claim:

Whatever version of the origins of the Bank O'Malley gave out, its essential feature is that the Bank was no part of the Fisher Government's programme, but was forced unexpectedly in mid-session. He stuck to the date October 5th in all versions after the "early October" statement in the pamphlet.

Jauncey does not appear to have checked with the record in Commonwealth Parliamentary Debates beyond referring to the debate on the Bill to establish the Bank.

Had he done so he would have seen that the establishment of the Commonwealth Bank was announced to be part of the Fisher Government's programme for the second session of the 4th Parliament on September 5th, 1911 in the Governor-General's speech—(Commonwealth Parliamentary Debates volume 60 page 6). The decision had therefore been announced a month before O'Malley always claimed to have forced the hand of Cabinet, and as part of a Government programme, not as a mid-session surprise.

Third Version —*The Australasian* Interview:

On May 22nd, 1937 *The Australasian* devoted a page to an interview with O'Malley. Leading in with the assertion that "A woman's shrewdness was a decisive factor in the launching of Australia's great Commonwealth Bank", the interview claims that O'Malley's Bank battle began with Alfred Deakin, Edmund Barton and Isaac Isaacs, and failing a response from the Liberal Party O'Malley decided to join the Labor Party as the means of getting the Bank. This does not seem to square with the fact that O'Malley attended Labor Caucus meetings before the first Parliament met. O'Malley makes a number of these unverifiable statements, including one that he moved for Old Age Pensions on the very first day of Parliament—a claim in his pamphlet—an action not recorded in Commonwealth Parliamentary Debates.

In this interview O'Malley gives the most detailed account he ever gave of his alleged victory, and never repeated it, or anything like it.

Every plan was completed at last, and he had decided that at the Party meeting on October 5, 1911—a Thursday—he would

move that 'it should be a Party instruction to the Government to prepare and place in the statute book an Act to establish a Commonwealth Bank of issue, deposit, exchange, reserve and rediscount' . . .

On the Saturday morning he met at the House a friend who sprung a mine at his feet . . .

It appeared that 'Billy' had discovered a rule by which seven days' notice of the introduction of new business was required. That notice had not been given; therefore the Bank plan would be thrown out on the rule when it came to the Caucus meeting . . .

The version then describes O'Malley as shattered. But a fortnight before a parliamentary colleague had sought a loan of £100. O'Malley had consented if the suppliant would "put today's date at the head of this paper and your signature at the bottom. If I have to send you the money you must agree that I can type above your signature an order to the paymaster to repay £20 a month into my account from your salary".

This being accepted, O'Malley put the signed sheet in his wallet.

The version proceeds that later Mrs. O'Malley took this signed sheet, typed above it O'Malley's motion, then urged him to take it and put it in the box (at Parliament House) of the Assistant Secretary of the Party, Senator Ready.

Then came October 5, 1911. The forces of O'Malley had been mustered. To each of his 28 supporters he had given a copy of his resolution. He took his seat beside the man who had wanted £100, and whose signature appeared at the foot of the notice that Mrs. O'Malley had typed. With him O'Malley had some brief but pungent conversation. The other fellow still wanted that £100—very badly.

'Very good', replied O'Malley, 'You shall have it if you move this notice of new business and recognize your own signature.'

That settled it. When, an hour later, Andrew Fisher asked for new business he got it. The moment the bank was mentioned he rasped out that he understood that the matter was irregular, as due notice had not been given. O'Malley asserted that it had been given in due form through Senator Ready.

Senator Ready, called upon, looked mystified, but searched and found the notice. It was immediately taken from his hand by 'Billy' Hughes, upon which Fisher demanded that it be handed to him. There were some tense moments while the owner of the signature certified to the genuineness of the document, and Fisher pronounced it to be in order. The opposition put up the fight of their lives, but O'Malley's men carried the resolution through the Caucus. They did it by only one vote—but they did it.

Hughes' Contradiction:

This was O'Malley's most public claim. His pamphlet would probably not be widely read. The Fisher Cabinet of 1911 dispersed quickly. Three were dead by 1914; Fisher left Australian politics in 1915; Hughes and Pearce and others left the

Labor Party in 1917; Tudor died in 1922. In 1937 Pearce and Hughes were still active in politics. *The Australasian* version named Hughes, and drew an immediate reply:

These claims are pure inventions. Mr. Fisher, in his policy speech, put the bank in the forefront of his policy. The Bank in the form it was presented to the Party and to Parliament was Andrew Fisher's idea.

O'Malley challenged Hughes to show where Hughes had ever made a speech advocating the establishment of a National Bank prior to October 5, 1911—a challenge Hughes could not answer. But that was not the point at issue. The point at issue was the validity of O'Malley's claim.

The Australasian version contradicts the version of O'Malley's pamphlet. The consensus in Caucus of the pamphlet version becomes a majority of 1 vote. Fisher fights on technicalities and then on the substance of the question, instead of yielding gracefully. The October 5 date is absurd, since it is destroyed by the Governor-General's speech of September 5th, 1911.

The Australasian version glories in an immoral trick—the obtaining of a vote and a signature by the need of a member for £100. Chanter and Maloney are no longer the movers, as they were in the version given Jauncey.

“The Guest of Honour” Version:

O'Malley, at the age of 97, in his “Guest of Honour” broadcast over the ABC on January 28, 1951, attributed the passage of the motion to establish the Bank to the influence of the then Catholic Archbishop of Melbourne—Dr. Carr. Of the Bank he said:—

Fisher was Chairman of the day—of course, Fisher was against the Bank. And I spoke for just three-quarters of an hour. And they listened, and they listened! And they said, “You're quite right. There's no doubt about it!” And from then on, I began to move right ahead. Wouldn't you think then that some Labour man would have seconded the Bank in the Commonwealth Parliament? Not one!

Well, I'll never forget I went in one day, and Davey Watkins, Secretary for the Labour—said, ‘Well, King, you haven't a dog's chance for your Bank. I said, ‘Don't you think?’ And he said, ‘No! . . . and if you drop the Bank, you'll be very popular.’

One day in the Caucus, some of the boys brought in Dr. Carr—Archbishop Carr. I was introduced to him, and we gave him afternoon tea and talked. So he said to me, ‘Will you show me this scheme of yours for Banking?’ And he read it, and read it, and read it. He was a very smart man. And he said to me, ‘How is it you can't get that put on the Statute Book?’ ‘Well,’ I said, ‘I can't get it through the Caucus!’ He said, ‘Why?’ I said, ‘Well, when I speak to the vote’ (and I named two or three) ‘they say they couldn't hold their seat.’ He turned and he said, ‘Is that all you went into Parliament for? To hold your seat? Didn't you go in to do anything for the people?’ Now, that's very strange, isn't it? And the next Caucus I won. I won by one!

The Forgery Version:

Dorothy Catts, in her biography *King O'Malley*, mentions the Archbishop Carr version but the emphasis in her book is on the version told her by O'Malley that the Bank was pushed through Caucus by a proxy vote obtained by forgery.

On pages 171-173 she writes that Fisher was determined to silence his new Minister for Home Affairs on [the subject of the Bank], he warned him that if he did not soft pedal his advocacy of the establishment of the bank he would be 'gazetted out of the Ministry'. King knew Andrew Fisher had the power to do this . . . So King decided to resort to cunning.

There follows the story of the organization of the Torpedo Brigade similar to Jauncey's but it is further embellished: "they could not muster the numbers to get a majority in Caucus for the establishment of the bank . . . King's elation turned to gloom as time went on and they were still that one vote short".

(The minute books reveal attendances of Caucus at this period varying from 58 to 24, so how O'Malley could calculate on likely division at a meeting within one vote seems hard to fathom.)

"At last, one night, quite suddenly, King had a brain flash . . . 'I have it! . . . I can get that one important vote! . . . Brother X' (King mentioned the name of a colleague who was away on leave of absence.) 'Yes, Brother X.'" O'Malley, so the version goes, had received a letter from "Brother X". In front of his "amazed colleagues" he practised copying "Brother X's" signature from the letter, forged himself a proxy authority so that he could vote on "Brother X's" behalf in Caucus, and this gave him the one vote necessary to instruct Fisher "to 'bring in a Bill to establish a Commonwealth Bank forthwith in accordance with the Plank put on the Labour Party's Fighting Platform at the Brisbane Conference of 1908.'"¹ And, adds Dorothy Catts, "To Andrew Fisher's consternation, this resolution was carried—a triumph for King O'Malley and his Torpedo Brigade!"

Proxy votes could only be exercised on behalf of a person who had been present at the debate but had had to leave before the vote was taken. O'Malley's story is contrary to the then Caucus procedures.

The Minutes:

All these contradictory versions cannot be true. The minutes of the Federal Parliamentary Labor Party reveal that none of them is true.

The proposal for the establishment of the Commonwealth Bank was not introduced by O'Malley, or Chanter or Maloney. It was introduced by Fisher on August 30th, 1911.

The Federal Parliamentary Labor Party has preserved its minutes intact, dating back to its first meeting on May 7th, 1901. The record of Caucus meetings during the Fourth Parliament (elected April 26th, 1910) are in the second and third minute books. The First Session of the Fourth Parliament commenced on July 1st, 1910,

¹No motion of this nature appears in the minutes of the Federal Parliamentary Labor Party.

and closed on November 25th, 1910. Caucus met to consider its actions for this session from April 26th, 1910 (two months before the session) to November 25th. In that time no reference is made to the bank or caucus in the minutes. Caucus went into recess

on November 25th, 1910 and did not meet again until August 30th, 1911. Fisher visited South Africa, late in the first session, for the inauguration of the Union Parliament, and returned home during recess. On August 30th, 1911, Caucus met to consider its policy for the second session, due to begin on September 5th.

The minutes record "Mr. Fisher gave an outline of the Government programme for the ensuing session which included the following proposals . . ."

There follow 18 proposals, the first of which is "National Bank".²

The items of the Governor-General's Speech of September 5th, 1911, are substantially the list of proposals put before Caucus by Fisher. Caucus met again on the following day, August 31st, and on the motion of "Mr. Hall" seconded by "Foster" "That the matters mentioned by the Chairman (*ie* Fisher) at the meeting of August 30th be part of the Government programme." "Carried".

The margin of the minutes calls this "Resolution re Government programme".³

This programme would need to be incorporated in specific bills. Immediately following the "Resolution re Government Programme" is another resolution, on which the marginal comment is "Party to deal with Bills". The minutes read "Mr. Fenton moved and Ozanne seconded 'That Bills be first submitted to the Party in meeting.' Carried".⁴

Wherever a division occurred in these minute books a vote is recorded. It is safe to assume that "Carried" means carried on the voices without opposition.

The endorsement on August 31st of the August 30th programme was sufficient to put the outline of the Government's policy, including the establishment of the Commonwealth Bank, in the Governor-General's Speech on September 5th.

The Government thus publicly committed itself to the establishment of the Commonwealth Bank on the basis of Caucus decisions initiated by Fisher. There was no motion from the floor forced on him. There was no action by a "Torpedo Brigade". There was no division. There was no resolution of Chanter and Maloney. There was no cabinet resistance—the bank was a cabinet recommendation.

Later Developments:

Caucus is recorded as debating the programme it had endorsed at a meeting on September 1st.⁵ This would be debate on the content of proposed bills.

On September 7th⁵ Caucus debated pensions and two bills implementing part of the August 30th programme—Arbitration and Seamen's Compensation.

²Third minute book of the Federal Parliamentary Labor Party, p. 1. A memo in the Secretary's handwriting comments that an Arbitration Bill should have been put first.

³"Hall"—Hon. D. R. Hall, M.H.R. for Werriwa. "Foster"—F. J. Foster, M.H.R. for New England. Motion: Third minute book, p. 3.

⁴"Mr. Fenton"—Hon. J. E. Fenton, M.H.R. for Maribyrnong. "Ozanne"—A. T. Ozanne, M.H.R. for Corio. Motion: Third minute book, p. 3.

⁵These minutes are all in the Third minute book.

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It met on September 14th⁵ and debated referendum proposals, pensions and preference to unionists. Meetings on September 21st, 27th and 28th dealt with an Electoral Bill, as did a meeting on October 4th.

At the meeting of October 5th⁵ 1911 (the date on which Jauncey assumed the "torpedo" to have been fired at the unwilling Fisher by Chanter and Maloney) the text of the Commonwealth Bank Bill was before Caucus. It was decided (on the motion of Finlayson) "That the Banking Bill be referred to the Committee for consideration." The Committee was the Treasury and Pensions Committee, one of four committees which had been set up to scrutinize legislation.

The inner back cover of the second minute book shows this committee to have consisted of Messrs. McDonald (Chairman), Frazer (Secretary), Findlay, W. Russell, Needham, O'Malley, Maloney, Spence, Bamford and Brown.

The minutes for October 19th⁵ show "Mr. Spence presented the report of the Treasury Committee on the Banking Bill. Resolved: 'That a special meeting be held on Wednesday 25th to consider the Banking Bill'."

On October 25th⁵ 1911, the minutes state "Mr. Riley moved and Archibald seconded 'That the Government introduce the Banking Bill'. 'Carried'."

This authorized its introduction into the Parliament. The Governor-General's message for an appropriation for the Commonwealth Bank Bill was read in the House the same day. The first reading of the bill was moved by Fisher on November 1st, 1911.⁶ The Second Reading was moved by him on November 15th.⁷ The minutes of Caucus for November 28th, 1911⁸ show that Fisher convened "a special meeting to further consider the National Bank Bill" on that date.

No decision arose from this discussion, but the following day—the initiative again being Fisher's—the minutes record—

Discussion ensued on the National Bank Bill. Resolved 'That the Party approve of the principle of one Governor of the Bank'. The Chairman put the questions (Fisher was Chairman) 'That the provision of the bill be approved along with the suggested amendment of the Prime Minister wherein he promised to keep an open door in regard to the States should they desire to be in some way mutually associated with the Commonwealth Bank'. 'Carried'.

This rather clumsy motion concludes all references to the Commonwealth Bank during the Fourth Parliament until on June 12th, 1912, when Fisher reported "The Governor of the Bank has been appointed and was engaged on his duties".

There were no snap decisions. The procedure of the Bank Bill through Caucus occupied from August 30th, 1911, to November 28th.

The last point to consider is whether O'Malley ever did move anything in relation to banking in Caucus before the establishment of the Commonwealth Bank. He never did, in fact, get so far as moving a motion, but on October 21st, 1908, he gave notice of one.

⁶Commonwealth Parliamentary Debates, vol. 61, p. 2078.

⁷*ibid* vol. 62, p. 2644.

⁸Third minute book.

The second minute book, at page 61, records:—"O'Malley gave notice of his intention to ask for leave of the Party to move an amendment on the Budget relating to banking".

When O'Malley's notice of motion C. E. Frazer "gave notice of motion re the Party and the present Ministry".⁹

This motion, the text of which is given in full at the later meeting on November 11th, was carried, and its essence was that the relations existing between the party and the Ministry (Deakin's) should not continue. As a consequence the Deakin Government was defeated, and resigned on November 13th, 1908. O'Malley's notice of motion never became a motion to be considered by the Party. As a proposed amendment to the Deakin Budget it had no value, for the defeated Ministry was not permitted to survive to draft a budget.

The O'Malley notice of motion is not a scheme for a bank, but a censure for not establishing a bank. Of itself it hardly can be regarded as the origin of Caucus action on Banking.

ALP Conferences and the Bank:

The most brazen action of O'Malley in building his case was his pamphlet's alteration of the record of the 1908 Federal Conference of the ALP—an alteration designed to eliminate the fact that a motion by Frank Tudor put the Commonwealth Bank onto the fighting platform, and to substitute himself as the author of the fighting platform.

Since no less an authority than Professor Giblin tended to think that O'Malley's influence on Banking at Federal Conferences was decisive, it is important to follow the chronological sequence of references to the Bank.

The 1891 Platform of the New South Wales Labor Party has "a national bank" as one of its objectives. Twenty years later Andrew Fisher, in his Second Reading speech on the Bill to establish the Commonwealth Bank, referred to twenty years of discussion on the matter. He obviously dated the commencement of the discussion from the adoption of this plank. At the 1908 Conference in Brisbane, McGowen, who had been Labor Premier of NSW, claimed 30 years of advocacy of a National Bank. Fisher and O'Malley clearly had no part in the 1891 NSW Platform. Probably it originated in the instability of private banking in the 1890s.

At the December, 1902, Conference in Sydney, the first Federal Conference after Federation, Senator Higgs (Queensland) and F. W. Coneybeer, M.H.A. (of South Australia) succeeded in having a motion carried—"That a Commonwealth Bank of Deposit and issue be established, the directors of which shall only be appointed and dismissed by Act of Parliament".

It did not go into the Platform in this form. There are two records of the 1902 Conference. The fuller record quotes J. C. Watson as intervening and stressing the need for the Bank to be free of political influence. This was not an intervention

⁹Second minute book, p. 60.

¹⁰*Ibid.*, p. 62.

suggesting the Bank be free from a high political purpose. What he had in mind was political influence brought to bear in favour of individual clients, as had happened in respect of advances to farmers in New South Wales.

In the final form adopted for the Platform the Bank was combined with the subject of Insurance. Senator De Largie (W.A.) and H. Beard (Victoria) had successfully proposed "That Federal Life and Fire Insurance be a Plank of the Platform."

Somewhat incongruously the platform was finally devised to read "Commonwealth Bank of Deposit and Issue and Life and Fire Insurance Department, the management of each to be free from political influence".

O'Malley was not a delegate at this Conference. A fair reading of the record leads to the conclusion that the authors of the first Federal Labor Banking Plank were Higgs, Coneybeer and Watson. Watson's support, which was followed by advocacy of a "State Bank" (*ie* a Federal Government Bank), in election campaigns he led as Commonwealth Parliamentary Leader, discounts the existence of a "right wing" opposition at this stage. No conference opposition is recorded. The July 1905 Conference in Melbourne did not alter the Banking Plank, or deal with it. O'Malley was a delegate. The record of the July 1908 Conference in Brisbane shows O'Malley's clearest moves on Banking. He confused his motion with the issues of State and Federal financial relations and "postal banking". As a result he failed to become the author of the Fighting Platform. This authorship he always claimed after his 1923 pamphlet. The 1923 pamphlet represents himself as dominating the Conference. But immediately after the Conference he complained in the House that the Brisbane Conference had not listened to him, and that it had been dominated by "State Righters". (Commonwealth Parliamentary Debates, vol. 51, p. 2873. See also page 2864). This is a more accurate assessment.

The record at page 20 shows that O'Malley moved "That no financial scheme between the Commonwealth and States can be satisfactorily adjusted without the establishment of a National Postal Banking System."

Although Senator Lynch (W.A.) endeavoured to have this proposal referred to a Committee other than the Committee on State Federal financial relations, O'Malley's motion was sent to that committee.

On the motion of F. G. Tudor, M.P. (Victoria) and W. E. Ager (Victoria) it was resolved "That a Commonwealth Bank" be a plank in the Fighting Platform. The record continues "At a later stage it was agreed, on the motion of Mr. King O'Malley, to make the Commonwealth Bank one of Issue, Deposit, Exchange and Reserve". The general platform was thus altered to "Commonwealth Bank of Issue, Deposit, Exchange and Reserve, with non-political management".

This is the 1902 General Platform with "Exchange and Reserve" added.

Tudor's motion went onto the Fighting Platform in the simple form "Commonwealth Bank". The Fighting Platform became the electoral programme of 1910, when Labor won the election. The Banking legislation of 1911 was the implementation of this "Fighting Platform".

What O'Malley submitted to the Conference was a complete scheme, some thousand words and seven chapters long, with statistical appendices.

The scheme dealt with the cessation of monthly payments of surplus revenue by the Commonwealth to the States; the assumption by the Commonwealth of responsibility for State debts; the establishment of a National Bank of Deposit and Issue, Exchange and Reserve for the purpose of carrying out with facility and economy the finance transactions of the Commonwealth and the States; the establishment of a sinking fund; the appointment of sinking fund trustees; the inauguration of the scheme.

This scheme had been printed as a Parliamentary Paper dated 15th April, 1908, and may be read in full in Parliamentary Papers (General) Volume II, 1907-S, pp. 1077-1081.

It is almost certainly the most detailed scheme submitted to a Conference of the Labor Party. The fourth chapter deals with the National Postal Bank. It was proposed "That this Bank be conducted purely as a Government Department, absolutely free from political control"—a curious expression.

The States and the Commonwealth were to be joint shareholders. It was to control the note issue—a point on which O'Malley was in advance of the 1911 Act. It was to handle State and Municipal loans. The General Post Office in each State was to be its head office. The regulations governing it were to be drawn up by the Board of Management in conjunction with the Council of the Associated Banks.

Conference necessarily considered the proposal as a State-Federal financial matter.

O'Malley, at pages 9 and 10 of his pamphlet "The Commonwealth Bank: The Facts and its Creation" refers to the record correctly in the submission of this scheme to the Conference of 1908 up to the decisive action taken to secure the reference of his scheme to the State-Federal Financial Relations Committee. Suppressing the fact that it was referred to the Committee, and suppressing the motion of Tudor and Ager, he invents for the record the words "The Scheme was put on the Fighting Platforms". This never took place.

Page 33 of the 1908 Conference report shows its destiny when it came back from the State-Federal Finance Committee. The Committee recommendation, moved by W. Holman, M.L.A. (N.S.W.), and adopted, began—"That Conference approves the general outlines of Mr. King O'Malley's scheme relating to a National Bank".

The resolution then goes on to deal with State-Federal financial relations entirely apart from any Bank and quite differently from O'Malley's ideas. This accounts for O'Malley's early complaint, before he started altering the records of the Conference for his pamphlet purposes, that Conference had not listened to him (*Commonwealth Parliamentary Debates*, vol. 51, pp. 2864, 2873). Whatever endorsing his scheme "in general outline" meant, it did not go onto the general or the fighting platform. It was not the Commonwealth Bank which came into being, and general authorship of which he claimed, and it was certainly not practical politics insofar as it required a State and Federal Agreement for joint ownership. Non-Labor States would not have

agreed. The "postal" feature was a private obsession, based on the fact that O'Malley had been deeply impressed by the way the U.S. Post Office had handled Civil War pensions.

O'Malley's rôle in Conferences was more active than in Caucus, but not decisive. The idea of a National Bank encountered no opposition in either place. His claims in both places rest upon a falsification of the records—in Caucus, claims for motions never moved; in Conference, claims for acceptance of a scheme for the Fighting Platform, which acceptance never took place.

In his pamphlet, and in his conversations with researchers, he evinced contempt for the ignorance of economics of Fisher, Hughes and his Cabinet colleagues. He clearly regarded himself as an expert on banking. He told Conference "It was the duty of the Labor Party to grapple with the question, towards the solution of which he would promise his best energies and knowledge."

Holman and McGowen, and later Watson, praised his efforts for a Bank, although Watson regarded his State-Federal finance ideas a "a bit worse than Sir John Forrest's proposals".

The homeric battles against opposition to a National Bank, which O'Malley imagined took place, never took place.

If he were to claim exclusive credit for the Bank he had to misrepresent his Cabinet colleagues. His attack centred on Fisher and Hughes.

The record shows Fisher inaugurated the final moves in Caucus, and reveals nothing of Hughes one way or the other. Subsequently the Hughes Government in 1920 put the note issue under the Commonwealth Bank (failure to do this was felt by O'Malley to be a weakness of the 1911 legislation), and Hughes' wartime development of the Bank was very great.

No Labor Government prior to Fisher's had a majority in both Houses. The Commonwealth Bank was established, without internal controversy, by the first Labor Government which could have established it.