THE FIRST MINISTER IN AUSTRALIA:

Studies of the office in crisis situations, 1920 - 1941.

by

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Doctor of Philosophy

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Department of Political Science

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This thesis is my own original work.

C. Morgan
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**ABBREVIATIONS**

**Commonwealth and States**

<table>
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<tr>
<td>C/W</td>
<td>Commonwealth</td>
</tr>
<tr>
<td>N.S.W.</td>
<td>New South Wales</td>
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<tr>
<td>Vic.</td>
<td>Victoria</td>
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<tr>
<td>Qld.</td>
<td>Queensland</td>
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<tr>
<td>S.A.</td>
<td>South Australia</td>
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<td>W.A.</td>
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<tr>
<td>Tas.</td>
<td>Tasmania</td>
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**Debates**


VPD... Victorian Parliamentary Debates...

Other States similarly.

**Dates**

12/6/31 day, followed by month and year; i.e. 12 June 1931; all dates are in the present century unless otherwise indicated.
Parties and party abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
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<tr>
<td>ALP</td>
<td>Australian Labor Party</td>
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<tr>
<td>UAP</td>
<td>United Australia Party</td>
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<tr>
<td>CP</td>
<td>Country Party</td>
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<tr>
<td>QCE</td>
<td>Queensland Central Executive.</td>
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These and other such abbreviations are written in full when first mentioned.

Unions, Trades and Labor Councils etc.

<table>
<thead>
<tr>
<th>Abbreviation</th>
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<tr>
<td>AWU</td>
<td>Australian Workers' Union</td>
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<tr>
<td>THC</td>
<td>Trades Hall Council</td>
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<td>ACTU</td>
<td>Australasian Council of Trade Unions.</td>
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These and other such abbreviations are written in full when first mentioned.
SUMMARY

The object of this thesis is to throw some light upon Australian party leadership in office. The position is examined in times of crisis in order to illustrate the tactics available to, and factors affecting, any First Minister, in his efforts to remain both Government and party leader.

The thesis is based upon fourteen case studies of a variety of crises at both Federal and State levels between the two world wars. The studies are arranged in party groups, since the First Minister's relations with various sections of his party proved particularly important in the analysis, and it enabled each group to be introduced by an outline of the party's relevant rules, traditions and organisation.

The studies were also placed as nearly as possible in chronological order for reasons of continuity; the National Party was strongly influenced by the inheritance of Labor Party personnel and traditions; the United Australia Party was in many ways an extension of the National Party; and the Victorian Country Party inherited features from both the Labor and non-Labor parties.
The introductory chapter defines the conditions under which a First Minister may be said to be successful or unsuccessful in the leadership of his party in terms of his relationships with party members, both inside and outside parliament, and with other significant groups. Crises arising in these relationships are analysed in terms of the tactics available to the First Minister and to his opponents in the extra-parliamentary organisation, Caucus or Cabinet. Reference is also made to other factors which may modify his strategy in a crisis - its wider social and economic context, the personalities involved in the dispute, and the influence of the press.

The seven Labor Party studies cover a variety of crisis situations: the traditional struggle between a striking union and a Labor Premier, where union members expect special treatment; conflicts between party idealism and political reality - between the belief that improved working and social service conditions should be maintained, and the belief that depressed economic conditions can only be overcome by retrenchment; and the more general problem of parliamentary discontent with an autocratic leader.
The three National Party studies deal with the special problems faced by two ex-Labor leaders; these overflow into the administration of a third, who adds to the legacy of a personal feud a unique interpretation of his own position as a parliamentary member of the party and as party leader.

The United Australia Party studies are concerned with the difficulties of association with a coalition partner, the Country Party, (which made its entry upon the political scene during the National Party administrations); with charges of autocratic leadership and failure to consult Caucus colleagues; with problems of Cabinet reconstruction; and with the particular difficulties associated with both small and large parliamentary representation.

The Country Party study reveals the early concern of the Victorian branch of the party to control its parliamentary members, although it is seen through the distorting mirror of a purely personal feud between the Premier and a member of the extra-parliamentary party.

Throughout the case studies it was seen that the interaction of the First Minister's relations with the various sections of his party, his own personality, and the economic and political circumstances of the time
influenced his use of such tactics as Cabinet reconstruction, threats of resignation, delaying and defensive action before party executives, private interviews with extra-parliamentary and parliamentary members, and attempts to direct the press: thus, a crisis coming to a head in Caucus might have its roots in an extra-parliamentary struggle, and Caucus members might delay positive action until an alternative leader emerged from a Cabinet split. The concluding chapter was therefore subdivided with a view to the clearer exposition of these interacting factors.

It was found that the studies revealed differing patterns of expectations in the four parties then in existence, and certain differences were seen to exist between the expectations of Liberal and Country parties during the period studied and their more modern counterparts. However, although such expectations, and the First Minister's tactics in meeting party demands, were necessarily influenced by the political environment of the time and the personalities of those involved in the crises, some generalisations could be made concerning the kind of crisis situation in which any First Minister might find himself, and the tactics which could influence
the success or failure of his efforts to retain the leadership of his party and lessen the risks of losing office.
CHAPTER 1
THE FIRST MINISTER IN AUSTRALIA - AN INTRODUCTION

In Australia First Ministers functioning under a system of government by a majority party or combination of parties are first and foremost party leaders, and it is in the success or failure of First Ministers as party leaders endeavouring to remain in office that I am interested. Although interest in Australia's major political figures has produced several biographies of First Ministers no attention has so far been devoted to a general study of Australian political leadership. This may in part be attributed to scarcity of information - (there are many party leaders, even excepting those who did not attain government office, about whom little is known) - and in part to the many other aspects of Australian government and party political history which have offered wide scope for exploration: interest in party leadership has necessarily had to wait until interest in party history and the structure of Australian government could provide the background against which the party leader operates.
Party leadership itself offers an alarmingly wide field of study, and it may be usefully limited here to a study of party leaders who have attained government office within a specified period. Apart from the simple contraction of numbers such a restriction also modifies the concept of the success or failure of party leadership. Methods used by party leaders in Opposition to gain electoral success justify separate attention.

The success or failure of a First Minister's leadership of the party is not always easy to define. He may be said to have led his party successfully if he has, for instance, fulfilled a large number of his election promises, or secured the passage of some particularly controversial bill, or simply kept his party in office for a record number of years.\(^1\) At the same time such success may be quite vicarious; his legislation may have been innocuous in the eyes of the Opposition; the Opposition may itself have been divided; he may have possessed an overwhelming majority; in other words he may to a certain extent have taken little deliberate action, and whereas it is quite meaningful to state that he deliberately allowed matters to take their

\(^1\) E.g. Eggleston, p.12: 'Bruce evidently had the gift of leadership, for he was Prime Minister for eight years....'
own course it is difficult to establish without first hand confirmation.

Failure in party leadership may be more easily established. Where a First Minister has been forced by members of his own party, either inside or outside parliament, to resign as party leader, and so relinquish office, his methods of party leadership have quite obviously failed. Such a definition excludes those First Ministers who might quite sensibly be classified as having failed in their leadership of the party, but who were deprived of office by other means, including death, dismissal or a general election. This difficulty may be partially removed by the inclusion of those First Ministers who could be said to have faced a crisis which would have 'put them out of the running' for future office but which was resolved by some means outside their own capacity to take action.

The problems involved in ascertaining whether a First Minister's retention or loss of office was affected by his own personality or actions are considerably lessened when they are studied in a situation of crisis. If the party is split the First Minister, if he cannot act as mediator, must support one side or the other; if a Coalition is in danger of
collapse it is he who decides whether his own party should compromise or attempt to govern alone. The period between 1920 and 1941 offers a number of crises, the outcome of which depended to a large extent upon the First Minister's use or failure to use the formal means granted to him by virtue of his office to deal with the situation, or upon his capacity to conform to an expected pattern of leadership behaviour.

Because the First Minister is a member of a political party his actions will automatically be affected by the attitude of the party towards certain issues, and the ideals for which it stands. A Labor First Minister is expected by his party supporters to eschew certain methods in dealing with strikes, and if a strike occurs in an industry under government control to listen to the complaints with a sympathetic ear. Having attained office he is expected to implement the party platform, which on certain issues may be couched in terms of explicit direction.

Country Party expectations are quite as explicit in some directions as those of the Labor Party, and although particular policies may vary from State to State, party supporters are as rigorous as any trade unionist in their expectations concerning such general
principles as decentralisation and preferential treatment for primary industries. Because the party can rarely provide a government majority or a First Minister its expectations also include the concept of hard bargaining both before and after an election.

The Liberal parties believe that the leader and his colleagues can be safely left to judge the occasion for the implementation of particular policies. However, as a gentleman is often defined by the things that he does not permit himself to do, so the Liberal parties expect their First Ministers not to support such policies as the nationalisation of industry, pacifism, or the automatic granting of trade union demands.

If a First Minister, alone or with support, takes a stand against a section of his party on any matter involving these attitudes a crisis may occur. A Labor First Minister may face a crisis caused by his action in attempting to break a strike, a non-Labor First Minister may face one arising out of some administrative

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1 Where the term 'Liberal' is used without qualification it refers to the National, United Australia and Liberal parties.

2 Where the term 'non-Labor' is used without qualification it refers to the above parties and the Country Party.
blunder or some specific piece of legislation, which later proved unpopular with a section of his supporters.

A crisis may be due to poor relations between the First Minister and the party's executive, or it may arise from discontent within the parliamentary party, founded upon general restlessness, or the ambition of one or two disgruntled colleagues. Frequently it will affect both parliamentary and extra-parliamentary supporters.

When faced with a crisis the First Minister's freedom of manoeuvre will be limited by certain legal and conventional rules. Under the seven constitutions he must submit parliament to re-election by the general public at stated intervals, and may thus risk loss of office, unless he can persuade the Royal Representative to delay an election. If he loses the confidence of the House he must again either relinquish office or fight an election, unless he can persuade the Governor or Governor-General to grant him a new commission without an election, on the grounds of lack of acceptable alternative leadership from either the Government or Opposition benches. If he wishes to call a sudden election, in order to strengthen his position in the House, the request for a dissolution must also be placed before the Royal Representative, and may be refused.
Finally, both he and his Ministers are formally commissioned and may be dismissed by the Governor or Governor-General.

Whilst the Royal power to appoint Ministers has been used in a provocative manner on only one occasion, in 1855, there have been several occasions on which a dissolution has been refused, and one on which a First Minister was himself dismissed by a State Governor. On

The Governor of Victoria, Sir Charles Hotham, who commissioned the State's first Government under a new constitution, sent with the commission a minute 'insisting on his right to veto the appointment of any measure before it was introduced into parliament' (Encel, p.44). The minute was rejected after the Colonial Secretary had accepted the Commission (cf., Turner, pp.57-60).

Dissolutions refused since 1900 have been: - C/W.1904 (Watson); Qld. 1904 (Morgan); C/W.1905 (Reid); S.A. 1906 (Prince); Qld. 1907 (Kidson); C/W.1909 (Fisher); Tas. 1909 (Earle); Tas. 1914 (Solomon); W.A. 1916 (Scaddan); N.S.W. 1921 (Dooley, Fuller); Tas. 1923 (Lee); Vic. 1924 (Prendergast); Vic. 1943 (Cain); Tas. 1949 (Cosgrove); Vic. 1952 (McDonald, Hollway).

J.T. Lang in 1932.

Governor Strickland unsuccessfully attempted to recall Premier Holman's commission in 1916 on the ground that Holman had been commissioned as leader of the New South Wales Labor Party which had declared its want of confidence in him. Holman refused to resign and appealed for support to the British Colonial Office. As a result he was re-commissioned as leader of the National Party and Strickland was himself recalled. Cf. Evatt (1936) pp.146-152.
the other hand the advice of the First Minister has also been followed on numerous occasions - to grant a sudden dissolution,\(^1\) to re-commission a First Minister without dissolving Parliament,\(^2\) and to dismiss Ministers refusing to resign.\(^3\)

Party rules and traditions further modify a First Minister's freedom of manoeuvre during a crisis. It is usual for him to face re-election for the leadership after each general election and he may find himself subject to election more often. This means that he is not free to act as he thinks fit without taking into consideration the possibility of being deposed by a simple majority vote in Caucus. As a final resort, members of the parliamentary

\(^1\) Encel states (p.81), that with the exception of Victoria and Tasmania 'there have been no refusals of dissolution (requested by State Premiers) since 1921.'

\(^2\) E.g. W.M. Hughes in 1918; Hughes had promised to resign if he lost the 1917 Compulsory Service Referendum. He did so and was re-commissioned.

\(^3\) E.g. C/W J.A. Jensen, Minister for the Navy, in 1918 following a Royal Commission investigation of defence contracts; S.A. Sir William Butler, State Treasurer in 1919 following the report of the Angas Wheat Commission; Tas. R.J.D. Turnbull, State Treasurer, in 1959 following a Cabinet resolution instructing the Premier to arrange for the termination of his appointment. Information taken from drafts of a 'Handbook of Australian Politics 1890-1963' prepared under the direction of Professor C.A. Hughes, and as yet unpublished.
party have the privilege of voting against the Government in the House and depriving the First Minister of office.

In the case of the Labor and Country parties the First Minister must usually submit to the rule of elected Ministers. This can not only force him to work with Cabinet members that he might not himself have chosen, but can hamper his use of a Cabinet 'spill' in seeking to deal with a crisis, although he remains free to move Cabinet members up or down the Ministerial list.

A Coalition, usually non-Labor, is just as likely to provide a First Minister with colleagues he would not have selected had he been allowed complete freedom of choice within the Caucus ranks of both parties. It is usual for the junior partner in a Coalition Government to select its own Cabinet members, and, although it may only bargain in proportion to its numerical strength and the necessity of its support to the larger party, it can usually demand the position of deputy First Minister and at least two portfolios vital to its own interests. Demands for representation of all States in a Federal Cabinet and of regional interests in State Ministries add to the complexity of Cabinet construction.

Any First Minister faces his party equipped by the constitution and by party rule and tradition with a small
stock of ammunition with which to meet a crisis either within parliament or in his relations with the extra-parliamentary party, and the party is similarly equipped to meet and if necessary depose a leader who insists upon travelling a separate path.

Within parliament the First Minister may call or refuse to call a party meeting and if a meeting is called against his wishes it will lose much of its effectiveness if he can persuade his Cabinet colleagues to join with him in boycotting it. He alone has the right to decide upon the internal reconstruction of his Cabinet, and even where his power to select new Ministers is limited his will be the largest single influence upon the selection, and his the power to allot portfolios.

The Liberal First Minister has been entrusted with full powers of patronage, from the appointment of board and commission members, judges and ambassadors, to the appointment of parliamentary committee members and the selection of Cabinet colleagues.

A First Minister from any of the three parties is empowered by the constitution to call a general election at stated times, and may himself choose the date for a dissolution. He may even call for a sudden election if he can persuade the Royal Representative that such
action is necessary. Promises of promotion or threats of demotion within Cabinet, the provision of a party meeting for a full discussion of grievances, and the threat of sending members before their constituents, are all methods of dealing with a crisis situation which are available to any First Minister by virtue of his position as Government and party leader.

Faced with a crisis, the First Minister is also faced with a wide variety of personal responses, and since a crisis is rarely confined to one section of the party or debated in camera he may also be required to answer jibes from the Opposition, queries from other sections of the party, and criticism from the press. He may possess the rare skills to deal with such situations: he may be adept at handling difficult colleagues; he may know from experience just when to compromise with his Coalition partner; he may know when to meet press criticism or an Opposition speech with indignant denial, and when to maintain a dignified silence; he may know what attitude to adopt when called before an executive meeting. If he does he may retain his position by the exercise of such skills. At the same time, Cabinet, Caucus or Executive may possess equally resourceful members determined to oust him from the leadership.
The parliamentary party derives its strength from numbers. If the First Minister attempts to act alone he may be deterred if a large enough number of his supporters voice their opposition. By public protest, particularly in the columns of the press, they may force him to reconsider his attitude towards the implementation or formulation of policy, the calling of a party meeting, or the reconstruction of Cabinet. Cabinet Ministers may back their protests with threats of resignation, and Caucus members with threats to cross the floor of the House and vote against the Government.

The extra-parliamentary party's strength lies in its control of endorsement. It cannot deprive the First Minister of office so long as he retains the confidence of the parliamentary party but it can refuse to endorse him as a member of the party and thus deprive him of the leadership.

If, during a political crisis, the First Minister were to fight a lone battle, with only the formal prerogatives of office to aid him, he could have little hope of retaining either the leadership of the party or office as Government leader. However, he is unlikely to be fighting alone. A First Minister, wrote Lord Attlee, in 1963, 'leads in such a way, if he is wise,
that he carries either his party, or his country, or his colleagues with him.¹ If he cannot carry the whole of his party or colleagues with him there is a strong probability that he will carry a section of them. In a dispute between the parliamentary Labor Party and the trade union movement it is unlikely that either side will be able to canvass all the votes, and more than likely that the First Minister will be able to rouse sufficient support among his colleagues to place him in a strong bargaining position. If a Cabinet colleague shows signs of ambition for leadership it is again likely that the First Minister will be able to appeal to the loyalty of many members who can see no merit in such a change.

The success or failure of his leadership of the party, as measured by his ability to retain the confidence of his supporters, may be affected by the circumstances in which he is placed. A crisis caused mainly by events beyond his control - such as war or economic depression - may call for characteristics in a leader which did not appear necessary when he was elected to the position. Election to office may develop

¹ The Guardian, 21/4/63.
latent qualities of autocracy or vanity that appeared from the Opposition benches to be no more than a proper firmness and laudable ambition for the party.

The press, quite apart from any manipulation by the First Minister, to his own advantage, or by certain parliamentary or extra-parliamentary opponents, to his disadvantage, may, by placing its own interpretation upon his actions, provide the voting public with an image of his party and its leadership over which he has very little control.

It is in his actions when confronted with a situation which could result in his loss of office that a First Minister's abilities as a party leader are best displayed. During the twenty-one years between 1920 and 1941 a number of such crises occurred. The period also offers the opportunity to study the leadership of politicians who led not only the Labor and Country parties, to whose history considerable attention has now been devoted, but also the lesser known National and United Australia parties.
CHAPTER 2

THE LABOR PARTY

(a) Introduction

By 1921 the Australian Labor Party had held office for varying periods in all six States. In Tasmania and Western Australia the political and industrial sections of the party enjoyed amicable relations, the fact that neither State was strongly influenced by trade unionism being reflected in their party constitutions.¹

In the remaining four States, which form the background to the cases studied here, industrial unionism played an important part in Labor politics. The Labor Movement in all four States had become politically conscious soon after the collapse of an interstate strike involving maritime, pastoral and mining unions in 1890, due to lack of funds and the wide-scale use of non-union labor working under police...

¹ In Tasmania the only union which might have caused disunity within the party during a strike - the National Union of Railwaymen - was denied party membership; in Western Australia, where the executive was elected by the district councils instead of the party conference as in other States, trade unions could only elect executive members through their affiliation with these political bodies.
protection. New South Wales returned thirty-six Labor parliamentarians in 1891, Victoria ten in 1892, Queensland sixteen in 1893 and South Australia eleven in 1896.¹

At the 1905 Federal ALP Conference, J.C. Watson, leader of the party in the Federal parliament, outlined his own view of the relationship which he felt should exist between the parliamentary and extra-parliamentary wings of the party.

The view I take is that the organisations outside lay down the policy upon which the Party is to work and decide what the Platform should be. They arrange the Pledge for each candidate to take before he submits himself for election. But once the man is in Parliament, they have to trust to his judgment to carry out their work.

However, later conferences of the Labor Movement soon established that the extra-parliamentary party was unwilling to repose such trust in all of its political leaders. In his presidential address to the Queensland State Labor Conference in 1907 M. Reid, referring to Labor Premier W. Kidston's decision to remain at the head of a Coalition Government, said tersely: 'Premiers

¹ Cf. Spence, Chs. §IX-XII.
are here today and gone tomorrow, mere globe-trotters on the passing scene; but Labor is here to stop as long as it is true to itself.¹

Senator E. Findley, speaking at the 1908 ALP Federal Conference on the need for elective ministries was equally off-hand in his reference to the position of party leader.

There was no member of the Party who would say that any leader of theirs was necessarily the embodiment of all wisdom. Somebody, of course, had to shoulder the responsibility of leadership. In the ordinary way the leader would himself select his team, but he ventured to say that the Federal Labour party, if it were entrusted with this work, would put aside all personal elements and view the formation of a Ministry in the light of trying to do the best for the Movement.²

It was not until 1914 that a Labor First Minister invited direct comment upon the nature of his position. Exasperated by the refusal of W.A. Holman, Premier of New South Wales, to appoint Labor members to the Legislative Council, the Worker, official journal of the Australian Workers' Union (AWU), wrote:

¹Worker (Brisbane), 23/3/07.
²ALP Federal Conference Report, 1908, p.32. (Speech reported in third person).
Premier Holman does not hold the fate of Labour in the hollow of his hand. He is not its leader to turn it this way and that as he chooses. He is Labour's servant.... Premier Holman has been put at the head of the Labour Government to consummate the will of the Labour Movement and not to act upon his personal judgement.... The day of the leader has gone by. He is an obsolete institution....

Whilst this was plainly an exaggeration of the Movement's attitude it could be seen in modified form embodied in the various State party constitutions. In all States the leader attended conference and sat on the executive, either as a direct representative of the parliamentary party or as an elected branch or union member, but the limitations on direct political representation served to remind him that he was not above the party.

In New South Wales, Victoria, Queensland and Tasmania politicians could only attend State conferences as union or branch delegates. In Western Australia one State and one Federal politician were allowed to attend as parliamentary representatives, and only in South Australia were all political members invited to be present. New South Wales allowed four politicians direct representation on its executive, South Australia,

1 Worker (Sydney), 1914; cited in Crisp (1961), p.105.
Queensland and Western Australia two and Victoria and Tasmania none.

It was the extra-parliamentary party which made the decision to curtail the First Minister's prerogative of electing his own Cabinet. One parliamentary delegate to the 1908 Federal Conference, Senator G. Henderson from Western Australia, ventured to suggest that it would be undignified for a man 'called upon by the representative of the King to form a Ministry, to come down and relegate the powers conferred on him to caucus'¹ but the motion 'relegating' the responsibility of choosing a ministry to Caucus was passed by 20 votes to 4.

Within parliament the same cautious attitude towards the leader prevailed. Black states that the 36 members of the first parliamentary Labor Party in New South Wales 'decided it would not be wise to select a leader; better wait until the right man showed himself.'² A managerial committee of five was selected and it was not until after the second fiscal split, during which J.S.T. McGowen 'emerged' as the leader of the 'solidarities', (a group pledged to abide by majority decisions in

¹ ALP Federal Conference Report, 1908, p.32.
² Black, p.5.
Caucus), that 'the olive branch was held out by certain seceders on the condition that Mr Cook should assume the office of leader'.\(^1\) After the 1894 election McGowen was elected leader of the 'solidarities'.

Once elected the leader was still expected to abide by majority decisions in Caucus and to accept the fact that the extra-parliamentary party retained a keen interest in the affairs of the parliamentary party, and expected any complaints to receive prompt attention.

A First Minister from any party may find himself in difficulties inside parliament in his attempts to reconcile differences of opinion or harness ambitions within Caucus or Cabinet, but difficulties involving the extra-parliamentary party are particularly associated with the Labor Party.

The extra-parliamentary party could exert its formal authority over its parliamentary members in two ways: by controlling endorsement and much of the finance for elections, and by issuing directives in the form of resolutions passed at conference or executive meetings. These might reiterate a demand for the introduction of certain legislation regarded by the party as vital,

\(^1\) Black, pp.8-9.
request closer co-operation, or record executive dissatisfaction. If the First Minister were working closely with the party machine he could make use of the threat of loss of endorsement to discipline rebel Caucus members. If he were himself involved in a dispute the same weapon might be turned against him, and there could be small possibility of winning an election as an unendorsed candidate against an endorsed member who had the combined support of the party's speakers and its campaign funds.

The size and militancy of the trade union movement within a particular State, and the party's attitude towards its politicians as expressed in its constitution, only assume importance in the task of party leadership in so far as they are manipulated to foster or prevent controversy within the party. The degree of political influence enjoyed by a particular union may be estimated in terms of the number of votes that it can control at a party conference or on a party executive, but the decision to use such influence will often depend upon the ambitions of a small handful of officials.

Constitutional checks against the numerical dominance of politicians within the party may be rendered ineffective by the personal influence of those
few politicians who have gained representation on the party's inner councils. Finally a flaw in the First Minister's own personality, an overpowering dislike for particular unionists or a particular union, a personal feud against an individual, a hasty temper, can all hinder a speedy settlement of what may have been originally a small and unimportant dispute.
For half an hour during a meeting from 10 p.m. on 24 July 1924 to 4 a.m. the following morning a Queensland Premier, E.G. Theodore, was deprived of the leadership of the State parliamentary Labor Party. He lost the position for reasons ranging from economic difficulties to his own misinterpretation of his colleagues' feelings, and regained it by a compromise supported by the AWU, the State's most powerful union.

The Premier's position in 1924 was partly caused by his own actions over the previous four years. In January 1920 the Government had introduced a bill excluding the rent restriction clause¹ from all land leases, and giving the Land Court a free hand to re-appraise pastoral and grazing rents. Whilst such a measure delighted his Labor supporters it had infuriated the holders of pastoral leases, many of whom resided in England. When, later in the same year, Theodore tried to raise a loan in London to finance the remainder of the party's radical programme the loan was made conditional upon his altering his policy.²

¹ The Land Act of 1905 prevented increases beyond 50 per cent of the previous assessment.
² Higgins, pp.22-23.
In the first flush of resentment against such 'outside dictation', Theodore refused the loan and fought an election on the issue of Queensland's independence.

However, having narrowly won the election he was unable to consolidate his position owing to lack of funds. By 1922 economic conditions had forced him to abandon development schemes, pass a Salaries Act reducing parliamentary and public service salaries, and apply to the Arbitration Court for a reduction in the wages of State employees. The pressing need to obtain more money than could be raised by local means sent him on a personal visit to London in 1924, where he was able to negotiate a loan at the cost of promising to prohibit increases in pastoral rents.\(^1\)

In 1923, between Theodore's first and second attempt to raise a London loan, the Queensland Labor Party met at Emu Park for its triennial Conference. Left wing unions, led by the Australian Railways' Union (ARU) did not hesitate to show their resentment at the Government's policy of retrenchment. Theodore was unpopular with the ARU on several counts. In the first place he was an ex-President of the Australian

Workers' Union (AWU), whom the ARU accused of 'poaching' railway workers. Secondly the union had not forgotten the Townsville meat strike of 1919, when railwaymen, who had refused to handle a train full of police reinforcements sent to break up a strike demonstration, had been dismissed by the Government. Thirdly, extensive railway development had been one of the schemes that Theodore had recently been forced to abandon; finally, Theodore was responsible for an application to the Arbitration Court for a 5 per cent reduction in the wages of Government employees.

During the Conference a motion was put forward to have the basic wage fixed by act of parliament, and another to amend the party's constitution to empower the Queensland Central Executive (QCE) to instruct Caucus regarding the interpretation of any plank in the platform and to expel any Caucus member refusing to obey such instructions. Both resolutions were defeated, but the industrial wing managed to pass a resolution to insert a plank in favour of the immediate implementation

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1 Encel, p.169.
of a 44-hour week into the party platform. Cabinet refused to implement the resolution, and Theodore, addressing meetings of the Brisbane Trades and Labor Council in December 1923, pointed out that considerations of cost prohibited such legislation. He advised members of the Council that such matters as hours and wages were properly the care of the Arbitration Court, which 'could be made to function in their interests if they built up industrial militancy.' Defeated at the Conference, and repulsed by Theodore, militant unionists encouraged parliamentary members, particularly those in marginal seats, to advocate their (the militants') demands within Caucus, by threatening pre-selection opposition for the next election.

On 9 July 1924, Caucus endorsed Theodore's action in negotiating a loan in London, and a fortnight later it met again to discuss the party's legislation for the coming parliamentary session. Theodore, still facing

1 Ibid., p.45.
2 Higgins, p.69.
3 Morrison in Davis, p.288.
economic difficulties, had failed to include legislation to introduce the 44-hour week in his programme and had made no provision for restoring the 5 per cent salary reductions.

During the meeting members drew attention to a large variety of grievances, claimed later by two non-Labor newspapers to have ranged from police complaints, and payment of time and a half for railway employees on night shift, to Ministerial expenses during the Premier's trip to London, the retraction of principle involved in the London Agreement itself, and the abolition of the office of Agent-General. However, the three most important topics of discussion were the 44-hour week, the basic wage, and the Salaries Act.

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1 Argus, 28/7/24.
2 Telegraph (Brisbane), 25/7/24.
3 Argus, 28/7/24.
4 Ibid.
5 Ibid.
6 Cf. Daily Standard 25/7/24; Worker (Brisbane), 31/7/24; QPD, Vol. CXLIII, 110-12, 5/8/24; 145-6, 6/8/24.
Theodore reacted to the demand that he include in his programme legislation to introduce the 44-hour week and to restore the 5 per cent cut in public service salaries by threatening to resign. Other Ministers also threatened to resign, indicating their certainty that the demands were impracticable and emphasising their loyalty to the Premier. However, the Ministerial resignations were accepted and C. Collins, spokesman for the left wing unions, was elected leader.

Three factors, the absence of 9 Caucus members, Cabinet loyalty, and Theodore's quick decision to make a compromise gesture, helped to re-establish the Premier as party leader. The absence of so many Caucus members threw some doubt upon the outcome of any future re-appraisal of the situation, whilst block voting by

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1 Accounts differ concerning the exact manner of the resignations. Morrison follows Collins' account to parliament and states that 'all members of the Cabinet resigned together,' (Davis, p.288). However, Collins himself seemed a little uncertain stating 'It is quite true, as the Premier said, that he resigned - that is his Cabinet resigned', (QPD, Vol. CXLIII, p.146, 6/8/24). The Telegraph (Brisbane), 25/7/24, only stated that Theodore and McCormack, (the deputy leader), had threatened to resign; the Daily Standard, 28/7/24, stated that the entire Cabinet had resigned whilst the Argus, 28/7/24, asserted that resignation threats were made by several individual Ministers.

2 Daily Standard, 28/7/24.
Cabinet members defeated an attempt to elect an entire Cabinet. Finally a motion was passed that 'Cabinet should reconsider its position'; half an hour later Theodore returned and offered to introduce legislation to secure a 44-hour week, which would come into force at the end of the current financial year, and to remove the embargo preventing public servants who received more than £300 per annum from seeking an increase through arbitration. The compromise was accepted and a Labor weekly newspaper stated that 'complete harmony' had been restored.

The press had not been officially informed of what passed at the meeting and made the most of information

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1 Ibid.
3 Lack, p.433.
4 Worker, 31/7/24. The Worker was making a conscious attempt to minimise developments which it claimed 'the Tory press' had 'at once proceeded to magnify into a political crisis and a schism in the party'. The party had emerged from 'the long-drawn-out meeting and heated discussions more united than ever', said the Worker.
gleaned from individual members, but on 5 August Theodore brought the matter into the open in reply to a no-confidence motion moved by the leader of the Opposition on 31 July.

I did not resign in any spirit of bluff, or with any desire to threaten or brow-beat my colleagues in the Labour party. I did it because, if the party were going to insist upon a certain course of action with which I was not in accord, and which I believed to be an unwise course of action...then... I could not be the instrument to carry out such a policy...

The following day Collins put the Caucus viewpoint during a description of his brief period of leadership.

There are ten men in the Cabinet, and thirty-three men in the Government outside the Cabinet.... Surely we who created them - that is the party - must be greater than the created....The party have their rights. That is, alterations can be made even in the Pre-Sessional programme which was submitted to us the other day. If we have not the power to make alterations then democracy is only a sham so far as this party is concerned...

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1 Courier, 25/7/24; Daily Standard, 25/7/24; Telegraph, 25/7/24; Argus, 28/7/24; Worker, 31/7/24. It was reported in the Daily Standard (31/7/24) that a meeting of Caucus on 30 July had unanimously deplored 'the giving of certain information to anti-Labor newspapers', but 'an effort to discover who was responsible for the leakages (had) proved futile.'


3 Ibid., 145-6, 6/8/24.
Whilst Theodore had emerged unscathed from the palace revolt he still had to run the gauntlet of the party's State Executive, comprising, in 1924, eleven members elected by Convention, one State and one Federal parliamentary representative, and seventeen members representing the trade union movement, and the attitude of many members of the extra-parliamentary party was unfriendly. The ARU had held a stop-work meeting on 31 July to protest against Theodore's failure to include in his programme the restoration of the 5 per cent reduction in the wages of Government employees. The meeting had unanimously carried a resolution calling upon Theodore to resign, and instructing the QCE 'to exercise its authority and compel the workers' political representatives to do their duty by the workers who placed them in power.'

Twenty-four of the thirty members of the QCE, including among the delegates the Premier, three other Cabinet Ministers and three back-benchers, met on 8

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3. Worker, 14/8/24.
August in a state of high excitement. According to a report in the Sydney *Labor Daily* the meeting revealed 'a distinct cleavage between the politicians and industrialists', and became so animated that 'even the Premier became heated and threatened to punch a delegate's nose.' However, the numbers were with the right wing members, and the only resolution carried was one moved by Demaine, the right wing President of the party, stating that:

> the QCE hereby decides to adhere to the decisions of the Convention and further decides to draft and publish a statement of the QCE viewpoint which is that the financial situation is at present such as to prevent the restoration of the 5 per cent to the Public Service and a return to the basic wage of £4 - £5 a week.

The crisis faced by Theodore involved three of the problems that may harass any Labor First Minister: rivalry between unions associated with the party, one side supporting and one side denouncing Government policy; a division of loyalty in Caucus, some members supporting the Government and some the dissatisfied unions; and the problem of adjusting a radical party

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programme to the reality of economic circumstances. In addition Theodore had to face the perennial problem of private members' resentment at their inability to influence or alter Cabinet decisions. His response to the crisis combined a personal tendency to show toughmindedness in a difficult situation and the political skill of knowing when to compromise.

Theodore was not the kind of man to be intimidated by rebellion against his leadership. Sent to work at the age of twelve he had become a miner, working at first on the West Australian goldfields and subsequently in New South Wales and Queensland. He had been introduced to politics whilst employed at the Vulcan Tin Mines in Northern Queensland where he had helped to form the Northern branch of the Amalgamated Miners' Association. Whilst still Secretary and organiser of the Association he had been elected to parliament at the age of twenty-five. When his old union amalgamated with the Australian Workers' Union shortly after his election to Parliament he had continued to engage in union work and was elected first to the Vice-Presidency and later to the Presidency of the AWU.¹

A physically large man with 'a long stride' and 'determined fixity of jaw'\textsuperscript{1} Theodore was described as 'very reserved',\textsuperscript{2} 'unostentatious in his methods and manner'\textsuperscript{3} and lacking in humour,\textsuperscript{4} and he was accepted by all sections of the party as a man of determination and shrewd political insight. Unembarrassed by his trade union background he had made his opinions concerning his relations with the extra-parliamentary party clear at the 1923 State Labor Conference, when Rymer had moved that the outside organisation should be given greater control over its parliamentary representatives. If the motion were passed, the Premier asserted hotly, 'no Parliamentary Party or Minister could accept responsibility if he had any backbone at all. He would be a mere puppet and would jump as the strings were twirled.'\textsuperscript{5}

His attitude towards his parliamentary colleagues was equally forthright; he insisted that he would not

\textsuperscript{1} Bernays, p.288.
\textsuperscript{2} Ibid.
\textsuperscript{3} Daily Standard, 22/10/19.
\textsuperscript{4} Ibid.
\textsuperscript{5} Queensland State ALP Conference Report, 1923, p.50.
accept dictation either from the Trades Hall or from parliamentary members under Trades Hall influence, 'I am not going to truckle to any influences outside or inside Parliament merely to retain my position', he said, during the 1924 no-confidence debate; nor was he 'going to be the instrument to carry out....a policy which (he) thought was impracticable.'

Where circumstances made the implementation of radical policies impossible the Premier made little effort to conceal his impatience with unionists or politicians who did not appreciate what he considered to be the wider aspects of his position as Labor First Minister:-

Are we here merely to provide higher wages and improved conditions for a privileged class of employees? I have always resisted this notion...I have always taken up the attitude with the unions from the Trades Hall that they have no right to assume that the Government - whether it be a Labour Government or any other Government - are in office merely to tax the people and take in revenue to create a privileged position for public servants...\textsuperscript{2}

\textsuperscript{1}  QPD, Vol. CXLIII, 110, 5/8/24.
\textsuperscript{2}  Ibid.
Such truculent statements were not calculated to soften the attitude of left wing unionists, particularly those railway unionists who were employed by the Government.

His first reaction to a Caucus demand which he regarded as economically impossible to meet had been to threaten resignation. Where the leader stands out as the dominating figure in Cabinet such a threat may be sufficient in itself to warn rebellious Caucus members against taking their grievances too far, and the Premier had used it with satisfactory results in 1922 when the salary cuts had first been introduced.

When it became apparent that he had misjudged the intensity of Caucus dissatisfaction, reinforced as it was by threats of pre-selection opposition, he shrewdly removed both himself and his Cabinet colleagues from the room. This enabled him to work out a compromise proposal and at the same time to cement Cabinet loyalty by physically removing his colleagues from the temptation of presenting themselves for election to the leadership.

Although he plainly retrieved his position as leader by compromise, so dominating was his personality that he was able, when describing the crisis before Parliament, to imply that he and his Cabinet had scored an outright victory in the struggle:
I did not again take up my position as leader of the Labour Party until the party gave me to understand that I and other members of Cabinet would have the right to carry out the policy which we believed was practicable and that is why I am here today.

Whilst Theodore had been successful in defeating the Caucus rebellion, and had been supported by a narrow majority at the QCE meeting, left wing trade union attacks continued. The Premier, who for some time had been contemplating entering Federal Parliament, decided 'that the time had come to retire from State politics', and secured endorsement for the Federal seat of Herbert in October of the same year.

Whilst a feeling that he was losing his hold over the State party may have played a part in Theodore's decision to transfer from State to Federal politics it is plain that he did not regard himself as having failed as a party leader, but hoped for the greater prestige of leading the Federal Labor Party. He was still a young and ambitious man, and T.J. Ryan, his predecessor as State Premier, had made a similar move to the Federal arena and had held the position of deputy leader until his sudden death in 1921.

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2 Encel, p.170.
Nor was Theodore unsupported in such an ambition. Defeated in 1925, he was elected in February 1927 for the industrial seat of Dalley in New South Wales. Within a year he was moved to the Opposition front bench as an executive member of the Federal parliamentary Labor Party. Although it was reported in May 1928 that a 'count of heads' had revealed that he could not hope to defeat J.H. Scullin for the leadership, it was confidently predicted that he would gain the deputy leadership. When the positions were contested he was defeated by one vote by the party Secretary, A. Blakeley, but in February 1929 he reversed his position, defeating Blakeley by two votes.
When J.T. Lang became Premier of New South Wales in 1923 the history of the State Labor Party for the past seven years had been one of disputes between right and left wing parliamentary and extra-parliamentary members. The right wing Australian Workers' Union (AWU) had controlled the State Executive since the conscription split in 1916, and at the 1919 and 1920 State Labor Conferences had strengthened its position by expelling some of the leaders of the opposing left wing trade union faction. When J. Storey became Premier in 1920 parliamentary supporters of the AWU drew up their own 'ticket' for the Cabinet elections, but Storey learned of their plan and defeated it by running a 'ticket' of his own.  

After Storey's death in 1921 J. Dooley became Premier and the feud between Dooley's supporters and the AWU-dominated Executive intensified. Early in 1923 Dooley, who had been defeated in the 1922 State election, was censured by the Executive in connection with a Legislative Council appointment.  

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1 Lang (n.d.) p.172.
2 Special Executive Committee Report; cf. Sydney Morning Herald, 17/2/23, 19/2/34.
that the Executive members who had attacked him were 'sordid intriguers' and invited branch and union delegates to the next State Conference to turn out the Executive.\(^1\) The Executive retaliated by expelling Dooley from the party,\(^2\) but Caucus members, among them J.T. Lang, who had been Treasurer in the Storey Government, passed a vote of confidence in Dooley by sixteen votes to seven.\(^3\)

On 9 March 1923, the State Executive appointed J.J.G. McGirr to the leadership,\(^4\) but the sixteen Caucus members who had declared their confidence in Dooley\(^5\) continued to support him. In April 1923, the Federal Executive intervened and dismissed McGirr, appointing W.F. Dunn as temporary leader until the annual State Conference, due to be held in June.\(^6\)

When the Conference met the Executive was accused of using faked ballot boxes to defeat opponents of the

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\(^1\) *Sunday News*, 18/2/23.
\(^2\) *Sydney Morning Herald*, 2/3/23.
\(^3\) *Sydney Morning Herald*, 9/3/23.
\(^4\) Ibid., 10/3/23.
\(^5\) Ibid., 16/3/23.
AWU for parliamentary pre-selection;¹ Dooley was readmitted to the party by 180 votes to 79, and the Executive was censured for his expulsion.² In the Executive elections which followed the AWU was routed.³

Dooley, having regained the leadership of the party retired a month later; Lang was elected leader and following the 1925 State elections became Premier. By 1926 the AWU was only half way back to regaining control of the Executive, and Lang, ambitious, popular with the rank and file, and already having one important piece of labor legislation to his credit,⁴ was the darling of the anti-AWU section of the 1926 Conference.⁵ However, he was not equally popular

² Worker, 13/6/23.
³ Ibid.
⁴ The Workers' Compensation Act passed in March 1926.
⁵ J.A. Beasley, who had been elected a Vice-Chairman of the Conference stated that 'up to date the Premier had exceeded the expectations of the most militant section of the Labor movement.' Maroney, a delegate from the Municipal Employees' Union, added that 'the Premier's achievements had delighted also the most moderate section.' Cf. Labor Daily, 7/4/26.
within the parliamentary party, and W.H. Seale, the newly elected Président, who was one of Lang's staunchest supporters, warned delegates to 'beware of intrigue both inside and outside Parliament'.¹

Whilst the AWU faction tried with some success to manipulate anti-Lang feeling within Caucus, Lang unsuccessfully attempted to use his influence as a Director of the Labor Daily to stifle it. Country members of the party resented sections of the Workers' Compensation Act which forced rural employers to pay high insurance premiums for casual labor,² and feared that Lang intended to further subordinate country interests to those of the more powerful metropolitan voter.

When the Editor of the Labor Daily stated that Lang had been forced, by Caucus susceptibility to bribes, to secure an appointment for an Independent


² The Act came into force on 1 July. In August the Sydney Trades and Labor Council carried a resolution condemning Loughlin and Hoad, both country members for their 'peevish criticism of the Premier in relation to the Workers' Compensation Act.' Cf. Labor Daily, 13/8/26.
member, thereby gaining another Labor supporter, the entire Caucus showed resentment, unanimously passing a resolution calling upon the newspaper to withdraw its article and 'apologise to the Caucus before their next meeting for the despicable slanders contained therein.'

Since Lang, A.C. Willis, Vice-President of the Executive Council, and J.M. Baddeley, Minister for Labour and Industry, were all Directors of the newspaper, they were expected to secure an apology. However, Lang did nothing to refute the charges; the Labor Daily, far from apologising, repeated its former statement, whilst the State Executive refused to

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1 When A.D. Kay was appointed to the Meat Board, A. Tonge, the Labor candidate who had been 'runner-up' for Kay's seat of North Shore in 1925 election, automatically filled the vacancy in Parliament. The Editor of the Labor Daily, stated on 4 August that Lang had found it necessary to make the appointment because the Nationalist Party appeared to have hopes of being able to bribe certain unnamed members of Caucus.


3 Lang later claimed that he and Willis were bound 'to support the official organ.' Cf. Lang (n.d.), p.305.

4 25/8/26, 26/8/26. It also published branch resolutions supporting the Premier's action and congratulating the newspaper on its refusal to retract or apologise. Cf. 13/8/26, 16/8/26, 19/8/26, 21/8/26, 25/8/26.
consider the matter. AWU supporters, both inside and outside parliament, seized their opportunity and urged P.F. Loughlin, a country member of Cabinet and deputy leader, to contest the party leadership.

Loughlin resigned his portfolio three days before parliament was due to reconvene in order to contest the leadership, giving as his reasons 'the need for safeguarding the good name of the party, and the attack on the constitutional organisation and procedure of the movement,' the latter referring to a proposal to revise the party's constitution accepted in principle by the 1926 Conference. The ballot resulted in both

1 Loughlin stated on 12 September that the Executive had cancelled one meeting that could have dealt with the problem and refused to call another when requested to do so by the majority of Caucus. Cf. Labor Daily, 14/9/26.

2 Lang names J. Bailey, an ex-MLA and President of the Central branch of the AWU who had been expelled from the party by the 1923 Conference; V. Molesworth, also an ex-MLA involved with Bailey in the 1923 AWU dispute and Editor of the Daily Guardian; and two MLC's, J.F. Higgins, who had been an AWU supporter in the 1923 dispute, and T.G. Murray, who had organised Loughlin's contest for the deputy leadership, and had abstained from voting on the vital division for the abolition of the Legislative Council in 1925.

3 Labor Daily, 14/9/26.
Loughlin and Lang receiving 23 votes. The Chairman ruled that under party rules Lang should remain leader, and the first Caucus revolt ended in a vote of confidence in Lang's leadership. The Premier then asked to be relieved of his directorship of the Labor Daily, and P.J. Minahin, an AWU supporter, was elected in his stead.

Although the AWU gained control of the State Executive in the same month, owing to the appointment of one of its members to fill a sudden vacancy, the rank and file branch members and unionists attending a Special Conference on 12 November remained solidly behind Lang, confirmed him in the leadership for the duration of parliament, and conferred upon him special powers to take any action he thought fit to maintain his position. At the same time it decided to adopt

1 Labor Daily, 15/9/26.
2 Minahin had been suspended from the Labor party for two years in 1923 for his part in the AWU dispute.
3 Labor Daily, 16/9/26.
5 Labor Daily, Conference reports, 13/11/12, 15/11/26.
a committee report on the set of revised rules designed to eliminate large scale representation by any single large union, such as the AWU, at party Conferences or on the party Executive.¹

Shortly after the Special Conference Loughlin, further irritated by Lang's decision to increase freight rates for the carriage of wheat instead of making an overall increase in fares, which would also have affected metropolitan voters,² crossed the floor of the House with V.W. Goodin and R.T. Gillies, two fellow country members, on two motions; the first was a motion of urgency to consider a motion of no confidence in the Government, and the second was a motion to suspend Standing Orders to facilitate the immediate moving of the censure motion.³ All three, states Lang, realised that they were unlikely to be returned to parliament following the act that had just been passed restoring single member seats.⁴ When the censure motion was finally put

⁴ Lang (n.d.), p.312.
to the vote, all three had left the Chamber, thus enabling the Government to defeat it. However, they refused to return to Caucus, leaving the party with only 43 votes and the vote of an Independent member against a combined Opposition of 33 Nationalists, 9 Country Party members and the possible vote of the 3 rebels.

Loughlin refused to negotiate with Caucus or with the three members sent by the Federal Labor Executive to help restore Caucus unity. However, Goodin and Gillies returned to the party after agreement had been reached upon several matters never clearly stipulated, but supposed to include the dismissal from Cabinet of Willis, who had been closely concerned in the revision of the party's rules, the abandonment of the new rules, an end to Lang's 'dictatorship', and preference for country legislation.

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3 Willis had moved the original motion for the revision of the party's rules at the 1926 Conference (cf. Labor Daily, 9/4/26). He had also engaged as his secretary, E. Voight, research officer for the Trades and Labor Council who had helped to draft the rules.
Lang left the Caucus meeting after criticising the
two members and did not take part in the vote that
re-established them as Caucus members.¹ When the
agreement came before the State Executive on 17 December
the members split into two camps, 12 anti-AWU members
voting against endorsement² and 14 AWU supporters
voting in favour of endorsement.³

For the next four months the dispute became
entirely a matter of organisational domination, with
both factions inviting the open support of parliamentary
members. The AWU faction was at first overwhelmingly
successful. In January 1927, it passed a resolution
postponing the Easter Conference of the party in order
to delay a vote on the new rules.⁴ However, the
President of the party, W.H. Seale, who was also leader
of the anti-AWU minority, assured trade unionists that
'if the prescribed number of requisitions are forthcoming

¹ Labor Daily, 13/12/26.
² Seale, Parker, Smith, Kane, Bird, Leslie, Rees, Padgen,
Taylor, Mills, Mrs Green and Miss Johnson.
³ Conroy, McGarry, Beashel, Harrop, Rowlands, Liston,
Comans, Devitt, Tatham, Holloway, O'Neill, Sutherland,
Mrs Benson and Mrs Dorington.
⁴ Labor Daily, 29/1/27.
from affiliated unions and branches the Easter Conference would be held. Three back-benchers stated their approval of Seale's statement, and two their support for holding the Conference in June as suggested by the AWU section of the Executive.

In March the AWU faction deposed Seale from the Presidency of the Labor Party and elected Conroy as President. Seale reiterated his determination to hold an Easter Conference and received the support of Lang and the Labor Daily. The Conference was well attended, and at its first session Willis suggested that Goodin and Gillies, who had been received back into Caucus, should be expelled. Cabinet members, in Lang's absence, returned the compliment by suggesting that Willis should be removed from Cabinet. The motion for the expulsion of Goodin and Gillies was carried by 184 votes to 31. The Conroy-McGarry 'bogus' Executive was suspended and Lang was instructed to reshuffle his

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1 Labor Daily, 2/2/27.
2 W. Davies, M. Burke, A. Tonge.
3 A. McClelland, K. Hoad.
4 Labor Daily, 7/3/27.
5 Encel, p.158.
Cabinet 'in view of the disloyalty of members of Cabinet to Conference and to the Premier.'\(^1\) The **Labor Daily** ordered parliamentary members to 'come off the fence' and declare themselves, but less than half attended the Conference.\(^2\) On 18 April Conference adopted the new rules by the overwhelming majority of 258 votes to 4.\(^3\)

The attitude of the Conference caused further rebellion in Caucus, and an open revolt in Cabinet which Lang had long since ceased to consult.\(^4\) Of the 12 original members of Cabinet 2 were abroad,\(^5\) and Loughlin had resigned, (his portfolio being left vacant).

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\(^1\) Motion moved by D. Clynes 'that...Conference confirms the decision of the previous (November) Conference giving the Premier power (inter alia) to construct his Cabinet, and instructs the Premier forthwith to proceed with the reconstruction of Cabinet...'

\(^2\) The **Labor Daily**, (18/4/27, 19/4/27) listed 16 politicians who had attended apart from the Premier and 4 who had sent apologies. A. Davies was added on 22 April.

\(^3\) **Labor Daily**, 19/4/27.

\(^4\) Encel, p.158. Reviewing the period from October 1926 to April 1927 Encel states that 'for the entire period under review (Lang) had ceased to call Cabinet meetings and was assisted only by Willis...'

\(^5\) J.M. Baddeley and W.J. McKell, both Lang supporters.
Seven of the remaining eight held an 'indignation meeting' during the Conference and begged the Premier to repudiate its decisions.¹ On 20 April Minahin was dismissed by Conference from his position as a Director of the Labor Daily for attempting to persuade the newspaper to campaign against the Easter Conference.²

Shortly after the Conference the Attorney-General E.A. McTiernan, moved a resolution during a Caucus meeting reaffirming the decision to readmit Goodin and Gillies to Caucus. Lang opposed the motion stating that it was tantamount to a repudiation of the Easter Conference but it was carried by 25 votes to 18.³ The following month the Federal ALP Conference, at which the AWU was strongly represented, met in Canberra and decided to accept, as delegates from New South Wales, members chosen by the suspended Conroy-McGarry Executive.⁴ The Conference further decided to

¹ Labor Daily, 20/4/27.
² Ibid., 21/4/27.
³ Ibid., 27/4/27.
⁴ Ibid., 13/5/27.
hold a unity Conference in Sydney in July, and forbade any expulsions in the interim period.¹

At this point everything seemed against Lang, despite the success of the Easter Conference, but his rivals had overlooked the Premier's tactical cunning, and the fact that a First Minister, even if he is thwarted by his Cabinet in seeking a dissolution, can still resign his commission. Under the special powers granted to him in November and confirmed by the Easter Conference Lang was now in a position to choose a new Cabinet for himself.

Having passed the Child Endowment Act, one of the most important pieces of legislation promised in his 1925 policy speech, Lang decided that 'the time had arrived for the showdown.'² Without informing Cabinet he appointed his private secretary to the position of Commissioner of Child Endowment. When Cabinet strongly objected Lang asked the Governor to summon an immediate meeting of the Executive Council, and tabled before it a minute requesting the prorogation of parliament to be followed by a dissolution. Rumours had already

¹ Ibid., 14/5/27.
circulated during the Conference that Ministers would request the Governor not to dissolve parliament without consulting them, and when asked at the Executive Council meeting whether they supported Lang's request only Willis gave his approval, and the Governor adjourned the meeting.

Lang settled the matter by handing in his resignation (which entailed the resignation of the entire Ministry), and received a new commission 'on the understanding that (he) dissolve parliament at the earliest possible date.' 'It was', says Lang 'an opportunity to reward those who had been loyal to the Easter Conference decision.' The new Cabinet contained only one of his colleagues of the previous day, A.C. Willis, and two portfolios were left vacant to give the two Ministers who were still abroad 'the opportunity of declaring themselves.'

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1 Encel, p.159.
2 Ibid., p.82.
3 Lang (n.d.), p.325.
4 Ibid., p.326.
5 Ibid.
The first reaction in parliament was one of indignation. Ex-Cabinet Ministers and anti-Lang back-benchers held a meeting and were addressed by M. Charlton and A. Blakeley, the Federal parliamentary leader and deputy leader. The rebels passed a motion expressing 'utter contempt' for those persons who had accepted portfolios contrary to the rules of the parliamentary Labor Party whereby Cabinet members were elected by exhaustive ballot. At the same time the anti-AWU Executive which had convened the Easter Conference passed a resolution 'wholeheartedly approving the action of the Premier for reconstructing his Cabinet and making it more representative of the Labor movement.' The Executive stated that it would hold a meeting the following week to determine policy in regard to pre-selection ballots.

1 Alldis, Cahill, Cann, Clark, Connell, Davidson, Dooley, Evatt, Fitzgerald, Flannery, Grieg, Hoad, Kelly, Lazzarini, McClelland, McTiernan, Minahin, Murphy, Mutch, O'Halloran, O'Hearn, and Scully. Goodin, Gillies and Dunn were absent from Sydney; cf. Labor Daily, 28/5/27.

2 Labor Daily, 28/5/27.

3 Ibid.

4 Ibid.
Once the latter announcement had been made fears concerning pre-selection for the new single member seats began to dominate all other feelings. S.D. Alldis and M.A. Davidson left the 'majority Parliamentary Labor party',\(^1\) McTiernan decided to retire from politics,\(^2\) J.J. Cahill was called upon by his own branch to 'sign a loyalty pledge to Lang';\(^3\) T.D. Mutch was refused a hearing in his electorate.\(^4\) On 7 June the anti-Lang faction in Caucus stated itself to be unanimously in favour of the Federal Unity Conference.\(^5\)

The Unity Conference proved a triumph for Lang and the Executive elected by the Easter Conference. The resolution in favour of the revised rules was confirmed; the members of the Conroy-McGarry Executive were suspended for three years and T.D. Mutch, leader of the rebel parliamentary faction, informed Conference in an emotional outburst that he was 'too old to rat'.

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4. Ibid., p.328.
and would abide by its decisions. Conference announced that pre-selection ballots would be held the following month and the Labor Daily stated that Mutch had been given an assurance 'that the nominations of all sitting members would be endorsed with the exception of Goodin and Gillies.' However, of the twenty-seven rebels only thirteen were endorsed, two retired from politics, and seven of the remaining twelve stood as Independents.

The crises in Lang's first administration cannot be explained solely in terms of a split among parliamentary members in support of one or other side in the faction fights which were splitting the extra-parliamentary party; nor does Lang's suggestion that every hand was against him save the hand of the rank

1 Ibid., 23/7/27.
2 Ibid., 26/7/27.
3 Including Loughlin, and Connell, who was not present at the Caucus meeting at which 25 members repudiated the Easter Conference and voted in favour of re-affirming the Goodin-Gillies pact.
4 Cahill, Clark, Connell, Davidson, Dunn, Flannery, Hoad, Kelly, Lazzarini, McClelland, McGirr, Scully, and Tully.
5 McTiernan and Grieg.
6 Alldis, Cann, Evatt, Gillies, Minahin, Murphy and Mutch.
and file,¹ provide an adequate explanation. Many of the New South Wales Labor politicians had been involved in the party's faction fights for the past five years. However, of the fourteen members still in parliament in 1927, who had voted with Lang in 1923 to restore J. Dooley to the party leadership in opposition to the AWU-controlled Executive,² seven repudiated the decisions of the anti-AWU Easter Conference in 1927,³ whilst two members who had voted for McGirr, the leader appointed by the Executive in the 1923 dispute, remained staunch Lang supporters throughout his administration.⁴

Although Lang had only minority support within Cabinet and Caucus he was by no means deserted. Of the ten Ministers in the Lower House in 1926 five

¹ Lang (n.d.), p.322. 'My political rivals were after my scalp. They were certain they had the numbers. So they had in Caucus, also in Cabinet and they had the Federal Executive. In fact they overlooked one minor factor - the rank and file who made up the ALP branches. When the crisis finally came, they were with me.'

² Baddeley, Davidson, Davis, Fitzgerald, Flannery, Greig, Lazzarini, Loughlin, McKell, Murray, Mutch, O'Halloran and O'Hearn.

³ Davidson, Fitzgerald, Flannery, Greig, Lazzarini, Mutch and O'Halloran.

⁴ Horsington and Keegan.
voted for him in the leadership contest;¹ and if support may be gauged from a favourable vote on the leadership question, attendance at the Easter Conference, a vote against McTiernan's Caucus resolution in April 1927, and abstention from the Caucus meeting following the Cabinet reshuffle in May, twelve members supported him loyally throughout his period of office.² The complete support of two members is doubtful only because their vote during the leadership contest is not certain and one did not attend Conference;³ another supporter, although listed by the Labor Daily as being present at the May Caucus meeting is not so listed by Lang, who claims him at that juncture as one of his loyal minority.⁴ Two more members who had supported Lang for the leadership in 1926 were absent for the first six months of 1927.⁵

¹ For Lang: Baddeley, Cann, Lazzarini, McKell and McTiernan. Against Lang: Dunn, Fitzgerald, Flannery, Loughlin and Mutch.
² Booth, F. Burke, Davies, Ely, Gosling, Horsington, Keegan, Lysaght, Quirk, Ratcliffe, Stokes and Stuart-Robertson.
³ Tonge and Murray.
⁴ O'Hearn.
⁵ Baddeley and McKell.
The remaining twenty-nine members, using the same criteria of support for Lang, may be divided as follows: one resigned from the party in opposition to Lang,¹ and twelve members were as constant in their opposition as their twelve rivals were in their support.² Four more were constant in their opposition from October 1926, but did not have their names recorded in the September vote for the leadership;³ a further member in the same category was absent from the Caucus meeting which repudiated the Easter Conference.⁴ The remaining eleven members⁵ showed some inconsistency, though only two of them were regarded by Lang as supporters after the Cabinet reshuffle.⁶

Twice faced with a crisis in Caucus and later with a crisis in Cabinet Lang made skilful use of his

¹ Loughlin.
² Clark, Dooley, Dunn, Evatt, Flannery, Goodin, Hoad, Minahin, Murphy, Mutch, O'Halloran and Scully.
³ Fitzgerald, Gillies, Grieg and Holdsworth.
⁴ Connell.
⁵ Alldis, M. Burke, Cahill, Cann, Davidson, Kelly, Lazzarini, McClelland, McGirr, McTiernan and Tully.
⁶ M. Burke, McGirr.
two greatest assets, his personal ascendancy over his Cabinet and Caucus colleagues, and his popularity with the extra-parliamentary party. His attitude towards his parliamentary colleagues revealed personal domination at every turn. When the Labor Daily made general allegations of corruption against Caucus members he ignored the charges although he could easily have put an end to them; when Loughlin contested the leadership he was able, without defending himself against Loughlin's attack, to secure an equal number of votes and remain at the head of the party.

The narrowness of his victory made no difference to his behaviour towards the country section of the party or to his decision to ignore the usual democratic procedure of inviting Caucus review of all impending legislation. However, the three rebels from the country section of Caucus who crossed the floor of the House to allow the presentation by the Opposition of a no-confidence motion, lacked the support and strength of purpose to remain in the House and defeat the Government.

When two of the three members agreed to negotiate with Caucus Lang not only refused to be a party to the
efforts at conciliation, but fiercely attacked the rebels and took no part in the vote which restored his parliamentary majority. At a later Caucus meeting he again opposed their readmittance.

Cabinet received even less of his attention, and following the Easter Conference was no longer called to meetings with the Premier. When members finally rebelled, and demanded that he repudiate the Conference resolution instructing him to reconstruct his Ministry, Lang ignored the demand, and a month later used his power as First Minister to resign his commission and request a dissolution. Re-commissioned by the Governor he selected his own Cabinet from among his supporters. Even at this late stage he could have been overthrown by a simple majority vote in Caucus, but members were too nervous of the coming pre-selection ballots to do more than express their indignation at the by-passing of the rule of elective ministries, realising that Lang had the complete support of the re-unified extra-parliamentary party.

Lang's unique position as the trusted servant of the left wing unions in a State whose Labor Party traditionally mistrusted its politicians also owed much
to his strong personality. At first glance his lack of a trade union background might be expected to have made his position difficult, but in fact he proved to be exactly the kind of militant leader to suit the party's left wing unionists.

Like many other Labor politicians Lang was the kind of self-made man that the Labor movement understood and admired. His father had been a wealthy jeweller, but following the collapse of the family fortunes Lang, at the age of seven, had begun to earn his living selling newspapers. After a brief period working as a general farm-hand on his uncle's property in Victoria he had returned to New South Wales at the age of thirteen to work on a poultry farm.

This was followed by a period as a bus driver in Sydney during which time he attended night school. At seventeen he entered an accountancy firm, and at nineteen opened his own business as a real estate agent and auctioneer.¹

Prospering in business he had then turned his attention to local politics, holding an executive

¹ *Sydney Morning Herald*, 16/6/25; ABC television programme, 'The Big Fellow', 5/6/68.
position in the Auburn Progress Association. This had been followed by a nine year term on the Auburn Council as a Labor Alderman, and a two year period as Mayor. In keeping with the image of a man who had struggled to attain a position of prominence in society Lang's manner was aggressive and his language often blunt. However, his years of training in local and State politics had taught him to recognise the value of an occasional demonstration of tact. Often brusque in his dealings with Cabinet and Caucus members, and with a contemptuous attitude towards parliamentary traditions, he presented himself before delegates to the November Conference as a supplicant, 'not to tell you what I would like you to do but to learn from you what you would like the Government to do'.

For their part, left wing members of the extra-parliamentary party, and until the split a significant number of moderate and right wing members, gave the Premier their unqualified support. At the 1926 Easter Conference, the first attended by Lang as

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1 Labor Daily, 13/11/26.
State Premier, a unanimous vote of confidence was passed in his leadership; at the Special Conference called by the Executive in November 1926 a resolution was passed confirming him in the leadership of the party and promising support in advance for any action that he might deem 'necessary in the interests of the movement.'

Lang was defeated in the 1927 State election, but in 1930, with a Cabinet of his own choosing and the majority of 1927 rebels routed, he was to return to the Premiershipt complete master of the entire parliamentary party, to face a crisis in 1932 of an entirely different nature.

1 Ibid.
(d) W. McCormack.

Theodore and Lang had both faced crises in Caucus exacerbated by traditional differences of opinion within the industrial movement outside parliament: Queensland Premier William McCormack's Caucus crisis arose out of the more commonplace problem of how to act in the face of strikes which may threaten the prosperity of the State. The attitude of many extra-parliamentary members towards unions striking under a Labor Government has been summed up by the Worker, official organ of the AWU:

> The Trade Union Movement has learnt to honour an unwritten law that strikes mean suicide during the reign of Labor Governments, primarily because a Labor Government is placed in power to ensure a 'fair go' for the working-class movement in all claims for a fair share of the fruits of their own industry...¹

Thus if unionists choose to strike under a Labor Government the implication is either that the men have no justification for their action, or that the Government is not ensuring the 'fair go' for which it was elected.

A strike in any union, small or large, may eventually place a Labor First Minister in difficulties.

¹ Worker (Sydney), 29/6/49.
If the striking unionists are employed by the Government his difficulties as an employer are immediate, but even if they belong to a small union in an isolated area their grievances may become a major Government problem through sympathy strikes in other unions. Once the strike has reached the stage at which the convenience of the general public is threatened, the First Minister has to choose whether to employ immediate strike-breaking tactics or endure prolonged negotiations.

Between October 1925 and April 1929 McCormack helped to break a waterfront strike by his use of the police, a building strike by refusing sustenance to the strikers, and a rail strike by dismissing the entire railway service over a strike by a section of one railway union. He became Premier at a time when the party's reputation for handling industrial disputes had reached a low ebb in the opinion of the State's right wing unions. Immediately before his retirement the previous Premier, W.N. Gillies, had capitulated to a demand by railway unions for the restoration of the basic wage - a demand firmly rejected by Theodore

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To become a member of the Board of Trade and Arbitration.
at the 1923 State Labor Conference, and upheld by the party's executive in 1924.

When McCormack took over the position which had only eluded him by one vote nine months previously, he was immediately faced with a strike by the Seamen's Union. The dispute, which concerned a cut in the wages of British seamen, had spread to Brisbane from other Australian ports with the arrival of overseas vessels, and the retiring Premier had already publicised his sympathy for the British strikers.¹ McCormack was left to deal with the refusal of Queensland waterside workers to either unload or refuel ships that had been declared 'black'.

The difficulties of his position were aggravated by telegrams from the Nationalist Prime Minister, S.M. Bruce, urging him, in what, from one Government leader to another, could only be called condescending and dictatorial terms, '...to take all necessary action for protection asked for in connection with (the 'black') ships, and give an assurance that (the)

¹ Daily Standard, 15/10/25, at a meeting in Sydney presided over by M. Charlton, the Federal Labor leader.
vessels would not be subjected to any lawless interference.'\(^1\) The Premier gave the required assurance, concluding with the words, 'Queensland will maintain law and order in a constitutional manner, and without any outside interference or suggestion from the Commonwealth Government.'\(^2\) After two more telegrams from Bruce in the same vein\(^3\) McCormack made haste to do all in his power to terminate the strike and his obvious anger at the Federal Prime Minister's low opinion of Labor's capacity to govern Queensland may help to explain the severity of many of the Premier's future actions, by which he set out to prove that 'Labor can govern'.\(^4\)

Short of forcing waterside workers to load and unload the ships there was very little he could do. However, he offered the ships police protection and used police to aid ships in secret early morning

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1 Daily Standard, 23/10/25.
2 Ibid.
3 Daily Standard, 28/10/25; Courier 30/10/25. (The Brisbane Courier and the Daily Mail did not become the Courier-Mail until August 1933).
4 McCormack summarised the 1927 strike as a test of whether Labor could govern; Cf. Daily Standard, 31/8/27.
departures from their berths,¹ and to keep the peace whilst farmers helped to load vessels in Cairns and Bowen. The use of police to restrain and protect the British seamen was acceptable to the Disputes Committee, but their use in enabling ships to load and depart was regarded as an offer of direct assistance to the owners and strongly resented. In consequence G. Rymer, President of the Disputes Committee, who was also President of the Australian Railways' Union (ARU), directed ARU employees at Bowen to refuse to convey coal to the jetty at Bowen to be loaded on to the Port Hardy.²

The Premier, stating that as far as the Government was concerned the strike had resolved itself into the single issue of 'whether the Government is prepared to allow its railway employees to be subject to the dictates of the Overseas Transport Strike Committee',³ took the

1 The Pipriki, Somerset, Paparoa and Rimutaka were all able to leave Queensland ports with the help of police protection. When the Paparoa left Townsville it was claimed by Maroney, State Secretary of the ARU, that police had been deliberately used as decoys, Cf. Courier, 2/11/25.


Railways portfolio into his own hands and warned the ARU that he intended to see that the Government's authority was not undermined.¹ Those unionists refusing duty were suspended and the strike was expected to spread. However, on 5 November the Strike Committee advised the British Seamen to declare the strike off,² and the following day negotiations between the Premier and the ARU resulted in the termination of the Bowen rail strike, the suspended men being re-employed after giving assurances that in future they would obey all instructions issued by the Railway Commissioner.³

McCormack's dislike of Rymer and T. Maroney, the President and Secretary of the State branch of the ARU, became more obvious in 1926 when the State Labor Conference met at Southport. Together with two other ARU delegates, Rymer and Maroney had typed reservations across the anti-Communist pledge required

¹ Ibid., 4/11/25.
² Ibid., 6/11/25.
of all delegates. The credentials of all four were refused and when Conference debated a motion for a reappraisal of the situation McCormack accused the two ARU officials of having "supported every Communist who came before the Queensland Central Executive (QCE) for endorsement". "Behind their actions", he said, "was the desire for the disruption of the Labour party." The refusal to admit them was upheld, and before the next State Conference the union had allowed its affiliation with the Labor Party to lapse through non-payment of fees.

At the beginning of 1927 the Government was again involved in an industrial dispute, when building trades unions decided to bring about a 40 hour week by refusing to work on Saturdays. In common with other employers the Government made its position clear by dismissing those of its employees engaged on public

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1 The statement read, 'The QCE has no authority under the rules of the ALP (State of Qld.) to demand this pledge. It is therefore signed under protest of (sic) and on instructions of the State Council of the ARU.'

works who absented themselves from work on the first Saturday following the Dispute Committee's decision.¹

Such prompt action on the part of the Minister for Works² was not appreciated by the unionists, one of whom at least still believed that 'anything done by the Labor Movement should be supported by the Government'.³

Still less appreciated was the Premier's refusal to sanction the giving of rations to the striking men, who were, as he pointed out, engaged in an illegal strike.⁴ This refusal, whilst consistent with the Arbitration Act, provoked resentment among the strikers and a deputation from the Trades and Labor Council (TLC)

1 Daily Standard, 17/1/27.
2 M.J. Kirwan.
3 This statement was made by H.G. Carrigan of the Seamen's Union, one of the delegates from the TLC to the Premier during a lively interview on 16 February. The Premier's reply was 'Well! You must think we are very simple.' Cf. Daily Standard, 17/2/27.
4 Daily Standard, 8/2/27. McCormack refused to receive a deputation from the Women Workers' Organisation asking for rations for the strikers' dependants and accused the men of 'hiding behind the women's skirts'. On 16 February he refused a similar request by the (male) TLC deputation.
reminded him that even the reactionary Denham Government had refrained from such crude strike-breaking action during the great strike of 1912.  

Lack of co-operation from a union closely associated with the building trade groups, together with frequent attempts to end the strike from within the building trade unions resulted in a complete withdrawal of the strikers' claims, as humiliating for the unions concerned as Gillies's capitulation over the 1925 rail strike had been for members of the Government. Before the building dispute had ended McCormack had left for England, and when he returned on 23 August Queensland was again the scene of industrial trouble.

1 Daily Standard, 16/2/27.
2 The Plumbers' Union which refused to strike on the grounds that their employers might seize the opportunity to reduce their wages. Daily Standard, 21/1/27.
3 J. Reid, a rank and file member moved frequent resolutions to return to the Board of Trade and Arbitration, and was supported by other members. At his third attempt he claimed that 'he was only expressing the views of many others who either had not the courage or the ability to do so.' Cf. Daily Standard, 15/2/27, 18/2/27, 22/2/27.
4 Cf. letter to the Minister for Works quoted in the Daily Standard, 17/3/27.
5 24 February.
The dispute had begun on 25 May at the South Johnstone sugar mill in Northern Queensland which had been acquired from the Government by private enterprise on 1 May. The new management had repudiated a Government promise to re-employ all old hands who had given satisfactory service during the previous year,\(^1\) and all mill hands had gone on strike in protest against the dismissal of old employees, and the employment of new men from the south.\(^2\)

The union involved was the AWU, a union which only the previous year at its General Convention had renewed its pledge to stand by conciliation and arbitration; the union executive therefore took the case to the Board of Trade and Arbitration which found for the employers.\(^3\) Having lost an appeal against the decision\(^4\), the men held a secret ballot and voted to remain on strike.\(^5\) Local opinion became inflamed when a picket

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1 Cf. *Worker*, 29/6/27. (The *Worker* unless otherwise stated is the Brisbane edition.)
2 *Courier*, 25/5/27.
3 *Worker*, 15/6/27.
4 *Courier*, 13/6/27.
was shot dead by an intruder on 4 July,¹ and when on 20 July the Board offered terms of settlement which met all the men's claims with the exception of the dismissal of all voluntary labour at the mill,² the striking men, against the advice of their own union executive, refused to return to work.³ Following this decision the local TLC at Innisfail met on 24 July and declared the South Johnstone mill and South Johnstone farmers 'black'.⁴

This unlooked for support was the first action in the progress of the strike to interest the Government, since the TLC declaration involved the local railway workers. However, the AWU saved the Government from possible embarrassment by declining the TLC offer.⁵ This was done from a mixture of motives, the strongest of which was probably the fear, mentioned by W.J. Riordan, the AWU secretary, that settlement

¹ Ibid., 3/7/27, Worker, 13/7/27.
² Worker, 27/7/27.
³ Courier, 20/7/27.
⁴ Ibid., 25/7/27.
⁵ Worker, 3/8/27, Courier, 29/7/27.
terms would be adversely affected by the inclusion of a rail strike.\(^1\)

The AWU's chief difficulty lay in its desire to keep the railways out of the dispute whilst accepting all the help it could get from non-Government employees, such as the waterside workers. On 19 August the South Johnstone strikers again refused settlement terms,\(^2\) and the South Johnstone Disputes Committee declared all 'cane sugar, and other material intended for the mill, "black".\(^3\) Three days later, a railway clerk at Innisfail was suspended for refusing to deliver goods to the South Johnstone mill,\(^4\) and on the same day McCormack returned to Brisbane from his overseas trip.

The AWU still felt that the dispute could be solved

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1. The Local branch of the ARU at Innisfail claimed at a meeting on 26 July that the AWU was deliberately shielding the Government by excluding the ARU from the dispute, (Worker, 3/8/27), but Riordan maintained that if a rail strike had to be fought and settled first the South Johnstone strikers would suffer adversely in its settlement terms, (Courier, 20/8/27). This is in fact what happened; the South Johnstone men went back to work on 12 September on the same terms that they had refused on 20 July.

2. Worker, 24/8/27 - by 220 votes to 95.


4. Ibid., 23/8/27.
without involving the ARU, but since it had already involved unionists other than those belonging to the AWU, including engineers and electricians at South Johnstone, and waterside workers at Townsville, the ARU felt unfairly excluded from the fight, and by the following day 14 railwaymen had been suspended for refusing duty in the South Johnstone district.¹

There were three courses of action open to McCormack. He could order the closure of the South Johnstone mill until the strike was settled; he could, as the Innisfail TLC had suggested as far back as 21 June, take over the mill itself; or he could negotiate with the ARU and continue suspending railwaymen until either the strike was settled or the ARU had capitulated. It would seem from the fact that his first reaction was to confer with the President and Secretary of the ARU and the Railway Commissioner, that he intended to follow the latter course, and the interview itself, although only briefly reported, was stated to have been 'amicable'.² However, before further

¹ Daily Standard, 24/8/27.
² Ibid., 26/7/27.
conciliatory talks could be held McCormack held a Cabinet meeting.¹ No official statement was made concerning Cabinet deliberations, but three days later the Premier announced that the Government intended to dismiss all members of the ARU as from noon on Saturday, 3 September if the dispute had not been settled by that date.

When the ultimatum was proclaimed in the Daily Standard on 29 August and confirmed in all papers on 30 August in a statement over McCormack's signature, it came as one of the greatest shocks the Queensland Labor movement had ever sustained. Not only did it amaze the unions who were used to seeing dismissals confined to striking members, but it startled the party's rank and file Caucus members, one of whom immediately stated in parliament that as far as he knew private members had not been consulted at all.² Another Labor back-bencher publicly dissociated himself from the Cabinet action.³ The Daily Standard,

¹ Daily Standard, 26/7/27.
³ Ibid., H.L. Hartley, (LAB. Fitzroy).
and the *Worker* immediately expressed their alarm in editorial comments, and the AWU, Waterside Workers, Painters, and Seamen's unions, demonstrated their anger in resolutions congratulating the ARU and condemning the Government.²

Unfortunately for the Premier the immediate reaction, not only of the ARU, as was to be expected, but of the AWU, the newspapers,³ and even at a later date of members of parliament,⁴ was that he had been actuated solely by a determination to smash the ARU. The Editor of the *Worker* made it plain that whereas the AWU would have welcomed any other reason for a battle between the Government and the ARU 'on any of a dozen issues, none of which involve a basic principle, McCormack had committed an unpardonable blunder in

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1 Daily Standard, 30/8/27; Worker, 31/8/27. The Daily Standard was a Labor newspaper.
3 Courier, 30/8/27; Daily Standard, 30/8/27.
compelling the AWU to 'stand shoulder to shoulder with the ARU against (his) senseless high-handed attitude.'

Whether the Premier wished to scotch the rumour that he was simply pursuing a vendetta against the ARU, or whether he realised that the Railways Department could not run even a skeleton service with two-thirds of its employees dismissed, he followed his ultimatum with the complete closure of the railways on 3 September, giving all unionists the option of striking in sympathy with the ARU or signing a declaration of loyalty to the Commissioner, and becoming re-employed.

At this stage the only parliamentary members who had publicly dissented were C. Collins and

1 Worker, 31/8/27.
2 Courier, 2/9/27. (In many cases the term 'ultimatum' was used to refer both to the first announcement on 29 August that the entire ARU would be dismissed, and to the statement on 2 September that all railway workers whatever their union would have to re-apply for work).
3 Ibid. The Railway Commissioner's printed order urging men to sign on for work again, and circulated among all railway unionists, was regarded as an action both dishonourable and in extremely bad taste, particularly since the men's loyalty was at the same time being subjected to circulated solidarity appeals from Rymer, urging them not to sign the form.
H.L. Hartley, both representing electorates with large rail centres, and although a stormy Caucus meeting had been held on 31 August, no motion of censure had been passed, and a vote on the question had been deferred until 6 September. However, the Premier's further action had the two-fold effect of strengthening the bonds between the unionists and enraging many Labor back-benchers.

The Daily Standard, which on 30 August had expressed alarm at the issuing of the first ultimatum, expressed stronger sentiments on 5 September:

It is true that there has been no love lost between certain officials of the ARU and the Government for a long time past, but that does not justify thousands of railwaymen being thrown out of their jobs because they are not prepared to submit themselves as potential scabs. The folly of this ultimatum is shown by the fact that in its desire to score a point on 'officials of the ARU' the Government has antagonised decent unionists everywhere....Whatever they

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1 Bowen and Fitzroy.
2 In fact no resolution was put before the meeting at all. In the Premier's words the question was 'discussed from A to Z', but nothing was done about it. Cf. Daily Standard and Courier, 31/8/27. It is interesting to speculate whether the Labor rank and file would have made any further protest if the dismissals had been confined to the ARU.
may now claim about their adherence to the Labor cause, Premier McCormack and those who follow him in this course cannot any longer be considered as leaders of the Labor Movement in Queensland.

On 6 September McCormack deferred the Caucus meeting arranged for that day until 9 September and invited criticism from the floor of the House instead, stating at the opening of the day's session that 'it might be better if the opinion of this House on the question were taken today.'\(^1\) Although such an open invitation probably deterred some members from speaking and softened the tone of others, no fewer than 13 Labor back-benchers rose and condemned the Cabinet,\(^2\) three of them\(^3\) making pointed reference to the fact that the Government's decision had been made solely by the ten men on the front bench. The Premier couched his defence in terms of the Government's responsibility to the community. He said:

\(^1\) QPD, Vol. CXLIX, 42, 6/9/27.

\(^2\) QPD, Vol. CXLIX, 42-100, 6/9/27; H.A. Bruce, M.A. Ferricks, H.L. Hartley, D. Riordan, C.Collins, D. Weir, E.M. Hanlon, M.P. Hynes, W. Cooper, J. Dash, A.H. Wright, G.P. Farrell, and J.A. O'Keefe; Bruce, Riordan, Collins, Hynes, Cooper and Dash were all AWU members and Weir a member of the ARU; Hanlon was also an ex-railwayman.

\(^3\) H.A. Bruce, D. Riordan and C. Collins.
That responsibility carries certain obligations. In these disputes it sometimes happens that a union principle is put forward that conflicts with (a Labor member's) duty as a member of the party and of Parliament. He is faced with two loyalties...(However) if it is once admitted that members of Parliament owe a first allegiance to any irresponsible group and not to their constituents, the end of our Government is in sight....If any member here believes that a principle of unionism is at stake, and that because he is a member of a union, he is compelled to give allegiance to some outside body and not to this Parliament, then he ought not to be in this Parliament.... In future Labour people will recognise that they cannot have a Labour Government and expect it to bow to the will of any section of the community...

It was a fighting speech,\(^1\) containing no shadow of conciliation, and only two back-benchers\(^2\) braved the floor in support of their leader. However as spokesman for the Cabinet the deputy leader stated that he knew of no occasion on which the Cabinet had been 'so definite and so unanimous as on this occasion.'\(^3\)

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1 QPD, Vol. CXLIX, 45-50, 6/9/27. The London Times on 8 September congratulated McCormack on 'preaching the doctrine on which Mr Baldwin met and defeated the general strike here'.

2 C.J. Ryan and G. Pollock (Pollock was an ex-AWU official and a member of the QCE and had been State ALP President from 1923-6).

3 QPD, Vol. CXLIX, 63, 6/9/27, W. Forgan Smith; (no other Cabinet member spoke).
The Premier, who had obviously expected and prepared for a back-bench revolt now clung to the hope of a swift settlement of the South Johnstone dispute to pave the way for a railway settlement, although the South Johnstone strikers had refused the settlement terms for a third time on 3 September. At the same time unionists pinned their hopes on a meeting of the QCE; under the Queensland ALP constitution unionists dominated the QCE, and a combined vote of censure by unionists and disgruntled politicians might well cause McCormack's resignation if not expulsion. However, the Premier no doubt remembered, even if the strikers did not, that the question of calling a full QCE meeting rested with an inner Executive of nine members, two of whom were Ministers. Of the remaining seven, three were members of the AWU which, whilst

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1 Constitution and rules ALP (Queensland Branch), 1927, section 21. The State Conference elected 11 delegates to the Central Executive, the remainder being elected directly from the affiliated unions. If as Conference and union delegates the Ms.L.A. outnumbered union delegates the last parliamentarian elected had to stand down in favour of a unionist.

2 W. Forgan Smith (Deputy Premier) and D. Gledson.

3 W.H. Demaine (State ALP President), W. Riordan and J. Lamont.
involved in the dispute and genuinely annoyed with the Government for placing it in an embarrassing position, was too closely identified with the parliamentary party and too jealous of the ARU to want to further the split, and one was a rebel back-bench member who was also an ex-AWU official. The inner Executive met on 8 September and voted against calling a meeting of the full Executive.

Following the inner Executive decision the result of a Caucus meeting held on 9 September caused no surprise. No newspaper was able to give a full report of the meeting, although the Daily Standard claimed that many members had reiterated their annoyance at being shut out of the Cabinet's confidence, and had shown their disgust at the Government's handling of the situation. However,

1 M.P. Hynes. The remaining members were L.C. M'Donald and J.S. Collings who were ALP organisers, and R.J. Carroll one of the TLC delegation which had called on McCormack during the building strike.

2 Daily Standard, 8/9/27. The QCE full Executive had already met on 31 August and adjourned sine die without passing any comment on the situation, hoping that the South Johnstone dispute would be settled on 3 September; Cf. Daily Standard, 1/9/27.

3 Ibid., 10/9/27.
of the 14 members who by this time had publicly criticised the Premier and Cabinet only four, Hartley, Collins, Riordan and Weir, voted in favour of a censure motion.

The Caucus defeat of the censure motion by 38 votes to 4 was a triumph for the Premier and this final capitulation on the political front helped to eat into the solidarity of the strikers which was already being attacked from within. When the Australian Federated Union of Locomotive Enginemen (AFULE) decided to get the railways together on a Disputes

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1 S.J. Brassington, newly elected member for Balonne and an ex-AWU official, informed the Daily Standard that he supported the unions but had been unable to gain a hearing during the 6 September debate, (Daily Standard, 10/9/27), but this was after the Caucus meeting.

2 Daily Standard, 10/9/27.

3 Although not quite such a triumph as the Courier tried to make out, (10/9/27), McCormack could not really claim that 'his action had been vindicated', but he had certainly impressed rebel back-benchers with the seriousness of the step they had been contemplating and convinced them that their championing of the unions should not go further than expressions of opinion.
Committee its President's motive, in Rymer's estimation, was not to prolong the strike by more efficient organisation, but to confer with the Government and return to work as soon as possible.\footnote{Daily Standard, 12/9/27. The ARU's chief difficulty in organising effective action had always been the multiplicity of unions within the railway service. In 1927 there were seven unions engaged in running Queensland's railways besides the ARU - the AFULE, the railways section of the AWU, the Railway Traffic Employees' Union, the Railway Station-Masters' Association, the Assistant Station Masters and Night Officers' Association, the Federated Engine Drivers and Fireman's Association and the Railway Maintenance Employees' Union. None of the seven was as militant as the ARU. The AFULE in particular resented being pressured into joining the rail strike, and its President, Kissick, pointed out that the ARU had already handled 'black' goods on previous occasions, (Daily Standard, 1/9/27). Rymer replied, resenting the inference that the ARU had deliberately precipitated the rail strike to embarrass the Government, and the correspondence was maintained fitfully during the remainder of the strike, erupting into great bitterness after the final settlement.}

On 9 September the Board of Trade and Arbitration paved the way for a settlement of the South Johnstone dispute by giving the strikers 24 hours to accept its final settlement terms. The AWU Executive accepted the terms on behalf of the strikers, realising...
that any further delay could only be to the strikers' disadvantage, but made its acceptance conditional on the satisfactory termination of the rail strike.\textsuperscript{1} The Premier during a day long conference on 10 September demanded the signing of assurances similar to those signed after the Bowen rail strike in 1925; Rymer refused the terms, realising that they would be regarded as an official acceptance of defeat, but following a threat by the AFULE to send its men back whether the ARU capitulated or not, the ARU President decided to accept the terms.\textsuperscript{2}

The strike was over, but the Premier had so far won a hollow victory and still had to face the quarterly meeting of the full QCE. The AWU might dominate the inner Executive with the help of its political members, but it did not quite dominate the entire Executive.\textsuperscript{3} McCormack attended the full

\textsuperscript{1} \textit{Daily Standard}, 10/9/27.
\textsuperscript{2} Ibid.
\textsuperscript{3} The 1927 Central Executive comprised eight politicians, McCormack, Gledson, Forgan Smith, Pollock, Mullan and Wilson, all elected by the 1926 State Conference, and D. Riordan and E.G. Theodore representing the State and Federal Governments. Of the 25 other delegates five represented the AWU and the remaining 20 represented other unions.
Executive meeting on 23 September and having threatened 'to go to the country immediately' if a censure motion was carried, he left after nearly eight hours with what the Daily Standard described as a 'mild rap over the knuckles.'

An amendment to a censure motion seeking to apply the motion's criticism more explicitly to the Premier and Cabinet, and demanding conferences before the Government decided to take action in all future disputes involving Government employees, was defeated by 20 votes to 11. A diluted amendment blaming the dispute upon a 'misunderstanding caused through lack of co-ordination between the industrial and political wings of the movement' was carried by 18 votes to 13; and a final amendment advising the Government to refer all disputes among Government employees to the Board of Trade and Arbitration, was carried by 27 votes to 3.

1 Worker, 28/9/27.
2 Daily Standard, 24/9/27.
3 Worker, 28/9/27; Daily Standard, 24/9/27.
However, as the Daily Standard pointed out immediately after the QCE debate, the decision meant little more than 'the reckoning postponed'. The militant trade unions decided, at a meeting held the evening after the settlement, to hold a Congress to review the Government's behaviour. The Congress, meeting early in October, carried many and bitter resolutions against the Premier and Cabinet, and decided that the reckoning must come at a special State ALP Conference, as soon as one could be called. The Congress concluded its three day session with a pledge to work through constitutional avenues for the destruction of McCormack and his supporters, having defeated a motion calling on the unions to construct a new ALP machine.

The State Conference was McCormack's final victory before his election defeat in May 1929. Meeting on 14 May 1928, the delegates were immediately

1 Daily Standard, 26/9/27.
2 Daily Standard, 8/10/27, 10/10/27. Thirty-six unions sent delegates, but only 21 were affiliated with the ALP.
3 Ibid., 14/9/27.
faced with a censure motion criticising the QCE for failing to censure the Premier and force him to go before the country. When the motion was defeated, a second resolution was moved directly censuring the Premier and further stating that 'such members... who supported the Cabinet in its anti-working class action are no longer fit to represent the workers of Queensland.' An amendment was moved by a delegate from the Electrical Trades Union, S. Bryan, deleting all words following 'such members...', but retaining the censure of the Premier and Cabinet.

A second amendment moved by C. Fallon, President of the AWU, advising the establishment of a Co-ordinating Council 'to prevent the unnecessary inclusion of public utilities in strikes', followed two long speeches by the Premier and deputy Premier, bewailing the follies

1 Queensland State ALP Conference Report, May 1928, p.36
2 Ibid., p.37.
3 Ibid.
4 Ibid., p.38.
of the ARU, (which was not present to state its case),\(^1\) and congratulating the AWU for the staunch support it had always shown the Government.\(^2\)

All that Bryan was able to say in his summing up was that 'Mr McCormack and Mr Smith assisted by a lot of saints in the (Labor) movement had clearly twisted the issue,' and that if both the motion and his amendment were defeated 'the Government (would) be entitled in any act it might take in an industrial dispute in the future to say that whatever it did was in the best interests of unionism.'\(^3\) It was fortunate for McCormack that of the twenty-one ALP-affiliated unions which had attended the Trade Union Congress only eleven also attended the ALP State Conference, since of the eleven only one recorded a vote against Bryan's amendment,\(^4\) which was defeated by 50 votes to

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1 Having allowed its affiliation dues to lapse.
4 E. Eastaughffe of the Printer's Union. He and Bryan were the only delegates to have represented their union at both the Union Congress and the ALP Conference.
Fallon's amendment was carried by 64 votes to 5, showing the relief felt by many of the members to be dealing with an amendment almost devoid of political overtones.

McCormack fitted well into Queensland's traditional pattern of authoritarian Labor Premiers - strong-minded politicians who were well equipped to manage a State notorious for the rough and tumble of its Labor Politics. Like Theodore he was a tall burly ex-miner with first-hand experience of trade union politics. He had helped Theodore to organise the Northern branch of the Amalgamated Miners' Association and had later become General Secretary of the AWU prior to his entry into Parliament in 1912 at the age of 33.

When Gillies had retired as Premier the AWU in its official journal, the Worker, had welcomed the advent of 'a stronger and younger man', stating that Gillies's temperament had not been suited to the arduous duties of the Premierships. The Worker predicted that

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2 Ibid., p. 48.
3 Worker, 29/10/27.
McCormack's 'grit and determination, his unfailing good sense and his very wide knowledge of the State and the industrial Movement...will enable him to win through with credit to himself and the Movement he serves.'¹ A year and a half later the same journal re-interpreted McCormack's 'grit and determination' as 'a gross abuse of authority', which had made him 'the most unpopular Labour leader this country has ever known.'² In the eyes of the Labor Movement the change was related not to the peculiar difficulties facing a Labor Party supporter who is also an employer but to the warping effect on the Premier's personality of authority and personal prejudice.

His action in policing the wharves during the waterside workers' strike compared unfavourably, from a union point of view with Lang's refusal on behalf of the New South Wales Labor Government to aid the Nationalist Prime Minister in 'breaking strikes which (he) believed to be justified.'³ In refusing sustenance

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¹ Ibid.
² Ibid., 22/5/29. Quoted in Higgins, p 127.
³ Lang (n.d.), p.245.
to the striking builders he had again taken up an uncompromising attitude, both in the action itself and in the manner in which he had met the deputations. Finally, in his actions with regard to the South Johnstone dispute, he demonstrated a degree of tactlessness and personal prejudice against the ARU which caused even his most loyal supporters to admit that he had forfeited the confidence of the party.

The dismissal of all ARU Workers followed by the complete closure of the railways as an alternative to continued negotiations, and the manner in which he evaded parliamentary reprimand by delaying Caucus meetings, aroused sympathy for the strikers out of all proportion to the sympathy aroused by the original strike. Even the AWU, which had supported him at the party's Inner Executive meeting made it clear in its journal that it did not have 'a word of justification or excuse to offer for the Government's ultimatum.'1

By basing the defence of his actions upon the argument that Labor politicians were under a greater

1 Worker, 14/9/27.
obligation to the community as a whole than to any section of it which happened to be affiliated with the party, McCormack displayed a lack of tact surprising in a leader who had been closely associated with union politics and it was translated, at least by the Labor Daily Standard, as an attempt to shake off the vigilance of the extra-parliamentary organisation, which had put the parliamentary party into office. Immediately after the full QCE meeting had failed to censure McCormack, the Editor wrote:

The whole of the Labour Movement may know for its future guidance that according to the stand taken by the Premier and his supporters, once Labour secures political power its parliamentary representatives are supreme. That is to say organised Labour may select candidates and put them into Parliament, but beyond that it must not be permitted to exercise any authority whatever over the conduct of its Parliamentary representatives as such...

McCormack's authoritarian tactics caused at least one union to decide that his failure to conform to its version of Labor leadership should be punished by the withdrawal of electoral support. Writing in the December 1928 issue of the Advocate, the official journal of the ARU, Maroney, the union secretary, listed

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1 Daily Standard, 26/9/27.
'seventeen reasons why railwaymen and other workers should vote against McCormack', including the Premier's support for Theodore's application for basic wage reductions in 1922, the exclusion of ARU delegates from the 1926 State ALP Conference, and his handling of the 1927 rail dispute.¹

¹ Advocate, 20/12/28; quoted in Higgins, p.120.
First Ministers during the Depression

Introduction

Between 1929 and 1932 the Labor party held office in the Federal parliament and in the States of New South Wales, Victoria, and South Australia, and all four Labor First Ministers were faced with crises arising from the depression. Whilst each faced a crisis within his own Government certain events - the Niemeyer Mission, Premiers' Conferences and Loan Council meetings, Federal Conferences of the ALP, a conference of State Labor leaders, and the reports of economic experts - provide a common background against which their individual leadership problems may be studied.

The Niemeyer-Gregory Mission, invited to Australia by Federal Prime Minister J.H. Scullin to report to the Bank of England on the state of the Australian economy, was to cause widespread resentment within the Labor movement. If the mission had conducted its investigations and then made its report in London it might have passed with little comment, but Sir Otto Niemeyer made his report of depressed conditions, mounting unemployment.

A similar mission enquiring into the tariff and loan situation had come and gone in 1928 without rousing a great deal of interest.
and Britain's shaken confidence in Australia, to a Conference of Premiers called together by Scullin in August 1930, at Melbourne.

Sir Otto's statement that: 'the standard of living in Australia has reached a point which it is economically beyond the capacity of the country to bear without a considerable reduction of costs'\(^1\) sounded an ominous note that was immediately seized upon by newspapers throughout the country. Reduction of costs, particularly to sensitive Labor ears, could mean only one thing, reduction of labour costs. On the same day the four Nationalist and three Labor First Ministers reached agreement on a five point plan whose main proposal stated a 'fixed determination' to balance all budgets.\(^2\)

As a result of Loan Council\(^3\) meetings held concurrently with the Premiers' Conference the Premiers also agreed to raise no further overseas loans until

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\(^1\) Shann and Copland, (a), p.27.


\(^3\) The Loan Council was first established in 1924; per capita payments to the States were cancelled in 1927, and the Financial Agreement, (given constitutional force as a result of the 1928 referendum), gave the Commonwealth the responsibility for all loan raising in return for the cancellation of existing State debts.
maturing short term loans had been dealt with, and to finance by internal loans only those works which would show some return within a reasonable period of time.¹

The first reaction to the Premiers' Melbourne agreement came from the Sydney Trades and Labor Council, in the form of an alternative plan for dealing with the depression which included the repudiation of all war debts and a five year moratorium on overseas interest.² The following night the Executive of the State Labor party, alarmed at Trades Hall extremism, but equally opposed to the Melbourne Agreement, denounced the doctrine of repudiation, but felt it 'necessary to call upon the Federal Labor party to affirm that it does not accept as binding any decision of the recent conference...'³ It also called upon the Federal Government to secure a readjustment of Australian war debts.

The moderate tone of the resolution compared favourably with the extremism of the Trades and Labor Council, and it was a reaction endorsed by the AWU which

¹ Shann and Copland (a), p.29.
² Labor Daily, 22/8/30.
³ Ibid.
had just rejoined the Labor party in New South Wales and
had taken its place on the Executive that evening.\footnote{1}
Other States were swift to follow and within the next
four weeks State Labor conferences in Victoria and
South Australia and a special congress of the
Australasian\footnote{2} Council of Trade Unions (ACTU) were to
repudiate the deflationary recommendations of the
Melbourne Agreement.

When the Federal Executive of the Labor party met
on October 13 it showed clearly its incapacity to deal
with the situation. Clinging to the hope that the
economic position could be 'adjusted by Labor
statesmanship' it declared itself 'emphatically opposed
to the implications of the Niemeyer report', and stated
that 'the action of any Government in lowering the
standards of the workers cannot be too strongly
condemned.'\footnote{3} But it could not see any way out of the
situation beyond legislation suggested by the Federal
Treasurer, E.G. Theodore - increased credit facilities,

\footnote{1}{\textit{Labor Daily}, 22/8/30.}
\footnote{2}{The 'Australasian Council of Trade Unions' became the
 'Australian Council of Trade Unions' in 1947.}
\footnote{3}{Cf. Executive Reports, 1930-33, attached to the ALP
 Federal Conference Report, 1933, p.32.}
reductions in interest and negotiations to secure a readjustment of war debts.

A month later the Commonwealth and Trading Banks were still trying to impress upon the Federal Government the necessity for treating the depression as a national problem demanding immediate action on a national front. The Federal Government had not set an example in cutting back expenditure and New South Wales, with Labor Premier J.T. Lang recently returned to power, was demanding assistance from the banks on a national scale because the two Sydney banks with which its own Government dealt were unable to meet its excessive demands. On 15 January, 1931 the Loan Council advised the Federal Prime Minister to call a further Premiers' Conference to work out a three year plan 'aiming at the adjustment within that period of public finance and general monetary conditions'. In the meantime it appointed a committee comprising five State Under-

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2 October 25.
4 Parliamentary Papers, p.175. Cf. also Labor Daily, 15/1/31, for official statement.
Treasurers and the Assistant Secretary to the Commonwealth Treasury, to investigate the position and provide a report for the consideration of the Conference. On 19 January a further report by a group of professional economists was released advising a ten per cent reduction in wages and social service benefits, and on 22 January the Federal Arbitration Court announced a ten per cent reduction in all railway wages to be operative from 1 February.

On 6 February fourteen Ministers representing the seven Governments assembled in Canberra in an atmosphere of gloom and despondency. Delegates had been supplied with two reports. The first made no recommendations but simply covered the factual evidence gathered by the Loan Council committee. The second, signed only by four Under-Treasurers, carried comprehensive recommendations for reductions in expenditure, including

1 Ibid. The Committee was authorised to co-opt the services of professional advisers and Professors Hytten, Brigden and Shann gave their assistance in the preparation of the second report.
2 Shann and Copland (a), p.74.
3 Commonwealth Year Book, No.25, 1932, Appendix, p.841.
a £40,000,000 reduction in salaries, invalid, old age and war pensions, maternity allowances and State expenditure on education, public health, and charitable institutions.\(^1\)

Having achieved nothing at the first day's meeting the Federal Treasurer\(^2\) laid before the next meeting tentative proposals to restore price levels to those operating in 1929, reduce interest rates and make additional money available through reserve bank credit.\(^3\) Delegates decided to reserve a decision on the proposals until the Treasurer had conferred with the banks, and during his absence the New South Wales Premier laid before the Conference his own Government's proposals - to suspend payment to British bondholders until Australia had secured more favourable treatment of her war debts; to reduce internal interest on Government loans to three per cent; and to abandon the gold standard in favour of a currency to be termed 'the goods standard'.\(^4\)

\(^1\) Cf. Parliamentary Papers, pp.159-75 appendix to Conference Report. The second report was signed by the Under-Treasurers of Victoria, Queensland, Western Australia and Tasmania.

\(^2\) Theodore had returned to Cabinet in January.

\(^3\) Parliamentary Papers, p.111.

\(^4\) Ibid., p.121.
Lang's proposals did not immediately cause the horror that was soon to be associated with them, but Lang received no support for his first suggestion or for the implication in his second suggestion that interest on existing loans should be reduced with or without the consent of the bondholders. Scullin pleaded for Theodore's proposals to be given a fair trial, and the conference carried a resolution\(^1\) authorising the Treasurer to discuss his proposals with the Commonwealth Bank, and pledging each Government to balance its budget within three years.\(^2\)

On 13 February the Premiers' Conference resumed to hear a strongly worded letter from Sir Robert Gibson in which Theodore was informed that the banks would only offer their active co-operation subject to adequate and equitable reductions in all wages, salaries and allowances, pensions, social benefits of all kinds, interest and other factors which affect the cost of living.\(^3\)

\(^1\) With Sir James Mitchell, Nationalist Premier of Western Australia abstaining.
\(^2\) Parliamentary Papers, p.138.
\(^3\) Shann and Copland (a), p.182.
The report was a bitter disappointment and Scullin wisely decided that it should be discussed *in camera*. Following the discussions the Conference released proposals for a three year plan to be pursued in co-operation with the banks which included reductions in salaries, wages and allowances.¹

Two days later Scullin and Theodore addressed a Special Conference, attended by all Labor leaders and deputy leaders, on the plans that the Federal Treasurer had laid before the Premiers; Lang reiterated his own plan and nothing was said of the three year plan adopted by State and Federal First Ministers in Canberra. The Labor leaders adopted a resolution approving continued negotiations between the Federal Treasurer and the banks and instructing Theodore to take matters into his own hands if the banks should fail to agree to the party's platform on banking and currency.²

Ten days later Theodore was forced to lay before a re-convened Premiers' Conference a statement from the

¹ Parliamentary Papers, p.156.
trading banks refusing to co-operate in his plans which they claimed were 'not on sound banking or economic lines' and advising the Governments 'to follow the suggestions made by the committee of experts'.

Delegates covered their confusion and disappointment by declaring in favour of a resolution instructing Theodore to introduce legislation for a fiduciary note issue to provide the necessary funds to meet general unemployment and special cases of distress among wheat growers. However, as far as the Victorian and South Australian Premiers were concerned Theodore had already lost the battle of the plans, and they were fully prepared to fight for a further reduction of expenditure within their own States with or without a fiduciary note issue.

The third Labor State Premier, Lang, had refused to attend the conference and on March 17 he began the implementation of his own plan by introducing a bill to

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1 Shann and Copland (a), p.73.
3 Victoria and South Australia approved Theodore's plan only so long as the money was not used to meet Government deficits, and so long as the control of the fiduciary notes should be in the hands of the Commonwealth Bank Board. Cf. Parliamentary Papers, p.157.
reduce interest rates payable in New South Wales.

Four days later the Westminster Bank in London contacted the Australian High Commissioner asking for reassurance that New South Wales would meet its obligations with regard to interest payments due on 1 April. Lang refused to give such assurance and on 27 March Scullin announced that, acting on legal advice, the Commonwealth Government would pay the money due.¹

On the same day the Labor party held a Special Federal Conference to discuss economic policy and the position of its New South Wales branch. New South Wales sent no representatives and before the first day's sitting had ended the New South Wales Executive had been formally expelled from the party by 25 votes to 4.²

The following day Theodore addressed the Conference concerning the Federal Government's proposed legislation. Delegates also heard the report of an unemployment sub-committee stressing the fact that

¹ Sydney Morning Herald, 28/3/31.
immediate relief was 'entirely dependant on credits being secured to furnish the necessary funds for either work or sustenance (through) the enactment of the Fiduciary Currency Bill', and urging the Senate, (where the Government was in a minority), to pass the Bill 'in the interests particularly of the unemployed and farmers.'

On 17 April the Fiduciary Notes Bill was defeated on its second reading in the Senate. Eight days later the Loan Council passed a resolution appointing a sub-committee to make a report to a full meeting of the Council not later than the third week in May. The committee was further requested 'to co-opt the services of economists and such other advisers as it (might) deem fit.' The conclusions submitted to the sub-committee by five Under-Treasurers, and Professors Copland, Giblin, Melville and Shann followed closely the advice that they had given over the previous year. Australia would not be able 'to borrow to tide herself over the crisis' until she had 'made honest and

1 Ibid., p.12.
3 Shann and Copland (b), p.57.
determined efforts to meet the interest on existing 
liabilities', and the only way to meet such obligations 
was to reduce expenditure and improve public 
confidence.¹ In a letter to Theodore on 23 May the 
sub-committee's main recommendation was a '20 per 
cent reduction in all adjustable expenditure compared 
with the year 1929-30.² 

Scullin was left with no alternatives. Theodore's 
financial policies had been defeated, the Commonwealth 
Bank Bill, intended to grant the Government control 
over the nation's gold reserves, had been finally 
negatived on 13 May,³ and the Premiers were due to 
meet long before the Fiduciary Notes Bill could be 
resubmitted. On 26 May he met the State Premiers in 
Melbourne. The Conference lasted until 10 June and 
resulted in the adoption of the 20 per cent reduction 
in expenditure recommended by the sub-committee 
'including all emoluments wages, salaries and pensions' 

¹ Ibid., pp.76-100. 
² Ibid., pp.72-4. 
³ After Sir Robert Gibson had been called to the Bar 
of the Senate to defend the Bank's attitude. Cf. CPD, 
paid by the Government whether fixed by statute or otherwise.\footnote{1}{Parliamentary Papers, p.351.}

The new agreement which came to be known as the Premiers' Plan received a passive reception from a thoroughly disillusioned Federal Caucus, and the Federal Executive, meeting on 18-19 June, clothed its virtual acceptance of the plan with a strong denunciation of the section committing the Governments to salary and social service reductions. Two amendments, both demanding complete rejection of the plan and one demanding that Labor policy be pressed in Federal Parliament to a double dissolution, were defeated.\footnote{2}{Cf. Victorian Labor Party Central Executive Report, 1931-32, p.2 for report of Federal Conference.}

On 29 August the Federal Executive summoned another Special Federal ALP Conference. By this time even Lang, who had been driven by an empty Treasury to rejoin the Loan Council, had agreed to the main feature of the plan, with the proviso that salaries would not
be reduced until after the conversion loan had been
effected. There was little the Conference could do
other than admit that the plan ran 'counter to Labor's
platform and (could not) be accepted as any part of
Labor's policy', and instruct Federal and State
parliamentarians that there must be 'no further
reductions in wages, pensions and social services.'

The Labor party was in a particularly difficult
position during the depression crisis. It was
plentifully endowed with concrete political objectives -
the nationalisation of banking and monopolies,
increases in all pensions, the provision of rural
credit facilities, the reduction of hours and
improvement of working conditions - all aims which
were endangered by the plans put forward by economic
experts whose political sympathies were regarded as
anti-Labor.

1 Walker, p.145; Lang had attempted to withdraw from
the first Loan Council meeting he attended in 1930.
His resolution withdrawing the State of New South
Wales from the Council had been defeated by 6 votes
to 1 but he had not attended a Loan Council meeting
since.

2 Cf. report of Federal Conference included in the
Victorian Labor Party Central Executive Report,
1931-32, p.2.
Such a situation called for a strong central organisation to provide counter-measures and insist upon their implementation where Labor Governments were in office. Theoretically the party had such an organisation in the Federal Conference and Executive; the Federal Conference enabled delegates from all States to discuss and vote upon a plan of campaign and the Federal Executive had the formal power to impose its decisions upon the State branches on 'any matter which in the opinion of the majority of the Full Executive affects the general welfare of the Labour Movement.' As far as the Federal parliamentary party was concerned Federal Conference decisions, (and between Conferences the rulings of the Executive), were binding upon all members.

However, the crisis found both Conference and Executive unwilling to take a determined stand as a national body advising and controlling a national net-work of branches. Lacking both the talent to


hammer out a plan that would take account of possible set-backs from hostile bankers and anti-Labor majorities in Federal and State Upper Houses, and the power to discipline political members at the grass roots level of endorsement without wholesale branch expulsion, the Federal Conference and Executive offered no real alternative to the concise proposals put forward by the committees of economic experts.

Instead of playing an active attacking role the Federal organisation played a defensive one; it waited for the Federal parliamentary party to evolve a plan and then expended its energies in defending its Federal political representatives from attack by the State parties. The New South Wales branch was expelled because it endorsed a candidate for a Federal by-election who refused to accept Theodore's proposals; appeals to the Federal Executive by South Australian Senators who had been expelled by their State Executive were allowed, but the Executive refused to hear the appeals of the 22 members of the South Australian State Labor Party.

Such an attitude invites the conclusion that the Federal extra-parliamentary party, despite the fact that it was made up of delegates from the States, was interested only in Federal politicians, and in them
not as men owing an allegiance to their local constituents and under constant pressure from the State Executives which controlled their endorsement, but as a special unit which had to be protected from outside assault. State Executives were equally self-centred, the New South Wales Executive supporting Lang and ignoring Federal Executive instructions, and the South Australian and Victorian Executives refusing to be guided by the Federal organisation's reluctant acceptance of the Premiers' plan.

Labor First Ministers found themselves out of their depth in the confusion of party and Premiers' Conferences; State Premiers in particular were called upon to move out of their usual context of decision-making on a parochial scale and into a pattern of national decision making usually reserved for times of war. At the same time there was no declaration of national emergency, no seizure of emergency power and no over-all education of the public on the merits or demerits of the various plans. Lang neatly summarised the situation in 1931 when he protested that lack of
public confidence was due less to the fears of deflation or inflation than to fears that the Governments 'had no real plans at all'.

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1 Parliamentary Papers, p.119.
(ii) **J.H. Scullin**

When Scullin was defeated on the floor of the Federal Lower House in November 1931 by politicians who had been members of his own party, and lost the subsequent election, he was not deprived of his position as party leader, and although he resigned the leadership in October 1935 he continued to be regarded as an elder statesman of the party. At the same time it would be difficult to regard his methods of party leadership as successful.

Faced with national economic disaster the party as much as the country at large needed confident and dynamic leadership: Scullin's failure to choose a definite policy and adhere to it against opposition affected the rest of his colleagues, and the parliamentary party spent most of its two years in office disputing the methods to be used to extricate the country from the depression.

The Prime Minister's inability to play the authoritarian role that the situation demanded was made the more conspicuous by the ruthless energy of the New South Wales Premier. Of the six States, New South Wales provided the largest number of Federal Labor members and the establishment of cordial relations
with that State formed an important aspect of Federal Government diplomacy.

Lang's refusal to co-operate in any plan which involved the reduction of wages and social service benefits, and his energetic advocacy of alternative measures, provided some New South Wales Federal members with grounds for unfavourable comparison. By contrast Theodore, the only Federal member from that State able to offer an alternative policy and defend it with equal vigour, was forced to resign from Cabinet at a time when his presence might have helped to maintain a united Caucus during the Prime Minister's own absence overseas.

In July 1930 Federal Caucus received a double blow with Theodore's resignation and the relegation of the Reserve Bank Bill to a Senate committee. Soon after the Nationalist Party had been returned to office in Queensland in May 1929, the Premier had started investigations to prove allegations of corruption that he had previously made against Theodore. A Royal Commission, appointed by the Queensland Government, spent the first six months of 1930 inquiring into Theodore's part in a Government purchase of copper mining leases at Mungana in 1920, (while he was Premier
of Queensland), and on 5 July it tabled a report in which Theodore was found guilty of 'fraud and dishonesty'.\(^1\) On 7 July Theodore's resignation was announced to Cabinet and on 8 July to Federal Parliament.

Theodore, deputy-leader of the Federal Labor Party, had been the 'strong man' in Scullin's Cabinet. Ex-miner, ex-AWU official and ex-Premier he had already shouldered the responsibilities of Government, and had fought several battles with aggressive Trades Hall opponents in Queensland. In all characteristics he was a complete contrast to Scullin, and in New South Wales, where he represented the industrial electorate of Dalley, he was the only politician capable of arousing the jealousy of the Labor Premier. He had attempted to dominate the parliamentary and extra-parliamentary sections of the party in Queensland much as Lang had in New South Wales, although he had received his union support from the AWU instead of the Trades Hall. Lang later described

him as a 'machine politician (who) had studied the methods of Tammany Hall.' \(^1\)

The relegation of the Reserve Bank Bill to a Senate committee on 10 July forced Cabinet to seek other possible alternatives for securing a more liberal credit policy, whilst Theodore's resignation deprived it of its most forceful financial mind and its potential leader for the period of Scullin's absence in England. \(^2\) Scullin's decision to try to restore British confidence in Australia by visiting Britain in person, accompanied by two senior Ministers, was taken against the advice of members who felt that his presence at home, despite ill health, \(^3\) was necessary to preserve party unity.

The political position at the time of his departure at the end of August was already serious. The Government was in a minority position in the Senate

\(^2\) Scullin had informed Cabinet on 1 July that Theodore would act as Prime Minister in his absence. Cf. Crisp (n.d.), p.50 (footnote).
\(^3\) Scullin had fallen seriously ill shortly after Theodore's resignation. Amongst others, F. Anstey had advised him to remain in Australia.
and there had been some discussion in Caucus concerning the advisability of pressing radical legislation to the point of a double dissolution. However, Scullin had accepted the views of those who, having fought general elections in 1928 and 1929, wished to avoid further campaigning, and the party had thrown away the chance to seek a double dissolution on the Constitution or Conciliation and Arbitration Bills. Further Senate rejection could be expected to await any other bill which, like the Reserve Bank Bill, attempted to liberalise credit as requested by the triennial Federal Labor Conference held in May.

Unlike the State Governments the Federal Government was now established away from any large

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1 Section 57 of the Federal Constitution states that three months after defeat in the Senate the Lower House may re-submit a bill. If it is again rejected, (and provided that the Lower House has more than six months to run before a general election), the Governor-General may dissolve both Houses simultaneously. The bill may then if necessary be submitted to a majority vote of both Houses.

2 The Constitution Bills were defeated in the Senate in May; the Arbitration Bill was amended in August and when the Lower House refused to accept the amendments a conference was arranged between the two Houses. The bill was finally assented to in November.

industrial centre and had no Trades Hall Council to exert constant pressure upon it; nor was the Federal Executive, which in theory played a similar role to that played by the State Executives as watchdog of the party's interests between Conferences, in a position to exercise full-time supervision over its parliamentary representatives. The party's Federal secretary was only a part-time officer, with no secretariat and limited funds,¹ and since none of the twelve Executive members was a Federal politician there was not even a quorum stationed within a hundred miles of the Federal parliament.

The Niemeyer mission had left both party and country thoroughly disturbed and with Theodore, the only member strong enough and popular enough to have controlled the party in the Prime Minister's absence, out of the Cabinet, responsibility for the decisions of the nine remaining Ministers was entrusted to sixty-six year old James Fenton, who was to find the task far beyond his capacity.

Before he sailed for England Scullin took a further step that was to alienate many Caucus members by

¹ Crisp (1955), pp.67, 87.
reappointing Sir Robert Gibson to the Chairmanship of the Commonwealth Bank's Board of Directors. Gibson, a staunch conservative, was as strong-willed as Theodore and even before the Treasurer's resignation had greatly impressed the Prime Minister. Once Theodore had left Cabinet, Scullin, in his reluctance to take any action that might further diminish overseas confidence, felt more keenly the need to retain the services of a man in whom overseas investors might trust and in whom there was no shadow of vacillation.

On 5 September Fenton summoned Federal Cabinet to Melbourne to discuss the desirability of convening a special 'economy' session of Federal Parliament. Fenton, strongly supported by J.A. Lyons, Acting-Treasurer, and F.M. Forde, Minister for Customs, spoke in favour of the special session and proposed severe reductions in expenditure, including salaries, pensions, and maternity benefits. Unable to convince a majority of the eight Ministers present that such economies were inevitable the Acting Prime Minister invited Sir Robert Gibson to address the meeting. It was later reported that Senator Daly had caused a Cabinet deadlock by joining
the economy section after hearing Sir Robert's address. The meeting continued on 6 September and Ministers were reported to have finally agreed that public service salaries should be reviewed.

By the middle of September an ACTU Congress, a special unemployment conference called by the Victorian Labor Party, and the South Australian Labor Party's annual Conference, had passed a series of resolutions opposing the Melbourne Agreement and demanding the immediate release of credit and lowering of interest rates.² The Victorian Conference passed a resolution that Federal and State parliamentary members furnish the Executive with written assurances that they would not 'support or enforce or advocate dismissals or reductions of wages or extension of hours'.³

Ignoring the hostility towards wage reductions openly declared at these conferences Federal Cabinet

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¹ Sydney Morning Herald, 6/9/30.
² Cf. Labor Daily, 10/9/30 (ACTU Congress); Labor Call, 18/9/30 (Victorian Conference); Adelaide Advertiser, 18/9/30, 20/9/30, (South Australian Conference).
³ Labor Call, 18/9/30.
decided by one vote on 2 October to call an emergency session of parliament and to lay before Caucus plans for reductions in parliamentary and public service salaries and increases in taxation. Federal Caucus members, some in their own States, and some helping in the New South Wales general election campaign, were thus faced with two conflicting Labor attitudes. The extra-parliamentary party in three States had declared against salary reductions; a majority of Federal Cabinet could see no way to avoid them; two State Labor Governments had already implemented them and the Federal Executive on October 13 had left the matter to 'Labor statesmanship'.

Caucus met on 27 October to discuss the Cabinet proposals. Two days before Lang had been returned to office in New South Wales, backed by an Executive which had given unequivocal directions to its 23 Federal members not to be bound by the decisions of Melbourne Conference. The effect of Lang's victory

1 Sydney Morning Herald, 3/10/30. The meeting was later addressed by three members of the Commonwealth Bank.
2 In Victoria and South Australia.
was immediately apparent in the series of excited Caucus meetings that took place during the next fortnight. At the first meeting a resolution moved by J.A. Beasley, a left-wing ex-President of the New South Wales Trades Hall, denouncing the Melbourne Agreement, was easily carried, and proposals for reductions in salaries and social service benefits were omitted from the programme introduced by Fenton.¹

On 28 October a suggested reduction in maternity allowances was defeated,² and on 29 October a plan for releasing credit subject to the co-operation of the Commonwealth Bank was accepted.³ The plan was moved by G.A. Gibbons (NSW), but it was generally regarded as the work of Theodore, who, attending Caucus for the first time since his resignation in July, had addressed the party on the subject the day before.

The following week the left wing again emerged triumphant from protracted Caucus meetings. On 4 November a resolution moved by F. Anstey, a Victorian

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¹ Sydney Morning Herald, 28/9/30.
² Ibid., 29/10/30.
³ Ibid., 31/10/30.
left wing member, to compel bondholders to hold maturing bonds for a further year was carried by 22 votes to 16. The following day Acting Treasurer Lyons received a cable from a worried Scullin deploiring the Gibbons resolutions which, he said, could 'seriously prejudice conversion of maturing loans and Treasury Bills'.

On 6 November Anstey's resolution was slightly altered and Cabinet was instructed to compel the Commonwealth Bank to meet all payments to bondholders and accept Government securities in exchange. Lyons, sure of Scullin's support, refused on behalf of Cabinet to take any action without consulting the Prime Minister. The Victorian Labor Premier publicly supported Lyons, whilst the secretary of the ACTU and the New South Wales Executive endorsed the Caucus decisions.

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1 Sydney Morning Herald, 5/11/30.
2 Shann and Copland (a), p.63.
3 Sydney Morning Herald, 7/11/30.
5 Ibid., 7/11/30.
The Acting Treasurer cabled Scullin offering his resignation and received in reply the Prime Minister's full support and an appeal to the party to 'reconsider its resolution.' When Caucus met on 11 November a motion for the recommittal of Anstey's resolution was deferred, and on the same day the Loan Council accepted Lyons's alternative proposal to raise a £27,000,000 conversion loan on the open market in December.

Discussion on the last day of the Caucus meetings was confined to the official relationship between Caucus and Cabinet and Lyons was bitterly attacked for refusing to obey decisions reached by a Caucus majority. At the conclusion of the meeting harmony was partly restored by a motion, carried unanimously, pledging the party to 'faithfully discharge all lawful commitments'. Scullin cabled his gratitude from London, stating that it was a declaration that would 'be approved by every

1 Shann and Copland (a), pp.63-5. 
3 Ibid. 
4 *Sydney Morning Herald*, 13/11/30.
section throughout Australia', but in fact the series of meetings had marked the end of any real unanimity in Federal Caucus.

Scullin's absence in England and Theodore's absence from Cabinet, at this stage, were the major causes of Caucus frustration. Left wing members could not press their initial Caucus victories further without formally disowning Scullin; even if they had done so neither Anstey nor Beasley was sufficiently ruthless and sufficiently popular to assume the leadership; Theodore, who was both, was not in a position to assume authority, being still under the shadow of Mungana.

Scullin's return to Australia on 5 January 1931 acted as a signal for increased activity on the part of both financial and political pressure groups. Whilst the Loan Council and committee of economic experts reiterated their deflationary advice, left wing members demanded the immediate implementation of the Gibbons resolutions as the price of their continued support.

On 26 January Theodore, who, six months after the adverse report issued by the Queensland Royal Commission,

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1 Shann and Copland (a), p.67.
was still waiting for the Queensland Government to bring an action against him, was reinstated as Federal Treasurer by 24 votes to 19. The Federal Government now had a policy approved by large sections of the Labor movement, and a Minister prepared to implement it. But the cure had come too late to revive the harmony and enthusiasm of 1929; too many members were suspicious, and too many had already been driven to extremes by the events of the previous year. Anstey 'did not trust Theodore as a Labor man', and both he and New South Wales member H.P. Lazzarini had voted against his return to Cabinet. Several right wing members genuinely distrusted Theodore on the evidence of the Queensland report, apart from harbouring misgivings as to the soundness of his financial policies; J.M. Gabb, a South Australian, immediately announced his resignation from the party, and Fenton and Lyons resigned from Cabinet.  

Any enthusiasm that might have developed from immediate attempts to put Theodore's policies into

1 Sydney Morning Herald, 28/1/31.
3 Sydney Morning Herald, 28/1/31, 30/1/31.
practice had waned considerably by the time parliament was reconvened on 4 March: the plan put before the Premiers' Conference by Theodore had been rejected by the banks, and the New South Wales Executive had drawn swords against the Federal Government by endorsing as candidate for the East Sydney federal by-election E.J. Ward, who was pledged to campaign on the controversial plan submitted to the Premiers' Conference by Lang.

On 17 February, following an abortive conference with the Federal Executive the New South Wales State Executive repeated its earlier statement supporting Ward's candidature for East Sydney. A Federal Conference of Labor leaders meeting in Sydney replied by threatening Ward with exclusion from the Labor Party unless he campaigned in support of Theodore's proposals, (which were being considered by the banks).

When, two days later, Federal Caucus approved Theodore's plan, the air again seemed cleared and the way open for the Federal Government to take some positive action. However, the Caucus meeting revealed a deepening of the gulf between the left and right wings

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1 Cf. Appendix to ALP Special Federal Conference Report, March, 1931, p.15.
of the parliamentary party. New South Wales members, J.C. Eldridge, H.P. Lazzarini and Senator Rae criticised Theodore's plan for not being sufficiently drastic; Lyons condemned it as being financially unsound and made a bitter personal attack upon Theodore and Scullin.  

Seventeen members voted against the continuation of negotiations between Theodore and the banks, and Eldridge also moved a motion censuring Scullin for his reappointment of Gibson, but withdrew it when Scullin pointed out that the appointment had been made when parliament was not in session and had received Cabinet approval. D.C. McGrath, J.A. Guy and G.W. Martens called for a complete Cabinet 'spill' in the hope of ridding it of its left wing members. However, the meeting was adjourned before such a step could be taken and Caucus did not reassemble until 2 March.  

At the re-convened meeting Caucus endorsed Theodore's new plan for the submission of a fiduciary

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1 Sydney Morning Herald, 20/2/31.
2 Ibid.
3 Sydney Morning Herald, 21/2/31.
issue bill, and carried a resolution for a Cabinet 'spill' by 32 votes to 10. The new Cabinet showed a clear victory for Scullin and Theodore and the right wing section of the party. Beasley received only 5 votes in the election for party leader; Anstey, Beasley and Senator Daly were excluded, Anstey and Beasley as left wing extremists, and Daly for his part in supporting two High Court appointments against Scullin's wishes whilst the latter was abroad; and of the thirteen new members of Cabinet only E.J. Holloway, a Victorian Trades Hall protégé, could be accused of radical leanings. The reshuffle caused further resentment among some of the already disillusioned members.

Federal Parliament reopened on 4 March and on 7 March Ward, having campaigned on the Lang plan with the support of several New South Wales Federal members, was returned for East Sydney. At Caucus and Cabinet

1 Cabinet was instructed by Caucus to fill the vacancies on 11 December 1930, and on 18 December, failing to receive a telegram from Scullin deplored such political appointments and urging further delay, Cabinet appointed H.V. Evatt, K.C., and E.A. McTiernan, Labor member for Parkes, to the vacancies.
meetings on 10 March the parliamentary party's South Australian secretary, J.L. Price, resigned in rather belated protest against Theodore's reinstatement, and Cabinet decided to oppose the acceptance of Ward as a member of the party.¹

Two days later Caucus met to discuss Ward's position and decided by 34 votes to 3 to exclude the new member from Caucus.² Six other New South Wales members, Senators Dunn and Rae, and Ms. H.R. Beasley, Eldridge, Lazzarini and James, immediately declared their intention to follow Ward into exile and cease attending Caucus meetings.³ On 13 March Lyons, Fenton, Gabb, Guy and Price formally severed their connection with the party by voting against the Government on a censure motion moved by J.G. Latham, leader of the Opposition.⁴

In a statement on 16 March Western Australian back-bencher J. Curtin described the situation as

² Ibid., 13/3/31.
³ They claimed no formal recognition as a separate party but were given a special room in Parliament House, Cf. Sawer (1963), p.7, Denning (1937), p.38.
impossible. The Labor party had 35 members in the Lower House from among whom it had to provide a Speaker. With the desertion of the five right wing members the Opposition also had 35 members. The balance was thus held by the five left wing Labor members, who had consistently demonstrated their opposition to the Government's proposed policies, and who could not be bound by Caucus decisions. Curtin advised the party to capitulate whilst it could still do so with honour.\(^1\)

On the following day Curtin put his suggestion to a Caucus meeting but Scullin stated that he would not resign unless defeated on the floor of the House.\(^2\) The meeting accepted the Government's financial proposals and on the same day Theodore introduced his Fiduciary Notes Bill in the Lower House. Two days later a rumour that D.C. McGrath intended to join the Lyons group was confirmed.\(^3\)

\(^1\) Sydney Morning Herald, 16/3/31.
\(^2\) Ibid., 18/3/31.
\(^3\) Ibid., 19/3/31.
The Fiduciary Notes Bill was rejected by the Senate on its second reading on 17 April.\(^1\) On 22 April an Income Tax Assessment Bill which included a special tax of 3/6 in the pound on bond interest was introduced in the Lower House, only to be discharged in August.\(^2\) On 23 April the Senate finally disposed of the Central Reserve Bank Bill, advising the Government to introduce a new bill for a Reserve Bank free from the political control.\(^3\) On the same day the Bank Interest Bill was committed to be taken no further.\(^4\) On 13 May the Commonwealth Bank Bill, intended to grant the Government control over the nation's gold reserves, was finally negatived, after Sir Robert Gibson had been called to the Bar of the Senate to defend the Bank's attitude.\(^5\)

Defeat on the floor of the House eventually followed the reluctant acceptance by Caucus of the

\(^4\) Ibid., 1196.
plan agreed to by the Premiers' Conference in June. The cut in pensions had been accepted by Cabinet on 6 June,¹ and at a further meeting on 11 June Holloway, who had opposed the pension reductions at the previous meeting was given special permission to vote against the adoption of the entire plan rather than resign from Cabinet.² Following the Cabinet meeting Caucus adopted the plan by 26 votes to 13 in a secret ballot,³ and the following day defeated by 25 votes to 14 the proposal to re-commit the Fiduciary Notes Bill.⁴ On 12 June Holloway resigned from Cabinet.⁵ On 8 July sixteen Federal Labor members voted and three paired against the second reading of the Financial Emergency Bill implementing the reductions agreed to at the Premiers' Conference.⁶

¹ Crisp (n.d.), p.59.  
² Ibid., pp.59, 60.  
³ Sydney Morning Herald, 12/6/31.  
⁴ Ibid., 13/6/31.  
⁵ Ibid.  
⁶ CPD, Vol. 130, 3579, 8/7/31.
day it passed its third reading with eleven Labor members voting and seven pairing against it.¹

On 25 July Scullin, attending a special Victorian Labor Party Conference as an AWU delegate, was called upon to defend the Federal Government's acceptance of the plan.² A ruling by the Chairman that Federal members could only be instructed by Federal Conference was over-ruled by 111 votes to 86, and a resolution was carried by 143 votes to 87 'instructing Victorian representatives in the Commonwealth Parliament to take all steps within their power' to prevent effect being given to the salary and social service reductions agreed to at the Premiers' Conference.³ On 13 August the South Australian Executive expelled two Senators for having supported the bill implementing the Premiers' Conference resolutions.⁴

¹ Ibid., 3737, 10/7/31.
² Labor Call, 26/7/31.
³ Ibid.
⁴ The South Australian Executive had stated on 25 June that any State or Federal member who voted in favour of any legislation agreed to at the Premiers' Conference would be automatically expelled (Adelaide Advertiser, 26/6/31). Federal Senators Hoare and O'Halloran were the only two S.A. politicians to vote in favour of the emergency legislation.
The Federal Conference's acceptance of the Government's *fait accompli* at its special meeting in August sealed the fate of any lingering hopes for a double dissolution; after discussion of the issue had been deferred on 24 September it was finally discarded on 8 October, Scullin having pointed out that, since the acceptance of the plan, the Commonwealth Bank had agreed to make certain loans available and had agreed to consider favourably any future requests.\(^1\)

The end did not come until 25 November, when Beasley demanded a sudden division on an adjournment motion to discuss the mis-use by Theodore of the grant of £1,000,000 allocated by the Government for the relief of unemployment in New South Wales.\(^2\) Since there appeared little to choose between the policies of the Government and Opposition the New South Wales rebel faction did not scruple to deliver this *coup de grâce* at a time most suitable to the Lang-dominated Executive, to which for the past eight months it had sworn allegiance. The division was timed, writes Denning,

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\(^1\) *Sydney Morning Herald*, 9/10/31.

to secure the defeat of Theodore in Dalley, where 'Lang influence was just then all-powerful'. In the election that followed on 19 December forty-seven Labor members, including Theodore, Brennan and Curtin, were defeated in a landslide victory for the non-Labor parties.

Although Scullin was away from Australia for only four months during his two year term of office his personality, his opinions, and his actions, (with the exception of his reappointment of Sir Robert Gibson and his championship of Theodore), all have curiously negative quality, giving the impression that he was somewhere else for the entire period. As a parliamentary figure he is easily overshadowed by Theodore and as a man of determination he makes less of an impression than Gibson. He was plainly intimidated by the picture of financial chaos painted by conservative economists as soon as the party suggested any unorthodox measure for dealing with the depression, and clung tenaciously

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1 Denning (1937), p.97.
2 Labor 14; New South Wales (Lang) Labor 4; UAP 34, Country Party 16, Emergency Committee (S.A.) 6, Independents 1.
to the hope that Theodore's financial policies, which could not be called excessively radical, would gain the approval of the banks.

The peculiarity of his position is emphasised by the fact that he was not a particularly timid man in other respects, nor was he personally unpopular or incapable of leading a party. He had been associated with the Labor Party since 1903 when the British socialist Tom Mann, under contract to the Melbourne Trades Hall Council, had formed a Labor Party branch in his home town of Ballarat. In 1906 he was chosen for his ability as a public speaker to stand as a parliamentary candidate against Prime Minister Alfred Deakin. Although he was easily defeated he was elected to the Federal Lower House in 1910. Following a further electoral defeat in 1913 he returned to Ballarat and became Editor of the Labor journal, the Evening Echo, which, under his guidance, took a strong stand against conscription.

From 1913 until his return to Federal Parliament in 1922 he figures in Labor politics as an idealist; at the 1916 Federal Conference he moved the proposal for
the exclusion from the party of all conscriptionists;\(^1\) at the 1918 Federal Conference he strongly supported a Victorian resolution to abolish State parliaments;\(^2\) in June 1921 he chaired the central committee of an Industrial Conference convened to re-draft the party's objective and general policy; at a Federal Conference of the party held in October of the same year he strongly supported the committee's proposal that the party adopt the socialisation of industry, production, distribution and exchange as its main objective;\(^3\) and moved the adoption of a further resolution proposing the eventual replacement of the existing parliaments by 'an elective Supreme Economic Council by all nationalised industries.'\(^4\)

In 1926, four years after his return to parliament, he came into prominence as a leading Victorian proponent of the Industrial Powers Referendum and the following year he became deputy leader of the Federal Labor Party.

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\(^1\) ALP Federal Conference Report, 1916, p.4.
\(^2\) ALP Federal Conference Report, 1918, p.18.
\(^3\) ALP Federal Conference Report, 1921, p.18.
\(^4\) Ibid., p.24.
In April 1928 he was unanimously elected to the leadership and injected into the Opposition, disillusioned by the loss of four successive elections, something of his own idealistic fervour and determination. As Prime Minister he exhibited the same determination in insisting, whilst in Britain, that the new Governor-General should be a native-born Australian.

Describing the new Prime Minister in October 1929 the Sydney Morning Herald painted a not inaccurate picture of the gentle devoutly religious Ballarat grocer:

personally regarded as a "good fellow", called affectionately by his Christian name by his own party, and popular with his opponents... thoroughly imbued with Labor ideals...but quite free of the rash extremism that opponents of Labor are sometimes called upon to denounce.  

Scullin's chief characteristics, idealism, loyalty, friendliness, diffidence, an equable temper, and the ability to see both sides of a question, which would have helped to ensure him a successful administration under almost any other circumstances, served only to hamper him in 1929, as did his physical frailty in comparison with Theodore's robust health and political ruthlessness.

1 Sydney Morning Herald, 23/10/29.
Part of his weakness may have been an acute sense of responsibility both for his parliamentary colleagues and for the nation's well-being. At a time when a double dissolution would have been feasible in May or June 1930 he hesitated to take a step which would have put members through a third costly election campaign in just over a year; when he could have replaced Gibson he hesitated again, fearful, perhaps, of losing the one man who was completely sure in his own mind of the steps Australia ought to be taking to draw herself out of the depression; and when in February 1931 the banks rejected Theodore's initial plan to reduce interest rates and increase credit facilities, he would not risk a party split and possible national disaster by over-riding the opposition of the country's financial experts.

He was not alone in his uncertainty; it was shared not only by other parliamentary members but also by some members of the extra-parliamentary party. State Executives with the power to refuse endorsement to Federal as well as State members added to the confusion in the minds of Federal politicians by declaring firstly against the Melbourne agreement and then against the adoption of the Premiers' plan. The
Federal Executive which had been created to interpret party policy between meetings of the Federal Conference made no move to take the initiative in guiding Federal members, and three Federal Conferences added little to the helpless disapproval of the Executive. A more positive approach by the extra-parliamentary party might have given Scullin the forceful support he needed in order to adopt a more positive approach himself.
(iii) **J.T. Lang**

During his second period of office Lang's techniques of party leadership, which were entirely successful in so far as he retained the support of a majority of both parliamentary and extra-parliamentary members, proved sufficiently unpopular with other sections of the State's electors and the Federal Government to eventually cause his dismissal by the State Governor. As in 1926, Cabinet and Caucus were ignored and the Premier reserved his energy for clashes with the State Governor, High Court and Federal Government.

The crisis which resulted in Lang's dismissal occurred in May 1932. Lang had issued a circular to the heads of all departments in the New South Wales Government directing them, among other things, to forward all money owed to the State to the State Treasury, in breach of a Federal Proclamation requiring all such money to be paid to Federal Officers. The State Governor, Sir Philip Game, dismissed the Premier on the ground that he and his Ministers in refusing to withdraw the circular had committed a breach of the law. He then commissioned the Leader of the Opposition, B.S.B. Stevens, to form a Government; prorogued
parliament on the advice of his new Premier; and, during the recess that followed, dissolved the Lower House.¹

The election which followed the defeat of the Scullin Government by Lang's New South Wales supporters in the Federal parliament had returned the National (which had become the United Australia) Party to power under the leadership of J.A. Lyons. The antagonism which had existed between Scullin's right-wing Labor Cabinet and the party's New South Wales branch could only be intensified with the election of an even more right-wing Government, under a Prime Minister who had resigned from the Labor Party in opposition to policies less radical than those put forward by Lang.

Lyons had promised in his policy speech to draw the country out of the depression by adhering to the economic policies outlined in the Premiers' plan, and such a promise could only be redeemed if New South Wales refrained from performing the kind of action which had forced the Federal Government to pay the interest on its debts to overseas creditors.

¹ For a discussion of the constitutionality of the Governor's action cf. Evatt (1936), Ch. XIX.
Whilst the Special Federal Conference had been investigating the New South Wales branch of the Labor Party in March 1931 the High Court had been considering an appeal by Lang against constitutional legislation, passed by the previous New South Wales National Government, prohibiting the abolition of the Legislative Council without a prior State referendum. On 16 March the High Court had rejected the appeal, and in the same month the Council had postponed for six months consideration of the bill brought down by Lang to reduce to three per cent the rate of interest payable on all Government borrowing. On 23 March the Governor refused to appoint additional members to the Council and it was only after eight months of negotiation that Lang secured the appointment of 25 additional Councillors.

In February 1932 Lyons, realising that the Federal Government would again be called upon for payment of overseas loan interest due in New South Wales, introduced the Financial Agreements Enforcement Bill, giving the Commonwealth the power to seize State revenue to meet

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2 CPD, Vol. 133, 110, 18/2/32.
the interest due to overseas bondholders. The latter bill was to be enforced by the payment of all taxes and other money owed to the State to agents of the Federal Government.

Lang, having brought an unsuccessful challenge against the Federal act in the High Court, engaged in delaying tactics, refusing to allow the assessment of State taxes. However, the Federal Government had also made provision in the Enforcement Act for payment to the Commonwealth, by trading banks dealing with the State Government, of all money due to be credited to State Government accounts. Following a further unsuccessful High Court challenge on 22 April Lang circulated State revenue collectors to withhold payment from the banks holding State Government accounts.¹

With Government payments due to State employees and pensioners, Lang also introduced on 12 May a bill raising taxes on mortgages. The bill passed through both Houses, but the Premier was dismissed before it could be presented for the Governor's assent.

Lang's attempts to circumvent the Federal Government roused a degree of support and opposition

¹ Sydney Morning Herald, 23/4/32.
within the State which on both sides amounted to hysteria. On 3 April 1931 the 'State' Executive, despite its expulsion by the Special Federal Conference, convened a State Conference which adopted the plan put before the February Premiers' Conference by Lang by 122 votes to one, and threatened to refuse endorsement to any member who refused to recognize the authority of the 'State' party. The Labor Daily reported the conference to be 'solidly behind Mr Lang' and included a cartoon of the Premier holding a copy of the 'Lang plan' with the caption 'Howbeit no man spoke openly of him for fear of the Jews.' A new Executive was appointed by the Federal Executive on 25 May and held its first meeting on 8 June but it failed to attract the support enjoyed by the 'State' party.

A year later the 'State' party again convened the usual Easter Conference of the party which hailed its

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2 Ibid.
3 Sydney Morning Herald, 26/5/31.
parliamentary leader as the Saviour of the Labor movement. Paying tribute to his leadership the President, P.J. Keller also thanked the rank and file for their support, asserting that, whatever else might have given rise to controversy at the branch and union meetings that he had attended since the split, 'never in any branch or union has the loyalty to our great leader been questioned.'

Support for Lang, assiduously promoted by the Labor Daily and the radio station 2KY, both controlled by the 'State' Labor Party, had risen to fever pitch by the time the 1932 Premiers' Conference opened in Melbourne on 14 April. Crowds cheered the Premier on his way to attend the Conference, and two supporters later claimed to have seen 'people kneel down when Lang passed down the aisle', kept clear by the police to allow him to board the train. Lang attended the first meeting at which a further expert committee report urged the implementation by all States of the Federal Arbitration Court decision to reduce real wages

1 Labor Daily, 26/3/32.
2 Young, p.83, cited in Peter, p.26, footnote.
by ten per cent. The New South Wales Premier was the first to comment on the report, and, reiterating his determination to ignore the recommendation for wage reduction and implement his own plan with regard to overseas bond holders, he left the meeting.

On 21 April, the day on which the Conference was concluding its meetings in Melbourne, Lang was addressing a rally of his supporters in the Sydney Town Hall, standing beneath a banner proclaiming in large letters 'LANG IS RIGHT'. Keller again addressed the audience and spoke of the Premier in glowing terms:

...who is this product of the Labor movement who is able to command so much attention? He is just a big Australian fighting for the rights of his country and its people....

The meeting passed a resolution couched in equally exaggerated terms pledging support for the Premier and his Government in:-

1 Record of the Conference of Commonwealth and State Ministers 14 April to 21 April, p.8.
2 Ibid., pp.12-4.
3 Ibid., p.16.
4 Labor Daily, 22/4/32.
the fight they are waging to prevent the degradation of the standard of living of the people of Australia - to protect the Farmers, Workers, Public Servants and Business Community against the attacks of the Financial Interests launched against the people of New South Wales through their political representatives, the Page-Lyons Government. And declares that in his determination to place Men Before Money LANG IS RIGHT.¹

Radio station 2KY carried the Premier's message 'to distressed farmers, workers and mothers and fathers throughout the State'², and the Labor Daily reported that no other leader had ever received 'such an ovation as greeted Lang as he walked towards the microphone.'³

Cabinet and Caucus members demonstrated their support less often and less boisterously, particularly after March 1932, when, according to a Daily Telegraph report, they ceased to meet.⁴ However, the Labor Daily was able to report in May 1931 that all Caucus members, with the exception of W. Scully, who had not been

¹ Ibid.
² Ibid.
³ Ibid.
⁴ Daily Telegraph, 12/4/32.
approached because of illness, had 'signed the latest pledge acknowledging whole-hearted support of the Lang plan and the declaration of local autonomy'. A year later Lang paid special tribute to all Government members:

Never has there been a more loyal body of men than the 55 who comprise the Labor Party in this Parliament. It is their support and their loyalty that enables the head of Government to stand solidly, carry his head high and defy whatever powers attempt to destroy the Government.

Chief Secretary, M. Gosling, was the only Government member to publicise his unequivocal support for Lang. Speaking at Temora on 7 April he stated that Lang's name would 'go down in history as one of the greatest statesmen this country had ever known'.

Cabinet allegiance as described by Gosling three days later appears to have been so pronounced as to be regarded as little short of blind obedience. Cabinet members had one leader who announced the policy, he said:

1 Labor Daily, 27/5/31. The declaration of local autonomy had been made at the 1928 State Labor Conference.
2 Ibid., 26/3/32.
3 Sydney Morning Herald, 8/4/31.
When he announces it we know where we stand. We do not seek to know what he is going to do, and we are prepared to surrender our judgement, if necessary in advance.¹

Such unreasoning support from fifty-five members of a party which had a reputation for breaking into rival factions over much less momentous issues is difficult to accept. New South Wales members of the Federal Labor Party had divided over depression tactics, and the split in the New South Wales extra-parliamentary party had been deep enough to provide support for a Federally appointed rival State Executive. Moreover, Cabinet and Caucus members had reason to resent Lang's tendency to take action without prior consultation with his parliamentary colleagues.

If past political history were not enough, twelve Labor members had won their seats in 1930 by less than 1000 votes, and no-one could have been sure of the outcome of the struggle in the extra-parliamentary party. At least some of the members of the parliamentary Labor Party must have been fearful for their future in 1932.

Such a hypothesis is supported by a prominent member of the non-Labor section of the State parliament

¹ Sydney Morning Herald, 29/4/32.
at the time, who recalled thirty years later that a delegation representing over half of the parliamentary Labor Party had privately approached the leader of the Opposition, B.S.B. Stevens, and offered to cross the floor of the House and defeat the Government if their seats could be guaranteed against electoral attack from the non-Labor parties. The offer was rejected by Stevens, who had seen Sir Philip Game before the offer was made and realised that the Governor would shortly take action to resolve the situation.\footnote{Foott has made no mention of Stevens's visit to the Governor, and there were no press rumours of such a move. However, the information, given to Dr D.A. Aitkin in 1959 by the same man may be regarded as highly reliable.}

If many of Lang's supporters were colourfully vociferous his detractors were no less so. Attack came from all quarters; from the Executive of the Federal ALP; from unions and business concerns; from leaders of reform groups, and often in its most abusive form from the non-Labor press.

C. Hardy, leader of the Riverina New State Movement, referring to the socialisation objective endorsed by the 1931 'State' Labor Party Conference, told an audience at Wagga Wagga that the move would:
send a wave of determination throughout the Riverina to restrict this attack on the people's individuality and freedom...it is quite evident that Mr Lang, drunk with power and dazzled with the vision of creating a Soviet dictatorship, is determined to pull apart shred by shred what has taken centuries to build. One can only conclude that the mentality of this man is such that it becomes not only a State but a National danger....¹

E. Turnbull, President of the All for Australia League (AFA), also spoke disparagingly of 'Mr Lang and his Communist policy',² whilst G. Wilson, speaking at Dubbo on behalf of the New State Movement, stated that the Minister for Education was 'killing the Australian loyal spirit in children and paving the way for Communist schools.'³

When, in November 1931, Game granted Lang's request for the appointment of additional Councillors hostile reaction was not confined to the non-Labor press and non-Labor politicians,⁴ but also came from people whom

¹ Sydney Morning Herald, 7/4/31.
² Ibid., 10/7/31.
³ Ibid., 2/4/31.
⁴ T.R. Bavin, then leader of the Opposition, whom the Governor's family 'liked and admired', wrote 'very wounding things' in a letter to Game after the appointments had been made. Cf. Foott, p.146.
the Governor and his family 'had regarded as their friends.'

Some wrote declining - and they did not beat about the bush- dinner invitations previously accepted; others wrote that they could no longer "consort" with the King's representative.

Lang's abrupt return from the Premiers' Conference in April 1932 heralded a fresh outbreak of indignation.

Thus the Sydney Morning Herald:-

It was not to be supposed that the man who has disgraced the office of Premier of this State would go to the Premiers' Conference in any temper save hostility. Mr Lang has debauched political administration, broken public pledges in a fashion which would shame any honourable Government, and, so far as his powers reach, has destroyed public credit....This is not the leader of a responsible Government; it is a political desperado.

The Federal Labor Executive was equally hostile:-

The Lang dictatorship, though it has successfully deceived and intimidated thousands of honest Laborites, has disgraced and dishonored the name of the ALP by its conduct and administration. The Federal ALP calls upon genuine Laborites to rally behind the banner of sane Labor by linking

1 These included 'men who held high office at the University of Sydney and the Bar...bankers, doctors, and graziers.' Cf. Foott, p.147.
2 Foott, p.147.
3 Sydney Morning Herald, 18/4/32.
up with the Federal ALP which is striving to destroy the Lang Fascist political dictatorship.\footnote{1}

Two days later Stevens, deprived of his position as administrative head of the Treasury by Lang in 1925, and newly elected to the leadership of the United Australia Party, took up the challenge:

I say solemnly as leader of His Majesty's Opposition in this State that the forces arrayed against us are not merely those of economic stupidity, of political bunglers and mere opportunists. Those in power in this State today are moulding a policy comparable only with that of the Soviet.... We accept the challenge of Langism and all the disruptive forces it has marshalled behind it in its campaign to smash our social order... We shall fight those forces tooth and nail. We shall save our State.\footnote{2}

Whilst the extravagance of both praise and condemnation helped to build an exaggerated image of Lang it could not obscure the fact that he exercised an amazing degree of personal influence over his followers.\footnote{3} If any Australian First Minister could be said to have possessed charismatic power over his disciples it was Lang.

\footnote{1}{\textit{Daily Telegraph}, 26/4/32.}
\footnote{2}{\textit{Daily Telegraph}, 28/4/32.}
\footnote{3}{The fact that members of the Labor Party staged a last minute revolt against the Premier in May 1932 makes his hold over them until that date all the more remarkable.}
In his stand against the right of the Federal Executive to interfere in State politics, and his consistent antagonism towards the Loan Council he had appealed to their pride in their independence as New South Welshmen. As a politician, and as a New South Welshman who was personally familiar with the hardships of dispossession, he had refused in the name of the workers to accept the dictation of the British economic mission, the banks, the universities, the Federal Government, or the High Court.

To his supporters, even though he was forced to implement economies and to seek the assistance of the Loan Council, he epitomised the traditional struggle between labour and capital, between the unemployed and the businessman with money in Federal Government bonds. When the new State Government went to the polls in June 1932 the 'State' Labor Party was still able to secure over a million votes, and in the Caucus ballot that followed Lang was returned unopposed to the leadership of the party.
(iv) E.J. Hogan

On 15 May 1932 Premier E.J. Hogan was returned to the Victorian Legislative Assembly as the Independent member for Warrenheip, his endorsement as Labor member for the seat having been withdrawn by the party's State Executive. The withdrawal of endorsement had come at the end of a two year struggle with left-wing members of the State Executive and a weary campaign to retain by administrative economies the support both of his own party's country representatives, and the three Independents and four members of the Country Progressive Party (CPP) who kept his minority Government in power.

Hogan was already familiar with the kind of trouble that he might expect both from militant trade unions such as the ARU, (which with the left-wing Amalgamated Engineers' Union had affiliated with the party in 1924), and from the CPP. During his first term of office from May 1927 to November 1928 he had also led a minority Government kept in power by the CPP.

In January 1928 he had roused the antagonism of the ARU by introducing a system of work-rationing in an attempt to reduce the State's large railway deficit. Conferences between the ARU and the Premier failed to prevent the retrenchment plans being put into effect,
and during the annual Conference of the ARU in May delegates passed a resolution pledging members 'to oppose those (Labor Party) candidates who supported the introduction of short time' at the next State elections.\(^1\)

The Government had been further criticised by left wing unionists for its part in protecting volunteer workers during a waterside workers' strike in November of the same year.\(^2\)

Shortly after the settlement of the waterside dispute Hogan had antagonised his CPP supporters by introducing an electoral redistribution bill. Under the 1926 Electoral Redistribution Act 100 metropolitan votes had been made equivalent to 41 country votes and there were 39 rural to 26 metropolitan seats in the Lower House. The bill proposed to increase the number of metropolitan seats at the expense of five country seats; the Nationalist Party, notwithstanding its own desire to see an increase in metropolitan representation, decided to make use of CPP antagonism towards the proposal and

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\(^1\) Labor Call, 24/5/28.

had combined with the CPP to defeat the Government by voting against the bill.¹

Hogan entered upon his second term of office in December 1929 with a minority in the Legislative Council and leading 29 members in a Lower House of 65, the balance of power being held by four CPP members and three Independents. The Premier, himself a farmer, appreciated the severity of the depression from a countryman's point of view, and shared the concern of his CPP supporters for special relief to wheat farmers.² At the same time his Government was placed in the delicate position of employer with mounting metropolitan unemployment and a lively and belligerent representative of its railway employees on the party's State Executive.³ At the Executive elections during the annual Conference in April 1930 another ARU delegate was returned.⁴

¹ VPD, Vol.178, 2610, 31/10/28.
² The four CPP members represented the wheat growing electorates of Mildura, Ouyen, Benalla and Korong-Eaglehawk.
³ J.F. Chapple.
⁴ J. Sheehan.
Following Niemeyer's visit and the Premiers' Melbourne Agreement the Victorian Labor Party called a special Unemployment Conference. Presenting his report in defence of plans for introducing further economies, Hogan ignored a suggestion from one delegate that railway revenue was being 'given away in cheap freights to farmers', and was supported by J. Cain, Minister for Railways, who stated his belief that 'shorter working hours (were) inevitable even if pay (had) to be reduced'. Two backbenchers, M. Blackburn and A. Drakeford, attacked the Government's policy of railway retrenchment and Drakeford, an ex-railway employee, invited the Conference to 'give directions to the Government and accept responsibility for its actions'. Conference accepted the invitation and instructed the Executive to demand written assurances from both State and Federal politicians that they would not 'support, enforce, or advocate dismissals or reduction of wages or extension of hours'. Ten days later, on 24 September,

1 Labor Call, 18/9/30.
2 Ibid.
3 Ibid.
Hogan introduced his budget which, in compliance with the Melbourne Agreement, allowed for a revision of teaching and public service salaries and social service allowances.1

Whilst the Labor Party had been meeting to discuss unemployment the CPP had been attending a joint meeting with the Victorian Country Party from which it had seceded in 1926. At the conclusion of the Conference the CPP decided to rejoin the Country Party.2 On 29 October the leader of the CPP became deputy leader of the re-unified party3, and the Hogan Government became dependent upon the votes of one Independent and two Independent Liberal members in the Lower House.

Early in 1931 the ARU expressed its dissatisfaction with the Government for its failure to amend the Shops and Factories Act and declared that it would make a recommendation to the Labor Party's Easter Conference to exclude all parliamentary members from the State Executive,4 (where State and Federal politicians held a

2 Argus, 24/9/30.
3 Ibid., 30/9/30.
4 Ibid., 6/1/31.
quarter of the twenty-four seats). On 9 February the union made further complaints before a meeting of the Executive concerning rationing in the railway service. Executive members drew attention to the fact that whilst Hogan and J. P. Jones, Minister for Public Works, had returned replies complying with the demands of the September Conference, the assurances did not meet the requirements stated in the resolution.¹

Whilst the Executive was listening to union complaints Hogan, who was State Treasurer as well as Premier, was meeting other Premiers and Treasurers in Melbourne to discuss further ways of dealing with the depression. On 9 February he joined them in undertaking to balance his budget within three years² - a promise made more difficult by the knowledge that, with an expected railway deficit of at least £2,000,000,³ he had promised to repay by June 1932 £1,800,000 which, as Treasurer, he had borrowed from trading banks in order to pay current railway expenses.⁴

¹ Ibid., 10/2/31.
² Parliamentary Papers, p. 138.
³ Argus, 28/2/31.
⁴ Ibid., 7/4/31.
On 11 February the Executive summoned all parliamentary members to attend a further meeting to answer complaints of rationing made by the ARU, and of wage reductions by the Hospital Employees' Association. The AWU also joined the attack, stating that by agreeing to a rate of 12/11 per day for unemployed men on relief work the Government had violated Conference instructions. Hogan defended the Government's economies and the meeting adjourned without voting on a proposal that Hogan and Jones should lose their endorsement for the next State elections.¹

From 21 to 23 February Hogan attended a further conference of Premiers where he made it clear that his support for the introduction of a fiduciary note issue was dependent upon the co-operation of the banks and a reduction in expenditure by all States. He also insisted that the fiduciary notes should not be used to meet Government deficits 'but to assist necessitous farmers' and 'finance reproductive works'.²

The Premier's determination not to use any forthcoming financial help from the Federal Government to

¹ Argus, 12/2/31.
² Parliamentary Papers, p.157.
meet the railway deficit and prevent further retrenchment in that industry provoked another ARU attack, and at a re-convened Executive meeting he threatened to resign. The meeting was again adjourned and the vexed question of assurances deferred until the Easter Conference.¹ Invited to express their views before the Executive several Caucus members were reported to have criticised the Government, and Hogan immediately distributed a circular to both Caucus and Executive members stating Cabinet's determination not to intervene in economy plans in State services.²

On 10 March the Executive presented the Government with a four point legislative programme comprising increased taxation 'on those best able to bear such charges', the raising of money for unemployment relief, shorter hours and better working conditions, and constitutional and electoral reforms, including electoral redistribution, reform of the Upper House and the abolition of the office of State Governor.³ However,

¹ Argus, 28/2/31.
² Argus, 6/3/31.
³ Labor Call, 19/3/31.
Hogan had no intention of complying with any of the points other than those concerning unemployment relief and electoral redistribution, and the Easter Conference accepted a compromise omitting the demand for shorter hours and better working conditions, and including a farmers, home purchasers and tenants rent moratorium bill.¹

The Easter Conference opened on 3 April, and the ARU, which had sent the largest delegation to the Conference, made every effort to dominate the proceedings. Conference endorsed the action of the Executive in its dispute with the Hogan Ministry, but an ARU proposal to refuse endorsement to Hogan, Jones and back-bencher E.E. Bond, the only three members still refusing to give adequate assurance of compliance with the demands of the September Conference, was negatived. The ARU proposal to debar parliamentarians from membership of the Executive was also defeated and six politicians were again returned in the Executive elections, although Hogan himself decided not to seek re-election. The new Executive was evenly divided between the left and right wings of

the party but the election of two left-wing members\(^1\) to the Senior and Junior Vice-Presidency suggested the possibility of a left-wing victory at the following year's elections.\(^2\)

Hogan, who had been too ill to attend the first day of the Conference, defended Government policy at the second meeting and was supported by W.J. Beckett, Minister for Health, J. Cain, Minister for Railways and T. Tunnecliffe, Chief Secretary and Deputy Premier.  
\(^3\)M. Blackburn, Drakeford and Prendergast again criticised the Government and Drakeford, presenting the modified legislative programme, called on the Premier to reconvene parliament by 28 April and bring down bills to put the programme into effect by 17 May.\(^3\) Hogan, Jones and Bond were again asked to forward assurances of opposition to further wage cuts and F.W. Sear, Secretary of the ARU, admitted in a press interview that his union 'was demanding the reconstruction of the Cabinet and the elimination of Hogan and Bond'.\(^4\)

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1 Labor Call, 16/4/31.
2 D. Cameron, President of the Trades Hall Council and J.F. Chappie of the ARU.
3 Labor Call, 16/4/31.
4 Argus, 8/4/31.
The Premier continued to ignore demands for a personal assurance of opposition to wage reductions and he refused to re-call parliament earlier than 6 May, the day previously arranged for the beginning of the new session. Three weeks later, meeting with other Premiers for the third conference since the beginning of the year Hogan pledged his Government to adopt a 20 per cent reduction in controllable Government expenditure. Although the initial discussions left the introduction of economies to the discretion of individual States, further meetings over the next fortnight produced a plan, accepted on 10 June, involving drastic reductions in wages and social service benefits.¹

On 13 June the State Executive, resenting the acceptance of the economy plan by the Federal Caucus, and fearing the same result in Victoria, summoned Cabinet Ministers to appear individually before the Executive 'to show cause why their endorsement as Labor members should not be forthwith cancelled'.² Ministers explained that depleted finances made it impossible to give effect

¹ Parliamentary Papers, p.351.
² Argus, 14/6/31.
to Labor Conference resolutions. After four meetings the Executive passed a resolution on 22 June instructing its State members to vote against the proposals contained in the Premiers' plan. In an effort to further impress its decision on the minds of Caucus members the Executive on 24 June stated that if Hogan, Jones and Bond did not give assurances by 3 July that they would oppose any further reduction in wages, their endorsement as Labor candidates would be withdrawn.

On the same day Cabinet considered the Premiers' plan and although it was stated that one Minister had threatened to resign if the plan was adopted the threat was later withdrawn. On 28 June the Executive met again and unsuccessful efforts were made by political members to re-open discussion on the resolution instructing members to vote against the plan. Trade union representatives carried a resolution to convene a Special Conference for 23 July, and the question of personal assurances was again deferred. A week later

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1 Labor Call, 25/3/31.
2 Argus, 26/6/31.
3 Ibid.
4 Labor Call, 2/7/31.
Caucus approved the Premiers' plan by 22 votes to 12,\(^1\) and on 21 July the Financial Emergency Bill incorporating the plan passed through its second reading with the help of the Opposition, nine Labor members voting against it.\(^2\)

The Special Conference saw a re-enactment of the proceedings of nearly every Executive meeting since the beginning of the year. The resolution passed by the Executive on 22 June was put to Conference and carried; the Chairman ruled against dealing with personal assurances and was upheld by 117 votes to 70, and Hogan, again absent through illness, sent a letter refusing to drop the Financial Emergency Bill and pointing out that his opponents had no proper alternative to offer.\(^3\) On 11 August the Bill passed its third reading in the Lower House with seven Labor members voting against it.\(^4\)

The reluctant acceptance of the plan by the Federal Executive on 28 August was followed by the final cleavage of the Victorian State Executive. Before the Federal

\(^1\) Ibid.
\(^2\) VPD, Vol.185, 1436, 21/7/31.
\(^3\) Labor Call, 30/7/31.
meeting both wings had openly deplored the plan; after the meeting a continued refusal to accept the inevitable began to be associated with 'Langism' and 'repudiation'. In September the Trades Hall Council, whose President was Senior Vice-President of the State Labor Party, held a Special Industrial Conference at which it promised to 'initiate the necessary financial and moral support' to those Federal and State politicians who were prepared to fight the Premiers' plan. On 1 November Senator Barnes, the Victorian President of the right-wing AWU, and a member of the party's State Executive, stated his union's 'reluctant' support for official Labor policy, as laid down by the Federal Executive.  

The approaching Federal election led to a reconciliation between the two wings in November, but the defeat of the Labor Party at the election increased the industrial wing's conviction that all the party's misfortunes were due to its acceptance of the Premiers' plan. The precarious position in which Caucus members

1 Argus, 14/9/31.
2 Ibid., 2/11/31.
3 Ibid., 10/11/31, 14/11/31, 16/11/31.
were placed by the split in the extra-parliamentary party was paralleled by their precarious position in parliament, where, on 3 December, the Government was only saved from defeat on the floor of the Lower House on a confidence motion by the casting vote of the Speaker.¹

In January 1932 Hogan was forced to take a holiday on medical advice,² and on 2 February he entered hospital in Sydney, missing a Special Conference called to take the place of the annual Easter Conference. The Conference censured the outgoing Executive for its eventual acceptance of the Premiers' plan and gave fresh warning of loss of endorsement to parliamentary members who continued to support the Premiers' plan.³ Soon afterwards the Premier left for England on a recuperative trip, leaving Tunnecliffe as Acting Premier.

On 30 March, D. Cameron, the new left-wing President of the party, warned parliamentary members that any further support of wage reductions would carry immediate

² Argus, 9/1/31.
³ Labor Call, 4/2/32.
expulsion from the party. With a general election due at the end of the year Cabinet and Caucus members took the threat seriously and when parliament met on 6 April the Governor’s speech contained no reference to the plan. On 12 April the Leader of the Opposition moved a motion of no confidence and on 13 April the Government was defeated by 29 votes to 25 with ten members absent. Hogan, still in England, refused an offer to remain as Agent-General and attempted to rally support for the Premiers’ plan, cabling Tunnecliffe to support the plan in his policy speech. However, the Acting-Premier defied the instruction and campaigned in opposition to the plan. Although Hogan had been a union organizer in Western Australia before his entry into parliament, and had been closely associated with the State Labor Party since 1913, with continuous membership of the Executive and service as Vice-President and President of the Party,
his major interest outside parliament was in farming, and he had little in common with the left-wing faction on the party's Executive.

During G.M. Prendergast's brief period of office in 1924 he had held the portfolio of Agriculture, Railways and Markets, and had been paid the unique compliment of an invitation to an official luncheon in his honour, given by Victorian producers of all shades of political opinion, as a mark of appreciation of his efforts to facilitate the transport and marketing of produce. During his own equally brief Premiership in 1927 he had retained the portfolio of Markets.

When the depression crisis resolved itself into a choice of alternatives between the apparent stability promised by strict adherence to the Premiers' plan, with the provision of financial assistance from the banks for the relief of distress in both rural and city areas, and the political and financial uncertainties associated with repudiation, the Premier could see only one possible course of action.

It is probable that even without the depression he would have had to fight a running battle with the ARU, but the depression added a new dimension to the problem. The Premier did not simply take sides in an organisational
faction fight within his own State; he also had to make
decisions on matters of policy on an inter-State scale
during meetings with other Premiers and State Treasurers
at Premiers' Conferences and meetings of the Loan Council,
and as a representative of the Loan Council at meetings
of the committee of economic experts advising the Federal
Government. The State Executive had been placed in the
invidious position of being able to voice its disapproval
only after decisions to take action had already been made.
Whilst both wings disapproved the decisions reached at
such meetings, only the more militant members were
prepared to carry their disapproval to the length of
expulsion.

From December 1929 until the election of a
predominantly left-wing Executive in 1932 Hogan's
method of dealing with Executive disapproval had been
surprisingly successful. Confining his personal attacks
to the ARU Secretary\(^1\) he retained the support of the more
moderate section of the Executive and was able to rely
to a certain extent upon the traditional rivalry between
the ARU and AWU, (of which he was an ex-organiser), to

\(^1\) Cf. Argus, 8/4/31, 9/4/31 for exchanges between Hogan
and Sear.
moderate Executive exasperation at his filibustering tactics.

His policy of patiently defending his own position and at the same time ignoring Executive demands was strengthened by the support implicit in the attitude adopted by Caucus. Although the majority complied with the Executive demand for signed assurances that they would not support work-rationing or wage-cuts, and a minority voted against the Financial Emergency Bill, there is no record of dissension in Caucus meetings, or of any attempt to deprive the Premier of the party leadership. With the exception of Blackburn,^ Drakeford and Prendergast there was also little record of Caucus criticism at Conference or Executive meetings.

With the election of a left-wing majority to the Executive in February 1932, the situation was radically altered. Hogan was no longer at hand to encourage his parliamentary supporters, but even if he had been their continued support was unlikely in the face of certain

1 A veteran left-wing member accused by Hogan in 1930 of having voted against the Government 32 times in the past year. Cf. Labor Call, 18/9/30.
loss of endorsement. Although two Ministers$^1$ and one back-bencher$^2$ eventually resigned from the party in support of the Premier the remaining members campaigned in opposition to the Premiers' plan. Thirteen sitting members were defeated and the Labor Party returned only seventeen members against a combined United Australia and Country Party total of forty-seven, largely due to the party's loss of rural support.$^3$

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$^1$ J.P. Jones, Minister for Public Works and Kiernan, Honorary Minister, both Legislative Councillors.

$^2$ A.R. Jackson.

$^3$ Eight of the twelve seats lost were in rural areas. Cf. Rawson (1954), p.119.
Becoming Premier of South Australia in April 1930, L.L. Hill was faced with immediate economic difficulties, particularly in the Government railway industry, and in August of the same year he joined other Premiers in formulating the Melbourne Agreement. A year later the State Executive retaliated by expelling all Caucus members who helped to put the 1931 Premiers' plan into operation, and for eighteen months Hill led a party of nineteen expelled parliamentarians with the support of the Liberal and Country parties. However, when he put forward proposals for a National Government in 1933, and refused to incorporate any controversial Labor planks in his election policy, his Caucus colleagues themselves attempted to unseat him; when the attempt proved unsuccessful they offered him the position of Agent-General in London, which he accepted.

There was nothing to which left-wing members could take exception in the policy upon which Hill had campaigned in 1930. However, by the end of the year there was no sign of the redemption of promises to abolish the Legislative Council, reform the electoral system or re-purchase large estates, whilst enacted legislation included a Parliamentary and Public
Salaries Act reducing the salaries of politicians, public servants, teachers and railway officers.

By February 1931 a minority of Caucus members were sufficiently perturbed by Government policy to raise the question of the party's leadership. Cabinet members defended their actions before the meeting and a proposed motion of no confidence was turned into a motion of confidence and carried by 22 votes to seven.\textsuperscript{1} Whilst Caucus was debating the party's leadership Hill was attending a further Premiers' Conference in Sydney, where he joined Hogan in insisting upon the insertion of qualifications to Theodore's plans for credit expansion.

Having re-established his position in Caucus Hill's next triumph came at a Special Conference in March where two motions by the ARU, one demanding the expulsion of the Premier, Attorney-General W.J. Denny and Chief Secretary J.R. Whitford, and the other demanding a Cabinet 'spill', were both defeated, although the first was only lost by 21 votes. Left-wing unions managed to secure approval for the immediate introduction of a 44 hour week and for changes to the party rules which were calculated to increase extra-parliamentary control

\textsuperscript{1} \textit{Adelaide Advertiser}, 21/2/31, 23/2/31.
over Caucus. Resolutions carried demanded that Caucus members should be subject to decisions on policy reached at the monthly meetings of the party's Central Council, (which filled the role played by the Executive in other States),¹ with the provision that one month's notice would be given, and that a copy of Caucus minutes should be handed to the Council within three days of their official confirmation.²

Having voiced its dissatisfaction and strengthened its constitutional position Central Council remained quiescent for three months whilst Hill attempted to strengthen the party's rural support by introducing a mortgage postponement bill and a bill to relieve farmers affected by the previous year's drought.

On 10 June Hill accepted on behalf of South Australia the reductions in wages and social benefits outlined in the Premiers' plan, and on 25 June, notwithstanding a plea by the party's President that

¹ The sixteen members of the Executive were ex officio members of the Central Council which was a body of about one hundred members elected directly by unions and branches to interpret the party's wishes between Conferences. Cf. Reid in Davis, p.365.
the Federal Executive decision to allow politicians a free vote on the plan applied to State as well as Federal politicians, Central Council issued an ultimatum warning both State and Federal politicians that any member who supported the Premiers' plan would be automatically expelled from the party.¹

The Premier, with Caucus and Cabinet support, ignored the warning, and Hill introduced a Financial Emergency Bill incorporating the reductions on 14 July.² On 17 July the bill passed its third reading by 32 votes to five. Twenty Labor politicians voted in favour of the bill and five voted and one paired against it.³ On 13 August the Executive retaliated by expelling the twenty members whose names had appeared on the division list in favour of the bill.⁴

Although Hill described his position in August 1931 as 'depressing and embarrassing'⁵ the mass expulsion of

¹ Adelaide Advertiser, 26/6/31.
² SAPD, Vol.1, (1931), 689, 14/7/31.
³ Ibid., 838, 17/7/31. Of the four remaining Labor members in the Lower House one was in the chair and three neither voted nor arranged pairs.
⁴ Adelaide Advertiser, 14/8/31.
⁵ Ibid., 15/8/31.
parliamentary members was not at first taken very seriously, and it was generally felt that the expulsions would not be endorsed by the annual Conference in September. Immediately before the State Conference was due to meet the Premier applied to the Federal Executive for permission to address the coming Federal Conference on the subject, perhaps feeling that since the State Executive had presumed to instruct Federal delegates, the Federal Executive would be willing to turn the tables. However, the Federal Executive refused to allow any appeals to be made to Federal Conference until they had first been rejected by the State Executive. 1

The expelled members refused to approach the State body, partly for fear that a break in continuity of party membership would render them ineligible to contest the 1933 elections, partly for fear that any such appeal would be immediately dismissed. The State Conference refused to allow members to defend their action until they were willing to admit that they had been expelled, 2 and the only member to do so had his appeal rejected. 3

1 Adelaide Advertiser, 1/9/31.
2 Ibid., 15/9/31.
3 Ibid., 18/9/31.
The Conference took further steps to control its six remaining parliamentary members, passing a resolution giving to the Conference and to Council full power to expel any (parliamentary) member or disqualify him for a period and in the case of a Cabinet Minister...to decide that any member shall be withdrawn from the Ministry, and the Parliamentary Labour Party shall take action to give effect to such a decision if necessary...¹

The breach between the industrial and political wings was widened by a Conference decision to elect a socialisation committee pledged to oppose the Premiers' plan and work towards such objectives as the nationalisation of banking and socialisation of industry. Following the Conference the expelled members decided to renew their appeal to the Federal Executive. At the same time the six parliamentary opponents of the plan, one of whom had been elected President of the party by the Conference delegates, were ordered by the State Executive

¹ Adelaide Advertiser, 19/9/31/
to cease attendance at Caucus meetings and elect their own Chairman, Secretary and leaders in both Houses. 1

The Federal Executive, meeting in Melbourne in November, decided against hearing the South Australian appeals against expulsion and stated that all members must first appeal individually to the State Executive. 2 The expelled politicians refused to follow such a course and decided to form an entirely new party. 3

In January 1932 the expelled members decided to adopt a new constitution, including triennial conferences, closer co-operation between members and their electorates, and the abolition of the socialisation plank and monthly executive meetings. 4 The new constitution was officially adopted by Caucus on 21 January, 5 and in February the new party ventured its first trial of strength against the

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2 Executive Reports 1930-33 attached to ALP Federal Conference Report, 1933, p.36.


4 Ibid., 31/1/32.

5 Ibid., 22/1/32.
Executive by nominating its own candidate for a by-election.¹ The candidate was defeated but fared better than the Executive’s own nominee.²

By June 1932 South Australia was in the unusual position of having three Labor parties represented in the House of Assembly and four functioning in the State. Hill led the majority of 20 expelled politicians; E.R Dawes led seven members supported by the State Executive;³ and R.A. Dale, who had been expelled from the Labor party as a Lang adherent, represented the Lang Labor Party. A second Lang party, called the South Australian Branch of the Lang ALP also had a small following in the State but had no parliamentary representative.

Hill’s extra-parliamentary organisation was inefficient; those branches which supported the expelled politicians were either reformed by or expelled from the official Labor Party which effected a reconciliation with the South Australian Branch of the Lang ALP in

¹ Ibid., 16/2/32.
² Ibid., 8/3/32.
³ The original five who had voted against the Premiers’ plan and two who had voted for the plan, B.J. Kearney and A.V. Thompson, whose appeals were upheld by the Federal Executive on 27 June 1932.
September 1932 following a Special Unity Conference.¹ Hill severed his last bonds with the official Labor Party in July by starting negotiations to form a National Government.²

The methods employed by Hill in his endeavour to remain in office had been, from one point of view, successful. Because he retained the support of the majority of his parliamentary colleagues he did in fact remain in office until his resignation, whilst his colleagues remained in office for a further two months until the State election fell due in April.

On the other hand it is plain that from August 1931 he no longer led the same party. It is difficult to say whether he could have acted differently and thereby retained the Premierships as leader of the official Labor Party. Two back-benchers complied with the Central Council conditions in admitting their expulsion and appealing to the Federal Executive after being refused readmittance by Central Council; Hill could have followed their example at the cost of repudiating the

¹ Adelaide Advertiser, 16/9/32.
² Ibid., 22/7/32.
Premiers' plan, and, having a majority in the Lower House, he would not thereby have risked defeat on the floor of the House (although he would have almost certainly still been defeated at the general election). The fact that Dawes, elected President of the official Labor Party in September 1931, made no move to formally assume the leadership of the official Labor Party's parliamentary members until June 1932, suggests that Central Council did not for some time give up hope of reclaiming a chastened and penitent Caucus.¹

There are three probable reasons for Hill's failure to accept Executive direction on the matter of his expulsion. Firstly, he was personally committed to the Premiers' plan; not only had he sat on a Loan Council sub-committee that had advised the retrenchment, but South Australia was also in a position to need special Federal relief and could not afford to diverge too widely from the economic policies accepted by the Federal Government, regardless of the party in power.

Secondly, he may have genuinely expected the Federal Executive to reverse the State expulsions and perhaps

¹ J. Cain, Minister for Railways in the Hogan Government, reversed his stand on the Premiers' plan and was later to return as State Premier.
even move for the expulsion of Central Council as it had
done in the case of New South Wales in the same year.
Thirdly, Hill stated his own conviction that the
expulsion formed part of a vendetta against certain
parliamentary members, himself in particular, and that
'the Premiers' plan was used as a subterfuge'.

The real reason, he maintained, was that left-wing
unionists, headed by the secretary of the ARU, had
gained control of the party and intended to revenge
themselves for actions which he and the Commissioner for
Crown Lands, R.S. Richards, (an ex-President of the party
and Hill's successor in office), had taken in 1930 'in
removing certain persons who proved to have manipulated
a ballot in connection with the pre-selection of
candidates for the number 1 district of the Legislative
Council'.

The first step had been taken at the 1930 State
Conference when pre-Conference meetings had been held
at which 'tickets' had been drawn up to ensure the
Premier's defeat at the Executive elections. The same
thing, said Hill, had happened prior to the Special

1 Adelaide Advertiser, 23/11/31.
Conference in February 1931 'when practically the whole of the offices in the movement were captured by those who desired the expulsion of the Ministry and other parliamentary members'.

Once expelled, Hill was prepared to move further than his supporters away from the official Labor Party. However, his attempt to form a National Government - an attempt which had a precedent in similar action taken by an earlier South Australian ex-Labor Premier - was frustrated both by the non-Labor parties and his own.

The Liberal and Country Parties had united in the Liberal and Country League in March 1932, and although the Opposition leader, R. Butler, exchanged letters with Hill in July, and was reputed in September to have made an election pact with the Labor Premier, the Liberal

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1 Ibid.
2 C. Vaughan, Labor Premier from 1915 to 1916 and National Labor Premier from November 1916 to July 1917, had been expelled from the Labor Party in November 1917 over the conscription issue together with eighteen colleagues in the Lower House. Negotiations with the Liberal Opposition Leader were cut short by Vaughan's defeat on the floor of the House. The Liberal Premier continued the negotiations and agreement to form a National Ministry was reached in August 1917, although Vaughan refused to join the new Ministry.
3 Adelaide Advertiser, 22/7/32.
4 Ibid., 22/9/32.
and Country League soon realised that an election victory was highly probable even without Hill's pledged support, and the two leaders prepared separate policy speeches. When Hill admitted to his colleagues during a Caucus meeting in January 1933 that he had offered Butler three portfolios in any future Cabinet, (which offer Butler had refused), they demonstrated their surprise and anger in an attempt to unseat him. The hostile motion was withdrawn, but further dismay at his refusal to incorporate Labor planks in his policy speech prompted members to press upon him the offer of the Agent-Generalship. Hill accepted the offer and was formally appointed on 8 February 1933, two months before the party was overwhelmingly defeated in a general election.

Hill faced two separate crises as Premier, the first in his relations with the extra-parliamentary party and the second in his relations with his own colleagues. The first crisis was largely governed by economic conditions and the extra-parliamentary party's refusal to accept the fact that support for the Premiers' plan was the only

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1 Ibid., 24/9/32.
2 Ibid., 24/1/33.
3 Ibid., 27/1/33.
means of securing Loan Council assistance, since no alternative plan would be accepted by the Council or the State's non-Labor majority in the Upper House. At the same time it was aggravated by personal differences between Hill and members of the left-wing unions led by the ARU, and by a general feeling of disappointment within the extra-parliamentary party at the Premier's failure to take a more sympathetic view of union grievances.

Hill had entered office with an irreproachable industrial and parliamentary background. He had spent twelve years as a worker at the Glanville and Islington workshops, resigning in 1910 to become secretary of the Tramways Union, a position which he held for fourteen years, later holding the office of President. From 1904 to 1914 he also held the office of secretary and treasurer of the Boilermakers' Assistants' Union, and when that body amalgamated with the Federal Ironworkers' Union he was elected to the position of President.¹

He had been assistant-secretary of the State Labor Party from 1910 to 1911 and President from 1917 to 1918.

¹ Adelaide Advertiser, 12/3/17.
Entering parliament in 1915 he had proved his fidelity to the official Labor Party in 1916 by becoming President of the South Australian anti-conscription campaign committee. Whilst nineteen Labor politicians were expelled from the State Party for supporting conscription, Hill resigned from parliament to become one of the officially endorsed Labor candidates for the 1917 Senate election. Unsuccessful in the election he returned to the State parliament in 1918, and eight years later succeeded J. Gunn as Labor Premier, holding the position for eight months.

Such a background might be expected to have produced a radical leader, particularly in a State where industrial unionism was politically at the mercy of an electoral system which favoured the non-Labor parties. However, other factors were to influence Hill more strongly. Whether because of his own farming ancestry or because, during his second period of office, both he and twelve other Labor members represented rural electorates, he paid scant attention to union demands and made no effort to defend his position before Central Council. Faced with expulsion he could scarcely have worsened his position by appealing to the State Executive;
instead he decided to make a clean break and attempt to organise his own extra-parliamentary support.

Inside parliament his position was very different. In his youth a prominent athlete and an Inter-State footballer, he had an easy manner and was popular with his fellow parliamentarians on both sides of the House. On his return to office in 1930 he was paid the compliment of being elected unopposed to the leadership of the Labor Party on an open motion. He retained his colleagues' support for the greater part of his Premiership, only losing it when it became clear that he had travelled too far in the direction of the Liberal and Country Parties to be regarded as a Labor member.

Hill, being himself one of the initiators of the measures taken by the Premiers to counter the depression, supported from deep personal conviction both the initial plan and the implication that further steps along the same lines would probably have to be taken in the future, and after the Federal election in December 1931 he may well have seen himself as another J.A. Lyons, leading a Coalition Government out of the economic crisis.
CHAPTER 3

THE NATIONAL PARTY

(a) Introduction

The National Party, unlike the ALP, was first and foremost a parliamentary party, being created to accommodate those politicians who had resigned or been expelled from the ALP during 1916 and 1917. At the parliamentary level, it first appeared in November 1916 in New South Wales, where both Labor and non-Labor conscriptionists were anxious to postpone an election in a State which had voted against compulsory service. Before further parliamentary amalgamation took place a skeleton extra-parliamentary party was established in all six States, mainly due to the efforts of J.N.H. Hume-Cook, a Liberal ex-Federal politician, W.M. Hughes, the Federal Prime Minister, who had been expelled from the Labor Party, and leading Liberal politicians from Victoria and New South Wales. Negotiations were facilitated by the fact that many of the founding members of the new party had sat together on Universal Service League and conscription campaign committees since 1915.
Whilst negotiations took place for the most part between Liberal and ex-Labor politicians, supporters of the new party included rural organisations such as the New South Wales Farmers' and Settlers' Association and various Returned Soldier leagues. The Liberal, National Labor, and Returned Soldier organisations, and in New South Wales the Progressive Party, (a country organisation similar to the Farmers' and Settlers' Association), endorsed their own candidates to fight under the Nationalist banner, and met together on National Party election campaign committees to settle differences over the number of candidates to be drawn from each section. In many instances candidates received dual endorsement.

Disputes, particularly between National Labor and Liberal selection committees aroused considerable bitterness where the majority of sitting members had previously belonged as party members to the Liberal or Labor Party. Thus, in 1917, quarrels between the Labor and Liberal sections concerning the selection of Senate candidates broke out in New South Wales, Queensland and South Australia, and many candidates in the election for
both Houses referred obliquely to their previous party affiliations. ¹

During its first two years the most distinctive political feature of the National Party was its National Labor element. There were twenty-five National Labor politicians in the Federal Lower House after the conscription split, nineteen in South Australia, seventeen in New South Wales, eight in Western Australia, three in Victoria, two in Tasmania and one in Queensland. However, elections over the next three years saw a decline in the election of members with a Labor background until in 1922 Western Australia with four ex-Labor members in its Lower House contained a larger number than any other Australian parliament.

Whilst in most States National Labor and Returned Soldier politicians were gradually absorbed into a party which closely resembled the old Liberal Party, State rural organisations, which had previously been content to endorse Nationalist candidates, began to endorse their own candidates to campaign against the National

¹ One candidate, Mr E. Jowett, openly confessed that he was 'standing as a Nationalist and a supporter of Mr Hughes, not as a follower of Mr Cook, (the leader of the Liberal Party), and a supporter of the Liberal Party'. Cf. Argus, 11/4/17.
Party. By 1919 they were able to send enough members to Federal Parliament to form a separate Country Party.

In New South Wales, Victoria, Queensland and Tasmania the various sections of the National Party's extra-parliamentary organisation Liberal, Country, Labor and Returned Soldier - formally amalgamated, and the ex-Labor element flourished only in the New South Wales parliament, where the ex-Labor Premier remained in power. With his defeat in the 1920 State election the National parliamentary Party reverted to the more conservative pattern exhibited in the other three States.

In Western Australia as early as October 1917 one of the ex-Labor section's original committee members wrote to a Western Australian ex-Labor Senator complaining that the National Labor organisation was 'practically defunct'. The money, he wrote, would 'soon fizzle out' as would the National Labor Party itself, whilst the other parties (Liberal and Country) were increasing in strength.¹ Following the 1921 State election the Country Party, which had grown from twelve to seventeen, was given equal representation in the National Cabinet, but

¹ Pearce Papers, Series 2, 213; letter from Hay to Pearce, 15/10/17.
from 1919 until the party's defeat in 1924 the ex-Labor members of the National Party remained on the back benches. In 1923 ex-Liberal and ex-Labor members and a section of the Country Party merged as the 'United Party' with a common extra-parliamentary organisation.

The South Australian ex-Labor members were themselves submerged in a country movement, re-appearing as the Progressive Country Party in 1920. From 1917 until 1920 National Labor members maintained an uneasy coalition with the ex-Liberal members of the party. In 1918 their Cabinet representation was reduced from three to two, and by the end of the following year further strain was put on the relationship when they voted with the Official Labor Party to force vital amendments to the Government's Industrial Code Bill. The ex-Liberal section of the party, fearing similar behaviour in the future, demanded assurances of unqualified support and when these were refused National Labor Ministers were asked to resign. The coalition ended on 31 March 1920, and the Liberal Party was returned to office in April 1921 as a separate party.

At the extra-parliamentary level the National Party suffered from a certain lop-sidedness in its
organisation. The discussions which resulted in its formation took place for the most part in Melbourne, the home of the Federal parliament; the party's national headquarters were also in Melbourne and it was in Victoria that the most vigorous branch organisation took place. Hughes, whilst in constant touch with Victorian Liberal leaders, regarded Joseph Cook, a New South Welshman and leader of the Federal Liberal Party, with some contempt, whilst New South Wales, having already formed its own State National Party, was suspicious of the new organisation. Hume-Cook, the Victorian party secretary, travelled to South Australia to help with the organisation of the party in that State, but Western Australia, Tasmania and Queensland were left to form their own organisations. As a result the party developed along individual lines in the six States.

In Victoria a courageous attempt was made to control the party's finances. Hughes, well aware that the Liberal Party's finance committee, the Constitutional Union, would expect its share in the control of the

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1 Cf. Hume-Cook Papers, Series II, 601/II/4b, 21/12/16, 28/12/16, 4/1/17.
2 Ibid., Series II, 601/II/4c, 21/2/17.
party, had arranged with Hume-Cook for contributions to party funds to be held in trust by a committee of three,\(^1\) and during negotiations with the Liberal Party the National Federation held aloof from the Constitutional Union.\(^2\)

However, the Federation soon found itself unable to function without heavy subsidies from the Liberal finance committee, (which changed its title to the National Union shortly after the formation of the National Party). Soon after the Federal elections in May 1917 the National Union undertook to finance the National Federation and became an affiliated body with seats on the Victorian Executive and State Council.\(^3\) In its new position it was able to dictate dismissals and salary reductions within the National Federation's Melbourne headquarters by threatening to reduce its subsidy. Admitting that the Federation could no longer afford separate premises and a separate staff, Hume-Cook at the same time warned the National Union, which had

\(^1\) Ibid.
\(^3\) Ibid., Series II, 601/II/8.
suggested that the Federation cease its programme of branch expansion, against any attempt to force it out of existence, since it was 'the one body which the ex-Labor members who have carried the party through the recent Federal elections are prepared to join'.

Hume-Cook's jealousy concerning the independent existence of the National Federation as the party's extra-parliamentary organisation was well-founded. In his own mind the Federation was to play a role similar to that of the Labor Party's extra-parliamentary party as custodian of party ideology, annual court of appeal and election organiser – whilst the National Union's

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1 *Hume-Cook Papers, Series II; General Correspondence; Letters between Cook and Riggall, Chairman of the National Union, 31/5/17, and between Cook and J. West, Secretary of the National Union, 19/7/17.*

2 In letters to the National Union secretary in May 1917, Hume-Cook, who as early as December 1916 had drafted the party's constitution and platform and a provisional list of its Interstate officers and Victorian branch Council members, had urged the Union secretary to take note of his 'extracts and comments upon a number of books, magazines and pamphlets in general use by the Labor party' that by imitation the National Party might 'challenge and answer the publicity work of our opponents'. *Cf. Hume-Cook Papers, Series II, 601/II/1; General Correspondence.*
function should be to collect funds and allocate them in consultation with the larger body.¹

His efforts to stimulate organisational activity between elections were slow to bear fruit in the face of National Union indifference. However, by February 1919 a publicity department, (which he had suggested to the National Union secretary in May 1917)² had been set up to try to counteract the activities, not of the Labor Party which Hume-Cook had seen as the party's strongest challenge, but of the Victorian Farmers' Union, which won two Federal parliamentary seats in that year.

Within three months of writing to Hughes concerning the establishment of the publicity department³ Hume-Cook was dismissed as secretary of the National Federation, and before he finally resigned from the party's State Executive he had drawn up, at the Executive's request, a long list of grievances against the National Union, occasioned by an election pact made between the Federal

¹ Hume-Cook Papers, Series II, 601/II/1.
² Hume-Cook Papers, Series II (1); General Correspondence.
leaders of the National and Country parties to which only the National Union had been a party.¹

The National Union ignored the grievances,² and secured the resignation of the ex-Labor President of the National Federation,³ and it was not until 1930 that the organising committee of the party's National Council again brought up the subject of the pact, prior to the re-forming of the party as the United Australia Party in 1931. Stating that 'the prolonged life of the Bruce-Page pact had (had) a serious effect upon the Nationalist organisation over large country areas', the committee recommended that the council 'should proceed to organise in all Country seats'.⁴

Like the Labor Party, the National Party was elaborately organised at both the State and National level, and differed slightly in its composition from

¹ Ibid, Series IX; (2); 'Recollections and Reflections: The Story of my Life', pp.278-80.
² Ibid, pp.280-1.
⁴ National Party Council: report of organising committee; included in Latham Papers, box 5 (n), dated 26/2/30.
State to State. However, the party conference, unlike the Labor Party conference, did not play a very important role in the party structure. It elected the party's executive officers but it did not, in Victoria, elect other members to the party council or executive; and in New South Wales it elected only a proportion of council members.

In New South Wales, parliamentarians were given direct representation on the party's council. In Victoria, the council, apart from its executive members, was elected directly from the branches, and itself elected nine additional members to the executive.

Although conference could pass resolutions advising political action on particular topics it could not instruct the party's parliamentary representatives who, at least in the Federal and Victorian party platforms, were constitutionally stated 'to be responsible only to their constituents'.

In Victoria, sitting members of parliament were not required to face a pre-selection ballot, except by special request to the executive from their electorate.

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1 Cf. National Federation Federal platform, (1926), rule 3; Victorian platform (1926), rule 2.
councils; and it has been stated that in New South Wales at least one party leader was able to exercise considerable influence in protecting his parliamentary colleagues from the pre-selection pledge.¹ Victorian candidates for pre-selection were required to agree 'either publicly or in writing' to a mild pledge, binding them 'to support generally the platform of the National Federation'.²

The Federal National Party made no provision in its rules for disciplining recalcitrant State branches, nor did it feel the necessity to rule that, in the event of a dispute between Federal and State executives, Federal party members should be bound by the decisions of the Federal executive. It was not the kind of party to feel that such rules, (formulated by the Labor Party to meet its own political needs), were relevant to its own organisation, which was more concerned with the winning of parliamentary seats than with the exercise of control over its political members.

¹ Hay, p.114; the leader was W.A. Holman.
² Victorian platform (1926), rule 42. The above description of National Party organisation are subject to severe limitations imposed by the scarcity of material.
The party's finance committees were not elected by conference but comprised groups of business and professional men, whose object was to secure through financial aid the return to parliament of a party sympathetic towards the views of the business and professional community. Many were also men who enjoyed playing politics behind the scenes in the belief that they could use their influence without losing their anonymity. They were not required to place a statement of their committee's financial assets before the party, or to present any report of the manner in which the party's funds had been allocated. The names of contributors to party funds were not published in conference reports or constitutional hand-books; press reporters were never invited to finance committee meetings, and the names of their executive officers were unlikely to come under public scrutiny unless they were given to the press by other interested persons.

Finance committee members were able to influence parliamentary members both through personal contact and through their contact with the party's branch executives; some were in a position to personally influence newspaper editorials, and many were members of other social groups - employers' federations, taxpayers' associations, civic
reform leagues - which functioned as political pressure groups. For the most part there was little need for political intervention and cordial relations existed between finance committee members and the party's political leaders. Where both belonged to the same social world, clubs and societies provided opportunities for informal contact, and lent an atmosphere of easy familiarity to the more formal calls paid at parliamentary offices.

When ex-Labor leaders became National Party First Ministers they did not fit naturally into the traditional Liberal pattern of easy social intercourse between members of the parliamentary and extra-parliamentary sections of the party. When the National Labor members had first entered parliament the great majority had been deprived of any financial benefit from their previous occupations and had become professional politicians, cutting themselves off from contact with groups and associations outside parliament. Although many had acted as trade union officials, entry into parliament had weakened the intimacy of such ties and the conscription split had destroyed them.

Ex-Liberal members of the party were placed very differently; a significant proportion were in a
position to draw upon financial resources other than their parliamentary salaries, and to continue to live the lives associated with their previous professions. In 1917 eighteen ex-Liberal Federal politicians were members of Melbourne and Sydney clubs. Sir Ernest Scott in his memoir of the Melbourne Club took pains to refute any suggestion that the club might have 'partisan connections', but it is probable that the atmosphere of political conservatism generated in such clubs, where members were likely to meet managers of conservative newspapers, and large-scale contributors to party funds, had some effect upon its political members,

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1 The number may have been greater; information on the subject was restricted by the fact that the only biographical dictionaries to list clubs between 1899 and 1941 are the 1906 edition of Notable Australians, and the 1922 edition of Who's Who, which does not list parliamentarians.

2 Scott, p. 58 ff.

3 Sir Lachlan Mackinnon, General Manager of the Argus, in 1917 was a member of the Melbourne Club as was the newspaper's Editor, Sir Edward Cunningham. C.B. Fletcher, Editor of the Sydney Morning Herald was a member of the Sydney Australian Club.

4 J.M. Niall, W.G.S. McArthur and W.M. Hyndman, all large contributors to National Party funds (Cf. Hume-Cook Papers) were all members of the Melbourne Club.
(none of whom were likely to be National Labor politicians).

The attitude of the National Party towards its parliamentary leader was not clearly defined. However, it may be suggested that, in general terms, an acceptable leader to the party's ex-Liberal majority in the 1920's was a man who could win elections; who was prepared to conform to the party's belief in free enterprise; and who would, in a dignified manner, uphold the traditions of parliament and avoid any occasion for embarrassing his colleagues.

The separation of the fund-raising section of the National Party from the remainder of the extra-parliamentary organisation, in contrast to the Labor Party, which received large sums in union affiliation fees, tended to deprive the National Federation, (and its counterparts in other States), of much of its influence over the parliamentary section of the party. However, whilst non-Labor parties traditionally made much of their confidence in the wisdom of their political members, untrammelled by extra-parliamentary or Caucus control, the National Party's finance committees, functioning beyond the glare of publicity turned by the press upon annual conventions, frequently proved eager to guide the footsteps of their parliamentary representatives.
W.A. Holman

On 20 March 1920, W.A. Holman lost his seat in the New South Wales parliament, and with it the leadership of the State National Party. At first glance his defeat appears explicable in terms that do not suggest the tension associated with a crisis. The Labor Party had made steady gains at by-elections during the past two years; the expanding Progressive Party had split the non-Labor vote; electoral redistribution in accordance with the proportional system adopted in 1918 had increased the size of his own electorate; and as leader of the party he had unselfishly spent most of his time canvassing votes for other Nationalist candidates.

However, a closer study of the political situation over the three years from 1917 to 1920 clearly reveals the critical nature of the Premier's position, which he

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1 Cf. Evatt (1945), pp. 463, 466, 469.
2 The Progressive Party which comprised politicians endorsed by the Farmers and Settlers' Association had functioned as a section of the National Party. However, in October 1919 the extra-parliamentary section of the party was strengthened by the addition of the Graziers' Association and the party decided to contest the 1920 elections as a separate party. Cf. Ellis (1958), p. 54.
3 Evatt (1945), pp. 492-3.
himself summed up after his defeat by saying that he could not successfully fight the Labor Party plus half the Nationalist press plus the treasurer and funds of the Nationalist movement plus the traitors in his own camp.¹

Holman's summary omitted only his own Labor background and the aggravating factor of a sensitive and at the same time stubborn personality.

Nationalist press criticism between 1917 and 1920 centred around five main issues; a contract between New South Wales coal owner John Brown and the Victorian Government; an attempt to reform the electoral system; a scheme to reorganise the meat industry; a contract for the construction of a New South Wales terminal wheat silo; and the sale of wheat by the Government to a Mr George Georgeson without due investigation of his financial security.

Three of the issues involved W.C. Grahame, the National Labor Minister for Agriculture, and it was Holman's stubborn loyalty to this colleague, who had been expelled from the Labor Party with him in 1916, as much as the possibility of corruption in the administration, that irritated Liberal-orientated newspapers. Rumours

¹ Evatt (1945), pp.492-3.
of coal nationalisation and meat control, and political appointments dating from the 1916 coalition pact only served as reminders of Holman's political antecedents.

In January 1918 negotiations broke down between the State Government and the Government of Victoria, for the purchase by the latter of coal from two New South Wales mines, worked by Victorian miners during a prolonged coal strike in New South Wales in 1917. The New South Wales Government had taken over the two mines, owned by John Brown, President of the Colliery Proprietors' Association, during the strike, and it now claimed that it was morally bound to see that the verbal agreement made by the Peacock Government in Victoria, to purchase coal from the mines for a five year period, was formally acknowledged by the newly-commissioned Bowser Government.

Both Holman and Grahame, (who was Minister in charge of State-owned collieries), made special trips to Melbourne to try to persuade the Victorian Government to honour its agreement - journeys which puzzled Government critics who could see no reason for them unless the Government were intending to take over the mines completely. Whilst negotiations continued, writers to the Daily Telegraph stated that the initial agreement had been made without the knowledge of other coal
proprietors, who, if they had known 'that such a reward was to be given to the proprietor whose mine was used' during the 1917 strike, would have 'stampede(d) to secure the trade'. Holman's critics were faced with two equally objectionable explanations for the Government's interest in the contract; either Brown, a personal friend of Grahame, was being given special treatment, or the Government was acting on its own behalf in anticipation of eventual coal nationalisation.

Holman did not help matters when, on 14 January, he stated that the Government during its research into the state of the industry in New South Wales was collecting information concerning the feasibility of nationalisation. The Daily Telegraph made immediate protest. No-one, said the leader-writer, would have been surprised to hear Holman's previous Labor Government advocating something of the sort, but the present Government was 'to all intents and purposes a Liberal Government, Liberalism (being) by far the predominant element in it', and here

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1 Daily Telegraph, 29/1/18 (Letter from E.P. Simpson - Cf. also Daily Telegraph, 18/1/18 and 24/1/18 for letter from A. Law).
2 Ibid., 15/1/18.
it was
the Government of sober reform under Liberal control proposing, without even consulting Parliament, to drag the State into an abyss of Socialism from which in its boldest days the (Labor) Caucus would have shrunk in terror.

On 21 January the same newspaper spoke of 'rumours of discontent' within the parliamentary party. The writer of the article was unable to give the names of any of his informants, and could only hint at the cause of the distress which had been developing for some time concerning certain executive actions taken by Ministers, without Caucus consultation or parliamentary debate. Two such actions were likely to be the coal contract and a contract, also arranged by Grahame, for the erection of a grain storage silo and terminal elevator. Readers were assured that a 'hostile move' was planned against the Government in general and Grahame and Holman in particular - Grahame because he had piloted both schemes through Cabinet, and Holman 'in the belief that because he is Premier he necessarily exercises a dominating influence in Cabinet'.

1 Ibid., 16/1/18.
2 Daily Telegraph, 21/1/18.
The Caucus malcontents were stated to be supported by 'a few men who are said to be more or less prominent in the Nationalist movement outside Parliament', and on 29 January one such man, National Party Executive and finance committee member E.P. Simpson, attacked the Premier in the columns of the same newspaper.¹ Holman who, like most Labor Premiers, had suffered at the hands of the non-Labor press during his earlier term of office, was acutely sensitive to such press criticism in his new role as a non-Labor leader, and publicly stated his resentment at the infamous crusade that has been conducted by certain newspapers in Sydney...over the settlement of the coal contract...(and) the disgusting tone of suggestion and continuous insinuation of insulting things which are not said outright but which have darkened counsel during the past twelve days.²

Newspaper speculation concerning a 'cave' in the National parliamentary party was confirmed on 31 January when two Liberal Nationalists, A. Edden and A.A.C. Cocks, allowed their names to be publicly associated with criticism of the Premier at a party meeting.³ However,

¹ Ibid., 29/1/18.
² Daily Telegraph, 25/1/18.
³ Ibid., 1/2/18.
Holman was able to issue a statement at the conclusion of the meeting asserting that 'there was no question of defections or anything leading to defection', and the rebels remained silent during the debate on an Opposition no-confidence motion moved on the same day, although the coal contract, and Government secrecy concerning the wheat silo contract, formed part of the motion.

Grahame had accepted a tender from a Mr Teasdale Smith for the construction of a silo in November 1916. When Commonwealth-State co-operation in January 1917 necessitated the construction of a larger silo, fresh tenders were called for, and Smith's tender was again accepted by the Chief Railway Commissioner, although it was no longer the lowest tender, on the understanding that certain deductions would be made from the price paid for the additional work. A report incorporating the clause providing for the deductions was deposited in the Department of Agriculture.

However, when the report appeared before Cabinet for final approval a week after the no-confidence debate the clause was found to have been omitted. Three Ministers,

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1 Ibid.
G.S. Beeby, Minister for Labour and Industry, R.T. Ball, Minister for Works and Railways, and D. Storey, an Honorary Minister, immediately threatened to resign, only withdrawing the threat on receiving assurances that the deductions would be re-written into the final contract.

Newspaper criticism concerning the omission started a search for the first report, which appeared to be missing from the files. On 17 October the Sydney Sun, a newspaper with which Simpson had been closely associated, published an editorial recalling to its readers' attention Labor traditions which it claimed were still operating in the National Party. Holman, said the Editor, was a 'notable sinner' in respect of secretive dealings, which were 'part of the endowment of a Labor training in politics'. On 18 February an irritated Premier stated that the whole matter had been placed in the hands of an acting member of the Public Service Board who would furnish a report to parliament at the conclusion to his investigations.

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1 Simpson was a director of the Sun from July 1910 to February 1912.
2 Sun, 17/2/18.
On the same day Beeby, Storey and Ball again threatened resignation, stating that the terminal elevator contract had not received the approval of the Commonwealth Government as agreed to by State Cabinet.\(^1\) Holman promised that approval would be sought and the crisis was again averted, though not without some sarcastic reflections upon the stability of the Government from the non-Labor press.\(^2\) On 21 February the National parliamentary Party declared the Premier's explanation concerning the two Cabinet crises to be 'entirely satisfactory'.\(^3\)

On 28 February the findings of the Public Service Board Investigator were published. Whilst no charges of misconduct were made against Grahame it was pointed out that he had carelessly signed a minute prepared by his Under-Secretary, in which no mention was made of the deductions, instead of making sure that the original and subsequent reports were attached to it, and had failed to prepare a minute to be kept in the department recording

\(^1\) \textit{Daily Telegraph}, 19/2/18.
\(^2\) Ibid., 29/2/18.
\(^3\) Ibid., 22/2/18.
the Cabinet decision. Holman could, at this stage, have requested Grahame to resign, but notwithstanding a request to do so by Beeby, who later claimed that a promise to remove Grahame had been a condition of his own return to Cabinet, he preferred to let the matter drop.

In November two events drew further criticism from the press; a division in the National parliamentary Party over electoral reform, and a Government proposal to initiate a scheme that would exclude the middleman from the meat industry.

Caucus dissension centred on the rival merits of preferential voting in single member constituencies, and proportional representation involving multiple constituencies. Proportional representation was strongly advocated by the Progressive section of the party, (comprising seven members of the Legislative Assembly and two Legislative Councillors endorsed by the Farmers' and Settlers' Association as well as the National Party),

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and Beeby, leader of the section had promised the introduction of legislation introducing the reform to the Farmers' and Settlers' Association State Conference in July.\footnote{Ibid., p.50.} Non-Labor newspapers also favoured the system as an antidote to 'machine' politics, but Holman, realising that such reform would probably split the National Party vote and produce separate 'corner' parties at the next elections, made every effort to persuade the party to content itself with preferential voting.\footnote{Cf. Daily Telegraph, 19/10/18, Sydney Morning Herald, 29/11/18.}

On 18 October the Daily Telegraph announced that a straight-out vote had resulted in a majority for proportional representation. However, on 21 October further investigations revealed that five members had not cast their votes and intense lobbying over the next few days resulted in the transference of the Education Minister's vote from proportional representation to preferential voting and a dead-locked vote. The party decided to refer the whole issue back to Cabinet.

The Daily Telegraph castigated the Caucus voting procedure as 'a burlesque illustrating all the absurdities
of machine politics', and two back-benchers, J.T. Ley and T.R. Bavin, made public avowal of their intention to stand by proportional representation, if necessary through direct application to parliament. Holman decided to allow an open vote on the matter in Parliament and on 27 November a motion that a bill should be introduced incorporating proportional representation was adopted by 40 votes to 23, five Nationalists voting with the Opposition.

The new bill was rushed through the Lower House at the cost of three all-night sittings and a frequent application of the 'gag' in order that it might be passed before the termination of the session. Dr R. Arthur, a Liberal Nationalist back-bencher, informed the press of his refusal to attend the late sittings which he regarded as 'stark insanity', and Bavin protested in the Legislative Assembly against methods of procedure which

1 Daily Telegraph, 23/10/18.
2 Ibid., 22/10/18, 24/10/18.
3 NSWPD, Vol.74, 3064, 27/11/18. Nine Nationalists had voted in favour of an earlier motion to introduce preferential voting which was defeated by 43 votes to 14; cf. ibid., 3056.
4 Sydney Morning Herald, 11/12/18.
'bring the Government which is responsible for them into the contempt of the community'.  
Replying to Bavin's outburst Holman told reporters that fifty such supporters would 'ruin any measure...any Government...any party.'

Bavin was swift to reply that 'one such leader like Mr Holman, if he perseveres in the methods which he has adopted lately, will ruin the National Government'.

Proposals to introduce Government meat control prompted further references to Holman's Labor background. One of the terms of the 1916 coalition pact had been the safeguarding of the State enterprises introduced by Holman during his Labor Premiership, and the acceptance of a pledge 'to undertake works not only for developmental purposes but "where private enterprise establishes a monopoly to the injury of the public"'.

However, reluctant acceptance of the principle of Government ownership and of existing State enterprises was very different from the acceptance of further attempts
to control a private industry, and the **Daily Telegraph** in an editorial headed 'Machine-Made Socialism' deplored the effect of the Liberal surrender to the defeated rump of the late Labor Caucus... (which) has been to change the party name of the late Socialistic Government without much alteration to its character.¹

Referring to the meat proposals the editorial continued:

> Billets big and little will multiply merrily and more patronage be created to prop up the political caste...If through fear of the party machine the predominant Liberal element in the present coalition is not able to control the other section, whose policy at the elections it undertook to eliminate, how can we expect better results from any other Government elected in the same way.²

Allowing his resentment to outweigh his political judgement Holman met the attack with the statement 'henceforth Ministers will refuse to supply to representatives of the **Daily Telegraph** the official information given daily to the press'.³

Early in the new year the **Sydney Morning Herald** took the Government to task over a rumour that it intended to appoint the Speaker, J.J. Cohen, to a

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¹ *Daily Telegraph*, 25/10/18.
² Ibid. (At this stage the party had not settled the question of proportional representation).
³ Ibid., 26/10/18.
District Court Judgeship: Cohen, who had been a politician for twenty years, was not regarded as a barrister of high standing, and the Herald in anticipation of the appointment advised the Government on 9 January to consider its effect 'on the estimation in which people hold the National party'. When the appointment was officially announced on 29 January the State Bar Association passed a motion censuring the Government.  

In May the poor condition of the 1917-18 wheat crop stored by the State Wheat Board furnished the Sun with the seeds of a scandal that was to occupy its pages for the remainder of Holman's term of office. On 1 May it stated that the Government was insisting that State millers should use grain 'infested with weevil and fouled by mice'. On 2 May a special article in the same newspaper accused the Government of an attack upon public health and claimed that the public had grounds for fearing an outbreak of plague. The Government, stated the Editor on the same day, had 'committed the crime...to cover its own mistake in neglecting the stacks'. Holman replied to the attack in the columns of the Sunday Times,  

\[\text{Sydney Morning Herald, 30/1/19.}\]  
\[\text{Sunday Times, 4/5/19.}\]
a newspaper controlled by H.D. McIntosh, fight promoter, theatre entrepreneur, Legislative Councillor and the Premier's personal friend. The Government also carried out an experiment, fully reported in the Sunday Times, in which bread made from a mixture of the poor grain and a superior grain was proved to be of a satisfactory quality. However, the Sun's attacks continued until they were eclipsed by a more important wheat scandal resulting in Beeby's resignation from Cabinet on 13 July.

Beeby gave three reasons for his resignation. The first concerned a payment which had been made by the Government to Brown for damage to his mines caused by volunteer miners whilst the mines were under Government ownership during the 1917 strike. Brown had presented a claim against the Government on 3 February 1919, which, after some adjustment, Holman had approved on 23 June.

Beeby averred that in the first place the mines had not been damaged, and in the second place they had been worked by miners sent to New South Wales by the Victorian Government which should have been held responsible for any proven damage. Beeby stated that

1 Sun, 14/7/19; NSWPD, Vol.75, 111, 20/8/19.
having strongly objected to the payment during a Cabinet meeting, he had been assured that further discussions would be held with Brown, but no such discussions had taken place.

In his reply Holman pointed out that the Government had undertaken to indemnify Brown against any losses incurred through its takeover of his mines. When Brown had presented his claim the Government had conferred with the Crown Solicitor and an independent judge before approving payment.¹

Beeby's second complaint concerned the payment of supervisory fees to John Metcalf and Company, an engineering firm, in connection with the erection of the terminal wheat elevator, despite the fact that supervision had been carried out by State Railway Commissioners. The Premier stated that the contract with John Metcalf and Company had been made in 1916, before the National Government had been formed, and that the Railway Commissioners had been engaged as additional supervisors.²

The third reason given by Beeby in explanation of his resignation concerned a Government contract to sell

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three million bushels of 1917-18 wheat without adequate security or prior consultation with the State Wheat Board, Federal Wheat Board or State Cabinet to Mr George Georgeson. The Sun allowed Beeby's first two grievances to be forgotten, but the Georgeson Wheat contract, arranged by the Minister for Agriculture, which became the subject of a Royal Commission, provided the newspaper with ammunition for a 'Grahame Must Go' campaign that was to continue into 1920.

Before the Commission furnished its report to parliament further trouble erupted in the National Party over rumours that a 'cave' was still attempting to block the adoption of proportional representation.¹ Despite pleas for unity made by Holman during two speeches in July,² and a statement by him on 6 August that 'all matters of principle (regarding voting regulations) had been adopted',³ Ley, speaking on the same evening, stated that he would 'no longer serve under Mr Holman's leadership' owing to a

¹ Daily Telegraph, 5/8/19.
² Sydney Morning Herald, 18/7/19, 31/7/19.
³ Ibid., 7/8/19.
growing dissatisfaction with his persistent inaccurate statements...brought to a head by his continued and wilful misrepresentation of the operation of the new electoral law and the knowledge that it still has to run the gauntlet of sinister attempts to prevent its coming into force at the next general election.¹

Ley maintained that he was by no means the only member to 'hold the view that it is in the interests of the country that Mr Holman should be immediately relieved of his post'.² The Sun reported him as saying that 'fifteen Nationalists had signed a round robin the previous May requesting Holman to make way for some other leader',³ (a statement that was amplified the following year when Ley publicly stated their names).⁴

The report of the Wheat Commission, released on 20 August, criticised Grahame for failing to submit the Georgeson contract to the Australian Federal Wheat Board,⁵ and for 'a want of proper caution' in failing

¹ Sydney Morning Herald, 7/8/19.
² Ibid.
⁵ Parliamentary Papers Vol. 1, 1918, p.182.
to demand a deposit or other means of security from Georgeson before entering into a contract which was to be spread over ten months.¹

On the same day Beeby launched an attack upon Grahame in the Legislative Assembly asserting that Georgeson had been given special treatment in being allowed to buy wheat at a low price over a ten month period without security; the wheat was bought for re-sale to Japan, where a failure of the rice crop, known to Grahame, but not communicated to the Wheat Board or other millers,² had forced up the price of wheat. Behind these transactions, said Beeby, 'lurks John Talbot... Georgeson's partner (who) has boasted in the past that he has made his money by acting as a go-between between Ministers and others outside'.³ Referring back to the Teasdale Smith contract Beeby stated that that contract

¹ Ibid., 188.
² NSWPD, Vol.75, 104, 20/8/19. The cable was received on 4 February, nineteen days before the contract was signed.
³ Ibid., 107.
had also been signed 'under the pressure of one of the
men to whom I referred...Mr Hugh McIntosh'.

Beeby again brought up the payment of damages to
Brown and payments made to Metcalf and Company, and in
conclusion he attacked the Government for Cohen's
appointment, and for Cabinet suggestions that, despite
the adoption of proportional representation, the party
should retain its pre-selection ballots and pledges in
continuation of 'the old rigid machine system'.

In answering the attack Grahame made charges of his
own including one that Beeby was being employed by
Simpson to drive him from the Cabinet. Beeby, he stated,
also wished to remove him as part of an agreement with
the Farmers' and Settlers' Association because he
(Grahame) had been unpopular with that organization
whilst a Labor Minister. Simpson, said Grahame, had
often said

that Holman Hall and Grahame had to get out
of the National Ministry. Why?...Because

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1 Ibid, 114. Some years later McIntosh admitted that he
had been 'very closely associated with Teasdale Smith
at that time'; cf. Evatt (1945), p.553.
2 Ibid, 115.
they dared to appoint a Royal Commission into the working of the coal mines and the whole coal position.

The Coal Commission, he went on, had discovered during the course of its investigations that the North Sydney Ferries had been supplied inferior coal at high prices by a colliery in which Simpson was interested. 2

When the debate was published Simpson immediately demanded that Grahame repeat his charges outside the House, 3 but Grahame ignored the challenge and on 27 August Holman supported Grahame's charge that Simpson, who was the National Party's treasurer, 4 and other members of the old Liberal party's finance committee, had made 'a definite effort to squeeze the Government on a matter of policy'. 5 Simpson replied that 'the committee was concerned solely because of the Government's many acts of mal-administration and (that it) had been promised by

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1 Ibid., 156, 21/8/19.
2 NSWPD, Vol. 75, 156, 21/8/19.
3 Sun, 23/8/19.
4 NSWPD, Vol. 75, 306, 27/8/19. Holman refers to him as treasurer of the old Liberal party but Evatt (1945), p. 494, refers to him as 'treasurer of the Nationalists'.
Holman that he would secure Grahame's retirement from the Cabinet.¹

On 9 September the Sun headed its editorial 'Grahame Must Go', and on the following day it again stated in its editorial columns that 'the old cries, the old policies, the old programmes and above all the old gang have got to be scrapped and employed as stepping stones to higher things'.² On 15 September a Royal Commission reopened investigations into the Georgeson contract and a week later a second Commission was appointed to investigate whether money invested by Grahame 'was obtained by him in whole or in part by way of a bribe...in the exercise of his duty as Minister for Agriculture'.³

On 25 September Bavin asked the Premier whether Grahame would continue to administer his department whilst his activities as a Minister were the subject of a Royal Commission. Holman replied that he saw no case for Grahame's removal unless allegations which had been made against him were changed to 'a definite

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¹ Evatt (1945), p.478.
² Sun, 10/9/19.
accusation of corruption.\(^1\) On 7 October Bavin again raised the question,\(^2\) and on the following day he stated that a definite suggestion of corruption had been made although no formal charge had been preferred.\(^3\)

Holman still refused to dismiss his colleague, but on the same day a Government medical officer stated that he considered Georgeson unfit to appear before the Commission; realising that the hearings were likely to become protracted owing to Georgeson's illness the Premier wrote to Grahame suggesting that he stand down as Minister whilst the inquiry lasted.\(^4\) On 15 October an announcement was made to parliament that W.G. Ashford would be Acting Minister for Agriculture until the termination of the inquiry.\(^5\)

Most non-Labor newspapers devoted the remainder of the year to the Federal elections held in December, and to the need for unity in the National Party. However,

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1. NSWPD, Vol.76, 1262, 25/9/19.
2. Ibid., 1959, 7/10/19.
3. Ibid., 1681, 8/10/19.
5. NSWPD, Vol.77, 1836, 16/9/19.
the *Sun* diverted its readers' attention on 26 October to 'a curious manipulation of a great party organization' in connection with a meeting of the British Empire League. The *Sun* stated that the Premier had ordered members of the National Party's Speakers' Association to attend a meeting of the League convened by its ex-President, Sir William McMillan. McMillan had been defeated as President by McIntosh in 1915 under somewhat suspicious circumstances, two hundred new members having joined the League immediately before the Presidential election,¹ and he had called the meeting to try to reassert his authority.

McMillan's attempt to regain control of the League was thwarted; after an undignified scuffle he was ousted from the chair by McIntosh's supporters, and the meeting passed a vote of confidence in McIntosh as President of the League.² The *Sun* article implied that Holman had himself directed National Party members to attend the meeting and make sure that his friend was not deprived of the Presidency of the League, and Hay states that the Premier, pressed for an explanation by the National Party

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² *Sun*, 29/10/19; cited in *Evatt* (1945), p.484.
State Council, promised to give a full report of his part in the affair, but did not do so.  

On 22 December Holman appointed Sir Charles Wade, a Liberal ex-Premier, who had resigned as leader of the Liberal Party to become Agent-General in London after the 1916 Coalition discussions, to a seat on the Supreme Court Bench. The Daily Telegraph predicted that it would give rise to further adverse comment concerning political appointments, and on 6 January the Sydney Morning Herald published a statement by the Opposition leader suggesting that Wade's appointment, like Cohen's, was part of the 'disreputable' 1916 coalition pact.

On 8 January the same newspaper stated that several backbenchers had conferred with Sir George Fuller, the party's deputy-leader, and demanded that Holman be deposed from the leadership in his favour. Four days later, following the publication of an interim report by the Wheat Commission in which the State Wheat Board was censured for 'a sorry record of inefficiency' with

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1 Hay, p.112.
2 Daily Telegraph, 23/12/19.
3 Sydney Morning Herald, 8/1/20.
regard to the infesting of the 1917-18 wheat crop by a mouse plague, the Sun again headed its editorial 'Grahame Must Go'. On 14 January the Sun accepting the fact that Fuller was content to be 'cast as second lead' urged Cabinet to do what it could

to see that the freedom of Liberalism and not the Caucus-made despotism of Labor which Mr Holman has tried to import into Nationalism prevails...if he (Holman) reconstructs...and abandons his attempt to be Sir Anthony Absolute within the National Party, possible defeat may be converted into perhaps not a personal, but certainly a National, triumph.¹

On the same day Grahame finally resigned.²

On 20 January parliamentary members of the National Party were called together by Holman to discuss the party's leadership for the forthcoming State elections. Four members, R.A. Price, P. McGarry, Beeby and Ley had made their secession from the party clear by the end of 1919; G.S. Briner, W.E. Wearne, E.A. Buttenshaw, and W. Bennett had also stated their intention of joining the separate Progressive Party for the election. Of the remaining forty-seven members it was stated that two,

¹ Sun, 14/1/20.
² Daily Telegraph, 15/1/20.
J.R. Lee and A. Edden would not seek re-election to parliament and one, W.A. Zuill, would stand as an Independent Nationalist. Forty members attended the meeting and a motion of no-confidence in the Premier moved by Bavin was amended to a vote of confidence and adopted by thirty-eight votes, only Bavin and G. Nesbitt voting against it. When the amendment was re-submitted as the motion only Bavin voted against it,¹ and subsequently resigned.²

When the National Party was defeated at the polls on 21 March the Sun, still implacably hostile, commented:

It is doubtless a good thing for (the Nationalists) as it will show them that, under extravagant and personal government, government which is a succession of Royal Commissions to clear the honor of some Minister or to explain the failure of some department, a point will be reached where support dwindles to less than 25 per cent of the people of the State.³

Had Holman retained the support of his extra-parliamentary party, press criticism might have been more restrained, but action to procure independent financial backing outside parliament was taken too late.

¹ Sydney Morning Herald, 21/1/20.
² Ibid., 22/1/20.
³ Sun, 22/3/20.
The old Liberal Association had met for the last time in July 1917 and had announced that its branches were to merge with those of the National Labor Party to form the Nationalist Association. Since Liberal branches far outnumbered those supporting National Labor politicians the National Labor Party's extra-parliamentary section was submerged rather than merged in the new Association which retained the old Liberal Party's finance committee. Liberal Nationalists were also predominant in Caucus, but in Cabinet National Labor members held an equal number of portfolios as well as providing the Premier.

It was not until early in 1919 that Holman 'turned for advice to McIntosh and P.T. Taylor, M.L.C. the two "honest brokers" of the coalition bargain'.

Holman described Taylor as 'a commercial man of commanding authority in the financial world of Sydney; McIntosh was an equally important figure in the world of journalism. He had been one of the Premier's close personal friends since 1912 and had made his newspaper,

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1 Evatt (1945), pp.470, 471.
the *Sunday Times* 'more or less a Government Gazette',\(^1\) at the time of the coalition pact when Holman was facing a generally hostile press. Through the good offices of these two supporters a prominent Sydney industrialist, Sir Owen Cox, was persuaded to take charge of a group of Sydney business men who pledged financial support to the Government. One of the undertakings to be performed by this 'Consultative Council' was to be the silencing of adverse press criticism. In a letter to Holman, Cox pointed out that since members of the Council spent large sums of money on advertising they need only say to the press 'we will only spend our money on newspapers where we get reasonable consideration shown to the party in Parliament who represent us'.\(^2\)

From the date of the formation of the Consultative Council in May there was a marked decrease in adverse criticism from at least two of the major Sydney non-Labor newspapers,\(^3\) and only the *Sun*, influenced by

\(^1\) Ibid.
\(^2\) Evatt (1945), p.471.
\(^3\) The *Sydney Morning Herald* and *Daily Telegraph*.
Simpson, who had not 'been conciliated' by the Council continued its attacks. Both the *Sydney Morning Herald* and the *Daily Telegraph* censured Beeby for his attack on Holman in August, although the *Sydney Morning Herald* welcomed the resulting Royal Commission,\(^1\) and the *Telegraph* took the opportunity to remark that 'Mr Beeby's charges illustrate the desirability of the Government sticking to its last...(and) touching only such business as private enterprise is unable to handle'.\(^3\)

However, the change in attitude had come too late. The press, during the previous year, had magnified every symptom of unrest in the National Party. The *Sun* continued to do so, and by 1920 the party presented a picture of wavering loyalties and lax administration. Holman did not improve matters by his stubborn loyalty to Grahame and his continuing friendship with McIntosh, whose name after Beeby's speech was freely associated with the Teasdale Smith contract.\(^4\) Simpson finally left

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\(^1\) Evatt (1945), p.471.
\(^2\) *Sydney Morning Herald*, 15/7/19.
\(^3\) *Daily Telegraph*, 15/7/19.
\(^4\) Evatt (1945), p.456, 553.
the National Party, and according to Holman, 'carried into
the Progressive camp financial resources and support
which he controlled solely through his previous
association with Nationalism'.

Holman's leadership of the National Party can be
largely explained in terms of his own personality and
background. When he died in 1934 the Sydney Morning
Herald made reference to his 'cultured personality' and
in all respects he fulfilled such a description. In
appearance he was tall and distinguished-looking; he was
well-read, enjoyed dinner-parties, and was a witty and
entertaining conversationalist. The possessor of a
rich and eloquent speaking voice, he early mastered the
art of public speaking, and there were few who, at his
death, failed to pay tribute to his powers of oratory.
Largely self-educated, he undertook the arduous course of
preparation for the Bar without the advantages of a
University training and was formally admitted to the
Bar in 1903 at the age of thirty-three.

However, whilst well-equipped to feel socially at
ease amongst the most conservative of his ex-Liberal

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1 Ibid, 494.
2 Cf. Evatt (1945) Ch.1; Holman, p.7.
colleagues in the National Party he was by long training and personal preference a Labor man. At the age of fifteen he had been apprenticed to the cabinet-making trade and, arriving in Australia from London two years later, had soon become involved in Labor politics, not as a trade union official, but as a party propagandist, debating and lecturing upon such topics as working conditions, the banking system and education.¹

As a member of the Labor Party he showed himself both idealist and pragmatist. At the State Labor Party Conference in 1893 he proposed the resolution requiring all Labor parliamentary candidates to sign a pledge accepting a majority vote in Caucus 'upon all questions affecting the Labor Party...'. With other Labor politicians, he took the unpopular stand of supporting the Irish in their struggle for Home Rule. As a barrister he defended financially weak unions in industrial court cases. When he became deputy leader of the Labor Party, and later Premier, the State saw the practical application of his socialist principles in the establishment of a State fishing enterprise, State brickworks, State metal quarries and State abattoirs.

¹ Cf. Evatt (1945) Chs. VI, VII.
Although the conscription split forced Holman to coalesce with the Opposition he showed no inclination to abandon the principles for which he had fought, or the friends that he had made, during his struggles as a Labor leader. Holman's loyalty towards two of the men with whom he had been associated before his break with the Labor Party, McIntosh and Grahame, did him considerable harm as National Party leader.

He first came into contact with McIntosh in 1912 when, suffering from fatigue, anxious to join his wife and daughter in England, and disappointed in his hopes of becoming Agent-General, his trip was eventually financed by a generous advance from McIntosh,\(^1\) then Governing Director of Tivoli Theatres Limited. Before the 1913 elections Holman undertook to realise one of McIntosh's ambitions and appoint him to the Legislative Council.\(^2\) When the Labor Party objected to the appointment Holman risked his position as leader by refusing to make any of the other appointments necessary to secure a Labor majority in the Upper House. He finally

1\[\text{Evatt (1945), p. 316.}\]
2\[\text{Ibid., pp. 341, 342.}\]
appointed McIntosh to the Legislative Council in 1917 after he had left the Labor Party.

The close personal relationship between the two men, the association of McIntosh's name with the Teasdale Smith contract in 1918, and the association of Holman's name with the rowdy British Empire League meeting in 1919, did considerable harm to the Premier's public image.

Grahame, who had been a horse-owner and bookmaker for many years before his entry into parliament also cast a shadow over Holman's reputation. Lang was to state later that Grahame's entry into Cabinet had been 'fixed' by John Talbot who figured in the Georgeson Wheat scandal as Georgeson's partner.¹ Talbot had been a race-horse trainer and was, wrote Lang, 'the typical political contact man of the Holman era'.² Both Talbot and Grahame placed bets for wealthy patrons, including John Brown, who owned a number of race-horses.

During the Royal Commission investigations into the Georgeson contract Holman was called upon to answer allegations that, as Labor Premier, he had been loath to relinquish a donation to Labor Party funds, passed

¹ Lang (n.d.), p.115.
² Ibid.
on to the party through Grahame, for the renewal of a race-course lease. Holman satisfied the Commission that he had been unaware of the source of the donation, which, after consultation with Cabinet, he had returned.¹

Holman was never accused of any personal involvement in the coal and wheat scandals;² nor were accusations of corrupt practices unknown before he took office. In 1905 W.P. Crick, Secretary for Lands from 1901 to 1904 in Sir John See's administration, was accused of corruption in the administration of his portfolio and in 1906 he was tried before a Criminal Court. Although criminal proceedings were later abandoned he was forced to resign from parliament after the Legislative Assembly had found him 'guilty of conduct which should render him ineligible to sit as a member of this Assembly'.³

At the same time the Premier, as a member of Cabinet had joint responsibility for its decisions, and full responsibility for retaining or evicting its members;

¹ Evatt (1945), p.155.
² In fact Beeby took pains to refute any suggestion that Holman might be charged with corruption. Cf. Evatt (1945), p.490.
³ NSWPD, Vol.XXV, 4647, 4693, 11/12/06.
as party leader he, more than any other member, was the custodian of the party's reputation, and it could be fairly regarded as part of his duties as leader to investigate grievances, and if possible remedy them, before they became the subject of public scandal. His own association with McIntosh, and his stubborn support of Grahame, rendered it impossible that he should entirely escape contamination when unsavoury details were brought to light concerning their activities.

Ex-Liberal members resented Holman's 'loyalty to undesirable associates';¹ they also felt that Grahame and McIntosh represented a link with his Labor past which he had never forgotten. 'The Liberal section of the composite party', wrote Bavin's private secretary in 1936, 'though realising (Holman's) ability and his patriotism, never completely trusted him. They resented the Labour methods and principles he grafted on the new party...²

Holman's 'Labour methods' included his insistence upon Caucus rather than parliamentary discussion of

¹ Hay, p.110.
² Ibid., p.117.
legislation, particularly with regard to the rushed debate on electoral reform, and a tendency, (hardly, in the light of later history, to be regarded as a prerogative of the Labor Party), to dominate his colleagues.\(^1\) The Premier's Labor principles were illustrated by rumours that he intended to nationalise the coal industry and his refusal to abandon the pre-selection pledge after the introduction of proportional representation.

Whilst some of Holman's personal qualities, his sensitivity towards criticism, his loyalty towards old friends and associations, his self-assertiveness in the Caucus room, antagonised supporters of the National Party, they were tempered by his geniality, courtesy and great charm. Referring to Bavin's position at the time of Ley's attack against the Premier, Hay states that although Bavin supported Ley's attack 'the memory of Mr Holman as a charming companion', as well as his belief in 'the importance of party unity' made him 'loath to break with his chief'.\(^2\) Bavin himself,

\(^1\) Ibid.
\(^2\) Hay, p.110.
commenting upon the failure of his attempt to deprive the Premier of the party leadership, referred to Holman's remarkable power of persuasion:

If Mr Holman is half as successful in persuading electors who disbelieve in him now to believe in him by election time, as he is in persuading members of the Nationalist party who distrusted him absolutely today at 2 p.m. to trust him absolutely at 4 p.m., the Nationalist party is in for a great triumph.¹

Always generous to his parliamentary opponents,² he was equally generous to those who disagreed with him in his own party, and Hay records that when Bavin resigned Holman refrained from joining the attacks against his former colleague and later worked with Bavin

¹ Sydney Morning Herald, 21/1/20.
² E.g. in reply to a motion of no-confidence on 5 February 1918 Holman began his speech:

If he will permit me I would like to congratulate (the Opposition Leader) on the admirable taste and temper in which his speech was delivered. Although I shall have to criticise many of its contents I beg at once to acknowledge in the fullest possible terms that I have rarely heard a motion of censure moved with such excellent humour and admirable control, both of language and sentiment, as have been displayed by the honourable member throughout his speech, and I hope I may say that all honourable members listened to him with the utmost pleasure...

NEWSPD, Vol.69, 2236, 5/2/18.
'without apparent rivalry or bitterness' on the State Executive.  

However, Holman's charm was not sufficient to compensate for his failure to fulfil the expectations of his ex-Liberal supporters. Despite his unselfish campaigning on behalf of his colleagues, to the neglect of his own electorate, he had failed to lead his party to victory in the 1920 election; he had made clear his support for State enterprise and Government intervention in the coal and meat industries; and he had embarrassed his colleagues by the scandal that had attended his friendship with McIntosh and loyalty to Grahame. 

Following his defeat the party made no effort to secure his return to State politics through such an avenue as the Legislative Council; and when, in 1928, he forwarded his name for pre-selection as a candidate for a Federal by-election, a member of the party's State Executive, 'with the connivance of some powerful Nationalist parliamentarians and officials', organised against his selection. 

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1 Hay, p.118.  
On 1 February 1923, W.M. Hughes, Prime Minister and leader of the Federal National Party, was forced to relinquish the party leadership to his Treasurer, S.M. Bruce. The crisis faced by Hughes may conveniently be studied in three parts: the emergence of the crisis, and its results; Hughes's relations with the Country Party; and his failure to fulfil the expectations of many of the National Party's ex-Liberal members.

A crisis situation emerged with the decision by civic groups in Victoria to campaign for a reduction in Government expenditure and the prevention of further tax increases. The movement was supported by an ex-Liberal 'economy corner' in Federal Parliament and led eventually to the formation of a new Liberal Party in Victoria.

The campaign began with economy conferences held in Melbourne at the invitation of the Taxpayers' Association between November 1920 and March 1921 comprising representatives of Melbourne's Chambers of Commerce and Agriculture, Taxpayers' Association, Employers' Federation, Public Service Union, Stock Exchange, Council of Women, and Housewives' Association.
The economy campaign, closely backed throughout the year by the Melbourne non-Labor press, had as its dominant theme the theory that if the Government rid itself of the Commonwealth shipping line, ceased further ship-building, drastically reduced administrative expenditure, put an end to borrowing for unproductive capital works, and reduced the salaries of its members, the national debt could be reduced and taxes, if they did not come down, would at least not go up.

Almost every resolution passed by the Taxpayers' Association, the economy campaign committees and conferences, the Australian Legion and the Housewives' Association, complained of Government administrative extravagance, and the subject formed a large part of the year's debates.

Shortly before the debates on the estimates began in November 1921 Hughes made a concession to the 'economy corner' in parliament, stating on 11 November that 'after further consideration of the estimates the Government will cause such reductions to be made as will effect a saving of £500,000 in the public expenditure from revenue'. However, notwithstanding Hughes's offer

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and an attempt by J. Cook, the deputy leader, during a party meeting the day before, to 'impress upon every member the necessity of standing solidly together in support of the Prime Minister,'\(^1\) ex-Liberals L. Atkinson and W.A. Watt moved reductions to the estimates.\(^2\)

Altogether thirteen reductions to the estimates were forced to a division in the Lower House between 30 November and 2 December, and although all were defeated, Watt voted against the Government on four,\(^3\) J.M. Fowler on two and Atkinson, J. Bayley, L. Bowden and G. Bell each on one.\(^4\)

The atmosphere generated in Melbourne, the home of the Federal parliament, by the constant complaints concerning Government extravagance gave the National Union a strong lever in its efforts to elevate to Cabinet rank the man who was to supplant Hughes as Prime Minister in 1923. S.M. Bruce had been elected

\(^1\) Pearce Papers, Series 12, National Party Minutes, 10/11/21.

\(^2\) CPD, Vol.XCVIII, 13424, 30/11/21 (Atkinson), 13626, 2/12/21 (Watt).

\(^3\) Ibid., 13524, 1/12/21, 13630, 13631, 13650, 2/12/21.

\(^4\) Ibid., 13521, 13524, 1/12/21 (Fowler); 13424, 30/11/21 (Atkinson); 13631, 2/12/21 (Bayley and Bowden), 13668, 2/12/21 (Bell).
to Federal Parliament in 1918 as a returned soldier. As the young head of one of the largest importing houses in the country he spent much of his first year in parliament on private business but by 1920 he was 'beginning to be listened to on business matters'.

He associated himself with the 'economy corner' in the House and on 11 March stated during a Supply debate that he was 'distinctly pledged to efficiency and economy in the conduct of the affairs of the Commonwealth and above all to the restoration of parliamentary control over the finances...'. During the Address-in-Reply debate he applied his commercial experience to a Government sugar agreement and roused Hughes's temper by informing him that, as he (Bruce) happened 'to hold the position of a managing-director' himself, he realised the need to 'furnish chapter and verse regarding why one considers it wise and necessary to commit (one's) company to a big contract two years in advance'.

In November 1921 he earned press commendation for declaring that losses incurred by the Commonwealth

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1 Edwards, p.49.
3 Ibid., 572, 18/3/20.
shipping enterprise should be immediately reduced,\(^1\) and when the Federal Cabinet was reconstituted in December he became Treasurer. Although Bruce was to claim later that the suggestion had been his own\(^2\) and Sir George Pearce, an ex-Labor Cabinet Minister, also claimed credit for his elevation to the Cabinet,\(^3\) other sources maintain that the National Union, following a meeting of subscribers in November, demanded that Bruce 'be appointed Treasurer to check Hughes's extravagances'.\(^4\)

The possibility of the National Party finding an alternative leader was seriously considered by both the Argus and Age during 1922, but neither suggested that the alternative might be Bruce, since he had only been a short time in parliament and an even shorter time in Cabinet. However, the two newspapers agreed that almost any ex-Liberal member of the National Party would be preferable to Hughes. The movement to persuade the National Party and the public that Hughes should be

\(^1\) Cf. Argus, 30/11/21.

\(^2\) Edwards, pp.56-58; Page, p.80.

\(^3\) Pearce, p.156.

\(^4\) Graham (1958) p.678 (also footnote); Edwards, p.59.
replaced was supported in both newspapers by personal attacks upon the Prime Minister.¹

By the end of 1922 there was strong opposition to the Hughes Government in both South Australia and Victoria. The South Australian Coalition Government had collapsed in March 1920 and in April 1921 the Liberal Party had been returned to office. In May 1922 the Liberal Union decided to oppose National Party sitting members for the 1922 Federal elections.

In the same month Watt, addressing a Melbourne audience, applauded the Liberal stand in South Australia and stressed that there was

a growing spirit of that kind all over Australia, a growing determination to stand behind Liberal principles. If it meant the death of Nationalism and the birth of a new strong Liberalism the only people to blame would be the National Ministry which had violated the principles of Liberalism.²

By October Liberal groups in Victoria were ready to follow the South Australian lead. The Employers' Federation, whose President, T.R. Ashworth, had been on the executive committee of the economy campaign during

² Argus, 10/5/22.
the previous year, decided to call a meeting to revive the old Liberal Party on 9 October, 'the movement to be chiefly directed against the socialistic enterprises of the Prime Minister'.

The Australian Legion had turned its thoughts towards the creation of a new non-Labor Party before the Victorian Liberal Union had come into being, but in November it decided to join forces with the Liberal Union. The funds available from the organisations supporting the new party were sufficient to put up six Liberal candidates for the Lower House, and although only one was returned, he, together with Watt who stood as an Independent Liberal, three members of the South Australian Liberal Union, and a West Australian Independent, were able to place Hughes in a position which made co-operation with the Country Party, in one form or another, inevitable.

On 16 January 1923, the National Party passed a vote of confidence in Hughes's leadership, and appointed six

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1 Ibid., 10/10/22.
3 Ibid., 13/11/22.
4 J.G. Latham.
5 Argus, 17/1/23.
managers, including Hughes and Bruce, to discuss with the Country Party the terms upon which it would co-operate to secure the continuance of a non-Labor Government.

The delegates from the two parties met five times but were unable to surmount the stumbling-block of Hughes's continued leadership of the National Party. On 24 January Page sent a final memorandum to Hughes, restating the Country Party's favourable attitude towards co-operation with the National Party but insisting that it would 'not support or co-operate with any Ministry containing the present Prime Minister'.

On 31 January the National Party defeated by 34 votes to 4 the suggestion that Hughes resign, but passed by 25 votes to 5 a resolution favouring the continuation of the talks between the two parties; at a meeting on the following day a further resolution, suggesting that another delegate replace Hughes at the talks, was defeated by only eleven votes.

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1 Page, p.94.
3 Ibid.
Whilst Hughes was still technically in command of Caucus members, in so far as they had not asked for his resignation, it is plain that they were not prepared to risk defeat by the Country Party on the floor of the House by breaking off all further discussions, and that a number of members 'who had abstained in the division of the previous day, were now prepared openly to oppose the Prime Minister'.

The Country Party, informed of the National Party's desire to continue the talks, reaffirmed its refusal to enter into any further discussions until the Prime Minister had resigned, and at midnight on 1 February Hughes told Cabinet that he would return his commission and advise the Governor-General to send for Bruce. On 9 February Bruce's Ministry, from which Hughes had been omitted, was sworn into office.

1 Graham (1966), p.190. Graham states that Pratten, F.H. Francis and G.A. Maxwell were among others who 'were quietly working to bring about (Hughes's) downfall'.
3 Ibid., p.191. Graham, besides having access to the Hughes Papers, held discussions with Page, Latham and Bruce concerning the negotiations leading up to the formation of the Bruce-Page Coalition Government, cf. Graham (1966), p.185, footnote.
To some extent Hughes had himself to blame for the Country Party's refusal to work with him. His relations with Page had never been good. In April 1921, when he had been a member of Federal Parliament for only two years, Page had taken over the leadership of the Country Party from W.J. McWilliams. At forty-one he was then sixteen years younger than the Prime Minister, quick-tongued and well able to lead his party in attacks upon the Government. Describing his relations with Hughes during his early years in parliament he later wrote:

...(Hughes) seemed to sense that I could cause him trouble...My carefree position on the corner benches permitted me to enjoy tremendously his superb acting...This upset him greatly and he tended to attack me irrespective of what issue I raised...1

As leader of a party, which by March 1921 had grown to twelve members, Page felt himself in a strong position to retaliate, and in his budget speech in October 1921 he made a withering attack upon the Prime Minister.2 A month later Hughes invited the Country Party to accept two portfolios in the National Government, but Page demanded the redress of specific grievances, and

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1 Page, p.57.
2 CPD, Vol.XCVIII, 12041, 19/10/21.
threatened that, if the Government failed to meet his demands, 'the Country Party would inform the people of the Prime Ministers's offer and their reasons for declining'.

One of the demands concerned the calling of a National Convention to re-draft the Federal Constitution. Hughes, who had never favoured the proposal, introduced a Convention Bill on 22 November but almost immediately proposed an amendment to adjourn its second reading for six months - a recognized method of securing the abandonment of a measure. 'The events surrounding the Convention Bill', wrote Page later, 'confirmed the Country Party in the view that they could never serve in a Government of which Hughes was a member'.

With his coalition offer rejected Hughes attempted to undermine the Country Party's position - a foolish move when the National Party throughout the States was

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1 Page, p.70.
2 He had promised to take steps towards calling a Convention in 1919 but had done nothing further about it; cf. Page, p.72.
3 Page, p.73.
accepting the inevitability of closer co-operation. On 20 February 1922 he described the party as 'a class party seeking to benefit one class without regard to another'.

In March, whilst in South Australia, he bracketed together Farmers' parties and the emerging Liberal movement as 'elements of discord' in the ranks of non-Labor; and visiting Queensland in May, he took care to inform sugar growers that the Federal Country Party was their worst enemy.

Embarrassment within the Federal National Party at the Prime Minister's clumsy tactics came to a head in September when New South Wales member H.E. Pratten

1 In Victoria the Country Party held the balance of power after the 1920 election; in Western Australia the Country Party had joined in Coalition Ministries since 1917; in Queensland the two parties were drawing closer together in anticipation of the 1923 elections; in New South Wales the 1922 election had left the National Party dependent upon 9 country members; in Tasmania five Country Party members returned in the June elections combined with dissident Nationalists to force Lee to dissolve his Cabinet, in August. In the new Cabinet formed by the Minister for Agriculture the party was allotted one portfolio. Cf. Ellis (1963), pp.70-72; Hobart Mercury, 19/8/22, 11/8/22.

2 Argus, 21/2/22; cited in Page, p.76.

3 Argus, 29/3/22.

4 Ibid., 27/5/22.
stated that he would personally 'take no action that would delay one day a liaison between the Country and National parties'.

Hughes, who was in Sydney attending the Annual Conference of the New South Wales Nationalist Association, attempted to re-trace his steps stating that 'if Dr Page and his followers wish to work with us, all they have to do is say so'.

Page, convalescing in hospital, showed his resentment at the offer being 'made to the public without the ordinary courtesy of a personal notification', and flatly rejected it, stating that the Country Party will not sell its principles for the sake of office nor does it see any reason for coalescing with the party of which Mr Hughes is leader, whose whole political life in this respect has been a negation of those principles...

Although in his policy speech Hughes 'chose entirely to ignore the Country Party', his references to it towards the end of the campaign became heated, and on 31 October it was Bruce and not the Prime Minister

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1 Sydney Morning Herald, 25/9/22.
2 Daily Telegraph, 27/9/22.
3 Grafton Daily Examiner, 19/9/22; cited in Ellis (1963), p.76.
4 Page, p.86.
who received the congratulations of the *Argus* 'upon his determination not to indulge in any bitterness against the Country Party'.

Hughes failed to fulfil the expectations of his Federal ex-Liberal colleagues in much the same way as Holman had failed in New South Wales. Although, as late as March 1922, he was still regarded as an election draw-card he, like Holman, had refused to relinquish many of his Labor principles, and had more than once embarrassed his party, not through any indirect association with corrupt practices, but through his own colourful, autocratic, and at times indiscreet behaviour.

His ability as an election campaigner had been his chief asset, and in the opinion of one biographer the party owed its return to office in 1919 to the support accorded to the Prime Minister by the returned soldiers. He could arouse enthusiasm at almost any meeting and was an acknowledged master of the art of suiting his speeches to his audience. When the *Age* stated that 'many Liberals want another leader' in March 1922, it added that they

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1 *Argus*, 31/10/23.
2 Browne, p.159.
were nervous of displacing Hughes unless he could be persuaded to take an overseas appointment, because 'they do not want him as an opponent with an election in the offing'.

Criticism of Hughes's 'Labor principles' was, as in Holman's case, confined mainly to his attachment to Government enterprise, in the form of the Commonwealth line of steamers. A resolution in favour of a 'Commonwealth owned and controlled fleet' had been adopted as part of the Labor Party's fighting platform in 1912, and in 1916 Hughes, as Labor Prime Minister, had inaugurated the Commonwealth fleet with the purchase, whilst visiting Britain, of fifteen cargo vessels. Two years later he decided to expand the fleet by starting a ship-building industry in Australia.

Criticism of the Commonwealth fleet and the Government ship-building enterprise came from three sources, the press, ex-Liberal members of parliament, and the extra-parliamentary party. The press showed consistent hostility towards the industry, criticising

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1 Age, 27/3/22.
the quality of the ships manufactured in Australia, and censuring the Government for continuing to run an unprofitable shipping line. Typical of its comments was the advice given to Hughes by the Argus at the end of 1920 to 'watch the signs of the times and cut losses now rather than be compelled to cut much larger losses later on'. In November 1921 the Age stated that since the Commonwealth line, which had been 'foisted upon Australia by one man intoxicated with a sense of uncommon power', had ceased to be a profitable venture, members of the National Party were 'under no obligation to follow the Prime Minister's socialistic policies'.

Within the parliamentary party, Acting Prime Minister Watt and back-bencher J.A. Boyd attacked Hughes in 1919 for his action in selling two of the steamers in order to buy more modern vessels without parliamentary or Cabinet approval, whilst in Europe to attend the

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1 Cf. series of articles in the Argus, 7/12/20, 8/12/20, 9/12/20.
2 Ibid., 9/12/20.
3 Age, 30/11/21. For further articles cf. Argus, 2/2/22, 8/9/22, 4/10/22; Age, 8/2/22, 9/3/22, 8/9/22, 21/9/22.
Versailles Conference peace talks. In October 1921, during budget and estimates debates, two back-benchers, Sir Robert Best and Bruce, deplored the expenditure of Government money on ship-building, Best admitting that he 'totally differed from the Government in regard to both the ownership of the shipping line and ship-building'.

Similar attacks occurred during 1922. On 16 May, Pratten informed the Sydney National Club that there was 'some doubt in his mind as to the advisability of continuing the Government's shipping policy'. On the following day Boyd, in a Presidential address to the Melbourne Chamber of Commerce, attacked the Government for its 'suicidal policy of continuing to build ships'.

During a National Party meeting on June 27, Hughes invited a discussion of grievances, and Pratten mentioned his dissatisfaction with the continuance of the line.

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1 Cf. CPD, Vol.LXXVIII, 11078, 30/7/19, and CPD, Vol.XCIV, 5818, 20/10/20. Cables between Watt and Hughes concerning the sale of Commonwealth ships were not made public until 1920.


3 *Age*, 17/5/22.

4 Ibid., 18/5/22.

5 *Pearce Papers*, Party Minutes, 27/6/22.
On the following day Hughes 'called attention to the fact that there were two sections in the party' and added that 'he had his own views still and never hesitated to express them'. He then closed discussion on the matter by pointing out that the socialistic enterprises that had been the subject of so many complaints really 'boiled down to the shipping line' which had been part of the programme upon which all members had been elected.  

By 1921 the extra-parliamentary section of the party in at least two States was beginning to regret its earlier acceptance of the ex-Labor Prime Minister's decision to extend the Commonwealth shipping line. The first Interstate Conference of the National Party, held in July 1919, had adopted 'the encouragement of shipbuilding within the Commonwealth' as part of its Federal platform;  

however, in October 1921, the New South Wales Nationalist Association, with its own ex-Labor Premier out of parliament, and the State National Party out of office, passed a resolution advocating the de-control of all Government-owned industries;  

in 1922 both the

1 Ibid., 28/6/22.
2 Argus, 5/7/19.
3 Sydney Morning Herald, 17/10/21.
New South Wales and Victorian annual Conferences of the party passed resolutions condemning Government enterprise.¹

Federal Government incursion into the timber industry also aroused some opposition in both press and parliament, and in September 1920 McWilliams, then Country Party leader, moved a special adjournment to discuss the Government's purchase of sawmills and timber areas in Queensland for the construction of war service homes, without placing the matter before parliament.² Sir Robert Best, an ex-Liberal member of the National Party, joined McWilliams's protest against the transaction,³ and non-Labor newspapers deplored this further example of the Government's socialistic principles.⁴

In September 1921, on his return from attending an Imperial Conference in London, Hughes momentarily diverted attention away from ships and sawmills by laying before parliament suggestions for further Government enterprises in the form of a wireless service and a fleet

¹ Argus, 7/9/22, (Victorian Conference); Sydney Morning Herald, 21/9/22, (New South Wales Conference).
² CPD, Vol.XCIII, 4424, 10/9/20.
³ Ibid., 4432.
⁴ Cf. Argus, 10/9/20, 22/9/20, 30/9/20.
of airships.¹ The Argus warned the Prime Minister to 'apply a curb to his grandiose ideas',² and Best was later to inform his constituents that 'the action of Mr Hughes in purchasing a line of steamships, and a sawmill in Queensland', together with 'his wireless telegraphy enterprise' were 'sources of irritation to supporters of the National Ministry'.³

Hughes's Labor background also helped to thwart his attempts to deal with industrial unrest. The fact that, as Labor Attorney-General and Labor Prime Minister, he had striven to increase the powers of the Federal Government over trade and commerce, monopolies, and the adjustment of wages and conditions of employment, coloured the attitude of ex-Liberal members of the National Party towards two unsuccessful attempts to secure similar powers, by referendum in 1919 and by legislation in 1921.

² Argus, 6/10/21.
³ Age, 22/5/22.
Strongly supported by the conservative press, ex-Liberal State Premiers, fearing that the Federal Government wished to control the wages and employment conditions of State employees, gave only half-hearted support to the referendum proposals, and rejected proposals that they should transfer the same powers to the Commonwealth through joint legislation.

The Prime Minister never abandoned his interest in problems of arbitration, and as an employer of labour in the shipping industry he was severely criticised in February 1920 for meeting the demands of striking engineers and later of ships' officers; nor was his image improved in the eyes of his ex-Liberal supporters when he made a speech in parliament two months later, agreeing with sentiments expressed by the Opposition leader concerning arbitration, and drawing forth Labor applause for insisting that 'until the employers... realise to the full that the employee is a full partner

1 Together with Holman who fought the proposals from the point of view of State rights.
in the business of production the country will not reach any satisfactory solution (to its industrial problems).\(^1\)

Dissatisfaction with the Government's sugar policy was again, to some extent, bound up with disapproval of Hughes's Labor past. The Federal Labor Party had played a large part in securing the deportation of Kanaka labour from Queensland soon after Federation, through the payment of substantial bonuses to white labour in the sugar industry. As Labor Attorney-General in 1915 Hughes had been responsible for the Federal Government's agreement with the Colonial Sugar Refining Company to purchase the Queensland sugar crop and make arrangements for its refining and sale.

A fall in the price of overseas sugar in 1921 led to requests for a reduction in the price of Australian sugar.\(^2\) The Government refused to lower the retail price of sugar, thus accelerating demands for the de-control of the industry, which reached their peak in 1922. The demands came mainly from free-trade newspapers, and from those ex-Liberal Nationalists in the southern

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States who represented electors interested in the fruit-canning and jam-making industries. It was to such members that the non-Labor press addressed statements implying that Hughes refused to abandon his 'socialistic' control over sugar in order to maintain high wages in the industry.¹

Further trouble arose when presentation before parliament of a record of the industry's financial position was first delayed and later proved to be inadequate. On 2 August 1922 the leader of the Opposition, having denounced the sketchy quality of the financial statement, moved an amendment to secure a reduction in the retail price of sugar.²

During the debate on the amendment Pratten made several references to misleading statements made by the Ministry concerning the high price of foreign sugar during the war. The motion was defeated by only four votes, with ex-Liberals G. Bell, Best, F.H. Francis and G.A. Maxwell voting, and Watt pairing, against the Government.³

¹ Cf. Argus, 1/5/22, 29/5/22, 14/6/22; Age, 7/6/22.
³ Ibid., 1166, 4/8/22.
An attempt by Hughes to delay further discussion on the matter was met with a Labor censure motion. The Prime Minister immediately called an urgent party meeting and stated that he was 'prepared to answer questions'.\(^1\) Best, Bell and Maxwell expressed themselves dissatisfied with the lack of financial information on the sugar industry offered by the Government, and when R.P. Blundell, an ex-Labor member, moved 'that the members of the National Party support the Government on the censure motion', Bell and L. Atkinson 'declined to vote'.\(^2\) Although the Opposition censure motion was defeated on strict party lines Atkinson, Bell and Watt voted against a Government motion to close the debate.\(^3\)

The press continued to criticise the high price of sugar, and in September the Victorian State Conference of the National Party passed a resolution advising the Federal Government not to renew its sugar agreement.\(^4\) On 24 October Hughes announced in his election policy speech that Government control of the

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2. Ibid.
sugar industry would cease with the expiry of the sugar agreement on 30 June 1923.¹

Hughes's post-war unpopularity with his ex-Liberal colleagues was not due solely to the Labor principles that he was unwilling to relinquish. In many ways his personality was unsuited to peace-time leadership. Two of the characteristics which he had displayed during the war, unwavering belief in his own capacity to tackle any difficulty, and a willingness to take decisive action on his own initiative, could be regarded in peace-time as the qualities of an autocrat.

He had bought the cargo vessels which formed the basis of the Commonwealth fleet on his own initiative and Watt was later to complain that he had also sold two of them in 1919 'as if they were his own property'.² Later he was accused by Watt of conducting the greater part of the Peace Conference negotiations involving Australia 'practically without one word of information to or approval from Cabinet'.³

¹ Ibid., 25/10/22.
² CPD, XCIV, 5801, 20/10/20.
³ CPD, XCV, 2538, 2/7/20.
Whilst such methods of leadership were grudgingly accepted during the war the Prime Minister's refusal to delegate responsibility when the war was over was deeply resented. Federal politics held considerable allure for ambitious State politicians, and in Hughes's first National Cabinet in 1917 there had been two former State Premiers - Watt from Victoria and Sir John Forrest from Western Australia, as well as Sir Joseph Cook, the leader of the Liberal Party, who had been Prime Minister from June 1913 to September 1914.

Before his elevation to the peerage in 1918, Forrest had more than once toyed with the notion of supplanting Hughes as Prime Minister. Cook had revealed no such ambition but his relations with Hughes were unsatisfactory and in November 1918, when Cook was in London with Hughes as his co-delegate to the Imperial Conference, the London correspondent of the Age caused a minor sensation by claiming that Hughes had completely ignored Cook for three months, refusing to answer his letters or to

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1 The first occasion was during the talks that preceded the formation of the National Party; cf. Hume-Cook Papers, Series II, 601/11/4c, 29/1/17. The second occasion was after Hughes's resignation in 1918 following the defeat of the second conscription referendum; cf. Hume-Cook Papers, Series II 601/11/4c, 16/1/18.
consult him on matters 'affecting relations between Britain and the Commonwealth'. Although Hughes and Cook signed a statement declaring that the cable was untrue, the allegations were in keeping both with the Prime Minister's known tendency to act without consultation, and with the contempt for Cook which he had shown during private pre-coalition talks with Hume-Cook.

Whilst Cook was not an unduly sensitive man, Watt was, and when he received similar treatment from Hughes he pressed his resentment to the point of resignation from Cabinet.

In March 1920 Watt, who had been Treasurer since 1918, was sent to London to study the loan and war indemnity position, and to obtain a statement of wool accounts, and if possible, the immediate payment of Australia's half share in the re-sale profits. However, whilst he was on his way to London, Hughes devised his own plan to replenish the Treasury. The control of

1 Age, 19/11/18, cable dated 1/10/18.
3 Hume-Cook Papers, Series II, 601/11/46, 21/12/16, 28/12/16.
wool came under the Prime Minister's own department, and, after some initial opposition, he secured the support of both wool growers and wool brokers for a scheme to persuade Britain to refrain from selling her surplus wool until Australia had auctioned her next season's clip. At the same time he proposed that Britain should be asked for an advance on the next re-sale of wool which would be passed on to the woolgrower in the form of Government bonds.¹

Unfortunately, a combination of press leakages and delayed cables resulted in Watt seeing Hughes's scheme for the first time in a Times article. Incensed at the Prime Minister's failure to consult him earlier, and unimpressed by the scheme, Watt continued his own negotiations. A cable acquainting Hughes with the results of his investigations crossed a telegram from the Prime Minister informing the Treasurer that the wool growers had accepted his own scheme, and requesting Watt's strong support.

¹ Argus, 11/5/20; CPD, Vol.XCII, 2525, 2528.
At the same time, perhaps in order to clinch the Treasurer's acceptance of the scheme, Hughes informed him that he had cabled the same message to the Secretary of State. To add insult to injury Watt then received from the Secretary of State 'the polite but clear intimation that the British Wool Administration could not conduct discussion with (him) in person and with (the Prime Minister) by wire',¹ and cabled a threat of resignation.

Hughes cabled back a reply² that even Watt was constrained to admit was, for the Prime Minister, moderate in the extreme, but to a man of Watt's temperament its soothing appeal and mild rebuke only served as an additional irritant, and on 7 June he fulfilled his threat and resigned.

Hughes's position as National Party leader was considerably weakened by Watt's action. The ex-Treasurer became not only a damaging parliamentary critic, but as a leading figure in Victorian politics, he was to support the State movement away from the party in 1922.

¹ CPD, Vol.XCII, 2530; cable from Watt to Hughes dated 27/5/20.
² Ibid., 2531-3, cable from Hughes to Watt dated 2/6/20.
It is difficult to illustrate from isolated incidents and speeches the atmosphere that seems to have surrounded ex-Liberal antipathy to Hughes after the war. As war leader, Hughes had captured the Australian imagination. Of small build, physically frail, and with an emaciated appearance and prominent features which were the delight of cartoonists, he had personified the courage and indomitable will power which Australians of all shades of political opinion liked to feel formed a part of their country's contribution to the allied cause.

When the war ended, many ex-Liberals in Federal Parliament again saw themselves as Liberals, representing States in which ex-Liberals dominated the extra-parliamentary organisations, and led all but one of the State parliaments, whilst they remained under the leadership of a Prime Minister, and four Cabinet Ministers, who had spent all but two years of their political lives in an alien party.

One could not expect open reference to the fact that Hughes often did not behave in a seemly fashion, that he appeared to glory in his working-class background, and feel no shame at making both himself and his party look ridiculous, but a few examples may help to explain the aura of social unease which appears to
have formed a part of ex-Liberal dissatisfaction with Hughes's leadership.

During the second referendum campaign in 1917 Hughes twice made the Federal National Party look foolish through his conduct of relations with the Queensland State Labor Party; on the first occasion he ordered the printing of a special regulation under the War Precautions Act in order to prosecute the Labor Premier, who had attempted to circularise copies of the State Government Hansard in which, under parliamentary privilege, he had stated his anti-conscription views;¹ on the second occasion he claimed as an 'assault by a number of men' an incident during which his hat had been knocked off by a well directed egg.² On the latter occasion Hughes had heightened the element of farce in the situation by gazetting a further special regulation enabling him to

¹ Hughes issued two Special Regulations (Nos.315, 318) under the War Precautions Act to make it an offence to place misleading statements before the people, and to expedite the hearing of such cases. Cf. Commonwealth Government Gazette, Nos.207, 209 and Jauncey, p.298. The Queensland Premier was discharged on lack of evidence, (Courier, 7/12/17); the second trial was removed from State jurisdiction,(Courier, 8/12/17), and settled out of court,(Whyte, p.344).

² Cf. Courier, 30/11/17; 4/12/17.
set up a Commonwealth police force to enforce 'Commonwealth laws in States where not enforced by State authorities'. The force was to be created because the Queensland Premier, in whose state the incident had occurred, had refused to discipline a police sergeant, who had disobeyed an order by the Prime Minister to arrest the ringleaders.

As national war leader the courage and determination that Hughes showed in forcing Australia's claims to international status on the attention of the Allies, were overshadowed for some of his ex-Liberal colleagues by what seemed to them a domineering and tasteless method of bargaining. On 20 November 1918, Fowler secured a special adjournment to discuss the Prime Minister's speeches. He complained that Hughes had not acted 'in the very best of taste' in mentioning Australia's sacrifices 'in the same breath as those of France and Belgium', and stated his belief that Australia would be

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2. Age, 5/12/17.
better 'represented only by British statesmen'.\(^1\) Best made a similar protest.\(^2\)

In February 1922 the *Argus* printed a curious editorial on the Prime Minister's background. Entitled 'Politician and Blacksmith', the article described the Prime Minister's 'exhibition of skill as a working blacksmith (before) an astonished crowd of spectators' in Tasmania, and then set out to answer 'the abstruse question of what the knowledge of a smith's craft is likely to contribute to the make-up of a Prime Minister'. Labor politicians could be expected to show pride in their humble origins whenever they were addressing the rank and file; in a non-Labor leader it could only be regarded as an undignified exhibition, and the editor plainly regretted Hughes's lapse from grace.\(^3\)

In background, bearing and political views Bruce provided a complete contrast to Hughes. A university education, a business career, an upright carriage, immaculate appearance, and an aloof manner not only distinguished him from the Prime Minister but set him

\(^{1}\) CPD, Vol.LXXXVII, 8100-2, 20/11/18.

\(^{2}\) Ibid., 8107.

\(^{3}\) *Argus*, 11/2/22.
apart from many of his other colleagues. 'He is', wrote one newspaper, 'superior to the average member in attainments, in business experience and in his contempt for the tricks of politics'.

When the time came he provided the perfect solution to the coalition dilemma. Starting off his political career indebted to the Country Party, he had remained on friendly terms with his political opponents, and was regarded as responsible for several concessions to country interests; at the same time his consistent loyalty to Hughes enabled him to claim the support of the remaining National Labor members. 'He is', declared the Argus, 'eminently safe' and 'Parliament wants that type of man'.

In terms of dramatic clashes with the parliamentary or extra-parliamentary party Hughes was more fortunate than many other First Ministers; only one member of Cabinet resigned, and Caucus members, whilst willing to

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1 Argus, 30/11/22.

2 J.J. Hall, the Victorian Farmers' Union candidate standing in opposition to Bruce, had given up his candidature on 10 May in return for a National Party promise of electoral reform, leaving Bruce a straight fight against the Labor Party nominee. Cf. Argus, 11/5/18.

3 Argus, 2/2/23.
air their grievances, never crossed the floor of the House on an issue vital to the Government's survival. Apart from party conference resolutions withdrawing approval from Government enterprise, and finance committee manoeuvres to secure the Treasury portfolio for Bruce, the extra-parliamentary party showed little overt hostility towards the Prime Minister.

However, the party was not prepared to support him to the point of functioning as a minority Government, and there can be little doubt that Bruce was regarded as a more suitable leader by a majority of members in all sections of the party. Hughes's failure to retain their support was three-fold. Firstly it was a failure in tactics, in so far as he deepened the split between the ex-Labor and ex-Liberal sections of the party, both by his policies, and by his pronouncements at public meetings, before parliament, and in the party room.

Secondly it was a failure in personality. He was flamboyant, often undignified, and possessed a caustic

1 Extracts from speeches, such as the statement that 'he had never been an advocate or supporter of the capitalistic system', made during an address to a Sydney Methodist Conference in February 1922, (cf. Age, 28/2/22), were taken out of context by the press as proof that he remained a socialist at heart, (e.g. Age, 1/3/22).
tongue. Cabinet and Caucus members resented his autocratic manner, and his tendency to override Ministers and take matters of policy into his own hands without consulting party or parliament.

Finally, it was a failure to some extent governed by circumstances beyond the Prime Minister's immediate control. The war had demanded an assertive confident leader willing to carry heavy responsibilities, and able to project a public image of energy, resourcefulness and strength. Despite his physical frailty Hughes had fulfilled such expectations, and it may be suggested that the demands made by the post-war National Party were too prosaic to absorb his nervous energy. His efforts to remain in full control of a greatly overweighted department, to increase the powers of the Federal Government, and to introduce further Government enterprises only embarrassed his colleagues. Gratitude for his work as National leader during the war, and appreciation of his talents as an election campaigner, were not regarded, at least by parliamentary members of his party, as sufficient reason to follow him to possible defeat on the floor of the House.
On 10 September 1929, National Party Prime Minister, S.M. Bruce, was defeated by six members and ex-members of the two Government parties on an amendment to the Maritime Industries Bill, the defeat of which he had declared to be vital to the continuance of the Government. At the subsequent elections he was, like Holman in 1920, defeated in his own electorate.

A crisis situation began to emerge early in February; at a pre-sessional meeting of the National Party held on 5 February vigorous attacks were made upon the Country Party, the Government's Coalition partner, for failing to observe an election pact in several electorates. Hughes, now a back-bencher, also criticised his own party for failing to subscribe to a high enough protective tariff.¹

A week later Hughes, together with E.A. Mann, a Western Australian Nationalist, P.G. Stewart, a member of a Victorian break-away Country Party, ² and W.J. McWilliams, 

¹ Sydney Morning Herald, 6/2/29.
² The Country Progressive Party. The break-away party was opposed to the Country Party entering coalitions.
an ex-Country Party Independent, voted against the Government during a debate on a motion by a Labor back-bencher that the Government deal with a Cabinet decision to disallow determinations of the Public Service Arbitrator in the Lower House instead of the Senate. The Arbitrator had given an award for a Canberra living allowance to certain public servants against a decision by the Public Service Board, which had successfully appealed to Bruce to reverse the award.

The Prime Minister had decided to move for the disallowance of the award in the Senate where the Government parties possessed a large majority. Stating that a principle of arbitration was at stake, Hughes suggested that the motion be removed from the Senate business paper pending full discussion in the Lower House.\(^1\) When Bruce refused, Hughes, Mann, Stewart and McWilliams voted with the Labor Party against the Government, causing a dead-lock vote, which was resolved in the Government's favour by the casting vote of the Speaker, Sir Littleton Groom.\(^2\)

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1 CPD, Vol.120, 196, 13/2/29.
2 Ibid.
When the National Party met on 14 February, Hughes was joined by two other Nationalists, A.S. Rodgers and W.M. Marks, in an attack upon Cabinet for refusing to permit discussion of the disallowances in the House of Representatives, and all three indicated that they would vote against the Ministry if the Labor Party made an issue of the matter. However, at a second meeting on 19 February, from which Hughes was absent, all members with the exception of Mann agreed to support the Government if the question of disallowances were brought up again.

Two days later a further meeting passed a resolution of confidence in Bruce's continued leadership and 'support for the policy submitted to the people at the elections on behalf of the Government'. Press reports stated that both Hughes and Mann had abstained from voting, and Hughes had suggested that it would be the Prime Minister's duty, should he decide to retire from office, 'to ask the Governor-General to send for "Mr Jones" of the National

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1 Sydney Morning Herald, 15/2/29.
2 Ibid., 20/2/29.
3 Ibid., 21/2/29.
On the same day Bruce stated in the House of Representatives that the Government did not intend to submit its disallowance motion before the Lower House, and on the following day the Senate carried a motion disapproving the allowances by 23 votes to 6.

On 5 March Hughes moved an amendment to the Government's Transport Workers Bill, designed to omit a clause enabling officers issuing licenses to waterside workers to cancel the licenses if the workers had 'refused or failed to comply with any lawful order or direction given in relation to his employment'.

Stating that unionism, and the licensing system, (introduced by the Government in September 1928), were 'mutually destructive', Hughes proposed the omission of the clause, and was supported by Stewart as well as the entire Opposition. Hughes and Stewart also joined Country Party member V.C. Thompson in voting for Thompson's amendment.

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1 Ibid.
2 CPD, Vol.120, 382, 20/2/29.
3 Ibid., 446, 21/2/29.
5 Ibid., 714.
6 Ibid., 723.
amendment to reduce the cancellation period to one month. The Government was again rescued from a dead-lock vote by the casting vote of J.G. Bayley, Chairman of Committees.¹

Two days later Mann moved an amendment to the Financial Agreement Validation Bill, with the intention of restoring per capita payments to the States for a further ten years.² Hughes stated that he could not vote for the bill as it stood, and recommended that members support Mann's amendment.³

On 15 March, during the Supply debate, Hughes attacked the Government on four fronts, migration, land settlement, tariff reform, and industrial peace.

They (the Government) have failed in migration; they have failed to promote land settlement;

¹ Ibid., 729.
² The Federal Constitution had incorporated a clause returning to the States for ten years three quarters of the net revenue of the Commonwealth from customs and excise duty. This had been replaced by a 25/- per capita rebate. Under the new Financial Agreement Act the Commonwealth proposed to cease per capita payments and the States agreed to relinquish almost all loan raising rights to the Loan Council in return for permanent Commonwealth assistance with all State debts.
³ CPD, Vol.120, 382, 20/2/29.
they have failed to reduce duties; and they have failed to bring about industrial peace. Instead of that prosperity which we were assured would inevitably flow from stable government, we have a brooding sense of unrest, a lack of confidence, and a feeling that there is something even worse than we have experienced not far from us. That is their record and it is unsatisfactory to every section of this House.²

'He is a party leader again, the leader of a party of three. Mr Mann and Mr Stewart adhere to him,' wrote the Editor of the Sydney Morning Herald, commenting on Hughes's speech on 20 March:

He has now shown himself as a hostile critic of the Government on every issue that has arisen since the elections (and it would be his) proper course to resign and seek re-election as an Independent.³

Before parliament closed for the Easter recess the Attorney-General, J.G. Latham, announced, in answer to constant questions by the Opposition, that proceedings would be taken against mine-owner John Brown⁴ for closing his mines against his employees.

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1 Hughes did not wish to see lower duties but claimed it to be the probable policy of the Government which could not make up its mind whether to favour free trade or protection.

2 CPD, Vol.120, 1308, 15/3/29.

3 Sydney Morning Herald, 20/3/29.

4 Brown already had a history of involvement with State Governments, as shown in section (b) on Holman.
During February and March New South Wales miners had begun to feel the effect of a world-wide slump in the coal industry. Miners, employed on a daily basis, had been asked to accept a wage cut equivalent to a shilling per ton of coal mined. When they refused, the colliery owners began closing their mines. Throughout March Federal Labor members plied the Government with requests for prosecutions, and Latham's announcement was made on 22 March, the last day of the parliamentary sitting.

Shortly afterwards, Bruce visited Sydney where the New South Wales Nationalist Premier, T.R. Bavin, was attempting to arrange a conference between the colliery proprietors and the miners. Bavin informed the Prime Minister that the mine-owners refused to confer whilst one of their number was being prosecuted. Bruce agreed with the New South Wales Premier that a Conference leading to a return to work would justify the withdrawal of the prosecution, although the latter could be regarded as 'an act of (political) lunacy'.


2 Ibid., 1727, 22/3/29.

The conference failed to result in a return to work, and, when parliament reassembled on 14 August, Opposition leader Scullin moved a motion of no-confidence, based upon the withdrawal of the prosecution. After a week's debate McWilliams voted and Hughes, Mann and Stewart paired with the Opposition, and Hughes and Mann were excluded from the National Party room.

Three months before parliament reopened Bruce had informed the yearly meeting of State Premiers that the Federal Government had decided to hand back to the States full powers of conciliation and arbitration. Three Prime Ministers, including both Bruce and Hughes, had unsuccessfully tried to increase the Federal Government's industrial powers, either by referendum or by joint Federal-State legislation. The Prime Minister had not discussed his alternative plan with his party, and members were informed of it by telegram, on the same day as the Premiers were given the choice of legislating to hand over their own industrial powers, or accepting back full industrial control from the Commonwealth Government.

2 Ibid., 273, 23/8/29.
The States refused the first alternative, and on 23 August Bruce opened the second reading of a Maritime Industries Bill, which proposed to repeal the Conciliation and Arbitration Act and remove Federal control from all but the maritime industries.

On 28 August the deputy-leader of the Opposition began Labor's attack on the new arbitration proposals, claiming that the bill was designed to clear the way for a reduction of wages and lengthening of hours in industry. On 30 August Mann joined the attack agreeing that the bill implied a reduction in wages. On 4 September G.A. Maxwell, a Victorian Nationalist, stated that he would vote against the bill on the grounds that it had not formed part of the Prime Minister's election speech, nor been discussed by the party.

Hughes attacked the bill on the following day, and said that if it were not defeated on its second reading

3 Ibid., 341, 28/8/29.
4 Ibid., 470, 471, 30/8/29.
5 Ibid., 555-560, 4/9/29.
he would move an amendment during the committee stage, proposing that it remain inoperative until another referendum could be held.\(^1\) Stewart and McWilliams also opposed the bill and Hughes, Maxwell and Stewart voted and Mann paired against its second reading.\(^2\) The second reading was passed by a majority of four, McWilliams voting with the Government in spite of his speech against the bill.

On 10 September Hughes moved his amendment, asserting that 'if the Prime Minister dared to leave honourable members free to vote as their consciences dictated... outside the Ministers, he would not get six votes.'\(^3\)

Bruce stated that he would go to the country if the amendment were carried,\(^4\) but, notwithstanding the Prime Minister's warning, Marks joined the rebels to produce a majority of one for the amendment.\(^5\) Last minute hopes that Groom would cast his Speaker's vote

\(^{1}\) CPD, Vol.121, 605, 5/9/29.
\(^{2}\) Ibid., 826, 7/9/29.
\(^{3}\) Ibid., 845, 10/9/29.
\(^{4}\) Ibid., 850.
\(^{5}\) Ibid., 866, 867.
for the Government and thus produce a tie, to be resolved in the Government's favour by the Chairman of Committees, faded when Groom refused to vote at all. The Government was defeated and two days later Bruce announced that there would be a general election.¹

There were seven members and ex-members of the two governing parties, whose combined vote against the Government, together with Groom's refusal to vote, brought about its defeat; in alphabetical order they were Groom, Hughes, McWilliams, Mann, Marks, Maxwell and Stewart.

Groom had been demoted from the position of Attorney-General to that of Speaker in 1925, and Cabinet had canvassed opposition to his continuance as Speaker during a pre-session meeting of the National Party in February.² He therefore had reason to feel some resentment against the Government. However, he firmly maintained both publicly and privately that his motive in refusing to

¹ Ibid., 873, 12/9/29.
² Sydney Morning Herald, 6/2/29.
vote on the arbitration amendment stemmed solely from his appreciation of the constitutional position of his office as Speaker.¹

Hughes had many reasons for wishing to bring down the Government. He nursed a personal grudge against Bruce, who had supplanted him as Prime Minister, and he bitterly resented Bruce's action in disposing of the Commonwealth line of steamers.² He also nursed a grudge against Latham, author of the Maritime Industries Bill, who had waged a personal campaign against him in the 1922 elections,³ and had helped to engineer his downfall soon afterwards.⁴

He was a high protectionist, who felt that Bruce's views on the subject of tariffs were too moderate, and it was rumoured that Bruce had refused to give him the

¹ Carboch, pp.148, 150; Edwards, p.184, (letter from Groom to his wife, dated 11/9/29). He presumably regarded his vote on the issue of public service allowances as not vital to the Government.
² In November 1927 Hughes attacked the Government for its decision to sell the Commonwealth line, and paired in support of an Opposition want of confidence motion on the matter. Cf. CPD, Vol.116, 1111, 9/11/27.
³ Cf. Argus, 4/11/22, 28/11/22, 14/12/22, 15/12/22.
⁴ Cf. Carboch, p.170; Page, pp.90, 92.
Customs portfolio, although advised to do so by the Chairman of the New South Wales Chamber of Manufactures.\(^1\) Finally, he had made a special study of arbitration since first entering Federal Parliament in 1901; as a Labor member he had fought for Federal arbitration; as a Labor journalist he had written a strong condemnation of the wages board system;\(^2\) and as Labor Attorney-General and Nationalist Prime Minister he had sought to increase the Federal Government's industrial powers.

McWilliams had represented the Tasmanian electorate of Franklin in Federal Parliament since 1903, first as a Liberal, then as a Nationalist and then as provisional leader of the Federal Country Party.\(^3\) In 1921 the Country Party had called for a 'spill' owing to McWilliams' 'increasing tendency to vote against the majority',\(^4\) and Page had been elected leader. McWilliams lost his seat in the 1922 general elections, but returned as an Independent in 1928. Accustomed to voting against

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1. \(\text{Daily Telegraph, 12/3/29; Sydney Morning Herald, 8/2/29.}\)
2. Cf. 'The Case for Labor' in the \(\text{Daily Telegraph, 7/3/08.}\)
4. Ibid., p.66.
the Government, he followed a 'States rights' line during the arbitration debate and voted against the Government on the grounds that the bill might precipitate a strike in the shipping industry and isolate his State from the mainland. 1

Mann had been a constant critic of the Government since 1925 when he had opposed the Government for its tariff policy, 2 and in 1926 he had withdrawn from the party over the Government scheme to end per capita grants to the States. 3 Endorsed by the Western Australian State Executive for the 1928 elections, 4 he had returned to the party room until his exclusion together with Hughes in August 1929. Mann stated that he opposed the Maritime Industries Bill on the ground that Federal arbitration was part of the party platform, which had already been abused by the passage of the Main Roads and Financial Agreement Acts. 5

1 CPD, Vol.121, 768, 7/9/29.
3 Carboch, p.151.
4 Ibid.
Marks was an unexpected rebel. Having stated his disapproval of Bruce for failing to consult the party on the arbitration bill, or the withdrawal of the John Brown prosecution, he went on to reveal a personal grudge against Bruce, for the Prime Minister's failure to consult him concerning a proposed increase in entertainment tax. Marks had been Chairman of a Royal Commission on the film industry in Australia, and informed the House that if any man knew the exact position of the industry he did:

I should have been pleased to give the Government the benefit of all the information I had gained concerning it...but I was not consulted...I wish to call a halt in this attitude of the Prime Minister towards his party...I have informed the Prime Minister that I cannot follow the Government in its proposal to increase the amusement tax. I informed him months ago what my attitude was regarding arbitration. I can do no other than vote for the amendment.¹

Maxwell, though opposed to the National-Country Party pact, and a frequent critic of the Government, was not regarded as a genuinely rebellious member of the party, and even Bruce, facing possible defeat on the bill, stated that 'in a brilliant speech (Maxwell had) expressed what he believed' and would vote 'in accordance with his conscientious conviction'.²

¹ CPD, Vol.121, p.862, 10/9/29.
² Ibid., 820, 7/9/29.
Stewart, a wheat farmer from western Victoria, had resigned his portfolio in the Bruce-Page Government in August 1925 in protest against the election pact between the two parties. He had helped to organize the Victorian break-away Country Progressive Party in 1926 and resigned from the Federal Country Party in the same year.¹ He was, writes Edwards, 'a natural rebel who reverted to type after an unhappy period of Cabinet responsibility'.² In his speech on the arbitration bill Stewart argued that the Government had no mandate to introduce the bill,³ which he opposed in any case, as it did not have the support of primary producers who 'believe in industry being federally controlled'.⁴

There have been several accounts of Bruce's loss of office,⁵ including one study, Carboch's *The Fall of the Bruce-Page Government*, devoted exclusively to the defeat, and including an analysis of the motives of the rebels.

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¹ Ellis (1963), 150.
⁴ Ibid., 738.
⁵ Cf. Ellis (1963), Ch.13; Edwards, Ch.18; Page, Ch.XX.
Pointing out the rebels' confused and differing motives for voting against the Government on the Maritime Industries Bill, Carboch concludes that the seven men, held together by Hughes

...could have formed a party...I also believe that this is the only sort of interest that they all had in common in 1929. Not a common view, not a common issue, not a common policy, but a common opposition to the Bruce-Page Ministry.¹

Further evidence suggests that Carboch was correct in forming this conclusion, and Holman correct in suggesting that Hughes would not have been averse to holding the balance of power and making terms with Scullin.² The ex-Prime Minister had been contemplating the formation of a new party at least since the middle of 1925.

On 12 June 1925, Hughes, lunching with J.N.H. Hume-Cook, and L.J. Levy, both ex-members of the National Party's Victorian State Executive, discussed with them the difficulties of forming a new parliamentary party without the help of 'an organisation outside to finance and aid them'.³ On the evening of the same day he was

¹ Carboch, p.263.
² Evatt (1945), p.542.
interviewed by Bruce concerning a speech that he had made in the House on the previous day in which he had criticised the Government for delaying tariff reform. Bruce, he had said, had failed to place a definite policy before the people and he declined 'to be dragged at the coat-tail of any one who (would) not rise to national issues...'.

According to Hughes's own version of the interview he refused a plea for his help 'to steer clear of the rocks (he saw) ahead' with the words

The Nationalists who are in Parliament were elected to follow me. It was my policy which they supported at the (1922) elections. Yet you lead! If you cannot steer the ship out of the difficult position up which she has blown, why should I, who have been deposed, act as pilot?

He was not willing to help, he went on, because Bruce had 'associated (himself) with the wrong people (and) the policy for which [he] Hughes would declare, they would not accept'.

1 CPD, Vol.110, 246, 11/6/25.
2 Hume-Cook Papers, Series III (1), New Party, 19/6/25.
3 Ibid.
Bruce sent for Hughes again on 9 July, after Hughes had again criticised the Government for the deportation clause in its Immigration Bill, and told him:

Members of the party and many outside are greatly disturbed at the attitude you have taken up. They even go so far as to say that you are disgruntled and annoyed because you are not in my place.

Hughes replied that 'anyone might feel annoyed at being treated as (he had) been treated', and informed the Prime Minister that he had shown strong restraint in his attacks. Bruce met Hughes's defence with the threat of loss of endorsement, but the ex-Prime Minister assured him that it would 'not deter (him) in the slightest'. However, he confessed to Hume-Cook when recording the interview that he couldn't be sure of winning North Sydney if unendorsed, particularly if, as they both feared, A. Parkhill, secretary of the State Nationalist Association, were to be run against him.

On 6 October Hughes was endorsed for North Sydney and informed his constituency electoral council that

1 CPD, Vol.110, 677, 2/7/25.
2 Hume-Cook Papers, Series III (1), New Party, 9/7/25.
3 Ibid.
'he stood behind the Government'. However, in his opening election speech he said somewhat cryptically:

If you ask me what I shall do or what I shall not do, I am not (sic) to fall back on mere words: I am to point to my record as a public man as to what I am likely to do.

Four months later he was to tell Hume-Cook that 'the situation (had) changed completely'.

Six months ago Bruce was a beaten man. Today his following is so numerous as to be a source of danger. (However, there are) certain men like Stewart, Foster, Mackay, Gellibrand, Rodgers and myself, who are no longer afraid of putting Labor into power. There are also others, notably the West Australians, who are a positive source of annoyance to Bruce... Of course all is fair at present, but you and I know how sudden storms arise...

The 'sudden storm' was not to arise for three years and Hume-Cook gives no indication of Hughes's movements in the intervening two years, but a letter made public in September 1929 revealed that Hughes had written to R.W. Foster on the latter's defeat in the 1928 general election saying:

1 Sydney Morning Herald, 7/10/25.
2 Ibid., 13/10/25.
3 Hume-Cook-Papers, Series III, (1), New Party, 5/2/26.
4 Ibid.
I have quite made up my mind that this combination must go, if Nationalism is to be saved. For the greater part of the last Parliament I had other fish to fry, but now I am quite free, and given decent health, I will make our friends Janus and Co. sit up.

In January 1929 Bruce expressed his fears that Hughes might attempt to bring the Government down as soon as parliament met, by supporting a Labor censure motion in connection with a proposal by the British shipping companies to increase freight rates to Australia.

In a cable to Lord Inchcape, head of the British shipping combine, requesting that the proposed increases be suspended, Bruce stated that if the Government were defeated on such a motion Hughes might attempt to form a stop-gap Government with Labor support.

I have heard indirectly...that Hughes and the Labour Party have been in touch with a view to some such arrangement. Such a government could last only a few months, and would be followed by a general election at which I believe Labour would be successful, probably pledged to re-create the Commonwealth Shipping Line on an even more extensive scale than formerly.¹

Lord Inchcape agreed to use his influence to have the increases deferred; the ship owners finally accepted

¹ Cf. Sydney Morning Herald, 13/9/29.
² Edwards, p.148.
his advice, and the Government was saved the embarrassment of a censure motion on the matter.

There can be little doubt that Hughes intended at least from 1925 to disrupt the National Party and, with Hume-Cook's support, build a new party. For this Bruce and the National Union were at least partly to blame.

Hume-Cook had been co-founder and general secretary of the National Federation until 1919, (when he was dismissed over a dispute with the organising secretary), and a member of the State Executive until 1923. In 1922, following a year's absence in England with ex-Vice-President Levy, he had returned to find that 'the National Union, (the party's finance committee) had gradually acquired a dominance over the Executive which made the free and efficient working of the Federation well-nigh impossible'.

Hume-Cook, a high protectionist, and secretary of the Australian Industries' Protection League, was particularly alarmed by the possibility of a modification of protection which might result from the election pact arranged by Bruce and Page with the approval of the National Union in 1923.

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The National Federation had not been consulted concerning the pact, and after it had registered its disapproval in April 1923, the pact was slightly modified to allow the continued existence of National Federation branches in Federal Country Party constituencies as long as 'no aggressiveness (was) shown towards the Country Party'.

However, the Executive remained dissatisfied and Hume-Cook was asked to draft a statement of the Federation's grievances. Besides the pact, Hume-Cook mentioned the Union's dictation of duties to the ex-Labor President of the Federation; its takeover of all organisational activities; its appointment of a standing policy committee, as opposed to the constitutional submission of policy matters before Annual Conference by branches and the parliamentary leader; and the submission before a select committee of all candidates' names 'prior to selection...to secure by one means or another the retirement of those considered unsuitable, or the selection of those whom the National Union favours'.

The statement was ignored by the National Union and on 2 July Hume-Cook was summoned to an Executive meeting to discuss a further election pact between Bruce and Page, again arranged without consultation with the Federation. Hume-Cook and Levy immediately cabled their resignations, and from that date were free to join Hughes in schemes for building another party, liberated from Country Party entanglements and dedicated to high protection.

Shortly after Hume-Cook's conversations with Hughes in June 1925 he was approached by W. Plain, the ex-Labor President of the Federation, who informed Hume-Cook that Bruce was threatening him (Plain), with withdrawal of endorsement for the Senate elections later in the year, unless he resigned from the Presidency of the National Federation. 'The Government', he complained, 'never consults the Federation. If it wants information it goes to (E.H.) Willis,(secretary of the National Union), and asks him. No wonder they go wrong. We've got the experience but they don't ask us, they go the money bags!'

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1 Ibid., p.281.
2 Ibid., p.283.
Hume-Cook told Hughes of his meeting with Plain and was requested to 'keep on making Plain as dissatisfied as possible'.

Perhaps, added Hughes:

If the Public sees that there is a split in the Federation and that some one more conservative than Plain is to be put in charge it will open their eyes to what is the truth: namely that since you (Hume-Cook) left it, it has been the creature of the National Union.

However, Plain was chosen by a joint meeting of State National and Country Party parliamentarians to fill a vacant Senate seat in August, and in the same month he was endorsed as an official National Party candidate for the Senate elections. At the September Conference of the Victorian National Party it was stated that the "Father of the Federation" (had) said that his parliamentary duties would prevent his seeking re-election to the position (of President).

Bruce's share in the provocation of the rift between the two branches of the National Party's extra-parliamentary organisation stemmed from his readiness

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1 Ibid.
2 Ibid.
3 Argus, 23/9/25.
to ignore the democratically elected National Federation, and to consult only with the National Union, a self-appointed body of financial contributors to party funds. He was to further irritate Hume-Cook in the latter's capacity as secretary of the Australian Protection League.

On 23 March 1927, Hume-Cook gave an address to the Constitutional Club in which he advocated tariff barriers against imported luxury articles, a drive to sell Australian-made goods and restrictions on overseas borrowing.1 Following the address he was asked by the League to write a letter, 'setting out the relevant facts', to be forwarded to the Prime Minister and other Federal members.2 Bruce, Hume-Cook wrote later, 'did not acknowledge the communication until three months after its receipt (and) then complained that no concrete suggestions or proposals...had been offered.3 On 21 September the League replied that it was 'the duty of Parliament to prescribe the cure', but suggested the

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2 Ibid., pp.370, 371.
3 Ibid., p.371.
reduction of imports through tariff action and the cessation of overseas borrowing. Bruce again waited three months before rejecting the first proposal and pointing out to the League the impracticability of the second.

Shortly afterwards, whilst Hume-Cook was visiting Canberra, Bruce arranged to see him and challenged him on several statements in his letter. The interview ended abruptly, wrote Hume-Cook later, with Bruce conceding that 'I seemed to know what I was talking about'.

Looking back in 1935 Hume-Cook concluded that

by giving the leader of the Country Party, Earle Page, the Treasurership, and by placing that gentleman on an equality with himself, Bruce lost effective control of the Cabinet and of finance. To the duality in leadership and to the baneful influence of the Treasurer in financial matters, - may be traced the subsequent downfall of the Bruce-Page Government.

Two years later Hume-Cook was to write a provisional constitution for Hughes's new Australia Party and include among its 'Fundamental Principles':

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1 Ibid., pp.371, 372.
2 Ibid., p.372.
3 Ibid., p.376-378.
4 Ibid., pp.378, 379.
the maintenance of the policy of Protection and its application to primary and secondary industries in all necessary directions.¹

The National Party was widely blamed for having failed to retrench in 1928 and 1929 and Bruce, looking back upon his years in office, assured his biographer that he was well aware of the financial difficulties facing the country at that time, and had intended, had he succeeded in dealing with the arbitration problem, to 'take other steps that would be necessary to put our economic and financial house in order'.²

He vigorously denied, both during his term of office and later, the allegation that he was unduly influenced by the Country Party leader in financial matters, and he accepted full responsibility for endorsing those of his Treasurer's 'brainwaves' that he considered useful.³ When Nationalist back-bencher

¹ Copy of proposals prepared by Hume-Cook for Hughes and dated December 1929; Cf. Hume-Cook Papers, Series III (7) Australia Party. The first Convention of the new party in April 1930 adopted a constitution in which the above statement was altered only by the inclusion of the words 'and encouragement' between the words 'maintenance' and 'of'; cf. Australia Party Constitution and Standing Orders, April 1930, p.3.
² Edwards, p.166.
³ Ibid., p.82.
H.S. Gullett stated during the 1927 budget debate that he repudiated the Treasurer as leader,¹ and later referred to Page as 'the most tragic Treasurer that Australia has ever known',² the Prime Minister replied:

Let me...make it plain that I do not like the suggestion that the Treasurer is laying down the course for the Government to follow. I venture to say that I have a few ideas of my own on matters of policy and particularly regarding the vital question of the financial position of the country, and that I would not be dragooned by any member of the Cabinet into adopting a course of which I did not approve.³

There does not appear to be any evidence that Bruce lost control over Cabinet through his close association with the Country Party, but rather through his mishandling of his parliamentary party including its Cabinet members.

Fiscal policies have always provided party leaders with delicate problems of adjustment — in 1901 the first Federal Labor Caucus modified its members' pledge, binding them to abide by the majority vote on all subjects, to give them 'a free hand on the Tariff Bill or on any motion directly affecting the fiscal issue'.⁴ Bruce

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¹ CPD, Vol.116, 1491, 16/11/27.
² Ibid., 1495.
would accept no such compromise. When it was suggested to him in 1925 that the Minister for Home and Territories should be allowed to oppose the tariff increases advocated by the Minister for Customs, Bruce retorted that both Ministers, if they were not prepared to resign, would

...have to support, both with vote and voice the alterations to the tariff submitted to Parliament, whether they embrace increases or decreases and, during the next election, stand by and justify their actions...

Bruce's insistence upon a strict interpretation of Cabinet responsibility was in keeping with facets of his personality often characterised as particularly British. He was, wrote an Opposition parliamentarian,

...An English gentleman, born in Australia - as other Englishmen are born in China, India or Timbuctoo.²

Always immaculately dressed and politely distant in manner, Edwards has described him as

an aloof man, with a strong sense of his own dignity...Nobody called him "Stan"; back-slapping M.P.s soon found that such an approach met chilly discouragement. ³

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¹ Edwards, p.110.
³ Ibid., p.82.
Educated at Melbourne Grammar School and Cambridge University, Bruce had entered the legal profession in Britain before becoming Chairman of his father's soft goods importing firm at the age of twenty-three. His advancement in parliament had been spectacular – from back-bencher to Treasurer in less than three years, and from Treasurer to Prime Minister in just over a year – and his attitude towards his colleagues was apt to be imperious rather than friendly. 'His cast of thought', writes Edwards, 'was benevolently and patriarchally dictatorial'.

The failure of his leadership techniques was two-fold. He failed, as Edwards has suggested, to estimate correctly 'the extent of the revolt in his own party and... his own influence and ability to ride it out'. This may well have been due to the heterogeneous nature of the collection of rebels. It is very doubtful whether Hughes or Hume-Cook would have picked the six rebels as the nucleus of their new party and in fact only two,

1 Ibid., p.460.
2 Edwards, pp.187, 188. Bruce himself agreed that this was so, (p.436).
Maxwell and Marks, joined the new party and both had resigned by September 1930.\(^1\) Stewart was one of Hughes's closest friends,\(^2\) but he was not a high protectionist; Mann was a free trader; Maxwell and Marks followed the moderate policy of the Government, and McWilliams and Groom took no stand on the matter.\(^3\) Stewart, Mann and Maxwell opposed the pact with the Country Party, but not with particular reference to the tariff, and only Hughes felt deeply about the necessity for retaining Federal Arbitration.\(^4\)

Bruce's second failure lay in his inability to appreciate one of the main features of party government. The party outside parliament, whatever its political complexion, performs the function of informing its members and the electors at large of its general

\(^1\) Carboch, pp.184, 185; Maxwell resigned in May 1930 and Marks in September 1930.

\(^2\) He was, wrote Hughes to Hume-Cook on Stewart's death in 1931, 'The only member I absolutely trusted'. Letter in Hume-Cook Papers, Series I (3), dated 16/10/31.

\(^3\) Based on table in Carboch, Appendix, opposite p.274.

\(^4\) Hughes was later to turn away from MacPherson Robertson as a financial contributor to the Australia Party because the latter made his offer dependent upon the Federal Government's abolition of the Commonwealth Arbitration Court. Cf. Hume-Cook Papers, Series III (7) Australia Party, 17/1/30.
principles and, (particularly before an election), many of its specific objects. Within parliament the party acts as a sounding-board for the Executive in the interpretation of its election promises and the introduction of new measures.

Bruce ignored both in the introduction of his Maritime Industries Bill. Speaking during the debate on the bill, he quoted with approval a speech made by Senator Massy Greene during the 1926 referendum campaign, which he regarded as 'laying down the proper relations of a political leader to the party whose organisation is supporting him in the electorates'.

Massy Greene had said:

We Nationalists hold that, unfettered by any conference resolutions or any printed programme, our parliamentary leaders have the right to put their policy to the people when appealing for their support at a general election, and, if they receive the endorsement of the people, the endorsement necessarily determines the policy of the National Party on the issues of that election.

Bruce was prepared to go further; there had been no consultation with the National Federation concerning the

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1 CPD, Vol.121, 821, 7/9/29.
2 Ibid.
electoral pact with the Country Party, and neither the electors nor the party had been informed of the alternative that Bruce was to offer to the States in the event of their refusing to legislate for increased Commonwealth industrial powers. During a conversation with his biographer he defended his attitude by stating that 'quite apart from (his) preparedness to get thrown out of politics... (it) was the only way you could do a useful job of work'.

That Bruce's 'preparedness' was put to the test was partly a measure of his colleagues' refusal to regard the party in such a light. Whilst Hughes was swift to seize his opportunity, the differences among his rebel supporters suggests that they were drawn together mainly through their animosity towards the Prime Minister's methods of leadership.

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1 Edwards, p.181.
(a) **Introduction**

By 1930 the National Party had lost much of its support and the deepening depression gave impetus to movements among non-Labor supporters away from party politics. In the federal sphere the National Party, having lost the 1929 election, was being blamed by many non-Labor voters for administrative extravagance and failure to forestall the economic crisis. In 1930 the party was also ousted in New South Wales and members in that State began reviving the suspicions that they had felt about the party during its infancy under the leadership of an ex-Labor Premier.¹

The movement which led to the formation of the United Australia Party (UAP) differed from that which preceded the foundation of the National Party in several respects. Prosecution of the war had been largely a matter of Federal concern and the founders were bound together by a single concrete aim - to secure a

¹ Hay, p.352.
Federal Government which would be willing to put through any measure to further Australian co-operation with her allies, and to prevent, where possible, the dissemination of pacifist ideas through the Labor Party or any other body in the six States.

The many reform leagues and civic movements whose joint activities eventually brought about the formation of the UAP in 1931 were less single-minded in their aims. The various associations dedicated to economy in public expenditure, the honouring of foreign debts and the vague concepts covered by the term 'sound finance', which sprang up under such titles as the 'All for Australia League',¹ 'Vigilance League',² 'Citizen's League'³ and 'National Crusaders',⁴ were not at all sure that they wanted a political party of any kind;⁵ and Hughes's

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¹ New South Wales.
² Queensland.
³ Victoria and South Australia.
⁴ Victoria.
⁵ Cf. McCarthy, 6-10, 17, 18.
new 'Australia Party' which had been in existence since December 1929, received no material benefit from their sudden appearance.

Enthusiasm for political change differed from State to State. In Queensland, Tasmania and Western Australia, where the National Party was still in office, administrative economies were already being put into practice. In Victoria and South Australia Labor Premiers, Hogan and Hill had also been effecting the economies agreed upon in principle by the Melbourne Premiers' Conference, in July 1930, and by the time the UAP was formed in 1931 they were being singled out for praise by non-Labor leaders.¹

In New South Wales the situation was very different. By the end of March, Labor Premier Lang had introduced a bill to reduce interest rates payable on overseas loans, and had refused to pay further

¹ *Argus*, 14/4/31. J.A. Lyons, leader of the dissident Federal Labor Party politicians, and future leader of the UAP, spoke of his great admiration for both Hogan and Hill. Hill was further congratulated by a Member of the S.A. Citizen's League (*Argus*, 14/10/31) whilst Hogan earned the commendation of R.G. Menzies, then President of the Victorian Young Nationalists' Organization (*Argus*, 24/9/31).
interest on a loan from Britain's Westminster Bank. On 23 April the closure of the State Savings Bank brought hundreds of the State's voters to a pitch of frenzied consternation.

The New South Wales 'All for Australia League' (AFA) had been formed in February 1931. Its stated object was 'to draw together citizens of every class in a spirit of patriotism, determined to re-establish the integrity and prosperity of Australia.' The League had not at that stage 'formulated the practical details of the method of attaining (their) object.' 'The mere fact that we are together', said its President, 'should get us where we ought to go.'

Other groups united in their opposition to the Lang Government were more specific in their aims. The New Guard, attracting a large number of ex-service men, and organised on military lines, was determined if the need should arise, to physically defend the city against the Lang Government, and in the meantime

1 Sydney Morning Herald, 13/2/31.
2 Ibid., 17/2/31.
offered its services to rid anti-Lang meetings of unwanted hecklers.\textsuperscript{1} The New States movements, organised in country areas, demanded decentralisation and the creation of new autonomous states, one aim being to confine Langism to Sydney.\textsuperscript{2}

The National Party in New South Wales was itself affected by a wave of feeling within the party against its leader and policies. Party leader, T.R. Bavin, was criticised 'for pandering to the Country Party and not putting on an attractive policy before the electors (in 1930).'\textsuperscript{3} At the same time Bavin criticised the New Guard and AFA League for weakening, by their criticism, the unity of the only body in a position to turn out the Lang Government.

The attention of both the National Party and the reform movements in New South Wales was entirely taken up with the specific task of ridding the State of the Labor Government, and there was real fear in

\textsuperscript{1} Cf. Campbell, p.141 ff. for an example of New Guard assistance at a UAP Council meeting in Sydney during which Lyons was to deliver the party's policy speech.

\textsuperscript{2} Cf. Ellis (1958), Chs. 26, 27.

\textsuperscript{3} Hay, p.358.
the minds of many Nationalists that if the reform movements decided to merge and form a separate political party they might overwhelm the National Party.

In Victoria, where the Labor Premier had pledged the parliamentary party to economy, and an election was due within the year, Nationalists were more sure of their ability to make use of the reform movements to capture support from Labor voters, 'who were reluctant to vote for the Nationalists but who might support an allegedly "National" party,' and the major part of their attention was devoted to Federal politics.

On 13 March J.A. Lyons, J.A. Guy, J.M. Gabb, J.E. Fenton and J.L. Price placed themselves outside the Federal Labor Party by voting against the Government on a no-confidence motion, and formed themselves into a 'party of Independents'. Members of the National Union and other interested Melbourne business men decided that Lyons answered their need for a leader unconnected with the discredited National Party, then

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1 Hart, p.102.
2 Sydney Morning Herald, 14/3/31.
3 Hart, pp.101,102.
led by J.G. Latham, who had introduced legislation that had proved particularly unpopular with the Labor voter.¹

On 24 March Lyons assured Latham of his willingness to serve under him if arrangements could be made to unite the Opposition under one leader.² Latham replied on 27 March that he would hold the leadership 'in trust' until the agreement should be finalised,³ and on the same day the two men issued a joint appeal for unity among all non-Labor organisations.⁴

On 9 April the National Party, at its triennial Inter-State Conference, passed resolutions inviting State Executives to make arrangements with representatives of 'other political organisations...for effective co-ordination of their activities.'⁵ On the following

¹ As Attorney-General Latham had piloted an unpopular Crimes Bill, inflicting heavy penalties on strikers, and a Maritime Industries Bill, to return federal industrial powers to the States, through the Federal Lower House in 1926 and 1929.
² Latham Papers, Box 5 (n).
³ Ibid.
⁴ Argus, 28/3/31.
⁵ Statement of Conference resolutions, Latham Papers, box 5 (n).
day Latham wrote personal letters to the leaders of the National party in the six States, informing the Nationalist Premiers of Queensland, Tasmania and Western Australia that the resolution was not intended to apply to their States. The South Australian Nationalist leader was also informed that matters were being handled in his State in a satisfactory manner, but the New South Wales and Victorian leaders were asked to act upon the resolutions with all possible speed.¹

On 15 April the Federal National Party adopted a resolution stating the desirability of procuring 'immediate unity of action between the Opposition parties and groups, both in Parliament and in the country' and requesting Latham to forward the resolution to Lyons and Page, for their reaction to the suggestion that a single Opposition party be formed 'acting on a common policy to be agreed to, and under a single leader.'²

Hughes, leader and sole Lower House member of the Australia Party, and G.A. Maxwell, who had

¹ Latham Papers, Box 5 (n); letters dated 10/4/31.
² Latham Papers, Box 5 (n); resolution dated 14/4/31.
resigned from the Australia Party in May 1930, also received copies of the resolution and replied offering Latham their full support. 1 W.M. Marks, who had resigned from the Australia Party in September 1930, had already joined the Lyons group of Independents. 2 Lyons agreed to discuss the proposals, 3 but Page, after a party meeting on 16 April, stated in his reply that, although the party agreed with the policy statement made by Latham and Lyons, it felt that 'complete unity of action with regard to various fundamental principles' was preferable to an attempt to 'fuse all the groups in one mould, thereby perpetuating the worst features of machine-made politics'. 4

On 17 April the Federal National Party held a further meeting at which Latham proposed the union of the party with the Independent group under Lyons's

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2 Argus, 15/4/31.
3 Latham Papers, Box 5 (n); letter dated 16/4/31.
leadership. 1 Lyons accepted Latham's offer of resignation and on 18 and 19 April a private conference between Lyons's supporters from the Melbourne business world, and National Union members, agreed to form a re-vitalized extra-parliamentary organisation - the 'United Australia Movement' to consist of members of the civic reform movements and the National Federation. 2

On 7 May the National Party, Hughes and Senator Duncan of the Australia Party, Maxwell, and the Lyons Independents, with the exception of Gabb, 3 agreed to form a new party - the United Australia Party - under Lyons's leadership, with Latham as deputy leader. 4 Page again promised full co-operation but declined to join the new party. 5

1 Latham Papers, Box 5 (n); typed copy of statement resolution dated 17/4/31.
2 Hart, p.118.
3 Gabb wrote to Lathan stating: 'My experience of a big party, and a large party room is such that I cannot bring myself to risk a repetition of that experience.' Latham Papers, Box 5 (n); letter dated 7/5/31.
4 Argus, 8/5/31. Latham had reluctantly promised Lyons that he would 'never attempt to supplant him.' Cf. Hart, p.120.
5 Argus, 8/5/31.
In Victoria the transition from the National Party to the UAP was smooth. On 29 March the Victorian AFA League, (which had amalgamated with the Victorian Citizen's League on 4 March), publicised its intention of becoming a political party. Negotiations continued throughout the greater part of the year to unite the AFA and National Federation. On 15 September a meeting of the State National Party passed a resolution re-naming itself the United Australia Party. The official statement issued at the conclusion to the meeting stated that electorate councils of the United Australia organisation were 'in process of formation', comprising delegates from branches of the National Federation, Young Nationalist organisation and AFA, 'working in conjunction with the Australian Women's National League.'

In January, 1932, the Victorian State Council of the AFA League went quietly out of existence, stating that it would withdraw from politics but 'continue to watch from the sidelines.' At the same time the

1 Argus, 16/9/31.
2 Argus, 21/1/32.
National Federation changed its name to the United Australia Organisation (UAO) and stated that 'all (its) existing branches (would) be constituted branches of the UAO'.

In South Australia the President of the Citizen's League declared in October 1931 that an emergency committee made up of representatives of the Liberal and Country Parties and the League had achieved complete unity as early as May 1931 and intended to co-operate in fighting the Federal elections. In May 1932 the two political parties decided to merge, and in September a fresh constitution and platform were adopted by the new party, which took the title 'Liberal and Country League'.

In New South Wales negotiations were less tranquil. Continuous wrangling destroyed the unity of every meeting between the National Party and the AFA

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1 Ibid. However, the Young Nationalists Organisation and Australian Women's National League retained their old titles.
2 *Sydney Morning Herald*, 14/10/31.
League throughout 1931, and gained publicity in February 1932 in a heated exchange of letters to the press between Bavin and the AFA League President, A.J. Gibson. Negotiations were twice broken off, and when the new UAP eventually held its first Conference in April 1932 one observer stated privately that:-

 delegates went forward rather as champions of the survival of some principle of organisation of the party of origin than as open-minded patriots determined to build a new and better party. It was a gathering of hates and prejudices, each side determined to take all it could win and concede nothing....The new constitution fell into this assembly like a bone to be fought over to the death, as clause by clause was snatched to victory or destruction by first one side or the other.¹

In Tasmania and Western Australia the National Party retained its title until the formation of the Liberal Party after the second world war. In Queensland the UAP was eventually formed in 1936 after the Country Progressive Nationalist Organisation, formed in 1925, decided to disband, leaving only three Nationalist politicians in the Legislative Assembly.²

¹ Hay, p.429. Cf. also McCarthy, Chapter 1, part II.
² Courier (Brisbane), 7/4/36.
Convening the meeting of Nationalist supporters
H.M. Russell, deputy-leader of the State Opposition,
and leader of the small parliamentary National Party,
admitted that, with the exception of a recently formed
branch of the Young Nationalists, the party had no extra-parliamentary organisation in Queensland.

Calling upon Nationalist members of the recently
disbanded coalition branches to form the nucleus of
a new UAP organisation, he expressed his certainty
'that many enthusiastic Nationalists, who had stood
to their principles during the "dark days" (of the
first world war), would form the backbone of the
organisation.'¹

The structure of the new party in Victoria and
New South Wales reflected the ease of transition from
National Party to UAP in the former State and the
difficulty of transition in the latter, although in
both cases there were few departures from the structure
of the old party.

In Victoria the two constitutions were almost
identical, with only such small alterations as the

¹ Ibid., 18/4/36.
inclusion of ten instead of nine Central Councillors to be elected by Conference. Provision was made, as in the National Party, for the addition to its Executive of one Federal and one State parliamentarian and parliamentary candidates, with the exception of sitting members, were selected by electorate convention, subject to executive veto.¹

In New South Wales considerable attention was paid to the parliamentary members of the party, during discussions between the National Party and civic reform groups. It was decided by only two votes, at the convention held to inaugurate the new party in March 1932, that no member of parliament should be eligible to stand as a delegate to any electoral conference; after heated debate a clause was adopted restricting direct parliamentary representation on the Council to six State and two Federal members;² and it was also decided that of the thirty-two men and women elected to Council by Conference not more than six could be members of parliament. As in the past, parliamentary

¹ Cf. UAP Constitution and Platform (Victoria), 1932.
² It had previously been twenty.
candidates were to be selected by branch electoral
conferences. 1

The parliamentarian's freedom from direction by
the extra-parliamentary party, which had been clearly
stated in the Victorian and Federal National Party
platforms, was made even more explicit in the State
and Federal platform adopted by the Victorian
branch of the UAP in 1931, in the words 'Ministers 2
to be responsible solely to Parliament, and Parliament
solely to the people, and not to any outside
organisation'. 3

The attitude of the UAP towards its parliamentary
leader, whilst unstated, may be accepted as being
similar to that suggested as the National Party
attitude: he was expected to be a good election
campaigner, to conform to the party's general views
on policy, and to represent it with dignity. From

1 Cf. Sydney Morning Herald, 1/4/32.
2 The word 'Ministers' was altered to read 'Government'
in the Federal platform.
3 Cf. UAP Constitution and Platform (Victoria), 1932,
and Argus, 10/4/31.
the objectives listed in the party's State and Federal platforms in 1931 and 1932, it also appears that in a UAP leader a reputation for moral rectitude was not simply accepted as an asset, but was regarded as a necessary attribute.¹

The UAP throughout the States in which it was officially formed was built on an emotional rather than an organisational foundation and the AFA branches which could have furnished the party with a new and large membership 'were rapidly disbanded after the defeat of Scullin.'² It had all the outward appearance of a new party but none of the stability that might have accompanied a radically new and vigorous organisation. There was no Federal organisation, and no Interstate Conference; branches

¹ The prefix to the New South Wales objective read 'To honour God' and the suffix stated 'the guiding principles of the party shall be founded on honour, truth and right in both public and private life', (cf. Sydney Morning Herald, 4/4/32). The Victorian party adopted 'honest finance' as part of the first item in its State platform, and the first item of its Federal platform pledged members to the 'preservation of the unity of the British Empire against all disintegrating influences....', (cf. Argus, 10/4/31).

² Hart, p.174. However, McCarthy (p.23 and footnote 56, p.35) states that in New South Wales the AFA continued to exert a strong influence from within the party.
remained inactive between elections; National Party journals were renamed; small coteries of business men continued to manage the party's finances, and liaison between the parliamentary and extra-parliamentary sections of the new party was as tenuous as it had been in the old.

In Victoria the National Union, inherited by the UAP from the National Party, was attacked in 1941 by T.T. Hollway, leader of the UAP Opposition in the State Legislative Assembly. In a series of letters to the press he wrote:

I believe it to be entirely wrong for a small body to control the finances of the party without presenting any balance sheet, and without explaining what money is collected or how it is disposed of...At present a small coterie of not more than half a dozen who describe themselves as the National Union have a complete stranglehold on (the) party... unless the whole UAP is reconstructed to give the rank and file membership control of finances and selection of parliamentary candidates we will never make any headway...

The UAO President, T.S. Austin, denied Hollway's charges against the National Union, claiming that:-

Selection of candidates where more than one offered was entirely in the hands of the UAO

1 Hart states that the National Union during Lyons's term of office consisted for all practical purposes of two men, R.W. Knox and E.H. Willis, Chairman and Secretary of the Union. Cf. Hart, p.162.

branches, AWNL, and Young Nationalist Organisation in the electoral district concerned....The organisation's funds were provided by the National Union (but it) did not attempt to lay down policies for the organisation, their branches or their candidates...¹

Wrangling between the Victorian extra-parliamentary organisation and its State parliamentary party continued throughout the remaining weeks of 1941 without a compromise being reached, and when Hughes, then leader of the party in Federal Parliament, was informed of the State parliamentary party's wish to reform the party's organisation throughout the Commonwealth, he was quoted as saying, 'It is a revolt that is long overdue! It is an important and definite move and I am not all surprised at it.'²

The 'definite move' was not taken further until 1944, but State elections in 1943 saw the resurgence of a number of civic reform movements similar in character to those whose creation had preceded the formation of the UAP.

During the federal elections of that year the Sydney Morning Herald complained of the party's

¹ Ibid., 21/11/41.
² Age, 25/11/41.
extra-parliamentary organisation in New South Wales. There was, it complained, 'virtually nothing to remind the average UAP voter that he (was) a UAP voter from one election to another.' There was no national conference or executive, and the local electorate councils had become 'a series of unbreakable little oligarchies, which unlike those of Labor, concentrate on preserving the interest of the sitting member.' Turning his attention to the Sydney Consultative Council, 'a self-elected body, chosen by none but itself, constitutionally and legally representing none but itself', the writer described it as a body which, since it provided the party with funds, was 'unfortunately in close touch with the party leaders, with whom it discussed party policy.'

A year later, following two special Interstate conferences attended by delegates from the UAP and civic reform movements throughout the Commonwealth, a new party - the Liberal Party - took the place of the UAP. Founders of the party made a determined effort by the institution of policy and finance committees

1 Sydney Morning Herald, 15/7/43.
within its organisational structure, to avoid the weaknesses that had threatened the internal stability of the UAP.¹

(b) **J.A. Lyons**

On 5 April 1939 J.A. Lyons, a Federal Prime Minister leading a UAP-Country Party Coalition Government, was rushed to a Sydney hospital suffering from a heart complaint intensified by worry concerning the approaching war and dissension within the Government. Two days later he was dead.

Dissension within the UAP began to assume serious proportions towards the end of October 1938, with the uncertain international situation, an unsatisfactory conclusion to a special conference on national security between Commonwealth and State Ministers,¹ and increasing press demands for Cabinet reconstruction and the reorganization of the country's defence programme.²

On 24 October Attorney-General R.G. Menzies, in an address to the Sydney Constitutional Association, drew attention to the country's need for more dynamic leadership.³

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¹ The conference, (the second in 1938), was held concurrently with a Loan Council meeting. However Ministers were unable to reach agreement on any concrete proposals for national defence co-operation, and the conference was adjourned. Cf. *Conference of C/W and State Ministers on National Co-operation for Defence, October 1938*, p.15.

² Cf. Sydney Morning Herald, 20/10/38, 21/10/38, 24/10/38, Argus, 18/10/38, 19/10/38, 20/10/38, 31/10/38; Herald, 10/10/38, 18/10/38.

³ Sydney Morning Herald, 25/10/38.
It was plain from the speech that Menzies hoped at the very least for preferment in any Cabinet reshuffle;\(^1\) he had been mentioned by one newspaper as an 'indispensable member of Cabinet',\(^2\) and another had suggested that if Lyons, who had been resting at his home in Tasmania on doctor's orders, should decide to retire, Menzies would be a suitable replacement.\(^3\)

At a UAP meeting two days later members passed a unanimous vote of confidence in Lyons's continued leadership,\(^4\) and on 28 October the Cabinet, under pressure from Lyons, agreed to reject proposals for the introduction of universal military training,\(^5\) which had been supported by a minority led by Menzies.\(^6\) At the following week's

\(\text{\footnotesize\cite{Hart, p.299.}}\)
\(\text{\footnotesize\cite{Argus, 19/10/38.}}\)
\(\text{\footnotesize\cite{Herald, 19/10/38.}}\)
\(\text{\footnotesize\cite{Argus, 27/10/38.}}\)
\(\text{\footnotesize\cite{Ibid., 29/10/38.}}\)
\(\text{\footnotesize\cite{Menzies, Hughes, J. McEwen, T.W. White, and A.G. Cameron were later reported to favour compulsory military training; R.G. Casey, E.C.G. Page, (leader of the Country Party), and Senator A.J. McLachlan were said to favour compulsory training but were willing to give the voluntary system further trial; Lyons and H.V.C. Thorby, (Minister for Defence), led the majority of members opposed to compulsory military training.}}\)
UAP meeting questions were asked concerning the rejection of compulsory training and demands were made for Cabinet reconstruction and improved defence planning. At the same time several members attacked Menzies for his Sydney speech.

On 3 November the Postmaster-General, Senator A.J. McLachlan, resigned from Cabinet after receiving notice of a question concerning his position as director of a company under contract to the Postal Department. In autobiography written ten years later, McLachlan stated that 'the real reason' for his removal had been his dissatisfaction with defence arrangements and his intransigence on the question of national insurance.

A bill to introduce a national insurance scheme had been passed in May but had not received assent.

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2. Ibid.
4. McLachlan stated that the question concerning his directorship, though asked by Labor member G. Lawson, 'had been inspired by one of (his) own side.' Cf. McLachlan p.258.
5. Ibid., pp.255, 258.
McLachlan stated that Lyons, sceptical from the beginning of the value of some of its provisions, had suggested at an early stage that the bill should be withdrawn, but had later agreed to its continuance after McLachlan had assured him that 'in the event of a withdrawal of the bill several Ministers, (including himself), would have to consider their position as members of the Government'.

Less than a week after McLachlan's resignation, T. White, Minister for Customs, also resigned. On 7 November Lyons had reconstructed his Cabinet, moving Treasurer R.G. Casey from seventh to fifth position in Cabinet seniority. G.A. Street was brought in as Defence Minister and H.V.C. Thorby moved from Defence to Civil Aviation and Defence Works. Menzies remained Attorney-General and Minister for Industry, but as a Senior Minister was included in a new six-man Inner Cabinet, from which White, who had dropped from fifth to seventh position in the Ministry, was excluded.

3 Sydney Morning Herald, 8/11/38.
During an angry outburst in Federal Parliament, White read to the House his letter of resignation in which he stated his opposition to the formation of an Inner Cabinet and the omission of his department from its counsels, and his disapproval of the Government's defence policies.¹ When Lyons attempted to prevent the Opposition from commenting upon the matter, White voted with the Labor Party on a motion to allow an Opposition statement,² and was joined by Sir Henry Gullett, who had himself resigned the Customs portfolio in 1937.³ On 10 November White released a statement in which he said that he had wished to resign in protest against the Government's defence policy before the reconstruction of the Ministry, but had been persuaded by senior colleagues to remain in Cabinet until an Opposition no-confidence motion had been dealt with.⁴

During a party meeting on the same day members accepted the appointment of an Inner Cabinet after

¹ CPD, Vol. 157, 1324-5, 8/11/38.
² Ibid., 1332.
⁴ Sydney Morning Herald, 10/11/38.
some dispute. However, it was reported that there had been a 'series of clashes' between Lyons and Gullett on broad matters of policy, including the rejection of compulsory military training.\(^1\)

On 8 December rumours concerning the possible shelving of the National Insurance Act were accompanied by rumours of resignation threats by Menzies and Casey.\(^2\) UAP back-benchers including White, Sir Frederick Stewart, J.T. Jennings and W.V. McCall spoke in opposition to a proposal to exempt rural industries from the scheme, and the remainder unanimously rejected the proposal when asked by Lyons for a show of hands.\(^3\) At the same time several Country Party members at a separate meeting stated that they would withdraw their support from the Government unless either rural industries were exempted or the entire scheme postponed.\(^4\)

On the following day it was reported that Menzies had persuaded Cabinet against postponement, and obtained

\(^1\) Ibid.
\(^2\) Sydney Morning Herald, 8/12/38.
\(^3\) Ibid.
\(^4\) Ibid.
a majority vote for an amended scheme to be introduced by the following September. On the same day, the last day of the parliamentary session, Casey, Minister in charge of the previous National Insurance Bill, stated that the remainder of the act, and an act imposing contributions, would be proclaimed in January to commence on 4 September 1939.

On 7 February 1939 further dissension arose in Cabinet concerning the introduction of a national register. As with military training, Menzies led a minority group demanding a compulsory register, whilst Lyons favoured a voluntary scheme. Three weeks later Cabinet was again facing a crisis with further attempts to abandon national insurance. On 1 March Menzies was said to be on the point of resigning and the Sydney Morning Herald suggested that his resignation might bring the leadership of the party into question.

On the same day a joint party meeting decided to support a Cabinet proposal that a new scheme be prepared

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1 Ibid., 9/12/38.
2 CPD, Vol. 158, 3001, 8/12/38.
3 Sydney Morning Herald, 8/2/39.
and it was reported that 'discussions did not reach a stage when the future of any Minister was in question.' However, two weeks later Menzies resigned over a Cabinet decision to postpone a major part of the scheme because of heavy defence commitments.

In his resignation statement Menzies admitted to having found himself 'more than once at variance with the majority of Cabinet on matters of moment and in particular upon important aspects of...defence policy.' The decision to abandon national insurance had been 'the last but weighty straw.' Two days later a back-bencher J.N. Lawson resigned as parliamentary secretary for the Treasury and Industry in support of Menzies's stand, and on 29 March the minority led by Menzies was successful in persuading the Government to introduce a compulsory national register. A week later Lyons became seriously ill and died within two days of being admitted to hospital.

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1 Ibid., 2/3/39.
2 Sydney Morning Herald, 15/3/39.
3 Ibid.
5 Ibid., 30/3/39.
Lyons's death put an abrupt end to any speculation concerning his ability to retain the leadership of the party. However, it is highly probable that he would have defeated Menzies if the leadership had become an issue at the pre-session party meetings due on 18 April. He could call upon more support within Caucus than any other member; only one non-Labor newspaper had decided to wage a campaign against him; and he had retained the full support of powerful members of the extra-parliamentary party's finance committees.

Although he had taken a firm stand on the question of universal military training, and undoubtedly would have run into further trouble on the issue after the declaration of war, Lyons had been willing to accept a considerable degree of policy guidance from senior Cabinet colleagues,¹ and had more than once subordinated his own wishes for the sake of unity within the two parties.²

¹ Including Bruce in 1932, J.G. Latham and Sir George Pearce until 1934, Casey from 1933, and Menzies and Page from 1934; cf. Hart, p.244 ff.
² E.g. over a Cabinet decision to impose a flour tax, the reintroduction of capital punishment for Federal States and the lowering of tariff rates. Cf. Hart, p.256 ff.
Such an acceptance of compromise had made him an ideal Coalition leader and was particularly mentioned at his death. Whilst the obituaries penned on the death of a national leader must be open to charges of exaggeration there is some significance in the reference of more than one newspaper to his gifts as a 'reconciler among men', and to his Coalition partner's tribute to an 'outstanding apostle of arbitration (who) preferred conciliation to contest'.

Lyons was regarded not only as a leader endowed with the commonsense to compromise where circumstances made alternative action foolish - two newspapers even regarded the Prime Minister's reconstruction of Cabinet in November 1938 as a right and proper acceptance of the complexities of the federal system.

1 West Australian, 8/4/39. The Herald also spoke of his 'mind that intellectually led to compromise (and) often surprised by the generosity of (its) agreement', (8/4/39).

2 Sydney Morning Herald, 8/4/39.

3 The West Australian and Adelaide Advertiser.
he was also accepted as 'the soundest judge in Cabinet of public opinion', and a leader 'with more electoral appeal than any other Cabinet Minister'.

A Melbourne newspaper, the Herald, striving to replace Lyons by Menzies, was forced to concede that the former's political qualities placed him in a position of considerable strength. The image of Lyons as 'Honest Joe', deliberately exaggerated at the time of the depression split, when he was supported by Melbourne business men as a direct contrast to Scullin's financially 'reckless' Treasurer, E.G. Theodore, was faithfully reflected in the minds of many electors for his remaining years as Prime Minister, and was borne out by his continued refusal to take financial 'risks'. Whilst the UAP had lost 5 seats in 1934 and 3 seats in 1937 Lyons was

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1 Herald, 3/11/38.
2 Ibid.
4 Herald, 3/11/38.
5 Cf. Hart, pp.123, 124, 139.
6 Ibid., 209, 238 and 263 ff.
still regarded as an election draw-card and was persuaded by the National Union to defer his retirement in 1938 in order that he might fight the 1940 election.¹

Menzies could not approach Lyons's popularity in Caucus, or with his electors, nor was he an acceptable alternative to influential members of the National Union and Consultative Council. In Caucus he could secure only minority support for his views on compulsory training and national insurance, and his Sydney speech, regarded as an indirect attack upon Cabinet and Lyons's leadership, caused several members to censure him during a Party meeting,² and led to his own denial in the House of Representatives that he had 'served...an ultimatum on the Prime Minister...in relation to the reconstruction of Cabinet.'³

Even if he had secured stronger Cabinet or Caucus support on the points on which he differed from the Prime Minister, it is doubtful whether he would have gained a strong following among New South Wales members, who formed the largest block in Caucus, and who were more

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¹ Hart, p.226; Lyons p.269.
likely to support a member such as Hughes from their own State.¹ When, after Lyons's death, Menzies stood for the leadership he was opposed by three other Federal members, Hughes, Casey and White, and whilst White was easily eliminated on the first ballot and Casey on the second, he defeated Hughes by only four votes in the final ballot.²

Menzies's record for the blue-ribbon seat of Kooyong was also disappointing. Latham had held the seat with a majority of 35,033; Menzies' majority had dropped from 15,745 in 1934 to 1,602 in 1937.³ He has recently acknowledged that a lack of feeling for his fellow men, and a rigorous attitude concerning the rectitude of his own opinions militated against his popularity with the electors in the 1930's.

I was still in that state of mind in which to be logical is to be right, and to be right is its own justification. I had yet to acquire

¹ Hart (p.293) states that by 1938 Hughes had become 'the unofficial leader of many, probably most, of the New South Wales members.'
the common touch, ... to realise that all-black and all-white are not the only hues in the spectrum.\(^1\)

Finally, Lyons retained the support of influential members of the party's finance committees. Anxious to resign from July 1937,\(^2\) he was persuaded to remain at the head of the party by National Union members and others among his supporters who felt that Menzies was not yet ready for office.\(^3\) Support from the National Union and Consultative Council, the party's two largest finance committees, whilst having little effect upon the policies pursued by the Federal UAP,\(^4\) militated strongly against the possibility of alternative leadership. The relationship between Lyons and the National Union, writes Hart, 'was a mutually beneficial partnership', and the 'unequivocal support' of the Union warned any potential rival that not only would he (Lyons) be difficult to dislodge,

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\(^1\) Menzies, p.57.
\(^2\) Lyons, p.269. Lyons discussed the possibility of his resignation on his return from the Coronation in July 1937.
\(^3\) Hart, p.290.
\(^4\) Cf. Hart, Ch. 4, particularly pp.160-175.
but that a sufficiently troublesome rival might even lose party backing at election time.

Unlike Holman and Hughes, Lyons made no attempt to graft his Labor principles on to his new party. His acceptance of his position as a leader whose main purpose was to win elections stemmed not from a lack of desire to see a liberalising of UAP policies, but from a realistic approach to his own position within the party, and his belief in the correctness of the non-Labor parties' financial approach to post-depression policies.

In 1932 he had expressed the hope that the UAP would never become 'Tory, sectional and conservative', and Hart has suggested that his wish to retire in 1937 may have been due to his realization 'that he could never agree with much of his government's basic philosophy'. However, he both appreciated the tenuous nature of his hold over the party, and believed that

1 Hart, pp.168, 169.
2 Argus, 25/1/32; cited in Hart, p.241.
3 Hart, p.243.
4 Ibid., p.209.
'Australia's economic difficulties made policies fundamentally dissimilar to those of the UAP both impractical and dangerous.'

The hostility of extra-parliamentary members of the party, who, at the beginning of his term of office, were inclined to distrust him because of his Labor background, 'waned as he proved himself to be orthodox in his financial policies and a successful election-winner.'

Lyons's relations with the press were also good. Possibly because of the esteem in which the leader was held by a wide section of the public, press criticism rarely mentioned Lyons by name or censured him in personal terms for any apparent shortcomings in Government policy or administration. Criticism of Government leadership and the weakness of its defence policy in October 1938 were directed in a general manner towards Cabinet, with only Defence Minister Thorby being singled out for special attack.

Even the Sydney Daily Telegraph which gave Menzies strong backing, and stated on 25 October that if

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1 Ibid., p.242.
2 Ibid., p.209.
B.S.B. Stevens, Premier of New South Wales, were to transfer to Federal Parliament he would 'provide excellent administrative support for such a leader as Mr Menzies', added that its suggestion was 'looking a fairly long way ahead.'

When Menzies failed to secure a more important portfolio in the reconstructed Cabinet in November the Daily Telegraph was swift to point out that the 'real weakness of the new Cabinet' lay in the fact that Menzies had not been promoted, but it made no direct attack on Lyons for the omission. The Sydney Morning Herald also deplored Menzies's unchanged position but refrained from attacking Lyons on the point, whilst the Melbourne Herald, which was strongly in favour of Menzies becoming Prime Minister, merely commented upon the 'political shrewdness' which Lyons had shown in distributing portfolios with 'a keen appreciation of the several political differences within the party's ranks.'

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1 Daily Telegraph, 25/10/38.
2 Ibid., 8/11/38.
3 Sydney Morning Herald, 8/11/38.
4 Herald, 8/11/38.
lack of promotion, merely deploring the attention paid to parochial demands in Cabinet appointments.\(^1\)

Other newspapers either praised the Prime Minister's refusal to be stampeded into wholesale dismissals and made reference to the elevation or omission of their own State candidates,\(^2\) or grumbled at the 'elements of decay' remaining in the new Ministry.\(^3\) The *Age* stated specifically that it wished to see a 'Ministry under the same leadership, but so radically changed as to be identified as something different from the old effete administration.'\(^4\)

A similar reaction followed the abandonment of pensions in the modified scheme of national insurance and Menzies's subsequent resignation. Whilst most

\(^1\) *Argus*, 9/11/38.

\(^2\) The *Adelaide Advertiser*, (9/11/38), was satisfied with the reconstruction and remarked with complacency the elevation of its South Australian representative, A.G. Cameron, to the portfolio of Postmaster-General. The *Hobart Mercury*, (9/11/38), whilst praising the reconstruction showed surprise at Cameron's promotion, and the *Brisbane Courier-Mail*, (9/11/38), asserted that many people in Queensland thought that their representative, A. Fadden, would have been 'an asset to the Ministry'.

\(^3\) *Age*, 8/11/38.

\(^4\) Ibid.
newspapers condemned the Government for the modification of national insurance they were not unanimous in praising Menzies's reaction to it, and only the Herald regarded it as further proof of 'his fitness for leadership in National affairs.' The Argus showed guarded criticism of Menzies, stating that a confusion of compromise with weakness was 'an error of shallow thinkers', and asserting that Lyons had 'done the correct and courageous thing in proceeding resolutely on his chosen course without the valuable aid of Mr Menzies.'

The West Australian was more outspoken. Whilst finding it 'easy to sympathise with Mr Menzies' disapproval of the change in the Government's plans' it did not find it 'so easy to accept his resignation', and informed the ex-Minister that it was his 'obvious duty during the remainder of the life of the Government to refrain from causing it further embarrassment.'

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1 Herald, 15/3/39.
2 Argus, 15/3/39.
3 West Australian, 16/3/39.
Following Lyons's sudden death the Brisbane Courier-Mail reflected that he might well have wished to retire rather than face a series of Cabinet crises, but had been unable to obtain the relief and repose he longs for because those who count on him may have no-one else to replace him...Many of Mr Lyons' colleagues may have had personal hopes and aspirations for the Prime Ministership but failing their own preferment they were unanimous in desiring to continue to serve under (him)...1

Lyons, like Scullin, was a man whose personality enabled him to use techniques of leadership denied to more vigorous and forceful First Ministers. Both in the House and among the electors his personality proved 'an important key to his success.'2 As Scullin was frequently passed over for Theodore in attacks by both press and colleagues, so critics by-passed Lyons for Page, Thorby or the Country Party in general.3 The question of how much he owed his public position to skilful publicity at the beginning of his seven years

1 Courier-Mail, 8/4/38.
2 Hart, p.211.
of office is of little relevance; during his State tours between elections, and in his election speeches, he endeared himself to his audiences as a sensible, unpretentious and kindly man - a man with whom the 'man-in-the-street' could readily and to his own credit identify himself.¹

As Cabinet leader he was willing to listen to advice and able to judge with skill the moment when compromise was essential to the maintenance of unity; in Caucus he was regarded as a man of proved political shrewdness, able to gauge with accuracy the public reaction to Government policy. Menzies was later to describe him as a 'really brilliant parliamentarian with a real command in the House, a command which owed nothing to rhetoric or repartee, but was the product of a well recognized sincerity and genial courtesy.'²

C.A.S. Hawker, another Cabinet colleague, who resigned in September 1932 over the Government's tariff

¹ Hart, pp.211, 223-4. Hart states, (p.224) that Lyons 'had the largest personal following of any federal parliamentarian in the thirties'. Bruce also paid tribute to Lyons's abilities as an 'election winner', (Edwards, p.445).

² Menzies, p.122.
policy, made it clear in a private letter to Lyons in 1933 that his resignation had done nothing to lessen his regard for the Prime Minister, whose 'consideration for his subordinates 'always made you such a likeable leader personally to work under.'

As a back-bench member of the UAP, W.V. McCall has paid tribute to the Prime Minister's tactics in handling Caucus.

Often...he would send for me and say, "Bill, what's on at the week-end?" I'd say I was addressing certain meetings...and he would probably ask me to get somebody's opinion on some matter. I would come back bursting with enthusiasm to tell the Prime Minister what I had learnt. Joe did this with other members, acknowledging that they were part of the team...Joe Lyons knew how to handle men...

Pearce also wrote of Lyons's skill in handling the party. When Lyons had returned from Britain in 1937 to find a party disillusioned by a by-election defeat and the defeat of the Federal Government's Markets Referendum, he had held a party meeting in Canberra and, said Pearce, sent members 'off with their tails up' believing in the party's ability to win the coming

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1 Hart, p.212.
2 Perkins, p.150.
election. Referring to Lyons's success Pearce advised Menzies - 'It is a good lesson for us. That's leadership.'\(^1\) Whether such leadership would have been tested at pre-session party meetings in April 1939, or whether Lyons would have been allowed to retire gracefully, he died in full command of both the parliamentary and extra-parliamentary sections of the party.

\(^1\) Heydon, p.121.
On 28 August 1941, UAP Prime Minister, R.G. Menzies, leading a Federal UAP-CP Coalition Government, resigned from his position as Prime Minister, after two months of intermittent rebellion within the UAP, and six weeks later Hughes was elected to the leadership of the party.

The general election of 1940 provided a background to the crisis which lent to every dispute in Cabinet and Caucus the appearance of a rebellion. Spurred on by urgent press appeals for new blood the field was contested by 69 Independents, 26 nominating as candidates in New South Wales and 19 in Victoria. An even more startling departure from normal practice was the decision of the New South Wales branch of the UAP to abandon pre-selection. Eight New South Wales electorates were contested by more than one UAP candidate, and in five such contests the sitting member, in one case a Minister, was opposed. When the results were announced the Federal Labor Party had scored heavily, winning seven new seats, six of them in New South Wales.

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1 *Sydney Morning Herald*, 9/9/40 and *Argus*, 9/9/40 for full nomination lists.
The Government parties fared badly. The UAP, although it gained 2 seats in Tasmania and 1 in South Australia, lost 3 seats in New South Wales and 2 in Victoria, whilst the Country Party lost 2 seats in New South Wales and 1 in Queensland. With one of the two Country Party members who represented a breakaway Victorian State Country Party a firm supporter of the Government, the Government and Opposition parties were both assured of 36 supporters.

It was immediately obvious that Menzies would have to depend in any division on the votes of A. Wilson, Victorian Country Party member for Wimmera, who, (dependent for his seat on Labor preferences), pursued a policy geared solely to the needs of his own constituents, and A.W. Coles, Independent member for Henty. Coles joined the UAP in June 1941, but Wilson plainly enjoyed having his support bargained for by both sides and remained outside the Federal Country Party.

No mention of rebellion was made until 26 June 1941, when the Prime Minister announced a major Cabinet
reshuffle, together with the formation of seven new all-party parliamentary committees.¹

The previous Cabinet reshuffle, in October 1940, following the general elections, had resulted in the appointment of seven Ministers from New South Wales, four from Victoria, two each from Queensland and South Australia and one from Western Australia. The new allotment of portfolios, whilst satisfying New South Wales clamour for the inclusion of E.S. Spooner and J.P. Abbott, and adding a further Victorian Minister, did nothing to remedy the lack of Tasmanian representation. Representation on the new committees was not regarded as a sufficient compensation for exclusion from Cabinet by those members who had hoped to see a drastic change in Ministerial personnel.

On 25 June, A.J. Beck, a Tasmanian back-bencher, protested against the lack of Tasmanian representation,² and on 1 July, F.H. Stacey tendered his resignation from the taxation committee in protest against the Government's

¹ For a full list of committees and personnel cf. Sydney Morning Herald, 27/6/41. After the Cabinet reshuffle it was pointed out that of the 57 non-Labor members of both Houses 51 held office of one kind or another; cf. Bulletin 9/7/41.
expenditure on the seven committees and Menzies's attempt 'to appease everybody by making wholesale (committee) appointments'. ¹ The following day it was reported that 'half a dozen disgruntled UAP members' had held 'an unofficial meeting' on 1 July, during which they had prepared motions censuring the Prime Minister for submission to a joint meeting of the UAP and the Country Party. ² However, when the meeting was held on 2 July they were not presented. ³

On 2 July, three UAP members, W.J. Hutchinson, J.G. Duncan-Hughes and A.G. Cameron demonstrated their dissatisfaction with the Government by voting against it on the National Fitness Bill. ⁴ The following day Hutchinson resigned from the profits committee in protest against the inefficiency of the committee system. ⁵

Cameron also attacked the Government for appointing so many committees and both he and Hutchinson were

¹ Ibid., 587, 1/7/41.
² Sydney Morning Herald, 2/7/41.
³ Argus, 3/7/41.
⁴ CPD, Vol.167, 715, 2/7/41.
⁵ Ibid., 840, 3/7/41.
publicly reprimanded by the Prime Minister. Two weeks later Hutchinson announced that he would ask the Government whip to summon a special party meeting 'to discuss the question of leadership', and stated that 'only Mr Fadden, (Treasurer and leader of the Country Party), was capable of bringing about harmony and complete unity in the Federal Parliament'. After conversing with Hutchinson W.V. McCall released a similar statement.

Hutchinson's dramatic call for new leadership received a set-back on 18 July when Fadden made a statement to the press. 'I think', he said, 'that (Mr Menzies) is the only man fitted for such a big job at a time like this and I intend to give him my total support'. Referring directly to the rebels he added, 'so far as I am concerned Mr Hutchinson and his followers can fight the matter out themselves. I know nothing except what I have read in the press'.

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1 Ibid., 851 (Cameron), 852 (Hutchinson), 3/7/41.
2 Sydney Morning Herald, 18/7/41.
3 Ibid.
4 Ibid.
Interviewed by the press on the same day as these statements were made Menzies recalled that the rebels had refused to air their grievances at the last joint meeting he had called and made it clear that he would not call another, although he had already promised to call a UAP meeting 'as soon as possible'.

The following day Hutchinson demanded another joint party meeting, and was joined in his demand by T.W. White, another Victorian back-bencher, who had been defeated for the leadership of the UAP by Menzies in 1939. Menzies's determination to deal with the matter within the confines of his own party was regarded by Hutchinson as 'clever tactics to evade the real issue of leadership'. He pointed out that 'very few members (had) made any effort openly to support the Prime Minister', and added his belief that even in Cabinet there had been a 'difference of opinion on Mr Menzies' suggestion that a meeting of the UAP only should be called'.

1 Argus, 19/7/41.
2 Sydney Morning Herald, 19/7/41.
3 Argus, 21/7/41.
4 Ibid, my emphasis.
The Sydney Morning Herald decided that the Prime Minister was very much in control of the situation. A UAP meeting would be unable to provide any alternative to Menzies from amongst its own members, W.M. Hughes being 'too old for Prime Ministerial responsibility', and P.C. Spender not having 'made the ground in party conclaves that he had elsewhere'. The only dangerous move would be a decision to refer the question to a joint party meeting where Country Party support would ensure the election of Fadden.¹

Motions of confidence in Menzies's leadership from extra-parliamentary bodies, as well as further declarations of rebellion, increased speculation over the next few days as to the outcome of the UAP meeting. On 21 July C.W. Marr joined the demand for a joint party meeting, and both he and Hutchinson stated their intention to boycott the UAP meeting.² On the following day the Tasmanian State Conference of the UAP pledged continued support for Menzies,³ and a further motion of confidence

¹ Sydney Morning Herald, 21/7/41.
² Ibid., 22/7/41.
³ Argus, 23/7/41.
was tabled by the UAP Speakers' Association in Sydney.\(^1\)

On 23 July White stated his refusal to attend the UAP meeting, and G.L. Price voiced a desire for a joint meeting, although he stated that he did not intend to boycott the UAP meeting.\(^2\)

The UAP met on 28 July, but achieved little. No motion of confidence was put and only 28 of the 40\(^3\) Lower House and Senate members attended. According to the *Sydney Morning Herald* report, later repudiated by Menzies as a 'coloured and twisted account',\(^4\) McCall, Cameron, Duncan-Hughes, Price, R. Ryan and Senator S. Sampson criticised the Government, whilst Cabinet Ministers H.E. Holt, E. Harrison, Senator G. McLeay, Senator H.S. Foll and Senator J.W. Leckie 'solidly supported' the Prime Minister. Hutchinson, White and Marr were among the dozen absentees.\(^5\) A motion supporting the Prime Minister, passed by the Western

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1 *Sydney Morning Herald*, 23/7/41.
3 There were 23 Ms. H.R. and 17 Senators in the UAP in July 1941.
4 *Sydney Morning Herald*, 30/7/41.
Australian UAP the previous evening, was circulated during the meeting, and whilst the meeting was in progress the Executive of the New South Wales Council of the UAP declared its 'full confidence in Mr Menzies' and dissociated itself 'from attacks upon him reported to have been made by Sir Charles Marr and Mr McCall'.

On 11 August Cabinet decided that Menzies should return to London to put Australia's point of view on Far Eastern questions, particularly Japanese plans for an extension of her interests in Thailand. On 19 August Menzies announced that he had no intention of resigning as Prime Minister in order to go to London and take a seat in the British War Cabinet, (a suggestion put to him by Cabinet), and that he would not go at all unless 'all the parties in the Federal Parliament' agreed that he should.

Even before the announcement was made it was plain that the parliamentary majority would not be forthcoming,

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1 Ibid.
2 Menzies had already spent three months from February to May in Britain.
3 Argus, 13/8/41.
4 Ibid., 20/8/41.
and on 22 August, having, it was said, privately interviewed Hutchinson 'for a frank opinion on the standing of the Government with the country', Menzies offered the Labor Party an equal number of portfolios in a National Government.

The offer had been made several times before but on this occasion it was made more dramatic by the Prime Minister's statement that he was prepared to serve under the leader of the Opposition, or under a Prime Minister chosen by any other method if his own leadership was not acceptable. The offer was rejected on 26 August, and the Labor Party further indicated that it 'would not accept substitution of any other UAP or Country party leader as a reason for granting political immunity'.

The Labor Party's reaction, particularly its refusal to accept any alternative leader, brought matters to a head in Cabinet. Without being very precise in its detail the Argus undertook to explain to its readers the Ministry's two schools of thought:

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1 Ibid., 23/8/41.
2 Ibid.
3 Argus, 27/8/41.
One holds that Mr Menzies should carry on as Prime Minister, use Labor's rejection of his offer to whip Government supporters into unanimity, and throw on the Opposition the responsibility of disturbing the status quo; the other...desires a change of leadership, considering that (to be) the only possible means of dissuading Labor from drastic action ...(These) ministers profess not to believe that Labor's attitude would not change if Mr Fadden or Mr Spender or Mr Hughes became Prime Minister.  

The Prime Minister's only hope, it appeared to the Argus, would be to go to the joint party meeting on the morrow with the solid backing of Cabinet and demand 'unwavering support' for the Government under his continued leadership. The Sydney Morning Herald stated more bluntly that 'insurgence in the Ministerial ranks' had helped to 'precipitate a crisis which (could) hardly end otherwise than in (Menzies's) resignation of the Prime Ministership'.  

At Cabinet and party meetings on 27 August Menzies secured approval for his meeting the House to secure two months' supply before the parliamentary recess, but he was again attacked by McCall and Marr in Caucus.

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1  Ibid.
2  Sydney Morning Herald, 27/8/41.
3  Argus, 28/8/41.
and further attacks were predicted for a Cabinet meeting on the following day.

At the Cabinet meeting on the morning of 28 August Spender, and Holt, formerly one of Menzies's closest supporters, called for his resignation and 'only a few supporters...felt that he should not relinquish the reins'.¹ Menzies agreed to resign, but an impassioned defence by Harrison, who reached the meeting just before its members dispersed, 'turned the tide Menzies' way' and he stated that he would reconsider his position before attending further Cabinet and Caucus meetings in the evening.²

Describing his movements after the Cabinet meeting, Menzies later wrote:

I went back to the Lodge, went for a walk with my wife...and then rang up Melbourne and spoke to a hastily assembled 'family' conference. We established complete unanimity of decision.³

On his return to Cabinet he announced that he would resign. At a Caucus meeting immediately afterwards he

¹ Perkins, p.133. Perkins states that Senator Leckie (Menzies's father-in-law), Senator Collett, Senator McBride and Senator McLeay were among his supporters.
² Perkins, p.133.
³ Menzies, p.54. Cf. also Perkins, pp.133, 134.
again stated that he was prepared to resign. The meeting was marked by scenes of mutual recrimination, ending in the abrupt exit of Coles, a one-time Government critic, who later stated that he had 'witnessed a lynching under mob hysteria'.

At the joint party meeting that followed the Prime Minister made a final effort to retrieve his position, stating that 'if he could be guaranteed 100 per cent support from the Parties to get the Government through the forthcoming war measures Budget he would then offer himself for re-election to the combined Government Parties'. Perkins states that Hutchinson and Marr accepted his new proposal, but McCall threatened to 'take the first opportunity' to defeat the Government on the floor of the House if Menzies refused to resign. Menzies then put his resignation as Prime Minister formally before the meeting and Fadden was unanimously elected Prime Minister designate.

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2 Argus, 30/8/41.
3 Perkins, p.135.
4 Ibid., p.136.
In a statement to the press on the same day Menzies gave the following account of his resignation:

A frank discussion with my colleagues in the Cabinet has shown that, while they have personal good will towards me, many of them feel that I am unpopular with large sections of the press and the people; that this unpopularity handicaps the effectiveness of the Government by giving rise to misrepresentation and misunderstanding of its activities; and that there are divisions of opinion in the Government parties themselves which would not exist under another leader...

Other reasons advanced for his failure to retain the UAP leadership include his failure to manage the parliamentary party after 1940; his 'considerable shortcomings in the matter of "follow-through" - of imparting and (even more) of sustaining the administrative drive essential to transmute oratory into war effort'; his relations with his Coalition partner; his failure 'to win the 1940 elections more decisively', and his 'failure to inspire public confidence, particularly with the trade unions'.

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1 Argus, 29/8/41.
2 Hasluck, p.564.
3 Crisp (n.d.), p.136.
4 Whitington, p.87.
5 Hasluck, p.564.
6 Whitington, p.87.
Of those UAP members who expressed their discontent with the Government during Menzies's term of office, only McCall emerges as consistently hostile, and many of the Caucus members who voted with the Opposition on the National Fitness Bill, and criticised the Government at the UAP meeting in July 1941, later disappeared from the small list of rebels.

Perkins maintains that by the end of August 'the Party machine had done its work so effectively' that only three rebels, McCall, Marr and Hutchinson, remained as open critics of the Government. Others including Cameron, Sampson, Duncan-Hughes and White 'had been pulled into line'.

McCall had been the leader of the faction in New South Wales that had canvassed a vote for Hughes in the leadership election of 1939. Marr, another Hughes supporter gave as one of his main reasons for supporting the move to displace Menzies, 'the Prime Minister's championship of big monopolies'. Hutchinson was said to be ambitious for a portfolio, and it was later claimed

1 Perkins, p.131.
2 Sydney Morning Herald, 7/7/41.
that he had been 'subject to pressure from the returned soldier organisation which was alarmed at the apparent lack of progress being made with defence preparations'.

McCall has been described as the most important and active of the rebels. Perkins states that he made arrangements for Hutchinson to make the first public demand for Menzies's resignation 'in order to divert suspicion from the fact that a move to unseat Menzies was originating in New South Wales, particularly in Sydney'; that he persuaded Marr to demand a special UAP meeting; that he 'had many discussions' with the managing director of the Sydney Morning Herald 'on ways and means of getting rid of Menzies'; and that it was he who approached Fadden with an offer of the leadership 'on behalf of Sir Charles Marr, Hutchinson and himself'.

McCall's reasons for instigating the rebellion centred around a personal relationship of mutual

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1 Whittington, p.75.
2 Perkins, p.125.
3 Ibid.
4 Ibid., p.128.
5 Ibid., p.130.
resentment between himself and the Prime Minister. Menzies resented his action in supporting Hughes in 1939; McCall regarded the Prime Minister's attitude as petty; as a member of the parliamentary committee on war expenditure McCall had criticised the Government; Menzies had ignored his advice.

In recollecting the feud McCall made it clear that he, Hutchinson and Marr, had expected Menzies to follow Lyons's example and invite Caucus co-operation in the handling of the nation's affairs.

All he had to do was call Charlie Marr, Bill Hutchinson, and me to his office and talk it over, and been big enough to admit that he might not have taken enough notice of us when we sought information. We were only trying to do our jobs, and if he'd listened to our side a little we would have been right behind him... It was not a matter of compromising on his part. All he had to do was follow the example set by Joe Lyons and encourage people to work with and for him.1

Reasons for Cabinet hostility to Menzies are difficult to document. Perkins states that 'Menzies' Ministers in the most part were afraid of him'.2

With his gift for rapidly grasping anything set before him, Menzies would impatiently ask

1 Perkins, pp.149, 150.
2 Ibid., p.122.
questions and expect all the answers. If a Minister was ill-prepared and could not provide them, he tended to be short with them in a schoolmasterly way...They felt Menzies was overbearing. He had few friends; mainly supporters.¹

It is highly likely that Hughes felt himself capable of leading the country through another world war, and his personal opinion of Menzies's leadership qualities does not appear to have been high.²

However, although the *Sydney Morning Herald* published letters canvassing his name as an alternative leader early in June 1940,³ and Perkins states that Hughes, in 1941, privately expressed his desire to see Menzies's exit, as a Prime Minister who 'would not lead, yet would not follow',⁴ Hughes himself made only one public criticism of the Government, stating in May 1941 that 'Australians were driven out of Greece because they did not have sufficient equipment'.⁵

² *Whittington* (p.77), writes that shortly after Menzies's resignation Hughes stated publicly that the former Prime Minister 'couldn't lead a flock of homing-pigeons'.
³ *Sydney Morning Herald, 4/6/40.*
⁴ *Perkins, p.130.*
⁵ *Argus, 17/5/41.* He later slightly modified his statement 'they were well equipped with tanks and guns...but the term covered...warships and aircraft'.
Spender's ambitions received some publicity, particularly after his visit to the Middle East as Minister for the Army in 1941, where he conducted himself in such a manner, said the Sydney Morning Herald, that when the enemy wireless station referred to him as the Australian Prime Minister, 'the mistake was thought understandable'.

Spooner had gained a reputation as a 'king-maker' when he led a faction of New South Wales UAP members who displaced B.S.B. Stevens as State Premier in 1939. He arrived in Canberra in 1940 already having held State Cabinet rank as Assistant Treasurer and Minister for Works. His immediate elevation to Cabinet was confidently predicted and he was surprised and disappointed at remaining a back-bencher until June 1941.

Menzies's manner in Cabinet, his failure to trust his colleagues, his refusal to 'suffer fools gladly', his dislike of desk work, and his inability to 'follow through' his own administrative policies, have all been given as reasons for his failure to win acceptance in

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1 Sydney Morning Herald, 27/1/41.
2 Sydney Morning Herald, 25/10/40, Argus, 25/10/40.
Cabinet, although few indications of such feelings were
given at the time. However, forecasting Cabinet
readjustments in June 1940 the Sydney Morning Herald
reporter supported his criticisms of members with a
report that the Prime Minister had admitted that 'some
of his Ministers (were) not "up to the job"',¹ and the
following month the same newspaper cast much of the
blame for the Cabinet's loss of prestige on Menzies's
failure to win the confidence of his colleagues.² His
management of Cabinet was often compared unfavourably
with Fadden's.³ Fadden was to tell Perkins nearly thirty

¹ Ibid., 3/6/40.
² Ibid., 29/7/40.
³ Cf. Sydney Morning Herald, 3/3/41: 'There is no doubt in the minds of some Parliamentarians that Mr Fadden had
done things since he began to act as Prime Minister that might still have been deferred if Mr Menzies were present'.
J. Curtin, leader of the Opposition, also appreciated Fadden's talent for making swift decisions, and in July 1940 he gave a vivid description of Menzies's
procrastination, confessing in his concluding remarks:-

Having regard to all circumstances associated with the ship-building programme, I am inclined
to the view that Mr Menzies is a bottleneck. While Mr Menzies was abroad Cabinet...constituted
the ship-building board. For months previously a series of reports had been floating into War
Cabinet on the subject.

(Argus, 30/7/41).
years later that he believed Menzies to have been forced out by members who 'were against him on personal grounds'.

Hasluck, who rarely dwells on criticism of Menzies, allows that 'towards the end of his period of office there were signs in some branches of administration of failing drive and of delay between the making of a policy decision and the taking of effective action'. In an earlier chapter Hasluck states that Menzies 'returned from abroad with memories of how Churchill handled his Cabinet (and) one or two of the things he said to his colleagues were perhaps a little more Churchillian than tactful'.

In an interview with Perkins an unidentified member of Menzies's Ministry associated the Prime Minister's resignation with the impression, then current in Cabinet, that 'his hand was not on the tiller'.

His "business as usual" attitude was a shock to us when France was over-run. It should not be forgotten that this crisis when it fell was one for which we were totally unprepared - a

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1 Perkins, p.159.
2 Hasluck, p.565. Hasluck was a public servant in the Department of External Affairs in 1941.
3 Ibid., p.492.
result, in my view, of the complete unreality of the defence position prior to the outbreak of the war.¹

Menzies himself wrote long afterwards that he had discovered on his return from Britain that there had been 'some erosion of the authority (he) had earlier possessed'.²

I found some dissension in my own party; not based upon some belief that my "prospectus" was wrong, for they all supported it; but based upon a loss of confidence in me. To some of my ci-devant friends I had become a liability. Some of the largest newspapers, though they approved of the programme, disapproved of me.³

Part at least of any dissatisfaction in Cabinet could be traced back to Menzies's relationship with his Coalition partner. Difficult personal relations with two successive Country Party leaders in 1939 caused the Prime Minister to refrain from forming a Coalition until March 1940, and even after its formation a feeling in the Country Party that it was a partner on sufferance interfered with the smooth running of Cabinet.

¹ Perkins, p.140.
² Menzies, p.48.
³ Ibid., p.52.
When Lyons had died in April 1939, it was expected that his successor would automatically inherit a Coalition Government since the UAP depended upon Country Party support to remain in office, but such expectations overlooked the deep resentment of Page, leader of the Country Party, at the UAP's choice of successor. Menzies, in October 1938 had made a speech demanding more inspired leadership in Australia,¹ and he had resigned from Cabinet the following March in protest against the Government's failure to introduce national insurance.² Shortly after his resignation Lyons had died. Page, a close friend of Lyons as well as his Coalition partner, was convinced that Menzies's actions had caused Lyons considerable suffering, and refused absolutely to enter into a Coalition partnership with the UAP if Menzies should be chosen as leader.

When Menzies, who had only gained the leadership of the UAP by 4 votes after two other contenders had been eliminated,³ faced parliament for the first time as

1 Sydney Morning Herald, 25/10/38.
2 Ibid., 15/3/39.
3 Argus, 19/4/39. T.W. White was the first to be eliminated from the contest, followed by R.G. Casey. Menzies finally defeated Hughes by 23 votes to 19.
Prime Minister and leader of a UAP Government, the Country Party leader launched into an unprecedented attack, during which he questioned Menzies's loyalty, honour and personal courage. Although Menzies gained widespread support for the dignified manner in which he received Page's speech, such support could not compensate for the obvious lack of Country Party good will; in July 1939 Page made a second personal attack on the Prime Minister.

On 6 September Menzies made his first offer of a Coalition Government. Feeling that he had behaved in an irreproachable manner throughout the Country Party attacks, the Prime Minister took a high moral tone in his letter to Page, and stressed that he would 'make no bargains (nor) admit to the Cabinet any Minister whom he had not himself selected'. In a further letter Menzies

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2 Two Queensland CP members, Fadden and B.H. Corser, dissociated themselves from the attack. In May 1939 A.O. Badman (S.A.) and T.J. Collins (W.A.) joined them in promising the Prime Minister full support irrespective of any Country Party decision to the contrary.
3 *Sydney Morning Herald*, 11/7/39.
4 *Sydney Morning Herald*, 15/9/39.
5 Ibid.
made it clear that he would not admit Page to Cabinet, and on 13 September Page sent a final answer refusing to join a Coalition Government unless Cabinet membership could be decided on 'a basis of full mutual agreement between the leaders of both Parties...'. On the same day Page resigned as party leader.

A.G. Cameron, the newly elected Country Party leader, demanded that negotiations be conducted on the principle of equality in the matter of selection. Menzies refused to compromise and declared negotiations at an end, nor did he approach the Country Party again until the loss of the UAP seat at a by-election in March 1940 placed the UAP for the first time in a minority position in the Lower House. The approach was made on 7 March with the offer of five Cabinet seats out of eleven, three being full portfolios, and two Assistant Ministerships. Menzies still insisted that 'each member of Cabinet must in the last resort be actually appointed

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1 Ibid., 13/9/39.
2 Ibid., 15/9/39.
3 Cameron did not demand an equal number of portfolios, but he wished to have complete freedom in selecting Country Party Ministers.
upon the nomination of the Prime Minister', but he made it clear that with regard to the Country Party members such nomination would be purely formal.¹ The offer was couched in a letter highly conciliatory in tone, and at a party meeting on 12 March the parliamentary Country Party 'unanimously and without any qualifications' announced its acceptance.²

However, relations between the two parties remained strained. In July 1940, Country Party Minister, H.V.C. Thorby, publicly condemned censorship regulations, including radio censorship, which had been gazetted without his prior knowledge and threatened to impinge upon the authority of his department.³ It was reported that Menzies intended to ask for his resignation, but was persuaded to 'hold his hand', although he 'issued a warning that unless he received greater co-operation from the Country Party in the future he would take a stronger line than in the past'.⁴

¹ Argus, 8/3/40.
² Ibid.
³ Sydney Morning Herald, 20/7/40.
⁴ Ibid., 22/7/40.
In the same month Cameron threatened to resign over a Cabinet proposal to give parliament power to extend its own life. In an interview with a Sydney Morning Herald reporter the Country Party leader stated his objection to the Prime Minister's aloofness towards the Country Party:

According to his (Cameron's) view of the situation Mr Menzies regards the Coalition as a political necessity rather than a practical partnership...Whereas Mr Bruce and the late Mr Lyons worked in close co-operation with the Country Party leader, Mr Menzies practically ignores him.  

Following the 1940 election Cameron quarrelled with his own party and refused to stand for the leadership. When J. McEwen and Page secured equal votes Cameron refused to resolve the deadlock and Fadden became acting leader. Cameron resigned from Cabinet on 16 October and subsequently joined the UAP, and on 12 March 1941 Fadden was confirmed in the leadership of the party. Cameron's exit from the party and Page's return to Cabinet marked the end of overt opposition from the Country Party.

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1 Ibid., 29/7/40.
2 In November 1940.
However, despite appearances of friendly relations between the two parties in August 1941 the *Daily Telegraph*, traditionally hostile to the Country Party, connected the Cabinet crisis with a Country Party desire 'to wreck the Menzies Government'.\(^1\) Perkins also refers, although with little detail or evidence, to 'a conspiracy hatched within the Country Party', during Menzies's absence in England, to unseat the Prime Minister on his return, although he states that Fadden remained loyal and 'made it plain to everyone that he did not want the job'.\(^2\)

The Prime Minister's failure to secure the confidence and co-operation of trade unionists added to the lack of public confidence in his leadership. On 22 May 1940, following the German advance into French territory, Menzies announced in parliament a series of new war measures, among them the Government's intention to confer with the trade union movement 'with a view to the constitution of a thoroughly representative trade union advisory panel whose assistance might secure the avoidance of unnecessary industrial disputes'.\(^3\)

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As usual negotiations moved slowly; union delegates had to confer with representatives of their own union in other States, and with representatives of other unions, and the Australasian Council of Trade Unions (ACTU) had to confer with the Prime Minister. Menzies, having little appreciation of the disputes and jealousies existing between unions, and the necessarily lengthy business of consultation and ratification, began to lose patience with the delays.

By 22 July a proposal by the ACTU to join the proposed advisory panel had been accepted by the Melbourne Trades Hall Council and the Adelaide Trades and Labor Council, but it had been rejected by the Trades and Labor Councils of Brisbane and Sydney; with two States in favour and two against\(^1\) the ACTU plan its introduction rested upon the decision of the Hobart Trades and Labor Council.

On 24 July the Prime Minister, in a letter to A.E. Monk, President of the ACTU, stated that the rejection of the Conference decisions by the Queensland and New South Wales Councils had rendered it 'extremely

\(^1\) The Western Australian State Capital did not have a Trades and Labor Council.
difficult if not impossible for the ACTU proposals to operate with the effective support of the major unions'.

He then went on to say that half a dozen of these 'major unions', (including the powerful Australian Workers' Union, which had taken no part in the ACTU discussions), were prepared 'at once to co-operate with the Government in the formation of a trade union advisory panel', feeling that the ACTU plan was far too complex.

The letter represented all that trade unionists disliked most in the Prime Minister since the days of the 1938 waterside workers' strike, when, as Federal Attorney-General, he had enforced the Transport Workers' ('dog-collar') Act and earned the sobriquet 'pig-iron Bob': his arrogance, his contempt for slow-moving negotiations, and his refusal to take seriously the feuds and prejudices of trade union politics.

1 Also the Amalgamated Engineers' Union, Federal Engine Drivers' Association, Maritime Transport Council, Textile Workers' Union and Arms and Munitions Workers' Union.

2 Argus, 26/7/40.

3 Cf. Sydney Morning Herald, 12/12/38, 14/12/38, 20/12/38, 17/1/39, 18/1/39.
Monk made it clear that he thought the Prime Minister's methods underhand, and sternly rebuked him for encouraging trade unions to 'disregard the machinery they themselves had evolved' to bring together and ratify the decisions of the movement's State components.¹

On 29 July the Hobart Trades and Labor Council adopted the ACTU's proposals, lending added bitterness to the issue. Attempts were made to persuade those unions that had accepted the Government's proposal to reverse their attitude, and ACTU hostility towards the Prime Minister was given free rein.² By the beginning of August two³ of the six unions which had agreed to the Government's plan, one of them the important Arms and Munitions Workers' Union, had decided to work only through the ACTU.⁴ On 6 August the ACTU received an invitation from the Prime Minister to send two representatives to the inaugural meeting of the

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¹ Argus, 29/7/40.
² Cf. Argus, 30/7/40 for joint statements by the ACTU President and Secretary and reports of correspondence between the ACTU and Prime Minister.
³ The other was the Victorian branch of the Federated Engine Drivers' Association.
⁴ Argus, 1/8/40.
Government's trade union advisory panel to be held in Canberra on 9 August. The ACTU rejected the offer and on 23 August a Conference of 28 Federal Unions passed resolutions condemning the action of those unions which had formed the panel and 'Mr Menzies' flagrant breach of faith with the ACTU'.

Trade union dissatisfaction helped to swell the volume of criticism which led to Menzies's own description of himself as being 'unpopular with large sections of the press and people'. It was felt that he was unable to fire the general public with enthusiasm for the war effort, and offended it with his administrative blunders.

Whilst it would be far from the truth to suggest that the Prime Minister was faced by an entirely hostile non-Labor press, he certainly had few champions and received consistently hostile treatment from three major newspapers, the Melbourne Argus, the Sydney Morning Herald, and, to a lesser extent, the Adelaide Advertiser. The Melbourne Age and Brisbane Courier-Mail defended him

1 Ibid., 7/8/40.
2 Ibid., 24/8/40.
against attacks in other newspapers on several occasions;\(^1\) other non-Labor newspapers, such as the West Australian and Hobart Mercury showed little interest in the events which caused criticism in the Eastern States.

The Prime Minister was acutely sensitive to the damage that was being done to his image as a war leader by the constant fault-finding of such widely distributed newspapers as the Argus and Sydney Morning Herald, and was throughout his term of office continually on the defensive in his relations with the press.

During the latter half of 1939 and the first half of 1940 their chief target was Cabinet procrastination, particularly with regard to defence, and the general lack of vigorous and inspiring leadership. During June 1940

\(^1\) After the Corio by-election in 1940, when other newspapers were blaming the Government's defeat on Menzies's administrative failings, the Age (5/3/40) stated:— 'Among present members of the UAP Menzies' qualities as a leader are outstanding', and criticised 'the extreme right wing of conservative elements... party log-rollers and "behind-the-scenes" wire pullers' who were criticising the Prime Minister. In August 1940, it again defended Menzies against 'criticism by amateurs essaying the role of military advisers...' (21/8/40). In March 1941, it defended him over a speech made in London concerning Australia's relationship with Japan (5/3/41). The Courier-Mail was the only non-Labor newspaper to defend Menzies over the sudden imposition of petrol-rationing in the same month.
the Sydney Morning Herald published a number of letters stating dissatisfaction with Menzies's leadership, and devoted a special article to describing the content of 'the flood of critical letters (which it) had not the room to publish'.

In July 1940 two administrative blunders caused further widespread criticism. The first, an announcement by Sir Frederick Stewart of sudden and severe petrol-rationing, met with opposition from State Premiers as well as the press in all States, and the severity of the restrictions was later modified. The second, a decision to put in the hands of Sir Keith Murdoch, the newly-created Director of Information, power to 'insist that specific statements should be published' by the press, as well as the power 'to prevent

1 Sydney Morning Herald, 4/6/40.
2 The New South Wales Premier pointed out that such rationing should have been introduced months before at a gradual rate; the Queensland and Victorian Premiers spoke of its adverse effect on rural industry; whilst the Western Australian Premier reminded the Prime Minister that in the north-west the community was heavily dependent upon petrol-driven vehicles. The Tasmanian Premier stated that rationing would throw many people out of employment. Cf. Argus, 13/7/40, also press editorials in Argus, 15/7/40, Age, 15/7/40, Advertiser, 15/7/40, West Australian, 15/7/40, Launceston Examiner, 17/7/40.
publication of statements covered by the laws of censorship, caused a press uproar. The news was greeted by heated editorials in every non-Labor newspaper, with the exception to those controlled by Murdoch, and the Prime Minister promised to modify the regulations.

The Federal elections in September put an end to further criticism of Menzies, and the Prime Minister left for London early in 1941. During his absence he made reference to Australia's relations with Japan in an address to the Foreign Press Association, and stated his belief that there was 'no difficulty incapable of being resolved by frankness'.

The Argus, quoting only that part of the speech dealing with the need to retain friendly relations with Japan, accused the Prime Minister of completely misrepresenting Australian sentiment in an editorial.
so disparaging, and so different in tone from the reception given to the speech even by those non-Labor newspapers which viewed it with anxiety,¹ that the Age was moved to suggest that 'prejudice against the Prime Minister' could be 'the only credible explanation of (such a) mischievous interpretation of the speech'.²

Shortly after his return, the Sydney Morning Herald began a private battle with the Prime Minister and Harrison, Minister for Customs, against newsprint rationing, claiming that it had been discriminated against in the matter by Harrison for supporting his rival during the 1940 election.³

With two non-Labor newspapers attacking the Government in the two most heavily-populated States of the Commonwealth, public opinion in those States was at least given a definite lead, even if it was not always being accurately reported, and it was plainly these two newspapers that Menzies was addressing when on several occasions he made appeals to 'the general public' for more loyal support.

¹ For being couched in terms which might be regarded as favouring appeasement.
² Age, 6/3/41.
³ Cf. Sydney Morning Herald, 30/6/41, 2/7/41, 3/7/41.
Perkins has stated that the Prime Minister's 'increasing inaccessibility had been responsible for his unpopularity with many Pressmen'. Newspaper criticism was also influenced by 'a personal feud between Menzies and Warwick Fairfax', proprietor of the *Sydney Morning Herald*, and by representations made to its Editor, R.A.G. Henderson, by McCall. Both McCall and Hutchinson made similar representation to Murdoch, who owned the *Melbourne Herald* and *Sun*, and who had begun to regret his championship of Menzies during Lyons's period of office.

Of the reasons given for Menzies's resignation those that he gave himself remain the most significant. He was unpopular with sections of the press and people, and his Cabinet colleagues were prepared to depose him both for personal reasons and for failing to convey to the public an image of a conscientious and capable administration.

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1 Perkins, p.141.
2 Ibid., p.92.
3 Ibid., p.128.
4 Ibid., pp.128, 129.
His failure to retain the support of his followers was due largely to defects in his own personality, which compared unfavourably with Lyons's easy-going friendliness. His aloofness did not carry with it an assurance of being in command of the war situation.

I had worked seven days a week for at least twelve hours a day. This was perhaps an error, for it so absorbed my mind that I soon appeared aloof from my supporters in Parliament and to be lacking in human relations... with so much to do officially I do not doubt that my knowledge of people, and how to get along with them and persuade them, lagged behind.

Such aloofness was easily construed as arrogance; back-benchers, who had found Lyons always ready to listen to their advice, were affronted by his authoritarian demeanour; trade unionists resented his impatience and his indifference to their own tightly organised political role in society; Country Party members were incensed by a similar display of indifference towards their role in the Coalition. When the crisis came he refused to take seriously the complaints of such members as Hutchinson and McCall, and failed to realise the extent of his personal unpopularity within Cabinet.

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1 Menzies, pp.56, 57.
On 3 August 1939, a motion recommending the formulation of a new financial policy, with provision for the separation of unemployment relief funds from general revenue, was moved in the New South Wales parliament by E.S. Spooner, ex-Minister for Local Government in the UAP-Country Party Coalition Government.

It was accepted by the UAP Premier, B.S.B. Stevens, as a motion of censure, and was carried by 43 votes to 41, with ten UAP back-benchers, C.E. Bennett, F.A. Chaffey, J.R. Lee, S.A. Lloyd, E.M. Robson, J.C. Ross, E.L. Sanders, J.B. Shand, Spooner and R.B. Walker voting with the Opposition. At a meeting of the UAP Caucus, held on the following day, Stevens announced his resignation, and on 5 August, A. Mair, the State Treasurer, was elected to the leadership of the UAP and was sworn in as Premier.

Since the middle of 1938 the unemployment situation had been a favourite subject for Opposition motions, and

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There were two Government members surnamed Lloyd and two surnamed Ross. Throughout the text 'Lloyd' refers to the rebel S.A. Lloyd and 'Ross' to the rebel J.C. Ross. Where reference is made to H.W. Lloyd and W.F.M. Ross their initials are included in the text.
a sore point with several UAP back-benchers.\(^1\) By the end of March 1939 it had become obvious that the Government would be unable to deal with the unemployment problem without an advance from the Loan Council, meetings of which were due to be held in April. However, meetings of the Council were twice delayed,\(^2\) and a small section of UAP private members continued to vote with the Opposition on motions of urgency seeking to discuss unemployment.\(^3\)

On 12 July R.J. Heffron, leader of the breakaway

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\(^1\) Lee, A.E. Reid, Ross and Sanders voted against the Government on a motion concerning unemployment relief moved by the Opposition on 13 July 1938, (cf. NSWPD, Vol.155, 329); Reid, Ross and Sanders on 18 July 1938, (ibid., 1127); Ross, Sanders and Robson on 30 August 1938, (ibid., Vol.156, 1380); and Ross on 23 March 1939, (ibid., Vol.158, 4181).

\(^2\) First from the 31 March to 14 June because of the death of the Prime Minister, J.A. Lyons, then from 14 June to 21 June because of the death of the Tasmanian Premier, A.G. Ogilvie.

\(^3\) Ross strongly supported a motion by Booth, (Labor, Kurri Kurri), on 27 April for an increase in food relief scales but the debate was adjourned before a vote could be taken; (cf. NSWPD, Vol.158, 4304). Lee, Ross and Lloyd on 10 May voted for an urgency motion, moved by Davidson, (Labor, Cobar), to hold an inquiry into the price of commodities at unemployment camps, (ibid., 4522).
'Industrial Labor' section of the Labor Party,\(^1\) gave notice of a motion to be moved on 20 July censuring the Government for its unemployment policy.

On 13 July the Daily Telegraph reported that UAP rank and file members were threatening to support Heffron's motion unless the Premier revealed the Government's policy to a meeting of UAP members, and that several members had already refused to attend a joint party meeting called for the following week. On the same day Lloyd and Ross voted with the Opposition in a further attempt to have the unemployment situation treated as a matter of urgency.\(^2\)

On 14 July the Sydney Morning Herald stated that Spooner, Minister for Local Government, had visited the Premier, who was ill, to acquaint him with the resentment felt by several UAP private members over 'the failure of the Government to take (them) into its confidence', particularly with regard to the results of the recently concluded Loan Council meetings.

\(^1\) The 'Industrial Labor Party' broke away from the New South Wales State Labor Party in 1936. Two members, R.J. Heffron and C. Lazzarini, were returned in the 1938 State election. By July 1939, they had been joined by five other Labor members of the New South Wales parliament.

\(^2\) NSWPD, Vol.159, 5347, 13/7/39.
On 17 July Cabinet held a meeting to discuss unemployment policy in the light of available loan resources. After five and a half hours it was decided that the control of relief work should be divided between two UAP Ministers, Spooner, who had previously been in sole control, and A.R. Richardson, Minister for Social Services, and that ultimate sanction for all schemes involving an expenditure of over £3,000 should be placed in the hands of the Treasurer.\(^1\) In reports of the meeting suggestions were made that Spooner would resign.\(^2\)

During a joint meeting of the two parties on 18 July, V.H. Treatt condemned the Premier for having 'decided policy without permitting (private) members any say in it'.\(^3\) T.D. Mutch a former Minister also made a strong attack on the Premier, accusing him of treating the parliamentary party with contempt and making discontented UAP members 'look like school-children'.\(^4\)

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2. Ibid., also, *Sydney Morning Herald*, 18/7/39.
4. Ibid.
Six of the ten members who later voted in favour of Spooner's motion also spoke during the meeting, and seven UAP members\textsuperscript{1} walked out of the room in protest against Stevens's refusal to address a separate UAP meeting.

The following day a separate UAP meeting was granted. Spooner stated that the Cabinet proposals had been modified to transfer relief works in their entirety to a Cabinet sub-committee of which he was to be a member and declared himself satisfied with the arrangement.

During the heated argument that took place after the Minister had stated his acceptance of the Cabinet's modified policy, Robson declared that Spooner had told him after a previous joint party meeting\textsuperscript{2} that the 1938-9 budget had been faked.

Robson's statement received immediate publicity,\textsuperscript{3} and after parliament had adjourned on the following evening Spooner handed his resignation to the Premier.\textsuperscript{4}

\textsuperscript{1} Daily Telegraph, 19/7/39; Mutch, Ross, Lee, Lloyd, H.W. Lloyd, Shand and A.H. Moverly. The Sydney Morning Herald account omitted both S.A. and H.W. Lloyd and Moverly and included Robson.

\textsuperscript{2} Later stated by Spooner to have been held on 30 May.

\textsuperscript{3} The Sydney Labor newspaper Daily News, gave the news in its most dramatic form, 20/7/39.

\textsuperscript{4} Daily Telegraph, 21/7/39.
In parliament on 26 July Spooner gave three reasons for his resignation, which he had been contemplating for over a month: differences with the Premier and other Cabinet members over unemployment policy, the reduction of his own department's responsibilities in the matter, and the embarrassment caused by Robson's remark at the UAP meeting on 19 July.¹

Following the meeting on 19 July, UAP members immediately demanded a further UAP meeting to discuss the budget-faking charges but Stevens remained adamant in his refusal to grant a second meeting and was reported to have said on 24 July that since members would 'have full opportunity of discussing the budget-faking in the House (he could) see no reason for a party meeting'.²

Parliament, which on 20 July had been debating Heffron's censure motion, did not meet again until 25 July when J.T. Lang, leader of the Opposition, moved an amendment that the Premier no longer possessed the confidence of the House. Both the original motion and Lang's no-confidence amendment were defeated but they provided an opportunity for several members of the UAP

¹ NSWPD, Vol.159, 5498-99, 26/7/39.
² Daily Telegraph, 25/7/39.
to speak against the Government. Four UAP members voted in support of Lang's amendment,¹ and three in support of Heffron's motion.²

On 1 August, Spooner introduced a motion of his own, demanding 'a new financial policy for 1939-40', and the establishment by law of a separate trust account for the proceeds of the special income and wage taxes which were to be used for unemployment relief.³ Spooner's demand for a new financial policy rested upon two statements, which not only called into question Stevens's ability to lead the Government, but also his personal probity.

The estimates for the year 1938-9 had proved over-optimistic, and it was Spooner's contention that the Premier could either have scaled them down in September 1938 before their presentation to parliament, in view of the prolonged drought, falling wool prices and the coal strike, all of which were bound to affect the State's finances in 1939, or he could have admitted his mistake in February 1939 and submitted revised estimates, (as Spooner claimed Stevens had promised to do in

¹ Chaffey, Lee, Ross and Shand.
² Lee, Ross and Lloyd.
December 1938). Instead, said Spooner, Stevens had done nothing except raise rail fares and freight charges and suggest a reduction in expenditure on relief works.

Spooner suggested that the Premier's refusal to take more action, such as increasing taxation, was directly connected with his efforts to enter Federal Parliament; the Premier, said Spooner, did not wish to admit his failure to take the necessary steps to avoid a financial drift, nor did he wish to rectify his mistake by introducing an unpopular measure. Instead, he preferred to see the unemployed suffer by cutting expenditure on unemployment relief works.¹

Without some appreciation of the debates that led up to the final defeat of the Government it is difficult to understand just why discontented UAP members chose to regard the introduction of Spooner's motion as the moment for breaking with Stevens. But for the fact that Stevens chose to regard the motion as one of censure, and the unavoidable absence of five Ministerial supporters,²

² The five members absent for the vote were UAP Honorary Minister, H.P. Fitzsimons, and M. Brown, H.C. Carter, G.A.L. Wilson and W.F.M. Ross all UCP private members. Fitzsimons, Ross and Wilson were abroad and Carter and Brown ill; cf. Daily Telegraph, 2/8/39.
they might have remained in nervous harmony until the outbreak of the war when all internal dissension might have been stifled in the interests of patriotism.

The debates themselves were bitter. Spooner and Stevens, both accountants, gave an exhibition of financial gymnastics, but it was largely ignored by the press and by private members in favour of personal attacks. Spooner accused the Premier of moral cowardice in refusing to meet his party and ambition in trying to escape the rewards of bad financial judgment by fleeing to Federal Parliament.¹ Stevens demanded to know why Spooner had for so long endorsed policies of which he apparently did not approve, and hinted that the ex-Minister had resigned in a fit of pique because he had been prevented by Cabinet from spending unnecessarily large sums of money within his own department and electorate.²

Rebel members and members of the Labor Party were more than willing to embellish the personal features of

¹ NWSPD., Vol.159, 5616, 1/8/39. The Sydney Morning Herald had suggested at various times since the beginning of Stevens's term of office that the Premier should enter Federal politics 'as Treasurer of the Commonwealth if not as Prime Minister', (26/6/33). Cf. also 12/6/34, 24/7/34, 9/11/36, 14/10/38, 20/10/38 14/2/39.
the debate with recollections of their own. Deprived of the usual avenue for airing their grievances, members no doubt felt justified in recalling past wrongs, and two of Stevens's early blunders were exposed to sudden publicity. Resignations and dismissals were recalled and the press was well supplied with raised voices, table thumpings and sudden silences.

It is hardly necessary to go further than the debates to realise that the atmosphere in the Legislative Assembly became suddenly tense with Stevens's acceptance of Spooner's motion as a motion of censure, and remained one of nervous excitement until the vote was finally taken on 3 August.

At a UAP meeting on the day following the Government's defeat Spooner attacked the Country Party, referring to the Coalition as 'an unholy alliance'. H.J. Bate declared that he would resign and join the Country Party if any attempt were made to divorce the two parties, but before any resolution on the matter could be moved members decided to adjourn the meeting. On the following day

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1 NSWPD, Vol.159, 551, 552, 27/7/39 (Ross). The first was concerned with family endowment; the second with hospital administration.
Mutch proposed that an all-UAP Cabinet be formed and Spooner stated that if the motion were lost he would not contest the leadership of the UAP as he was not prepared to sit in the same Cabinet as the Country Party leader. Whilst Spooner stressed the urgency of passing the motion and electing a leader, Mutch, Ross, Lee, Lloyd and Walker attacked the Country Party.¹

The gag was applied, but before the question could be put Robson produced a petition addressed to the Governor and signed by several members, begging His Excellency to call upon Spooner to form a Ministry. Spooner's supporters then abruptly left the meeting with the petition, and, in their absence, Mutch's motion was defeated by 19 votes to 6, and Mair elected leader by 18 votes to 6. Lord Wakehurst promised Spooner's supporters that he would seek advice on their suggestion from his constitutional advisers. A few hours later he interviewed Stevens, who, on his return, announced that Mair was to be sworn in as Premier later that afternoon.²

Three reasons may be given for Stevens's failure to retain the leadership of the UAP. The first concerns

¹ Daily Telegraph, 7/8/39.
² Ibid.
the antagonism felt by a number of UAP parliamentary members towards the Country Party; the second, the Premier's handling of his Cabinet and Caucus colleagues; and the third a clash of attitudes and beliefs within the UAP.

Certain features of the UAP and of the Coalition provided difficulties in Stevens's relationships within his own party from the very beginning of his seven year term of office. The UAP was the largest single party in parliament, and with Country Party support it held a handsome majority over the Opposition. At the same time, five of the sixteen Cabinet seats in 1932 were forfeited to the Country Party and three to the Legislative Council, leaving only eight to be filled from a UAP parliamentary party of 41 members.¹

The average age of the UAP members in 1932 was forty-eight, nineteen were entering parliament for the first time and the majority had left successful careers to enter politics. More than a quarter had had direct

¹ In 1932 the political position in the Lower House was UAP., 41, UCP., 23, UAP-Country (Unity) 2, Labor 24. In 1935 the parties stood UAP., 38, UCP., 23, Labor 29 and in 1938 UAP., 37, UCP., 22, Labor 28, Heffron Industrial Labor 2, Independent 1.
experience of local government administration before entering parliament and of these more than half had held the office of Mayor. Whilst the ten rebels who helped to defeat the Government could not be set apart from the remainder of the UAP as possessing any particular attribute not shared by the other members, the majority of them had enough personal and parliamentary background in common to make the Daily Telegraph's description of them as a 'young vigorous articulate group' not altogether inappropriate.

Six of them were aged between thirty-two and forty-nine and five of them had received tertiary education to follow an alternative career. Six had been less than eight years in parliament, seven represented metropolitan electorates, and two held seats which, (created in 1930), were consistently won by the Labor Party both before and after the period from 1932 to 1941.¹ Three of the older members had been Cabinet members,² and at least one of the younger ones may have felt that he ought to have been given a portfolio.³

¹ Ross and Lloyd.
² Chaffey, Lee and Shand.
³ Sanders, who had entered parliament with Stevens in 1927; cf. McCarthy, pp.200, 201.
Within the 1932 Cabinet, Stevens, at forty-one, was both comparatively young and politically inexperienced. Only three Ministers were his junior in age whilst half were more than five, and five more than ten years his senior, and half had been in parliament twice as long. Only one UAP Minister, Chaffey, had held Cabinet office longer than Stevens and only he and J. Ryan had enjoyed previous ministerial experience. The Premier was thus thrust into a particularly close relationship with the older Country Party Ministers, M. Bruxner, the deputy Premier, D.H. Drummond and E.A. Buttenshaw, all of whom had entered Cabinet with him in 1927.

The Premier's close friendship with Bruxner, the obvious advantages gained by the Country Party from the Coalition partnership and the deputy Premier's firm

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1 In November 1932 Bruxner said of Stevens '...As a leader, he will do me; I ask for none better'. cf. Aitkin (forthcoming), Ch.6. In 1935 he referred to Stevens as 'a man who was not only capable and well equipped for his great task, but who inspired confidence in those with whom he had associated and furthermore to whom one could give the fullest measure of loyalty and comradeship'. (Sydney Morning Herald, 26/7/35).

2 Country projects made substantial headway during the Stevens-Bruxner administration. Water conservation and irrigation schemes were promoted and subsidised on a large scale; subsidies were provided for the installation of rural electricity transmission lines; Bruxner expanded country road development; Buttenshaw and later C.A.

(continued on p.419)
handling of the parties during Stevens's absence overseas in 1936 caused considerable resentment among many of the party's metropolitan back-benchers.

Such dissatisfaction went back as far as November 1935 when the second reading of a Wheat and Wheat Products Bill, implementing a Commonwealth scheme to fix a domestic price for wheat, was opposed by W.F. Foster, H.G. Jackett, Lee, Lloyd, Ross, Sanders, R.W.D. Weaver and J.W. Waddell. The introduction of the bill was clearly regarded by the rebels as an example both of Country Party influence over policy, (in that metropolitan consumers were to be made to subsidise a section of rural industry), and of the Premier's tendency to act without consulting the party.

In March 1936 Stevens left to pay an official visit to Britain and Bruxner became Acting Premier. In the same month Lee launched an attack upon Bruxner's

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2 (continued from p.418)
Sinclair, implemented a closer settlement scheme, and Drummond secured the passage of an act establishing the first rural University College at Armidale. Cf. Ellis (1958), Chs. 29-33.
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McCarthy, pp.198, 207.
3
transport policy, and in May several UAP members used an official overseas tour by the Country Party Minister for Education to vent their antagonism towards their Coalition partner.  

In June, Bruxner introduced a Main Roads Bill to enable the Commissioner of Main Roads to levy compulsory contributions on Local Councils in connection with road construction. Spooner, believing that the bill constituted deliberate interference in his own department of Local Government, attempted to arouse enthusiasm within the UAP for a draft letter opposing the bill to be sent to Bruxner. However, the letter was rejected, and Spooner, reminded by a Cabinet colleague that his duty as a Minister in opposition to a Cabinet measure would be to resign and vote against the bill, let the matter drop.  

Two months later Bruxner again took action in a sphere considered by Spooner to be his own, when, whilst

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1 NSWPD, Vol.147, 2593-2600, 17/3/36; cited in Aitkin (forthcoming, Ch.6).

2 NSWPD, Vol.148, 3909, 20/5/36 (Motion by Weaver censuring the Minister). Foster, Lee, Lloyd, A.W. Moverly, A.E. Reid, Ross, E.S. Solomon, Waddell and Weaver voted for the motion in the division (3950); cited in Aitkin (forthcoming), Ch.6.

3 Daily Telegraph, 24/6/36 - 1/7/36.
parliament was in recess and Spooner on holiday, he announced that, following the completion of public works schemes inaugurated by Spooner to give emergency relief to the unemployed, no further schemes would be undertaken.¹

At a UAP meeting called by Ross all but five of the twenty-three members present supported a resolution 'that the Emergency Relief Work Scheme be continued for three months'.² Spooner was instructed to lay the resolution before Cabinet, but after a five hour meeting the request was rejected.³ When Stevens returned in October he was informed by metropolitan members that 'the Government was dominated by the Country Party and that this factor had determined its unemployment relief policy'.⁴

In 1939 it was rumoured that a section of Cabinet favoured a further reduction in relief works and the transfer of employment activities from the Public Works Department, controlled by Spooner, to the Department

¹ McCarthy, pp.217, 218.
² Ibid., p.219.
³ Ibid., p.220.
⁴ Daily Telegraph, 8/10/36.
of Forestry and Main Roads, under the direction of UCP Ministers, R.S. Vincent and Bruxner. Spooner increased such speculation by telling his constituents that Bruxner had 'deliberately created a situation that made (his) position in the State Government untenable'.

The 1939 debates give little indication of the undercurrent of hostility towards the Country Party. Although Labor Party members made much of 'Country Party domination' during the debates, and the slogan was often used in the Daily Telegraph only three UAP members mentioned the Country Party at all. In an obviously embarrassed speech on 2 August, C.O.J. Monro admitted that he had been 'influenced' by what he had 'read in the press' to believe that Spooner's work had been sabotaged by the Country Party, but once he had been 'informed that there was to be no domination by any Country interest (he had) felt satisfied that Cabinet had done the correct thing...'.

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1 Sydney Morning Herald, 14/7/39.
2 Daily Telegraph, 25/7/39.
H.W. Lloyd went still further and absolved the Country Party from any part in the dispute. Referring to the refusal on the part of Country Party members to take any part in the dispute or speak in the debate, he commended them for having 'minded their own business', adding that the whole controversy was 'purely a matter of the leadership of the (United Australia) party'.

Mair also spoke briefly in the same vein, having previously informed a Daily Telegraph reporter that 'there (had) not been the slightest sign of any domination by Country Party members generally or Mr Bruxner in particular'.

Reticence on the part of the rebels can be easily enough explained: within the existing Cabinet 'ties of liking and respect between most of (Stevens's) UAP Ministers and the leader of the Country Party were freely acknowledged'; there was no real possibility that the rebellion could lead to an all-UAP Cabinet; and even those rebel members who toyed with the possibility would

1 Ibid., 5709, 3/8/39.
2 Ibid., 5679, 2/8/39.
3 Daily Telegraph, 26/7/39.
4 Aitkin (forthcoming), Ch.8.
have been foolish to rest their case upon the incompatability of the two parties before they could be sure of majority support for such a change within their own party.

After the Government had been defeated in 1939 the nine rebels who had voted for Spooner's motion were asked by a Daily News reporter to give reasons for their action. All gave answers that were consistent with a feeling of hostility towards the Premier; Chaffey, Lee, Robson and Ross commented on the situation in terms of the Premier's handling of the party; Sanders, Lloyd and Bennett referred to a 'new deal' under Spooner; Walker and Shand spoke almost entirely of the unemployment situation; behind these reasons and possibly 'chief among them was a feeling that Stevens was losing touch with his own party because he was under the thumb of the Country Party, and of Bruxner in particular'.

Throughout the sequence of events culminating in Spooner's bitter attack, there is a sense of personal hostility towards Stevens, firstly for refusing to take Caucus into his confidence on the question of

2 Aitkin (forthcoming), Ch.8.
unemployment, a matter with which private members were continually having to deal in relation to their own constituents, and secondly for refusing to allow UAP members to air their grievances at UAP meetings.

It was not only back-benchers who resented the Premier's clumsy handling of the party. When Weaver was dropped from Cabinet in 1935 he explained his dismissal in terms of his relationship with the Premier; he felt sure that it might be attributed to his refusal 'to be servile to the Premier'. In his reply to Weaver, Stevens admitted that the question was 'one of Cabinet control and the conduct of Cabinet business...'.

The honourable member for Neutral Bay (Weaver) may have resented the surveillance of the Premier... I make no apology for my insistence upon... Cabinet control... and unless I am permitted, as head of the Government to exercise surveillance over every department... there will be neither efficiency nor proper direction in Cabinet control.3

1 Cf. NSWPD, Vol.159, 5553 (Ross), 27/7/39.
2 NSWPD, Vol.143, 5701, 13/2/35.
3 Ibid., 5707. Weaver also stated (5700) that Bruxner had 'had an undue influence upon the decisions of Cabinet' including the decision that had resulted in his dismissal.
Weaver's dismissal had been not so much unmerited as clumsily performed. As Minister for Health he had made an energetic and tactless attack upon the medical profession. Shortly afterwards the Sydney Sun had reported a rumour that Cabinet members disapproved of the manner in which he had been administering his department.\(^1\) Weaver, incensed at the disclosure, had written to the Premier informing him that he would attend no further Cabinet meetings until the matter had been cleared up, and suggesting that Stevens might care to reconstruct his Ministry as he (Weaver) had no intention of resigning.\(^2\) Stevens issued no denial of the Sun's report and made no reference to any leakage of Cabinet business, but accepted Weaver's advice and excluded him from a reconstructed Cabinet.

Three years later two other Ministers, Chaffey and Shand were dismissed in a far more clumsy manner. On the morning of 13 April 1938, the Sydney Morning Herald carried the news that a Cabinet reshuffle was about to take place. The article stated that Chaffey, the Colonial Secretary, and Shand, Minister without

\(^1\) Sun, 10/2/35.

\(^2\) Daily Telegraph, 12/2/35.
portfolio, would be replaced and that G. Gollan and A.D. Reid would be promoted. That evening the two Lower House Ministers, together with J. Ryan, a Minister sitting in the Legislative Council, were asked by Stevens to resign.

Ryan agreed to resign but Chaffey and Shand refused, forcing Stevens once again to submit the resignation of his entire Ministry and reconstruct it without them. On 15 April the press reported statements by Chaffey and Shand in which they complained of the manner in which they had been informed of their dismissal. Both ex-Ministers stated that their first notice of dismissal had come through the press and claimed ignorance of any reason for their being so summarily dropped from Cabinet.¹

The manner of their dismissal was referred to when parliament reassembled in June 1938² and shortly afterwards UAP back-benchers made an unsuccessful attempt to curb the Premier's freedom to choose his own Ministers. In April 1932 the parliamentary party, still in Opposition, had passed a resolution, proposed by Weaver, in favour of

² NSWPD, Vol.155, 106, 30/6/38, 237, 7/7/38. It was also referred to in the 1939 no-confidence debates.
of elective ministries,¹ but when, following Lang's dismissal, the party was suddenly called upon to form a Ministry, the decision had been reversed.²

The annual Conference of the UAP had carried a resolution supporting the adoption of an elected Cabinet in April 1936,³ but, in keeping with the traditional Liberal belief in non-interference in parliamentary affairs, it had made no protest when Stevens chose his own Ministers after the general election in March 1938 and again when reconstructing his Cabinet to omit Chaffey and Shand.

At a party meeting on 13 July 1938, Lee submitted a motion, seconded by Sanders, that 'a committee be formed to examine the annual election of the leader and the principle of elective ministries'.⁴ Before the motion could be put to the vote Stevens offered his own proposals to meet the demand for a more democratic relationship between Cabinet and Caucus. He stated his

¹ McCarthy, p.83.
² Ibid.
³ Sydney Morning Herald, 18/4/36.
⁴ McCarthy, p.254.
willingness to distribute bills to members in draft form, and to invite their co-operation in forming joint Cabinet-Caucus committees to study legislation before its submission to parliament. He also promised to call more frequent Caucus meetings 'at which platforms, plans and policies could be discussed'.

His proposals were accepted and the motion was abandoned, but, as Ross was to point out during the 1939 debates, the Premier made no effort to put his proposals into practice:

During the seven years that the Government has been in office the party has held many meetings...The extraordinary thing is that from 1932 to the present date only one motion had been accepted at a meeting of the party...motions have been moved over and over again, but invariably they have been rejected;...one was accepted and that was a motion on the Monday following the return of the Government in 1932...At that meeting a motion was moved and seconded that the Premier be given carte blanche in the appointment of the ministry. Another member then moved that the question be put and that motion was accepted. From that day onwards UAP members have had no say whatever in the control of the party. The Opposition has an independent Chairman and also a secretary who keeps minutes of party meetings. I believe that the Country Party has a secretary. Its members move motions,

1 Ibid.
2 Ibid.
debate and vote on them. But it is not so with the UAP... That is one of the great causes of unrest in the UAP today. Why should the members of the largest party in this House have to plead, petition and make deputations in order to have a party meeting? When a party meeting is arranged it probably starts at 11 a.m. The Premier, who occupies the Chair, invariably speaks until 12.30 p.m. and invariably apologizes for having occupied so much of the time of the meeting. The other members at the meeting are left with a few minutes in which to explain the various matters that are troubling them. When those matters have been discussed and any member proposes a motion he is told that the matter cannot be dealt with at the meeting...

Stevens's unsuccessful tactics in dealing with his parliamentary colleagues may have stemmed in part from his own background. Close application to the study of accountancy had removed him from a local government office in Manly to the local government department in the State public service. He was promoted to the position of Public Service Inspector in 1920 and shortly afterwards had become the youngest public service officer to fill the position of Under-Secretary to the New South Wales Treasury, attending Premiers' Conference and meetings of the Loan Council, and controlling a staff of over two thousand public servants. At the same time

1 NSWPD, Vol.159, 5549, 27/7/39.
he had been Chairman of the Wheat Silo Control Board and the State Insurance Board.¹

His public service career was cut short under circumstances which could only have lowered his opinion of politicians, when Lang, in his first term of office as Premier, had deprived him of his power and status as administrative head of the Treasury.² Resigning from the public service he entered parliament in 1927 and was immediately made Assistant Treasurer and Minister for Railways in the Bavin Ministry. He became Treasurer in 1929, deputy leader of the UAP in 1930 and leader in 1932, when Bavin resigned.

His successful career before entering parliament, and his political and ministerial inexperience, go a long way to explain his clumsy treatment of Cabinet and Caucus members. He was again in a position of responsibility but without the long apprenticeship which had given him an insight into the administration of the public service.³ The political hierarchy which

² Cf. Sydney Morning Herald, 11/7/25, 13/7/25, 14/7/25, 31/7/25.
³ Stevens first entered the public service in 1912, (cf. Sydney Morning Herald, 11/7/25).
gives Cabinet Ministers a status above that of private members does not also create the distinction between superiors and subordinates associated with public service ranking, and although as Premier, Stevens was in a position to choose the Ministers from his own party, he had not been himself appointed by some remote authority, but elected by men who regarded themselves as his equals.

It is plain from Ross's speech in 1939 that Stevens lacked the back-bench experience to appreciate the generally suspicious attitude of the private member towards Cabinet,¹ which a First Minister usually softens by allowing a general discussion of policy in Caucus where private members are free to 'talk out' grievances.

The lack of sympathy between Stevens and a number of UAP members was further emphasised by differences in background and belief. Stevens, himself, was a Methodist lay preacher who,

¹ Ross's statement received corroboration from Lee and Lloyd; cf. NSWPD., Vol.159, 5550, 5569, 27/7/39. H.W. Lloyd stated that the whole dispute 'with all the attendant vituperation and criticism of the UAP (was) entirely the fault of the Premier' who had 'refused to meet his party for the purpose of discussing the matter'. Cf. NSWPD., Vol.159, 5708, 3/8/39.
trained to see idleness as sinful...his energies focused on providing for his parents and later for his own family...
had not mixed much in the world of men and was uneasy in their company.\textsuperscript{1}

Smith's Weekly described him in 1938 as 'the incarnation of civil servant homeliness...'.\textsuperscript{2}

H.M. Hawkins, Minister for Social Services, was also a lay-preacher;\textsuperscript{3} Attorney-General H.E. Manning, whose father had been Mayor of Sydney and a member of the Lower House, and whose father-in-law, Sir James Martin, had been three times State Premier, 'was part of the Sydney establishment'.\textsuperscript{4} J.M. Dunningham, Minister for Labour and Industry, had been a bookmaker and treasurer of Tattersalls Club;\textsuperscript{5} J. Jackson had been Chairman of a group of chain stores;\textsuperscript{6} and Morton a wool broker and auctioneer.\textsuperscript{7}

\textsuperscript{1} Aitkin (forthcoming), Ch.6.
\textsuperscript{2} Smith's Weekly, 5/3/38; cited McCarthy, p.88.
\textsuperscript{3} McCarthy, p.106.
\textsuperscript{4} Ibid., p.107.
\textsuperscript{5} Ibid., p.109.
\textsuperscript{6} Ibid., p.62.
\textsuperscript{7} Ibid., p.64.
McCarthy writes:

It would be difficult to find much common ground between, for example, Sir Thomas Henley who had sat in the house since 1904 and was a man of substance and Mr J.C. Ross, a commercial traveller...Henley's political principles were firmly embedded in the nineteenth century...(Ross's) political position came, at least as far as the treatment of the unemployed was concerned, close to that of the Labor Party.¹

Differences in social attitudes were rarely referred to but occasionally played a part in the background of such issues as liquor and gambling reform. The latter did not often come into prominence. The State lottery, condemned in general terms by the Premier before elections,² and warmly defended by other UAP members at UAP conferences and in the press,³ was too valuable as an additional source of revenue to be seriously attacked.

¹ Ibid., p.68.
² E.g. before the 1932 election, which he described as a 'crusade' (Cf. Sydney Morning Herald, 2/6/32, 6/6/32, 10/6/32). Stevens never made any actual promises with regard to State lotteries or other forms of gambling, and the Labor newspaper, Daily News, after his victory in 1932, referred to him as 'an evasive prude'. (Cf. Daily News 22/6/32).
Starting-price betting was a slightly more contentious issue,\(^1\) whilst liquor reform became a matter of some importance in 1937.

During the 1930's many appeals were made for the extension of drinking hours from six o'clock. Matters were brought to a head in 1937. The following year the State was to celebrate its 150th birthday and reports from New South Welshmen returned from countries with longer drinking hours forecast bad receipts for the tourist trade.\(^2\)

On 20 September 1937, the *Sydney Morning Herald* stated that 'no less than 15 Government supporters in the State parliament would accompany a deputation from the United Licensed Victuallers Association (ULVA)... to urge (the Government to agree to) an amendment to the Liquor Act'. Although the report was hopefully


\(^2\) Prohibition had been repealed in the United States in 1933; liquor could be obtained in England until 10 p.m. and in Europe restrictions were far more lenient. In Australia wine could be consumed in licensed restaurants in South Australia until 9 p.m., in Western Australia hotels remained open throughout the State until 9 p.m. and on the goldfields until 11 p.m. (Cf. *United Licensed Victuallers Association (ULVA) Review*, 15/9/39.)
exaggerated UCP member, W. Hedges, presented the deputation and three other UCP members and one UAP member, Lloyd, spoke in its favour. However, the deputation was unsuccessful.

In August 1938 Hedges introduced a second ULVA deputation and was joined by UCP member, M. Kilpatrick, and three UAP members, Lloyd, Ross, and H.J. Bate, but the second deputation was as unsuccessful as the first. However, by the middle of 1939 UAP members were beginning to lose their reticence on the subject and on 22 July the *Daily Telegraph* was able to report that of 28 private members of the Coalition parties questioned the previous day 19 had favoured an amendment to the Liquor Act, 7 had refused to commit themselves and only 2 had supported the existing act as 'satisfactory if enforced'.

The report claimed that 8 of the 14 Ministers favoured the amendment, 2 were doubtful and only 4

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1. ULVA Review, 16/10/37.
2. ULVA Review, 15/8/38.
3. Prohibition was defeated in a Victorian referendum in October 1938; in the same month it was defeated in New Zealand. In November a bill to extend closing to 10 p.m. passed through the Tasmanian Legislative Council and a similar bill was defeated in the South Australian Legislative Council by one vote, having been passed by the Lower House.
'including the Premier' were against any amendment. Three days later the same paper published the names of 10 'rebels' UAP private members and 9 back-bench members of the UCP who favoured liquor amendment. Of the ten UAP members reported to be in favour of amendment to the Liquor Act seven voted for Spooner's motion which defeated the Government less than a month later. The Daily Telegraph in its editorial on 4 August 1939, gave as one of the reasons for Stevens's defeat his refusal 'to respond to the public demand for a review of unpopular legislation, (including) the smug and archaic Liquor Act'.

On 12 August a writer to the Methodist quoted the Daily Telegraph editorial, pointing out that 'some of (the) same members who voted against the Government (with regard to liquor laws) were among those who were opposed to the tightening up of the betting laws to deal with S.P. betting and are interested in the introduction of night trotting with betting...'.

1 Daily Telegraph, 4/8/39.
2 The Methodist, 12/8/39.
might be expected to draw attention to such a point the rebels did include 'better liquor laws' as one of the planks of their provisional platform in August 1939.1

Why, when these differences existed between Stevens and many of his UAP colleagues during most of his term as Premier, did they suddenly come to a head in July 1939? Several answers may be suggested. By 1939 Stevens had been Premier for seven years, a fact which in itself invited challenge; the State's economy, which for six years had been steadily climbing out of the depression, producing in 1937 a balanced budget and small surplus, and in 1938 the lowest unemployment figure since the war, was by June 1939 slipping backwards. Unemployment figures, down to 9.6 per cent in March 1938 were up to 10.6 per cent by March 1939,2 and metropolitan members were beginning to resent past Government decisions which had diverted money away from city schools, amenities and relief work and turned it towards country development.

Finally the Premier, who in 1932 had been hailed as a financial genius, and the only man capable of

1 Daily Telegraph, 7/8/39; report of a radio statement made by Spooner on 5 August.
restoring commercial confidence in New South Wales after J.T. Lang's unorthodox attempts to fight the depression, appeared unable to cope, whilst Spooner, himself an accountant and director of several companies, possessed considerable confidence in his own financial abilities, and was more than willing to accept the responsibilities of leadership. Spooner's rise in the party had been almost as spectacular as Stevens's own, and he had been keenly disappointed at his failure to secure the Treasury portfolio in 1938, after having been Assistant Treasurer from June 1932 to September 1935 and Acting Treasurer during Stevens's absence abroad in 1936.

In 1932, Stevens had not been regarded simply as a financial genius. It is difficult, without reporting day by day accounts from the newspapers and conversations with people living in New South Wales at the time, to convey the impression of lawlessness and instability

1 He entered parliament in 1932, and was immediately made an Assistant Minister, although he did not gain full Cabinet rank until 1938.

2 During the debate on Spooner's motion H.B. Turner (UAP, Gordon) stated that for his part he 'could see no reason other than personal ambition for (Spooner's) action' in placing such a motion before parliament. (NSWPD, Vol.159, 5712, 3/8/39). Speaking on 2 August Mair stated that he had 'known for many years that (Spooner) had cast envious eyes on the position of Colonial Treasurer', (ibid., 5674).
that Lang made upon the minds of many middle class voters, an impression deep enough to make plausible the wild protestations of the 'New Guard', and Stevens's description of the 1932 elections as a 'political crusade...to lop off the corrupt and decaying branches of a dishonest administration'.

For the next three years the image of the Premier as a complete contrast to the fiery demagogue, sober, industrious, sincere and God-fearing, was strong enough, together with the fact that he was leading the State back to prosperity, to make up for any lack of discretion in his handling of his party.

The enthusiasm of colleagues and admirers was copiously recorded, particularly in the Sydney Morning Herald, itself a staunch supporter. In 1932, it could be summed up in Canon Hilliard's fervent 'Thank God we have a Christian Premier'. In March 1934, UAP back-bencher M.F. Morton suggested 'if he can clean up New South Wales in two years why should he not go into the Federal sphere and clean up Australia?' L.O. Martin another UAP Caucus

1 Sydney Morning Herald, 10/6/32.
2 Ibid., 28/8/32; after Stevens had given an address at the Randwick Methodist Church's golden jubilee.
3 Ibid., 26/3/34.
member, said of Stevens in November of the same year, 'He has given a life's study to the economic position we have to solve... We have never had a better Premier in our State'.

'Mr Stevens', wrote the Editor of the Sydney Morning Herald in May 1935, 'has, during his past three years, almost literally carried the people with him by his personal devotion to the work of recovery, his own example of hard work and his obvious sincerity'. As late as October 1938 Sir Frederick Stewart, a Federal UAP member, complained that the Commonwealth Government lacked 'that social consciousness which has been the feature of the Stevens administration'.

But by October 1938 the atmosphere was changing. Where Cabinet deliberations do not become the subject matter for pressure from constituents the private member is often willing to let matters slide; but by the end of 1938 unemployment had been rising steadily for nine

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1 Ibid., 17/11/34.
2 Ibid., 16/5/35.
3 Ibid., 19/10/38.
4 In October 1938, the Federal Treasurer strongly attacked Stevens for advocating inflationary measures, and the Sydney Morning Herald (24/10/38) sadly remarked that the Premier had 'materially reduced his chances of making an early entry into Federal politics'.


months and unemployed constituents, particularly in metropolitan electorates, were continually embarrassing UAP back-benchers by asking questions concerning the Government's unemployment policy which they were unable to answer. 'If the (Government could) provide (the unemployed) with work', said Ross in July 1939, concluding a bitter speech on his own inability to aid his unemployed constituents, 'I could forgive it for many things'.

Stevens's failure was partly due to circumstances; he could not be held responsible for the parliamentary inexperience of his own team, and was bound, at least at first, to lean upon his Country Party colleagues in Cabinet. Nor, with a large party in which many members were eager for promotion, could he be blamed for the awareness among his own back-benchers that 'with a few more seats five of their number would have been Ministers', or the awareness within the Country Party 'that it could with ease have formed a Ministry of its own, no less able than a purely UAP administration'.

2 Aitkin (forthcoming) Ch.6.
3 Ibid.
However, like Menzies, he alone was responsible for the autocratic tactics that caused resentment within the UAP - the refusal to call party meetings, to listen to grievances, or to consult his back-bench colleagues on proposed legislation. With the power to choose his own Ministers he made no attempt to split the rebels through promotion in 1938, and refusing to listen to their complaints in 1939, he attempted instead to threaten them with an election by choosing to regard Spooner's motion as vital to the continuance of the Government.¹

Much of the wrangling on the financial aspects of the 1939 debates would have been difficult for the layman to appreciate; many of the personal accusations were even more difficult to substantiate; but they were at least intelligible. Taken in conjunction with a very real grievance over the unsatisfactory nature of the party's leadership, fear that the unemployment situation might deteriorate still further, and the natural ambition of men welcoming a possible change of leader and the prospect of an all-UAP Cabinet, the vote that deprived Stevens of office becomes easy to understand.

¹ Although he was later to assure the Governor that 'the defeat was a personal one'. Cf. Aitkin (forthcoming), Ch.8.
CHAPTER 5
COUNTRY PARTY

(a) Introduction

An independent Federal Country Party was not formed until January 1920, but country organisations had been functioning in most of the States under various titles over the previous ten years. By 1922 these organisations were able to run separate Country Party teams in all States for the Federal elections, and from that date the party became a significant partner in all future non-Labor Federal Governments.

In New South Wales a Progressive Party was formed by the Farmers' and Settlers' Association (FSA) in 1915. In 1917 the FSA resolved against a merger with the National Party and in 1919 the FSA and Graziers' Association jointly established their own extra-parliamentary organisation. In 1922 the party split into two groups, one section agreeing to coalesce with the Nationalists, should they attain office, the other, supported by the extra-parliamentary section, rejecting the coalition proposals. The latter, known as the 'True Blues', formed the nucleus of the independent Progressive Party, which, in 1925 changed its name to the Country Party.
The New South Wales Country Party formed an electoral alliance with the National Party for the 1927 elections, and, with the approval of the extra-parliamentary organisation, held seats in the resulting Coalition Government. In August 1931 the party changed its name to the United Country Party to absorb the various New State movements. It continued to play the role of Coalition partner, joining the National Party's successor, the United Australia Party, in its successful election campaign in 1932.

The Victorian Farmers' Union (VFU), formed in 1916, returned four members to the Victorian Lower House in the 1917 elections, and by 1919 the VFU parliamentary members were able to demand portfolios in return for their support. In 1926 a breakaway group formed a Primary Producers' Union which won four seats in the 1927 election under the title Country Progressive Party. In 1930 the two factions re-united and three members of the party accepted portfolios in Sir Stanley Argyle's Coalition Government. In 1935 the United Country Party, led by A.A. Dunstan, gained office with the support of the Labor Party and functioned as a minority Government.

In Queensland a parliamentary country section flourished as early as 1909 under the title of the
Farmers' Parliamentary Union. However, it did not form an independent party. The Queensland Farmers' Union, formed in March 1912, endorsed one or two Liberal candidates for the 1912 elections, but was unable over the next seven years to persuade its parliamentary members to form a separate party. In July 1920 thirteen National Party politicians formed the first independent Country Party, led by W.J. Vowles. The two parties agreed to merge in April 1924 under the title Country and Progressive National Party. Ten years later a separate Country Party organisation was revived and in 1936 the Queensland branch of the Australian Country Party was formed and the Country and Progressive National Party disbanded. In 1941 the two parties, with the exception of four Country Party politicians, again agreed to merge as the Country-National Party. In 1945 when the Queensland People's Party, formed in 1943, became the Queensland branch of the Liberal Party, the parties once again split up, country members rejoining the Queensland Country Party. The Queensland Country Party has been the senior partner in a CP-Liberal Party Coalition since 1957.

In South Australia the Farmers' and Settlers' Association supported candidates in the 1918 State
election without success. An attempt to collaborate with the Progressive Country Party in 1921 was equally unsuccessful and the FSA again offered its own candidates at the State election of that year, returning four. In 1927 an offer of amalgamation from the Liberal Party was rejected by the Progressive Country Party but an election pact was agreed to and the party was given one seat in the resulting Liberal and Country Government. The parliamentary members of the Country Party split in 1928, four of the five joining the Liberal Party.

The two parties contested the 1930 election as separate organisations, the Liberal Party returning thirteen members and the Country Party two. Following their defeat in the State election the two parties set up a joint emergency committee to fight the 1931 Senate election, and in February they agreed to unite at the State level as one party under the title Liberal and Country League. The new party was returned at the 1933 State election and remained in power until 1965.

Country organisations in Tasmania combined to contest the 1922 elections and returned five country members. In 1924 they formed a Country Party Producers' Political Federation, and in the following year this organisation merged with the National Party. Although
the amalgamation resulted in a breach in the National Party, through the country section's attempt to introduce a candidate's pledge, the two sections re-united in 1928 and no further Country Party emerged until 1962. Four years later the newly formed party officially merged with the Australian Centre Party (Tasmania).

The Farmers' and Settlers' Association of Western Australia was formed in 1912. The following year an independent Country Party was formed and in 1914 the new party rejected an election pact suggested by the Liberal Party. From 1917 until 1923 the party joined in a National Coalition Government with the Liberal and ex-Labor parties, but in November of that year the party split over an attempt by the Primary Producers' Association to tighten its control over the parliamentary section.

Three parliamentary members, known as the 'Executive Country Party' supported the Primary Producers' Association, but the remainder, given the title of the 'Majority Country Party', supported H.K. Maley, their parliamentary leader, and joined him in a merger with the other two parties to form the 'United Party'.
The 'Executive Country Party' became an independent party, becoming in 1944 the 'Country and Democratic League'.

The constitutions of the Federal and four existing State branches of the Country Party, like those of all Australian parties vary in detail from State to State; it is the last of the three parties to be inaugurated, has incorporated features from both of the older Labor and Liberal parties.

The absence of any widely-based affiliated groups, with direct representation at the party's conferences, such as trade unions, gives the Country Party a rank-and-file structure similar to that of other non-Labor parties, and, like the other non-Labor parties, the New South Wales, Victorian and Federal conferences of the party do not elect members to the party's executives, other than its office-bearers. The New South Wales and Federal branches resemble the National, United Australia and Liberal parties to an even more marked degree in that they include no section in their constitutions

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1 Information concerning the history of the Country parties was taken from Ellis (1958 and 1963), Graham (1958 and 1966) and from drafts of a 'handbook of Australian Politics 1890-1963' prepared under the direction of Professor C.A. Hughes, and as yet unpublished.

2 New South Wales, Victoria, Queensland and Western Australia.
specifically dealing with relations between the parliamentary and extra-parliamentary sections of the party, and leave their leader free to choose his own ministerial colleagues.

Acceptance by three State branches of the principle of elective ministries, either constitutionally, as in Victoria since 1941\(^1\) or in practice as in Western Australia since 1921\(^2\) and Queensland since 1957\(^3\), follows Labor Party tradition. In Western Australia and Queensland the party conference is also given considerable prominence in the party's organisational structure, and possesses the right to elect a proportion of the party's executive. In all four States, parliamentary candidates are selected, as in the Labor Party, by rank-and-file plebiscite, and are subject to executive veto.

The Western Australian and Victorian branches have travelled even further than the Labor Party towards clarifying their attitude concerning certain aspects of the relations between the parliamentary and extra-

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\(^1\) cf. Argus, 27/3/41.

\(^2\) Crowley in Davis, p.452.

\(^3\) Morrison in Davis, p.309; in the previous non-Labor Coalition Government in 1929 the Country Party leader chose his own Ministers.
parliamentary sections of the party through constitutional rule rather than tradition.

The Western Australian constitution, for instance, rules that its parliamentary members must sign a pledge 'to adhere to the (party's) objectives and platform'; that a member may be expelled if he attempts to oppose 'any resolution or bill bona fide aimed at carrying into effect the principle involved in any such objective or in any plank of the platform...'; that the executive may call a joint meeting of parliamentary and executive members to discuss any matter 'likely to effect (sic) the welfare of the League in either State or Federal politics'; that the executive, before an election may 'advise the Leader of the Country Party in the State Parliament ... what planks of the platform (if any) it regards as of urgency', and that such planks 'shall be incorporated in the policy speech presented by the leader at the subsequent election'; and that the executive shall meet with the parliamentary party to vote upon the advisability of entering a Coalition.¹

¹ Western Constitution of the West Australian Country and Democratic League, 1952.
The Victorian constitution makes provision in its section on the parliamentary party for Ministers to be 'elected by the Parliamentary Party by a secret exhaustive ballot'; for the Premier to allocate his portfolios 'in consultation with the deputy leader'; for Caucus to decide whether a Minister shall be called upon to resign by a simple majority vote; for Ministers to inform Caucus 'where possible' of 'all completed legislative or administrative acts'; for Caucus to be bound by majority decisions; for the two sections of the party to 'meet in conference at least half-yearly'; and for similar joint conferences to be held before any general election.¹

No Coalition alliance may be entered into without the consent of 66 per cent of the voting members of Central Council, and Central Council, in conference with the parliamentary party, may terminate a Coalition agreement by a simple majority of the assembled members.²

The emphasis upon control of the parliamentary member, and more particularly of the politician who became a member of Cabinet, was a product of the movement's early struggles to maintain its independence.

² Ibid.
Many of its early political members were drawn from other non-Labor parties, and the extra-parliamentary party mistrusted their loyalty when tempted to share the spoils of office in a non-Labor Government.¹ Splits occurred in both sections of the party in New South Wales in 1922, Western Australia in 1923, Victoria in 1926 and South Australia in 1927 over the acceptance of portfolios, and the degree to which Country Party members should support their National Party colleagues.

These splits, particularly in Victoria, resulted in an attempt on the part of the radical section of the party's extra-parliamentary organisation to tighten its control over its parliamentary members. However, despite the apparent severity of the Western Australian and Victorian constitutions towards their parliamentary members the Country Party has not shared the hostility towards the politician that is associated with the Labor Party's trade union affiliates, and Country Party leaders have enjoyed considerable prestige within the Party.²

¹ Even in New South Wales, where the party most closely resembles other non-Labor parties, the extra-parliamentary section of the party, before the 'True Blue' split in 1922 'kept close watch on the parliamentary party, the metropolitan members of which it did not entirely trust', Aitkin (1964), p.273.
(b) A.A. Dunstan

For seven and a half years A.A. Dunstan led a minority United Country Party (UCP) Government in Victoria, supported by the Labor Party, and for a further two and a half years he remained at the head of a Coalition Government drawn from his own and the United Australia Party.

He might not have become, and probably would not have remained, Premier, had there been a more equitable distribution of electorates,¹ and he further gained from the weaknesses of the other two parties. At the same time both were overshadowed in importance by his mastery of his own party, which in 1939 enabled him to emerge unscathed from a bitter struggle with the party's Central Council.²

Behind the 1939 crisis lay both a private and a public feud, the former dictating the rather sordid weapons which the two main participants, Dunstan and

¹ Under the 1926 Redistribution Act 100 metropolitan votes were equivalent to 41 country votes, and there were 39 rural to 26 metropolitan seats in the Legislative Assembly; Cf. Victorian Year Book, 1927-28.
² Central Council was the name given to the Party's State Executive.
Central Councillor A.E. Hocking, chose to use in fighting their public battle. The feud between Dunstan and Hocking had begun shortly after Hocking's decision to enter Country Party politics in 1932.¹

Hocking combined the background of a wealthy city accountant with a passionate sympathy for farmers who had been crippled by the depression - expressed in speeches which 'rang with the consuming zeal of a revivalist.'² He was also ambitious and, writes Paul, 'off the platform he acted with the cold ruthlessness of one who knew and enjoyed the manipulation of power.'³ Unsuccessful in the 1931 Legislative Council elections he turned his attention to the extra-parliamentary section of the party.

Dunstan was an equally ambitious man. Entering parliament in 1920 he had been overlooked in the formation of two successive Coalition Cabinets in September 1923, and November 1924. Following a dispute at the 1926 annual party Conference over the party's

² Paul, p.20.
³ Ibid.
parliamentary strategy, 147 delegates set up a Country Progressive Party (CPP) and chose Dunstan as their parliamentary leader. The two sections reunited in 1930, accepting a provision that entry into a coalition agreement could only be effected on a 66 per cent majority vote by the Council, from which parliamentarians were in future to be debarred.¹

Following the 1932 elections Dunstan accepted one of the three portfolios offered to the Country Party by the UAP Premier, Sir Stanley Argyle. Hocking had strongly disapproved of the party's coalition strategy, in part because he believed that it tempted the Country Party Minister to place his own security of tenure before the demands of the party, and in part because he realised that coalition tactics were necessarily planned in the Cabinet room, whilst the strategy of support in return for concessions might be more readily influenced by Central Council.²

In July 1932 Hocking moved a successful resolution in Central Council limiting the coalition strategy to

² Paul, pp.20, 21.
the life of the existing parliament and advising
Country Party Ministers to speak and vote in accordance
with party policy. 1 Throughout the year he publicised
his intention to seek the withdrawal of the three Ministers,
'encouraging the development of pockets of his own
supporters in branches and district councils throughout
the State'. 2 In 1933, with only one year's experience
in the party, and having held no previous position on
Central Council, he was elected to the position of
President over the heads of two Vice-Presidents. 3 In
the same year Dunstan, deputy leader of the parliamentary
Country Party, was by-passed for the leadership by
Captain H.W.J. Bourchier. 4

In September 1933 Central Council passed a
resolution 'that the Country Party Ministers should
resign from the Cabinet', 5 but the direction was ignored,
the parliamentary secretary informing Council that the

1 Ibid., p.19.
2 Ibid., p.24.
3 Argus, 30/3/33.
5 Ibid., p.34.
question was 'one for the Parliamentary Party to finally determine'.\(^1\) The following year Conference empowered Central Council to call a joint conference of the parliamentary and extra-parliamentary sections in order to terminate participation in a Coalition Ministry by a simple majority vote. Parliamentary candidates were also required to sign a revised pledge promising to retire from contesting an election unless formally endorsed by the party, and to abide by the rules for forming and dissolving a Coalition Ministry.\(^2\)

However the parliamentary party demonstrated almost immediately the potential weakness of such rules by welcoming into its parliamentary ranks N.A. Martin, the new member for Gunbower, who, having refused to sign the revised pledge, had then fought the Gunbower by-election against the endorsed candidate.\(^3\)

Following the 1935 election Dunstan was elected to the leadership of the party and again roused Hocking's anger by accepting the position of Deputy Premier in a

\(^{1}\) Ibid.
\(^{2}\) Ibid.
\(^{3}\) Paul, p.34.
Coalition Government. However, he shortly afterwards brought down the Argyle Government and was commissioned to form his own minority Ministry.

In the first flush of victory he exercised his powers of patronage to reward members of the extra-parliamentary organisation; among other appointments Vice-President H.L. Simpson was made a foundation member of the Farmers' Debt Adjustment Board, and Hocking a Commissioner of the State Savings Bank. 1

Meeting soon after Dunstan received his commission, the party's 1935 Conference relaxed its attitude towards the parliamentary party. A resolution to readmit Martin to the party was carried unanimously and the rule debarring parliamentarians from membership of Central Council was dropped in favour of the appointment of two parliamentary members to act as liaison officers without voting rights. 2

Dunstan's star was in the ascendant; he chose his own Ministers from a group of men with little talent or individuality and he led a Caucus team possessing equally little spirit.

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1 Ibid., p.203.
2 _Argus_, 5/4/35.
Hocking, on the other hand, was beginning to lose his once powerful position, although he remained one of the few dominating personalities on Central Council. In 1934 the radical section led by Hocking, who was re-elected as President, had claimed thirteen of the sixteen positions on Central Council and in 1935 it still controlled twelve positions.

By 1937 its representation had fallen to nine. Simpson, regarded as moderate, became President in 1938 and was re-elected for a further term in 1939. A.G. Allnutt, a radical parliamentarian, was replaced on Central Council by M. Bennett, also a moderate, and Hocking remained the leader of a much subdued left wing.

From 1935 to 1939 the party regarded its parliamentary members with some complacency. The strategy of governing with support from another party rather than as partner in a Coalition Ministry was new to the Country Party and the additional power and prestige resulting from such an arrangement seemed to prevail over any lingering anxiety for further control over the parliamentary members of the party. However, the incident over which the crisis arose in 1939 showed
that in some Central Councillors, including Hocking, the anxiety had merely been dormant.

On 11 August 1939 the Premier's son, Arthur, attended a meeting of the Bulla – Dalhousie electoral council to seek endorsement for the State's next elections, and expressed his unwillingness to accept that part of the pledge which insisted upon his retirement if defeated in the pre-selection ballot. The two other candidates, J.W. Milligan and A.J. Laffan, also announced their reluctance to face the ballot. However, before any action could be taken by the selection committee Milligan moved and Laffan seconded a motion stating that only Dunstan's name should be forwarded for endorsement to Central Council, which had the power to veto candidates' names after pre-selection.¹

On 19 and 20 September Central Council met for the first time since the Bulla-Dalhousie electoral council meeting and decided to defer Dunstan's endorsement and instruct the President to interview the three candidates with a view to the re-opening of nominations. Since

¹ For a full account of the meeting cf. Ouyen and North West Express, (Special Edition), 12/3/40.
the brief publication of the Bulla-Dalhousie meeting had been followed by several surprised and occasionally indignant letters to the Countryman, the Council's action could at this stage have been regarded as no more than sensibly cautious.

However, the Premier found the delay embarrassing. Shortly after the Council meeting he arranged to see Hocking to explain the difficult situation in which he and his family were placed by the deferred endorsement and, in Hocking's own words, told him to 'get together with Les Simpson (the party's President), and fix it for the boy.' Hocking replied that the attitude of the other two candidates as well as constitutional procedure would have to be considered first.

Some time after Hocking's meeting with Dunstan, Simpson addressed a circular to all Council members appealing for Dunstan's immediate endorsement 'in the

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2 Countryman, 2/2/40.
3 Ibid.
knowledge that any delay in a decision, one way or the other, is likely to cause a rift in the party'. ¹

On 12 October Hocking lunched with Simpson and a Country Party member of the Legislative Council, G.J. Tuckett. Both men endeavoured to persuade him to agree to Dunstan's immediate endorsement, but Hocking refused and telephoned all Central Councillors asking 'that they reserve judgement until the Central Council meeting and discuss the endorsement in a constitutional way'.² On 21 October a meeting of seven country and several metropolitan branches, unanimously approved Central Council's decision to defer endorsement.³

The conditions necessary for the build-up of some sort of crisis were now apparent; on the one hand Hocking, supported by a number of branches, was prepared to make the Bulla-Dalhousie selection a test of the party's right to control its parliamentary members; on the other the Premier, Simpson, and at least one

¹ Cf. Ouyen and North West Express (Special edition) 12/3/40. The circular was not printed in the Countryman.
² Countryman, 2/2/40.
³ Ibid.
parliamentary supporter regarded the choice of issue as embarrassing and wished to deal with it privately.

With the selection of a candidate for Bulla-Dalhousie still undecided, the Premier made a personal entrance into the fray by initiating a course of action which could only be described as deliberate vengeance against the Central Councillor whom he believed to be chiefly responsible for his own and his son's embarrassment.

On 26 October he interviewed the Chairman of the State Savings Bank Board and informed him that three Savings Bank Commissioners, Sir Walter Leitch, Mr J.C. Gates and Hocking, might be infringing section 7 of the State Savings Bank Act (1935) by holding certain directorships.\(^1\) Five days later the three Commissioners received notice of their suspension. On the same day a bill was introduced into parliament to extend the life of the Farmers' Debt Adjustment Board, of which Simpson was a member.\(^2\)

On 8 November Central Council held a meeting at which a resolution was passed by 15 votes to 2,(Simpson

\(^1\) Paul, p.244.

\(^2\) VPD, Vol. 208, 1825, 31/10/39.
and the party treasurer voting in opposition), seeking an assurance from Dunstan that 'no action would be taken savouring of victimisation' in the case of the Savings Bank Commissioners. A request was also made for a meeting between Caucus and Central Council to discuss the State Savings Bank position, allegations, then being investigated in parliament, concerning an attempt by lobbyists to bribe politicians to vote against an amendment to the Milk Board Act, and endorsement for the electorate of Bulla-Dalhousie.  

On the same day Hocking resigned his four directorships.

On 13 November Hocking received a letter from Tuckett in which the Legislative Councillor expressed the hope that he had 'fixed things' with regard to the Bulla-Dalhousie endorsement. When Hocking saw him later the same evening he (Hocking) gave his opinion that if the Premier's son would allow fresh nominations there was a strong possibility that neither Milligan nor Laffan would re-nominate.

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1 Countryman, 24/11/39.
2 Paul, p.226.
3 Countryman, 2/2/40; special report of events to the Kyabram District Council.
The following day the parliamentary party met and with three dissentients passed two motions expressing 'strong disapproval of the unfair tactics of certain members of the Central Council', and dissociating itself from 'the unfair criticism of the Premier by the Countryman'. The party deferred the request for a joint meeting.

On 16 November Hocking received a message from Tuckett informing him that the proposition he had made regarding the calling of fresh nominations for the seat of Bulla-Dalhousie was not acceptable to the Premier.

The next day Leitch and Gates originated a summons before the Chief Justice of the Supreme Court to determine their position on the State Savings Bank Commission. The Chief Justice in his report on 20 November stated that the Commissioners had been validly appointed but were not entitled to sit and act as

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1 Argus, 15/11/39; The Countryman strongly supported Hocking, who was Chairman of its Board of Directors.
2 Argus, 15/11/39.
3 Countryman, 2/2/40 (special report).
4 Paul, p.226.
Commissioners. He added that any Commissioner who had removed the impediment to his legally acting as a Commissioner 'could continue to sit and act and would indeed be bound to do so'.

On 21 November Central Council held a formal session. H.S. Bailey, the parliamentary representative on the Council, stated that Caucus could not discuss the bribery allegations because they were the subject of an Upper House enquiry, or the State Bank Board position because it had not been finalised. The Bull-Dalhousie selection could not be discussed because it was a question 'entirely for Central Council to determine'.

A second attempt to secure a joint meeting met with a further refusal, although Caucus suggested that a Central Council committee might meet Caucus representatives 'for the purpose of discussing questions of mutual interest', as soon as the House rose. This calculated rebuff helped Council to finally make up its

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1 Ibid., pp.226-7.
2 Countryman, 24/11/39.
3 Ibid.
mind on the question of Bulla-Dalhousie. After a bitter attack on Hocking by the President the Council decided to refer the question back to the electoral council for review, thereby tacitly refusing endorsement.²

In parliament on 29 November Dunstan took the final step in his campaign against Hocking by introducing a bill the first aim of which he freely admitted was 'to make vacant the office of the only Commissioner of the three concerned who (had) not resigned his Commissionership'.³ The other two Commissioners had resigned the day before. Knowing that Hocking had resigned his directorships in order to remain a Commissioner, Dunstan, in his second reading speech, stated that it was 'difficult to see how any person who was ineligible for appointment as a Commissioner in the first place because of his holding certain directorships could be made eligible at a later stage by freeing himself from such directorships.'⁴

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1 Countryman, 19/1/40. Editor's reply to one of a series of questions in a letter from G. Anderson.
4 Ibid.
Only two members of the party voted against the clause to secure Hocking's dismissal. They were Allnutt, who had long been a left wing party rebel, and G.H. Lamb for whose election in 1935 Hocking had been chief organiser. However, a third rebel F.A. Cameron pointed to a reason for such marked silence on the part of the remainder of Caucus when he said:

I expect the Government to take the view that if the three Commissioners render themselves eligible for reappointment and they have carried out their duties efficiently in the past they will have a reasonable chance of reappointment.

K. Dodgshun who later joined the rebels told members of the North-Western District Council that at the Cabinet meeting prior to the bill being brought down in the House, 'he had endeavoured to have a resolution passed' reappointing the three Commissioners, but 'the Premier had threatened to return his Commission to the Governor'. However, he had then been assured by some Ministers 'that the right thing would be done'.

1 Ibid., 2452, 5/12/39.
4 Argus, 27/1/40.
The 'right thing' was not done; at a Cabinet meeting on 11 December, despite a resolution from Central Council urging Hocking's immediate reappointment, it was decided to reappoint J.C. Gates, and place in the other two vacancies, (Sir Walter Leitch not having reapplied), Professor Douglas Copland and T.H. McKenzie, neither of whom was a member of the Country Party, although McKenzie quickly joined following his appointment. On 29 December Simpson was reappointed to the Farmers' Debt Adjustment Board, a decision whose significance was not lost on at least one of Hocking's supporters.

1. Countryman, 15/12/40. The resolution was passed at a meeting of the Central Council Executive on 11 December. Simpson was absent from the meeting.

2. Countryman, 2/2/40. Report of Kyabram District Council meeting. When members questioned the appointment of the Commissioners to the State Savings Bank Board who were not members of the party, Tuckett interrupted to inform delegates that McKenzie, (a valuer with an Echuca stock and station Agency), was 'a member of the Country Party today', and had in fact supported his (Tuckett's) candidature for the Legislative Council three years previously against the UAP.


4. Countryman, 5/1/40; letter from a branch secretary in which, among other things, he implied that Simpson had been rewarded for supporting the candidature of Dunstan's son.
During the last weeks of 1939 and first few weeks of 1940 the Countryman made the most of the anxious resolutions passed by UCP branches and district councils deploiring the split in the party and urging moves for reconciliation. At the same time Dunstan was offered staunch support by J. Cain, leader of the Labor Party, who stated on 26 January that 'if Dunstan goes the Government goes.'

Hocking and his supporters remained unimpressed. At a meeting called by the Kyabram district council on 27 January and attended by Simpson, Hocking, and a number of parliamentarians, Tuckett appealed to delegates not to pass a hostile resolution against the Premier. However, after Hocking had made a lengthy report on party affairs since 11 August, the following resolution was carried unanimously:

that in view of the record of sterling service rendered to the UCP by A.E. Hocking this District Council views with the gravest concern his recent omission from the State Savings Bank Board and asks the Government for an explanation concerning his omission by a Special Act of Parliament.

1 Countryman, 8/12/39, 15/12/39, 22/12/39, 26/1/40, 9/2/40.
2 Argus, 27/1/40.
3 Countryman, 2/2/40.
On 5 February the Premier, speaking at Swan Hill during a tour of disaffected electorates, informed his audience that 'the Hocking section', if it so desired, would have every opportunity 'to nominate candidates pledged to the Hocking plan of job control at the next election'. The following evening in a broadcast from Mildura he read a letter from the President in which Simpson assured him that Hocking had several times mentioned his intention 'to wreck the party or smash Mr Dunstan'.

When Council met on 8 and 9 February Hocking 'dealt in detail with the attacks made upon him', and after hearing his explanation Council passed a resolution expressing its deep appreciation of 'the services rendered to this organisation by Mr Hocking' and stating its continued confidence in him. A further motion was passed expressing resentment at the

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1 Countryman, 9/2/40; cited Paul, p.249.
2 Countryman, 16/2/40; Argus, 6/2/40, 7/2/40.
3 Countryman, 16/2/40.
'repeated and unjustified attacks' made upon Council 'by the Premier and certain members of the Parliamentary party.'

At the same time Council announced its willingness 'to appoint a committee to meet any committee appointed by the party with the object of investigating the whole of the matters at issue between them, such committee to report to Conference'. The 9 February issue of the *Countryman* contained reports of further motions from branches and district councils expressing confidence in Hocking and regretting the difference of opinion between Central Council and the parliamentary party.

The extra-parliamentary party's reaction to Dunstan's tour of the North-Western electorates placed the Premier in a weak position. If Central Council decided to take up the challenge he had made at Swan Hill his continued hold on the Premiership might be not merely weakened but actually endangered. Describing the situation J.B. Paul gives this summary of his dilemma.

If enough Parliamentary members came to believe that Hocking would take the Premier

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1 *Countryman*, 16/2/40.
2 Ibid.
at his word and endorse his own candidates through central council to challenge members with the full backing of the Party Conference, then there was every likelihood that they would displace Dunstan from the leadership to save themselves from a possible electoral reversal.¹

On 12 February Dunstan, whom Paul earlier describes as having 'learned every art of Parliamentary strategy' ended the dilemma by calling on the Governor, Sir Winston Duggan, and obtaining an immediate dissolution of parliament.² The Central Council if not surprised was fairly caught and could do little more than make a dignified request that Caucus attend a joint pre-selection meeting.³

The parliamentary party refused Central Council's invitation to attend its next meeting on 23 February and chose its own candidates to contest the three seats held by Allnutt, Lamb and Cameron. At its meeting on 23 February, Central Council made its final protest before the elections, expressing its regret 'at the failure of the Parliamentary party

¹ J.B. Paul, p.249.
² Argus, 13/2/40, 14/2/40.
³ Countryman, 23/2/40, report of letter sent to Caucus after a meeting on 14 February.
to confer with Central Council on the election programme and arrangements.\textsuperscript{1}

The 1940 election was one of the most bitter in the history of the party. The Premier's son avoided the battle by retiring from Bulla-Dalhousie, but Hocking stood in the front line as Central Council's endorsed candidate for Allendale. Dunstan employed the services of the Elliot press\textsuperscript{2} which published several country newspapers including the \textit{Ouyen and North-West Express} in which J.E. Don, Chairman of the Farmer's Debt Adjustment Board held 'a substantial interest'.\textsuperscript{3}

The \textit{Ouyen and North-West Express} which circulated in Kara Kara and Borung, Mildura and Lowan, the electorates held by the three rebels, as well as its home electorate, strongly supported the Premier's candidates in those districts and the Independent candidate standing against Dodgshun in Ouyen. The Premier himself conducted a savage campaign against the

\textsuperscript{1} \textit{Minutes of the Central Council of the UCP, 23/2/40} cited in Paul, p. 251
\textsuperscript{3} \textit{Countryman, 21/3/40}.
four rebels, all of whom were returned, helping to keep the Country Party's parliamentary representation up to its 1939 level of 22 members.

By holding the State elections before the annual Conference Dunstan had not only ended his own dilemma but had at the same time created one for the extra-parliamentary section. Before Central Council had been put in the awkward position of endorsing the very members it was attacking it had received a number of branch resolutions for consideration at the annual Conference demanding explanations for Hocking's dismissal, and one dealing specifically with the leadership of the party. The Council was able to curtail controversy to some extent by postponing a rules debate until the following year, but it still had to deal with items 150 to 162 on the Conference agenda, all directly or indirectly censuring the Premier.

Conference opened in a tense atmosphere with R.R. Skeat, the immediate past-President, urging a full discussion on the controversial resolutions and Bailey, the parliamentary representative on Central Council, unsuccessfully urging their withdrawal, pointing out amidst cries of 'No, No' and 'Sit down!' that 'every member of Cabinet had recently been endorsed
by Central Council'. Lamb, Allnutt, Dodgshun and Cameron all appealed to Conference 'to thrash the matter out'.

Dunstan added his own emotional appeal: 'If you think I have done anything wrong then expel me - otherwise stand behind the Government'. At the end of the first day's meeting a ballot was held to determine whether the controversial items should be removed from the agenda. The result of the ballot was not to be revealed until the following morning and an excited press carried statements asserting that the Premier and his Ministers would resign if adverse resolutions were carried against them.

When Conference reassembled the President informed delegates that the motion to delete items 150 - 162 on the agenda had been defeated. Hocking then rose to make a statement. Thanking delegates for the 'momentous decision' they had made the previous night in order to give him the opportunity of stating his case he referred to the morning's press reports:

You have read that the Ministers are prepared to walk out. I am not prepared to furnish them with that opportunity to split this organisation. (Thunderous cheering)...I am prepared if it is in the interests of this organisation, and if it means unity - much as it may mean sacrifice of satisfaction to me to present a case - to see those items removed...¹

Reporting the scene the Countryman described 'the tremendous demonstration' that followed 'as delegates rose to their feet and roared their applause. There were cheers and singing as they waved their hats and papers'.² The President then moved that the items be deleted from the agenda and the motion was carried on the voices. As a final bathetic gesture Simpson 'announced that Mr Dunstan and Mr Hocking were going to shake hands on the platform. Conference enthusiastically endorsed the demonstration'.³

Hocking was to score one further triumph in his efforts to control the party's parliamentary members. The deferred 'rules Conference' held in 1941 added two new rules to the constitution, one empowering Central Council to call a joint meeting between Council and

¹ Countryman, 12/4/40.
² Countryman, ibid.
³ Ibid.
Caucus, the other endorsing the principle of elective ministries.\(^1\)

However, the latter victory was slightly lessened in 1943, when part of the new rule, providing for consultation between the leader and his deputy upon the allotment of portfolios, with any dispute between them on the matter being resolved by a majority vote in Caucus, was declared void at a Caucus meeting following the State elections of that year.\(^2\)

Dunstan was to have no further trouble from the extra-parliamentary party; he formed a Coalition Ministry with T.T. Hollway in 1943 without the constitutional 66 per cent majority endorsement from Central Council,\(^3\) and in 1944 the Federal and State parliamentary parties gained voting rights on the executive, and were able thereafter to form a solid block vote in Council debates with the aid of the Council's women members, increased from two to three in 1943.\(^4\)

\(^1\) *Argus*, 27/3/41.
\(^2\) Ibid., 25/6/43.
\(^3\) *Paul*, pp.364, 365.
\(^4\) Ibid., pp.365-8; Dunstan had strongly supported the move to grant women increased representation on the Council.
Hocking, who for nine years had been the outstanding proponent of extra-parliamentary control over Cabinet and Caucus, was to admit shortly before his retirement from the party in 1944 that he had found it impossible to control members of Parliament in the same way as the Labor Party, disciplining them and exercising some form of regimentation...The ideals of control (had) not proved practicable.¹

Dunstan's attitude towards the extra-parliamentary party and his tactics in meeting its demands parallel Lang's attitude towards the parliamentary party in 1926 and in many respects it would not be inappropriate to label him 'the Country Party's Lang.'

Having privately attempted to direct Central Council to endorse his son as a parliamentary candidate he refused to meet it to discuss either the endorsement or other grievances; apart from the ruling on elective ministries he ignored all party directives, and even that rule was modified as soon as an election brought it into operation. Like Lang he worsted his opponents by obtaining a sudden dissolution which forced Central Council to endorse all sitting members rather than run the risk of the party's losing office.

Having been returned to power he was able to further humiliate the extra-parliamentary section by

¹ Paul, p.264.
demanding to know why Conference was attempting to censure members whom it had so recently returned to parliament instead of opposing them at the polls. As an additional precaution someone within Cabinet took care that the press should publish a rumour that the Government might resign if motions censuring its leader were even discussed.

Such strong-arm tactics were used by both Lang and Dunstan in situations which called for iron nerves and shrewd political judgement. Lang ran the risk of defeat in a leadership election and on the floor of the House; Dunstan ran the risk of defeat at the polls. Both relied upon the unquestioning support of the majority of one section in their struggle with another. Lang was sustained by the favour of the Easter Conference and Executive; Dunstan dominated his parliamentary party and was prepared to fight any Caucus opponent to the point of supporting an alternative candidate at the polls.

Writing in the Sunraysia Daily the President and Secretary of a disgruntled district council stated in 1940:

...it is our considered opinion that Mr Dunstan dominates his Cabinet in no less a manner than Continental dictators do their peoples, the
differences being only in the technique of the business; the hidden threat to individuals being the loss of Ministerial position and salary, and not, as in Continental dictatorships, the loss of one's head.

Paul poses the question of Cabinet and Caucus acquiescence in the scheme to secure Hocking's downfall, and comes to a similar conclusion. Dunstan controlled the Cabinet by his power of patronage and Caucus by a combination of 'bluster and artful persuasion', for the most part 'over-awing them with the sheer force of his personality.'

It is difficult to escape such a conclusion. Dunstan was only once challenged for the leadership of the party in nearly ten years of office, in 1940 when there was fear of a possible reversal at the party Conference. Two members, Moncur and Dodgshun, contested the leadership, Moncur polling eight votes, Dodgshun one and the Premier twenty-one. For his impertinence Moncur lost the party secretaryship and his nomination to the parliamentary works committee.

1 Sunraysia Daily, 19/1/40; quoted in Paul, p.246.
2 Paul, p.240.
3 Argus, 29/3/40.
Dunstan was a rotund man of middle height with a high-pitched voice, a 'wily glib tongue,' \(^1\) and a capacity for making personal enemies of his political opponents. Argyle and T.T. Hollway, one-time UAP and Liberal Party colleagues, and Allnutt from his own party, all made personal attacks upon him under the cloak of parliamentary privilege. Allnutt stated in 1945:

'It is my belief that as a leader he has no friends. Whenever he finds friction, instead of seeking to put it right, the Premier always has the knack of side-stepping it; but if he can turn that friction to his advantage he accentuates it.' \(^2\)

There is no shortage of examples of Dunstan's ambitions and ruthless nature. He had rescued his farming interests from the depression, and had advanced his political interests from the leadership of a corner party to the leadership of the only minority Country Party Government that Australia had experienced. His manoeuvres to remain in office in 1945 caused disgruntled Liberal rebels to complain that he would have to be 'scraped off the Treasury benches', \(^3\)

\(^1\) VPD, Vol. 219, 4310, 25/9/45.
\(^2\) Ibid., 4312.
\(^3\) VPD, Vol. 219, 4262, 27/9/45.
and in 1948 Hollway gave a scurrilous account of the negotiations which resulted in the ex-Premier's appointment as Minister for Health in the Hollway Government.¹

Once in a position of power he was not above indulging in vindictiveness towards his opponents even within his own party. Hocking was deprived of his position as State Savings Bank Commissioner; Moncur was dropped from a parliamentary committee; Allnutt was deposed as party whip.²

In dealing with the crisis involving Hocking's appointment, Dunstan was aided by the outspoken support of the Labor Party which regarded the strategy of support in return for concessions as preferable to a possibly long period in opposition in the event of a UAP/UCP Coalition.

It is probable, too, that he took into consideration his value to the extra-parliamentary party. The radical wing of the Country Party, unlike militant trade

¹ VPD, Vol. 228, 4028. Hollway describes with graphic detail the 'attempts to "get a bit of ice for Albert to slide on"'.

² VPD, Vol. 219, 4310. Dunstan did not ask for his resignation or cancel his appointment but 'persuaded the party to make the office of whip an office of the party' after the 1937 elections. Allnutt who was unpopular among his fellow parliamentarians was easily defeated.
unions, had no avenue of power save through the parliamentary party; it was concerned to see legislation on the Statute books, and felt that it could not afford to risk losing office.

Dunstan was the only member of the party likely to achieve such an end. He had shown conspicuous skill in disentangling the Country Party from a UAP Coalition and winning support from the Labor Party, (despite the fact that it was he who, as CPP leader, had brought down the previous minority Labor Government). He was to show equal skill in winning the support of the UAP when the Labor Party eventually turned the tables in 1943.
(a) First Minister's Position as Government Leader

Within the limits imposed by the relatively small number of First Ministers studied, the factors which emerged as influential in determining the success or failure of their party leadership suggest certain general lines of investigation which may usefully be applied to the study of any First Minister.

All First Ministers meet their party equipped with certain powers derived from their position as Government leader which would appear to enable them to resolve in their own favour the difficulties that may threaten a crisis. However, in most of the cases studied they were either unable or, like Scullin with regard to forcing a double dissolution, unwilling to use them. Part of the difficulty experienced in employing such tactics stemmed from the multiplicity of factors that gave rise to the crises. Where individual members of a party build up small grievances there may be little indication of tension within the party until an unlooked for opportunity arises to cause the fusion of minor irritations.
Where such tactics were employed by a First Minister the crisis had usually reached a stage which prevented their being used successfully. Thus, Theodore, in threatening Caucus with resignation, misjudged the degree of discontent within the party and was forced to extricate himself from the crisis by other means.

McCormack and Stevens attempted to draw the sting from Caucus criticism by refusing to call a party meeting and forcing a discussion of grievances on the floor of the House; but, whilst in both cases criticism may have been stemmed by the move, it was not entirely prevented.

Menzies delayed, but was unable to postpone indefinitely, a UAP demand for a change in leadership, by refusing to call a joint meeting of the two Coalition parties.

In some cases a First Minister may intensify unrest within his party by his use of the powers associated with his office. Holman was strongly criticised both by the press and by one of his Ministers for his appointment of Cohen to a District Court judgeship; Scullin caused Caucus dissatisfaction by reappointing Sir Robert Gibson as Chairman of the Commonwealth Bank; and Dunstan was censured by individual party branches as well as Central Council for his refusal to reappoint Hocking to the
State Savings Bank Board. Stevens caused some back-bench unrest by his method of eliminating Weaver, Chaffey and Shand from Cabinet, as well as giving the three Ministers concerned a possible reason for joining the later Caucus revolt.

However, on two occasions a First Minister's official powers were used with real effectiveness. Lang in 1927, by resigning his commission, removed those Ministers who had advised the Governor against granting a dissolution; by reconstructing his Cabinet he was able to reward some of his Caucus supporters; and by requesting a dissolution he forced Cabinet and Caucus rebels to face an election. Dunstan also requested a dissolution, which, being granted, placed Central Council in an awkward position.

(b) First Minister's Position as a Party Leader

(i) Problems of Federalism

Although each party operates under a system of autonomous State branches, the branches themselves are continuously brought into contact with each other; representatives from all branches of each party meet in the Federal parliament, and, where the party is organised
at the Federal level,\(^1\) delegates from all States meet at the Federal Conferences and on the Federal Executives of their respective parties.\(^2\) First Ministers also meet at Loan Council and Premiers' Conferences. Federal First Ministers have to construct their Cabinets with some reference to the size of the parliamentary groups from each State; and any First Minister may find his problems of leadership aggravated by inter-state rivalries and jealousies.

Among the cases studied, an outstanding example of the difficulties that may be caused by estranged relations between State and Federal branches of a party occurred in the Labor Party during the depression. Federal Labor members from New South Wales, South Australia and Victoria were directed by the State party branches, which controlled their endorsement, to oppose the policies approved by the Federal Conferences, Federal Executive and Federal parliamentary party. In addition, Scullin was forced in March 1931 to divert his attention from the problems of his own Government to attend a

\(^1\) All parties are now organised at the Federal level but the UAP was not.

Special Conference to deal with the New South Wales branch of the party, and later to pay the loan interest repudiated by the New South Wales Labor Premier.

Hughes's problems in leading the Federal National Party were aggravated by the disintegration of the party in South Australia and a breakaway movement in Victoria; his discordant relations with Nationalist State Premiers, particularly those from South Australia and Victoria provoked both parliamentary and press criticism.

Two First Ministers, McCormack and Lang, were hindered in the task of leading their own parties by hostile relations with First Ministers from other parties. McCormack's attitude towards striking unionists was influenced by the reflections cast by Bruce upon his ability to deal with the turbulent industrial situation in Queensland. Lang's dismissal owed much to Lyons's determination to force New South Wales to accept the Premiers' plan.

(ii) Party Structure

Within each State unit a First Minister may face a crisis involving his relations with a particular segment of his party - the extra-parliamentary organisation, Caucus, or Cabinet. He may find himself
leading both parliamentary segments in opposition to the expectations of the extra-parliamentary party. He and his Cabinet colleagues may clash with Caucus members, opposed to specific measures or dissatisfied with the lack of consultation between the two parliamentary sections; or he may, within Cabinet, lead the majority of members in opposition to proposals made by one or two disgruntled Ministers.

It is only on rare occasions, if ever, that he will stand alone in a dispute with any particular section and where he leads a Coalition or is supported by another party he may, like Dunstan, be given additional support by members of that party.

For nine First Ministers, Scullin, Theodore, Lang during his first period of office, Bruce, Holman, Hughes, Lyons, Menzies and Stevens, leadership difficulties reached a crisis point in relations between the First Minister and the parliamentary party. Such difficulties were aggravated for Holman, Hughes and Menzies by poor relations with the press, and for Scullin and Theodore by difficult relations with the extra-parliamentary party.

Four First Ministers, Dunstan, Hill, Hogan and McCormack met crisis situations in their relations with a
section of the extra-parliamentary organisation; whilst the crisis faced by Lang was closely associated with relations between the Federal Government and his own Government, and between the State and Federal branches of the Labor Party.

(c) Relations with the Extra-Parliamentary Party.

(i) Labor First Minister

A Labor First Minister, particularly if he leads the party in New South Wales,\(^1\) inherits a history of internal party disputes, aimed at resolving the recurring problems of political interference in union matters, and union interference in parliamentary affairs, through union affiliation with the party.

Traditions of 'mateship', 'solidarity', and hatred of the 'scab', which existed among scattered groups of workers during the formative years of the Labor Movement, have invested the common weapons of parliamentary endorsement, Executive direction, and expulsion with a special significance. Affiliated trade unions may themselves be split into warring factions on the Executive, but without the solid support of one such

\(^1\) Cf. Rawson (1966), pp.40-42.
faction a Labor First Minister, striking out in a direction officially opposed by the extra-parliamentary party, has little hope of retaining his seat and may even lose his party membership.

It is a terrible thing, for a Labour politician to set himself against the machine. In the first place the chances are that his rebellion will fail; instead of breaking the machine he will be broken by it; instead of a 'split' there will be a 'purge'...Moreover he is breaking an ingrained habit of obedience, violating a solemn pledge, renouncing old comrades and loyalties. Nothing but the most intense conviction or the most insistent necessity, will drive him to mutiny.¹

His relationship with the extra-parliamentary party is plainly a factor of great importance to a Labor First Minister. A significant proportion of the party's supporters are trade unionists with rigid views concerning the purpose for which a Labor Government is elected. By the 1920's they had become an established and powerful pressure group within the community and were able to bargain from a position of considerable strength regardless of which party was in office.

Aitkin has argued that it is because of the security of their own position in society that certain union members

of the party have clung so doggedly to a narrow interpretation of the party's ideology, since they do not need to look to the party's electoral success for their sole experience of power.\(^1\) Partly for this reason, and partly because during the two decades studied they still believed that the party's socialist objectives could be achieved through legislation, they showed a greater concern for the realisation of those objectives than for the party's continuation in office. Whilst serving as a branch secretary of the AWU in 1916, A. Blakeley, who became a Federal politician in 1917, maintained that it was

> far better to have a dozen real Labor men in Opposition than a whole Government in power if there was no attempt being made to put Labor principles into effect.\(^2\)

In two of the three Labor case studies in which the First Minister's relations with the extra-parliamentary party precipitated the crisis which threatened to deprive him of office, the crisis arose from a direct attempt on the part of extra-parliamentary members to control

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the First Minister's actions. In the case of Labor leaders Hogan and Hill the attempt at direction comprised demands that they refrain from certain actions, and requests for explanations of policy decisions before their State Executives; in McCormack's case censure came from both sections of the party for his tactics in dealing with strikes.

In the case of Hogan and Hill the extra-parliamentary section of the party was seen to be in a strong position since it was prepared to withhold its endorsement from the two Premiers. The ARU, having earlier withdrawn its affiliation with the Labor Party, also showed its willingness to fight McCormack in an area in which all First Ministers are vulnerable, by advising its members to vote against him at the next election.

Although all three Premiers retained the support of a majority of their parliamentary colleagues and defended their actions before their party Executives, such tactics were insufficient to do more than delay the final issue. Hogan and Hill were hampered by the demand for joint action between the States, and their own belief in the deflationary measures advocated by financial experts; McCormack chose to abandon attempts to conciliate in the South Johnstone dispute, and was influenced in his actions
by personal prejudice and the determination to publicly demonstrate his ability to govern Queensland with a firm hand.

Although in the remaining cases the crisis occurred in Caucus, in all five the First Minister's relations with the extra-parliamentary party played an important part in the outcome.

In 1927 Lang was able to defy Labor parliamentary traditions only because he had received prior encouragement from the party Conference to take any action which he thought fit to strengthen his parliamentary position; in 1931, his strong position in the dispute with the Federal Labor Party was partly due to the loyalty of the State Executive; in 1932, the same support was influential in the Caucus decision to return him unopposed to the leadership of the party following his dismissal from office by the State Governor.

Scullin's position as party leader was greatly weakened by the pressure put upon his colleagues by their State organizations to resist retrenchment; when the moment of crisis finally came he was defeated by rebel members who chose to support policies opposed by the Federal Executive but supported by their State's expelled Executive. Theodore was able to use a victory
at a meeting of the party's Central Executive to consolidate his position in parliament; at the same time, it is probable that opposition to his continued leadership from within the extra-parliamentary party contributed to his decision to leave State politics.

(ii) **Country Party First Minister**

Leaders of the Country Party inherit that party's struggles to retain its independence. Like the Labor Party, the Country Party in all States was troubled in its formative years by the emergence of conservative and radical wings; the conservative section advocating a coalition strategy, and the radical section advocating a strategy of support in return for concessions.

Since, by virtue of its narrow interests, the party was never likely to grow large enough to gain a majority in any parliament it could ill afford to lose members through internal disputes. Splits were usually healed by compromises that allowed the radical wing of the party to write rules into the party's constitution controlling the parliamentary members' freedom of action. However, for the same reason the party could ill afford to split over any refusal on the part of its parliamentary members to abide by such rules.
The Country Party leader is more likely to find that problems arise in his relations with his parliamentary colleagues than with the extra-parliamentary section of his party, and even here the size of the party and its limited interests tend to foster internal cohesion. However, like the majority of National and UAP First Ministers, the Country Party leader, being unable to form a majority Government, has had to come to terms with, and may find himself in conflict with, his coalition or supporting partner.

The Victorian Country Party in many ways forms a case apart from other branches of the party. During the period studied the relations between Dunstan and his extra-parliamentary supporters assumed the significance usually associated with leaders of the Labor Party.

By 1934 the Victorian Central Council had secured constitutional changes that gave the party a structure closely resembling that of the Labor Party, although they appear more rigorous in print than they proved to be in practice, and it is necessary to point out that the crisis in which Dunstan was involved was due largely to a personal feud between himself and Hocking. Serious attempts to control the party 'did not begin...until
Hocking appeared on the scene in 1932, and, following Hocking's retirement from all activities connected with the Country Party in 1943, Dunstan was able to dominate Central Council for the remainder of his period in office.

In his dispute with the extra-parliamentary party Dunstan was able to force the issue by requesting a sudden election, and Central Council, which could have refused to endorse him, relinquished its position of strength in the interests of party unity. Hocking, who could have re-opened the crisis at the party Conference following the elections, stayed his hand for similar reasons.

(iii) Liberal First Minister

To the Liberal First Minister his relations with the members of the extra-parliamentary organs of Conference, Council and Executive are of less importance than his relations with his parliamentary colleagues. T.S. Austin, Victorian State President of the United Australian Organisation (UAO), asserted in 1941, during a presidential address to the party Conference, that

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1 Paul, p.403.
the UAO prided itself that it allowed its representatives to enter parliament without restrictions. Members were not responsible to the organisation but to the electors.¹

This traditional Liberal view of the relations existing between the parliamentary and extra-parliamentary sections of the party has been confirmed by Eggleston, who was a member of the Victorian National Party from 1920 to 1927.

My experiences of the personnel of this background organisation is that they know so little about politics that they cannot effectively interfere.²

No evidence was found that the National or UAP Executive Councils either caused or were able to extricate their Government leaders from a crisis, although, at least in the case of Holman and Lyons, the First Minister's relations with the finance committees supporting the parties had a bearing upon the crisis situation. In Holman's case the secretary of the party's finance committee both publicly criticised his leadership and endeavoured to persuade him to reconstruct his Cabinet. Lyons, on the other hand, was indebted to members

¹ Argus, 7/11/41.
² Eggleston, p.136.
of the National Union for their refusal to use their influence in support of any rival for the party leadership, although it may be suggested that such support was due to the suppression of his own desire to introduce more radical legislation.

Incidental references also suggest that National and UAP First Ministers regarded private conferences with individual members of the extra-parliamentary party, other than finance committee members, as a necessary technique of leadership. Hart records that Lyons's name was put forward for membership of the Melbourne Savage Club so that he might meet some of his extra-parliamentary supporters and discuss party matters with them in a relaxed atmosphere. ¹

Whilst Hume-Cook remained secretary of the Victorian National Federation he kept Hughes fully informed of party opinion and, in 1918, helped to formulate the plan which enabled the Prime Minister to keep his promise to the public by resigning his commission. ²

¹ Hart, p.146.
² Hughes had stated that he would resign if he lost the 1917 conscription referendum. Following conversations between Hughes, Hume-Cook and Watt, it was decided that the Government should resign unconditionally.

(continued on p.502)
The President of the New South Wales branch of the UAP, Sir Sydney Snow, kept closely in touch with Stevens during his parliamentary crisis. UAP Councils in New South Wales and Western Australia and a UAP Conference in Tasmania passed resolutions of confidence in Menzies's leadership, and there is some evidence that Snow and other members of the UAP's external organisation in other States endeavoured to silence his critics.

(d) Relations with the Parliamentary Party

(i) Caucus

Within the parliamentary structure of the party the First Minister's relations with Caucus were seen to be of vital importance to the success or failure of his party leadership, regardless of the party to which he belonged.

The First Minister's relations with his Caucus colleagues presents one of the most difficult and delicate aspects of the task that confronts any First Minister: the task of bridging the gulf that separates the back-benchers from the Minister. Whilst he never

2 (continued from p.501)
giving no advice to the Governor-General and that all Ministers if asked for advice would refuse to serve under anyone but Hughes. Cf. Hume-Cook Papers, Series II, 601/II/4c, 7/1/18.
ceases to be a member of Caucus he is not an ordinary member; like any other Minister he is a member of Cabinet, and as such an outsider. Crisp has given a vivid description of the widening gulf which opens up between the newly created Labor Minister and his back-bench colleagues in the parliamentary party.

He stood at first subconsciously, then perhaps all too consciously, on the defensive. However well-meaning and monumentally modest he may have been, the ...rank and file came to feel, or to imagine they felt, the subtle overtone of a changing relationship... An individual Minister found himself... instinctively drawn by fellow-feeling and common lot towards his Cabinet colleagues for mutual support and collective defence against lack of understanding of his dilemmas as Party man and public leader, hostility, impatience or criticism coming up from the Caucus ranks and beyond.¹

As a general rule the private member will find that he is a larger fish in front of his constituents than he will ever be in parliament. Frank Anstey, a member of high standing in the Labor movement, found that his voice in Caucus was as ineffective as that of any other private member, and in December 1916 he described the

¹ Crisp (1955), pp.147-8.
² Anstey wrote regularly for the Labor journal, Labor Call, and could fill any local hall to capacity when he chose to address Labor supporters.
inadequacy of the notion of 'Caucus government' under the administration of W.M. Hughes.

Sixty or seventy men are supposed to be called together to frame a policy. Do honourable members believe it? It is not true. Every man is but a mere instrument or tool - a mere jumping-jack at the will of one. Who is it that dominates the position? The man at the head - the Prime Minister in name. Is he a democrat? No: he is an autocrat. He gets a number of Cabinet Ministers round him and each secures a ring of political influence. The probability is that a private member never sees proposed legislation until he comes into the chamber. If Ministers see fit to consult Caucus they do so. If they do not see fit to consult Caucus they put the private member on the gridiron in the chamber...If I have to make a choice I prefer to be part and parcel of the organisation outside where I can speak freely and exercise some influence, rather than be a mere machine here.¹

The position of a private member under Hughes's leadership was possibly more difficult than is usual, but an equally bitter attack upon a First Minister concerning the invidious position of the back-bencher was made by Ross in 1939, and will probably continue to be made whilst parliamentary government remains in its present form.²

¹ CPD, Vol.LXXX, 9380, 1/12/16.
² R.J. Heffron's decision in 1963 to report the results of all his Labor Cabinet's deliberations to Caucus before (continued on p. 505).
Of the thirteen first Ministers studied, Scullin, Bruce and Stevens were defeated on the floor of the House by parliamentarians who had been, and in the two non-Labor cases remained, members of their leader's party. In two other cases a Labor and a non-Labor First Minister were forced to resign as First Minister at a Caucus meeting, although Theodore regained his position almost immediately and Menzies was not initially deprived of the party leadership.

Another First Minister, Lang, was forced by his Caucus colleagues to re-contest his position as party leader. When the moment of crisis finally arrived for Hughes, his Caucus colleagues, though formally recording their confidence in his leadership, refused to support him to the point of breaking off negotiations with the Country Party. McCormack, Holman, Lyons and Dunstan also had to deal with varying degrees of back-bench dissatisfaction.

Tactics differed among First Ministers involved in disputes with their parliamentary colleagues. Holman

2 (continued from p. 504) releasing them to the press suggests that at least one First Minister has been aware of the frustration experienced by back-benchers unable to explain Cabinet decisions to their constituents.
and Lyons possessed great personal charm and were able to draw much of the sting from Caucus criticism by their friendly attitude in the party room. Scullin was similarly gifted in his personal relationships with party members, but lacked the strength of character to manage the left-wing rebels. Where decisive action was needed he attempted to compromise by accepting the incompatible advice of both Theodore and Gibson. Theodore during his earlier State career was more successful in his use of compromise, after his attempt to threaten his Caucus colleagues with resignation had miscarried. Dunstan tried unsuccessfully to rid himself of three Caucus rebels by organising against them at a State election.

Caucus tactics followed the pattern that is standard in such disputes. Back-benchers complained privately among themselves; they then asked for a party meeting to discuss particular measures or to register complaints at the lack of democratic consultation between the two parliamentary sections; one or more private members, if they thought they had the numbers, called for a 'spill' or demanded Cabinet reconstruction; as a last resort the leader was challenged to stand for re-election. Before the dispute reached the stage of Cabinet reconstruction or a leadership election attempts were
made to force the leader's hand by judicious 'leaks' to the press concerning the reasons for Caucus discontent.

(ii) Cabinet

A First Minister's relations with his Cabinet Ministers may also contribute to the formation of a crisis situation. Country Party and Labor First Ministers usually accept an elected Cabinet but all First Ministers, (in practice), allot their own portfolios and may reshuffle these without reference to Caucus. The notion that elective ministries allow the First Minister to avoid accusations of unfair exclusion from office has not always proved sound in practice. A Labor or Country Party First Minister bound by such a rule has invariably run or supported a 'ticket' and acquired most if not all of the members that he would otherwise have chosen.

Nor is the First Minister who is traditionally allowed to choose his own Ministers always compelled

1 The Victorian Country Party ruled in 1941 that the leader should allot his portfolios in consultation with the deputy leader but Caucus passed a resolution in 1943 freeing Dunstan from the latter provision.

2 He does not always do so; in February 1917 the choice of Ministers to form the first Federal National Party Government was left to Liberal and ex-Labor Party 'managers'; when Hughes was re-commissioned in 1918 he (continued on p. 508)
to accept full responsibility for his choice. Where he leads a Coalition Government his choice will be restricted numerically to accommodate his Coalition partner. Any First Minister may be excused certain appointments on the grounds of the necessity to balance rural and metropolitan interests, or in the case of a Federal First Minister, the democratic representation of all States. However, a First Minister who, within these limits, is responsible for choosing his own Cabinet colleagues is likely to be more vulnerable to direct attack if his choice causes dissatisfaction than a Labor or Country Party Government leader.

The Labor or Country Party First Minister is also to some extent protected from sole responsibility for Ministerial dismissals and Cabinet reconstructions, since both are formally controlled by Caucus; in the case of Cabinet reconstruction this may mean that a Cabinet 'spill' returns to Cabinet the Ministers he had hoped to eliminate. At the same time in any

2 (continued from p. 507) chose his own Cabinet, but only after consultation with three leading ex-Liberal Nationalists. Lyons, who knew little about the members of his new party in 1932, chose most of his first Cabinet 'on the advice of Latham and the National Union', (Hart, p.205).
re-election of Ministers his wishes in the matter will be clearly known in Caucus; Scullin's 1931 Cabinet 'spill', which excluded three Ministerial critics, was regarded as a clear victory for the Prime Minister.

The power given to Lang by the extra-parliamentary party to reconstruct his Cabinet without reference to Caucus gave him an advantage in his dealings with hostile Ministers that is not normally open to Labor First Ministers. However, within the re-elected Cabinet the Labor or Country Party First Minister is able to promote or demote any Minister by a re-allotment of portfolios.

National, UAP and Liberal First Ministers, traditionally free to reconstruct their Cabinets as and when they choose, will often do so as a result of Caucus pressure; they may also, as in the case of Hughes and Holman, be pressed to do so by party supporters outside parliament.

It is always tempting to suggest that Caucus rebels are rebelling in part against their exclusion from Cabinet, but, at best, to attribute such a motive to a Caucus rebel is to rely upon the speculations of a third party; at worst it may be completely unfounded.
Resignations from Cabinet give a more reliable indication of a First Minister's failure in his relations with that section of the party. A First Minister who finds himself unable to maintain Cabinet unity without dispensing with the services of one or more of his Ministers may, by retaining the initiative and judiciously reconstructing Cabinet, resolve his difficulty without giving the demoted Ministers cause for publicly stating a grievance. The speculations that will arise concerning a First Minister's reasons for a Cabinet reshuffle can range from incompetence to the need to give certain States wider representation, or to promote particularly promising back-benchers; a Minister's reasons for resignation invariably will be couched in terms of disagreement over policy.

Within Cabinet the First Minister is, in at least one sense, among equals, in that any one of his colleagues, providing he can gain sufficient Caucus support, can supplant him in office, as Fadden supplanted Menzies in 1941. Anstey, in stating that every Cabinet member has a sphere of influence within the parliamentary party, omitted to add that such influence can be used as much against the 'autocrat' as against the 'jumping-jack' in Caucus.
If the party meeting 'is to the party member his own private little parliament'\(^1\) so is the Cabinet meeting to the Minister. Behind the closed doors of the Cabinet room he as much as the First Minister is entitled to make policy; to bring to a common forum the needs of his own department about which, even if he is no expert, he is likely to know far more than any other member; and to offer his views on general policy matters. The privilege of discussing general policy with the First Minister is a jealously guarded one. A number of breaches of Cabinet secrecy have made it clear that Cabinet members deeply resent any attempt by a First Minister to disregard Cabinet decisions if he is abroad, or to make decisions without consulting his Ministers when he is at home; 'to ignore or override or "rush" a significant proportion of his colleagues', writes Crisp, 'is to court disaster'.\(^2\)

Individual members of Cabinet, if they cannot easily control the First Minister, can embarrass him and often have done. The British tradition that a

\(^1\) Denning (n.d.), p.256.
\(^2\) Crisp (1961), p.204.
Cabinet Minister who disagrees with his colleagues must either resign or hold his tongue, whilst formally accepted in Australia, has often been ignored. Breaches of Cabinet 'solidarity' can usually be traced to the peculiarities of the Australian party system: when the Government is a Coalition, members of the junior party may be asked to accept a majority decision which appears to be inimical to their own party's best interests; Labor Ministers may find themselves asked to accept a policy that has already been repudiated by the extra-parliamentary party.

The former possibility was given formal recognition in Victoria. A rule was passed directing Country Party members who became Cabinet Ministers in a Coalition Government not to allow themselves to be bound by Cabinet decisions when meeting in Caucus, where they were to speak as members of the party and not as Ministers of the Crown.\(^1\) Two members of the Victorian Farmers' Union had already gone a step further than this in 1924. They accepted a decision as Cabinet Ministers in the Lawson Nationalist Government to redistribute electorates,\(^1\)

but then crossed the floor of the House with the rest of their party to defeat the Redistribution Bill and bring down the Government.¹

Cabinet relations were important to First Ministers from all parties during the period studied, although Labor and Country Party leaders were less troubled by Cabinet dissatisfaction than were their Liberal counterparts. In part this may have been due to the fact that Labor and Country Party Cabinet Ministers tended to be dependent upon their Ministerial salaries,² whilst in the Liberal parties there was a greater probability that Ministers possessed other financial resources.

McCormack, Theodore, Hill, Dunstan, and Lang during his second period of office, were given strong

¹ Encel, p.262.
² When discussing the formation of the National Party in 1917 Hughes expressed his concern that some of the members of his short-lived National Labor Party Cabinet, who 'would have to be dropped', were 'poor men and it (would) hurt them considerably.' (Hume-Cook Papers, Series II, 601/II/46, 6/1/17). W.L. Baillieu, who provided much of the initial finance for the National Party, later assured him that the excluded Ministers' salaries would be paid until the expiry of the existing parliamentary session. (ibid., 13/1/17). Paul, (p.240), states that whereas Dunstan was a man of independent means,'most of his colleagues depended on their Ministerial salaries for their livelihood'.
support by their Cabinets. However, several of Scullin's difficulties originated in Cabinet, where there was a deep division between right- and left-wing Ministers. Theodore's re-entry into Cabinet in January 1931, publicly supported by Scullin, caused two other Ministers, Lyons and Fenton, to resign. Their resignation, coupled with the exclusion of Beasley from the 'ticket' supported by Scullin in the March Cabinet spill, formed the basis for a two-way split in Caucus.

Hogan was eventually deserted by his deputy—Premier, who, when threatened with loss of endorsement, prepared an election policy speech which deliberately repudiated the policy instructions cabled to him from Hogan in England. Cabinet, during Lang's first period of office, refused to support either the Easter Conference or the Premier's request for a dissolution.

Among the Liberal First Ministers studied, Holman, Hughes, Lyons, and Stevens were unable to forestall Cabinet resignations with their attendant publicity. Stevens, wishing to omit certain Ministers by reconstructing his Cabinet, did so on one occasion with

1 Although there may have been Cabinet Ministers among the Labor Party members who were prepared at the last moment to desert Lang.
so little tact that he was openly criticised both in the press and parliament. In reconstructing his Cabinet in 1938 he made no use of his position to split the rebels by promotion. Menzies's manner of conducting Cabinet meetings and interviewing individual Ministers was also both autocratic and tactless, and although none of his Ministers resigned, his method of handling his Cabinet colleagues helped to swing support away from him during 1941.

(e) **Conditions Affecting Leadership Techniques**

(i) **Economic and political circumstances**

Any First Minister must be studied within the context of his period in political history, and circumstances must modify the degree to which he will be able, by his own activity, to avoid or emerge successfully from a crisis as party leader.

Hughes and Holman rallied the non-Labor parties during the First World War, but were unable to satisfy a number of their party colleagues that they were suitable men for peace-time leadership; Scullin, Hogan and Hill were unable to cope with the depression; Lang, by coping with it to the satisfaction of his party, opened the door to a crisis from another quarter. Lyons, chosen to lead
the non-Labor parties out of the depression, was regarded as a man unfitted to deal with the preparations necessary in the face of possible war, and himself wished to resign rather than lead the UAP through a new and different crisis; Menzies was later accused of similar unpreparedness.

Whilst international wars and depressions are factors which affect particular First Ministers, economic problems and the difficulties associated with obtaining a mandate for the implementation of controversial policies can affect the leadership of any Government leader. Speaking to a group of trade unionists in 1924 Theodore pointed out that:

The control of parliament is not everything...Labour's administration is subject to the restriction of economic laws in the same way that all Governments are restricted...Some think that if you control parliament you can perform wonders - you become a kind of magician. That notion is erroneous... In addition to the control of the legislative machine you must have the sanction of the people for every major reform...These indisputable difficulties explain the apparently slow progress which has been made in recent years towards the Labour objective...¹

If a First Minister does not win sufficient seats at an election to govern without support from another

¹ Courier, 20/12/24, cited in Higgins, p.72.
party he may be placed in a position in which his relations with a Coalition or supporting partner may influence the success or failure of his own party leadership. Hogan and Dunstan were both dependent upon the support of another party to remain in office whilst Bruce, Menzies and Stevens led Coalitions.

Hogan's first Government had been defeated in 1928 when the CPP withdrew its support from the Labor Party; during his second term of office, still leading a minority Government, he was accused by his own extra-parliamentary party of sacrificing the interests of the metropolitan worker to those of the farmer. Dunstan's relations with the Labor Party, prior to 1943, were harmonious, and during his struggle with Central Council he was assisted by Cain's public statement that Labor Party support would be withdrawn from the Government if the Premier were to be deprived of the party leadership.

Hughes only led a minority Government for one month in 1920, but from December 1919 until his resignation he relied upon a majority of one,¹ and for

¹Hughes's majority rose to three in September 1920, and remained at that number until March 1921, but parliament was not in session between December 1920 and March 1921.
his last two years in office his poor relations with the Federal Country Party paved the way for his being rejected as a Coalition partner in 1923. Bruce's amicable relations with the Country Party gave Hughes and Hume-Cook an additional reason for plotting to secure his downfall; and the belief held by some of the New South Wales rebels that Stevens's relations with the Country Party were too cordial also helped to aggravate back-bench discontent. The acrimonious relations that existed between Menzies and the Country Party during the earlier part of his first term in office were regarded in some quarters as a factor contributing to his unpopularity in Cabinet.

(ii) Personality

In any struggle the First Minister will be helped or hindered by his own personality; he may, as is claimed of Lyons, have owed his election to the party leadership, and his continued success at general elections, to his personal characteristics; he may like McCormack, Hughes or Menzies, cause unrest in Cabinet or Caucus by failing to suppress a tendency to play the autocrat, and there are few First Ministers who, in struggles with their colleagues, are not at some time or other accused of this failing.
Scullin and Lyons were not accused of autocracy in their handling of Cabinet and Caucus, but both showed personal weaknesses on other fronts. Both Dunstan and McCormack ran the risk of losing their hold over their respective parties by gratifying a desire for revenge.

Since a First Minister exercises a considerable degree of authority over his party followers, particularly in parliament, it would appear pertinent to ask whether any of the First Ministers studied exerted authority of a charismatic kind. If Churchill is properly to be regarded as a charismatic leader because he was able to persuade the British people that the war was not only worth fighting but could be won, was not Hughes in the same position; or Lang, who was able to persuade his New South Wales supporters that he alone knew how to fight the depression; or Stevens, who for nearly a decade persuaded his parliamentary followers that he was a financial genius?

In so far as charismatic authority may be said to contain an element of magic - of the inexplicable - it may be regarded as a meaningful but at the same time misleading description of certain First Ministers' relationships with their supporters. There is undoubtedly something inexplicable about the hold which
Lang possessed over the trade unionists in his State, traditionally suspicious of and hostile towards the politician, and over his parliamentary colleagues who allowed him to ignore every rule of responsible party government. Stevens's exercise of authority over his parliamentary colleagues is equally difficult to understand. Hughes's hold over a party, the majority of whose political beliefs were opposed to his own, also suggests some irrationality in his supporters.

It would be tempting to argue that Hughes and Stevens lost control of their parties when they lost that degree of magic in their personalities which had made their authority charismatic, but it would be unsatisfactory. Whilst a First Minister's personality will invariably affect his relationships with his followers and influence the success or failure of his party leadership, there is, in Weberian terms, too strong an element of the 'legal-rational' in his exercise of his authority for it to be described as charismatic. He operates within a framework of law and order which he is not inviting his supporters to overthrow, although he may, as Lang did in 1932, invite them to disobey a particular law; he will accept the decision of the electors if they wish to deprive him of office at an
election, and, in Lang's case, the more debatable decision of the State Governor.\(^1\) Whilst in office he will accept the decision of his colleagues concerning his continuance as leader, and whilst he may attempt to ride rough-shod over accepted rules and customs it is only within a framework in which his actions are allowed to continue, and may be discontinued, by the voting public.

(iii) **Press**

During the two decades from 1920 to 1941 the Australian press played an important role in helping to build or destroy the personal image of certain First Ministers. Their role in helping to destroy a First

\(^1\) The following is an excerpt from a television programme 'The Big Fellow', (A.B.C., 5/6/68), during which Lang, (now ninety-one), made the following statement in reply to a question by A. Fraser.

**Fraser** ... Why did Mr Lang, who was always the fighter, meekly accept his dismissal by Sir Philip Game?

**Lang** ... Well! People say that, but a man who is going to go and fight an army with a lot of broomsticks is a madman.... The Labor Movement doesn't need to disobey laws; the Labor Movement doesn't need to disobey the power that is; the Labor Movement has the power, when it will, to change the law and to break the power peacefully, without bloodshed, without murder, without death.
Minister's image was particularly important where they were known to support his party on most other occasions. Among such newspapers were the Brisbane Daily Standard during Theodore's parliamentary crisis and the Johnstone mill-dispute; the Argus and Age during Hughes's term of office; the Sun, Daily Telegraph and Sydney Morning Herald during Holman's administration; the latter newspaper whilst Menzies was in office; and the Countryman during Dunstan's struggle with Central Council.

Conversely, both First Ministers themselves and other members of their parties may make use of the press, or any other means of communicating with the public, to build that image of the party leader which will serve to unify support or win electoral sympathy. Lang owed much to the unwearying support of the Sydney Labor Daily, of which he was a director; Holman used the Sunday Times to counteract adverse criticism in other newspapers and Dunstan the Elliot press. Lyons's supporters before he became UAP leader used the newspapers to exaggerate his virtues.\footnote{Cf. Hart, pp.123-4.} Watt asserted that the National Party
deliberately 'stage-managed...a series of welcomes from Fremantle eastward' for Hughes on his return from Britain in 1919.¹

(f) Assessment

The office of First Minister is a position that carries more responsibilities than those attached to the leadership of a party, and a wider set of relationships. A First Minister has to run one or more departments; he has to act as the communication link between the Queen's Representative and his own Government, and between his own and other Governments in the Federal system; as chief Government spokesman he establishes a relationship with the public that is peculiar to his office.

However, it is the fact that he is a party leader in office that gives meaning to his wider activities as First Minister. He may, as Hill demonstrated, retain his office as First Minister after expulsion from his party, but unless he can form a new party to support him

¹ CPD, Vol.XCIV, 5806, 20/10/20.
and his parliamentary followers at the polls his chances of retaining office will be negligible.¹

Only three First Ministers, Lang during his first period of office, Lyons and Dunstan, may be regarded as having emerged successfully from the seven Labor and seven non-Labor crisis situations studied: they retained the support of their parliamentary colleagues, were not refused endorsement by their extra-parliamentary organisations, and did not lose or retire from office as a result of the crisis.

Three First Ministers, Hughes, Menzies and Stevens, were forced to resign from the leadership of their respective parties;² two others, Hogan and Hill, were refused endorsement by their extra-parliamentary organisations. The failure of the remaining First Ministers is more difficult to define, but they could

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¹ When in 1939 Page cabled Bruce, then High Commissioner for Australia in Britain, to return to Federal Parliament as Coalition leader, Bruce replied that he would return provided that he could stand for election as an independent candidate, unhampered 'by being tied to any semblance of party politics' (Page, p.273), and that he should be free to select his Ministers from any of the three parliamentary parties. His offer was rejected and he did not return. Cf. Page, pp.270-278.

² Although Menzies did not resign the leadership of the UAP immediately, there was no question of his not doing so within a few weeks.
not be said to have been successful in their methods of party leadership.

Theodore, McCormack, Holman, Bruce, Scullin and Lang during his second administration, were neither forced to resign from the leadership nor refused endorsement. However all six lost or retired from office because of actions which either precipitated or resulted from the crisis. Theodore and McCormack left State politics, Theodore shortly after the crisis, McCormack after an election in which the crisis played a small but significant part.

Holman and Bruce lost their own seats in general elections, Bruce previously having been defeated on the floor of the House through the assistance given to the Opposition by some of his supporters. Lang and Scullin both failed to lead their parties through the crisis, Lang being dismissed by the State Governor and Scullin being defeated on a motion which he chose to consider vital to the continuance of his Government.

In studying these thirteen First Ministers it was seen that certain factors, the skill with which they handled their relations with the various sections of the party, the economic and political circumstances under which they operated, and the personal idiosyncracies
that won or lost them public and parliamentary support, helped to determine their success or failure as party leaders.

Such factors provide a framework within which the leadership performance of any First Minister may be examined. Labor and Country Party First Ministers may experience difficulties in their relations with the extra-parliamentary party and any First Minister is likely to have to deal with tense situations in Caucus and Cabinet rooms, economic problems, and a critical press.

If he loses control of the situation both sections of the party possess weapons which he cannot match - the extra-parliamentary section in its power over endorsement, and the parliamentary section in its powers to dismiss its leader by a simple majority vote or bring down his Government by crossing the floor of the House.

However, before the crisis reaches such a stage he may meet it with a wide range of tactics; he may choose to accept direction or offer a compromise; he may appeal for unity or simply ask for advice; he may split his opponents by promotion or soothe them in private interviews. Finally he may threaten them with Cabinet reconstruction, with an election, or with his own resignation.
Whilst economic and political circumstances may be beyond his control, and he may be hampered by unfortunate traits of personality, his actions in relation to the various sections of his party are dependent solely upon his own interpretation of the situation. He is not only a First Minister but also an ordinary party member; as such he is well aware of his party's expectations, and chooses whether or not to act in accordance with them in full awareness of the possible consequences.
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Abbreviations

d. daily  
w. weekly  
m. monthly  
am. amalgamated  
c.p. ceased publication

Newspapers and Journals

NEW SOUTH WALES

Australian Financial Review,  
w., then d.

Australian National Review,  
m.; am. with United Australia Review.  
Bulletin, w.

Daily Telegraph, d. From 1933-1936 called the Telegraph.

Daily News, d. 1935-1940; am. with the Daily Telegraph

Fighting Line, m.; am. with Australian National Review.

1932  
1941  
1921

Ceased publication or amalgamated, where appropriate.
Labor Daily, d.; am. with Daily Telegraph.

Methodist, m., then w.

Northern Daily Leader, d.

Smith's Weekly, w.; c.p.

Sun, d.

Sunday Telegraph, w.

Sunday Times, w.; c.p.

Sydney Morning Herald, d.

Worker, w. (Australian Workers' Union journal, New South Wales branch).

United Australia Review, m.; c.p.

United Licensed Victuallers' Association Review, m.

VICTORIA

Age, d.

Argus, d.; c.p.

Countryman, w.

Herald, d.

Labor Call, w., then m.; c.p.

Ouysen and Northwest Express, w.

Sunraysia Daily, d.

QUEENSLAND

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