

LANG AND SOCIALISM

Robert Cooksey



A STUDY IN THE GREAT DEPRESSION

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The Great Depression is a significant but neglected period in Australian history. This book describes the formation within the New South Wales Labor Party of a mass-organised ginger group, known as the Socialisation Units, which tried to convert the Party to 'socialism in our time'.

The group became so strong that it was in effect a party within the Party. At the 1931 Easter Conference it succeeded in committing the Labor Party to a positive policy of socialism. Although the decision was later revised, it remains unique in the history of Australian Labor Parties.

Throughout the period of the Socialisation Units, J.T. Lang presided over the New South Wales Labor Party as charismatic leader and machine boss. We read of his Inner Group's effort to contain the Units through Party management, of the defeat of the Socialisation Units after a struggle for power within the Party, and of the subsequent loss to the Labor Party of many young idealists who had been attracted by the Units.

For those interested in Australian history and politics in the twentieth century this book will colour in a period so far only dimly sketched, and a political leader still seen as a hero or villain of the Great Depression.

Lang and Socialism

Lang



and Socialism

A study in the
Great Depression

Robert Cooksey

Australian National University Press
Canberra 1971

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Printed and manufactured in Australia

Registered at the G.P.O. for transmission by post as a book
National Library of Australia card no. & ISBN 0 7081 0124 0 Library of Congress Catalog card no. 70-121829

In Memoriam
Ada Caroline Cooksey

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Abbreviations

- A.C.T.U. Australian Council of
Trade Unions
- A.L.P. Australian Labor Party
- A.W.U. Australian Workers' Union
- D.T. Daily Telegraph*
- I.W.W. Industrial Workers of the World
- L.D. Labor Daily*
- M.H.R. Member of the House of
Representatives
- O.B.U. One Big Union
- S.C. Socialisation Call*
- S.M.H. Sydney Morning Herald*

Preface

NO STUDY OF the Great Depression in Australia can ignore J. T. Lang, a legend, not just in his own lifetime, but in this, his political hey-day. This is not, however, the complete story of Lang in depression politics: while manuscript and oral evidence must be collected now, neither such a work, nor indeed a biography, is possible for some years.

In this book the focus on Lang is as leader and boss of the New South Wales Labor Party, which for most of the period covered was formally outside that confederation we call the Australian Labor Party (A.L.P.). No understanding of Lang is possible unless he is regarded as above all a hard-boiled politician, with as his first priority the security of his power base: control of the Party through his domination of the Inner Group and through his reputation for militancy with the rank and file. To ensure this security he was, if necessary, prepared to accept the contraction of his Party's electoral support. Any biographer will have to consider whether or not government policy rated as a lesser priority than either internal security or electoral support.

After the expulsion of E. G. Theodore from the New South Wales Labor Party in March 1931, the main threat to Lang's control was from the Socialisation Units, a mass organised ginger group within the Party, committed to 'socialism in our time'. Now, within this Party there has always been such a group, usually small and unorganised, with its own ideology—distinct from and not merely a tendency within the populist ideology of the Party. For this group socialism has been something more than a 'light on the hill' plus some reforms now; it has been convinced that only the Labor Party, as the mass party of the working class, can achieve its socialist objective; and it has been assured that as an organised ginger group it can convert the Party to its ideology and objective.

During a depression an organised 'socialism in our time' ginger group can gain considerable support, if its propaganda appeals to working-class misery and insecurity and embraces working-class demands. Even so, the Socialisation Units are without parallel in

that their 'Three-Year Plan' of transition to socialism was adopted by an Annual General Conference of the New South Wales Labor Party: however briefly, for the first and only time an Australian Labor Party was committed to socialism as policy.

Lang's own story has been published in articles in *Truth* in the 1950s and in two volumes of a projected trilogy, *I Remember* (1956) and *The Great Bust* (1962): these belong to hagiography rather than autobiography. The only scholarly book to discuss Lang at any length is L. F. Crisp's *Ben Chifley* (1961), which is naturally written from the point of view of its protagonist. The Socialisation Units, like most defeated movements, have so far been only the subject of passing reference. On the depression generally, while considerable research has been in progress in recent years, the one substantial publication to appear is *The Great Depression in Australia* (*Labour History* No. 17, Canberra, 1970) which is a set of soundings in the history of the period.

My research was mainly carried out in the General Reference Department and the Mitchell Library of the Public Library of New South Wales: to the staff I must express the gratitude of a reader who demanded many dusty and heavy volumes of old newspapers. But my chief pleasure was in interviewing some of the participants in the politics of the Party during the depression. Some have since died. Some were already then forgotten: a masterly political technician, proud of his craft; a great platform orator, still waiting for the revolution in his time.

This book began as work undertaken in the Department of Government of the University of Sydney. I am indebted to Professor R. N. Spann for criticism, and Professor Henry Mayer for encouragement and advice, both then and later. Mr N. Bede Nairn, now of the Australian National University, made valuable comments on an early draft. More recently Dr Robin Gollan, of the Australian National University, made useful suggestions about preparing my manuscript for publication.

The origins of this work really lie in my fascination as a child

with the legend of Lang and my puzzlement at the suffering of people, as I listened to tales of the depression told in my family. Thus I dedicate this book to one who encouraged in me a sense of history and who experienced the Great Depression.

Canberra
1970

R.J.C.

I Beginnings

UNTIL HIS FIRST term as Premier of New South Wales, 1925-27, J. T. Lang was not regarded as a militant, even by the anti-labour parties and press.¹ Born in 1876, he was an estate agent at Auburn, and an alderman and later mayor on the local council, before becoming Labor Member for Granville (from 1927 for Auburn) in the New South Wales Legislative Assembly at the 1913 general elections. Following the conscription split of 1916, he was elected secretary of the New South Wales Parliamentary Labor Party. In the Storey and Dooley Labor governments from 1920 to 1922, Lang was Treasurer, and apparently a conservative in fiscal policy. He was elected its leader by the Parliamentary Party in 1923. At the general elections held on 30 May 1925 Labor was returned to office with Lang as Premier, after a campaign described by the *Round Table* as 'very quiet and devoid of incident' with 'few outstanding or even picturesque personalities in any party'.²

Lang's first government introduced a number of social reforms which in the 1920s were controversial: widows' pensions at £1 per week; workers' compensation, with compulsory insurance by employers of their employees; family endowment of 5s per week for each child under fourteen. For the unions, Lang's government restored the 44-hour week, which had been repealed by the previous Nationalist government; and, more importantly, it returned to their former seniority railway workers dismissed or disrated after the 1917 strike. The government attempted to abolish the Legislative Council, members of which were then nominated for life by the Governor on the advice of the Premier: it failed, because two Labor nominees voted against abolition and four others so forgot this old plank in the Party's platform as to abstain.

Within both the Parliamentary Party and the Party organisation, as since 1916, there was interminable group conflict. A special conference in November 1926 confirmed Lang as leader, for the

1. This section is based largely on Robert Cooksey, 'New South Wales Politics, 1925-32, with Special Reference to J.T. Lang', (B.A. (hons.) thesis, University of Sydney, 1960), and J. T. Lang, *I Remember* and *The Great Bust*.

2. *Round Table*, Vol. 15, p. 803.



DIGGERS, HERE IS YOUR BANNER

Labor Daily, 9 April 1932

current Parliament, of the Parliamentary Party and gave him extraordinary authority over it. When cabinet and caucus finally split in May 1927, Lang resigned his commission and received another for a caretaker government; instead of caucus election of ministers, he selected his own, who included only three from the previous cabinet. This second Lang government was defeated in the general elections of 8 October 1927. Meanwhile, a unity conference in July endorsed the decision of the 1926 special conference and reaffirmed as a principle conference selection of leader: until 1939, unlike any other Australian Labor leader, Lang was elected by conference and not by the Parliamentary Party: certainly in Lang's depression government there was no doubt in cabinet or caucus as to who held authority. As the Chief Secretary, M. Gosling, put it in an address at Five Dock on 28 April 1932 while discussing Lang and government policy:

When he announces it we follow, and as soon as he announces it we know where we stand. We do not seek to know what he is doing, and are prepared to surrender our judgement, if necessary, in advance.³

From his first two governments of 1925-27, Lang gained with Party members and supporters a reputation for militancy—that of a radical reformer, a man who tried to implement Labor principles, a fighter for the people. The rhetoric of his speeches began to project these qualities and sustain this reputation. He became the bogeyman of the anti-labour press, even if the vituperation did not reach full intensity until 1931-32. During the lock-out of 1929-30 on the northern coalfields, he demanded that the Federal Labor government use the army to reopen the mines. He attacked the deflationary Melbourne Agreement of 18 August 1930, entered into by federal and state governments, as designed to protect the interests of overseas bondholders at the expense of the Australian standard of living. He also denounced Sir Otto Niemeyer, a representative of the Bank of England who was the architect of the agreement, as the agent of an international Jewish financial conspiracy. Yet his policy speech for the New South

³. *Sydney Morning Herald (S.M.H.)*, 29 April 1932.

Wales general elections, delivered on 22 September, contained nothing very radical.

The elections were held on 25 October. Labor was returned with fifty-five out of ninety seats and obtained 55 per cent of the total valid vote.⁴ Lang's third ministry was sworn in on 4 November. Between that date and Lang's dismissal from office by the Governor, Sir Philip Game, on 13 May 1932 lies the most turbulent period—perhaps almost a revolutionary period—in New South Wales political history.

Socialism and the New South Wales Labor Party

Socialist⁵ ideas first became influential in Labor circles in New South Wales during the political ferment of the late 1880s. These ideas were largely garnered from a few utopian socialist works, such as Edward Bellamy's *Looking Backward* and William Morris's *Dream of John Bull*. To popularise socialism, W. H. McNamara, S. A. Rosa, and others in 1887 founded the Australian Socialist League, which affiliated with the New South Wales Labor Party shortly after its formation in 1891. In 1898, the League, disappointed in its expectation that the Party would become committed to 'socialism in our time', disaffiliated,⁶ although some socialists remained within the Party.

At the 1905 conference of the Party a proposed utopian socialist objective was defeated at the instigation of the parliamentary leaders Watson, McGowen, and Holman.⁷ Instead, the following objective was adopted:

- (1) The cultivation of an Australian sentiment based upon the

4. Colin A. Hughes and B. D. Graham, *A Handbook of Australian Government and Politics*, pp. 448-9.

5. 'Socialist' is, of course, the adjective from the noun 'socialism'. Later the word 'socialisation' came into vogue in Australia. By 1930 usage was as follows: 'socialisation as a noun was either the equivalent of 'socialism' or 'the way in which socialism was to be achieved'; as an adjective 'socialisation' was the equivalent of 'socialist'.

6. Robin Gollan, *Radical and Working Class Politics*, pp. 119-27, 208; L. G. Churchward's Introduction to R. N. Ebbels (comp.), *The Australian Labor Movement* p.27; W. McNamara, 'Labor Objectives down the Years', p. 63. The New South Wales Labor Party was originally called the Labor Electoral League; in 1895 this was varied to the Political Labor League. By 1930 the official name was the Australian Labor Party State of New South Wales.

7. Louise Overacker, *The Australian Party System*, p.130.

maintenance of racial purity and the establishment of an enlightened and self-reliant community. (2) The securing of the full results of their industry to all producers by the collective ownership of monopolies and the extension of the industrial and economic functions of the State and Municipality.⁸

The first clause was based in Australian nationalism and racism; the second in a Fabian gradualist state socialism, which was widely held in the Australian Labor Parties in the years from Federation to World War I. At the 1905 Federal Labor Conference this was also adopted as the Federal Objective.⁹

In these years the 'socialism in our time' dissentients became increasingly syndicalist rather than utopian socialists, as did members of socialist groups outside the Labor Party. They were especially influenced by American writers such as Daniel de Leon, Jack London, Eugene Debs, E. A. Trautman, and Vincent St John.¹⁰ In the hey-day of the campaigns for the One Big Union (O.B.U.) from 1918 to 1923, the attitudes and aims of syndicalism became prevalent among trade unionists and Labor Party members. At the New South Wales Labor Party Annual Conference in June 1919, A. C. Willis, General Secretary of the Miners' Federation and one of the leaders of the O.B.U., put forward a series of 'socialism in our time' motions, the most important of which proposed the adoption of a syndicalist objective, to be the sole issue at future elections. Upon the defeat of these proposals, Willis and his supporters withdrew from the conference. In August 1919 they formed a breakaway party, the Industrial Socialist Labor Party, which was unable to gain much support from branches or moderate unions. Most members of this breakaway, including Willis, soon rejoined the Labor Party. Some, like J. S. (Jock) Garden, helped to form the Communist Party of Australia.¹¹

The 1921 A.L.P. Federal Conference adopted a new Federal

8. McNamara, p.63.

9. L. F. Crisp, *The Australian Federal Labour Party*, p.271.

10. L. G. Churchward, 'The American Influence on the Australian Labor Movement', pp. 258-77.

11. I. E. Young, 'Conflict Within the N.S.W. Labor Party, 1919-1932' (M.A. thesis, University of Sydney, 1961).

Objective—'The Socialisation of Industry, Production, Distribution and Exchange'—and listed seven Methods. But, as E. H. Lane pointed out, although these were undoubtedly of syndicalist descent, 'socialism in our time' was in fact defeated—by twenty votes to eleven on the crucial motion to place the Socialisation Objective and Methods at the head of the fighting platform for subsequent general elections. The conference had in fact relegated socialisation of industry to the obscurity of a pious hope. The 1927 A.L.P. Federal Conference so amended the Methods that the more concrete disappeared and hardly a trace of the syndicalist influence remained; and the term 'Methods' was replaced by the less tangible 'Principles of Action'.¹²

At the 1921 Federal Conference, the six New South Wales Labor Party delegates had, on the instructions of the Party's Executive, voted against the Socialisation Objective. After this conference, the Executive refused to adopt it as the New South Wales Objective, which remained unchanged in the 1905 version. The 1922 Annual Conference of the Party, by a comfortable margin, endorsed the actions of the Executive and the delegates.¹³

After this rejection of the Socialisation Objective and the final collapse of the O.B.U. in 1923, there was no further campaign to convert the New South Wales Labor Party to 'socialism in our time' until the inception of the Socialisation Units.¹⁴

Origin of the Socialisation Units

At the New South Wales Labor Party 1930 Metropolitan Conference, A. W. Thompson, a former O.B.U. activist, then organiser of the Milk Employees' Union and president of the Enfield branch of the Party, moved on 9 February that the conference recommend to the Annual General (Easter) Conference 'to set up a committee to devise ways and means to propagate the first and

12. Crisp, pp. 276-8, 283-5; E. H. Lane, *Dawn to Dusk*, pp. 255-62.

13. Young, pp. 65-67; Lang, *I Remember*, pp. 142-3.

14. 'Socialisation Units' was used in two senses: as the plural of socialisation unit, the basic element of the mass organisation of socialists; and also as the whole mass organisation of socialists. Unless otherwise indicated, it is used here in the latter sense.

principal platform of the party – the Socialisation of Industry’¹⁵ The motion was seconded by W. Jones, supported by E. E. Cook and Donald Grant, one of the Industrial Workers of the World (I.W.W.) ‘Twelve’ gaoled in 1916; and carried unopposed. There had been no canvassing of delegates; Thompson had not acted as the spokesman for a group in the Party; but as an individual member concerned that ‘If a move was not made, the real objective of the Movement would be lost sight of’.¹⁶

During the two months between the Metropolitan and Easter Conferences, there were discussions of this recommendation among members of the small and unorganised ‘socialism in our time’ group. This group comprised those Party members who shared a commitment to ‘socialism in our time’, a conviction that only the Labor Party as the mass party of the working class could achieve it, and an assurance that an organised ginger group could convert the Party. After 1917, and especially since the collapse of the O.B.U., the group had been considerably influenced by Marxism and Leninism, the third import of socialist ideas into New South Wales. Most members of the group were former O.B.U. members whose faith had survived defeat. Some had been recruited through the Labor Educational League, established in 1927 to discuss and demand socialist educational reforms.

In these discussions, there was general agreement that even a committee to devise ways and means might have possibilities, that it might be the first step in a new campaign to convert the Party. Thompson yielded sponsorship of the Metropolitan Conference’s recommendation to other members of the group who were more

15. *Labor Daily (L.D.)*, 10 Feb., 1930.

The Provincial Conferences, Country and Metropolitan, received motions from branches and affiliated trade unions and sent on recommendations to the Annual General Conference, popularly known as the Easter Conference.

In an interview Mr Thompson stated that the motion was submitted by the Enfield branch, at a meeting of which he moved the initiating motion. Regrettably, neither documentary nor oral evidence is available to verify this. In the remainder of this chapter, documentary evidence has been supplemented by interviews in 1962 with E. A. Barker, E. E. Cook, Donald Grant, J. Kilburn, J. T. Lang, Harold McCauley, J. B. Martin, W. McNamara, and F. Saidy.

16. *L.D.*, 10 February, 1930. The report states that ‘the motion was adopted’. *Labor Daily* reports of Party conferences always contained actual voting figures whenever a motion was not carried unanimously.

prominent in the Party. At the Easter Conference, on 19 April, the adoption of the recommendation was moved by J. Kilburn, secretary of the Bricklayers' Union, who had been a member of the Independent Labor Party in England, and, after he came to Sydney, of the Australian Socialist Party, and who had been one of the leaders of the O.B.U.; he was the most widely respected member of the group. The motion was seconded by Grant and carried unopposed. The next day the conference implemented the resolution by appointing, from among the delegates, a committee of seven—J. Kilburn, W. McNamara, Donald Grant, E. A. Barker, E. E. Cook, F. Saiddy, and Mrs L. Lynch—all members of the 'socialism in our time' group. At its first meeting ten days later, the committee elected as president, Kilburn, and as secretary, McNamara, a university-educated intellectual, who through the 1920s had managed McNamara's Bookshop, a centre of socialist activity in Sydney from its opening in 1893 to its sale in 1929, and who had been a co-founder of the Labor Educational League.¹⁷

It would seem that the main reason for the lack of opposition at both conferences was the tacit acceptance of the proposal by the Party leadership. The setting up of a committee was the usual way of containing discussion considered to be potentially electorally damaging. Also, a committee just devising 'ways and means to propagate' appeared quite innocuous.¹⁸

The committee, however, held a much wider conception of its functions. Following its first meeting on 30 April, in a letter published in the *Labor Daily* of 6 May, McNamara wrote:

Perhaps one of the most important acts of the recent A.L.P. Conference was the election of a committee to propagate the

17. *L.D.*, 21 April, 6 May 1930. McNamara was born into the 'socialism in our time' group in 1893 to W. H. McNamara, one of the founders of the Australian Socialist League, and his wife Bertha, who was known in her later years as 'the Mother of the Australian Labor Movement'. She died on 1 August 1931: her last message to labour was issued both as a memorial and call to action by the Socialisation Units—'Socialisation Your Only Hope', W. McNamara Papers (held by Mr McNamara) and A. W. Thompson Papers (Mitchell Library). One of Bertha McNamara's daughters by a previous husband married Henry Lawson and another married J. T. Lang.
18. J. T. Lang, 'Inside Politics', *Truth*, 1 Dec. 1957.

objective of the Labor Party, i.e. the Socialisation of Industry

...¹⁹

The committee . . . has already got down to business, and will, in a few weeks, have a practical, vigorous scheme in operation. In accordance with this conception, he referred to the committee as the 'Socialisation of Industry Committee'; this name was soon shortened to the 'Socialisation Committee' or, alternatively, the 'A.L.P. Socialisation Committee'. He went on to urge Party members willing to become involved in this propagation to write to him, stating whether they were prepared to assist in any of the following ways:

- (1) By addressing public meetings either open air or indoor.
- (2) By distributing leaflets on Socialisation which the Committee hopes to publish.
- (3) By organising units or groups for the above purposes.
- (4) By donations to the printing or propaganda fund which the Committee hopes to establish.
- (5) By any other means . . .

These ways indicated that the Socialisation Committee's scheme embraced at least a propaganda campaign, and the establishment of what were first called socialisation propaganda units and soon became known more simply as socialisation units, to help the committee in the conduct of that campaign. Indeed, although the committee made no formal announcement, it is manifest from its activities over the next few months that these were the two main components of its scheme.

On 21 June the Socialisation Committee published in the Saturday Supplement of the *Labor Daily* the first of a weekly series of notices and articles under the headline 'Socialisation of Industry'. Why the newspaper was so co-operative cannot be ascertained: perhaps Willis, its Managing Director and a leading member of the Inner Group, was prepared to help in remembrance

19. I.e., The Federal Objective.

of his O.B.U. days; certainly, the *Labor Daily* Saturday Supplement frequently contained articles at variance with both editorial policy and Party policy. In any event, during the next week the committee began to sponsor talks to Party branches, unions and unemployed organisations, and its own public meetings. At first all speakers were committee members, but these were soon joined by other members of the 'socialism in our time' group. On 26 July the committee announced the publication of its first leaflet. While this propaganda campaign was being launched, the committee was also urging the setting up of socialisation units. The first manifesto appeared in the *Labor Daily* of 24 May. The notice in the first of the 'Socialisation of Industry' series reminded all branches and unions that had not yet formed units of the desirability of doing so, and subsequent notices for the ensuing months repeated the reminder.

The origin of the Socialisation Units coincided with, but cannot be attributed to, the onset of the Great Depression. Although unemployment was rapidly increasing in New South Wales during the first half of 1930,²⁰ opinion in Labor circles was not overwhelmingly conscious of this, or at least not especially articulate about it. The *Labor Daily* and other Labor newspapers were not concerned above all with unemployment, its causes, and remedies. There was no debate on unemployment at either the Country or Metropolitan or Easter Conferences.

Articles in the *Labor Daily* sponsored by the Socialisation Committee did not begin to discuss the depression until August, the month of the Melbourne Agreement and Sir Otto Niemeyer. When the committee decided to launch a propaganda campaign and set up socialisation units, its members did not consider whether the prevailing economic conditions would maximise their scheme's chances of success. They acted because they believed that, whatever the economic conditions, an organised ginger group could convert the party to 'socialism in our time', could 'revitalise the A.L.P. itself and bring the members of the Party to a salutary

20. *The Official Year Book of New South Wales*, 1932-33, p. 780.

and activating realisation of the Party's real objective . . . "*The Socialisation of Industry*";' and could prepare the way for the Party's implementation of this objective, could 'carry the message of a saner, better, and more efficient social system, through socialisation, to those hundreds of thousands of misguided victims of capitalism'.²¹

21. 'Socialisation Leaflet No. 1', McNamara Papers.

2 Organisation: The Party and the Units

BY THE 1931 Easter Conference the Socialisation Committee presided over a new mass organisation, commonly known as the Socialisation Units, which was interlinked with the mass organisation of the New South Wales Labor Party. In control of the Party was the Inner Group, the unofficial Party machine, and the boss of the machine was Lang. Before any examination of Unit organisation and its relation to Party organisation, there must be some discussion of machine control of the Party.

Lang and the Inner Group

'Inner Group' was the name generally applied to that group of Party members who managed the Party and had the numbers on its governing bodies, the Easter Conference and the Executive.¹ It was composed of some branch and electorate council office-holders, the majority of officials of affiliated unions, and Lang and his entourage. It had captured control of the party and reorganised it during 1925-27. It was as part of this process that Lang became the leader, elected by conference, with authority over the Parliamentary Party. But this was more symbolic than functional: machine manipulation of pre-selection ballots was a more effective sanction. Like other groups that have gained control of the Party, the Inner Group tried to entrench itself by rewriting the Party rules. The 1927 Easter Conference adopted new rules, the so-called 'Red Rules' which provided, among other things, for methods of election that maximised the chances of machine intervention and a system of representation gerrymandered in the interests of the Inner Group.

Delegates to the Country Provincial Conference were elected by and from constituent state electorate councils, which were composed of delegates from branches and were therefore at one remove from the rank and file, while delegates to the Metropolitan Provincial Conference were elected by and from constituent state electorate councils and unions. Delegates to the Easter

1. In this chapter documentary evidence has been supplemented by interviews in 1962 with E. A. Barker, J. O. A. Bourke, Mrs F. Coleman Brown, Donald Grant, J. S. Garden, J. Hughes, J. Kilburn, Harold McCauley, W. McNamara, J. J. Maloney, J. B. Martin, C. A. Morgan, J. P. Ormonde, A. C. Paddison, and A. W. Thompson.

Conference were elected by and from groups of state electorate councils, composed of delegates from constituent state electorate councils who were at two removes from the rank and file, and union groups, made up of delegates from component unions who were at one remove from the rank and file. Apart from the president and the two vice-presidents who were elected by the Easter Conference, Executive members were elected by rank-and-file branch members and the union groups.² Those elections where the final electors were at one or two removes from the rank and file especially furnished opportunities for groups, particularly the Inner Group as the Party machine, to influence the choice of delegates.

The Provincial Conferences could only make recommendations to the Easter Conference: at the Metropolitan Conference state electorate councils and unions were represented on the same basis, membership; at the Country Conference just state electorate councils were represented. But at the Easter Conference, the supreme governing body of the Party, the representation of groups of state electorate councils was in effect fixed at fifty-four, explicitly twenty-four country and implicitly thirty metropolitan, while the representation of union groups depended on membership. This in fact ensured that there were about two branch delegates to every three union delegates, and that no increase in branch membership could change this ratio. Similarly, on the Executive, the governing body of the Party through the year between Easter Conferences, branch representation was fixed at ten — six country and four metropolitan — while union group representation again depended on membership; and this in fact ensured that, excluding the president and two vice-presidents, there was about one branch Executive member for every two union Executive members and that no increase in branch membership could change this ratio. This system of representation favoured a group whose strength was spread widely among the unions: just such a group as the Inner Group. Further, no group with its strength centred in the metropolitan branches—and for

2. *Australian Labor Party, State of N.S.W.: Rules, 1930-33*, Rules 35, 51, 53-9, 73-7.

conferences, but not for the Executive, 'metropolitan' included the Newcastle district as well as the Sydney metropolitan area³—could capture control of the Party, could obtain a majority at the Easter Conference and on the Executive, unless it first gained extensive support in the unions and then secured the election of a substantial proportion of union group Easter Conference delegates and Executive members.

By the 1931 Easter Conference Lang was supreme in the Inner Group, undisputed boss of the Party machine—an advantage that has been enjoyed by no other leader of an Australian Labor Party. After he became Premier again on 4 November 1930 he was able to obtain the allegiance of many Inner Group members by devious means. An important obstacle to his supremacy was removed by the appointment of Willis as New South Wales Agent-General in London; he sailed from Sydney on 3 April, the first day of the 1931 Easter Conference. Willis had been vice-president of the Executive Council and Leader of the Government in the Legislative Council in Lang's 1925-27 governments and for the first five months of the depression government. More importantly, he had been foundation general secretary of the Miners' Federation from 1916 to 1925 and had remained its *de facto* leader; and he had been the prime mover in the formation of the alliance that became the Inner Group. Further, Willis had been managing director of the *Labor Daily*, which was then as essential a part of the machine as Room 32, the Labor Party head office in the Trades Hall. His departure made it possible for Lang to take over: the board of directors decided that further finance was required, and turned to Lang; he increased his investment by £6,764 to a total of £13,764, and obtained a debenture on terms which secured his control of the newspaper⁴—or, as Lang said in *I Remember* (p.395), 'knowing politics, and realising that one day it might be captured by the Communists or some anti-Labor group, I protected it from a Labor viewpoint by taking out a debenture'.

As a result of Lang's supremacy in the Inner Group, he and his

3. *Ibid.*, Rules 51, 53-8, 73-6.

4. *S.M.H.* 21-7 Sept. 1933 (reports of Willis v. Lang libel case).

entourage made all significant decisions. The most influential member of the entourage was Harold McCauley, a former journalist, who was director of publicity in the Premier's Department while Lang was Premier, and his private secretary while he was Leader of the Opposition. He was seen by many contemporaries as Lang's grey eminence. Whether he was simply Lang's principal adviser, as he himself stated, or whether he dominated and manipulated Lang, as Jock Garden maintained, are the two extremes in retrospective evaluation. J. B. Martin and A. C. Paddison, both as close to the Lang-Harold McCauley relationship as anyone, saw it as a political partnership. What is certain is that Harold McCauley devised Lang and the Inner Group's strategy and tactics, and wrote most of Lang's speeches.

Another member of the entourage was one of Harold McCauley's brothers, Norman, who joined the *Labor Daily* during 1931 and became its editor in September 1932. Then there was Paddison, an Arts graduate of Sydney University and a former school teacher, who worked in the Publicity Division of the Premier's Department under Harold McCauley during the Lang government of 1930-32 and became chief leader-writer on the *Labor Daily* when Norman McCauley stepped into the editor's chair. It was Paddison who attempted intellectual justification of Lang's policies, in unsigned articles in the *Labor Daily* and in his pamphlet, *The Lang Plan*, published in 1931. Years later he was the ghost of Lang's story in the 'Inside Politics' series in *Truth*,⁵ and in *I Remember* and *The Great Bust*. Finally, there was J. H. C. Sleeman, sometime editor of *Beckett's Budget*, who worked in the Publicity Division at the same time as Paddison. He published a laudatory biography, *The Life of J. T. Lang*, in 1933, and a not very reliable expose of the Lang machine entitled *Political Labour!* in 1936, after a disagreement with Harold McCauley ended his association with this court of publicists around Lang.

From the 1931 Easter Conference the chief Party officers were P. J. Keller (president), J. J. Graves (general secretary), J. B. (Plugger) Martin (organising secretary), and H. E. O'Regan (general

5. *Truth*, 19 March-14 May 1950, 7 Aug. 1955-5 Oct. 1958.

returning officer—known throughout the Party as Harry O'Riggin'). Keller was a good platform man and a tough chairman of a conference session or a public meeting. Graves ran the Party head office. But the most important was Martin, who was a superb technician in the business of Party management; he had access to Lang, but received his directions from Harold McCauley, and kept Norman McCauley on the *Labor Daily* well informed on Party news. Martin took care of the branch side of the Party, being especially concerned with the election of conference delegates and Executive members and the selection of parliamentary and local government candidates.

The leading union officials were Jock Garden, secretary of the New South Wales Labor Council, who during 1925-26 had left the Communist Party and entered the alliance that soon became the Inner Group, and O. Schreiber, secretary of the Furnishing Trades' Union and president of the Union Secretaries' Association. Garden was an efficient organiser, expert at getting out the numbers, and a good orator, who could sense the feeling of a crowd. He was able to maintain control of the Labor Council and the militant unions. Schreiber, a more self-effacing organiser, was leader of the moderate unions. Although both Garden and Schreiber had access to Lang, their usual connection was through Harold McCauley, with whom they had a weekly conference and from whom they received their political, as distinct from industrial, directions.

Central Organisation of the Socialisation Units

When the first Socialisation Committee⁶ launched its propaganda campaign in 1930 and called for the establishment of socialisation units, it was not openly opposed by the Inner Group. The committee was impeded in its organisational work, however, by the lack of co-operation of the staff at Party headquarters—presumably acting on the instructions of the Party officers—in its routine clerical and correspondence tasks.⁷

6. In 1939 the minutes of the Socialisation Committee, together with all A.L.P. records to that year, were lost or destroyed when the rump Inner Group Party officers were defeated and left Room 32.

7. 'A.L.P. Socialisation Committee's First Annual Report', *Socialisation Call (S.C.)*, 4 April 1931.

Most of the committee's organisational work was performed by its secretary, McNamara. In February 1931 Kilburn was told by Grant that, to undermine the committee, the Inner Group was intervening to prevent the election of McNamara as a delegate to the Easter Conference from the Ashfield group of state electorate councils, so that he would be ineligible for re-election to the committee. Kilburn, who was very popular in the Party, thereupon had himself nominated for vice-president. He was approached by Garden, with whom a compromise was reached—Kilburn would withdraw his nomination, McNamara's election would not be opposed, and Garden and two other Inner Group members, J. Stewart and J. J. O'Reilly, would replace Mrs Lynch, Cook, and Saily on the committee. The composition of the new Socialisation Committee, elected by the 1931 Easter Conference, was in accordance with this compromise.⁸

The three new committeemen spoke as though committed to 'socialism in our time'; but they acted as components of the machine that was attempting to manage the Units. Further, Grant, who even in his I.W.W. days had been a man of words rather than deeds,⁹ at this same conference supported the Inner Group against the 'socialism in our time' group over the 'Three Year Plan'.¹⁰ From then on, although he continued to speak the language of militant socialism, Grant always sided, when the chips were down, with the Inner Group. He began his parliamentary career when he was appointed to the Legislative Council on 20 November of that year.¹¹ On the 1931 Socialisation Committee the Inner Group had a majority of four to three.

The 1930 Socialisation Committee had intended that the 1931 committee should be a general council of the Socialisation Units, rather than a committee of conference presiding over the Units.

8. *L.D.* and *S.M.H.*, 6 April 1931.

9. Donald Grant, as one of the I.W.W. Twelve, was in 1916 found guilty of seditious conspiracy and two other charges, and sentenced to fifteen years imprisonment (and served four years in gaol before being released by the Storey government) for his militant words, especially: 'For every day Tom Barker is in gaol it will cost the capitalists £10,000.' H. E. Boote published a pamphlet in 1917 appropriately called *The Case of Grant: Fifteen Years for Fifteen Words*.

10. See below, pp. 39-49.

11. *S.M.H.*, 21 Nov. 1931.

On the recommendation of the 1930 committee, the 1931 Easter Conference gave the new committee power 'to co-opt one member from each of the industrial and electoral groups not already represented on the committee'.¹² The new committee arranged for the election of the seventeen members it would formally co-opt—one from each of the groups of unions and branches represented on the Executive. At a meeting on 14 August, to which the committee summoned two delegates from each socialisation unit, twelve of the seventeen were elected—all of them members of the 'socialism in our time' group. Thus, if the co-opted members were to have full voting rights, the Inner Group would lose control of the committee. Consequently, by four votes (Garden, Grant, O'Reilly, and Stewart) to three (Barker, Kilburn, and McNamara), the committee decided that the co-opted members should not have the right to vote and should be limited to advisory and auxiliary functions. During September the committee assigned the twelve co-opted members—the other five apparently were never elected—to various sub-committees.¹³ Of these, only the Labor College and Education Sub-committee became at all effective; the others never really began to function. The Socialisation Committee remained a committee of conference.

Straight after the 1931 Easter Conference, Kilburn, McNamara, and Barker, the 'socialism in our time' group minority on the new committee, fearing that the Inner Group would use its majority to hamstring the Socialisation Units, sponsored meetings of the principal members of their group, the leaders of the Units. These weekly meetings soon became the unofficial general council of the Units, an 'Inner Unit'¹⁴ that attempted to co-ordinate activities, formulate policies, and plan strategy and tactics. With the emasculation of the co-opted members' scheme, these functions stayed with the Inner Unit, instead of passing to an enlarged Socialisation Committee. After the next Easter Conference, where

12. *L.D.*, 6 April 1931.

13. *Ibid.*, 14-15 Aug. 1931; *Daily Telegraph (D.T.)*, 16 Sept. 1931; *S.M.H.*, 21 Sept. 1931; *S.C.*, 1 Oct. 1931.

14. According to E. A. Barker, this unofficial general council of the Units was often ironically referred to as the 'Inner Unit' (c.f. Inner Group). 'Inner Unit' is used below as a convenient shorthand for this council.

the 'socialism in our time' group obtained a majority of five to four on the 1932 Socialisation Committee—a committee of nine, made up of the 1931 committee, less O'Reilly of the Inner Group, plus J. Hughes and A. W. Thompson of the 'socialism in our time' group, and W. C. Burnett of the Inner Group¹⁵—committee resolutions became little more than registrations of Inner Unit decisions.

Inner Unit meetings were informal and attendance fluid. There were at least nineteen members,¹⁶ of whom only T. Payne and J. H. Sydney, who withdrew after the defeat of the Payne Report,¹⁷ did not stay until the end. The most important were Kilburn and McNamara—formally president and secretary of the Socialisation Committee, in effect of the Socialisation Units—and Barker, three members of the original committee, who had been prominent in the 'socialism in our time' group since the days of the O.B.U.; and seven younger Party members who came to the fore after the inception of the Units—J. O. A. Bourke, C. E. Martin (M.L.A. for Young, 1930-32) and J. B. Sweeney, who were university graduates, and W. Evans, J. Hughes, D. MacSween, and J. J. Maloney (secretary of the Boot Trades Employees' Union), whose roots lay in the unions.

While these Inner Unit members constituted a collective leadership, McNamara was undoubtedly pre-eminent, *primus inter pares*. A poor platform speaker, he engaged mainly in behind-the-scenes activities. As secretary, although helped by other Inner Unit members, he remained responsible for the central organisational work. With the authority of resolutions of the 1931 Easter Conference, he obtained the co-operation of, or at least the end of obstruction by, the Party officers in this work and the assistance of the staff of Room 32 in routine clerical and correspondence tasks. Through another resolution of this conference,¹⁸ he was

15. *L.D.* and *S.M.H.*, 30 March 1932.

16. E. A. Barker, W. Booth, J. O. A. Bourke, R. Downing, W. Evans, J. Hughes, J. Kidd, J. Kilburn, W. McNamara, D. MacSween, C. E. Martin, C. A. Morgan (a solicitor, in whose Liverpool Street offices the meetings were held), J. J. Maloney, F. O'Neill, T. Payne, J. H. Sydney, S. Taylor, J. B. Sweeney and A. W. Thompson.

17. See below, pp.49-55.

18. *S.C.*, 1 May 1931.

appointed by the Socialisation Committee as its non-voting representative on the Party Executive. Further, he edited the 'Socialisation of Industry' section of the *Labor Daily Saturday Supplement* and the *Socialisation Call*, the monthly organ of the Socialisation Units, first published in April 1931.

The functioning of the Inner Unit as the general council of the Socialisation Units was dependent on the consent of Aggregate Meetings, which were conferences of delegates from basic socialisation units, together with members of the current Socialisation Committee. Instituted by the first committee in December 1930 as the link between the committee and the basic units, they evolved in a few months as the ultimate decision-making body among the central elements of Unit organisation.¹⁹ During the first ten months of 1931 Aggregate Meetings were held almost every week; after that, about once a month. Normally, the representation was not more than two or three delegates from each unit, usually including the president and secretary of the unit, directly elected by rank-and-file members. Because of the travel involved, delegates from outside the Sydney metropolitan area attended only occasionally, generally before a Party conference or when an important decision was to be made. From the beginning, the overwhelming majority of delegates were members of the 'socialism in our time' group; the Inner Group was a cypher at Aggregate Meetings. Indeed, among the central elements of the Socialisation Units' organisation, the Inner Group was a force to be reckoned with only on the Socialisation Committee—and this was circumvented through the Inner Unit.

Branch Socialisation Units

Throughout the second half of 1930 and the first quarter of 1931, the Socialisation Committee, in its 'Socialisation of Industry' section of the *Labor Daily Saturday Supplement*, constantly

19. See notices and reports of Aggregate Meetings in *L.D.*, especially in the 'Socialisation of Industry' section of the Saturday Supplement, and the first Aggregate Meeting was arranged for 10 December 1930. See *L.D.*, 9 Dec. 1930. The name 'Aggregate Meeting' (sometimes 'Aggregate Delegate Meeting') was not generally used until the second half of 1931.

appealed to Party branches and affiliated unions to form a socialisation unit. In its instructions on how to form a unit, the committee urged that (assuming a unit had not yet been formed), at the next branch or union meeting, the following motion should be moved:

That this Branch (or Union, or Group etc.), believing that the Australian Labor Party's *Official Objective*—Socialisation of Industry—should be popularised and emphasised to the utmost, endorses the activities of the A.L.P. Socialisation Committee, and pledges its support to the limit of its ability; and as evidence of our sincerity, we agree here and now to call for volunteers to form a Socialisation Propaganda Unit to effectively co-operate with the Socialisation Committee in its great task.²⁰

If and when this was carried, the chairman or secretary should call for volunteers, explaining that their work would involve distributing leaflets, arranging meetings, lectures, and debates, and contributing to and collecting for the propaganda fund. Immediately after the meeting, the volunteers should gather and elect a secretary-treasurer, who was to communicate with the secretary of the Socialisation Committee and organise the unit.

Some two months after the committee began these appeals and at the same time launched its propaganda campaign, in August 1930, opinion in Labor circles was jolted into an awareness of the depression and the extent of unemployment by the Niemeyer Report and the Melbourne Agreement: from then, through the next few years, Labor opinion was overwhelmingly and above all conscious of the depression and the concomitant large-scale unemployment and underemployment. This fortuitous conjunction without doubt made possible the success of the committee's appeals. By the 1931 Easter Conference ninety-seven units had been formed by branches or groups of branches. Of these, about

20. 'How to form a socialisation propaganda unit. Instructions to A.L.P. branches, unions, and individuals', McNamara Papers and Thompson Papers. These instructions were issued at the latest by the end of January 1931—in the McNamara Papers a copy is attached to and mentioned in a Socialisation Committee circular letter dated 28 January 1931.

seven-tenths lay in the Sydney metropolitan area, one-tenth in the Newcastle district, and two-fifths in country districts. At the end of 1932, just before the Inner Group moved against the Units, there were at least 178 branch units, similarly distributed.²¹ It has been suggested²² that, at that time, about nine-tenths of the 250 or so branches in the Sydney metropolitan area and two-fifths of a like number in other districts either had, or were represented on, a unit. In any event, branch socialisation units were concentrated in Sydney and Newcastle, the chief working-class centres in the state, readily accessible to the propaganda campaign.

Branch unit membership figures cannot be ascertained. Anyway, quality of members was rated higher than quantity—for example, the instructions on how to form a unit emphasised that

Volunteers must be made to realise that their job is to be one of the worthiest in the Party, one full of honor and responsibility, and that only active, convinced enthusiasts need apply. Better a sincere few (even if only two or three) than an inactive many. But hardly any branch units—and these were in small country towns—remained for long with only a few members. Indeed, frequently the membership of a branch unit soon exceeded the membership of the branch itself before the unit had been formed. And the vast majority of members were ‘active, convinced enthusiasts’: members of a greatly enlarged ‘socialism in our time’ group. There were some branch unit members, however, who might be active but were not convinced: they were members and supporters of the Inner Group, which from the 1931 Easter Conference was attempting to manage the Socialisation Units. Also, there were a number who had been members of then long-since defunct socialist sects: they were doctrinally too rigid to accept even the vague ideology of the ‘socialism in our time’ group; they lectured to branch units but had little success in gaining adherents to their various doctrines. Finally, there were at times a few members of the Communist Party who, in accordance

21. Based on lists of units published in *S.C.*, 4 April 1931, and at other dates during 1931 and 1932.

22. By Mrs F. Coleman Brown, who worked in the Party head office. The Party did not release branch or membership figures.

with the Party line of the Third Period, tried to draw branch unit members, the most radicalised of the working class, to their Party by discrediting Socialisation Unit leaders as 'left social fascists', who used the Units as a pseudo-militant smokescreen for the 'social fascist', Lang-dominated Labor Party.²³

The nucleus of the greatly enlarged 'socialism in our time' group was, of course, its pre-Socialisation Committee membership. The initial expansion came when a number of ex-members rejoined—some of those who had left the group following the defeat of the O.B.U. They retained a commitment to 'socialism in our time', and most of them were concerned with working-class education in the Workers' Educational Association and/or the Labor Educational League; they were still convinced that only the Labor Party as the mass party of the working class could achieve 'socialism in our time'. And after the Socialisation Committee launched its propaganda campaign, they regained their old assurance that the Labor Party could be converted to 'socialism in our time'. They soon rejoined the Party too, and, with the pre-Socialisation Committee members of the group, provided the foundation membership of the early branch units. But, by the 1931 Easter Conference, these foundation members formed only a small proportion of the membership of branch units and of their own group; they had been swamped by the mass of new converts, predominantly working-class, mainly young. During the next two years membership continued to grow as new units were formed and further converts joined these and the older units too.

Potential converts were attracted to the Socialisation Units by the propaganda campaign: the campaign was conducted with evangelical fervour and the propaganda was especially compelling in the circumstances of the Great Depression. The propaganda appealed to the misery and insecurity of the working class, who either were or feared they would soon be unemployed or underemployed, who lived in poverty on the dole, or casual or reduced wages; and it embraced working-class demands, most

23. For the Communist Party's attitude to the Socialisation Units, see that Party's official organ, *Workers' Weekly*.

urgent among the young, for political action, not just to alleviate, but to end for ever the miseries of capitalism. Many of those attracted to the Units were converted to 'socialism in our time': following a wider acquaintance with the propaganda, and apprehending and then accepting the 'socialism in our time' group Socialisation Unit ideology expressed therein, they joined and became activists in a branch unit; and most of those who were not members of the branch soon joined it too.

This ideology was a hotch-potch of the three successive imports of socialist ideas into New South Wales. It was, like other ideologies, usually vague and sometimes contradictory; and there was no systematic formulation of doctrine, mainly through the influence of Kilburn and McNamara, who realised the tendency of socialist groups to split on doctrinal questions. The ideology solidified members of the group—the pre-Socialisation Committee and rejoined members as well as the new converts—by justifying their aspirations and activities.

It was held that, because of its internal contradictions, capitalism passed through a series of ever-deepening crises, each producing greater unemployment and poverty; and from August 1930 the depression was identified as the final crisis—the collapse of capitalism and the beginning of a social revolution were considered imminent. Under capitalism all conflict was essentially class conflict, especially between the capitalist class and the working class, with the dice loaded in favour of the former—it had a more coherent class consciousness, its ideology was accepted by most of the working class, and it controlled the apparatus of the state no matter which party was in office (hence the inability of the Lang and Scullin governments to impose 'equality of hardship'). The depression intensified this conflict (thus the intemperate politics of the day), which would be resolved during the social revolution. Inevitably, the new social form would be socialism (sometimes referred to as socialisation as an objective, as distinct from socialisation as a method, the way in which socialism would be achieved). Socialism would be based on the ownership of the major means of production, distribution, and exchange by the



ONLY ONE REMEDY FOR THIS – SOCIALISATION!
Well, things are brightening up. Last week I only got enough
out of this for the dog; this week there's enough for me, too!

Socialisation Call, May 1932

whole community and their control by their workers; they would be operated not for private profit but for the benefit of the whole community, in accordance with the plan of a central co-ordinating body. There would be full employment and abundance for all; and the society would be classless and hence conflictless (and stateless): these were the chief aspirations of members of the group and they were justified by the inevitability of socialism.

Moreover, socialism could be achieved 'in our time'—but only by the Labor Party, the mass party of the working class. And the Labor Party must represent a working class that had developed a coherent class consciousness and had gravitated to a socialist ideology: it was simultaneously held that this would be spontaneous, due to increasing misery, and that it would be produced rationally by propaganda in a campaign sanctioned by the party; the latter was emphasised—it justified activities connected with the propaganda campaign. Given such a working class, the party could, during the social revolution, take over political power—bloodlessly, it was hoped. But there was considerable uncertainty concerning the method of the take-over: an election with a 'socialism in our time' mandate, the crumbling of the capitalist class before the irresistible force of the preponderant working class, a general strike, a mass insurrection—all these seemed to be possibilities. Once in power, the party would reshape the state apparatus as a non-parliamentary workers' government, a dictatorship of the proletariat that would direct the social revolution through its final period of transition to socialism and then go into liquidation.

That only the Labor Party could achieve 'socialism in our time' justified activities connected with the role of the Units as an organised ginger group attempting to convert the Party, so that it would be committed to socialism, not as a 'light on the hill', but as its immediate objective to be achieved 'in our time'. Further, it was held that the Units could convert the Party: the organisation of the Units could sustain a propaganda campaign that was especially intensive inside the Party; the propaganda, said from August 1930 to be more obviously appropriate in the final crisis of

capitalism, would rationally convert Party members, and this would lead directly to the conversion of the Party itself.

Concern for a united working class induced the first Socialisation Committee to open branch unit membership to all comers. But because of the connection between the Units and the Labor Party, the committee provided for two kinds of membership: full membership for members of a branch of the Party, and associate membership, without voting rights, for others. Even so, in some units the distinction between the kinds of membership was blurred, and associate members were allowed to vote. The Party officers claimed that consequently communists gained back-door entry to the Labor Party. In July or early August 1931, the General Secretary of the Party, Graves, ruled that only members of Party branches were entitled to membership.²⁴ This ruling was opposed by McNamara, who wanted membership for all schools of socialist thought. At a meeting of the Party Executive on 7 August, he contended that if the ruling were enforced some of the most active members would have to leave the Units. A fortnight later, the Inner Group-controlled Executive adopted Graves' ruling.²⁵

During the discussion, McNamara had warned that adoption might precipitate the calling of a special conference of the Party.²⁶ Three days later it was reported that the 'socialism in our time' group was demanding and had sufficient support to convene such a conference. A compromise between the Inner Group and the 'socialism in our time' group was reached at a meeting of the Socialisation Committee on 26 August, and ratified six days later at a conference of the Party officers with a sub-committee of the Socialisation Committee. It was pretty much a return to the original position: full membership for members of a Party branch and associate membership, without voting rights, for others, with the difference that these must not be members of any political

24. *S.M.H.*, 12 Aug. 1931; *D.T.*, and *S.M.H.*, 13 Aug. 1931; *L.D.*, 8 Aug. 1931 (the ruling was mentioned without stating who made it).

25. *D.T.*, 13 Aug. 1931; *L.D.*, 8, 22 Aug. 1931; *S.M.H.*, 22 Aug. 1931.

26. *L.D.*, 22 Aug. 1931; *S.C.*, 1 Sept. 1931, threatened a special conference under Rule 49.

organisation—in effect, this meant the Communist Party.²⁷ It would seem that the few open communists were expelled (there might also have been a few undercover communists); but in some units there was in practice no distinction between full and associate membership.

The membership of practically every Labor Party branch connected with a socialisation unit was considerably changed. Typically, there was a large accession of new members through the unit—new converts to ‘socialism in our time’; and a fair proportion of pre-unit members of the branch were converted too. Members of the ‘socialism in our time’ group were, in the branches as in the units, activists; never before or since have so many rank-and-file branch members been activists—or socialists. In most of these branches, members of the group were in the majority; almost always they were predominant among the activists. With such changes, without any overt intention or central strategy, the group soon controlled these branches, dominating the election of branch officers and delegates to state electorate councils. In Sydney and Newcastle from 1931 to 1933 the ‘socialism in our time’ group controlled a substantial proportion of branches and state electorate councils, and was, therefore, in a position to secure the election of most metropolitan²⁸ Easter Conference delegates and Executive members.

Socialisation Unit Rules

During 1932 the Inner Unit attempted to systematise Socialisation Unit organisation, so as to provide a more efficient basis for an intensified propagandist campaign. It drew up a scheme that was modelled on the New South Wales Labor Party’s branch organisation; this was adopted by the 1932 ‘socialism in our time’ group-controlled Socialisation Committee, and published in the *Socialisation Call* of May 1932 as the Socialisation Unit Rules. The branch unit was to continue as the basic element of Unit organisation. In every state electorate, branch units were to be

27. *S.M.H.*, 24 Aug., 3 Sept. 1931; *L.D.*, 27 Aug., 3 Sept. 1931.

28. To repeat, ‘metropolitan’ included the Newcastle district as well as the Sydney metropolitan area for the election of Easter Conference delegates.

linked through an electorate committee, composed of three delegates elected by and from each branch unit—in much the same way as in the Party branches were linked through state electorate councils. In every group of state electorates (grouped for the election of Easter Conference delegates), electorate committees were to be linked through a group council, composed of five delegates elected by and from each committee. The group councils were to be linked through a reconstituted Aggregate Meeting, composed of three delegates elected by and from each council. Group councils were to be responsible for organisational work, especially the formation and supervision of branch units, and each council was to appoint an organiser. Finally, there was to be a committee of group organisers to co-ordinate organisational work.

Until this last body could be formed, an Aggregate Meeting appointed a sub-committee to undertake its responsibilities. Although little was achieved in country districts, in the Sydney metropolitan area seven out of the nine proposed group councils were functioning by the end of the year. The first Aggregate Meeting held in accordance with the new rules met on 1 February 1933. Also these group councils were effective in forming new branch units.²⁹ At least in Sydney, the Socialisation Units had developed an organisation that paralleled the Labor Party's branch organisation, no doubt a more efficient basis for the propaganda campaign, but also strategically disposed for the 'socialism in our time' group to operate at all levels in the Party's branch organisation.

Union Socialisation Units

It will be recalled that the first Socialisation Committee had appealed to affiliated unions as well as Party branches to form socialisation units. By the 1931 Easter Conference only two union units had been formed;³⁰ from then, no further attempts were made to organise union units until mid-1932, when there was a change in Socialisation Unit strategy. This will be discussed in the

29. S.C., Oct. 1932; Feb. 1933; Dec. 1932.

30. Ibid., 4 April 1931.

next two chapters. Suffice it to say here that the Inner Unit became convinced that to convert the Labor Party to 'socialism in our time' it was necessary not only to maintain, or perhaps extend, the propaganda campaign, but also to capture control of the Easter Conference and the Executive. Already the 'socialism in our time' group could secure the election of most Sydney and Newcastle branch delegates to these bodies; to capture control it had also to secure the election of a substantial proportion of union group delegates. Partly to extend the propaganda campaign, but primarily to capture control, the Inner Unit decided to organise union socialisation units.

On the 1932 Socialisation Committee, the Inner Group minority, in accordance with its then strategy *vis-a-vis* the Socialisation Units, did not oppose the setting up of union units. On 9 July 1932, McNamara announced the establishment of an Industrial Socialisation Committee,³¹ distinct from the Socialisation Committee to avoid the charge of political interference in union affairs, to organise union units. At first committeemen were appointed by the Socialisation Committee; later they were elected by delegates from union units: throughout all, or practically all, were members of the 'socialism in our time' group, with MacSween as secretary and prime mover.³²

The following week the New South Wales Labor Council, on the motion of MacSween, supported by Garden, urged all unions to form units.³³ From 8 to 10 August the Industrial Socialisation Committee conducted meetings of nine of the eleven union groups,³⁴ with delegates, official and unofficial, from component

31. *L.D.*, 9 July 1932. Actually, this committee was at first called the Union Unit Organising Committee, but the name was soon changed.

32. Names of various committeemen appeared from time to time in *L.D.*, *S.C.*, and reports of the Industrial Socialisation Committee. The latter are signed by MacSween as secretary, and are found in the McNamara and Thompson Papers.

33. Minutes of General Meetings, 14 July 1932, Papers of the Trades and Labour Council of N.S.W. (Mitchell Library).

34. The exceptions were the Miners' Federation and the A.W.U. (the only two unions each of which by itself constituted a union group), the former because of distance, the latter because it was then not affiliated with the N.S.W. Labor Party (it was affiliated with the so-called Federal Labor Party). Shortly afterwards the northern, western and southern branches of the Miners' Federation respectively participated in the Newcastle, Lithgow and Hartley, and South Coast district union groups.

unions. Of these, seven carried a motion favouring the formation of both group and union units; the other two referred the motion to their component unions. All nine agreed that union units should be predominantly educational in purpose and should co-operate closely with union officers. In a circular letter to union secretaries reporting these meetings,³⁵ Kilburn and McNamara called on each union at its next meeting to form a unit and ask its branches to form sub-units.

Most union officials were, however, far from co-operative. They felt that union units would be rival centres of power, which would be used—as were rank-and-file committees of the Militant Minority Movement, a Communist Party auxiliary body (i.e. front organisation)—in attempts to take over ‘their’ unions. Further, the Inner Group publicly supported but behind the scenes worked against the formation of union units. Although the Inner Group did not know of the Inner Unit’s intention, it believed that, if sufficient union units were functioning, the Socialisation Units could, and probably would, provide the basis for a bid to capture control of the Party. The upshot was that few unions officially formed units — by April 1933 only fifteen had done so.³⁶

Unperturbed by this poor response, the Industrial Socialisation Committee continued to conduct union group meetings, to which came delegates from official union units and rank-and-file unionists who were members of branch units.³⁷ At meetings from 12 to 14 September each group elected three delegates, one of whom was to be group organiser, to the Industrial Socialisation Committee, which shortly afterwards itself elected its officers.³⁸ Around the same time, the first meetings of the Newcastle, Lithgow and Hartley, and South Coast District Union Groups were

35. Socialisation Committee circular letter to secretaries of unions, 11 Aug. 1932, Thompson Papers.

36. S.C., April 1933.

37. See Socialisation Committee circular letters and Industrial Socialisation Committee circular letters and reports, McNamara Papers and Thompson Papers.

38. Industrial Socialisation Committee circular letter, 9 Sept. 1932, and report, 27 Sept. 1932, Thompson Papers; S.C., Oct. 1932. The principal officers were: J. H. Sydney, (President), A. W. Thompson and J. Roy, (Vice-presidents), D. MacSween, (Secretary-Organiser), F. Midgley, (Assistant Secretary-Organiser), W. Coulter, (Librarian and S.C. sales).

held.³⁹ For the meetings of 5 to 7 December the Socialisation Committee circularised branch units, requesting that members who were unionists attend their appropriate group meetings. These were to split up into meetings of members of individual unions; those present were to be asked to form a rank-and-file unofficial union unit.⁴⁰ Most of the December group meetings were well attended, but it is not clear how many union meetings resolved to form a rank-and-file union unit.⁴¹ Then the Industrial Socialisation Committee began to organise job units—in effect, cells. Each union unit, official or rank-and-file, was to form a sub-unit on each job, where the various sub-units were to merge into a single job unit.⁴²

Just how many rank-and-file units and job units were ever established is unknown. Indeed, before such an intensive organisation could conceivably have been set in operation over the opposition of union officials, the Inner Group moved openly against the Socialisation Units. What was significant was that the Industrial Socialisation Committee was trying to build an organisation which paralleled that of the unions, and hence the indirect (union) organisation of the Labor Party.

The Socialisation Units and the New South Wales Labor Party

Essentially, the Socialisation Units constituted an organised ginger group in the New South Wales Labor Party. But this group came to be a mass organisation, interlinked with the Party to a degree rare among such groups: it became, in effect, a party within the Party. Already the 'socialism in our time' group was, through the Units, in a position to secure the election of most Sydney and Newcastle branch delegates to the Easter Conference and the

39. Industrial Socialisation Committee reports, McNamara Papers and Thompson Papers.

40. Socialisation Committee circular letter to secretaries of branch socialisation units, 11 Nov. 1932, Thompson Papers; Industrial Socialisation Committee Reports No. 4, 5 Nov. 1932. McNamara Papers, and No. 5, 23 Nov. 1932, Thompson Papers.

41. Socialisation Committee circular letter to secretaries and members of branch socialisation units, 22 Dec. 1932, Thompson Papers; Industrial Socialisation Committee Report No. 6, 29 Dec. 1932, Thompson Papers.

42. Socialisation Committee circular letter, 22 Dec. 1932; Industrial Socialisation Committee Report No. 6; 'Procedure and Functions: Union Socialisation Rank and File Group Meetings', Thompson Papers.

Executive. If and when the Units' union organisation became operative, it seemed likely that the 'socialism in our time' group would also be able to secure the election of a substantial proportion of union group delegates—to capture control of the Party. Since in the Australian Labor Parties political judgments are based on capability rather than intent, if the Inner Group could not manage the Socialisation Units, it would, when the time was ripe, try to wipe them out.

3 Converting the Party

AS AN ORGANISED ginger group in the New South Wales Labor Party, attempting to convert the Party to 'socialism in our time', pressing demands that would commit the Party to socialism as an immediate objective, the Socialisation Units at first employed a simple, direct strategy: a propaganda campaign, with Unit organisation as no more than the basis for that campaign. This was the scheme put into operation by the first Socialisation Committee in mid-1930; it was carried through by the Inner Unit until mid-1932. This strategy was not arrived at after a consideration of political possibilities—indeed, it was not really discussed at all until towards the end of 1931; it was pretty much a function of ideology, more particularly of the view that, in a campaign sustained by an activist organisation interlinked with the Party, propaganda, still more relevant during the depression, could rationally convert Party members, and that these conversions would be sufficient to produce the conversion of the Party itself.¹

The Propaganda Campaign

Again in accordance with ideology, the first Socialisation Committee had launched and the Socialisation Units maintained a propaganda campaign directed, not merely to Party members, but to the entire working class, to prepare the way for the Labor Party to achieve 'socialism in our time' by establishing rationally class consciousness and socialist convictions. Just how successful the preparation was, it is, of course, impossible to ascertain; all that can be said of the campaign on this wider front is that it did attract potential converts to the Units. Inseparable from the campaign was the education of Unit members in socialist theories and in propagandist techniques, so that they, too, could analyse and propagate.

The *Socialisation Call* and the 'Socialisation of Industry' section of the *Labor Daily* Saturday Supplement were used in this education, and on both the narrower and wider fronts of the propaganda campaign, as well as carrying news and comment,

1. In this chapter documentary evidence has been supplemented by interviews in 1962 with E. A. Barker, J. O. A. Bourke, Mrs F. Coleman Brown, E. E. Cook, J. Hughes, J. Kilburn, Harold McCauley, W. McNamara, J. J. Maloney, J. B. Martin and C. A. Morgan.

reports and declarations, organisational matters and social trivia. There were articles by Unit members and reprints of articles from overseas socialist journals, excerpts from classical socialist works and from more elementary explanatory books : besides serving as propaganda, these provided material for branch unit study circles. Also to educate their members, branch units held lectures and, in some cases, speakers' classes. In the Party branches to which they were attached, they arranged lectures and debates, and sold the *Socialisation Call*. On the wider front of the propaganda campaign, they again sold the *Socialisation Call*, organised house-to-house canvassing, and sponsored public meetings. A Labor College was set up, with Bourke as its organising secretary, to systematise and control the education of Unit members; through 1932 there were in Sydney five central and some twenty-five suburban classes, in economics and current history, and in public speaking.

Although such exotica as the Socialisation Drama and Art Group and the Socialisation Orchestra might receive more publicity, albeit derisive, in the anti-labour press, these were the basic activities connected with the propaganda campaign. And, further, they were the basic activities of the Socialisation Units: while demands were pressed and conflict raged, the propaganda campaign continued.

The 1931 Provincial Conferences

The agenda for the 1931 Country Conference, held over the Anniversary Day long week-end, contained six notices of motion embodying Socialisation Unit demands. These were submitted by the Bankstown branch,² the president of which was Saidy, a member of the 1930 Socialisation Committee. Only one was actually put to the conference:

That all members of Parliament, both State and Federal, shall work in conjunction with the Socialisation Committee, and shall address, during recess, no less than five meetings in public

2. *Australian Labor Party, State of N.S.W.: Annual Country Provincial Conference 1931 Agenda*: pp. 8-9. The Bankstown State Electorate was classified as 'Country'.

and ten A.L.P. branch meetings in their respective electorates on the subject of Socialisation.³

This would force Members of Parliament to publicly take a position on socialisation and, moreover, would give the Socialisation Committee some authority over them. Apparently this was recognised by Lang, who, departing from his normal practice, intervened in the debate. He argued that the Executive was the governing body of the Party between annual conferences, with the authority to discipline Members of Parliament. This authority should not be usurped by the Socialisation Committee. 'Why should I', he asked, 'have to take instructions from my brother-in-law [W. McNamara], who is Secretary of the Socialisation Committee, or from Mr. Saïdy?' The motion was rejected⁴—due, no doubt, to the relative thinness of the Socialisation Units in country districts.

Two months later, at the Metropolitan Conference, it was a different story, for it was in the branches represented there that the strength of the burgeoning Units lay. On 15 March conference recommended that the old State Objective, adopted in 1905, should be replaced by 'The Socialisation of Industry, Production, Distribution and Exchange',⁵ and that to the next section of the platform, 'Policy for the Development of Socialisation of Industry'—hitherto concerned with interstate steamship services, ferry services and the like⁶—should be added:

(a) The encouragement through every political channel of the displacement of craft unionism by industrial unionism.

(b) The development by intensive and extensive socialisation propaganda at all times (election as well as other times) of an ideology favourable to socialisation, so that when the time is ripe, the political and economic change from capitalism to socialism may be accomplished, and that this Conference instruct the whole of its component parts (Executive, Parliamentary representatives, sub-committees, branches, affiliated

3. *L.D. and S.M.H.*, 27 Jan. 1931.

4. *Ibid.*

5. *Ibid.*, 16 March 1931.

6. See *Australian Labor Party, State of New South Wales: Rules, 1920-1930.*

unions and individuals) to exert their energies towards the accomplishment of socialisation.⁷

Conference also recommended that the Party membership ticket signed by branch members should contain a specific declaration of loyalty to the Socialisation Objective, and the pledge signed by Party candidates, federal, state, and municipal, a promise 'to actively support and advocate at all times' this new objective, and to report to the Socialisation Committee and the Party Executive in January and July each year on such activities.⁸ These recommendations were carried at the instigation of the (first) Socialisation Committee and without opposition.

There are three probable reasons for the Inner Group's acquiescence. Firstly, in terms of the recommendations, socialisation was no more than a vague and distant objective; further, the addition to the 'Policy for the Development of Socialisation of Industry' was not at all specific and concrete—less policy than an ideological call. Secondly, there was nothing in the recommendations that would reduce the power of the Inner Group or the authority of the Executive. True, Labor M.Ps. and aldermen were to report to the Socialisation Committee as well as to the Executive, but, unlike the motion defeated at the Country Conference, the activities to be reported on were not defined. Finally, the Inner Group would not wish to antagonise what had become a substantial group in the party, when it had the previous day secured the expulsion of E. G. Theodore, Treasurer in the Scullin government,⁹ and was endeavouring to dissipate his followers.

Only two days later issue was joined on socialisation as an immediate objective. On 16 March Schreiber, a leading member of the Inner Group, had presented the report of the Unemployment Committee. This report proposed that the Lang government

7. *L.D.* and *S.M.H.*, 16 March 1931. The precise wording of this recommendation is from the 'A.L.P. Socialisation Committee's First Annual Report', 4 April 1931.

8. *L.D.* and *S.M.H.*, 16 March 1931. Again, for the precise wording of the recommendation, see 'A.L.P. Socialisation Committee's First Annual Report', S.C., 4 April 1931.

9. *S.M.H.*, 16 March 1931.

provide relief through national unemployment insurance—in this instance a high-sounding phrase for the dole—and employment through public works; it should raise the necessary finance by a steeply graduated super-tax on higher incomes or a capital levy, by the conduct of a state lottery, and by a tax on advertising.¹⁰ When the debate on the adoption of the report resumed the following night, McNamara argued that the proposals were mere palliatives designed to prop up the capitalist system. He moved an amendment which first emphasised that the conference had already committed itself to the Socialisation Objective and then recommended that, as the only policy relevant to the current crisis, the Lang and Scullin governments should socialise industry and, if defeated in Parliament, hold elections with socialisation as the sole issue. Among the supporters of the amendment was Kilburn, who attacked the Lang and Scullin governments for doing nothing to end unemployment.¹¹ ‘You can tinker with the position any way you like’, he said, ‘but you cannot relieve the position. Something drastic must be done.’

McNamara’s amendment was defeated by 61 votes to 57; but the Inner Group-sponsored report was defeated too, by 62 to 53 votes.¹² This was the Inner Group’s first major defeat since capturing control of the Party in 1925-27.

The 1931 Easter Conference and the Three-Year Plan

Between the 1930 and 1931 Easter Conferences, the New South Wales Labor Party was in a state of flux; until this defeat, the Socialisation Units did not loom large in Inner Group political calculations. Considering the Units an electoral liability, the Inner Group had intended to take over the Socialisation Committee at the 1931 Easter Conference and through it to quietly dismantle the organisation and wind up the propaganda campaign—to this end, it had first tried to prevent McNamara’s election as a conference delegate, and then reached a compromise with Kilburn

10. *Ibid.*, 17 March 1931.

11. *L.D.* and *S.M.H.*, 18 March 1931. For the full text of McNamara’s amendment, see ‘Socialisation Notes’, *L.D.*, 19 March 1931.

12. *S.M.H.*, and *L.D.*, 18 March 1931.

that, unbeknown to him, gave it the numbers on the committee. But, to the leading members of the Inner Group, this defeat, at a conference that had previously endorsed the radical-sounding Lang Plan,¹³ showed the intensity as well as the extensiveness of support for Unit demands. They were, of course, aware of branch units being formed and of their being joined by Party members. Shortly afterwards they found that elections for the Easter Conference had produced a large proportion of metropolitan group delegates, plus some from union and country groups, who were members of the 'socialism in our time' group.¹⁴ And at the end of March the A.L.P. Federal Conference expelled the New South Wales Labor Party Executive and decided to form what was in effect a schismatic party in New South Wales,¹⁵ led by Theodore and usually known as the Federal Labor Party: they assumed, quite rightly,¹⁶ that the Australian Workers' Union (A.W.U.) would disaffiliate and join the schismatic party, thereby increasing the relative strength of the 'socialism in our time' group.

They realised that for an Inner Group-controlled Socialisation Committee to move against the Units, however quietly, would undoubtedly result in the convening of a special conference—this was mandatory at the request of not less than six unions and thirty state electorate councils, under Rule 49—at which the Inner Group might well be overthrown. And to oppose demands for socialisation as an immediate objective, even to remain silent, would probably destroy the Inner Group's and especially Lang's reputation for militancy, upon which its rank-and-file support in branches and unions depended. Further, opposition or silence would probably so antagonise the 'socialism in our time' group that it would organise to capture control of the Party. So Harold McCauley decided that the appropriate strategy was for the Inner

13. For a discussion of the Lang Plan see my review of J. T. Lang, *The Great Bust*, in *Labour History* No. 6, May 1964, pp. 64-6.

14. This is supported by an examination of the list published in *L.D.* of delegates elected: union group delegates (28 Feb. 1931); metropolitan and country group delegates (28 March 1931).

15. *S.M.H.*, 28, 30 March 1931.

16. The A.W.U. Federal Executive Council decided on 20 April to affiliate with the Federal Labor Party (*S.M.H.*, 21 April 1931).

Group to attempt to manage the Units, while speaking—above all, Lang speaking—as though committed to ‘socialism in our time’. It was to try to restrict activities to the propaganda campaign and restrain organisational development, until the Units first lost impetus and then petered out. The Inner Group was to ride the socialist tiger until it dropped from sheer exhaustion.

This, of course, would at last provide the anti-Labor parties and press with a real tiger to hunt. These would be able to brand Lang and the New South Wales Labor Party as Communist, in their litany the equivalent of socialist, without quite as much verbal acrobatics as when they used the Lang Plan or Jock Garden as ‘evidence’. And there would certainly be some contraction of electoral support. But this must be accepted to maintain control of the Party.

Accordingly, Lang addressed the Easter Conference as a confirmed socialist. He made his usual entry to prolonged, even hysterical applause, striding down the centre aisle of the hall, a tall, powerfully-built man, with a pugnacious jaw and a commanding presence. When he spoke from the platform, it was in a harsh voice, using short, staccato phrases, with forceful gestures, thumping one or two themes only, rising through a series of crescendos to a final climax. To most of the delegates, and the bulk of the rank and file, this was not Lang the machine boss, but Jack Lang, ‘the Big Fella’, ‘the greatest leader Labor ever had’: this was Lang the charismatic leader, who inspired a mass devotion unique in Australian history.

Lang’s charisma involved his reputation for militancy, which was based on the reforms of his first government and sustained by the phrases of the Lang Plan. This reputation was promoted by other Inner Group members and by the *Labor Daily*, in which Lang was constantly billed as the only leader to know the way out of the morass and to fight for the people and Australia. Lang the prophet and Lang the hero: the former was in April 1932 enshrined in the slogan ‘Lang is Right’; the latter was celebrated in the inscription ‘J. T. Lang: the People’s Champion’ on busts on

sale from mid-1932.¹⁷ But, essentially, Lang's charisma involved the exceptional qualities of the man himself, who, in the emergency of the Great Depression, when the power of traditional authority declined, could appear to Labor people as a prophet and a hero. And in a set-piece oration, normally written by Harold McCauley, he could canalise the emotions of his audience, telling it what it most wanted to hear. So it was on Good Friday, 3 April, at the opening session of the 1931 Easter Conference.

The Labor Movement in this State requires more solidarity than ever before. We must press on to our objective and do it quickly. Your agenda paper at this conference is full of references to socialisation, but you, the members of the Labor Movement, must do your work before we can do ours. You must get out among the people, you must point out to them the benefit of socialisation, you must make them ready to receive it. Nobody is keener on our objective than I am, but how can we do it in Parliament when the greatest obstruction is met in our own ranks?

The Plan [i.e. the Lang Plan] which we have placed before the people is a step towards our objective. With a bill to reduce interest we merely touch on the fringe of socialisation of credit, but look at the result. A nominee Upper House, a nominee Governor, nominee Courts and a Federal Labor Government have all combined to defeat even that small step along the road to socialisation.

In the Labor Party's platform and objective is to be found the true solution to Australia's problems. But you men and women in the movement, who have a thorough understanding of what socialisation means, and have the ability to place that knowledge before the people in a way they will understand and appreciate, must intensify your campaign among our own Labor people before a Labor Government will be able successfully to legislate for socialisation.

Here in the plan which the movement has adopted is an

17. *S.M.H.*, 14, 29 April 1932. Garden was chairman of the 'Lang is Right' Campaign Committee, which ordered the busts.

important, practicable step towards our objective. If we can have it enacted in either the State or Federal Parliaments the benefits from it will be so quickly and fully appreciated by the people that our objective will be brought nearer to achievement. This is a time for the Labor Movement in N.S.W. to use all its powers, whether persuasive or disciplinary, for legislation along the lines of the N.S.W. Plan, which is a step towards the objective of our movement.¹⁸

He went on to rehearse the details of the Lang Plan and of the opposition it had aroused.

The speech was a political masterpiece. Lang had proclaimed his adherence to socialisation as an immediate objective and had re-presented the Lang Plan as a milestone on the road to socialisation; but he had bound himself to no policies other than the financial policies of the Lang Plan, behind which he had tried to rally the Party. He had endorsed the propaganda campaign as the essential activity in the preparation for socialisation; indeed, he had argued that, given the opposition to the Lang Plan, no Labor government could carry through socialisation—and hence, presumably, demands on his government were futile—until the propaganda campaign succeeded. As a result of the speech, his reputation for militancy remained untarnished. Also, it gained him acceptance as one committed to ‘socialism in our time’: to the Socialisation Units, leaders and rank and file alike, Lang was for a while the charismatic socialist leader of a socialist Labor Party. But the Socialisation Units did not advocate the Lang Plan: they believed the party was rallying behind the Socialisation Objective.¹⁹ And the attempt to head off Unit demands failed utterly. The following afternoon McNamara introduced the Three-Year Plan.²⁰

This plan was based on a scheme suggested to McNamara by Claude Delalande,²¹ a member of the Socialisation Units but not

18. *L.D.* and *S.M.H.*, 4 April 1931. Lang’s garbled story of the Socialisation Units up to and including this conference (J. T. Lang, ‘Inside Politics’) ignores this speech.

19. *S.C.*, 1 May 1931.

20. *L.D.*, 6 April 1931.

21. Delalande was a journalist who wrote occasionally in *S.C.* and the ‘Socialisation of Industry’ section of *L.D.* under the *nom de plume* ‘Claude Menzies’.

the Labor Party; he had been in the non-political I.W.W. and was still a revolutionary syndicalist. McNamara saw in Delalande's scheme the basis of a program for a Labor government during the transition to socialism, the last phase of the social revolution. He adapted it, retaining the striking caption, the Three-Year Plan, and attached it as a further clause, (c), to the additions recommended by the Metropolitan Conference to the 'Policy for the Development of Socialisation of Industry'—clause (a), it will be recalled, endorsed industrial unionism, and clause (b) called for socialist propaganda as a necessary condition for socialism to be achieved during the social revolution. He submitted the whole to the (first) Socialisation Committee, which decided to recommend it to the Easter Conference in a supplementary report, the first issue of the *Socialisation Call*, containing the committee's report, having already gone to press.

Until that afternoon when McNamara, expressing the Socialisation Committee's joy at Lang's declaration of commitment to socialisation as an immediate objective, presented these two reports, nothing was known of the Three-Year Plan outside the Socialisation Committee. Debate on the reports was put off until the next day, Easter Sunday, when it occupied most of the afternoon and evening sessions. On McNamara's motion, and without opposition, conference adopted those socialisation recommendations of the Metropolitan Conference that the Socialisation Committee was pressing unaltered—objective, membership ticket, pledge.²² Then McNamara moved that conference incorporate in the 'Policy for the Development of Socialisation of Industry' the additions recommended by the Metropolitan Conference, clauses (a) and (b), and:

(c) That a plan, to be known as the 'Three-Year Plan' of social transition, be propagated to provide for Government by Regulations, such regulations to aim at the establishment in three years of a Socialist State by—

(1) The vesting in the people's government of all the rights of ownership and the control of SPECIFIED property.

22. *S.M.H.*, and *L.D.*, 6 April 1931.

(2) The administration of all specified industries and the functions of government, including banking, by national industrial Commissions and Sub-Commissions, WITH DIRECT WORKERS' AND PRODUCERS' CONTROL DURING THE THREE-YEAR PERIOD OF TRANSITION.

(3) The establishing of Compulsory Pools for the handling of the nation's entire production.

(4) The encouragement of workers-and-farmers-controlled Co-operatives.

That the details of the Three Years' Plan be worked out by the A.L.P. Socialisation Committee in conjunction with the A.L.P. Executive, N.S.W. Labor Council, and the Parliamentary Labor Party, and incorporated in the Party's rule book.²³

Thus the Socialisation Committee fulfilled the task announced in its report, bringing socialisation, 'so long relegated to the background, right into the realm of practical politics, and that as soon as possible'.²⁴ For this was not an assertion of a vague and distant objective, nor an ideological call for a propaganda campaign, but a statement of policy, of a specific, concrete course of action.

To the Inner Group, then, the Three-Year Plan, going far beyond Lang's nebulous declaration, was political dynamite, 'a gift to our political enemies'.²⁵ Garden, the Inner Group's floor manager at the conference, moved an amendment to delete all of clause (c) except paragraphs (3) and (4)—everything that was specific and concrete other than the establishment of compulsory marketing pools and the encouragement of co-operatives, which were respectable Labor policies. Inner Group speakers ridiculed the Three-Year Plan; for example, Garden himself said that, given the fluidity of conditions, it was impossible to fix a time in which to achieve socialism, and for conference to do so would make the Party a laughing stock. And Grant, who, as a member of the Socialisation Committee, had endorsed the plan, stated that to

23. Ibid. The precise wording and format of clause (c) is from *Socialisation Call*, 1 May 1931.

24. 'A.L.P. Socialisation Committee's First Annual Report', S.C., 4 April 1931.

25. J. T. Lang, 'Inside Politics'.

adopt it would render the Party absurd in the eyes of students of socialism: only a people's government, impossible in a capitalist state, could socialise industry, not His Majesty's government, as the Lang government was. This was the apostasy of Donald Grant, militant socialist. Kilburn made the chief reply for the 'socialism in our time' group, arguing that it was pointless trying to convince the people of the necessity of socialism, unless there was a plan to follow upon the collapse of capitalism. After this debate, which aroused intense interest, conference rejected Garden's amendment by 50 votes to 49, and adopted the Three-Year Plan, and clauses (a) and (b) by 57 votes to 44.²⁶ The marginal votes were provided by eight delegates from the A.W.U.,²⁷ contrary to its anti-socialist ideology, but true to its tradition of opportunism, as a tactical move to impale the Inner Group on the horns of a dilemma.²⁸ Nevertheless, for the 'socialism in our time' group it seemed that the New South Wales Labor Party was now committed to socialisation as an immediate objective.

That night, at a meeting of leading members of the Inner Group, it was recognised that this was not just another conference policy resolution that could be conveniently shelved. Their dilemma was not between a considerable contraction of Labor electoral support if the Three-Year Plan remained Party policy, although this they expected, and the antagonism of the 'socialism in our time' group should the plan be repudiated. Rather, the harsh alternatives seemed to be these: if the plan remained Party policy, specific and concrete, the Party would lose its hold on Labor moderates, both members and core voters, who would flock to the Theodore-led schismatic party, the embryo Federal Labor Party, which would otherwise prove abortive; should the plan be repudiated, the 'socialism in our time' group would take over the Party or, failing this, itself form a breakaway party, with the Socialisation Units providing a skeleton organisation. In either event, the Inner Group's, and hence Lang's, power base would be

26. *L.D.* and *S.M.H.*, 6 April 1931.

27. *D.T.*, 7 April 1931.

28. Interview with G. H. Buckland, then Secretary of the Central branch of the A.W.U. and leader of the A.W.U. delegation to that conference.

shattered. Finally, the tactically-fertile Harold McCauley conceived an expedient that might well enable them to avoid the dilemma: they were to try to have the plan rescinded, arguing as scientific socialists against a utopian construct.

Next morning, when J. Hooke, president of the New South Wales Labor Council and Garden's chief lieutenant, obtained the suspension of standing orders,²⁹ the atmosphere was already charged: the Inner Group had been lobbying delegates even before the conference reopened.³⁰ Hooke then moved the rescission of the Three-Year Plan and its replacement by a new clause (c):

That the Socialisation Committee be instructed to draw up a plan of operation indicating the steps to be taken as the various stages of transition are reached, and that, until socialisation of credit is achieved, Labor Governments make provision for co-operative societies to engage in banking and insurance.³¹

Actual steps to be taken were conspicuously absent; 'socialisation of credit', a rag-bag phrase used by Lang three days before, was quite undefined; and, finance being singularly lacking, no provision could be made for co-operative societies, so that the only proposal that was at all specific and concrete, however reformist, was quite innocuous.

Even so, no Inner Group speaker dilated on the advantages of this new version of clause (c); they all simply attacked the Three-Year Plan, those reported in more than a few lines arguing, albeit crudely and sometimes sophistically, as scientific socialists struggling with the follies of the utopians. Hooke, for instance, said that the plan was a product of the impracticable utopian socialist school of thought; members of the Socialisation Committee were so affected by current conditions that, like the ignorant politicians of the past, they had given way to the 'uneducated urge' and framed a plan that was no more than a string of platitudes and of promises incapable of realisation. And S. A. Rosa, then a journalist on the *Labor Daily*, and thus dependent on the Inner Group for his job, after presenting his credentials as an

29. *L.D.* and *S.M.H.*, 7 April 1931.

30. *S.M.H.*, 7 April 1931.

31. *Ibid*; *L.D.*, 7 April 1931.

old socialist and seconding Hooke's motion, asserted that the plan was a violation of scientific socialism; if a Labor government attempted to carry it out, there would ensue a civil war from which the working class would not emerge victorious. The Socialisation Committee should maintain its propaganda campaign for three more years to foster the necessary revolutionary spirit in the working class; then the time might be ripe for the revolution—he hastened to add, bloodless revolution.

The unprepared 'socialism in our time' group speakers did not pursue a central theme, although a common retort was that the sponsors of the rescission motion were catering for the middle-class vote instead of preparing to emancipate the working class. McNamara defended the plan he had introduced: in reply to a previous speaker he said that the sponsors of the plan were sincere; that they were not suggesting that socialism would be achieved three years hence, but that their plan should be implemented on the collapse of capitalism; by 'people's government' they meant 'workers' government'—'a Labor Government courageous enough to rule by regulation [during the social revolution] with the support of an educated and organised working class'.³² It was Kilburn, however, always an effective platform orator, who reached what was for many delegates the heart of the matter. The Socialisation Committee had intended the Three-Year Plan to operate on the collapse of capitalism; that collapse was now imminent.

What is happening in Australia to-day? Unemployment cannot be solved under capitalism. There may be 500,000 unemployed before the winter is out. What are the unemployed going to do? They are going to smash the system down. The time is ripe. The fruit is rotting on the ground . . . I think the revolution will come in my time.³³

Grant dismissed Kilburn as an emotionalist and a 'blackboard socialist', who did not understand modern capitalist conditions. The vital question was not, as some speakers had suggested,

32. *S.M.H.*, 7 April 1931.

33. *Ibid.*

whether the sponsors of the plan were sincere, but whether they were scientific; and he quoted *The Communist Manifesto* to prove that they were not scientific, adding: 'If Mr McNamara is right, then Karl Marx is wrong'.³⁴ Should the Three-Year Plan be retained, he concluded characteristically, then

the great mass of weak-kneed Labor men will swing behind Mr Theodore and the Federal Executive. You will simply defeat Mr Lang, who is the greatest menace to capitalism under the present system.³⁵

Here for a moment one of the real issues emerged from the Inner Group's smokescreen.

This debate, recalled by Labor veterans as one of the most dramatic in the history of the Party, proceeded throughout most of the day. All the while the Inner Group, organised by Garden, lobbied intensively.³⁶ Every delegate was canvassed; promises were made. Especially, union secretaries carpeted their delegates who had voted for the plan.³⁷ When at last the vote was taken, the Three-Year Plan was rescinded and Hooke's clause (c) inserted by 65 votes to 35,³⁸ the bulk of the thirty-five coming from the metropolitan branches. For less than twenty-four hours the New South Wales Labor Party had been formally committed to 'socialism in our time' as policy: never before or since has an Australian Labor Party been so committed.

It would seem that Inner Group lobbying was the crucial factor in rescission, reversing fifteen odd votes and pushing the 'socialism in our time' group back to its base in the metropolitan branches, the centre of Socialisation Unit activities in the Party. Moreover, Inner Group tactics enabled it to avoid the dilemma envisaged the night before. Labor moderates, to whom rescission was directed, did not rally to the federal Labor Party, which was never able to

34. *L.D.*, and *S.M.H.*, 7 April 1931.

35. *S.M.H.*, 7 April 1931.

36. *D.T.* and *S.M.H.*, 7 April 1931.

37. J. T. Lang, 'Inside Politics'.

38. *L.D.* and *S.M.H.*, 7 April 1931. The A.W.U. vote broke up; three voted for rescission, three against, and two, including Buckland, were absent (*D.T.*, 7 April 1931). According to Buckland, he was absent because he had assumed that all important business had been completed, and thus the A.W.U. vote was unorganised.

attract widespread support. And the 'socialism in our time' group, once the heat generated by the debate had diminished, did not consider capturing or splitting the Party. Inner Group speakers on the Three-Year Plan were taken at their face value: perhaps misguided, but certainly scientific socialists. As with Lang, through their words alone they gained acceptance among those committed to 'socialism in our time'; indeed, although certain individuals were excluded, the Inner Group as a whole gained this acceptance. As the Party leadership, not properly educated in socialist thought, the Inner Group might be excessively concerned with electoral success and Party management; there might be conflict over policy or Unit organisation, but not over the basic objective or the propaganda campaign.

As it turned out then, the aftermath of the Three-Year Plan was by no means explosive. The first Socialisation Unit Aggregate Meeting after the Easter Conference endorsed a statement, read by Mr McNamara and subsequently published in both the *Labor Daily* (9 May) and the *Socialisation Call* (1 May), that once again denied that the plan was utopian and unscientific, and justified it at some length but in essence the same way as at the conference. Members of the Units would agitate for the plan in the Party with a view to having the next Easter Conference reconsider the question of a program for a Labor government after the inevitable collapse of capitalism. The statement concluded with an appeal for Party solidarity to achieve 'socialism in our time':

the points on which we are all agreed are sufficient for us to move forward in unity . . . with one aim only in view—the attainment in the shortest possible time of our Socialisation Objective.³⁹

The Payne Report

To the Socialisation Units around the middle of 1931 it seemed that the collapse of capitalism, and hence the beginning of the social revolution, could hardly be delayed much longer. The attempts of governments to prop up the system were quite futile;

39. *L.D.*, 9 May 1931; *S.C.*, 1 May 1931.

and June was the month of the Premiers' Plan, the most desperate attempt of all. The leading article in the *Socialisation Call* of 1 July stated: 'Every day now brings us fresh indications, new and convincing evidences, of the inevitably early end of the epoch of capitalism in Australia'. At the same time there appear to have been demands, barely articulate, not sufficiently specific to fracture Unit solidarity, to do something now, without waiting for the collapse of capitalism. For example, announcing the formation of a socialisation unit in a letter to the *Labor Daily* of 8 April, the press secretary of the Adamstown branch of the Labor Party wrote:

Here on the Northern Coalfields, where there are so many thousands of unemployed, one comes face to face with so much misery, which has gone from bad to worse during the last three years, that one realises that unless something soon comes to help them out of the chaotic miseries capitalism has forced them into, they are doomed.

By the second quarter of the year almost one-third of unionists in New South Wales were unemployed.⁴⁰ And the Premiers' Plan contained a provision to reduce all adjustable government expenditure, including wages, pensions, and the dole, by 20 per cent. It was in this context that a sub-committee appointed during July by an Aggregate Meeting, apparently to report on certain lesser matters,⁴¹ advocated the seizure of power by revolutionary violence.

The sub-committee consisted of Tom Payne, a member of the Inner Unit, who had been in the Communist Party from 1920 to 1925 and had joined the Labor Party in 1927, J. H. Sydney, also a member of the Inner Unit, and E. E. Cook, who had been on the first Socialisation Committee.⁴² This sub-committee's report was universally known as the Payne Report: rightly so, as it was almost entirely the work of Payne—J. H. Sydney was at this stage Payne's disciple, and Cook did not understand what Payne's proposals meant (when he was enlightened, he ceased his advocacy). The

40. *Official Year Book of New South Wales*, 1932-1933, p. 780.

41. *L.D.*, 24 July 1931.

42. *S.C.*, 1 Oct. 1931.

first and most important of the four sections of the Payne Report was a formulation of a doctrine of socialisation as a method, which clearly implied a strategy for the Labor Party:

1. *Socialisation* means the social ownership of the means of production, distribution and exchange.
2. The first step to Socialisation is the capture of political power by the working class.
3. This act entails a social revolution, which means, in essence, the complete destruction of the *Capitalist State apparatus*.
4. Recognising the existence of the class conflict that is waged continuously between the working class and the capitalist class, i.e. those who sell their Labor power, and those who purchase same, it must be apparent to all that this struggle must culminate in a revolutionary conflict between the classes.
5. The aim of the working class should, and must be, the *complete expropriation of the capitalist class* and, in its stead, set up the *dictatorship of the working class* for the purpose of organising society upon the basis of Socialism; such should be the aim of the party if the objective is not to become a meaningless phrase.⁴³

In the second section the real problem then facing the working class was identified as the seizure of political power, the start of the process of socialisation.

The essence of the Payne Report was that the take-over of political power by the working class was not dependent on the collapse of capitalism, that it could come only through seizure by revolutionary violence, that it could come now; once in power, the working class itself could destroy capitalism and initiate the social revolution. And to attain its Socialisation Objective, the Labor Party should lead the working class.

43. Ibid.

This Report was submitted to and adopted by an Aggregate Meeting held on 8 August.⁴⁴ In August-September it was discussed by the Inner Unit. Payne and Sydney, of course, pushed their Report. All the others disagreed with the notion that the working class, or the Labor Party representing the working class, could take over political power before the collapse of capitalism, let alone that capitalism could be destroyed and the social revolution launched by political action—and the Payne Report does seem to have injected these notions into Socialisation Unit ideology. They were especially opposed to the assertion of the absolute necessity of revolutionary violence. Even so, there were differences over the way in which power would be assumed, a reflection of contradictions in the ideology: McNamara, for example, postulated an election with a mandate for immediate socialisation, while Kilburn, no doubt as a sometime syndicalist, saw a strong possibility that violence might be necessary, probably a general strike. In the end, McNamara drafted a statement of doctrine that composed these differences, opposing democratic socialism to the revolutionary socialism of the Payne Report. Towards the end of September he submitted his draft to the Socialisation Committee, which unanimously adopted it as a Declaration of Policy:⁴⁵ naturally it found favour with the Inner Group majority, which could simultaneously oppose the Payne Report, in the company of Kilburn, McNamara, and Barker and readily keep up the appearance of commitment, and emphasise the division in the 'socialism in our time' group.

The Socialisation Committee's Declaration of Policy was published in the October issue of the *Socialisation Call*, alongside the Payne Report. Permeating the Declaration is the belief that the Labor Party's moment would come after the collapse of capita-

44. *D.T.* and *S.M.H.*, 8 and 12 Aug. 1931. In both newspapers the report of 12 August 1931 roughly summarised the content of the Payne Report and listed the names of the members of the sub-committee. *L.D.* did not refer directly to the Payne Report, nor mention its contents in other than the vaguest terms, until it was debated by the 1932 Metropolitan Conference; for example, it reported (8 Aug.) that an Aggregate Meeting adopted 'a more direct policy of achieving the objective of the party'. The Payne Report was not actually published until the October issue of *S.C.*

45. *S.C.*, 1 Oct. 1931.

lism; to be ready, it must represent a solid, class-conscious, socialist working class. It attacked what it claimed was the assumption underlying the Payne Report, that no further significant advance towards the Socialisation Objective was possible until the working class seized power by revolutionary violence. Should the Report be adopted by the Labor Party, it would have to change its strategy forthwith, 'to prepare at once for armed conflict with those who are as yet not convinced of the economic and moral necessity of our Socialisation Objective'.⁴⁶ Inevitably, the increasing misery of the working class had inclined it to violence; but such a conflict would, in present circumstances, almost certainly result in its defeat. If 'the same amount of heroic energy and life' were devoted to 'solid socialisation propaganda and organisation', then the attainment of the objective was almost assured. The collapse of capitalism and the evolution of socialism were inevitable, and could be 'peaceful and orderly'. But if the New Guard staged a *coup d'etat* to establish a fascist dictatorship, the reply would be a general strike and a mass insurrection. This main part of the Declaration finished with an expression of the Inner Unit's credo:

we, as a section of the Australian Labor Party, stand as far as is humanly possible for the peaceful and orderly realisation of the only solution of to-day's evils—Socialism—and on that basis, in conclusion, *now call upon all sections and all individuals in the Labor Movement to intensify their organisation, agitation, and propaganda for Socialisation . . . fully confident that the deep morality and historical appropriateness of our message of Hope will compel the masses to follow us, through suffering and self-sacrifice if needs be, to the next great stage of Humanity's Progress through the Age—the World-wide Fraternity of Socialist Peoples.*⁴⁷

No doubt to mollify demands for the Labor Party to adopt the Payne Report, Lang spoke of revolution at the annual Eight-Hour Day Dinner, on 3 October:

46. Ibid.

47. Ibid.

There have been those in our midst who have advocated the armed revolution, as the only means of emancipation. But the revolution has come—is being fought now, and will continue a little into the future. (Cheers)

It has come without our streets being barricaded, without the accompaniment of fire-arms, but in the way the Labor Movement has always said it would come, by Act of Parliament. (Applause)⁴⁸

This revolution was—the Lang Plan. When it had been announced seven months before he went on, the New South Wales Labor Party had been declared anathema, but now the Lang Plan was public policy everywhere—an assertion which was, to say the very least, a gross exaggeration. He prophesied that, although unemployment, hunger, and misery would continue for a while, Australia was on the road to recovery. The effect of this gimcrackery on the debate on the Payne Report cannot be assessed; and although the first part of his prophecy was accurate enough, the second part was not to be fulfilled for many a weary month.

During the last quarter of 1931, the issues raised by the Payne Report and the Socialisation Committee's Declaration of Policy were, as the committee had suggested, considered by units and their branches. At an Aggregate Meeting in the Boot Trades Hall towards the end of this period, it was moved that the Report, adopted in August, be replaced by the Declaration as a statement of Socialisation Unit doctrine. After an all-day debate, the motion was carried by 52 votes to 50:⁴⁹ on this vote the 'socialism in our time' group split, into a democratic socialist group, the leaders of which constituted the Inner Unit (Payne and Sydney withdrew after this vote), and a revolutionary socialist group led for a space by Payne. Like so many socialist groups, it had split on a question of doctrine. The democratic socialist group became increasingly

48. *L.D.* and *S.M.H.*, 5 Oct. 1931.

49. No one interviewed could recall the precise date of this Aggregate Meeting, which was not reported in any newspaper or journal, although each one who had been there spontaneously recalled the vote, 52/50, no doubt because of the narrowness of the margin.

ascendant at Aggregate Meetings, so that the Inner Unit could still function as the unofficial general council of the no longer united Socialisation Units.

To Capture Control of the Party?

While the Inner Group majority on the Socialisation Committee had supported the Inner Unit's statement of doctrine, it had that same month refused full voting rights to the committee's recently elected co-opted members. Further, throughout the previous month the Inner Group had opposed the 'socialism in our time' group over membership of branch units. More importantly, the Inner Group-controlled Executive had in no way disciplined Members of Parliament who neglected to furnish a report, as their pledge as revised by the last Easter Conference required, on their socialisation propaganda activities. These things brought some of the younger members of the Inner Unit, particularly Hughes and MacSween, to conclude that the Inner Group was attempting to shackle the Socialisation Units and, to maintain its hold on the Party, was paying lip-service to the Socialisation Objective. At an Inner Unit meeting in October they argued that the Party would not be firmly committed to socialisation as an immediate objective until the 'socialism in our time' group captured control of it; therefore, they proposed that the Socialisation Units should select candidates for the Executive and try to secure their election at the ballots in December. Kilburn and McNamara disagreed. True, there had been conflict over a few organisational matters; but, while remaining steadfast on questions of principle, they should be conciliatory on minor ones. The only real difference with the Inner Group was over a program for a Labor government after the collapse of capitalism. When, through propaganda, the Units rationally convinced the rank and file of the Party, and its leaders too, of the necessity for such a program, then this demand would be satisfied. Kilburn and McNamara's view prevailed, so that Hughes and MacSween dropped their proposal.

The *Socialisation Call* of 1 November did suggest that individual Party members vote for candidates who promised to 'energetically

and sincerely do their utmost to realise the Party's Socialisation Objective'. At an Aggregate Meeting in mid-November there was a proposal that there should be an organised effort to obtain seats on the Executive. This was defeated; voting was to be left entirely to individual Party members. In an editorial, the *Labor Daily* endorsed the decision with something like relief, emphasising that the Socialisation Units had been intended as a propaganda agency, not an organisational body.⁵⁰ Undoubtedly, the Inner Group realised that, as an organisation, the Units provided a base that could be used to launch an attack on its control of the Party.

The 1932 Conferences

Given their intimate connection, it was always likely that a demand denied in the Units would be pressed again in the Party: this was the case with the Payne Report, which was the main issue at the 1932 Metropolitan Conference. Although not himself a delegate, Payne addressed the conference on 15 February at its invitation. The Labor Party, he contended, should be a revolutionary party; in the best interests of the working class, it should seize power and destroy capitalism. The *Labor Daily* and the *Socialisation Call*, he claimed, used militant phrases to fool the working class. He attacked the Executive for declaring bogus such working-class organisations as the Friends of the Soviet Union. Answering an interjector, he denied membership of the Communist Party: he was a financial member of the Labor Party.⁵¹ Next evening, the adoption of the Payne Report was moved by V. Helby and seconded by J. Doyle, both of the revolutionary socialist group: only by revolution—Doyle added, 'Why not now?'—could socialism be achieved 'in our time'.⁵² An amendment to adopt instead the Socialisation Committee's Declaration of Policy was moved by Barker and seconded by Hughes, two of the leaders of the democratic socialist group: propaganda, not revolution, was the key to 'socialism in our time'. In supporting the amendment, Kilburn asserted that the Payne Report had been

50. *L.D.*, 16, 19 Nov. 1931.

51. *L.D.* and *S.M.H.*, 16 Feb. 1932.

52. *S.M.H.* and *L.D.*, 17 Feb. 1932.

designed to disrupt the Labor Party. 'It is the hand and voice of Mr Payne, but it is the Communist Party which is guiding him.'⁵³ As both Inner Group and democratic socialist group were combined against the Payne Report, the result was a foregone conclusion: it was rejected and the Declaration of Policy adopted by 81 votes to 11.⁵⁴

Two days earlier, at Kilburn's instigation, the Metropolitan Conference had rejected a motion that the New South Wales Labor government socialise industry immediately, and instead had recommended that the Party campaign in all future elections on the issue of socialisation.⁵⁵ At the Easter Conference six weeks later, after presenting the report of the 1931 Socialisation Committee and obtaining final endorsement of its Declaration of Policy, McNamara moved the adoption of this recommendation as follows:

That the Labor Party fight all future elections, State and Federal, on the Socialisation Objective, together with any immediate demands considered necessary; election policy speeches on this question to be prepared by the Parliamentary leaders in co-operation with the A.L.P. Executive and the Socialisation Committee.⁵⁶

This was carried unanimously.

However, the most contentious question at the Easter Conference, involving a confrontation of the combined democratic and revolutionary socialist groups with the Inner Group, concerned the 'auxiliary bodies', front organisations set up and controlled by the Communist Party to extend its influence. In January the president of the Labor Party, Keller, had ruled that the auxiliary bodies—and he named eleven,⁵⁷ the most important being the Unemployed Workers' Movement and the Friends of the

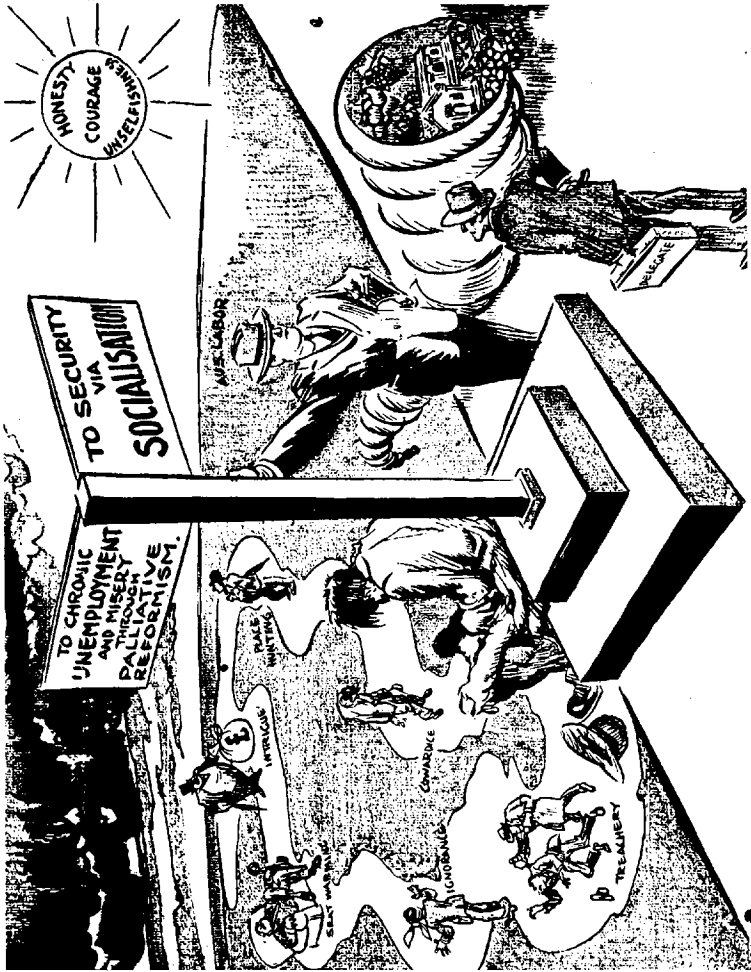
53. *S.M.H.*, 17 Feb. 1932.

54. *L.D.* and *S.M.H.*, 17 Feb. 1932.

55. *Ibid.*, 15 Feb. 1932.

56. *L.D.*, 28 March 1932.

57. They were: the United Front Against Fascism, the Workers' International Relief, the International Class War Prisoners' Aid, the Friends of the Soviet Union, the League Against Imperialism, the Militant Minority Movement, the Unemployed Workers' Movement, the Anti-Eviction League, the August 1 Demonstration Committee, the Workers' Defence Corps, and the Young Communist League.



THE CROOKED PATH — OR THE STRAIGHT — DELEGATE, WHICH WILL YOU CHOOSE?

Socialisation Call, March-April 1932

Soviet Union—were offshoots of the Communist Party and that no member of the Labor Party could simultaneously be a member of any auxiliary body: his ruling had been upheld by the Executive.⁵⁸ This caused considerable consternation in the Socialisation Units: many members and associate members, both democratic and revolutionary socialists, were also members of one or more auxiliary bodies, which they saw as independent of the Communist Party and/or necessary for 'united working class action' for specific desirable purposes. A committee, appointed by the Metropolitan Conference to examine Keller's ruling, submitted two reports to the Easter Conference, a majority report presented by J. Stewart of the Inner Group endorsing the ruling, and a minority report presented by C. H. Campbell, a leader of the revolutionary socialist group, rejecting it. Besides Campbell, speakers supporting the minority report included G. Pomfret, revolutionary socialist, and J. Kidd and A. Luchetti, democratic socialists. In the end, the majority report was adopted by 73 votes to 42.⁵⁹ The ruling, however, was not enforced before the dissolution of the Socialisation Units.

Tom Payne and the Communist Party

Tom Payne and S. P. Lewis, another revolutionary socialist, invited members of the Labor Party to a special conference on 16 April to discuss the Easter Conference's support of this ruling on the auxiliary bodies.⁶⁰ The *Labor Daily*, in its editorial of 1 April, entitled 'Get in Step or Get Out', trenchantly attacked the proposed conference as a breach of Party solidarity and a stab in the back for Premier Lang, then 'engaged in a life and death struggle for the workers of New South Wales at the Premiers' Conference in Melbourne'. A few days later, the newly-elected 1932 Socialisation Committee unanimously adopted a statement, issued by Kilburn and McNamara, that instructed members of the Units, whatever their views on the auxiliary bodies, not to attend

58. *L.D.* and *S.M.H.*, 20 Jan. 1932.

59. *Ibid.*, 28 March 1932.

60. T. Payne and S. P. Lewis to A.L.P. members, circular letters, 30 March 1932, Thompson Papers.

the conference; if they wanted to have the ruling altered, they should work through Party channels. They should not weaken Party unity during a political crisis⁶¹—this was the period in which the Lyons (Commonwealth) government was attempting to coerce the Lang (N.S.W.) government over its default on interest payments on overseas loans. The conference was a fiasco: no socialisation unit was represented, nor was any union or Labor Party branch; it was not even attended by any prominent member of the revolutionary socialist group, other than Payne and Lewis themselves.⁶² At the conclusion of the conference, Payne proclaimed his intention of joining the true revolutionary party—the Communist Party.⁶³

Payne announced his reception back into the Communist Party in its official organ, *Workers' Weekly*, on 7 October; he had been wrong, as events had proved, he wrote in self-criticism, in his estimation of the Labor Party as the mass party of the working class and the potential revolutionary party. Yet was Payne an instrument of the Communist Party in a tactical move, not, as Kilburn said, to disrupt the Labor Party, but, in accordance with its strategy in the Third Period, to destroy working-class illusions about the Labor Party and draw its members to the Communist Party? If Payne was an undercover member of the Communist Party in his seven years in the Labor Party, it would seem he was a remarkably successful one, particularly in the 'social fascist' Third Period. Certainly, the Communist Party tried to exploit the situation created by the Payne Report. For example, after its rejection by the Metropolitan Conference, *Workers' Weekly* claimed that the leaders of the Socialisation Units were exposed as counter-revolutionaries, and urged greater efforts to make contact with its rank and file to teach them that the Communist Party was the only revolutionary party.⁶⁴ But this is hardly evidence about Payne.

61. *L.D.*, 7 April 1932.

62. *Ibid.*, 18 April 1932; *Sunday Sun and Guardian*, 17 April 1932; *S.M.H.*, 18 April 1932.

63. *S.M.H.*, 18 April 1932.

64. *Workers' Weekly*, 19 Feb. 1932.

Possibly Payne did revise his estimation of the Labor Party, perhaps after an Aggregate Meeting rejected his Report, and then moved towards the Communist Party—this speculation seems as likely as any. At any rate, any tactical move failed: there was no exodus from the Socialisation Units. It would appear that until the dissolution of the Units nearly all members of the revolutionary socialist group saw the Labor Party as the mass party of the working class and the potential revolutionary party.

'Let Us Tell the People the Truth'

The Payne and Lewis conference was the only event even peripherally connected with the long and dramatic New South Wales political crisis in the first half of 1932, in which the Socialisation Units were involved. In all the other alarms and excursions that attended the fall of the Lang government and the subsequent general election, they played no part.

The 1932 Easter Conference number of the *Socialisation Call* had, in an appeal to delegates, quoted from Lang's 'We must press on to our objective' speech to the previous Easter Conference, commenting:

J. T. Lang usually means what he says. Whatever Labor's opponents may say of him, Labor at least has found up to date that an undertaking given by him is not lightly set aside. That he should treat the most important element in Labor's policy with less courage and faithfulness than he has those of comparatively minor, if auxiliary, significance, is unthinkable.⁶⁵

And that conference had, of course, resolved that the Party was henceforth to campaign in elections primarily on the Socialisation Objective; also, the Socialisation Committee was to participate in the preparation of policy speeches. Lang, however, completely ignored the committee.⁶⁶ Moreover, neither in his policy speech,⁶⁷ nor in his other election speeches, did he so much as

65. S.C., March-April 1932.

66. Ibid., June-July 1932.

67. L.D. and S.M.H., 27 May 1932. Lang's policy speech was published as a pamphlet: J. T. Lang, *Humanity First! Labor's Fighting Policy* (Sydney, 1932).

mention socialisation; as usual, this was left to the anti-labour parties and press. Voting took place on 11 June: the result was a landslide against the New South Wales Labor Party, which was reduced to twenty-four seats out of ninety, and to 40 per cent of the total valid vote.⁶⁸

In a leading article headed 'Let Us Tell the People the Truth', the first post-election issue of the *Socialisation Call*⁶⁹ attacked the 'fundamental weakness of principle' displayed in Labor's election policy. Scarcely three months after it had been given, a unanimous instruction of the supreme governing body of the Party had been disregarded—an expression of the will of the rank and file treated 'as mere babblings'. Reforms had been proposed on the 'tacit assumption of a continuance of Capitalism', despite their 'utter ultimate hopelessness' in 'the ever-deepening world and local economic crisis'.

Labor would have been better advised and more honest within itself if it had at the very least inserted a declaration in its election policy that the reforms that made up that policy, whilst perhaps necessary as immediate temporary alleviants of Capitalism, were at best merely steps in the direction of the only permanent solution of our economic and social ills, i.e. social ownership of production, distribution, and exchange.

This would, or should, have been no mere academic or doctrinaire gesture. It would have given a stimulus and a lead to some of our hesitant Parliamentarians; *it would have galvanised our party into energetic, purposeful, conscious effort along the road we must, no matter how we may dodge it, ultimately travel.*

Even had Labor, as a result of a clear-cut declaration, lost another 100,000 timid votes, it would have lost no more effectiveness in Parliament than it has now done; but—and this

68. Hughes and Graham, *A Handbook of Australian Government and Politics*, p. 450. The Federal Labor Party received 4 per cent of the total valid vote.

69. S.C., June-July 1932.

is the big point—it would certainly have *gained its soul by an earnest, honest, courageous seeking for that not far distant Socialisation Objective, which, in spite of all obstacles, must be struggled for by us all, as the only salvation for a weary, worried world.*⁷⁰

This matter of principle, the article concluded, should be discussed 'quietly, seriously and courageously' throughout the Socialisation Units.

70. Ibid.

4 The Struggle for Power

IN THE SECOND half of June and in July of 1932 the Socialisation Units considered Labor's election policy. Among democratic and revolutionary socialists (together the vast majority of Unit members) it was generally agreed that the policy did indeed display a 'fundamental weakness of principle'; and in consequence the Inner Group's commitment to 'socialism in our time' was spurned as mere sham. Moreover, the leaders now saw Lang as just another opportunistic politician; henceforth their devotion to him was as much a convenience as his commitment to socialism. But most of the rank and file distinguished between the committed leader and the corrupt machine: Lang remained the charismatic leader.¹ Many Party branches adopted resolutions censuring the Executive; none censured Lang.²

Changes in Strategies

At the meeting of the Inner Unit late in June, Hughes and MacSween found ready acceptance for their view, rejected the previous year, that the Labor Party would not be firmly committed to 'socialism in our time' until the Socialisation Units had captured control of the Easter Conference and the Executive. Further, the Inner Unit endorsed their proposal to extend the Socialisation Units' base into the unions: union units were to be formed, partly to widen the propaganda campaign, but primarily to secure the election of that vital substantial proportion of union group delegates who, with the bulk of the Sydney and Newcastle branch delegates, would provide the Units with the numbers on the governing bodies of the Party. This was a new, mixed strategy: as before, there was the propaganda campaign, but now there was added a seizure of power, with Unit organisation as the basis of both. Directed towards the conversion of the Labor Party, which alone could achieve 'socialism in our time', this strategy could be justified in terms of Socialisation Unit ideology. But strategy was no longer simply a function of ideology; nor did it depend entirely

1. In this chapter documentary evidence has been supplemented by interviews with E. A. Barker, J. O. A. Bourke, Mrs F. Coleman Brown, J. Hughes, J. Kilburn, Harold McCauley, W. McNamara, J. J. Maloney, J. B. Martin, C. A. Morgan, and A. C. Paddison.
2. *S.M.H.*, 1 Aug. 1932.

on the rationality of man. For the Inner Unit, this was the end of political innocence. And they began the struggle for power as the next step along the road to 'socialism in our time.'

Following its usual strategy, the Inner Group at first protested its support for union units, while covertly working against their formation. This strategy was feasible if the Industrial Socialisation Committee were simply trying to have official union units formed. However, by October the leaders of the Inner Group had rightly concluded that the committee was also attempting to set up rank-and-file union units, against which their group could exercise little covert leverage: especially, they saw the mid-September elections of delegates to the committee from union groups, largely composed of rank-and-file unionists who were members of branch units, as evidence that the committee was building a permanent structure which could only be based on rank-and-file union units; that one delegate from each union group was to be group organiser they interpreted as a preliminary move in their formation. Now it was perfectly credible that the Socialisation Units might have persisted in the establishment of union units, so far as to set up rank-and-file union units, just to widen the propaganda campaign. Even so, although Lang and the other Inner Group leaders were unaware of the Inner Unit's decision of the previous June and were not to be challenged until the Executive ballots in November-December, as hard-boiled practical politicians they saw this as irrelevant: if rank-and-file union units were formed, the Socialisation Units, then disposed to operate at all levels in the Labor Party union as well as branch organisation, and clearly under less than complete Inner Group management, would be capable of capturing control of the Party. This was sufficient to induce preventive action against the Units.

There were two other compelling reasons for Lang and the Inner Group to move against the Units. In October the Catholic Co-adjutor Archbishop of Sydney, Dr Michael Sheehan, demanded the de-socialisation of the Labor Party. Nine months before,

Archbishop Sheehan had maintained³ that, notwithstanding Pope Pius XI's pronouncement in his recent encyclical, *Quadragesimo Anno*,⁴ that no Catholic could be a socialist,⁵ Catholics could join or vote for the Labor Party: unlike continental socialism with which the Pope was specifically concerned, Australian socialism was not necessarily materialistic, and hence atheistic, in its conception of society; and anyway Labor gave only 'academic adherence' to socialism, campaigning in elections on social reform compatible with Catholic principles, never complete socialisation. The Archbishop had also asserted that Labor's economic program was economically unsatisfactory—but, he had added, so was Capital's; in this circumstance, and with their fear of capitalist oppression, the majority of Catholics were justified in continuing as Labor voters; nevertheless to moderate the class war and alleviate suffering, Labor and Capital should unite on the Pope's economic program outlined in *Quadragesimo Anno*. However, when on 12 October Archbishop Sheehan addressed the Hibernian Australasian Catholic Benefit Society on the standing of Catholic Labor voters with their church,⁶ there were significant changes in emphasis. Australian socialism still differed from continental socialism: but the Labor Party (it was clear he was speaking exclusively of the New South Wales Labor Party) was no longer academic in its adherence to socialism, for it had recently reaffirmed its Socialisation Objective; and he now talked about socialism, where before it had been Labor's economic program. Socialism and capitalism were both not only economically unsatisfactory, but now also morally unsound: probably socialism was the worse, because its introduction would most likely involve injustice to present property owners. Finally, to the appeal for general acceptance of the Pope's economic program was added this

3. In the *Australasian Catholic Record*, Vol. 9, No. 1, Jan. 1932, pp. 26-30; reprinted in the two Catholic weekly newspapers in Sydney—*Catholic Press*, 28 Jan. 1932, and *Freeman's Journal*, 21 Jan. 1932.

4. Published by the Australian Catholic Truth Society as *Labour and Capital* (Melbourne, 1931).

5. *Labour and Capital*, p.42.

6. For full reports, see the *Catholic Press*, and *Freeman's Journal*, 20 Oct. 1932.

rider: unless Labor and anti-Labor united on a common program civil war would ensue.

Archbishop Sheehan's address was prominently reported the following day—in the *Labor Daily* in such a way as to soften his criticism of the New South Wales Labor Party.⁷ The editorial in that paper argued that the Socialisation Objective in fact expressed basic Christian principles. The next day the *Labor Daily* announced that 'the tension in the Labor Movement' produced by this address would be relaxed 'by an intimation from the Archbishop' that his remarks had not been intended as an attack on A.L.P. socialism: only continental socialism was condemned by the Catholic Church. The *Catholic Press* denounced this as misrepresentation;⁸ but then it was not the official organ of the Archdiocese:⁹ the Archbishop never denied the 'intimation'. On 23 October Dr Sheehan spoke once more on the themes of *Quadragesimo Anno*, 'to remove some misconceptions as to the mind of the Church on an important question.'¹⁰ He returned pretty much to his position of the previous January on socialism and the Labor Party; and he offered some details of the Pope's economic program, stressing that it would permit socialisation of essential services in the public interest and would end the domination of financiers through their control of credit.

This was the confused public record of Archbishop Sheehan's intervention. Because of the substantial proportion of Labor Party members and voters—and Inner Group members and supporters—who were Catholic, Inner Group leaders were disturbed by his speech to the Hibernians on 12 October. Some days before his second speech on 23 October, possibly as early as the day after his first, he sent an emissary to Harold McCauley, Lang's *alter ego*. Here there was clarity: unless the Labor Party replaced complete socialisation with a policy compatible with Catholic principles and

7. *L.D.*, 13 Oct. 1932; c.f. *S.M.H.*, of same date.

8. *Catholic Press*, 20 Oct. 1932, editorial.

9. Beyond this, it is dangerous to regard political comment in the *Catholic Press* as typical of Catholic opinion in the Archdiocese: editorials were usually written by its irascible old anti-Labor editor, P. J. Cleary.

10. *Catholic Press* and *Freeman's Journal*, 27 Oct. 1932. This speech was reported in less detail in *L.D.* and *S.M.H.*, 24 Oct. 1932.

ended the extremist activities of the Socialisation Units; the Archbishop would declare unequivocally that no Catholic could vote for or be a member of the Labor Party. A day or so later, after consulting with Lang and other Inner Group leaders, Harold McCauley replied that at next year's Easter Conference policy would be changed and the Units disbanded. It would be easy to assume that Catholic pressure was responsible for Lang and the Inner Group moving against the Units—this was the after-the-event view of some Inner Unit members, based on the public record, rumour, and anti-clericalism; but, by Archbishop Sheehan's 12 October speech, Inner Group leaders already realised that the Units were developing the capability to take over the Party.

The third compelling reason lay in Lang's ambition to become Leader of the Federal Parliamentary Labor Party. The safe Labor federal seat of Reid, which embraced Lang's state electorate of Auburn, was available: J. H. Gander, M.H.R. for Reid, by profession a billiard-cue-marker and with no reputation in the Party other than for amiability, had been selected by the Executive in 1931, over the protests of the Reid Federal Electorate Council,¹¹ as Lang's 'seat-warmer'. Before entering federal politics, besides a seat, Lang required A.L.P. unity—on terms that would maximise his power in the Federal Conference and Federal Parliamentary Party. During September, while in Melbourne for the Australian Council of Trade Unions (A.C.T.U.) Congress, Garden and Martin talked with two senior members of the Victorian Labor Party Executive, A. A. Calwell and J. F. Chapple. These reported that the Victorian Executive considered that without unity there could never be a federal Labor government; further, it was aware that the Federal Labor Party in New South Wales had failed abysmally and it was prepared at the Federal Conference due the following year to support the re-admittance of the New South Wales Labor Party as the official New South Wales branch of the A.L.P. The talks led to an unofficial agreement, which Calwell and Chapple

11. Conflict between the Executive and the Reid Federal Electorate Council over this selection continued through most of 1931. Many members of the Socialisation Units were involved, as protagonists on the Reid Federal Electorate Council or as partisans in its constituent branches, but never the Units as an organisation.

claimed would in effect be ratified by the Federal Conference. The New South Wales Labor Party would be re-admitted without any concessions to the Federal Labor Party: Labor senators and representatives from New South Wales, always the largest bloc in caucus, would be Lang men; representation at the Federal Conference and on the Federal Executive would be changed from equal representation for each state to proportional representation dependent on state population—this would especially favour New South Wales. On the other hand, the New South Wales Party would accept the Federal Parliamentary Labor Party's commitment to nationalisation of banking as the pivot of economic policy and the chief issue at the next federal elections; also the New South Wales Party would dampen down Socialisation Unit activities, which were held to be an electoral liability. As it happened, owing to changed political circumstances that are of no concern here, the 1933 Federal Conference did not re-admit the New South Wales Labor Party. Even so, these were the terms that Inner Group leaders had to weigh against the costs of Socialisation Unit revolt.

It may well be that any of these three compelling reasons would by itself have persuaded Lang and the Inner Group to abandon their former strategy and to move against the Units. But, taken together, it was the threat to their power in the Party that dominated their decision of mid-October, although they were aware that at the same time they could satisfy the Catholic Church and return to the A.L.P. on favourable terms. Before the next year's conference season, they had to find an issue that would mask these compelling reasons and capitalise on Lang's charismatic leadership: the Units were not just another intra-Party group that the machine could destroy by Executive fiat.

Election of the 1933 Executive

The ballots for the 1933 Executive were held through the second half of November into December. In the *Labor Daily* of 5 November, McNamara announced a series of union unit group meetings for the following week; to these he invited any branch

unit member who was also a member of a union. The meetings were to discuss 'important educational matters': in fact, they were used to organise the canvassing of support for Socialisation Unit candidates in the union and subsequent union group ballots for the Executive, and the scrutineering of the counting of votes. This was the first overt move in the attempt to capture control of the Party. It was now clear to the leaders of the Inner Group that the Units were more than a threat: the struggle for power had already begun. So it was that reports of Unit activities in the anti-labour press, usually a mixture of fact, rumour, and the sheerest fantasy, at last came close to actual happenings. The Socialisation Committee (the 1932 committee with a democratic socialist majority) denied newspaper allegations that the Units were disrupting the Labor Party: it had always striven for unity founded on the Socialisation Objective and for open debate in accordance with the Party rules.¹² Although in the present circumstances this was somewhat disingenuous, these had always been the Units' aims; and there was nothing unconstitutional about running a ticket for the Executive—the Inner Group had been doing it for years.

In the Executive ballots, out of the 28 positions to be filled (the president and two vice-presidents were elected by the Easter Conference), Socialisation Unit candidates won 17: 14 out of 18 from union groups, 3 out of 4 from metropolitan groups, and none of the 6 from the country divisions.¹³ All of these were democratic socialists. Even though its union organisation, with only a few official and as yet no rank-and-file union units, was far from complete, the Units had obtained a majority of 6—or rather 4, as the 'lame duck' vice-presidents retained the right to vote (the president exercised only a casting vote). Inner Group candidates protested about the ballots for the one representative from No. 1 Metropolitan Group and the three from the Public Utilities Group. The 1932 Executive, still in power until 31 December, upheld the

12. *L.D.*, 12 Nov. 1932.

13. Based on *L.D.*, 4 Nov. 1932 and 9 Jan. 1933; *S.M.H.*, 21 Dec. 1933; and *Sun*, 9, 17 Dec. 1932.

protests and ordered fresh ballots¹⁴—actions which it never publicly justified. The Inner Group lobbied intensively in the relevant branches and unions, stressing that its candidates were Lang men. C. A. Crofts, a Victorian supporter of Lang,¹⁵ who was secretary of the A.C.T.U. and general secretary of the Gas Employees' Federation, was brought from Melbourne to put pressure on the New South Wales branch of his union to swing behind the Inner Group candidates. In both ballots, the Inner Group candidates narrowly defeated the previously elected democratic socialists,¹⁶ thus winning 15 out of the 28 positions and retaining control of the Executive. But if the Socialisation Units were to have the numbers at the forthcoming Easter Conference, they could elect the president and vice-presidents, and, from then, on the casting vote of the president, control the 1933 Executive; for that matter, they could dismiss the Executive or rewrite Party rules. The struggle for power would finally be resolved at the Easter Conference, the supreme governing body of the Party.

Socialisation of Credit

Lang and the other Inner Group leaders had decided to change their strategy towards the Socialisation Units, but had no more than discussed the problems their new strategy would involve; as usual, it was left to Harold McCauley to formulate the plan. He found an issue which Lang could take up—socialisation of credit. This vague slogan, which accommodated together a bastard socialism and populist financial crankiness, had been in the air throughout the depression; it had been bandied about by Inner Group speakers, including Lang, at the 1931 Easter Conference. It could be variously interpreted: as socialisation of an essential service, ending the domination of financiers, it was acceptable to the Catholic Church; as nationalisation of banking, it was in accordance with the policy of the Federal Parliamentary Labor

14. *Sun*, 17 Dec. 1932.

15. Even though not a resident of N.S.W., Crofts had been appointed by the Lang government to the Gas and Electricity Commission.

16. *L.D.*, 18 Jan. 1933; *Sun*, 4 Jan. 1933. Note that *L.D.* did not report the first ballots until 9 Jan. 1933, after the *Sun* had reported the second.

Party; as social control of credit, it might draw support from the rapidly growing Douglas Social Credit Association.¹⁷ Above all, Harold McCauley believed that, as a watering-down of socialisation of industry, it would provoke the Socialisation Units into attacking Lang and his new policy: the Units would bear the odium of disrupting Party solidarity and challenging Lang's charismatic authority.

In a speech that was another of Harold McCauley's masterpieces, Lang announced his new policy of socialisation of credit on 29 January to the 1933 Country Conference.¹⁸ He asserted that the Australian credit system, the basis of the economic life of the community, was controlled and manipulated by 'the international gold ring', which, to maximise its profits, had created the world-wide depression. If private enterprise, he continued, was not permitted to operate such essential services as the railways or the post office, why should it be allowed to control the far more important public credit system? The Labor Party's immediate objective must be the socialisation of credit: then the people would 'socially own the banking institutions and socially control the credit system of Australia'. This could be achieved during the life of the next Commonwealth Parliament, should Labor—presumably re-united and led by Lang—win the 1934 elections. He then made a thinly veiled attack on the Socialisation Units.

The founders of our Movement realised that ultimately the conditions of the people could only be improved by an evolutionary progress towards complete Socialism. In recent months the misery among the people has impelled many workers in our Movement to endeavour to hasten towards our objective. As often happens, when undirected zeal exhibits itself, confusion follows. Labor people should always keep in

17. The Douglas Social Credit Association (N.S.W.) published from 7 June 1932 a weekly newspaper, *New Era*, which claimed that its association experienced 'phenomenal growth' during 1932 (15 Dec. 1932). Certainly, the leaders of both the Inner Group and the Socialisation Units were conscious of 'rapid growth' (interviews). McNamara was sufficiently concerned to publish altogether seven critical articles on Douglas Credit in October 1932 and January 1933 in the 'Socialisation of Industry' section of *L.D. Saturday Supplement*.

18. *L.D.* and *S.M.H.*, 30 Jan. 1933.

mind that there are no gradations in Labor membership. There are no moderates; there are no extremists; there are no socialisers or nationalisers. Don't let the enemy Press, or those who are doing their work, draft you like sheep into pens and label you; you are either Labor men and women, or you are not.

The great Labor Movement has never laid claim to a vast amount of scholastic erudition; its power lies in its ability to understand the sorrows and sufferings of the people, and its willingness to fight for the people, no matter how heavy the odds may be. It is a people's movement; don't let it become an academic background, throwing into relief the preenings of a few vainglorious pedagogues. The Labor Movement is a practical one, always fighting for practical gains for the people, spurred on with the hope of ultimately reaching the ideal goal towards which it moves.

All this was pretty much a reversion to the party's traditional ideology, essentially populist, with socialism as no more than a 'light on the hill'; and some of the main themes of this traditional ideology are present in the speech—the primacy of finance, conspiracy theory, solidarity, anti-intellectualism.

The Country Conference, on which the Units were never strongly represented, received Lang's speech with prolonged applause and recommended that the socialisation of credit should be one of the main planks in the party's platform at the next Federal elections.¹⁹

Open Conflict

On the Inner Unit there were no doubts about opposing this attempt to remove the Socialisation Objective from practical politics and replace it by what was seen as just another palliative far short of complete socialism. But, as the bulk of the rank and file still revered Lang, it was decided to oppose socialisation of credit without opposing its proponent. At the Metropolitan Conference which convened on 11 February it was clear from the

19. Ibid.

first business, the elections of officials and committees, that the Units had the numbers; for example, four of the five on the crucial agenda committee were democratic socialists. Most of the opening day was devoted to discussing a series of motions dealing with socialisation. A number of important Unit demands were satisfied: among other things the conference recommended that the Executive be instructed to assist in the formation of union units and to refuse endorsement to any Member of Parliament who failed to participate in the propaganda campaign. More directly, on Kilburn's initiative the conference recommended that Lang's policy of socialisation of credit should be part of Labor's election policy, which, as prescribed by the 1932 Easter Conference, was the Socialisation Objective,

'which is to be definitely interpreted as including the social ownership and democratic control as soon as possible of all public monopolies and industries and public utilities as well as of banking and credit.'²⁰

The following day Lang addressed the conference, again advocating socialisation of credit, and this time positively goading the Units to attack him. He derided ineffectual people who talked about socialising everything overnight, and he pointed to the danger of wrecking the Labor Party through foolish over-zealousness. Moreover, he warned against traitors within the Party who would try to promote discord.²¹ At the conclusion of Lang's speech an Inner Group supporter, W. Carlton, moved:

That this conference declares in no uncertain terms its approval of the policy of socialisation of credit as outlined by the Leader of the Labor Party, Mr. Lang; further, that we have the fullest confidence in our leaders, Messrs. Lang and Beasley,²² and pledge the movement to stand solidly behind their leadership in the fight with High Finance.²³

However, the Units still did not attack Lang. Kilburn and McNamara objected to what they termed an attempt to whittle

20. *Ibid.*, 13 Feb. 1933.

21. *Ibid.*

22. J. A. Beasley, Leader of the N.S.W. Labor Party in the Commonwealth Parliament.

23. *L.D.*, 13 Feb. 1933.

down the previous day's decision under the guise of a motion of loyalty to Lang. Maloney (another member of the Inner Unit) moved an amendment which had the effect of letting that decision stand, and combined an expression of loyalty to the Party's parliamentary leaders with an assertion of the supremacy of the Annual General Conference:

That this conference has every confidence in the leadership of Messrs. J. T. Lang and J. A. Beasley to carry into effect the decisions of Easter Conference.²⁴

This was carried by 66 votes to 44.

Even so, Harold McCauley decided to proceed as though the Units had attacked Lang. The *Labor Daily* of 13 February front page summary of these events began:

A direct and cunning attack on the leader of the Labor Party, Mr. Lang, in relation to his courageous policy of wresting complete control of the credit of the nation out of the hands of High Finance, was launched at the A.L.P. Metropolitan Conference at the Trades Hall yesterday by a clique organised in the name of Socialisation and led by Messrs. W. McNamara and J. Kidd.²⁵

The object of the dastardly action . . . which follows upon an intensive Capitalist Press barrage to create a favourable atmosphere for it . . . was an attempt to weaken in the eyes of the rank and file of the Movement and the people of Australia the powerful leadership of the only man who has given a practical policy for Australia, to extricate her from her present grave difficulties.

Misleading delegates with the flimsy excuse that the question had already been determined and needed no reiteration . . . the clique secured the rejection of a motion expressing complete approval of the policy of the social control of credit put forward by Mr. Lang at Goulburn, which was wholeheartedly endorsed by the country delegates, and repeated by him yesterday.

24. *Ibid.*, S.M.H., 13 Feb. 1933.

25. A member of the Inner Unit and secretary of the Newcastle Socialisation Unit. Why Kidd was chosen to be bracketed with McNamara is uncertain.

This set the tone of *Labor Daily* reporting throughout the remaining history of the Socialisation Units. The same day's editorial, defaming Unit leaders as 'recent recruits' and 'disappointed place hunters . . . who had ridden to places of importance and trust on the back of Labor's objective', was the first of an abusive series.

That night at the conference both socialist groups handed out leaflets condemning the *Labor Daily*.²⁶ After an acrimonious debate it was resolved by 65 votes to 33 that the paper had been 'unjust, unfair and mischievous' and that a retraction should be published.²⁷ Next morning's *Labor Daily* responded by charging the Units with conspiring with the capitalist press to bring down Lang, the 'evidence' being leaks and rumours about Unit plans reported over the past six weeks in anti-Labor newspapers; and it seems that some of these were planted by the Inner Group.²⁸ So it went on, the Inner Group making accusations against the Units in the *Labor Daily* and the Units using the conference as a platform from which to reply.

While, as Harold McCauley had anticipated, the leaders of the Socialisation Units were defending their reputations night after night at the Metropolitan Conference, the Inner Group was taking over Party branches in the Sydney metropolitan area. Garden, Martin, and others visited branch and state electorate council meetings, saying that the Units were trying to destroy 'the greatest leader Labor ever had'; and they smeared the Units and Unit leaders, implying, for example, that finance for printing came from Moscow or the *Sydney Morning Herald* or both, and (bearing in mind that Lang was married to a daughter of McNamara's recently deceased mother by her first marriage) putting it about that McNamara had used his mother to ask Lang to get him a pre-selection for Parliament.²⁹ Branch delegates to the Metro-

26. 'Let Us Be Fair', issued by J. Kilburn, W. McNamara, and J. Kidd (democratic socialist group), and 'Rank and File: Appeal for Justice' (revolutionary socialist group), Thompson Papers.

27. *L.D.* and *S.M.H.*, 14 Feb. 1933.

28. Interview with F. Coleman Brown, then industrial roundsman on the *Sydney Morning Herald*.

29. *S.C.*, 1 March 1933.

litan Conference derived from the previous year's branch elections; during February new branch elections were held, the first in the electoral process leading to the Easter Conference. Inner Group members ensured that their supporters attended branch annual general meetings which elected delegates to state electorate councils as well as branch officers. With promises and threats they pressured delegates on state electorate councils in the voting for positions on the groups of state electorate councils which elected branch delegates to the Easter Conference. When, at last realising that while they talked the Inner Group was organising for the vital Easter Conference, Unit leaders on 22 February let the Metropolitan Conference lapse for want of a quorum,³⁰ the Inner Group had just about made certain that it would gain a majority of the thirty metropolitan branch delegates to the Easter Conference.

The *Labor Daily* continued to harass the Units. It published what it termed 'spontaneous'³¹ resolutions from branches, metropolitan and country, condemning the Units and lauding Lang. The 'Socialisation of Industry' section of the Saturday Supplement was turned over to Paddison (a publicist member of Lang's entourage), who wrote under the pseudonym 'Solomon Brigg'. Paddison's main theme was that because of economic conditions, the process leading to the Socialisation Objective must be gradual, and that necessarily the first stage was socialisation of credit; and, unlike theorists in the Units, who, being unscientific, could only offer nostrums, Lang was a realist who took economic conditions into account and formulated the only practical policy. In this, Paddison maintained, Lang was similar to Lenin, who recognised the failure of 'pure Marxian' War Communism, and under the New Economic Policy concentrated on national control of banking as the first step to socialism. As with the Lang Plan, Paddison attempted a retrospective economic justification of a policy that was political in purpose; and, like Inner Group delegates urging

30. *L.D.* and *S.M.H.*, 23 Feb. 1933.

31. For example, *L.D.*, 21 Feb. 1933. Resolutions, or lists of branches submitting resolutions, were published from during the Metropolitan Conference up to the Easter Conference.

rescission of the Three-Year Plan, he argued spuriously as a scientific socialist trying to oppose the Units from within the socialist tradition.

Denied access to the *Labor Daily* the Units could reply only through the official organ, the *Socialisation Call*, and occasional leaflets.³² Citing supporting evidence, the March issue of the *Socialisation Call* charged the editor of the *Labor Daily* (Norman McCauley) with suppressing resolutions censuring his and the Inner Group's actions, doctoring or misrepresenting some resolutions, and publishing others twice; and it appealed for rescission of anti-Unit resolutions passed because of lack of reliable information. The *Socialisation Call* also complained that ballots for Easter Conference delegates were being rushed—this has been confirmed by the then organising secretary of the Party; and it urged delegates to branch and union groups to ignore *Labor Daily* misrepresentations and vote for candidates committed to full socialisation. Further, the *Socialisation Call* protested against the sacking by the editor of the *Labor Daily* of George Finey—his mordant social and political comment had been one of the best features of the *Labor Daily* and also of the *Socialisation Call*—for his cartoon of protest on the 'Who are the Real Clique' leaflet. And at last the Units attacked Lang himself:

Is the Conference or are Mr. Lang or the *Labor Daily* to decide the policy of the Labor Movement? Or is Conference to decide and Mr. Lang and the *Labor Daily* to assist in carrying out the decisions of Conference?

Conference must not be subject to dictation.

The decision of Conference, fairly and squarely arrived at, may be for straight-out Socialisation, or it may be for Mr. Lang's policy; but whatever that decision, we would, as loyal Labor men, abide by it.³³

Well before the conference assembled it was manifest what its

32. Extant printed leaflets are 'An Appeal to All' (McNamara Papers); 'Whose Is the Hand?' and 'Who Are the Real Clique?' (Thompson Papers). From this Metropolitan Conference the Unit publications, including S.C., could no longer be printed by L.D. (S.C., 1 March 1933).

33. S.C., 1 March 1933.



BLOODY, BUT UNBOWED

*O! Labor! must there be yet another Easter Crucifixion before
Farm and Factory Worker unite to hail the Risen Sun?*

Socialisation Call, April 1933

decision would be. On 27 March the *Sydney Morning Herald* reported that the election results revealed that Unit delegates would be in a hopeless minority: socialisation of credit would be adopted and the Socialisation Units would be disbanded. The tone of the pre-conference *Socialisation Call* was one of resignation to defeat, at least at that conference. This was especially apparent in Finey's cartoon, headed 'Bloody, but unbowed', showing the 'Socialisation Movement' nailed to a cross by 'press lies', 'intrigue', and 'falsehood', surrounded by faces full of 'misunderstanding', with a 'farmer' and an 'industrial worker' clasping hands beneath a sun labelled 'Socialisation of Industry'; it was captioned 'O! Labor! Must there be yet another Easter Crucifixion before farm and factory worker unite to hail the risen sun?'³⁴

Harold McCauley's strategy, carried through with political in-fighting according to the rules of Rafferty, had paid off. One question remained: would the Units accept any decision of this Easter Conference as 'fairly and squarely arrived at?'

Dissolution of the Socialisation Units

The Annual Report of the Labor Party Executive was devoted to the 'unpleasant task of exposing motives for disruptive activities' of the Socialisation Units:³⁵ it was adopted by the Easter Conference, on 14 April at the opening session, after a Unit amendment had been defeated by 81 votes to 18.³⁶ At the same session conference set up a committee, composed entirely of Inner Group delegates, to report on socialisation. That evening Garden presented the committee's report: the Socialisation Objective was reaffirmed but socialisation of credit was to be the immediate policy; assisted by a committee of nine elected by conference, the Executive was to have full control of socialisation propaganda; branch socialisation units were to be dissolved, and instead, each branch was to constitute itself a socialisation unit and devote

34. *Ibid.*, April 1933—as it happened, the last issue.

35. *Australian Labor Party, State of New South Wales: Report of the Executive, 1932-33*, p.3.

36. *S.M.H.*, 15 April 1933. *L.D.* of that date stated that the report was adopted 'practically unanimously'.

every third meeting to propagating the Objective; a branch might appoint a sub-committee to organise propaganda work, but such a sub-committee was to be subject to the branch.³⁷ Moving the adoption of the Report, Garden took up the comparison of Lang with Lenin made in the Solomon Brigg articles. He read quotations from the works of Lenin to demonstrate that Lenin's policy had been nationalisation of banking.

That does not go as far as socialisation [i.e., socialisation of credit, including banking]. Our leader is ahead of the God they bow the knee to. Our report goes farther than the policy advocated by Lenin. Mr. Lang is the greatest leader the country has ever produced.³⁸

The Report was adopted on the voices. Thereupon the Socialisation Units were severed from the Labor Party; and the A.L.P. Socialisation Committee elected the following day³⁹ was not connected with the Socialisation Units.

A General Aggregate Meeting of the Units was held on the Saturday after the Easter Conference, 22 April, in the Boot Trades Hall, Redfern: a week before the conference McNamara had circularised all branch and union units, and also all socialisation group councils, electorate committees, and union groups, inviting

37. *L.D.*, 15 April 1933; the *S.M.H.* of that date does not give full details of the report.

38. *S.M.H.*, 15 April 1933. The *L.D.* of the same date did not quote Garden, but mentioned Garden quoting from Lenin. This was the occasion on which Garden was later alleged to have said 'Lang is greater than Lenin'. However, as well as consulting the above two newspapers, I consulted reports of the conference in the *Australian Worker*, the *Bulletin*, *D.T.*, *Smith's Weekly*, the *Sun*, the *Sunday Sun* and *Guardian*, and *Truth*, without locating this sentence which is now so much part of the Lang legend. The *S.M.H.* entitled its editorial of 17 April 'Ahead of Lenin', claiming that 'Garden ecstatically pronounced "our leader" to be "ahead of Lenin" '; and in an editorial two days later it had Garden declaring ' "Lang is ahead of Lenin" '. If these two editorials differ over what Garden said, and if neither accurately reproduces the paper's quotation from Garden on 15 April, each does at least offer the gist of what he was reported as saying. For that matter, 'Lang is greater than Lenin' would not do violence to Garden's meaning, nor to Solomon Brigg's in the *L.D.* Plainly, both Garden and Paddison as a tactical expedient attacked Unit members as unscientific socialists—Garden, as a platform orator, rather more flamboyantly.

39. *L.D.* and *S.M.H.*, 16 April 1933. The nine elected to the committee were all Inner Group men: J. S. Garden, S. Gould, A. McNamara, J. Payne, A. E. Lewry, J. Stewart, M. J. Conaghan, W. C. Burnett and E. M. Boland. The committee appears to have done little more than produce a pamphlet entitled *Socialisation of Credit* (Sydney, n.d., McNamara Papers).

each to send up to five delegates who must be Labor Party members.⁴⁰ The revolutionary socialist group, by then disenchanted with the Labor Party, stacked the meeting with members of auxiliary bodies (i.e. Communist Party front organisations) who were not members of the Labor Party.⁴¹ McNamara's proposal to remain within the Labor Party and impel it towards a socialist program was defeated. Instead, the revolutionary socialists put through two contradictory resolutions: to maintain branch and union units within the Labor Party while co-operating with other working-class organisations in a united front, and to confer with the Australian Railways Union and the Miners' Federation about forming a breakaway Industrial Labor Party committed to full socialisation.

After this meeting, realising the importance of a formal central authority lacking since the Easter Conference, the Inner Unit set up a Committee of Twelve from the more prominent of its own members.⁴² On 29 April this new committee plus other leading democratic socialists—in effect the old Inner Unit—met to discuss Socialisation Unit strategy.⁴³ It prepared a Declaration of Principles to be put before a further Aggregate Meeting. During the same week-end there were two revolutionary socialist group meetings with overlapping attendance: one decided to form a breakaway party, the other to court expulsion from the Labor Party by operating in a united front with auxiliary bodies.⁴⁴

As Secretary of the Committee of Twelve, McNamara circularised all Unit bodies, inviting each to send three delegates who must hold 1933 Labor Party membership tickets, to a General Aggregate Meeting in the Boot Trades Hall on 14 May.⁴⁵ The

40. W. McNamara, circular letter to all branch and union units etc., 7 April 1933, Thompson Papers; the circular was also printed in *S.C.*, April 1933.

41. W. McNamara, Hon. Secretary Committee of 12, circular letter—personal, [22-28] April 1933, McNamara Papers; *D.T.* and *S.M.H.*, 24 April 1933.

42. Members of the committee were E. A. Barker, J. O. A. Bourke, W. Evans, J. Hughes, J. Kidd, J. Kilburn, W. McNamara, D. MacSween, J. J. Maloney, C. E. Martin, C. A. Morgan and A. W. Thompson.

43. W. McNamara, Hon. Secretary Committee of 12, [22-28] April 1933, McNamara Papers; *D.T.* and *S.M.H.* 1 May 1933; *Sunday Sun and Guardian* 30 April 1933.

44. *D.T.*, 1 May 1933.

45. W. McNamara, Hon. Sec. Committee of 12, circular letter, [1-6] May 1933, Thompson Papers.

committee submitted its Declaration of Principles: capitalism was in crisis, capitalist governments were still unable to cope, and the worst capitalist elements were driven to 'Fascism, Hitlerism and New Guardism'; socialisation of industry could be carried out only by the Labor Party, which should not in these circumstances be further split; therefore, showing Party solidarity, each branch unit should pass a resolution accepting the decisions of the Easter Conference and dissolving itself. The Easter Conference, the Declaration asserted, had been lacking in understanding of the Units' constructive work,

but we . . . believe that this lack of understanding must give way under the pressure of a rapidly increasing mass of enlightened party members, and before the hard facts of the developing situation, to a positive understanding of the necessity for all our Party's efforts to be directed towards nothing less than the Party's full objective as after all the only IMMEDIATE AND PRACTICAL POLICY.⁴⁶

In other words, an organised ginger group, with its propaganda especially relevant during the depression, was converting Party members and would convert the Party to 'socialism in our time'. This was not just a gesture of bravado in defeat but an expression of conviction—although, now that the strategy of the propaganda campaign plus a seizure of power had failed, with the mass organisation to be disbanded, how the Units would prevail against Lang and the Inner Group was by no means clear. Indeed, the Declaration was a typical statement of Unit ideology: at least for the leading democratic socialists, ideology remained remarkably constant despite the non-fulfilment of expectations. Most importantly, because of their devotion to the Labor Party, they accepted the decisions of a conference they saw as having been elected through fraud.

The General Aggregate Meeting was attended by revolutionary socialists, whose attempts to form a breakaway party and to gain widespread support for a united front had not succeeded, as well as democratic socialists. The meeting adopted the Declaration of

46. Declaration of Principles, Thompson Papers.

Principles and elected a Committee of Thirty-five (later called the Socialisation Conference Committee) to combine with the Committee of Twelve in a Joint Committee, usually known as the Industrial Socialisation Committee, to take over the functions of the old Industrial Socialisation Committee. The Joint Committee drew up a plan of organisation for an Industrial Socialisation Movement;⁴⁷ but this was never activated. On this new committee there were further conflicts between revolutionary and democratic socialists: the former were defeated when they proposed that the Industrial Socialisation Movement should enter a united front with the Communist Party; finally, on 19 August, V. Helby and two other members of the Joint Committee, plus fifteen rank-and-file members of the Labor Party, announced to a 'rank-and-file' conference that they intended to join the Communist Party to help build the mass revolutionary party⁴⁸—a poor return on the Communist Party's efforts, continued after the eruption of open conflict between the Inner Group and the Units at the 1933 Metropolitan Conference,⁴⁹ to discredit Unit leaders as 'left social fascists' and attract Unit members to the Communist Party. Also on 19 August a 'Socialisation Conference' convened by the Joint Committee demanded that the Labor Party Executive allow free speech within the Party, and supported branches and unions calling for immediate selection ballots for next year's federal elections.⁵⁰ Six days later the Executive declared the 'Industrial Socialisation Committee' bogus and announced that association with it would involve expulsion from the Party.⁵¹ Shortly afterwards the committee disbanded: this was the last remnant of the organisation of the Socialisation Units.

After the General Aggregate Meeting of 14 May most branch units dissolved themselves, although some of those controlled by

47. Plan of organisation for the Industrial Socialisation Movement, circular, 21 June 1933, and V. Helby, Hon. Sec. Socialisation Conference Committee and W. McNamara, Hon. General Sec. Industrial Socialisation Movement, circular letter, 30 June 1933, E. A. Barker Papers (Mitchell Library).

48. *Workers' Weekly* 14 July, 25 Aug. 1933.

49. See, for example, *Workers' Weekly* 17-24 Feb., 28 April, 28 July 1933.

50. *S.M.H.*, 21 Aug. 1933.

51. *L.D.*, 26 Aug. 1933; *S.M.H.*, 29 Aug. 1933.

revolutionary socialists for a few months tried to carry on as study circles. Apart from those who joined the Communist Party, some revolutionary socialists remained in auxiliary bodies and were expelled from the Labor Party. Some democratic socialists, including, of course, the leaders, subscribing to the Declaration of Principles, stayed in the Labor Party. Inner Group members and supporters who had been in the Units naturally remained in the Labor Party. Most of the many who joined the Labor Party through the Units left that Party: a few joined the Douglas Social Credit Association; the rest, disillusioned, it would seem, with politics as well as with the Labor Party, returned to the grey mass of political apathy from which only the Great Depression and the Socialisation Units had drawn them.

5 Conclusions

THE FIRST SOCIALISATION Committee was set up almost by chance 'to devise ways and means'. That the launching of the Committee's propaganda campaign coincided with a growing consciousness of the Great Depression was quite fortuitous. But the propaganda did appeal to the working class and embrace demands to replace capitalism with another system guaranteeing security, equality, and justice; and after August 1930 the depression was represented and could be seen as the final crisis of capitalism which would inaugurate the social revolution. Atypically of socialist groups in Australia, let alone those which have been formally linked with a Labor Party, the Socialisation Units became a mass organisation. Like so many socialist groups, the Units split into factions over a question of doctrine, and, in defeat, fragmented, with only a small group staying in the Labor Party, still believing that the Party could be committed to 'socialism in our time'.

Until the 1931 Metropolitan Conference the survival of the Socialisation Units related to the Inner Group's preoccupation with and need for support in the struggle with Theodore and his supporters. From that conference the Units were a force to be reckoned with in the Party. What is surprising is the political *naivete* of the Inner Unit, or rather its senior members, McNamara and Kilburn; they did not appreciate the importance of the distribution of power in the Party for the satisfaction of Unit demands; the propaganda campaign was sufficient to convert the Party. By the last quarter of 1931 it was plain enough to some of the younger members of the Inner Unit that Lang and the Inner Group were simply making ritual obeisance to the Socialisation Objective and that to commit the Party firmly to the objective as policy it was necessary to capture control of the Party. Such an attempt might well have come off in the ballots for the 1932 Executive and for the 1932 Easter Conference, if only because from mid-1931 to February-March 1932 Lang's reputation for militancy was being sustained only by increasingly frenetic publicity campaigns. However, it took Lang's failure to discuss socialisation in the June 1932 New South Wales elections, let

alone to feature socialisation as the central issue, as instructed by the previous Easter Conference, to bring the leaders of the Socialisation Units to a consensus on the necessity of obtaining power in the Party. When at last an attempt was made, the Units almost succeeded in taking over the 1933 Executive: Inner Group control of the old Executive was decisive in disputed ballots, which were the margin for success or failure. If the establishment of union units had been seriously undertaken sooner, the outcome might have been different.

Plainly, Lang and the Inner Group recognised the importance of and were sensitive to the distribution of power in the Party. Having the numbers on the Executive and holding the key officer's positions were critical for Party management, in interpretation of Party rules in the interests of the Inner Group, and in handling the process of election to the Party's governing bodies. Again, the operation against the Socialisation Units showed just how important was Lang's control of the *Labor Daily* to his machine. This paper had a virtual monopoly of news media open to Labor men; and if other newspapers published reports, then allegations could be made about conspiracy with the capitalist press. Yet the *Labor Daily*, on an internal Party matter, printed a good deal which had the same faults often charged against the capitalist press—bias, misrepresentation, and smearing. If anything, the *Labor Daily* material was even more damaging than it would have been if published by the capitalist press, since it was written on a basis of much inside knowledge, and in the language of the Party's populist ideology.

Lang's special position in the Party was vital in at first containing and then destroying the Socialisation Units. And by the time the Inner Unit moved against the Inner Group, Sir Philip Game had given viceregal imprimatur to Lang's reputation for militancy. In 1933 opposition to his policy of socialisation of credit could be represented—at least in the short run, which was sufficient—as an attack upon the great Leader. Even so, Lang was dependent on Harold McCauley, as indeed was the latter on Lang. Without Harold McCauley's political nous, his understanding of

strategy and tactics, it is doubtful if the Inner Group could have managed the Socialisation Units and remained in control of the Party. His strategy of 1933 was a classic indirect approach, his tactics as brilliant and as ruthless as any ever employed in the New South Wales Labor Party, which at least from World War I to World War II had a 'knife to the bone' style about its politics.

This study does suggest the inadequacy of terms commonly used in discussion of the Australian Labor Parties: 'Left' and 'Right', 'militant' and 'moderate'. 'Left' and 'Right' are perhaps useful in classifying broad tendencies within the traditional populist ideologies of the Labor parties; but they are often used as poles of a continuum on a specific issue: different terms for tendency and issue would avoid this confusion. 'Militant' and 'moderate', apart from loosely describing attitudes to kinds of political activity, are slogans, not categories. Either pair is so simplistic as to be misleading in classifying groups and their relationships within a Labor Party.

Now the Socialisation Units consisted of a mass organisation, connected with the New South Wales Labor Party, but having a distinct ideology—not just a 'Left' tendency in Party ideology. The Units developed from the 'socialism in our time' group in the Party; this group later split into a democratic and a revolutionary socialist group. The Inner Group, dominated by Lang, was the machine that ran the Party; despite Lang's ideological posturings, and his subsequent representation as the incorruptible guardian of traditional Party values, he and the rest of the Inner Group were not themselves concerned about ideological objectives. Their prime concern was the maintenance of their control of the Party: this is plain enough from the decision prior to the 1931 Easter Conference not to move against the Socialisation Units, and from the decision to take preventive action when the Industrial Socialisation Committee began to organise rank-and-file union units.

Attached to the New South Wales Labor Party there have been a number of organised groups which have attempted to convert the Party to 'socialism in our time'. And there have always been

groups, usually a number of groups in alliance, managing the Party. The Socialisation Units remain unique, in the nature of their organisation, the extent of their support, and the narrowness of their defeat. Lang may not have been the 'greatest leader Labor ever had'; but he is *sui generis*, simultaneously parliamentary leader and Party boss, and the only charismatic leader in Australian labour history.

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Designed by Cathy Akroyd

Text set in 12/12 Aldine Roman
and printed on Burnie Hi-Lite
Offset 94 g.s.m. by Pacific
Computer-Electrographics,
Sydney

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Jacket designed by Cathy Akroyd

Printed in Australia