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A PLATFORM WORTH FIGHTING FOR: A STUDY OF FEDERAL LABOR
GOVERNMENTS AND THEIR SUCCESS IN PURSUING AND IMPLEMENTING
THE FEDERAL PLATFORM FROM 1901-1949

A thesis submitted for the Degree of Doctor of Philosophy, Department of Politics,
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ABSTRACT

The aim of this thesis is to identify, explain and outline the success of federal Labor governments in their pursuit and implementation of the platform from 1901-1949. The central theoretical conclusion emerging from the empirical inquiry presented in the thesis highlights the fact that notwithstanding the national or international economic, social and political conditions in which federal Labor administrations governed, federal Labor administrations did pursue and enact the platform with notable success.

The thesis examines the fact that during the period 1901-1949 there were federal Labor governments elected in different historical periods with each administration encountering unique problems that had significant impacts on their ability to pursue and enact the platform. The thesis primarily analyses, compares and contrasts the policy approach of the Fisher, Hughes, Scullin, Curtin and Chifley administrations, and identifies how these administrations addressed the problems they faced, and what they did, if anything, to pursue and enact the platform they were pledged to uphold.

The thesis posits that during the eighteen years that Labor was in government from 1901-1949, the only administrations that controlled the Senate, and were not impacted upon by devastating world events, were the second Fisher government of 1910-1913 and Chifley's government from 1945 to 1949 and that the achievements of these governments in pursuing and enacting the platform was remarkable, with the only obstacles in their respective paths to enacting their entire platforms being restrictive interpretations of legislation by the High Court and the constraints of the Constitution. The thesis also argues that even when Labor governments were beset with major issues and problems over which they had little or no control such as world wars and international financial depressions, Labor administrations invariably attempted to pursue and enact key platform planks with varying success.

The thesis also depicts Labor as being a labourist party, and acknowledges that whatever may have occurred under later Labor governments, up until 1949 federal Labor governments sustained and maintained a strong labourist tradition. The thesis

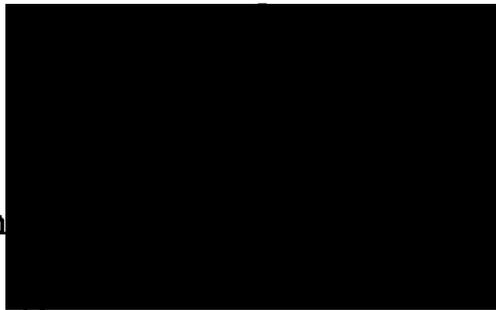
also highlights the fact that later assessments of Labor in government have ignored the first half of the twentieth century, except when focusing upon the socialist objective, and that this focus on one aspect of the platform has caused people to overlook whether the party has pursued and attempted to enact the wider platform.

In concluding, the thesis argues that federal Labor's first fifty years in the federal parliament was one of significant achievement and that despite the fact that Labor governments were ostensibly elected to govern in times of great economic or human uncertainty or peril, and that even in the face of overwhelming international pressures, obstructive Senates and intransigent High Courts, Labor governments still pursued and enacted the platform.

STATEMENT OF AUTHORSHIP

This is to certify that this paper is my own work, that it contains no material which has been accepted for the award of any other degree or diploma in any university or equivalent institution, and that to the best of my knowledge and belief, it contains no material previously published or written by any other person, except where due reference is made in the text.

Sign



ohn P. McSwiney

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I would begin with acknowledging my profound gratitude to my supervisor, Dr Dennis Woodward for his guidance, encouragement, support and intellectual rigour in helping me retain my sanity (and my focus) when my thesis would often lead me on a literary frolic, and I can sincerely state that without his backing this work would not have come to fruition and I am indebted to him for all he has done for me during the course of this work.

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Introduction

The official platform¹ of the Federal Parliamentary Labor Party² has evolved in its form and scope since the party contested Australia's first federal election in March 1901. The platform has provided Labor parliamentarians and those in the wider labour movement with a broad overview of the policies that federal Labor Governments would pursue, if elected to govern. This work analyses the success of federal Labor governments' attempts to pursue and enact the platform from 1901-1949.

The platform is one of the foundation stones upon which the party exists. In 1902, the Second Commonwealth Political Labour Conference adopted a pledge to the party and the platform that would be binding on all current and future candidates wishing to contest elections for and on behalf of Labor:

I hereby pledge myself not to oppose the candidate selected by the recognised political organisation, and if elected to do my utmost to carry out the principles embodied in the Federal Labor Platform and on all questions affecting that Platform to vote as a majority of the Parliamentary Party may decide at a duly constituted Caucus meeting.³

The pledge has been modified over the years with the current pledge covering all members who join the party, not just those who wish to run as Labor candidates at elections. In respect of the platform the current pledge for the Victorian Labor Party, for example, states:

I hereby pledge myself to the Australian Labor Party to faithfully uphold to the best of my ability its Constitution and Platforms and to work and vote for the selected Labor Candidates..⁴

¹ The use of the term platform in this work principally refers to the federal platform of the Australian Labor Party unless otherwise stated.

² The use of the term Labor in this work refers to the federal Australian Labor Party unless otherwise stated.

³ Australian Labor Party, Second Commonwealth Political Labour Conference. Official Report, 1902, p.4.

An analysis of the two pledges shows that the quintessential element of both relates to the pledge to *'carry out the principles embodied in the Federal Labor Platform'* and to *'faithfully uphold to the best of my ability its Constitution and Platforms'*. The one constant in over 100 years of Labor membership has revolved around a commitment to pursue the stated policy planks contained in the platform. Labor members and prospective parliamentarians make the pledge in the knowledge that if elected to form a government they are pledged to uphold the platform. Of course making a pledge and actually carrying it out are two entirely different concepts and in the political arena this can be highly problematical, especially for a reformist party such as Labor. In 1955 Crisp wrote of the federal platform:

The Platform is Labour's profession of faith and its standard of orthodoxy. Within the Party, it is part of the chosen constitutional apparatus intended to ensure that whosoever would be chief amongst the membership should, in policy matters, be the servant of the rank and file. In earlier days it was also – but diminishingly – a shorter catechism of the Party's immediate electoral promises and, while Labour held the balance of power in either of the older parties when they sought its support. Hence, it was also a measuring rod of the sins of omission and commission of Labour Parliamentarians.⁵

Crisp's analysis is poignant for it outlines the political parameters within which the platform operates. The platform is an important document for Labor supporters, especially Labor members of Parliament as it embodies the stated policy goals and aspirations of the wider labour movement as approved by Commonwealth Conference. Similarly, in 1989 Jaensch provided an overview of the platform in line with Crisp but went further to elucidate specific drawbacks of Labor's ability to pursue the platform:

One of the fundamental tenets of Labor has been the authority of the platform. It is the expression of the will of the mass membership, and the means whereby the parliamentary wing can be forced to put into practice what the party wants. There have always been problems in this chain of command. In the first place the platform is written at the biennial Conference, while a Labor government is involved in daily

⁴ see; <http://www.australianpolitics.com/parties/alp/pledge.shtml>

⁵ Crisp, L.F., *The Australian Federal Labour Party 1901-1951*. Longmans Green and Co., 1955, p.261.

decisions and can claim changed circumstances. Second, the platform sets out what the parliamentary party *should* do, but it does not bind a Cabinet to a timetable. A platform may contain a specific demand, but it is up to the Cabinet to decide whether to carry the plank into practice immediately⁶.

The writer acknowledges Jaensch's contentions about the difficulties faced by Labor governments in enacting the platform, however since the election of the Hawke government in March 1983 the dominant theme of the literature surrounding federal Labor has been one that has extolled the mantra that Labor tradition has been abandoned, the unstated corollary being that the platform has been abandoned as well. Kitney was blunt in his assessment of Hawke's first 100 days and in relation to Hawke's view of the platform, prophetically stated:

... that he [Hawke] saw Labor's platform as simply a statement of principles and commitments at a particular time which, as a consequence of changing circumstances, might become redundant.⁷

In the period of the Hawke and Keating governments from 1983 to 1996 the empirical evidence highlights that Labor during this period did bypass the platform and even pursued legislation in direct contradiction to the platform, with Labor's stance on Aboriginal Land Rights and uranium mining being the most notable, with Deputy Prime Minister Brian Howe stating:

In Australia, Labor has had electoral success, but the style and effectiveness of the party is nevertheless in question. One sign that all is not well is the growing separation between party and politicians evident at the Federal level, where opinion polls rather than party policy often determine the direction of political decision making.⁸

In 1988 former Labor minister Jim McLennan launched a scathing broadside at the then Hawke/Keating government stating:

⁶ Jaensch, D., *The Hawke-Keating Hijack: the ALP in transition*. Allen & Unwin, Sydney, 1989, p.163

⁷ Kitney, G., Hawkes first 100 days. *National Times*, June 17-23 1983, p.4-5.

The party should now change its name and forget all about pursuing its lost constituency ... The ALP should drop all pretence of being the party of the working class.⁹

McLennan's attack was symbolic of those on the left of the party who genuinely believed that Labor had stripped itself bare and was just a Labor party in name only. Beilharz, in his overview of the Hawke-Keating years, elucidated McLennan's point, in his book 'Transforming Labor' stating that:

Labor has earned its managerial credentials at the cost of emptying out the labour tradition, even while constantly appealing to it. It can no longer claim any purpose or vision beyond efficient managerialism with a social justice gloss. Its access to the turnstiles of parliamentary power has been dramatically increased because it no longer has any purpose beyond holding the fort. If the Labor decade is thus terminal, so then is Labor's century.¹⁰

Beilharz's view that Labor tradition has been lost has been taken up by writers like Manning¹¹ who argue to the contrary, however the assertion that the Hawke-Keating decade was 'terminal, so then is Labor's century' cannot be sustained, for although it is acknowledged that the Hawke-Keating years certainly impacted upon the platform, to suggest that all preceding Labor governments were of the same vein as Hawke and Keating is a nonsense. Maddox, like Beilharz has also argued that, 'In short, the Labour tradition has been betrayed'¹², however Maddox's thesis differs from Beilharz and other writers during the period in that Maddox argues, 'that this should be a conscious betrayal [by Labor] is unthinkable',¹³ and that the:

whole personality of the Labor Party has been so distorted and confused by a bewildering failure that the trauma colours and conditions all its present activities.¹⁴

⁸ Howe, R., & Howe, B., as cited in Eastwood, J., Reeves, J., & Ryan, J., Class, Politics and the ALP, Dove Communications on behalf of the Australian Labor Party, 1984, p. 169.

⁹ McLennan, J., 'Keating turns Labor into a designer label', *Sydney Morning Herald*, 16 June 1988.

¹⁰ Beilharz, P., Transforming Labor: Labour tradition and the Labor decade in Australia. Cambridge University Press, Australia., 1994, p.4.

¹¹ see, Manning, H., 'The ALP and the Union Movement: 'Catch-All' Party or Maintaining Tradition?', *Australian Journal of Political Science*, Vol. 27, Number 1, March 1992, pp.12-30.

¹² Maddox, G., The Hawke Government and Labor Tradition. Penguin Books, Australia, 1989, p.4.

¹³ ibid.

¹⁴ ibid.

Maddox posits that Labor's actual point of departure from tradition is, 'set out on the ravaged terrain of the 1975 constitutional crisis',¹⁵ and Maddox argues that this historical event was the catalyst that transformed Labor in the 1980s and 1990s and that, 'Since 1975 the Labor Party has muted its voice as internal reformer and 'operative critique' of the capitalist system'.¹⁶ The debate over Labor in power during this period was taken to another level by Jaensch in his provocatively titled work, 'The Hawke-Keating Hijack' arguing that Labor was being transformed into a new 'type' of party, a 'catch all party'. Jaensch acknowledged the labourist traditions of the party:

The Labor Party was established as an 'expressive' rather than a responsive party. It was established by the trade union movement to express the interests of, and legislate on behalf of, the labour movement, and hence the emphasis on 'labourism' rather than 'socialism'.¹⁷

Jaensch then posited that since 1967 Labor has been in the 'process of shedding not only socialism, but ideology itself':¹⁸

... the Labor Party is in a process of internal and external realignment unparalleled at any other stage in its history ... not only has Labor been remarkably successful electorally, but those who are in control are attempting to forge a new ethos for the party, attempting to produce a new type of 'Labor' party.¹⁹

Jaensch's analysis raised a number of issues whilst Labor remained in power, that are not within the scope of this work to elucidate upon. However, even after Labor's defeat in 1996, Labor's identity continued to be questioned especially in the aftermath of its defeat in November 2001 with Jones commenting:

The pessimistic view is that Labor's primary vote has fallen to its lowest figure (38.2%) since 1934. There is serious questioning in the ALP about which policy direction needs to be taken ... This may raise serious debate about whether the ALP

¹⁵ *ibid.*, p.65.

¹⁶ *ibid.*, p.67.

¹⁷ Jaensch, D., The Hawke-Keating Hijack: the ALP in transition. Allen & Unwin, Sydney, 1989, p. 94.

¹⁸ *ibid.*

¹⁹ *ibid.*, p.154.

is essentially the political expression of the trade union movement, or whether it should be a broad coalition of all citizens with a view that human, social values are more important than market values.²⁰

Jones' analysis of modern Labor was benign in comparison with Doug Cameron's caustic analysis:

The Labor Party betrayed its core principles, pandered to xenophobia and left supporters disgusted and unsure of what it stood for ... Australia needed a party of vision and principle, not one that abandons principle for expedience and was controlled by the inner circle which excludes the views of the wider membership.²¹

Also, in 2002 Robert Manne continued the 'identity' debate stating:

With the loss of the election in November last year, federal Labor arrived at the lowest point in its fortunes since the 1977 Whitlam defeat. The problem for the ALP is not merely or even mainly the softness of its electoral support ... for Labor, the deepest problem is not the loss of votes, but of identity.²²

Labor's identity, ideology, development and policy prescriptions have been significant issues of debate since the party was first formed in the 1890s and it is fair to say, will continue to be the issue of discussion and debate so long as Labor continues to be a viable political entity. As Bob Carr, Premier of New South Wales has noted, 'The fact is every Labor government in history has been accused of selling out the Party's traditions and policies'.²³ The one work that differed in its approach and style in relation to analysing the changes during the Hawke/Keating period was Carol Johnson's, 'The Labor Legacy'.²⁴ Johnson sought to analyse key social welfare and economic policies of the Curtin, Chifley, Whitlam Governments and the extent to which the Hawke Government was influenced by the traditions of Labor ideology (as set out by these administrations). Johnson's work was one of only a very few texts,

²⁰ Jones, B., 'How to revitalise Labor', *The Age*, 20 November 2001.

²¹ Shaw, M., 'Party betrayed principles', *The Age*, 12 November 2001.

²² Manne, R., 'Searching for Labor's lost soul', *The Age*, 8 July 2002.

²³ Carr, B., as cited in Whitlam, Wran and the Labor Tradition: Labor history essays - Volume 2, Pluto Press, Sydney, 1988, p. 94.

²⁴ Johnson, C., The Labor Legacy. Allen & Unwin, Sydney, Australia, 1989.

produced since the late 1970s, (including biographies) that actually concerned itself with exploring and reviewing Labor history pre Whitlam. In fact it can be argued that Crisp's 1955 book entitled 'The Australian Federal Labour (sic) Party 1901-1951' was the last substantial published text that actually provided a comparative analysis of federal Labor administrations in the first half of the twentieth century.²⁵ Also, there has been very little published literature in the last fifty years that actually provides an analysis of Labor's achievements in pursuing and enacting the platform from 1901-1949: the only works that vaguely come within this category are Sawyer's two texts²⁶, which principally provided a brief legal overview of the vast bulk of every administrations' legislation from 1901-1949 including that of federal Labor governments and Professor Robert Barrett's sabbatical paper that provided a comparative analysis of the success or otherwise of all federal governments' election promises from 1929-1963.²⁷

The lack of literature on Labor's pursuit of the platform is not reflective of the great body of work that has been produced on nearly every other aspect of the party, as more people write about Labor than any other political party in Australia: there have been histories²⁸, biographies²⁹, critiques³⁰ and numerous general texts³¹. The literature that does focus on Labor's platform has primarily focused upon Labor's 'socialist objective' and what Labor has done to advance the objective, as well as the

²⁵ It should be noted that recent Labor histories such as McMullin, R., The Light on the Hill: the Australian Labor Party 1891-1991. Oxford University Press, Australia, 1991; and Faulkner, J., & MacIntyre, S., True Believers: the story of the Federal Parliamentary Labor Party. Allan & Unwin, Australia, 2001, only provide a general history of the party, including the period I am looking at, however their focus is not directed at the enactment of the platform, but rather an overview of events and general history of the party.

²⁶ Sawyer, G., Australian Federal Politics and Law 1901-1929. Melbourne University Press, 1956; and Sawyer, G., Australian Federal Politics and Law Vol.2 1929-1949. Melbourne University Press, 1963.

²⁷ Barrett, R., Promises and Performances in Australian Politics 1928-1963. University of British Columbia, Canada, 1963.

²⁸ For example: McMullin, 1991, *op cit*; and Faulkner, *op cit*.

²⁹ For example: McMullin, R., So Monstrous a Traveesty: Chris Watson and the world's first national labour government. Scribe Publications Melbourne, Australia, 2004; Crisp, L.F., Ben Chifley: A Political Biography. Angus and Robertson, Melbourne, Australia, 1961; Ross, L., John Curtin: A Biography. Macmillan & Co. Australia, 1977; Robertson, J., J.H. Scullin. A Political Biography. University Western Australia Press, Perth, Australia, 1974.

³⁰ For example: Childe, V.G., How Labour Governs: a study of workers' representation in Australia (2nd Ed). Melbourne University Press, Australia, 1964; Scott, A., Fading Loyalties: the Australian Labor Party and the working class. Pluto Press, Australia, 1991.

³¹ For example: Parkin, A., & Warhurst, J., Machine Politics in the Australian Labor Party. Allen and Unwin, Australia, 1983; North, J., & Weller., Labor: directions for the eighties. Ian Novak publishing, Australia, 1980; Easson, M., (ed.) The Foundation of Labor. Pluto Press, Australia, 1990; Mayer, H., (ed.) Labor to Power. Angus & Robertson, Sydney, Australia, 1973.

concomitant question, revolving around ideology, of what type of party is Labor? The debate over Labor's ideology and traditions has been very well documented by numerous writers and commentators, including Nairn³², Manning³³ and Singleton³⁴ who view it as a 'labourist' party; or Maddox³⁵ and Battin³⁶ who argue that Labor is constituted by a broad tradition of democratic socialism; or Stretton³⁷ and Fitzgerald³⁸ who posit that Labor is a social democratic party; or Jaensch³⁹ who views it as a 'catch all' party or even Wark who posits that 'there is no guarantee that the party really exists'.⁴⁰

There is little doubt that Labor's socialist objective is arguably the jewel in Labor's platform crown. However, this work seeks to show that there is more to Labor policy than just one section of the platform. In fact, the development of the platform has mirrored the development of the party itself and we see that from humble beginnings in 1900 where a one page, four plank platform was developed for use by Labor candidates at the first federal election has grown into a three hundred page document with seventeen chapters seeking to cover just about every conceivable policy area on the political, social and economic spectrum. This work does not attempt to provide a theoretical or ideological construct of what type of party Labor is or should be. In respect of the work as a whole, a detailed overview of events surrounding the introduction of significant planks is provided when warranted, however the general thrust of the work focuses upon Labor's achievements in enacting the platform rather than providing detailed analysis of the motives or key drivers behind why the party or the leadership decided on a particular course of action. There is no better illustration of this than when the Chifley government attempted to nationalise the banks in line with the platform. Commentators such as O'Meagher have commented that Chifley

³² Nairn, B., *Civilising Capitalism: the beginnings of the Australian Labor Party*. Melbourne University Press, Melbourne, Australia, 1989.

³³ Manning, *op cit*.

³⁴ Singleton, G., 'Corporatism and Labourism: the Australian Labour Movement in Accord', *Journal of Commonwealth and Comparative Studies*, Vol. 28(2), 1990, pp.162-182.

³⁵ Maddox, 1989, *op cit*.

³⁶ Maddox, G., & Battin, T., 'Australian Labor and Socialist Tradition', *Australian Journal of Political Science* (1991), Vol. 26, pp181-196.

³⁷ Stretton, H., *Political Essays*. Georgian House, Melbourne, 1987, pp.7-14.

³⁸ Fitzgerald, T., 'Between Life and Economics', Boyer Lecture, Sydney, Australian Broadcasting Commission.

³⁹ Jaensch, *op cit*.

⁴⁰ Wark, M., 'News from nowhere; what ALP?' *Australian Left Review*, Vol. 123, November 1990, p.47.

never intended to nationalise the banks or pursue the platform and that, 'For Chifley, nationalisation was clearly not an integral part of Labor's program: it was a measure of last resort.'⁴¹ O'Meagher's assertion may have merit, however in relation to Chifley and to the work in general, it is argued that it is of little consequence as to how Chifley and Labor finally came to the decision to nationalise the banks. The historical record clearly shows Labor did attempt to nationalise the banks, and as such attempted to enact a key plank in the platform.

As has been stated previously, the scope of this work is confined to the period 1901-1949. The period is significant for two reasons. Firstly, the evolution of the platform during the first half of the twentieth century was primarily developed at Commonwealth Conferences convened on behalf of the wider labour movement for the benefit of the labour movement, including the parliamentary wing, with the platform being debated with significant input from rank and file members. During this period the platform was more reflective of the goals and aspirations of the wider labour movement and the pursuit and enactment of the platform provided the labour movement with a degree of confidence that the parliamentary party was actually looking after their interests. However, in the mid 1960s Gough Whitlam overhauled the Commonwealth (National) Conference rules and procedures and at the 1967 Victorian state conference outlined his new vision for Labor:

There is nothing more disloyal to the traditions of Labor than the new heresy that power is not important, or that the attainment of political power is not fundamental to our purposes. The men who formed the Labor Party in the 1890s knew all about power. They were not ashamed to seek it and they were not embarrassed when they won it.⁴²

Whitlam's reforms ensured that the platform would be drafted in line with the dictates of the parliamentary party with limited input from rank and file members and a reduced role for trade unions. Secondly, in the period 1901-1949 there were federal Labor governments elected in different historical periods, each encountering unique

⁴¹ O'Meagher, B.D., The Socialist Objective. Labor and Socialism. Hale and Ironmonger Pty Ltd, Sydney, 1983, p.24.

⁴² Whitlam as cited in Carr, B., (1988) Whitlam, Wran and the Labor Tradition: Labor history essays - Volume 2, Pluto Press, Sydney, p. 93.

problems that impacted heavily on their ability to enact the platform. The work seeks to analyse, compare and contrast the approach of the governments of Fisher, Hughes, Scullin, Curtin and Chifley, and how these administrations addressed the problems they faced and what they did, if anything, to pursue and enact the platform they were pledged to uphold:

Policies may encounter the stone walls of limited government, such as a hostile Senate, the High Court, the Bank Board or other semi-independent agencies, uncooperative state governments, equally uncooperative private groups, or an electorate unwilling to approve changes in the Constitution.⁴³

In fact, as is highlighted throughout the work, Labor governments had to run the gauntlet of all of the 'stone walls' that are listed above. Labor rarely found itself in government with control of the Senate and when it did, it then had to contend with the Constitution, restrictive interpretations of the High Court and above all else, international events of such magnitude that pursuing Labor policy was just not a realistic option. The stone walls Labor faced, especially the Constitutional impediment were nothing more than an excuse, and a poor excuse at that, by Labor people who use it to balk the issue of pursuing the objective, according to Grattan, who speaking at the Chifley Memorial Lecture in 1958 stated:

I was not impressed with these Constitutional arguments though I am aware of the very great problems involved. The tax power and others which the Commonwealth has at present would be sufficient to make great advances toward socialist objectives. The fact is that there has never been any great pressure against these barriers. Labor accepts them - and I believe Labor would be very embarrassed on occasions if they were not there. It is not a Constitution which prevents Labor from pursuing a Socialisation objective - it is the political and economic environment in which Labor works, part of which is Labor itself.⁴⁴

Grattan's critique at least acknowledges the 'very great problems involved' in Labor achieving change, even if the enormity of the challenge is forgotten in his analysis.

⁴³ Barrett, *op cit.*, p.44.

⁴⁴ Grattan as cited in Burton, J.W., *The Nature and Significance of Labor*. Chifley Memorial Lecture. National Printers Pty Ltd, ACT, 1958, p.6.

Grattan provided his analysis of Labor some nine years after the demise of the Chifley government in 1949 but he certainly was not the first critic of Labor or of its supposed lack of success in implementing its platform of reform. Labor critics have been prominent since the party was first established and during the first decade of federation, one of the most prominent was Tom Mann who had all but 'given up hope' of Labor becoming a socialist party commenting that Labor members behaved in no way superior to capitalist members and that the Labor Party was no longer a workers' party but was a party of the middle class'.⁴⁵ Mann's view was in keeping with Labor's critics on the left at the time who regarded Labor as a 'fakir' or 'bogus' Labor Party. The party at this time in its development certainly had socialist members and agitators that dwelt beneath the broad Labor banner, however, Labor's platform was anything but a socialist treatise for the amelioration of the masses, a point not dwelt upon by Mann. Mann's analysis was taken up by Burgmann who posited that the ideological battle for Labor was over as early as 1905 with the Socialists being defeated by the Labourists:

Labourism won the day, became the dominant 'ideology' of each Labor Party within a decade of its formation, not only because of any greater following among the activists who initially built the Labor Parties on the mainland, but simply because the socialists who worked so hard to produce these parties were fundamentally mistaken in their belief that socialism could be reached through the parliamentary process. Though socialism sowed the seed, Labourism (sic) reaped the harvest.⁴⁶

Burgmann's analysis of the emergence of Labourism as the dominant ideology over socialism within the party was also highlighted by Gollan who took a harder line on Labor's parliamentary road to reform during the period stating:

Up to 1907 the socialists had placed their faith in political action, but now it appeared to them that their faith had been misplaced. The Labor Party had deserted the cause of the workers.⁴⁷

⁴⁵ *The Flame*, July 1907.

⁴⁶ Burgmann, V., *In Our Time: Socialism and the rise of Labor 1885-1905*. Allen & Unwin, Sydney, 1985, p.195.

⁴⁷ Gollan, R., *Radical and Working Class Politics: a study of Eastern Australia 1850-1910*. M.U.P., Melbourne, 1967, p. 212.

Burgmann and Gollan, like Mann before them viewed Labor as a potential socialist party when it was highly unlikely that it ever would be. As stated earlier, socialists were members of the party, however during the first decade of federal Labor's existence, the socialist influence on party policy as reflected in the platform was minimal, and as committed as the socialists of the time may have been at elucidating a socialist policy program for Labor, it was not a part of the official platform: in this regard Lenin appears to be the only person of note during the period who accurately saw Labor for what it was, stating:

The Australian Labor party does not even claim to be a Socialist Party. As a matter of fact it is a liberal-bourgeois party and the so called Liberals in Australia are really Conservatives ... It [Labor] represents the purely non-socialist trade union workers. The leaders of the Australian Labor party are trade union officials, an element of which everywhere represents a most moderate and 'capital serving' element, and in Australia it is altogether peaceful, and purely liberal.⁴⁸

Lenin's commentary on the Australian political scene was what could be expected from the future leader of the Russian Revolution and the hard line revolutionary socialist. The critique provided by Lenin provided the foundation upon which future generations of socialists would launch their attacks against Labor, for being a party that it never was (socialist), with the modern day *International Socialist* stating:

One of the most enduring myths in Australian politics is that the Labor Party is a party of reform, dedicated to improving the lot of the working class, the poor and the disadvantaged. Twenty-two years of federal Labor government this century, and vastly more experience of Labor state governments, prove the opposite.⁴⁹

The critique of Labor from the hard left would hold substance if Labor was a revolutionary party with a hard line socialist platform dedicated to overthrowing the capitalist system in which it found itself, however an analysis of federal Labor's platform from 1901-1949, even including the Blackburn declaration of 1921 shows that the opposite is the case. In a similar vein to Lenin, Henry Boote writing just three

⁴⁸ Lenin, V.I., *Collected Works*, Vol.19, Moscow, 1963, pp216-7.

⁴⁹ Editorial, *International Socialist*, 6 July 1985.

years after Lenin's analysis lamented Labor's move away from its basic constituency and the negative impact that this broadening of Labor's base brought with it:

Moderate people are flocking to our banners ... moderation had become a curse in our household. We did nothing just because it was right ... every word and action was carefully designed to win votes.⁵⁰

Boote's analysis of Labor's appeal to electoral politics was also highlighted by Gollan who stated:

... the tendency was for labour policy to be no more and no less than a complex of radical-democratic and nationalist aims that were acceptable to the majority of the Australian people.⁵¹

This critique of early Labor focused upon the ideological foundations of Labor, with very little analysis of the achievements of Labor in the federal parliament, whether that be a minority capacity supporting Deakin and the Protectionists, through to Fisher's second administration from 1910-1913 where the government pursued and attempted to enact nearly every plank of the platform. Labor achievements especially in the federal jurisdiction were also largely forgotten by Childe who, in discussing the heterogenous elements supporting the Labor Party posited that playing politics and pandering to nearly all interests inevitably led to serious conflicts of interests within the party over policy, which in turn detracted Labor from its basic constituency, the working classes:

The reconciliation of such divergent interests has inevitably meant some tight rope walking for the politicians and has filled the Labor platform with inconsistencies. To avoid offending the little capitalists and the Catholics, Socialism has been much watered down in the Labor Objective. To retain the support of the nationalists the Labour Party has gone in for a course of sentimental flag flapping which savours jingoism. It has allowed the strictly economic motive lying behind White Australia policy to be obscured by racial prejudices and has pandered to fears which have played into the hands of the militarists in a dangerous manner. To avoid giving

⁵⁰ Mayer, H., (ed.) Labor to Power. Angus & Robertson, Sydney, 1973, p. 408.

⁵¹ Gollan, op cit. p. 208.

offence to middle-class supporters Labor Governments have followed a vacillating policy and have tried to govern in the interests of all classes instead of standing up boldly in defence of the one class which put them in power.⁵²

Childe was commenting on all Labor administrations whether they be state or federal. Childe's disenchantment with Labor was similar to Mann's, however like Mann, Childe failed to recognise federal Labor's achievements or provide an overview of the Fisher and Hughes administrations during the First World War or offer a comparative analysis with Fisher's second administration before the outbreak of the war. Throughout its history Labor has had to defend itself against its critics, especially from those on the left, and Crisp who did not view Labor as a purely 'class' vehicle stated that:

... the ALP has perennially to convince people that it is what it in fact has been from its inception, a 'natural' parliamentary party - liberal and social democratic, majoritarian and constitutional, progressively accommodating rather than narrowly doctrinaire.⁵⁴

Crisp's assessment of Labor's 'historical state of play' is important for this work as the work seeks to provide an analysis of Labor within the parameters as set out by Crisp, in that Labor governments have been vehicles for change within the prevailing economic, social and political systems in which they have been an integral part. In the period 1901-1949 federal Labor governments faced numerous and often insurmountable hurdles in pursuing and enacting the platform and it is argued through the work that the members of those respective governments did what they could to pursue and enact the platform and to legislate for their basic constituency within the parameters of a liberal democratic society encompassed within the framework of a parliamentary democracy. The importance of analysing Labor history within this framework was commented on by Whitlam who stated:

Within the current climate of economic adversity and structure of political obstruction, Labor historians must contribute to the work of the ALP, Australia's only

⁵² Childe, *op cit.* p. 80.

⁵⁴ Crisp, L. F., *Australian National Government*. Longman Cheshire, Melbourne, 1983, p.178.

vehicle for reform, as it charts new directions for social democracy in Australia. In working out its future course, the ALP in government or opposition, in the nation or in the states, must closely examine the successes and failures of Labor governments and the way in which the party's public representatives have conducted themselves in discharging their responsibilities.⁵⁵

Whitlam's assessment of the role of Labor historians contributing to the work of the party including the close examination of the successes and failures of Labor governments is highly relevant to this work especially in relation to an analysis of federal Labor governments and their pursuit of the platform. The challenges facing federal Labor in pursuing and enacting the platform are very real and often onerous and at the beginning of the twenty-first century federal Labor faces another 'so called' crisis of confidence and in order to address this crisis, whether real or apparent, federal Labor must look to its history with a fresh eye and examine its successes and failures. This work provides a foundation upon which the past revisited may produce benefits for the party in the future - only time will tell.

In respect of the methodological construction of the work the writer was compelled to develop a basic set of what have been termed 'governing criteria' that have been used as the methodological foundation for the work, as the form and scope of the thesis did not lend itself to using an established methodological approach. The central argument of the thesis posits that Labor governments did pursue and enact the platform with substantial success during the period 1901-1949. In order to examine individual governments as well as undertake a comparative analysis of Labor administrations over a fifty year time frame it was necessary to construct a basic set of 'governing criteria' on which all Labor governments could be judged. For example, in what capacity did the government control the Parliament? Did the government control the Senate? Was the government confronted with judicial and constitutional impediments? And if so what did it do to overcome these impediments? Also, What were the economic, social and political climates, both nationally and internationally in which the government ruled? The 'governing criteria' provided a workable methodology to elucidate the central argument. In order to establish the rationale for

⁵⁵ Whitlam, G., Traditions for Reform in New South Wales: Labor history essays. Pluto Press, Australia, 1987, p. xii.

the central argument the thesis draws heavily from primary sources, especially the Commonwealth Parliamentary Hansard, Labor Caucus Minutes, Commonwealth Conference debates and personal papers and manuscripts. The parliamentary debates and Commonwealth Conference papers provided the material necessary for capturing the prevailing moods, personalities and issues that beset Labor administrations in the period covered in the work. The use of these primary sources has also been essential in illuminating the central argument, that Labor administrations have pursued and enacted the platform with substantial success. The work is also supplemented by use of key secondary sources such as newsheets, pamphlets and journal articles that have been used to highlight key points and arguments in the text.

The work begins by outlining the role that Labor played in pursuing and enacting the platform in the federal Parliament as one of three competing parties in the first decade of federation. The chapter is important because although Labor was only in government for two short periods in 1904 and 1908, after the 1903 federal election Labor ostensibly held the balance of power in the Parliament, and but for Watson's disposition towards entering Alliances with Deakin, the party's influence during the period in pursuing and enacting the platform could have been more successful than what it was. The chapter argues that in terms of legislative achievement the record of Labor enacting planks in the platform was quite notable given the circumstances in which the party operated.

Chapter two primarily focuses on the second Fisher administration from 1910-1913 and Labor's wholesale pursuit of the platform. The chapter highlights the fact that Labor controlled both the House and the Senate and it used its numerical superiority in both Houses to pursue and enact a large portion of the platform. In fact, the chapter argues that the only impediments to Labor enacting the entire platform was a combination of High Court interpretations invalidating legislation passed by the Parliament, and the constraints of the Constitution in respect of the successful passage of referendum proposals to expand the powers of the Commonwealth government. The chapter also compares and contrasts the successful Fisher administration of 1910-1913 with the wartime administrations of Fisher and Hughes of 1914-1916 and argues that although Labor controlled both Houses in each administration and was in a position to politically enact the platform, the impact of the First World War was of

such magnitude that Labor's ability to even pursue, let alone enact the platform was severely restricted.

Chapter three focuses upon the Scullin government and its attempts to pursue and enact the platform during the 'Great Depression'. Scullin came to power at a time of relative world peace, however he governed during a time of international financial and economic crisis and depression. The chapter argues that at no stage during Scullin's administration did he control the Senate and although the government made a number of attempts to pursue and enact the platform, including major constitution alteration initiatives, nearly every policy measure based on the platform introduced by the government was destroyed or rendered inoperable by the Opposition in the Senate.

Chapter four analyses the government of John Curtin from its rise at the hands of two independents through to its electoral dominance over its opponents in a world at war. The chapter looks at the similarities between the wartime administrations of Curtin, Fisher and Hughes and the difficulties encountered by Curtin in pursuing the platform during a world war. The chapter argues that in the four years that Curtin was Prime Minister, Labor shelved the platform, amended and broadened the platform to help it fight the war, especially in relation to conscription, and as the war progressed actively began pursuing and enacting the platform. The chapter also argues that the one constant in the Curtin years, in relation to the platform, was that it was primarily utilised to advance the war effort and that the pursuit and enactment of the platform was only initiated if the proposals did not interfere with the government's war agenda.

Chapter five focuses on Ben Chifley and Labor's pursuit of the platform in the aftermath of World War II. The untimely death of John Curtin rocked the government and Chifley was installed as Prime Minister by his colleagues to guide Labor through the last stages of the war, as well as to pursue Labor's program of post war reconstruction. The chapter argues that the cessation of the war together with Labor's control of the Senate were the major factors in Chifley's ability to pursue and enact a large portion of the platform whilst he was in government. The chapter also provides a comparative analysis of Chifley's achievements with that of Fisher's second administration (1910-1913) and argues that like Fisher, the major obstacles to Labor enacting the entire platform was again a combination of High Court interpretations of

legislation and the constraints of the Constitution in respect of successfully enacting referendum proposals.

The work concludes by highlighting the fact that during the first fifty years of federation Labor ruled for less than eighteen years. In this eighteen year period the only administrations that were not hamstrung by the Senate or impacted upon by devastating world events such as world wars or global financial and economic depressions were the second Fisher administration from 1910-1913 and Chifley's administration from 1945 to 1949. The achievements of these administrations in pursuing and enacting the platform were remarkable in the sense that the only bulwark in their respective paths to enacting the entire platform was a combination of High Court interpretations of legislation and the constraints of the Constitution in respect of successfully enacting referendum proposals. The conclusion also highlights the fact that Labor governments were elected to govern in times of great economic or human uncertainty or peril and that even in the face of overwhelming international pressures, obstructive Senates and intransigent High Courts, Labor governments still pursued the platform.

CHAPTER 1 – 1901-1910 - ALLIANCES, AGREEMENTS AND THE FIGHT AGAINST 'GOOD AS LABOR' MEN.

Chapter one analyses the formation of the Federal Labor Party⁵⁶ and the role that the party played in the federal parliament in the first decade of federation. The chapter provides a detailed overview of Labor's involvement in enacting the platform as one of the three major parties that existed in the parliament during the period. Labor only inhabited the treasury benches for two short periods: Watson in 1904 and Fisher in 1908. However, despite this fact Labor actively pursued the platform and used its numbers and influence in the parliament to support legislation related to the platform, achieving some notable successes. Labor's successes during the period were tempered somewhat by Watson, who after attaining and losing government in 1904, actively sought out alliances with Deakin's Protectionists that threatened Labor's very independence as a viable political party. The chapter highlights the fact that Labor was fortunate during this period that the administrative wing of the party through its involvement in Commonwealth Conferences put a stop to alliances and forced the parliamentary wing of the party to maintain Labor's independence as a party committed to pursuing the platform and legislating for its basic constituency; the working classes. Also, the chapter highlights the emergence of Fisher as Labor leader and Labor's development to a point where Fisher became Prime Minister in 1908 and established the foundation for Labor to win control of both the House and the Senate in the elections of 1910. The chapter is important because although Labor only held government for two short periods in 1904 and 1908, it literally held the balance of power in the parliament and but for Watson's inability to seize power on Labor's behalf the party's influence during the period in enacting the platform could have been greater.

On 24 January 1900, the Inter-Colonial Conference of Labour Delegates was convened by the New South Wales Labour executive in Sydney with representatives from Victoria, Queensland, and South Australia (Western Australia

⁵⁶ The writer notes that the term 'Labor' as it is used in this work refers to the political wing of the movement, whilst the term 'labour' refers to the industrial wing of the movement. It is acknowledged that in its formative years, the political party was spelt 'Labour' not 'Labor', however for consistency across the entire work the latter spelling of the term Labor has been used to describe the Australian Labor Party, whilst 'Labour' has retained its generic form.

was not represented) 'for the purpose of discussing the advisableness of forming an Australian Labor Party and to frame a Federal Labor Platform.'⁵⁷ The delegates to Conference were determined to ensure that a Federal Labor Party would have a presence on the national political stage, just as it had in the states. The Conference comprised twenty-seven representatives, of which nineteen were current Labor members of Colonial Legislatures. The delegates to the Conference shared a vision of creating a strong and vibrant national political party that would serve the interests of the labouring classes not only at the turn of the century but also for future generations of Australians. The high calibre of the delegates was reflected by the fact that in their midst were, 'two future prime ministers, four other future Federal Ministers and another six Federal parliamentarians, beside two future state premiers.'⁵⁸ The Conference unanimously supported the establishment of a Federal Labor Party to contest the first national elections, a move vital to ensure Labor representation at the national plebiscite, a point taken up by Crisp who noted:

The 1900 conference was notable for mutual forbearance and respect for the points of view of other delegations and the autonomy of the party organisations they represented. All were content with a minimum Platform made up of policies already common to most Colonial Labor Parties and with the entire absence of a Federal Party machine. The 1900 Conference appears to have set up no continuing Federal machinery at all. Though it had adopted a uniform Platform, the conduct of the 1901 Federal Election campaign was entirely a matter for the State parties. It is impossible to gauge with certainty how faithfully all Labor candidates in all states in 1901 adhered to the 1900 Federal Platform.⁵⁹

The Conference was successful on many levels as it provided an opportunity for labour organisations and political Labor groups to seriously look at the implications and ramifications of a federal structure of government, but more importantly as far as organised labour was concerned, it provided the foundation necessary to establish a national Labor Party as part of the proposed federal model. There is little doubt that the delegates to the Conference were aware of the need to establish a Labor Party to contest federal elections, however their primary focus was levelled at that 'first

⁵⁷ *Queensland Worker*, 3 February 1900.

⁵⁸ Crisp, 1955, *op cit.* p.25.

⁵⁹ *ibid.*, p.26.

election', there was very little planning for any federal election post 1901. The focus on the first federal election is evidenced by the fact that Conference did not establish any federal party machinery to organise the federal election or to provide support to the new federal party, or Labor candidates in the ensuing campaign. The party was established without any distinct operational foundations. However, despite the lack of any party machinery, Labor candidates were at least provided with a four plank fighting platform. The first federal Labor Platform was not an earth-shattering manifesto, in fact it was a very modest document:

1. Electoral reform - one adult, one vote.
2. Total exclusion of coloured and other undesirable races.
3. Amendment of the Constitution providing for -
 - (a) Initiative and Referendum for the alteration of the Constitution;
 - (b) Substitution of the National Referendum for the double dissolution in the settlement of deadlocks between the two Houses.
4. Old age pensions.⁶⁰

The platform was notably silent on the issues of industrial arbitration, free trade or protection and there was no reference to any distinct military or defence policy. However, despite the shortcomings of the platform, the positive implication was clear, Labor had a basic election platform from which it could launch and run a national campaign.

Australia's First Federal Election

On 1 January 1901, Australia was proclaimed a federation and the new federal constitution came into effect,⁶¹ and on 29 and 30 March 1901, Australia went to the polls and took part in the country's first national election.⁶² Labor only contested twenty-six of the seventy five seats for the House of Representatives and won sixteen

⁶⁰ *ibid.*, p.261.

⁶¹ Mr Edmund Barton led an interim caretaker government until he could establish the framework for federal elections to be contested.

⁶² The people in New South Wales, Victoria, Western Australia and Tasmania voted on the 29th March 1901 and the people of Queensland and South Australia voted on the 30th March 1901 for the House of Representatives and the Senate. See; <http://www.aec.gov.au/history/hordates.htm>

seats in the House and eight seats out of thirty-six in the Senate.⁶³ In the seat of West Sydney a young Labor candidate by the name of William Morris Hughes campaigned vigorously and outlined his views on what Labor members would pursue in the new Parliament:

I'm afraid the Federal Parliament will have very little to do with fixing the hours of Labor and levelling-up wages by means of minimum-wage Acts – that will mostly be left to the States ... Our chief plank is of course, a White Australia. There's no compromise about that ... Then there's the codification and an amendment of the Banking laws and the establishment of an Australian National Bank ... There are other things, plenty of them, but the great questions are – White Australia, Old Age pensions, a National Bank, and a Democratic Military system..⁶⁴

Hughes campaigned on the policy issues he regarded as important, however it is a moot point as to how many Labor candidates actually adopted the fighting platform and espoused the four planks on the campaign trail, for in the end there was no 'national' campaign as every state political organisation ostensibly became responsible for conducting their own election efforts:

The question of electoral organisation and the endorsement of federal candidates was to be left to the local Labor parties, and so Labor approached federation with only those organisations that already operated, that had conducted election campaigns in previous years in the various colonies.⁶⁵

However, despite the lack of a coordinated national campaign, Labor candidates were returned from every mainland state and although Tasmania did not return a member for the House of Representatives, they did elect a Labor Senator. It should be noted that prior to the election of the Labor Senator in Tasmania there were no elected Labor politicians in that state. It is important to note that during the first federal election the Labor party did not have an elected leader and its official spokesperson was the New South Wales State Labor Leader J.S.T McGowen. McGowen contested

⁶³ For a description of the Labor men elected see, McMullin, 1991, *op cit.*, pp.44-5.

⁶⁴ *Bulletin*, 16 February 1901.

⁶⁵ McKinlay, B., *The ALP: A short History of the Australian Labor Party*. Heinemann Publishers, Australia, 1981, p.18.

the election for Labor but failed to be elected. In regards to Labor's efforts during the first federal election Sawyer noted:

From his [McGowen's] speeches it is plain that Labor did not expect to be more than a small group in the federal parliament, and that it proposed, as in State politics at that time, to give its support to 'measures not men' and bargain for concessions.⁶⁶

Sawyer's analysis accords with Labor's own acknowledgment of its lack of federal organisation and election strategy, but it is important to consider that if indeed this was the case, then the rise of the party in the following ten years is nothing short of miraculous.

On 8 May 1901 the inaugural meeting of the federal members took place in a basement room of Victorian Parliament House.⁶⁷ The first Caucus elected John Christian Watson as leader in the House of Representatives and Gregor McGregor as Labor leader in the Senate. Caucus then delegated key questions of Labor's platform, constitution and rules to a six-man committee⁶⁸ who reported back on 20 May 1901 and outlined their recommendations for the platform, constitution and rules of the new federal party.⁶⁹

The first platform, although limited in its scope, played a role in defining what the immediate key objectives of the party would be in the Parliament, as well as placing a definitive statement of federal Labor's goals on the public record. The respective state labour leagues and councils had not set up any national body prior to federation to oversee the transition to a federal parliamentary structure and the new parliamentarians formed a federal Caucus⁷⁰ primarily as a flow on from the practice

⁶⁶ Sawyer, 1956, *op cit.*, p.17.

⁶⁷ The Victorian Parliament was used as the home for the Federal Parliament until 1927.

⁶⁸ The members of the Committee were J.C. Watson, D. O'Keefe, J.B.Ronald, C.McDonald, H. de Largie and E.L. Batchelor.

⁶⁹ See Appendix 1 – Australian Labor Party Federal Platform 1901

⁷⁰ For an overview of the evolution of Federal Labor Caucus see; Weller, P. Caucus Minutes 1901 – 1949. Minutes of the meetings of the Federal Parliamentary Labor Party. Volume 1 – 1901-1917. Melbourne University Press, 1975, pp.5-34. Also, Faulkner, 2001, *op cit.*

already adopted in some of the state parliaments, especially New South Wales.⁷¹ However, as Weller noted, the early Caucus was anything but a settled body:

In 1901, the institution of Caucus was accepted by the federal Labor members, many of whom had had previous experience in the colonial parliaments; but the mechanics by which the party was to work and the relationship of the federal Caucus to the extra-parliamentary organisations of the movement in each of the states were far from settled when the federal Caucus including Labor members from both houses, held its first meeting in May 1901.⁷²

In the first Parliament the platform provided Labor with a policy document that addressed the major issues it would pursue, however Labor shared the Parliament with Deakin's 'Protectionists' and Reid's 'Free Traders' and although Deakin was Prime Minister, no single party held an absolute majority to govern in its own right. Labor played a minor role in proceedings which was not surprising given its numbers, however it was ever vigilant to ensure that it was heard extolling the virtues of the planks in its platform. Labor's impact during the first session of Parliament was minimal, however in the Senate, Senator McGregor left no illusions as to how Labor would use its numbers to secure platform planks stating:

We are for sale, and we will get the auctioneer when he comes, and take care that he is the right man.⁷³

White Australia

Labor's biggest achievement during the session centred on its unconditional support of the Immigration Restriction Bill and the Pacific Islanders Bill in line with plank 1 of the fighting and general platform that espoused the 'Maintenance of a White Australia', with Labor's support ensuring passage of what came to be known as the 'White Australia Policy'. On 31 July 1901 Caucus officially approved the passage of the Immigration Restriction Bill stating:

⁷¹ The term 'Caucus' was already in use in New South Wales when in 1891, thirty five Labor parliamentarians applied the term to describe their party meetings.

⁷² Weller, 1975, *op cit.*, p.6.

⁷³ C.P.D., Vol. 1, 22 May 1901, p.763.

That the Party work for the total exclusion of coloured people whether British subjects or not, and to prevent importation of labour under contract.

That the Party approves of the educational test as to coloured British subjects, with such amendments as may seem necessary; but opposes absolutely the admission of all coloured aliens.⁷⁴

Labor's primary concern in maintaining a 'White Australia' were economic and racial. The party believed that cheap coloured labour should be excluded from Australian shores because the use of such labour threatened to undermine the rights and conditions of Australian workers. On 6 September 1901, Hughes outlined Labor's position on the Bill stating:

We are to work out our destiny unaffected by that terrible blot referred to by the Attorney General as affecting America, without the leprous curse that is spreading its sway through Queensland unhampered and unhindered, and which threatens to make it a country no longer fit for a white man, because it will shortly be a country where no white man can compete with our cheap, industrious, and virtuous, but undesirable Japanese and Chinese friends. The Attorney General has said that we object to these people, because of their virtues. I do not object to their virtues, when weighed in the economic scale, become vices. For a man to work for a wage of 2d. a day is a vice which, if it became general amongst white men, would reduce society to chaos ... There is no vice, and I say it advisedly, like the vice of small expenditure when carried to a ridiculous and unEuropean length, and as this alien competition aims a blow at the very basis of our industrial system, we oppose it.⁷⁵

Hughes was followed by Labor leader, John Watson, who not only agreed with Hughes's assertions concerning the economic perils of coloured immigration but also regarded the possible mixing of different races through marriage as the main reason why they [coloured immigrants] should be kept out of Australia:

As far as I am concerned, the objection I have to mixing of these coloured people with the white people of Australia - although I admit it is to a large extent tinged with

⁷⁴ *Caucus Minutes*, 31 July 1901.

considerations of an industrial nature - lies in the main in the possibility and probability of racial contamination. ... The racial aspect of the question, in my opinion, is the larger and more important one; but the industrial aspect also has to be considered.⁷⁶

The debate over white Australia and the further strengthening of plank 1 of the platform was carried over into the Pacific Island Labourers Bill which sought the exclusion of Kanaka labour from the Queensland sugar fields. On 9 October 1901 Watson outlined Labor's support for the legislation:

I am glad that the Government have introduced this measure at a comparatively early period of the session ... The feeling that I entertain upon this question is that even if it means the absolute annihilation of the sugar industry, I am prepared to vote for the abolition of the kanakas ...

The whole question is one of wages and general conditions, and if white men are offered fairly good wages, and have a reasonable prospect of steady employment, there is no doubt that in the greater portion of Queensland they will be found to do the work reliably and well ... We have to consider not only the probability of the contamination of our race, but also what work of development can be carried on by means of kanaka labour in the Northern Territory; that is to say, how many of our own people will find profitable employment ...

I trust that the Bill will be passed in its present state, and that it will be declared without any possibility of misunderstanding that the people of Australia have determined that semi-slavery shall end, no matter what the consequences may be.⁷⁷

The Pacific Island Labourers Bill was passed in the session with Labor support and although White Australia was a significant platform plank successfully pursued by Labor it was not the only plank the party pursued during this early period. On 4 April 1902 the Government introduced the Commonwealth Franchise Bill that sought to provide the vote for all men and women over the age of 21. The Bill was in line with plank 2 of the 1901 Caucus platform that advocated 'Adult suffrage' and the

⁷⁵ *C.P.D.*, Vol. V, 6 September 1901, p.4822.

⁷⁶ *ibid*, pp.4633-4.

⁷⁷ *C.P.D.*, Vol. V, 9 October 1901, pp.5848-53.

extension of the franchise to Australian women. On 9 April 1902 Senator Pearce outlined Labor's support for the legislation:

It has been said, and I think it is a truism, that we have practically reached a stage at which no debate is necessary in order to prove the justice of the claims of women to the vote. I should not have risen at this stage but for the fact that there are some honourable Senators who continue to advance the old arguments against the right of women to vote, and who are still prepared to champion the lost cause of manhood suffrage alone.⁷⁸

At the end of August 1902 Watson held a press conference in which he reviewed Labor's activities and achievements since entering the Parliament:

In my opinion, the Labor members have done very well, and their utterances always receive attention. Our strength is not sufficient to dominate legislation, but we total sixteen in the House of Representatives and eight in the Senate. We have worked harmoniously, and have secured a fair proportion of the things that we had our eyes fixed upon when we were elected. I might particularise the legislation which deals with coloured labour and alien immigration. The enactments are not likely to prove as effective as we desired. We fought for the total exclusion of coloured labour, and that was only lost by a few votes in the House of Representatives. Still, it was something to secure the passage of legislation which puts a bar in the way of coloured labour. We have also been successful in preventing the importation of 'contract' labour ... The present position is that the importation of labour under contract is prohibited, except in the case of expert artisans for trades which do not exist in the Commonwealth⁷⁹

In the first session Labor had shown that although not numerically strong it would do what it could to fight for its constituency. Labor had established itself in the federal arena and consolidated its position further at the Second Commonwealth Political Labor Conference in 1902 by updating and expanding the platform and adopting a new pledge for federal members. The Conference adopted a pledge, introduced by the

⁷⁸ *C.P.D.*, Vol. IX, 9 April 1902, p.11492.

⁷⁹ *Advertiser*, Adelaide, 1 September 1902.

Executive of the Political Labor League of New South Wales, that would be binding on all candidates:

I hereby pledge myself not to oppose the candidate selected by the recognised political organisation, and if elected to do my utmost to carry out the principles embodied in the Federal Labor Platform and on all questions affecting that Platform to vote as a majority of the Parliamentary Party may decide at a duly constituted Caucus meeting.⁸⁰

The pledge was unequivocal in its form in relation to the platform, highlighting to federal members that if elected they were bound to do their 'utmost to carry out the principles embodied in the Federal Labor Platform'. Conference then discussed the content and form of the new platform. The second federal platform was more substantial than the four planks of the fighting platform of 1900 and, as Labor had performed better at the polls than expected, the 1902 Interstate Conference set about distinguishing federal Labor from Deakin's 'Protectionists' and Reid's 'Free Traders', by approving a new federal platform.⁸¹ Labor's new platform and pledge provided members with an increased understanding of what the party stood for as well as providing them with a greater sense of purpose in respect of pursuing the platform as outlined in the pledge. The revised platform, especially in the areas of defence and industrial relations were put to the test in 1903.

Defence – Australian Owned Navy

On 2 July 1903 the Government introduced the Naval Agreement Bill into the House. The Naval Bill sought to ratify an agreement, that was passed at the Imperial Conference in 1902, between the British Government and the Australian Government that ostensibly called for a British squadron to be stationed in Australian waters, and the establishment of a Royal Naval Reserve in Australia. On 14 July Watson entered the debate on the Naval Bill to outline Labor's policy position with respect of plank 5 of the platform that specifically called for a 'Citizen Military Force and Australian Owned Navy':

⁸⁰ Australian Labor Party, Second Commonwealth Political Labour Conference. Official Report, 1902, p.4.

I desire to say at once that I have every sympathy with those who wish to see the development of an Australian Navy ... Unfortunately it appears that we have in power a Government which is distinctly opposed to the idea of an Australian Navy ... They [the Government] are influenced by the theory that we, as part of the British Empire, must join forces with, and practically merge our naval defence of the Empire. I for one do not agree with that idea.⁸²

Hughes, followed the lead of Watson and highlighted the fact that a British controlled Navy for Australia would not benefit Australia in a time of crisis:

From a national standpoint, I think that, so far as we have been able to gather, the proposed agreement is not a good one ... A local naval defence force may have deficiencies, but it is only in such a fleet that we can train the naval spirit which is inherent in the British race, and which now lacks development here for want of training, and when the day of peril comes, we must have a fleet in being ... it is the business of Australians to defend Australia.

The agreement put forward, no doubt, admirable, so far as the whole interests of the Empire are concerned, but it affords no assurance of safety for this particular part of the British dominions.⁸³

Labor was not successful in amending the legislation to establish an Australian owned navy but this did not deter the party or its members from advocating Labor's position on the issue.

Federal Patent Laws

Also, during debate on the Naval Bill the Government introduced legislation dealing with the law relating to patents. The Patents Bill was important in that plank 9 of the General Platform called for a 'Federal Patent law, providing for simplifying and cheapening the registration of patents'. On 15 July 1903 Senator De Largie outlined Labor's acceptance of the Patents Bill:

⁸¹ See Appendix 2 - Australian Labor Party Federal Platform 1902

⁸² C.P.D., Vol. XIV, 14 July 1903, pp.2044-5.

It is a measure which is in every way creditable to the Government, and which, while not of an extravagant nature, is sufficiently liberal to justify its acceptance ... No doubt some slight alterations will be necessary in Committee, but on the whole the measure is one to which we can give our approval.

The present Patents laws in Australia are calculated to discourage rather than encourage, an inventor, unless he be a man of considerable means, and thus able to pay for the protection of his ideas in each State. All that, however, will be changed under this Bill.⁸⁴

The passage of the *Patent Act* 1903, with Labor support, again showed Labor's commitment to advocate the planks of its platform when the opportunity arose in the Parliament. However, Patent legislation was far from Labor's collective mindset when the Government introduced its Defence Bill on 30 June 1903.

Defence – Australian Citizen Military Forces

The Labor platform in relation to defence was covered by plank 5 that called for a 'Citizen Military Force and Australian owned Navy'. Labor had unsuccessfully advocated an Australian owned Navy during debate on the Naval Agreement Bill and now that the focus was on 'Defence', party members turned their attention to advocating a citizen military force in line with plank 5. On 4 August Watson spoke during debate in Committee about Australia's defence requirements:

The number of men required will depend to some extent upon the nature of the defence we decide to adopt. If we go in for a large number of fixed defences, forts, floating batteries, submarine boats, and torpedoes, involving complicated machinery, and a great deal of mechanical knowledge on the part of the men employed, as well as familiarity with the weapons to be used, we shall require a much larger number of permanent men than we should require if we set aside those means of defence, and depend almost entirely upon our field artillery and rifle corps.⁸⁵

⁸³ *C.P.D.*, Vol. XIV, 21 July 1903, pp.2313-20.

⁸⁴ *C.P.D.*, Vol. XIV, 15 July 1903, p.2106.

On 5 August Watson spoke about the importance of establishing and maintaining a viable citizen military force:

I think that the military training of our young men would prove an excellent thing both from the individual and the national stand point ... we need 100,000 rifles even under the present system ... In addition to the 100,000 men who would actually present themselves for drill every year, we should gradually secure a very large reserve, consisting of those who had recently undergone the course of instruction, and who would be available for any emergency that might arise.

It seems to me that it is necessary to provide for something in this direction because at the present time Australia is not adequately defended.⁸⁶

The citizen military force envisaged by Watson was primarily based on a form of conscription and Watson was quickly taken to task by Fisher over the conscription question:

This is not a joking matter and I venture to tell the leader of the Labor party that it is not a question to be dealt with without an appeal to the electors ... I seriously protest against the proposal to compel young men to undergo continuous training for a fortnight in three consecutive years ... It is much better to give assistance to the volunteer movement, and to do all that we can for the proper training of those who are ready to submit themselves to military discipline, and to undergo the necessary drill.⁸⁷

The Defence Bill highlighted divisions within Labor over the issue of conscription, with Watson and Hughes supporting the measure and Fisher vehemently opposed. Hughes even went so far as to introduce an amendment to the Bill calling for universal compulsory military training, however he withdrew it when there was little support for it. The *Defence Act* 1903 provided Australia with the foundation to establish its military and naval forces, the forces would be voluntary in nature and would exist alongside a small permanent force who would provide training and guidance to volunteers. Labor had again provided support for measures that enacted

⁸⁵ C.P.D., Vol. XV, 4 August, p.3034.

⁸⁶ C.P.D., Vol. XV, 5 August, pp.3102-3.

another plank in the platform, this time in respect of plank 5 that called for a 'Citizen military force'.

Conciliation and Arbitration

The conscription issue highlighted the divergence of opinion that existed within Labor ranks over the issue, however on industrial relations matters, Labor opinion was solid. On 28 July the Government introduced the second Conciliation and Arbitration Bill into the Parliament.⁸⁸ Labor's platform on industrial matters was contained in plank 2 of the Fighting and General platforms that called for 'Compulsory arbitration to settle industrial disputes, with provision for the exclusion of the legal profession'. On 6 August, Watson outlined Labor's approach to the legislation and in a wide ranging speech he covered a number of policy issues important to Labor, including compulsory arbitration, exclusion of the legal profession, federal coverage for state employees and preference for unionists:

In Australia we have had a very bitter experience with strikes ...In the absence of legislation upon industrial matters, and without trades unionism, I believe that the worker would be poorly off indeed ...⁸⁹

... in supporting compulsory arbitration the Labor Party are assailed by two sets of people ... We have the extreme individualist and the fearful man on the employers side, opposed to compulsory arbitration. The Labour Party has just as many bitter, if not more bitter, opponents in the extreme reformers on its own side. Although the Labour Party as a whole throughout Australia have adopted the principle of compulsory arbitration, we find that even today there is a considerable section of extremists ... who scout any idea of handing over their liberties to any tribunal such as is contemplated by this Bill.⁹⁰

... I am sorry that the Government has not seen fit to make some provision for the exclusion of lawyers from the [Arbitration] Court ... I recognise the need for good

⁸⁷ *ibid.*, pp.3103-5.

⁸⁸ On 5 June 1901 Mr Kingston introduced a Conciliation and Arbitration Bill into the House, however the Government withdrew the legislation.

⁸⁹ *C.P.D.*, Vol. XV, 6 August 1903, pp.3206-7.

⁹⁰ *ibid.*, p.3211.

lawyers in the community ... but the experience in New Zealand is that the parties are able to do without lawyers, and the result is that cases have been decided at an infinitesimal cost ... I think we ought to insure, as far as practicable, the settlement of these disputes at a minimum cost.⁹¹

In May 1903 Victorian rail workers went on strike after the Premier (Irvine) slashed their wages and working conditions. Irvine further infuriated the wider labour movement by introducing a draconian Strike Suppression Bill to beat the workers into submission. Labor was determined to curb the excesses of parliamentarians like Irvine and after Watson had outlined Labor's position in respect of federal jurisdiction in industrial disputes, an issue not covered in the Bill, Labor moved to protect not only the workers affected but also all workers in general. Fisher unsuccessfully moved an amendment to the Bill to ensure that public servants were covered,⁹² and McDonald successfully moved a motion, with the support of Protectionist radicals to ensure coverage of railway workers.⁹³ However, the Government reacted to Labor's amendment by promptly 'dropping' the Bill from the legislative agenda. Labor and the labour movement were stunned by the Government's actions and they campaigned vigorously at the following election over the Government's deceit and treatment of the workers.

The Conciliation and Arbitration Bill was the last piece of legislation, related to the platform, that Labor pursued before Deakin dissolved the Parliament and called a general election for 16 December 1903. The first Parliament provided Labor with a valuable insight into what was required to pursue the platform. Labor was a bit player in the House wedged between Deakin's Protectionists and Reid's Free Traders, however Labor members were undaunted by the fact that they were only a small party in the Parliament, and on issues related to the platform they pursued them with vigour and were successful in ensuring the passage of planks relating to 'White Australia', 'adult suffrage', 'patents' and a 'citizen defence force'. Federal Labor had proven to the wider labour movement that it was capable of holding its own at a national level, the real test for the party would come at the election when the Australian people would provide their opinion on the performance of the party via the ballot box.

⁹¹ *ibid.*, p.3219.

⁹² *C.P.D.*, Vol. XVI, 8 September 1903, pp.4751-2.

1903 Federal Election

On 16 December 1903 Australia went to the polls with the major issues of the campaign centring on the fiscal policy of free trade or protection and for Labor, conciliation and arbitration. On the fiscal question, Labor endorsed a policy of a fiscal truce. On the issue of protection or free trade and in respect of conciliation and arbitration, the party campaigned vigorously against the Government's withdrawal of industrial legislation in the previous Parliament.

The election result provided a great boost to Labor which saw the return of twenty-five members in the House and fourteen members in the Senate, an increase of nine and six respectively. Labor had increased its representation on the cross benches by a total of fifteen new members and this increase provided the party with a new standing and measure of authority in the Parliament. Deakin was the new Prime Minister and referred to the composition of the new parliament, in cricket parlance as like having 'three elevens' in the field,⁹⁴ where no one party was in a position to dictate terms in its own right. In fact, the composition of the House was Labor – twenty-five; Protectionists – twenty five and Free Traders – twenty-four, with one Independent.

The first Parliament had been dominated by Deakin's Protectionists and Reid's Free Traders, however the election placed Labor in the box seat to dictate terms to their advantage. In fact, the second parliament would provide a world first: the emergence of a federal Labor government. Labor now held the balance of power in the Parliament, in the House the Government only required Labor to remain neutral, however its position was strongest in the Senate where Deakin required Labor's active support to ensure passage of its legislative program. The second Parliament provided Labor with the opportunity to use its numbers to pressure Deakin to introduce legislation in line with the platform and its numbers in the Senate provided it with an opportunity to amend legislation in line with the platform.

⁹³ *ibid.*, p.4785.

⁹⁴ See; La Nauze, J. A., Alfred Deakin: A Biography. Melbourne University Press, 1979, pp. 362-380.

On 2 March 1904 the Parliament resumed with Labor supporting a large portion of Deakin's legislative program. The differences between Labor and Deakin centred on key platform policy planks related to industrial relations and defence. On the issue of arbitration, Watson argued that the federal arbitration system should cover State employees, Deakin's proposals did not include this. On the issue of defence, Watson attacked Deakin's agreement with the British government on naval defence and argued that Australia should have its own naval squadron independent of British control.

Nationalisation of Tobacco and Old Age Pensions

Labor's numbers in the Senate were immediately put to use to raise issues related to the platform, especially in relation to plank 4 of the fighting and general platforms that called for the 'Nationalisation of Monopolies'. On 17 March 1904 Senator Pearce moved a motion for the nationalisation of Tobacco in line with plank 4 of the platform as part of a plan that would have seen the revenue raised by the initiative being utilised to finance plank 3 of the platform that called for the introduction of 'Old Age Pensions':

1. That in the opinion of this Senate, in order to provide the necessary money for the payment of old age pensions and for other purposes, the Commonwealth Government should undertake the manufacture and sale of tobacco, cigars and cigarettes.
2. That the foregoing resolution be referred to the House of Representatives with a message requesting their concurrence therein.
3. That a select committee, consisting of six members of the Senate and the mover, be appointed, with power to sit and confer with a similar number of members of the House of Representatives, to inquire into and report on the best method of carrying the foregoing resolution into effect.⁹⁵

Labor's plan for funding plank 3 of the platform was dependent upon the nationalisation of the tobacco industry and Pearce outlined the case for nationalisation and how it could be achieved in line with plank 4 of the platform:

⁹⁵ C.P.D., Vol. XVIII, 17 March 1904, p.649.

It is very likely that the Government will contend that we have not the power to carry out this motion; but if we have not the power now – which I do not admit – I contend that it is advisable for a Select Committee to point out how we may obtain control of the trade. There are two ways – one, by an alteration of the Constitution, and the other by asking the States Governments to give us the power. I am not at all afraid that the States Governments would refuse the request, but, on the other hand, believe that they would readily grant it, seeing that they do not, and cannot, effectively exercise such a power themselves. In many of the States, in order to pay old age pensions, it will be necessary to resort to direct taxation; this, for instance, will very probably be the case in Western Australia. I believe the States Parliaments would willingly extend the desired power to the Commonwealth, if it were understood that the proceeds of the monopoly were to be earmarked for the payment of old age pensions. I am dealing with the question as a layman, and therefore do not presume to say whether we have the power, but the committee I suggested could take legal opinion on the subject; and if it is found that we have not the power, they could recommend the course we should adopt to secure it.⁹⁶

On 19 May 1904 the Senate approved Labor's proposal by seventeen votes to nine and immediately proceeded to appoint the select committee.⁹⁷ The success of the motion was a victory for Labor and whilst the Senate debated the nationalisation of the Tobacco Industry, Labor again moved to exert its influence in that chamber to again pursue plank 4 of the platform.

State Owned Iron Works

On 14 April 1904 Senator De Largie moved a motion for the establishment of a federal iron works:

[The] Senate affirms the principle of iron works being established and owned by the Federal Government, for the purpose of manufacturing pig-iron, and steel from native

⁹⁶ *ibid.*, p.659. The history of the select committee was such that it became a Royal Commission into the industry and eventually reported by majority, that the tobacco industry should be nationalised.

⁹⁷ *C.P.D.*, Vol. XIX, 19 May 1904, pp.1296-7.

ore, believing this would be in the best interests of Australian industry, State rights, and Commonwealth prosperity.⁹⁸

Australia did not possess a viable iron works, however De Largie was quick to point out that once a private firm had established itself in the market then it would operate as a monopoly on the production of iron ore and steel and it was incumbent on the federal legislature to ensure that this did not occur:

I, though a protectionist, will consider a few times before I shall vote any assistance to an individual or private company to establish an industry which should be in the hands of the Government, for the reason that, once it was established, it would be a monopoly ... Our consumption of iron would not justify the erection of more than one modern iron works, and with only one blast furnace, too. It would not be a very big iron works which had only one blast furnace. It will be seen at a glance that a private iron works would have a monopoly of the trade in Australia.⁹⁹

On 14 April 1904 the Senate approved Labor's motions to nationalise the tobacco industry as well as De Largie's plan to establish a Government owned federal iron works by a vote of fourteen to ten.¹⁰⁰ Whilst Labor pursued the platform in the Senate the manoeuvring for power in the House was constant and the fiscal barrier that had existed between the two non-Labor parties was reduced when Reid, the leader of the Free Trade group all but declared that the tariff issue was dead.

The removal of the tariff issue should have brought the non-Labor parties closer, however the issues of immigration and industrial arbitration ensured that they remained independent of one another. The polarisation on the non-Labor side over issues such as immigration and industrial arbitration benefited Labor who continued to find itself in three-sided contests where it used its numbers to influence the form and scope of legislation relating to these issues.

Conciliation and Arbitration and the World's First Labor Government

⁹⁸ *C.P.D.*, Vol. XIX, 14 April 1904, p.947.

⁹⁹ *ibid.*, p.949.

¹⁰⁰ *ibid.*, p.1296.

On 2 March 1904 Deakin introduced the Conciliation and Arbitration Bill into the House where debate on the Bill commenced. However, it was not until the Bill was in Committee that Labor moved amendments to bring the proposed legislation in line with the platform.

Labor had discussed its official position on the legislation with Deakin prior to its introduction, however Deakin paid no heed to Labor's concerns about implementing a Bill in line with plank 2 of Labor's platform. Deakin introduced legislation that omitted any reference to Compulsory Arbitration to settle industrial disputes and failed to make provision for the exclusion of the legal profession, the key parts of plank 2 of Labor's platform. The Bill also excluded provisions relating to preference to unionists and the application of the legislation to state government employees. On 19 April during the Committee stage of debate Fisher moved an amendment to widen the scope of the Bill to cover State government employees, by proposing to amend the meaning of the term 'industrial dispute' as outlined in section 4 of the Bill¹⁰¹, as well as moving another amendment calling for the inclusion of state government employees, the effect of which (unknown to Fisher) would bring down the Government.¹⁰² Deakin was unimpressed with Fisher's amendments and viewed them as a vote of confidence in his administration:

The amendment submitted by the honourable member has been proposed by him in a manner that is absolutely unexceptionable ...I have already defined exactly the Government attitude. We think that the public servants of the States and the Commonwealth should not be brought under the operation of this Bill.¹⁰³

On 21 April Fisher addressed the Committee and outlined the rationale as to why the amendment should be supported, the corollary being that a vote for the amendment would be a vote of no confidence in Deakin's Government:

I have no desire to traverse all the arguments which have been advanced during the course of this debate ... My own idea is that a Bill of this kind should contain no restrictions whatever. The limitation which is contained in clause 4 is one to which I

¹⁰¹ C.P.D., Vol. XVIII, 19 April 1904, p.1043.

¹⁰² *ibid.*

particularly object ... Believing as I do in State socialism, and holding that the general welfare of the people should be our first consideration, I am bound to embrace every opportunity to advance those views ... I submit, respectfully, to the Committee, that the logical and straightforward course to adopt is to make no exemption whatever in this Bill. It is illogical to include the railway servants within its provisions, and to exclude from its operation the employees in printing offices, the wharf labourers, the dock labourers and others. Let us include the whole of them. Let us wipe away all restrictions, and allow the High Court to determine whether or not our action is constitutional.¹⁰⁴

Fisher's reasoning was well received in the House and in the ensuing vote Fisher was successful by thirty-eight votes to twenty-nine. The vote was decisive and on 23 April 1904 Deakin tendered his resignation as Prime Minister to the Governor General. Labor wasted little time, after Deakin's resignation, holding two special Caucus meetings; the first (in the morning) provided Watson with an opportunity to discuss the consequences of the resignation and the second (in the afternoon) provided Watson with the opportunity to inform his parliamentary colleagues that, '... [he] had waited on the Governor General and accepted the commission to form an administration.'¹⁰⁵ Watson's acceptance of the commission to become Prime Minister placed Labor in a position, that four years earlier seemed impossible even to its most ardent supporters, it had achieved a place in history as the world's first national Labor government: it was now in a position to pursue the platform.

The elevation of Labor to power did not sit well with the more conservative elements of the press who were quick to pass judgement on the new administration, with the *Daily Telegraph* commenting:

They have everything to learn and nobody in the Cabinet able to teach them. It is wholly and solely an apprentice government ... It remains, however, to be seen how the curious political freak will be looked upon by the House, which need not submit to be made ridiculous one moment longer than it has a mind to.¹⁰⁶

¹⁰³ *ibid.*, pp.1045-1057.

¹⁰⁴ *C.P.D.*, Vol. XIX, 21 April 1904, pp.1242-3.

¹⁰⁵ *Caucus Minutes*, April 23, 1904

Labor now governed in the House without any support from Deakin or the old Free Traders, and according to Sawyer:

Watson took office without any specific promise of support from the Protectionists as a party, though he had assurances of general 'benevolent neutrality'¹⁰⁷ at least from the radical high protectionist wing of that party and probably Deakin himself.¹⁰⁸

Labor held office in a minority capacity, a situation that was not lost on the *Argus*, who smugly editorialised:

The Ministry is of course, entitled to a fair and reasonable chance of showing what, as a minority, it can do ... It [the Government] will exist entirely on sufferance, since it has no command of the confidence of a majority; and unless it can perform the Parliamentary miracle of proving that a Ministry so situated can do good and necessary work, it has no claim to an extended life. We should regard as a public calamity the accession to power of a socialistic Government with a strong following. But the temerity of a socialistic band which composes the smallest section of the House, fortified by practically no experience of public or private business, in assuming office, can do little harm, and will probably result in much good. If such a Ministry attempts any revolutionary measures, either of administration or legislation, it will be blocked by the majority which watches it. If it shirks its platform utterances, and merely struggles feebly along on lines of compromise already laid down, it will not justify its existence. There is little to be feared from it, and all that can be hoped is that it will fill an interregnum, during which that large body of moderate and experienced men in the House ... can come together on honourable lines to form a strong party which will yield steady allegiance to a stable Government.¹⁰⁹

Labor's minority status was also tested by Labor members who sought to establish a coalition with Deakin, believing that a coalition would better protect Labor's hold on power. Whilst the discussions over a coalition took place, Watson outlined Labor's

¹⁰⁶ *Daily Telegraph*, 27 April 1904 (lead article)

¹⁰⁷ Sawyer, 1956, *op cit.*, p.38.

¹⁰⁸ See *C.P.D* Vol. XIX, 21 April 1904, pp.1248-1250, especially Deakin's assurances of fair play.

¹⁰⁹ *Argus*, 25 April 1904.

legislative plans for the following parliamentary session in line with the platform stating:

... [that the] Navigation Bill will be the first measure introduced, and the Old-Age Pensions Bill will be next. We admit that there are huge difficulties in the way of the establishment of a commonwealth system of old-age pensions, but difficulties are created only to be surmounted, and we think that in this case they can be surmounted ... We also propose during the next session to take steps in regard to the tobacco monopoly.¹¹⁰

On 17 May Caucus met to discuss the question of a coalition and decided that:

This Party considers it is due to its position in Parliament and its standing with the electors of the Commonwealth that its policy should be untrammelled by any coalition.¹¹¹

The proposal for Labor to form a coalition with Deakin was defeated, however Caucus approved a proposal to support Opposition members who supported the Labor Government:

This Party will welcome the support of those members outside its ranks who elect to assist the present Ministry, or in the event of the Government being defeated support the Party when in opposition.¹¹²

The proposal would have effectively precluded Labor from standing candidates against non-Labor incumbents in seats that Labor had an excellent opportunity of winning. The backlash to the proposal from the State branches to the proposal that had responsibility for electing candidates was quick and harsh. All states except South Australia refused to accept the proposal and this was later ratified by the Third Commonwealth Political Labour Conference of 1905 as well as at the New South Wales and Victorian State Conferences. However, despite trenchant opposition from the State organisations, Caucus approved a motion to initiate a formal dialogue with

¹¹⁰ McMullin, 2004, *op cit.*, p.80.

¹¹¹ The motion was carried by 21 votes to 8; see *Caucus Minutes*, May 17, 1904.

¹¹² *Caucus Minutes*, May 17, 1904.

Deakin.¹¹³ As a result of the motion¹¹⁴ Watson wrote to Deakin outlining his proposals for an Alliance.¹¹⁵ Watson's letter provided a workable framework on which to lay the foundation for an Alliance, although parts of the letter would have caused some angst among those in the party who believed that providing protection to non-Labor members was anathema to the advancement of Labor's ideology and platform.¹¹⁶ The Alliance proposal approved by Caucus became irrelevant as Deakin and the Liberal Protectionists were not interested, with Deakin replying:

At a meeting of the Liberal-Protectionist Party today it was resolved that present circumstances do not render advisable either of the proposed Alliances or coalitions.¹¹⁷

With no support from Deakin for an Alliance, Watson proceeded to govern in his own right. Deakin would not support Labor and his attitude to the new administration was more than matched by other Opposition members. According to McMullin, the sight of Labor Ministers occupying the Treasury benches reduced Forrest to apoplexy, with Forrest shouting out in the House:

Mr Speaker, what are these men doing in or places? Those are our seats.¹¹⁸

Forrest survived this harrowing ordeal and Watson started where he had left off on 21 April by reintroducing the Conciliation and Arbitration Bill back into the Parliament.

Conciliation and Arbitration

On 31 May 1904 Watson resumed debate on the Bill moving a new amendment to the definition of 'industrial dispute' that included a clear reference to state railways employees:

¹¹³ The Chairman made a statement with reference to a proposed alliance with certain other members and Carpenter moved that he be empowered to negotiate towards an alliance. *Caucus Minutes*, May 25, 1904.

¹¹⁴ The motion was carried by a vote of 24 to 8. See *Caucus Minutes*, May 26, 1904.

¹¹⁵ See Appendix 3 - Watson to Deakin 26 May 1904 - Alliance Proposal

¹¹⁶ see section 6 of the letter in Appendix 3 - Watson to Deakin 26 May 1904 - Alliance Proposal

¹¹⁷ Papers of Alfred Deakin, *National Library of Australia*, Canberra. Watson to Deakin, 30 May 1904, MS 1540-16-70-s1-e.

¹¹⁸ McMullin, 1991, *op. cit.*, p.51.

That the words "including disputes in relation to employment upon State railways" be inserted after the word "State".¹¹⁹

Watson's amendment placed Labor in a position to pursue and enact plank 2 of the platform. However, debate on the Bill was complex and drawn out and Labor spent the next three months attempting to pass the legislation through the House in the face of numerous Opposition amendments. Minority government was proving to be extremely difficult and frustrating for Watson who prophetically told Higgins that, 'I despair of seeing any good come out of this Parliament.'¹²⁰ Watson's analysis of his government's ability to successfully pursue the platform was correct and on 10 August 1904 the Opposition with some deft parliamentary manoeuvring and political chicanery moved an innocuous amendment to the Bill¹²¹, the effect of which provided it with the numbers in the chamber to have the amendment passed, the corollary being that the passage of the amendment would also be a vote of confidence in the Government. Watson and Labor knew the Government was in trouble and during the debate on the motion to recommit, Labor members attacked the duplicitous and underhanded way in which the Opposition had literally brought the Government to its knees. King O'Malley was the most colourful of the Labor speakers as he left no-one guessing as to how he felt about the situation:

As a party we are game to die tonight. There is no hesitation on our part. For the three months during which I have been sitting on this side of the House I have felt like a muzzled Rocky Mountain tiger cat ... The action of the Opposition might be all right, viewed from the stand point of the Tammany Hall bludgers or the sand baggers of Pennsylvania or the Louisiana Kluklux clans, but it is altogether out of place in a British Legislature ... I had hoped that there would be no political trickery or dodgery in this Parliament, but we now have presented to us a sorrowful and pathetic sight ... The essence of democratic government consists in the preservation of human rights, and no scheming or trickery should be indulged in which would endanger those rights.¹²²

¹¹⁹ *C.P.D.*, Vol. XIX, 31 May 1904, p.1676.

¹²⁰ Palmer, N., *Henry Bourne Higgins*. Harrap Publishers, London, 1931, p.177.

¹²¹ McCay, Deakin Protectionist, moved, 'That clause 48 be omitted from the clauses proposed to be recommitted'. See: *C.P.D.*, Vol. XXI, 11 August 1904, p.4155.

¹²² *ibid.*, p.4179.

Deakin's political chicanery was effective and on 12 August 1904 the House divided on the motion to recommit and the amendment was passed by thirty-six votes to thirty-four. Watson immediately adjourned the session and a week later on 17 August he resigned his Government's commission.¹²³ Labor's time in office was brief and although not a success in either its tenure or on its legislative achievements, it surpassed all expectations as it became the first Federal Labor Government to hold office in the world. Commenting some years later on the time during that first government, Hughes stated:

The days passed and the business of Parliament and of the country went smoothly on, every day finding us more adept in handling the affairs of State, more nonchalant in our replies to questions designed to disturb our peace of mind.¹²⁴

Watson resigned as Prime Minister and George Reid was summoned to form a Free Trade and Protectionist Coalition Government, with Allan McLean leading the Protectionist group.¹²⁵ The Reid/McLean ministry survived until the close of the session on 15 December 1904, but not before Labor and a group of radical Protectionists led by Lyne and Isaacs entered into an agreement to unseat the Reid/McLean coalition,¹²⁶ despite the earlier negative reaction of the state branches and supporters to such agreements taking place.

Labor and Alliances

Labor had shown the world that it was not only capable of governing in its own right, but that it would responsibly pursue its platform despite trenchant criticism to the contrary. However, instead of focusing on making Deakin's new government

¹²³ I desire to intimate to the House that, following on the vote which was given on Friday last, I waited upon His Excellency the Governor General, and offered certain advice [that the Parliament be dissolved] upon which His Excellency did not see fit to act. I then tendered the resignations of myself and colleagues, which His Excellency was pleased to accept. *C.P.D.*, Vol. XXI, 17 August 1904, p.4264.

¹²⁴ Fitzhardinge, L., *William Morris Hughes Volume I: That fiery little particle 1862 – 1914*. Angus and Robertson, Sydney, 1964, p.163.

¹²⁵ Deakin had played a role in negotiations between the two groups but refused to join along with the radical wing of the Protectionists; see *C.P.D.*, Vol. XXV, 29 June 1905, p.60.

¹²⁶ *C.P.D.*, Vol. XXI, 7 September 1904, p.4343.

accountable and pursuing the platform via negotiation and support, Labor literally became a faction of Deakin's Protectionists. On 7 September 1904 a draft proposal was agreed to and a week later on 14 September Official Articles of Alliance were ratified by Labor and the Isaacs Protectionist group. Minor amendments were made to the draft Articles but the ratified Articles of Alliance contained five general conditions of Alliance together with a seventeen part platform.¹²⁷ The adoption of the Alliance by Labor was a clear breach of the pledge and an unequivocal abandonment of Labor's official platform, for Deakin and the Protectionists policy agenda.

A majority of Labor members were positive about the Alliance believing that it presented the best possible means to extract concessions from Deakin and the Protectionists on a *quid pro quo* basis, even though they were aware that there was a wide legislative gulf between the Articles of Alliance and Labor's platform they had pledged to uphold. Also, the pursuit of articles two, three and four of the Alliance placed them in direct conflict with the respective state administrations. Despite the negative impact on the party, the forming of an Alliance during this period is not surprising given the political machinations of the time, however what is remarkable is that the Articles agreed to were even ratified by Caucus in the first instance. Crisp regarded Labor's foray into an Alliance as being due in large part to the:

... intolerable immediate frustrations and pressures being suffered by FPLP members under the three party conditions of those early Parliaments.¹²⁸

There is little doubt that Labor members felt varying degrees of 'frustration and pressure', however the cauldron that is the federal parliament, especially in its formative years would have had the same effect on nearly all members, not just Labor. The Conditions of the Alliance posited five express terms to be adhered to by members of both Labor and the Protectionists with respect to protecting sitting members at elections. Articles two, three and four of the Alliance were similar in substance and form to the coalition proposals of the previous May that effectively granted immunity to non-Labor sitting members at elections. The immunity provisions had already been vehemently opposed by nearly every state Labor

¹²⁷ See Appendix 4 – Articles of Alliance between the ALP and Deakin's Protectionists

¹²⁸ Crisp, 1955, *op cit.*, p.160.

administration as untenable, and yet only four months after the coalition proposals were soundly defeated, Labor was advocating them again and incorporating them into a formal Alliance.

Labor was aware of the ambit and potential impact of Articles two, three and four and it is arguable that they were included on the sole basis of the parliamentary party taking the initiative to manage their own affairs without the interference of the state branches. In 1904 the administrative structure of the federal party was embryonic at best and this may have been an audacious claim on the part of the parliamentary wing to establish itself as a separate entity with sole responsibility for the federal arena with the state bodies being responsible for their respective states. Placing any conjecture on the 'Conditions of Alliance' to one side, it is pertinent to also look at the Alliance agreed to by Labor and to contrast and compare it with Labor's 1902 Federal Platform that Labor members had pledged to uphold. A comparative analysis of the platform contained in the Alliance and the official platform of the party shows the deliberate omission of key planks of established Labor policy for short-term political goals that were not realisable. In fact, a closer analysis of the Articles of Alliance shows that there was very little to be gained by Labor entering an Alliance. The White Australia policy was operational, debate on the Conciliation and Arbitration Bill continued, and would soon become law, Labor Senators were using their numbers in the Senate to initiate motions to pursue plank 4 of the platform dealing with the nationalisation of monopolies, and despite this fact Labor continued to pursue an Alliance that was not in their political interests and set them on a direct collision course with their respective State organisations.

Caucus had ratified an Alliance that effectively bound the party to the General Platform of that Alliance. In doing so Labor committed themselves to abandon planks 4 and 6 of the Labor's Fighting Platform, together with planks 7(d) & (e) and 8 and 9 respectively of the General Platform.¹²⁹ Labor's Alliance had shown that it was willing to barter with planks in the platform, planks they were pledged to uphold and planks already agreed to by the wider Labour movement. The Alliance was driven by Watson's mistaken belief that the party needed an 'Alliance' to maintain legitimacy.

¹²⁹ See Appendix 2 for an overview of the abandoned Labor Party planks.

The Alliance by Labor was the first time that Labor had officially shown that the platform could be compromised for questionable short term political gain, a gain that in itself was based on a spurious set of facts. Caucus (by a majority) entered into an Alliance with key planks of the party's fighting and general platforms not even cited. In fact, the abandoned planks were not even a part of the Draft Alliance considered earlier by Labor. If Labor had incorporated the entire platform into the draft proposals for discussion one could argue that at least an attempt was made to protect and advance Labor's policy planks. However, the fact that major policy initiatives were not included, even at the plenary stages of the Alliance is remarkable. It appears that Labor was willing to forego advancing major planks of the platform for a very limited and restricted opportunity to be in a position of power.

The behaviour of Labor during this period was disconcerting to the wider labour movement as it sent the signal that Labor did not respect the platform. Also, the establishment of Old Age Pensions was the third plank of Labor's Fighting and General Platforms, it was a plank in the original Platform of 1901, however Old Age Pensions were not even included in the draft proposals for an Alliance primarily because the radical protectionist Isaacs 'preferred to leave it off'. At the end of negotiations between the parties Old Age Pensions were incorporated into the Articles of Alliance as plank 15. The establishment of Old Age Pensions were deemed, in effect, of less importance than the Trade Marks Bill (plank 4); the Fraudulent Marks Bill (plank 5); the High Commissioner Bill (plank 6); the Electoral Act Amendment Bill (plank 7); the Papua Bill (plank 8); the Anti-Trust Legislation (plank 9); the Tobacco Monopoly (plank 10); the Iron Bonus Bill (plank 11) and the establishment of a Standing Committee on trade, commerce and agriculture (plank 12).

It should be noted that not one of the planks mentioned above are contained in Labor's official Fighting or General Platforms of 1902. Labor showed their collective political naivety by giving themselves no room to manoeuvre on already established Labor planks such as the Nationalisation of Monopolies; the establishment of a Citizen Military Force and Australian owned Navy; placing restrictions on public borrowing; the introduction of navigation laws to provide for the proper supply of life saving and other equipment and for the regulation of hours and conditions of work for workers, the vast majority of which were union members; the establishment of a

Commonwealth Bank of Deposit and Issue, and Life and Fire Insurance Department; as well as introducing a Federal Patent Law that would simplify and cheapen the registration of patents.

The abandoned planks were not part of the official Alliance agreement, however plank 17 of the General Platform of the Articles of Alliance provided a general clause that granted:

... either Party an opportunity to submit any other subject for consideration with a view to joint action.¹³⁰

This clause could be considered as the 'get out' clause for Labor, a clause that it could use to introduce its omitted planks. However, it is arguable that given the political climate of the time, the Alliance would have revolved around the established core planks already included in the official Alliance agreement. The inclusion of any other 'abandoned' planks, via plank 17, would have had the distinct possibility of blowing the Alliance to pieces thus further negating any chance for Labor to extract concessions on stated platform policy.

The existence of the Alliance did not deter the Reid/McLean Government and it survived until the end of the parliamentary session on 15 December 1904. Parliament did not reassemble until 28 June 1905, however in the recess period both Labor and the Protectionist radicals had again entered into negotiations to unseat the Reid/McLean coalition. A week before the resumption of the second Parliament on 22 June 1905 Watson wrote to Deakin confidentially encouraging him to remove Reid.¹³¹ Watson and Deakin discussed the possibility of Watson committing Labor into a coalition without incurring the wrath of the state organisations at the Third Interstate Labor Conference to be held in early July. On 28 June 1905 Parliament resumed and Prime Minister Reid pushed for a dissolution of Parliament almost immediately, however the Governor General dismissed Reid's request and instead granted Deakin his second ministry. Watson had written Deakin a note in the

¹³⁰ *Caucus Minutes*, September 6 1904.

¹³¹ See Appendix 5 - Watson to Deakin

afternoon of the 28th stating, 'Could I see you before you leave this evening'.¹³² Watson and Deakin then held discussions concerning Reid's move for a dissolution, the outcome being that Watson promised Deakin two important concessions:

1. a cordial and generous support for this parliament;¹³³ and
2. a pledge of cooperation in both Houses.¹³⁴

The concessions granted by Watson were important to Deakin again becoming Prime Minister. In Deakin's previous government he purportedly only knew of Labor's intentions 'from day to day', but with Watson's concessions the Governor General was satisfied of the *bona fides* of Deakin's claim, however this was not before Caucus voted down a proposal to establish a coalition government with Labor members holding four Cabinet positions:

That our allies be consulted with a view to the Constitution of a Cabinet consisting of four Labor men and three members from amongst those who support the Labor Party in ousting the present Ministry.¹³⁵

Watson's deal with Deakin assured that Labor would never form a government in its own right and Watson appeared content to accept the fact that Deakin would not offer his support for Labor to form government. Watson was willing to prostitute himself and the platform for a few morsels from Deakin and the Protectionists table and this was nowhere more evident when on 5 July 1905 Deakin wrote to Watson outlining his Government's program for the coming Parliament,¹³⁶ in which Deakin's proposed program was almost a carbon copy of the old Alliance agreement of September 1904.

On 5 July 1905 Caucus voted to support Deakin and his legislative agenda stating:

¹³² Papers of Alfred Deakin, *National Library of Australia*, Canberra. Watson to Deakin, 28 June 1905, MS 1540-16-420-v.

¹³³ La Nauze, J.A., *Alfred Deakin*. MUP, Melbourne, 1965, p.391.

¹³⁴ *ibid.*, p.398.

¹³⁵ *Caucus Minutes*, 29 June 1905.

¹³⁶ See Appendix 6 – Deakin to Watson, 5 July 1905 – Government Program

That this party having been informed through Mr Watson of the measures proposed to be submitted by Mr Deakin, and agrees to give his ministry a general support during this parliament in the transaction of public business.¹³⁷

Although no formal Alliance had been agreed to, some members regarded Watson's measure of support for Deakin as being potentially dangerous to the standing of the Party in the electorate. These members were jolted into action not only by the current arrangement, but also because of an implication contained in Watson's, previously quoted, letter to Deakin of 22 June 1905 where Watson wrote:

I feel that many moderate people who are a little afraid of us would rally to your support if given an opportunity. The Labor Party would become practically identical with the Protectionists.¹³⁸

Labor had again abandoned its platform, however there were Caucus members who tried to save the party some respectability by moving a motion, a copy of which was to be sent to Deakin, stating:

It must be clearly understood that the Labor Party acts as an independent party.¹³⁹

Incredibly, the motion was put to a vote and was lost. On 5 June 1905 Labor had for all intents and purposes become the labourist faction of Deakin's Protectionists. A footnote in the Caucus minutes recorded that:

... the members voting against the amendment being of the opinion that the independence of the Party was not in question.¹⁴⁰

Labor had in effect endorsed Deakin's policy agenda, abandoned their own platform as well as agreeing to grant immunity to sitting Protectionist members at the following election. The integrity of the Party was shattered and those members who voted for the Alliance and against this motion also placed themselves in direct breach of

¹³⁷ *Caucus Minutes*, 5 July 1905.

¹³⁸ Papers of Alfred Deakin, *National Library of Australia*, Canberra. Watson to Deakin, 22 June 1905, MS 1540-16-392-s4-v.

¹³⁹ *Caucus Minutes*, 5 July 1905.

¹⁴⁰ *ibid.* See also, Appendix 7 - Commonwealth Conference 1905 - Alliances

Labor's Pledge. A majority of Caucus may have believed that the independence of the party was not in question, however the State organisations were united in their condemnation of Labor's participation in the Alliance. The Third Commonwealth Political Labor Conference was held in July 1905 and immediately became enmeshed in the Alliance debate,¹⁴¹ with the delegates from the parliamentary wing and the members of the wider labour movement being polarised in their views on the issue, with Conference moving quickly to negate any moves by the parliamentary wing to enter alliances with any other party. Watson disagreed with Conference and wrote to Caucus:

I may say primarily that the view I have held since the inception of Labor in politics is that the organisations should decide in conference what the policy of the movement should be, and lay down such conditions as may be necessary to ensure the solidarity of the Party. Once the Party enters parliament it alone should, by its corporate voice, decide the course to be taken in any particular emergency. Having chosen its captains the party outside should be prepared to trust to their guidance while the battle continues.¹⁴²

In the remaining fifteen months of the second parliament the immunity issue continued to cause problems for Watson because he could not guarantee Deakin that Labor would not stand candidates in non-Labor members' electorates at future elections. In fact Watson's immunity stance came back to haunt him at the general election of December 1906 when the Ballarat Labour League, holding true to their resolution to Watson of July 1905, that it was, 'their intention to oppose Deakin at the next election',¹⁴³ endorsed a young Jim Scullin to stand against him. Scullin was ultimately unsuccessful in his bid to unseat the Prime Minister but the intention of the State organisation and rank and file members was clear, they did not want an Alliance that compromised their effectiveness to conduct elections or that negatively impacted on the platform. In a private and confidential letter to Deakin after the election, Watson praised the Prime Minister but attacked his party for standing a man against him:

¹⁴¹ The Third Commonwealth Political Labor Conference was held just after Caucus adopted their course of action.

¹⁴² Papers of John Christian Watson, *National Library of Australia*, Canberra. Watson to Caucus, MS 451, Series 1 correspondence, 1903-1941.

I need hardly say that I am glad you were returned, as I thought it was a great mistake to run a man against you at all.¹⁴⁴

Watson may still have been upset about the Conference's decision about Labor entering alliances, however he should not have so openly criticised his party to his main rival. The Third Commonwealth Political Labor Conference played a pivotal role in ensuring federal Labor's survival as an independent political party, for it provided the members of the parliamentary wing with a veritable 'wake up call' that jolted them back into reality. The Conference served to remind the political wing that they were members of a vibrant political movement with a strong support base, that had a legitimate claim to pursue government in its own right. The effect of the Conference was highlighted in Labor's move away from alliances, towards focusing on the platform and in the remaining six months of 1905 Labor picked up where it had left off before the removal from office of Watson's government in August 1904.

State Owned Steamers and the Nationalisation of Australia's Sugar Industry

In August 1905 Spence moved a motion for a state owned steamer operation in line with plank 2 of the platform calling for the establishment of a select committee:

... to make full inquiry as to the advisability of the Federal Government owning and controlling a fleet of steamers, for the carriage of mails, passengers and cargo between Australia and the United Kingdom.¹⁴⁵

Spence's motion was subject to numerous amendments¹⁴⁶, but was approved by both Houses who subsequently turned the Committee into a Royal Commission, the majority report of which advocated the establishment of a Commonwealth owned and operated shipping line in line with plank 4 of Labor's platform. Labor's drive to enact

¹⁴³ *Caucus Minutes*, July 27 1905.

¹⁴⁴ Papers of Alfred Deakin, *National Library of Australia*, Canberra. Watson to Deakin, 17 December 1906, MS 1540-15-656-s1-v.

¹⁴⁵ *C.P.D.*, Vol. XXV, 10 August 1905, p.812.

¹⁴⁶ Deakin's amendment - *ibid.*, p.814; Robinson's amendment - *ibid.*, p.817; Thomas' amendment - *C.P.D.*, Vol. XXVI, 24 August 1905, p.1436;

plank 2 of the platform was further enhanced when on 18 September Senator Givens moved a motion for the nationalisation of Australia's sugar industry:

That, in the opinion of the Senate, the refining and wholesale distribution of sugar within the Commonwealth being almost entirely controlled by one large corporation, constitutes a monopoly which is inimical to the best interests of those engaged in the production of raw sugars, and the citizens of the Commonwealth generally; and this Senate affirms the desirableness of nationalising the said monopoly, so as to secure to the people of the Commonwealth the whole of the benefits accruing therefrom.¹⁴⁷

Labor's motion was subject to vigorous debate in the Senate about the pros and cons of Labor's socialist agenda and on 20 December 1905 the motion was resolved in the affirmative.¹⁴⁸ Labor's Senators carried the fight for the platform to the Government on many fronts also successfully moving for the establishment of a government owned cable service and life assurance office. Labor's success was tempered somewhat by the fact that very few initiatives reached the statute book, however even this being the case, Labor was once again advocating change in line with its stated platform and policies.

White Australia and the Nationalisation of Monopolies

In the House Labor also moved to strengthen its commitment and support for plank 1 of the platform relating to the 'Maintenance of a White Australia' with input during debate on the *Contract Immigrants Act 1905*, the *Immigration Restriction Amendment Act 1905* and the *Pacific Islanders Labourers Act 1906*.

Labor's socialist leanings were the subject of increasing comment throughout Australia and attack by opponents in the Parliament, however the party was undeterred by political developments on this front and looked forward to defending their 'socialist' credentials at the federal election that would be held in December 1906. Labor's motions in the Senate to nationalise monopolies were consolidated on 16 August 1906 when the party moved to enact plank 4 of the platform by introducing

¹⁴⁷ *C.P.D.*, Vol. XXVII, 28 September 1905, p.2893.

¹⁴⁸ *C.P.D.*, Vol. XXX, 20 December 1905, p.7456.

legislation calling for a referendum on the question of nationalisation of monopolies when Senator Pearce moved:

That leave be given to bring in a Bill for an Act to provide for an alteration of the Constitution for granting power to Parliament to make laws providing for the nationalisation of monopolies with respect to production, manufacture, trade and commerce.¹⁴⁹

Labor had progressed to a point in the Parliament where it now actively sought to introduce legislation to enact the platform. Deakin was preparing for an election at the end of 1906 and the proposed Bill was an ideal vehicle to raise the profile of Labor's commitment to its platform initiatives and to heighten awareness of its socialist character. The debate on the proposal primarily centred on the merits of socialism versus individualism and on what actually constituted a monopoly. Senator De Largie echoed Senator Pearce's comments and provided an outline as to why Labor viewed itself as a socialist party pursuing the nationalisation of monopolies:

Whilst the rich are undoubtedly becoming richer the poor are becoming poorer. The chasm between the rich and the poor is becoming wider ... We therefore have to concentrate our attention on the question – how can we prevent the increase of such an evil in Australia? It is because the Labor Party think that this concentration of capital in the hands of individuals at the expense of society as a whole can only be lessened by the means of wealth production being in the hands of the public instead of being privately owned that we favour this policy ... It is not a question of men. It is far deeper than personalities. It is a question of great principles; and believing as I do that if an opportunity were given to the people of this country to express their opinion by referendum, they would give us the power under the Constitution to take over monopolies, which would be better in the hands of the Government than in private control.¹⁵⁰

Senator De Largie's hope that the people of Australia would be provided with an opportunity to vote at a referendum on the matter was dashed when the Senate, in a tied vote of thirteen votes for and thirteen against resolved the motion in the

¹⁴⁹ C.P.D., Vol. XXXIII, 16 August 1906, p.2894.

¹⁵⁰ C.P.D., Vol. XXXV, 4 October 1906, p.6041.

negative.¹⁵¹ The Bill was dropped from the legislative agenda and although unsuccessful in passing the initiative, the party turned its attention to the federal election that had been announced by Deakin for 12 December 1906.

1906 Federal Election

On 12 December 1906 Australians went to the polls and the result in the House saw the Deakin Protectionists win seventeen seats, the Anti-Socialists thirty-two seats and Labor twenty-six seats,¹⁵² a net gain of two seats. In the Senate Labor won five seats taking their numbers to fifteen, the Anti-Socialists twelve seats taking their numbers to seventeen and Deakin's Protectionists were again hit hard only winning one seat, with only four Senators. Deakin's early election prognosis proved prophetic, as his 'party of the centre' was squeezed by both Labor and Reid. However, Deakin's losses were Labor's gains and Labor found itself in a position of strength with sufficient numbers in the House to lead a coalition government with Deakin's support.

Watson was in an excellent position to pursue a mandate as Deakin would not join Reid, this was despite the fact that Reid's Anti-Socialists were the largest single party in the House. This development also provided further weight to discount Watson's earlier rationale for entering into an Alliance 'to stop the fusion of the non-Labor parties'. The result was positive for Labor and Watson was now in a position to discuss with Caucus the formation of a Labor government. However, what may have seemed apparent to Labor members and ordinary rank and file supporters was negated by Watson, who on 17 December, only five days after the election, and without holding discussions with Caucus wrote to Deakin urging him to stay on as Prime Minister:

... you must, I think, see the tariff through at least. A number of so called Anti-Socialists are pledged to a protectionist tariff, and there is no combination could be got together outside the present Ministry which could do that work as well. I don't

¹⁵¹ *ibid.*, p.6060.

¹⁵² Of the Anti-socialists, nine could be described as the Tariff Reformers of the Opposition 'corner'. Five of the latter could also be counted on to give Deakin a fair measure of support, so that in contemporary accounts he is sometimes credited with twenty-two followers; in Sawyer, 1956, *op cit.*, p.62.

think it is necessary to look further ahead than that at present. As you know, our party is not anxious for office unless a program worth having could be carried through and I'm not too sure that in the Parliament as at present constituted there is much chance of carrying much of the Labor party's program. If not, we must be patient. At least you can rely that we shall do nothing against your Ministry while engaged in altering the tariff and in carrying other matters of a Democratic nature.¹⁵³

Watson's letter is amazing considering he did not discuss his position with the members of Caucus or the party in general and as Faulkner and MacIntyre observed:

Watson was jumping the gun here – Caucus had not at that stage discussed the implications of the election outcome at all.¹⁵⁴

Watson's statement in his letter to Deakin, '*As you know, our party is not anxious for office unless a program worth having could be carried through*', is incredible in the context of the times. Labor had held office for only a short period in 1904, the parliamentary and the administrative wings of the Party had been at each other's throats over the previous couple of years with respect of alliances and kowtowing to Deakin, and Watson's bold assertion that Labor did not want to govern because it would not be able to implement a program 'worth having' was a gross dereliction of his duty as leader of the party. The Articles of Alliance of an earlier time and the content of legislation that had been passed since 1901 had shown that Labor's legislative policy agenda with respect of implementing the platform had always taken a back seat to the interests of Deakin, who Watson supported. Strong leadership was required, however Watson had shown that he was not the person to lead the party to government. Watson simply was not up to the challenge of leading Labor into power to enact the platform. On 20 December Deakin replied to Watson's letter:

... the coming parliament is going to repeat the history of the last parliament step by step ... This means that Reid or you will be sent for very soon. Whether you like it or not your party will then have either to take office or go into opposition.¹⁵⁵

¹⁵³ Papers of Alfred Deakin, *National Library of Australia*, Canberra, Canberra. Watson to Deakin, 17 December 1906, ms 1540-15-656-s1-v.

¹⁵⁴ Faulkner, *op cit.*, p.35.

¹⁵⁵ Papers of Alfred Deakin, *National Library of Australia*, Canberra. Deakin to Watson, 20 December 1906, MS 1540-15-665-v.

Deakin also discussed the fiscal issue and stated that:

Protection is safe in any case and probably more easily secured if we were out of office.¹⁵⁶

Deakin's response is unequivocal, he believed that Watson or Reid would become the next Prime Minister. Watson had a duty to discuss these developments with his Caucus colleagues, however he chose not to and on 27 December he responded to Deakin urging him to stay on and resolve the tariff issue:

Now as to the future: I think you're altogether wrong as to Protection being 'safe in any case'. If Reid or any other leader on that side assumes office, the Ministry must include a number of Free Traders, which means that only 'anomalies' will be dealt with, and that Protection in a large sense will be lost sight of or ignored. If a coalition took place immediately with our Party something of the same sort must happen, though in a lesser degree. Therefore it seems imperative from a Protectionist standpoint that you should retain office, at least until the tariff is dealt with.¹⁵⁷

La Nauze has contended that Watson did not want to split the party on the fiscal issue:

There was honest shrewdness in these [Watson's] evasive tactics. As a Protectionist, Watson knew well that he had a problem with his own party ... as a Party leader, he saw nothing to be gained by Labor's holding office in the minority; it led to nothing but compromise.¹⁵⁸

La Nauze was correct about Watson being a protectionist, however the remainder of his thesis holds little credibility. The election result placed Watson, as the leader of the party, in a position to negotiate with Deakin for Labor to assume government. Coalition governments had become a feature of the Federal Parliament up to this point and contrary to La Nauze's assertion, there was plenty to be gained by Labor assuming office, pursuing the platform and espousing Labor policy being the major

¹⁵⁶ *ibid.*

¹⁵⁷ Papers of John Christian Watson, *National Library of Australia*, Canberra. J.C Watson to Deakin, 27 December 1906, MS 451, Series 1 correspondence, 1903-1941.

¹⁵⁸ La Nauze, *op.cit.*, p.421.

drivers behind forming a government, even in a coalition capacity. Labor had not been established to pick and choose when it would be convenient for it to govern, when the opportunity presented itself, it had an obligation to do it. Watson was in a position to deal with Deakin, firstly, to pass the Protectionist legislation on the fiscal issue and secondly, in response to Labor passing the tariff Bill, that Deakin support Labor's mandate to govern, as well as providing support in the House and in the Senate for enacting elements of Labor's platform. Watson, however negated any possibility of Labor taking the lead stating:

As to our taking office, without a coalition it is out of the question, and what prospect is there of getting a coalition that will enable us to realise any important portion of our program.¹⁵⁹

The nuances of completing such a deal with Deakin may have been difficult, however at no stage in discussions between the two men did Watson indicate that he wanted to lead the country or place Labor in a position where its policy platform could have a maximum impact. As the leader of the party Watson had a duty to enact the platform and inform his colleagues of his intentions: he failed on both counts. On 19 February 1907, nearly two months after the election, Caucus finally met to discuss the election, it had not previously had an opportunity to discuss the impact of the election and its implications for a Labor Government. The minutes of the meeting show that:

... a discussion took place on the present political position, but no decision was arrived at.¹⁶⁰

As Labor leader, Watson should have called a special meeting of Caucus as soon as practicable after the election, as had occurred in April 1904 when Deakin resigned, to discuss all the options open to the party before speaking with Deakin. However, as has already been noted, Watson chose to ignore Caucus and instead chose Labor's course of action himself, ensuring Deakin remained Prime Minister and markedly reduced Labor's opportunity to legislate for its platform.

¹⁵⁹ Papers of Alfred Deakin, *National Library of Australia*, Canberra. Watson to Deakin, 27 December 1906, MS 1540-15-671-s2-v.

The Parliament resumed in February 1907 with Deakin leading a minority Government with Labor support: Labor's twenty-six were supporting Deakin's seventeen. Watson remained as leader until October when he resigned and announced that he would retire from the Parliament at the next election, citing ill health and stress as the major reasons for his decision. Watson's health was a key factor in his decision, however there was also a 'growing dissatisfaction within Caucus about Labor's tactical approach under Watson'¹⁶¹ with Faulkner stating:

Frazer and Ted Findley, a Victorian senator, were conspicuous among a Caucus ginger group (the first FPLP faction?) who wanted Watson to be more assertive; there were not enough concessions, they felt in return for the consistent Caucus support.¹⁶²

Another reason for Watson's resignation, directly linked to a growing dissatisfaction within Caucus, was also posited by Sawyer:

There is some reason for thinking that health was not the only ground for his resignation. The course of events shows that the Labor Party was becoming increasingly aggressive and ambitious in its tactics and aims, and impatient of the arrangement with Deakin, which Watson had managed with great tact; the temperament Watson displayed in debates suggests that he might have preferred to have kept Deakin in Office.¹⁶³

In truth Watson's resignation was probably a culmination of all of these factors. The only certainty was that Labor would have a new leader after Watson's resignation. There were four nominations for the leadership, Mr A. Fisher¹⁶⁴; Mr W. M. Hughes¹⁶⁵; Mr E.L. Batchelor¹⁶⁶ and Mr W.G. Spence.¹⁶⁷ Batchelor declined the nomination and withdrew his nomination whilst Spence, who 'never seemed quite at home'¹⁶⁸ in politics had few supporters within the party especially so as he was against Fisher and Hughes who both had solid support. Whilst Caucus deliberated,

¹⁶⁰ *Caucus Minutes*, February 19, 1907.

¹⁶¹ Faulkner, *op cit.*, p.37.

¹⁶² *ibid.*

¹⁶³ Sawyer, 1956, *op cit.*, p.64.

¹⁶⁴ Fisher was nominated by Dr Maloney, seconded O'Malley. *Caucus Minutes*, October 30, 1907.

¹⁶⁵ Hughes was nominated by D. Hall, seconded T. Brown. *ibid.*

¹⁶⁶ Batchelor was nominated by G. McGregor, seconded W. Storey. *ibid.*

¹⁶⁷ Spence was nominated by P. Lynch, seconded D. Watkins. *ibid.*

Fisher and Hughes 'had a game of billiards',¹⁶⁹ and after an exhaustive ballot Fisher was elected as the new leader.¹⁷⁰ The major factor in Fisher's victory was that Hughes was more closely linked to Watson and 'Caucus members discontented with Watson's attitude to the Deakin government voted for Fisher.'¹⁷¹ If elements within the parliamentary party and the wider Labour movement expected Fisher to immediately confront Deakin about forming a Labor coalition government; they would be disappointed as Labor continued to support Deakin through to the summer recess of 1907.

Parliament resumed in March 1908, however Labor attitudes had changed over the summer break and within a month of the Parliament resuming, the Deakin Government found itself in trouble. On 9 April 1908 Deakin attempted to introduce government business, however Labor's Webster challenged his motion and moved an amendment calling for a Royal Commission into the operation of the Post Office:

That all the words after "That" be left out, with a view to insert in lieu thereof the words, "a Royal Commission be appointed to inquire into and report upon the Postal, Telegraph, and Telephone systems of the Commonwealth, and the working thereof."¹⁷²

Labor had been dissatisfied with workers' wages and conditions in the Postmaster General's Department and wanted the matter reviewed. The motion also provided an opportunity for anti-Deakin elements within Labor, led by Frazer, to force the issue of Labor's claims on government. Deakin had made it clear to Watson after the 1906 election that his government would not accept 'even a check without taking it as a challenge',¹⁷³ and Webster's motion had been the first 'check' to his government since that time. Deakin sought the reversal of Webster's motion, as he believed that the motion was ostensibly a vote of no confidence in his government. After the vote on Webster's motion was taken, Fisher and Watson began discussions with Deakin,

¹⁶⁸ Fitzhardinge, *op cit.*, p. 120.

¹⁶⁹ McMullin, 1991, *op cit.*, p.63.

¹⁷⁰ No details of voting figures were published in the press, which did not even note that the leadership had been contested. see *Caucus Minutes*, October 30, 1907.

¹⁷¹ McMullin, 1991, *op cit.* p.63.

¹⁷² *C.P.D.*, Vol. XLV, 9 April 1908, p.10406.

and Watson was given responsibility by Fisher to negotiate with Deakin over the fate of Deakin's government. On the 10th April Caucus held a special meeting to discuss developments about a Coalition.¹⁷⁴ Caucus endorsed Watson's coalition proposal¹⁷⁵ as well as passing a resolution to adjourn Webster's original motion for a royal commission:

... provided the Government proceeded solely with the Tariff until it passed into law.¹⁷⁶

Deakin's Government remained but Labor had again placed itself in conflict with the State organisations by advocating another Alliance.

Old-Age Pensions

Fisher continued to support Deakin, however on 19 March 1908 he successfully moved a motion drawing the attention of the Government to the urgent need of a Commonwealth system of Old Age Pensions in line with plank 3 of the platform.¹⁷⁷ Fisher's motion was followed some six weeks later by the introduction of the Invalid and Old Age Pensions Bill by Deakin that would enact plank 3 of the platform that called for the introduction of 'Old Age Pensions'. On 3 June 1908 Fisher outlined his pleasure at the introduction of the legislation:

It is a pleasure to myself and the members of my party – and, indeed, to the whole of the members of the Parliament – that we are able to deal with this question at the present time ...

It is a matter for congratulation that the mother of Parliaments has seen fit, in respect to old age pensions, to copy the example of her progeny in Australia, and that, although, this is still not all that I or the party with which I am associated would like

¹⁷³ Papers of Alfred Deakin, *National Library of Australia*, Canberra. Deakin to Watson, 20 December 1906, MS 1540-15-665-v.

¹⁷⁴ *Caucus Minutes*, 14 April 1908.

¹⁷⁵ The vote was carried by twenty votes to thirteen and the meeting was adjourned to the following day where Watson and Fisher held talks with Deakin and 'conveyed to him the decision of the Party. ALP, *Caucus Minutes*, 14 April 1908.

¹⁷⁶ *ibid.*

¹⁷⁷ See; *C.P.D.*, Vol. XLIV, 19 March 1908, pp.9301-9351.

it to be, it is an advance upon any legislation of the kind passed in any other part of the world.¹⁷⁸

Fisher was successful in ensuring the passage of a core plank in Labor's platform, a plank that was plank 4 in Labor's original platform of 1901. The passage of the *Invalid and Old Age Pensions Act* 1908 was the first real example of 'support in return for concessions' in enacting a plank of the platform that Labor had achieved since 1901. Plank 4 of the platform, providing for Invalid and Old Age Pensions, was the only plank that Labor had successfully pursued that was not a part of any other party's policy manifesto of the time. The term 'support in return for concessions' is the descriptor that historians like McMullin have placed on Labor during this period.¹⁷⁹ However, as can be seen, this is misleading because although Labor members pursued the platform on a number of occasions, especially in the Senate, and provided input on legislation related to the platform, the only notable legislative success was the *Invalid and Old Age Pensions Act* 1908. There was certainly Labor support, but there were very few concessions, as Deakin did very little to advance Labor platform planks such as the nationalisation initiatives whilst governing in a minority capacity.

Four days after the *Invalid and Old Age Pensions Act* 1908 came into effect the High Court delivered a judgement in the case of *King v Barger*¹⁸⁰ that had a dramatic impact on the validity of the 'New Protection' regime that was supported by all parties in the parliament.¹⁸¹ New Protection was an important issue to Labor because the crux of the protection sought to ensure that workers were provided with fair and reasonable working conditions at their place of employment: the High Court's judgement effectively negated this right.¹⁸² The High Court's decision placed pressure on Deakin to safeguard New Protection and he assured the House that the Government was committed to the policy of New Protection and that it, 'was only a question of the particular way they should proceed'¹⁸³ that was an issue.

¹⁷⁸ *C.P.D.*, Vol. XLVI, 3 June 1908, pp.11933-4.

¹⁷⁹ See McMullin, 1991, *op cit.*, pp. 15-49.

¹⁸⁰ *King v Barger* 6 CLR 41.

¹⁸¹ See Sawyer, *op cit.*, p.83; La Nauze, *op cit.*, pp.435-8.

¹⁸² The High Court verdict was a split 3-2 decision with Griffith, Barton and O'Connor voting to negate the affect of the New Protection regime.

¹⁸³ see; *C.P.D.*, Vol. XLV, 3 April 1908, p.10132; and *C.P.D.*, Vol. XLVI, 26 May 1908, p.11421.

The end of Alliances and the Emergence of the first Fisher Government

A month after the High Court's decision the Fourth Commonwealth Political Labour Conference was held in Brisbane and Conference successfully moved to install 'The New Protection' policy as plank 2 in the platform, however the major issue once again focussed on Labor's persistent flirtation with alliances. The Conference wasted little time to ensure that Labor would enter no future alliances or grant immunity to non-Labor candidates at elections, passing the following resolution:

That in the opinion of Conference the Party should not enter into any Alliance, nor grant, nor promise to any person immunity from opposition at any time.¹⁸⁴

Senator Findlay was one of the main advocates and a mover for the 'No Alliance' motion:

We have been fighting against the 'good-as-Labor' men, and any Alliance formed invariably helps that tattered brigade of shreds and patches to a new lease of life, which is spent in insidiously trying to undermine Labour organisation ... Labor is an uncompromising Party which came into being because the workers were dissatisfied with Liberals. Should they then compromise with those people whose very inactivity and insincerity led to the birth of the Labor Party? The attitude I and my Victorian colleagues take up is that giving the power to the FPLP to form alliances and grant immunity - thereby tying the hands of the people outside - is acting contrary to the principles of democracy.¹⁸⁵

The motion was overwhelmingly carried by delegates, by over two to one, and scuttled Fisher and Watson's plan for any Alliance. Watson was philosophical about the outcome and conceded that:

... the feeling of conference was against alliances, and that must be respected.¹⁸⁶

¹⁸⁴ Findley, E., Fourth Commonwealth Political Labour Conference, Brisbane, July 6-10, 1908, p. 26.

¹⁸⁵ ibid.

¹⁸⁶ ibid., p.27.

Watson's conciliatory tone is perplexing in that both himself and Fisher must have been aware that Conference would most certainly move to halt the Alliance but they continued with Deakin regardless. An analysis of the time line from April to July 1908 shows that although Fisher and Watson may have been sincere, at least to Deakin, about an Alliance, their main concern was ensuring the tariff legislation was passed, new protection safeguarded and that old age pensions were placed on the agenda. The Alliance proposal merely being an inducement for Deakin to continue. This scenario gains weight when one looks at the fact that during the period when the Alliance was to take place, there was no real movement by Labor to bring it into effect. In fact Fisher wrote to Deakin at the end of the session in June 1908 urging him to stay on:

I shall not be a party to your humiliation while you and I understand each other as at present ... I shall go further and say that no carping criticism shall be heard from me even though I may think you have taken a wrong course.¹⁸⁷

Parliament reassembled in September 1908 and Deakin introduced measures reviving the new protection regime by proposing an amendment to authorise legislation concerning:

... the employment and remuneration of Labour in any industry which in the opinion of the interstate Commission is protected by duties of Customs'.¹⁸⁸

There was no Interstate Commission in existence at this time, however it was proposed that it be established by legislation. Deakin's proposals were not greeted with enthusiasm by members of the party as it ran contrary to Labor's platform, and Labor's representatives on the New Protection Committee reported to Caucus on 4 November 1908 stating that in their opinion:

... the government memorandum on New Protection is unsatisfactory.¹⁸⁹

¹⁸⁷ Papers of Alfred Deakin, *National Library of Australia*, Canberra. Watson to Deakin, 24 June 1908, MS 1540-15-824-v.

¹⁸⁸ New Protection – Memorandum relating to the proposed Amendment of the Constitution, *Commonwealth Parliamentary Papers*, 1908, Vol ii.

The negative response to Deakin's proposal provided the catalyst for Frazer to move a motion attacking Deakin's proposal and calling for Labor to withdraw support from the Government:

That in the view of the attitude of the Government in relation to New Protection, Old Age Pensions, Immigration Restriction Act, Finance and other matters, the relations existing between the Party and the Government should not continue.¹⁹⁰

Caucus passed Frazer's motion¹⁹¹ and also moved that Fisher inform Deakin as soon as possible of the general terms of the decision of the party. No formal steps were taken to remove Deakin until 10 November when a vote amounting to one of no confidence in Deakin's government was carried in the House. On 10 November 1908 Caucus met in the morning and discussed strategy with Fisher reporting that:

... in the event of the Prime Minister moving a resolution, that the Executive were unanimously of the opinion that he should move the omission of all words after "That".¹⁹²

In the House Deakin moved a motion and Fisher moved the amendment so that the only word remaining of Deakin's original motion was the word 'That'. In the subsequent division on the motion Deakin's administration effectively came to an end with a vote of no confidence of forty-nine to thirteen. Deakin subsequently ended proceedings by replying:

In order that the house may give full and profound attention to all the possible meanings that are to be found in the one word of my motion remaining, I propose to move that the House at its rising adjourn until Friday¹⁹³

On 11 November Deakin and his ministers resigned and Deakin advised the Governor General to send for Fisher. On 13 November the first Fisher administration took office with Caucus electing members for ministerial duties and the Prime Minister

¹⁸⁹ *Caucus Minutes*, 4 November 1908.

¹⁹⁰ *ibid.*

¹⁹¹ *ibid.*, The motion was passed with a majority of nineteen votes to seven with six pairs on each side.

¹⁹² *Caucus Minutes*, 10 November 1908.

¹⁹³ *C.P.D.*, Vol. XLVIII, 10 November 1908, p.2140.

(Fisher) allocating portfolios.¹⁹⁴ A day before the Christmas recess Labor introduced the Immigration Restriction Bill to further strengthen plank 1 of the platform that called for the 'Maintenance of White Australia'. The Bill sought to address the problem of ships smuggling Asiatics, especially Chinese, into Australia. On 10 December 1908, Batchelor outlined the main reason for the introduction of the Bill:

I should like to remind honourable members that the principal Act has been in operation for seven years, and that during that time the education test for which it provides has been rigorously applied to all Asiatics, and particularly to Chinese, seeking to enter the Commonwealth ... the Chinese are exceedingly clever in evading or attempting to evade, the provisions of the Act, and are perhaps more anxious than are other Asiatics to enter Australia. In the natural course of events, the number of Asiatics now in the Commonwealth ought to be less than it was when the principal Act first came into force.¹⁹⁵

The Bill was adjourned and the Fisher Government entered into the Christmas recess on 11 December in a position they had not been in since 1904. The Parliament resumed a little over five months later and on 26 May 1909 the fourth session of the third parliament commenced. Unbeknown to Labor, Deakin had been rallying support of Opposition members to join a new Fusion Party to bring down the Labor Government. Deakin wrote to Fisher informing him of his new party's intentions:

At a meeting of my party yesterday. I was authorised to intimate to you that support could no longer be confirmed.¹⁹⁶

On 27 May a formal motion amounting to one of no confidence was carried against the Fisher Government by thirty-nine votes to thirty.¹⁹⁷ Deakin had successfully fused all non-Labor parties to his cause and Labor once again found themselves in

¹⁹⁴ On 12 November Caucus moved that 'we give effect to the resolution carried at the interstate conference at Melbourne 'That future Labor Ministers be recommended by the parliamentary party in Caucus' and that the 'party have every confidence in its leader, leaves the selection of his colleagues in his hands'.

¹⁹⁵ *C.P.D.*, Vol. XLVIII, 10 December 1908, p.3087.

¹⁹⁶ Papers of Alfred Deakin, *National Library of Australia*, Canberra. Deakin to Watson, undated correspondence 1909, MS 1540-16-595-s1-v.

¹⁹⁷ *C.P.D.*, Vol. XLIX, 27 May 1909, p.126.

opposition. The Parliament erupted at Deakin's news, especially the Labor members, Hughes in particular was particularly scathing in his attack on Deakin:

What a career his has been! In his hands, at various times, have rested the banners of every party in the country. He has proclaimed them all, he has held them all, he has betrayed them all.¹⁹⁸

Last night the honourable member abandoned the finer resources of political assassination and resorted the bludgeon of the cannibal ... It was then that I heard from this side of the House some mention of Judas. I do not agree with that; it is not fair – to Judas, for whom there is this to be said, that he did not gag the man whom he betrayed, nor did he fail to hang himself afterwards.¹⁹⁹

The second federal Labor Government had come to an abrupt, but not too unexpected end, via the endless wheeling and dealing of Deakin, and like Watson's first ministry Labor was not in power long enough to pass any legislation in relation to the platform and according to Fitzhardinge, 'Fisher's first government, even more than Watson's, was a mere interlude.'²⁰⁰

The remainder of the third Parliament took place in an atmosphere of mistrust and bitterness between Labor and Deakin, however Labor members approved the passage of amending legislation to strengthen plank 10 of the general platform related to the provision of 'Old Age and Invalid Pensions' with the passage of the *Invalid and Old Age Pensions Act (No.1)* 1909, the *Invalid and Old Age Pensions Act (No.2)* 1909 and the *Old Age Pensions Appropriation Act* 1909. The most important measure introduced by Labor during this period was the Constitution Alteration Bill (Nationalisation of Monopolies) in line with plank 3 of the fighting and general platform. Labor had continually advocated the nationalisation of monopolies throughout the third Parliament, and despite the fact that they did not have the numbers to ensure its passage, they continued to press their claim on enacting plank 3 of the platform into law by calling for a national referendum on the issue. On 29 July 1909 Senator Pearce outlined the rationale for the Bill to the Senate:

¹⁹⁸ *ibid.*, p.114.

¹⁹⁹ *C.P.D.*, Vol. XLIX., 28 May 1909, pp.174-5.

²⁰⁰ Fitzhardinge, *op cit.*, p.175.

Some legal opinions of a very formidable character have been given, to the effect that the Commonwealth cannot nationalise trusts under the Constitution as it stands, unless the nationalisation of a particular monopoly is necessarily incidental to the carrying out of some powers under the Constitution. I quite recognise that those monopolies, which I, at any rate, desire that Parliament should have power to nationalise, are not incidental to carrying out any of the special powers of the Federal Constitution. It is, for that reason, necessary that we should seek to obtain power to enable us to nationalise monopolies.²⁰¹

The Constitution Alteration Bill (Nationalisation of Monopolies) did not reach a division and the Bill lapsed at prorogation, and although unsuccessful in even reaching a division before the end of the Parliament, Labor was still fighting to implement key planks in its platform. The Bill was the last Labor foray into enacting a plank of the platform before Deakin prorogued the Parliament and called a general election for 13 April 1910.

Conclusion

In the first Parliament, Labor's 'corner party' status was certainly warranted, however although never in the ascendancy its members acted with conviction in pursuing Labor's stated platform goals. This conviction was no where better demonstrated than in relation to the enactment and maintenance of plank 1 of the platform calling for a 'White Australia'. Labor members passionately advocated for legislation such as the *Immigration Restriction Act 1901* and the *Pacific Islanders Labourers Act 1901*. The support of legislation supporting plank 1 was soon followed by support for the *Commonwealth Franchise Act 1902* that provided for 'adult suffrage' and enacted plank 2 of the platform. In 1903 Labor members supported the passage of the *Patents Act 1903* to enact plank 9 of the platform. In the area of Defence, the *Defence Act 1903* was passed with Labor support, albeit with major differences over the issue of conscription. The passage of the *Defence Act 1903* layed the foundation for the establishment of a citizen volunteer force in line with plank 5 of Labor's platform. Labor's support for legislation did not automatically make it a rubber stamp for all of

²⁰¹ C.P.D., Vol. L, 29 July 1909, p.1759.

the Government's proposals. Deakin's *Naval Defence Act* 1903 came under sustained pressure from Labor members who called for the establishment of an Australian owned and controlled Navy in line with plank 5 of the platform and the call for Australia to cut the links with the mother country. Labor's attempts to amend the *Naval Act* 1903 were not successful, however what was of significance during this period was Labor's wholesale pursuit of plank 2 of the platform during the debate on the Conciliation and Arbitration Bill 1903. Labor advocated strongly for industrial relations reform in line with the industrial arbitration planks in the platform to the extent that Deakin dropped the legislation from the legislative agenda. The first Parliament provided Labor with a valuable insight into what was required to pursue the platform. Labor was a bit player in the House wedged between Deakin's Protectionists and Reid's Free Traders, however Labor members were undaunted by the fact that they were only a small party in the Parliament, and on issues related to the platform they pursued them with vigour and were successful in ensuring the passage of planks relating to 'White Australia', 'adult suffrage', 'patents' and a 'citizen defence force'. Labor had come of age and had proven to the wider labour movement that it was capable of holding its own at a national level.

Labor's position and its influence in the Parliament was strengthened after the 1903 election when it won twenty-five seats in the House and fourteen in the Senate. Labor were no longer a 'corner party', they were a party that were numerically on a level par with Deakin's Protectionists and Reid's Free Traders. Labor's influence in the Parliament was reflected in the Senate where it successfully passed two motions to enact plank 4 of the platform calling for the 'Nationalisation of Monopolies'. Labor introduced a motion calling for the nationalisation of Tobacco, the primary purpose of which was to fund 'Old Age Pensions' in line with plank 3 of the platform. Labor's success in passing the motion was then followed with another motion calling for the establishment of a Federal Iron works in line with plank 4 of the platform. The success of the motions sent a clear signal that Labor would actively pursue the platform now that its numbers and influence had increased in the Parliament. Labor began strongly and in April 1904 Watson became the World's first Labor Prime Minister when Deakin resigned his commission over a Labor amendment to the Conciliation and Arbitration Bill that sought to include state government employees within the federal system. Labor's rise to power was remarkable, however it did not

enjoy the support of either Deakin or Reid and governed in a minority capacity. The advent of a minority Labor Government also brought with it a strong push from within the parliamentary wing of the party to form an Alliance with Deakin. The Alliance proposals certainly reflected the state of play in the Parliament at the time, however there were also proposals to grant immunity to non-Labor members at elections, and instead of pursuing the platform whilst in Government, Labor became entangled in debate surrounding alliances. In the Parliament Labor continued with the Conciliation and Arbitration Bill and they were eventually removed from office in August after a deft piece of parliamentary manoeuvring by Deakin during debate over the Conciliation and Arbitration Bill. Labor's grasp on power was tenuous but it had shown that it could occupy the Treasury benches and govern in its own right. The fall of the Watson Government also led to the parliamentary wing of the party attempting to enter alliances with Deakin to ostensibly make the party the labourist faction of Deakin's Protectionists. Labor grappled with the issue of alliances for the next twelve months until delegates at the Third Commonwealth Political Labour Conference in July 1905 voted to officially put an end to Labor's flirtation with alliances. The Alliance period saw Labor abandon the platform, however after the Third Commonwealth Political Labour Conference the parliamentary wing were brought back to earth, and immediately began setting their sights on pursuing the platform. In August, Labor moved a motion in line with plank 2 of the platform calling for Federal Government to prepare a report on the feasibility of establishing a State owned steamer operation. The motion was passed by both Houses and the subsequent inquiry was turned into a Royal Commission, whose majority report advocated the establishment of a Commonwealth owned and operated shipping line. In September, Labor successfully passed a motion in the Senate calling for the nationalisation of the sugar industry in line with plank 2 of the platform. Labor Senators continued pursuing the platform on many fronts and also successfully introduced a motion calling for the establishment of a government owned cable service and life assurance office. In August 1906 Labor introduced legislation in the senate calling for a referendum on the issue of 'Nationalisation of Monopolies' in line with plank 2 of the platform. The issue of socialism had been at the forefront of political debate and Labor moved to consolidate its position and in a heated debate on the subject the Senate produced a tied vote of thirteen votes for and thirteen votes against, with the proposal being resolved in the negative. The Senate was clearly the more active of

the two chambers in pursuit of the platform, however in the House Labor moved to strengthen its commitment to plank 1 of the platform supporting the *Contract Immigrants Act* 1905, the *Immigration Restriction Amendment Act* 1905 and the *Pacific Islanders Labourers Act* 1906. Labor's development during the second Parliament was critically important to the evolution of the party during the period. It had entered the Parliament with an increased majority in both chambers and its numerical advance was reflected in its pursuit of the platform, especially in the Senate where it used its numbers to pursue key planks in the platform and although nearly imploding over the issue of alliances with Deakin, it worked its way through difficult issues to where it again was placing pressure on the Government and moving to introduce legislation to enact the platform whilst supporting Government measures that strengthened planks of the platform.

In December 1906 Labor were again at the polls and they increased their numbers in the House to twenty-six and in the Senate to fifteen. Watson, as leader of the party was now in a strong position to negotiate with Deakin for support for a Labor Government, however in what became an absurd situation, Watson, without consulting Caucus, agreed that Labor's twenty-six would support Deakin's seventeen. In October 1907 Watson resigned as leader and was replaced by Fisher. In April 1908 Labor was in a position to bring down Deakin's Government, however Fisher and Watson chose to enter an Alliance with Deakin and keep him in power with a condition of the Alliance that Deakin legislate for plank 3 of the platform and introduce Old Age and Invalid pensions. In June Deakin introduced the Invalid and Old Age Pensions Bill into the Parliament and it was passed with Labor's full support. In July, Labor's Fourth Commonwealth Political Conference again condemned Labor's pursuit of alliances. Fisher continued to support Deakin until November when he withdrew Labor's support for the Government and on 13 November 1908 Fisher became Labor's second Prime Minister. Labor wasted little time in introducing the Immigration Restriction Bill into the Parliament to strengthen plank 1 of the platform before the Christmas recess. Unfortunately for Labor, it was never in a position to enact the Bill, for Deakin had been busy during the recess and had forged an Alliance with the opposition members into a new Fusion Party and he brought down the Government when Parliament resumed in May 1909.

In terms of legislative achievement the record of Labor enacting planks in the platform was quite notable given the circumstances in which the party operated. The key platform achievements were the support for White Australia, Adult Suffrage, Patents, Defence and the support for the introduction of Old Age Pensions. In fact Old Age Pensions was the only plank that Labor was committed to passing that the other parties did not already have on their respective legislative agendas in the first instance. Labor's ability to influence legislation in line with the platform changed when Labor strengthened its position in the Senate after successive elections, where it used its numbers and growing influence in that chamber to successfully pass motions to pursue stated planks of the platform, especially in relation to the nationalisation of monopolies. Thus, in its first decade Labor's pursuit of the platform was a mixed one. Labor's early enthusiasm in supporting key platform planks; reluctance associated with Watson's temerity; strong Senate efforts and ultimate revival under Fisher!

The first ten years provided an enormous challenge for all those involved at all levels of the party and although emerging somewhat battered and bruised at the end of the decade, Labor had learnt invaluable lessons that would hold it in positive stead for what lay ahead. The real test for Labor in the pursuit of the platform would come if they were ever elected to govern the country in their own right and in the first decade of federation no party could lay claim to this honour. The year of 1910 would prove to be pivotal in the history of the party and the wider labour movement.

CHAPTER 2 – THE PLATFORM BECOMES LAW – FISHER AND HUGHES 1910 - 1916

Chapter two analyses the success of the Fisher government's record of enacting a large portion of the platform, as well as highlighting the fact that the only impediment to Labor enacting the entire platform was a combination of High Court interpretations of legislation and the constraints of the Constitution in respect of referendum proposals. The chapter also compares and contrasts the Fisher administrations of 1910-1913 with the war time administrations of Fisher and Hughes of 1914-1916 to show that even though Labor controlled both Houses and was in a position to politically enact the platform, the impact of world war one was of such magnitude that Labor's ability to even pursue the platform was severely restricted. The chapter also highlights the political, economic, social and international conditions that Labor require if they are to have a realistic chance of enacting the platform.

As the previous chapter showed, the first decade of federation was remarkable in the federal political arena. It was remarkable for the fact that the national parliament was split between three major parties and from 1901 to 1910 - no political party of any persuasion was in a position to form a national government in its own right. Nowhere in the world had a Labor party held national office in its own right and at the conclusion of the 1908 Interstate Labor Conference, Mr W. A. Holman, Premier of New South Wales was of the opinion that Labor could expect to be in the wilderness for a long time to come:

Labor must still make a very substantial advance before it can control a Federal majority, and it was looked upon by the conference as quite conceivable, though, it was to be hoped, not likely, that some years of barren opposition might be lying ahead of it now.²⁰²

Holman was of course speaking before the fusion of the non-Labor groups in the parliament and he could not have predicted the events of 1910. The year of 1910 was to provide Labor with a number of significant achievements that would change the face of Labor politics in Australia. In the context of this work it is important to

briefly focus upon a state election that has long been forgotten by a vast majority of Australians, even political commentators, but its effect upon Labor politics was far reaching and a clear signal that the Australian political landscape was changing. In 1910 the people of South Australia went to the polls on two separate occasions. On 2 April 1910 they voted at a state poll where they voted in a Labor Government in the South Australian Lower House, with Labor winning twenty-two of the forty-two seats in the chamber. The election of Labor in South Australia was a watershed moment for Labor politics and the wider labour movement, as it marked the first time in history that a Labor government was elected to govern in its own right; a significant and monumental achievement. The South Australian result would turn out to be the first of three significant Labor victories of 1910.²⁰³

There is little doubt that the election of a Labor government in South Australia buoyed the labour movement throughout Australia, but as momentous as the South Australian result was, it would soon be eclipsed by events on the national stage. On 13 April 1910, eleven days after the South Australian poll, the people of South Australia and indeed the people of Australia voted in a general election that changed the face of Australian politics forever. The shackles that entwined the political parties at the national level since federation were broken as Labor swept to power in an historic victory. Never in the history of the federal Parliament had any party held a majority in the House of Representatives; Labor became the first party to achieve this feat winning forty-one seats out of the seventy five seat chamber. The victory was made all the more significant because of the fact that Labor also won a clear majority in the Senate, winning all eighteen vacant Senate positions giving them twenty two of the thirty six Senate seats.²⁰⁴

The federal election of 1910 provided Labor with a unique opportunity to pursue the stated policy objectives that were contained in the platform. The Party had made

²⁰² Labor at Brisbane, *Sydney Morning Herald*, 17 July 1908.

²⁰³ The third of the 1910 elections took place in New South Wales in October 1910. The election saw the Labor party win 46 seats in the 90 member assembly. It would be the first time that Labor would govern in NSW in its own right.

²⁰⁴ Labor principally won the election with its performance in two states; New South Wales where they won an additional five seats and Victoria where they won an additional six seats, the party also won an additional two seats each in Queensland and Tasmania but lost a seat in Western Australia when the sitting member crossed over to the Fusion opposition.

good headway in pursuing the platform, albeit in a minority capacity, during the first decade, however with majorities in both the House and the Senate there was little to stop Labor introducing and passing legislation to enact the platform. When the Fisher government was swept to power in April 1910 Labor policy was ostensibly covered by the platform agreed to at the Fourth Political Labour Conference of July 1908. The platform contained a rudimentary socialist objective contained in a preamble to the platform, with the platform itself comprising nine Fighting platform planks and fourteen General platform planks.²⁰⁵ The 1908 platform provided Labor with a policy manifesto endorsed by the wider labour movement; it was the guiding policy document for Labor to follow in the new Parliament. Also, in his election policy speech of 9 February 1910²⁰⁶, Fisher had advocated Labor support for major planks in the platform including the imposition of a land tax with a £5000 exemption, as well as supporting 'New Protection'; Fisher promised rectification of tariff 'anomalies' and the securing of fair conditions of employment in all Australian industries by awards of Commonwealth industrial tribunals. In the area of defence Fisher argued that Australia should have its own military and naval defence force paid for by Australians in line with plank 13 of the platform.²⁰⁷

On 26 April 1910, thirteen days after the election, Fisher assembled Labor to their first Caucus meeting. Fisher informed his colleagues that he had:

... declined to accept the governor-general's invitation to form a ministry until he had been confirmed as leader by the Caucus.²⁰⁸

In the ensuing vote the Caucus duly elected Fisher as the, 'Leader and Chairman of the party.'²⁰⁹ On 22, 23 and 24 June 1910, Caucus continued discussing Fisher's legislative agenda as well as passing resolutions supporting legislation to enact key planks in the platform. On 22 June Caucus agreed to the Government's proposal on Invalid and Old Age Pensions²¹⁰, however the principal discussion centred on

²⁰⁵ See Appendix 8 - Australian Labor Party Federal Platform 1908

²⁰⁶ Fisher, A., Policy Speech, Maryborough, Queensland, 9 February 1910.

²⁰⁷ Fisher did not mention anything about the Commonwealth Bank, the Commonwealth note issue or Maternity allowances.

²⁰⁸ *Caucus Minutes*, 26 April 1910.

²⁰⁹ *Caucus Minutes*, 26 April 1910.

²¹⁰ *ibid.*, 22 June 1910.

financial issues with the focus being on plank 4 of the Fighting and General platforms with Caucus voting to adopt a graduated tax on unimproved land values at set rates of taxation. On 23 June the Caucus' focus turned towards discussing the issuing of the proposed federal note, as well as dealing with industrial relations reform and naval and land defence policies. Caucus' discussions on these areas ensured that planks 5, 6 and 9 of the Fighting and General Platforms were placed on the Fisher Government's legislative agenda.²¹¹ On 24 June Caucus continued to debate the pros and cons of land defence and then turned their collective attention towards establishing sufficient Navigation Laws in line with plank 8 of the Fighting and General Platforms.²¹²

White Australia and the Commonwealth Bank

On 1 July 1910, a week after Caucus had settled the legislative agenda, the Fourth Federal Parliament commenced proceedings. Labor's time had come and it would find itself in office for the next three years with majorities in both the House and the Senate.²¹³ On the first day of Parliament, Labor moved to strengthen plank 1 of the platform that called for the 'Maintenance of White Australia' with the introduction of the Immigration Restriction Bill 1910. The Bill was introduced by Batchelor, Minister for External Affairs, and although it was only a machinery measure, Labor moved to remedy:

... one or two defects of the existing Act under which undesirable immigrants manage to secure a landing in the Commonwealth.²¹⁴

The Bill principally sought to extend the time limit in which the Government could administer the 'dictation test' on immigrants from one year to two as well as providing the Government with additional powers to arrest and convict stowaways and those responsible for bringing them to Australia. On 27 July 1910 during his second reading speech Batchelor also took the opportunity to outline the success of the 'White Australia Policy':

²¹¹ *ibid.*, 23 June 1910.

²¹² *ibid.*, 24 June 1910.

²¹³ The Fisher government sat for two hundred and forty nine days in the House and one hundred and seventy one days in the Senate and passed 113 Acts that received royal assent.

²¹⁴ *C.P.D.*, Vol. LV, 27 July 1910, p.777.

... our policy of a White Australia ... has now been in force for some eight or nine years. When first introduced, and for some two or three years thereafter, it excited a good deal of hostility outside of Australia ... and much misunderstanding as to the objects and scope of our legislation. Time has been on our side in this matter, and it has come to be recognised in other countries ... that our policy is a wise one.²¹⁵

Labor had moved to quickly consolidate plank 1 of the platform and after doing so it then turned its attention towards introducing the Australian Notes Bill, in line with plank 6 of the fighting and general platforms that called upon Labor to legislate for a 'Commonwealth Bank of Issue, Deposit, Exchange and Reserve with non-political management'. The banking provisions contained in plank 6 of the platform were the subject of vigorous debate at the Fourth Commonwealth Political Labor Conference in 1908 and although Labor was committed to pursuing a Commonwealth Bank of Issue, Deposit, Exchange and Reserve, at this juncture Fisher was content to only pursue the note issue. On 9 August 1910 Fisher outlined Labor's plan to the House:

... the main principle of the Bill is this – It is a measure to authorise the Commonwealth Government to take steps necessary to provide, as part of the currency of the Commonwealth and its territories, Australian notes of particular denominations, and if the public demand these notes, to supply them ... Our proposal is that the Australian note should be legal tender in every part of the Commonwealth, and it will not be necessary to search out a particular bank – or any bank at all for that matter – to get its absolute legal equivalent in coin. In that respect, therefore, our proposition is superior to anything that can be done by any private banking institution, or the whole lot of them combined, or by any State, or indeed by the whole of the States combined, because this Parliament is the only body that has power to direct that throughout the Commonwealth the whole of its currency shall be respected and be legal tender.²¹⁶

The introduction of the Australian Notes Bill effectively meant that there would be no connection between a national bank and the power to issue currency, thus scuttling any hopes that supporters of a National Bank may have had about the Commonwealth

²¹⁵ *ibid.*

²¹⁶ *C.P.D.*, Vol. LV, 9 August 1910, pp.1227-29.

government assuming control of the Australian monetary system. This sentiment was echoed by Labor's Frank Anstey during debate on the introduction of the Australia Notes Bill:

The Bill has been lauded by the more ardent of its admirers as the most radical piece of legislation that has been presented to us, and it has been said by those who are opposing it that its provisions are fraught with evil. For my own part, I see in it neither radical principles, nor dangerous elements; it does not go to the root of things, nor does it change a system.²¹⁷

Anstey's concerns lay not in the note issue itself but rather on the impact of placing the note issue before the commencement of the bank:

Let me say that I support this Bill, but not because it goes as far as I wish it to go. I have no hesitation in saying that I am an advocate of a National Bank to utilise our national credit, free from the limitations and restrictions of any private corporations whatsoever. I hold strongly to the opinion that that bank should precede any note issue, but I can give the fullest measure of respect to men whose honesty of conviction has stood the storm and stress of many years. Although I disagree with the order of precedence adopted, it is sufficient for me to know that we are at least taking one step towards the realisation of the definite policy which this party has been advocating for twenty-five long years.²¹⁸

Anstey's concerns were justified, however Fisher was quick to point out that the advice that the Government had received on the matter was that an Australian note issue should precede the introduction of a viable Commonwealth Bank:

This measure deals with currency only. It is not proposed in it to deal with banking. The time will come when that large question will have to be dealt with by this Parliament in a broad and general way. In the meantime, the view of the Government is that it is not only advisable and proper, but also safest, to deal in the first instance with the currency.²¹⁹

²¹⁷ *C.P.D.*, Vol. LVI, 19 August 1910, p.1820.

²¹⁸ *ibid.*, p.1829.

²¹⁹ *C.P.D.*, Vol. LV, 9 August 1910, p.1229.

Labor legislated for the note issue and they also introduced the *Bank Notes Tax Bill*. This Bill was a corollary of the *Australian Notes Bill* in that it levied a tax of ten percent on all bank notes issued by private banks, thus practically prohibiting their use. The impact of the tax guaranteed that other notes in circulation quickly disappeared and they were replaced with what colloquially became known as 'Fisher's flimsies'.²²⁰ The introduction of these two pieces of legislation provided the foundation upon which a full scale offensive could be made by the Government to enact the entire banking plank contained in plank 6 of the platform.

In the first three weeks of the session Labor had already legislated to strengthen plank 1 as well as lay the foundation to establish a Commonwealth Bank in line with plank 6 of the platform and before the end of its first month in office it introduced an appropriation Bill to ensure payments of Old age and Invalid pensions in line with plank 10 of the platform. However, these were not the only legislative forays to enact the platform, for on 27 July 1910 Labor introduced the Commonwealth Conciliation and Arbitration Bill to enact plank 9 of the platform that called on Labor to amend the Act to provide for 'preference to unionists and exclusion of the legal profession with the provision for the inclusion of all State Government employees'. It is important to note that in 1904 and 1909 the governments of Watson and Fisher were defeated on the floor of the House because of their pursuit of industrial relations reform. However, Labor now governed in its own right and was now in a position to enact a key plank in the platform.

Conciliation and Arbitration

Compulsory arbitration was the second plank in the 1902 platform, however with compulsory arbitration being legislated for by Deakin's governments, Labor policy now focused on amending the *Conciliation and Arbitration Act* in line with the platform. Labor believed that amendments to the Act were necessary because the first Conciliation and Arbitration Act provided the Court with power to direct that preference of employment should be given to members of registered unions, however this power was not absolute and Labor subsequently pursued a policy of unconditional

²²⁰ Smith, A. N., Thirty Years. Brown, Prior and Co. Melbourne, 1933, p.116.

preference to unionists.²²¹ The question of preference to unionists was important to Labor and the wider labour movement as it encouraged the formation of unions for the purpose of bringing about industrial peace:

... as it was considered that the existence of men outside such organisations made the securing of industrial peace by a Court more difficult.²²²

At the Third Commonwealth Political Labour Conference in 1905, 'compulsory arbitration' was dropped and industrial relations reform was reflected in the platform by plank 9 which called for the 'amendment of the Commonwealth Arbitration Act to provide for preference to unionists and exclusion of the legal profession'.²²³ In 1908 at the Fourth Commonwealth Political Labour Conference a motion was moved to strike out plank 9 of the platform.²²⁴ The Victorian delegate Ager²²⁵ stated that:

... the present Act had affected the political movement injuriously in Victoria [where] ... a number of unions representing thousands of members had withdrawn from affiliation owing to the Act forbidding the use of funds for political purposes.²²⁶

Heagney agreed with Ager that there was:

... a large number of trade unionists who would affiliate with the political movement in Victoria if they thought the preference to unionists clause was not endangered.²²⁷

²²¹ The Watson government of 1904 was defeated because of its amendments to the Act giving unconditional preference to unionists.

²²² Labour Policy in the Commonwealth Parliament, *Round Table Journal*, September 1912, Vol.2, p.668.

²²³ There was very little debate on the change, with Grant moving that 'Plank 2 of the fighting Platform should read: "Amendment of the Conciliation and Arbitration Act". MacDonnell stated that he 'would like to see the Conciliation and Arbitration Act amended on the lines originally introduced by Mr C.C. Kingston'. After MacDonnell spoke, Conference then voted to accept the amendment. Australian Labor Party, Official Report of the Third Commonwealth Political Labour Conference, Melbourne, 1905, p.25.

²²⁴ The official transcript of the Conference does not provide any information on who moved the motion or why it was moved. See: Australian Labor Party, Official Report of the Fourth Commonwealth Political Labour Conference, Brisbane, 1908, p.22.

²²⁵ Mr J. E Ager, Victorian delegate to Conference.

²²⁶ Australian Labor Party, Official Report of the Fourth Commonwealth Political Labour Conference, Brisbane, July 7 1908, p.22.

²²⁷ ibid.

Spence and Tudor agreed with Ager and Heagney, deeming it unwise to 'strike out the plank'.²²⁸ Tudor informed delegates that:

... the trade unions were the backbone of the Movement, and it would be the worst day's work they had done unless they did their best to keep the unionists in the Labor Party and remove any disabilities in the path [and to this end] ... there would have to be an amendment of the Act to achieve what was desired in the matter of giving the unions freedom as far as political action was concerned and retaining preference at the same time.²²⁹

At the conclusion of debate the Conference agreed to postpone the question and plank 9 was amended to also include 'all state government employees'.²³⁰ Industrial arbitration was a passionate issue for the whole party and it was not until 13 July 1910 that Caucus discussed enacting plank 9 of the platform, now that Labor were in Government:

... the Ministry be requested to introduce a Bill to amend the Commonwealth Arbitration Act, in such a manner as may be possible without necessitating an alteration of the constitution, to provide:

- (a) For compulsory preference of employment to unionists.
- (b) To express in more definite terms what constitutes an industrial dispute in the opinion of parliament.
- (c) The inclusion of all classes of rural workers within the scope of the Bill.
- (d) To vest in the unions full power to act on behalf of the members thereof.²³¹

Fisher then spoke to Caucus and the matter was deferred until 20 July when Hughes explained to Caucus that:

... the proposed amendments gave preference to unionists 'other things being equal', extended the scope of the Bill to domestic servants and agricultural employees,

²²⁸ *ibid.*

²²⁹ *ibid.*

²³⁰ *ibid.*

²³¹ *Caucus Minutes*, 13 July 1910, p262.

introduced compulsory conferences, authorised the court to fix a minimum wage, and redefined industrial disputes to include threatened or probable strikes.²³²

It is important to note that the caveat Caucus placed on the introduction of the Bill, in that the proposed amendments would only be what was considered constitutionally viable. The caveat effectively precluded Labor from enacting provisions contained in plank 9 relating to 'the exclusion of the legal profession' and the 'inclusion of all state government employees'. The Government was not prepared to attempt to run the gauntlet of potential High Court challenges to its legislation, however the Government made it clear that it would be seeking to amend the Constitution to enact plank 9 with Hughes stating:

The Government have already declared in the Governor-General's speech that it is their intention to take an early opportunity to ask the people to so amend the Constitution as to enable this legislature to make laws of a comprehensive and satisfactory character, covering the whole field of industrial conditions.²³³

Hughes' comments to the House regarding future referendum campaigns were a foretaste of what was to come and on 27 July 1910 Hughes outlined Labor's rationale for the legislation stating that:

It gives effect to certain principles which the party have long advocated, and removes from the Act certain restrictions inserted by previous Governments against the wishes of the Labor Party, and opposed, in their opinion, to the principle of industrial arbitration.²³⁴

The Government introduced important new principles into the operation of the *Commonwealth Conciliation and Arbitration Act* 1910; in particular, it extended the reach of the federal system to domestic servants and agricultural employees; it introduced the device of the 'compulsory conference' of parties called by the President for the purpose of conciliation and definition of issues; and it authorised the Court to fix a minimum wage. However, although there was no legislative movement

²³² *ibid.*, p.263.

²³³ *C.P.D.*, Vol. LV, 27 July 1910, p.751.

²³⁴ *ibid.*, p.744.

with respect to the 'exclusion of the legal profession', Labor were particularly forthright with their advocacy for amendments covering the inclusion of 'preference to unionists'. The 'preference' issue was the quintessential element of the debate surrounding the Bill, with Hughes stating the government's position with respect to the amendments:

This clause seeks to alter very radically one of the provisions of that Act round which there has been considerable discussion. It is a provision that has achieved some notoriety ... other things being equal, preference is to be given to unionists, and that the Court is to prescribe the manner in which this principle is to apply.²³⁵

Hughes then provided an overview of how the preference would operate:

In view of certain criticisms already made in anticipation of this proposal, it is very necessary that I should point out this. Supposing that in any one industry there are, say, 5000 persons engaged; that 1000 of these are in a union, and 4000 outside the union. Under the Act as it stands, preference could not be given to unionists. Under this proposal preference could be given them ...in taking on any 5000 men, you must give a preference to 1000 of them before the remainder. You take on Brown, Jones, Robinson, Smith, and so on, until you have completed the 1000. You give a preference to these men because you must take on some men before you take on others ... The Act does not say that you must take on a unionist if he is an incompetent person. It only says, other things being equal, he shall be given preference.²³⁶

Hughes' rationale as well as Labor's legislation were vigorously opposed, especially the amendments relating to preference to unionists and the extension of the federal jurisdiction to domestic servants and agriculture. However, despite opposition to the amendments, Labor's control of both Houses ensured their passage. The Conciliation and Arbitration legislation ensured that the central element in plank 9 of the platform was secured and with the Government committing itself to pursuing the 'exclusion of the legal profession' and the 'inclusion of State government employees' via a referendum, it appeared that Labor would do everything within its power to enact

²³⁵ *ibid.*, pp. 746-747.

²³⁶ *ibid.*, pp. 749. see esp. Kelly deb 55:898, Fairbairn, *ibid.*, 909; Bruce Smith, 971.

plank 9 of its platform. Thus, Labor had already strengthened plank 1 of the platform and laid the foundation for the establishment of the Commonwealth Bank in line with plank 6 of the platform, also within its first month in office Labor had introduced an appropriation Bill to ensure payments of Old Age and Invalid pensions in line with plank 10 of the platform, together with enacting the 'preference to unionists' sub plank of plank 9 of the platform relating to industrial arbitration.

Defence - Citizen Defence Force and Compulsory Military Training

Labor's initial forays in enacting the platform were immense, and in August 1910 Labor turned its attention to enacting plank 5 of the platform calling for the establishment of a 'Citizen Defence Force, with compulsory military training and Australian owned and controlled Navy'.

A 'citizen defence force and Australian owned navy' were not new policy initiatives for Fisher's government in 1910 as they had been a part of Labor's fighting and general platforms in one guise or another since 1902. However, the issue of defence as outlined in the platform was not fully debated by the party until the Fourth Commonwealth Political Labour Conference in Brisbane in 1908 when it was discussed at length by the delegates who voted for establishing a viable 'Australian' defence force with compulsory military training for all males over sixteen years of age.²³⁷ The policy debate at Conference was often heated and was split between three groups; those who favoured establishing a strong Australian military force, those who did not like the idea but saw it as a necessary evil and those who opposed outright any notion of Labor involvement in militaristic activities.²³⁸ At the conclusion of the Conference delegates had enacted a new plank 5 that called on Labor to establish a 'Citizen Defence Force, with compulsory military training and Australian owned and controlled Navy'. The defence of Australia was important to Labor and on 18 August 1910, only 6 weeks into the Government's first session, Senator Pearce, Minister of Defence, outlined Labor's plans to enact plank 5 of the platform, mindful of the divisions the plank had caused at the national conference:

²³⁷ see: Australian Labor Party, Official Report of the Fourth Commonwealth Political Labour Conference, Brisbane, 7 July 1908, pp 16-20.

I wish to point out that, as far as possible, defence ought to be a non-party question, because it affects all sections of the community.²³⁹

Pearce's statement was a genuine pronouncement of wider Labor sentiment on the issue and although there were differing views within the party as to how it should proceed on this front, nothing could prepare members and supporters for the tumultuous events that would see Australia follow Great Britain into World War I in 1914; and of the schism that would be created around the issue of conscription that not only divided the nation but literally blew the party apart in 1916.

The election of Labor to office and its pursuit of the platform in relation to defence was complemented by a report written for Deakin's Government by Lord Kitchener. Lord Kitchener was commissioned by Deakin to prepare a comprehensive review of Australia's defence capabilities. On 18 August 1910, Senator Pearce outlined Lord Kitchener's key recommendations to the Senate.²⁴⁰ Kitchener's report formed the basis on which Labor modelled its Defence Bill with Senator Pearce stating:

The present Bill largely follows Kitchener's recommendations; and I am also pleased to say that, in many respects, it follows amendments which the members of the party to which I belong moved when we sat in opposition.²⁴¹

Labor proposed to strengthen the provisions relating to compulsory training of all males old enough to be trained and although the system was not ideal, it provided the foundation upon which Labor established a Naval College at Jarvis Bay²⁴² as well as a Flying school at Point Cook and a military college at Duntroon. These 'Colleges' were established to provide the country with fully trained military officers in each of the three corps of the defence force. The establishment of specialist 'Colleges' were

²³⁸ For an overview of the Conference debate See Appendix 9 - Commonwealth Conference 1908 - Compulsory Military Training

²³⁹ *C.P.D.*, Vol. LVI, 18 August 1910, p.1660.

²⁴⁰ see Appendix 10 - Lord Kitchener's Key Recommendations

²⁴¹ *C.P.D.*, Vol. LVI, 18 August 1910, p.1665.

²⁴² *Caucus Minutes*, 9 November 1911. Also, the choice of Jarvis Bay was reported in the Age on 11 November and officially announced on 16 November. In the Seat of Government Act 1909, two square miles at Jarvis Bay had been acquired to provide port facilities for the Commonwealth.

also supplemented by an overhaul and modernisation of the production and supply of munitions and other defence equipment.

Senator Pearce outlined Labor's ideal in respect of defence and somewhat prophetically outlined the conditions under which Australia would be called upon to enter a war that did not directly affect its borders:

Our ideal is not to establish a standing army in Australia. Our ideal is to have a Citizen Defence Force, and every adult male citizen required to discharge the duty of taking part in the defence of the country.

There are great advantages in being under the protection of the British flag; but while we have availed ourselves of those advantages fully in the past, we must be prepared in the future to take the disadvantages that come. One of those is that we may at any time be involved in a war in the causing of which we have had no voice, and in which we have no desire to take a part. But, nevertheless, by reason of the fact that we are a part of the Empire, we may be called upon, willy nilly, to bear the consequences of our imperial connexion.²⁴³

Labor's pursuit of plank 5 of the platform did not end with the establishment of a 'citizen defence force with compulsory military training', Labor now turned its attention to establishing an Australian owned and controlled Navy.

Defence – Australian Owned and Controlled Navy

In October 1910 the Government introduced the Naval Defence Bill to establish a separate 'Australian owned and controlled Navy' in line with the second part of plank 5 of the platform. On 11 October 1910 Senator Pearce outlined Labor's plans, to enact plank 5 of the platform in its entirety, to the Parliament:

The aim of the Government in connection with naval defence is that, whilst the Navy that we are establishing shall be, in some respects, separate from the British Navy, it shall at the same time be auxiliary to that Navy. We think that that is by no means a

²⁴³ C.P.D., Vol. LVI, 18 August 1910, p.1671.

contradictory position. It is a position that has always been recognised in the policy of our party.²⁴⁴

Labor was under no illusions that the establishment of a viable Australian navy was a massive undertaking that would not be arrived at overnight:

It is obvious that for a year or two we shall be unable to make up the full complement. At present our Naval Forces number only 800.²⁴⁵

Personnel and hardware may have been in short supply but the Government moved to ensure that the Australian naval armed forces were increased to a sufficient level in line with Lord Kitchener's report into the defence of Australia.²⁴⁶ Lord Kitchener was frank in his assessment of Australia's military capabilities when he concluded:

The conclusion I have come to is, shortly, that the present forces are inadequate in numbers, training, organisation and munitions of war, to defend Australia from the dangers that are due to the present conditions that prevail in the country as well as to its isolated position.²⁴⁷

Labor acknowledged Lord Kitchener's assessment of the country's defence capabilities and established a 'citizen force' and 'compulsory training' for those not permanently employed in the Naval forces. This 'citizen force' was split into two classes with section 21 of the Bill stating:

1. The Citizen Naval Forces shall be divided into the Naval Reserve Forces and the Naval Volunteer Reserve Forces.
2. The Naval Reserve Forces shall consist of officers and seamen who are not bound in time of peace to continuous naval service and who are paid for their services as prescribed.

²⁴⁴ *C.P.D.*, Vol. LVII, 13 October 1910, p.4489.

²⁴⁵ *ibid.*, p.4493.

²⁴⁶ 'Defence of Australia: Memorandum' in *Commonwealth Parliamentary Papers - General* (Session 1910, Volume II, pp. 83-104.

²⁴⁷ *C.P.D.*, Vol. LVI, 18 August 1910, p.1660.

3. The Naval Volunteer Reserve Forces shall consist of officers and seamen who are not bound in time of peace to continuous naval service and who are not ordinarily paid for their services in time of peace.²⁴⁸

In respect of compulsory training²⁴⁹ for the 'citizen forces' section 125 of the *Defence Act 1909* was unequivocal:

All male inhabitants of Australia (excepting those who are exempted by this Act) shall be liable to be trained, as prescribed, as follows:

- (c) From eighteen to twenty years of age in the Citizen Forces;
- (d) From twenty to twenty six years of age in the Citizen Forces.²⁵⁰

The formation of a permanent naval reserve system was critical to the establishment of an effective Australian Navy:

... those who are allotted to the Naval Forces will be liable to twenty-five days' continuous training annually. They will be the first line of our Naval Reserve Forces.²⁵¹

Labor's active pursuit of the platform had once again shown that a federal government with control of both Houses of Parliament and with the political will and fortitude to pursue its platform agenda could succeed in implementing its stated policy objectives.²⁵²

Graduated Land Tax

The strengthening of Australia's 'Citizen Defence Forces, with compulsory military training' and the establishment of an 'Australian owned and controlled Navy' were

²⁴⁸ *C.P.D.*, Vol. LVII, 13 October 1910, p.4493.

²⁴⁹ The first scheme of universal training came into operation on 1 January 1911. The scheme had a chequered rate of success. The junior cadets were abolished in June 1922, and universal military training and the holding of military camps was suspended from 1 November 1929, pending a general review of defence policy.

²⁵⁰ *C.P.D.*, Vol. LVII, 13 October 1910, p.4493. The training of the citizen forces was split into two distinct age groups and different training requirements were allocated to each group.

²⁵¹ *ibid.*, p.4493-4.

critical to Labor's drive to enact the platform and this drive continued when the Government focused its attention upon enacting plank 4 of the fighting and general platforms to 'introduce a graduated tax on all estates over £5000 in value on an unimproved basis'. Plank 4 was an important plank to the party especially given the size of Australia and the fact that the landed gentry and squattocracy owned large proportions of the continent, thus effectively monopolising rural land holdings and acting as a bulwark to the advance of small land holders and the settlement of the country.

Labor's graduated tax first appeared as plank 5 in the 1905 platform under the guise of a 'progressive land values tax' with Senator Pearce calling for:

... an unimproved land value tax without exemption [to] be a plank in the federal fighting platform.²⁵³

Pearce believed that the:

... question [of unimproved land] was at the root of the social system [and if implemented would lead to jobs growth by] ... unlocking the lands which would follow.²⁵⁴

However, despite Pearce's best efforts, Conference settled for a less confrontational plank especially after Watson warned delegates about:

... piling handicaps upon the party.²⁵⁵

The 1905 plank was not extensively discussed by Conference, however this changed in 1908 when it was one of the first issues debated by the delegates.²⁵⁶ Labor wanted to develop the tropical territories with white labour, hence its adherence to

²⁵² At the 1902 Federal Conference the Party established a new section of the Platform entitled "Planks Made Law" and plank four of this section stated that a, 'Citizen defence force, with compulsory military training and Australian owned and controlled navy' had been established by the Party.

²⁵³ Australian Labor Party, Third Commonwealth Political Labour Conference, Melbourne, 11 July 1905, p.21.

²⁵⁴ ibid.

²⁵⁵ ibid.

²⁵⁶ ibid.

maintaining the White Australia policy, however the party also realised that meeting the demands of the population and the development of the country as a whole could only be achieved by breaking up large tracts of unimproved land. The policy took on even more precedence after the government established the Northern Territory and took control of its administration away from the South Australian Government when it enacted the *Northern Territory Acceptance Act* 1910. However, even before the Commonwealth took control of the northern 'half' of South Australia the delegates to the 1908 Conference pursued Pearce's old 1905 motion to establish a tax on unimproved land values.²⁵⁷ On 22 June 1910, two months after the election, Caucus unanimously adopted a land tax scale based on plank 4 of the Fighting and General Platforms (see table 1) that called for a 'Graduated Land Tax – Graduated tax on all estates over £5000 in value on an unimproved basis'. Caucus ratified the means to 'bust up' the big estates and on 16 August 1910, Fisher outlined the Land Tax Assessment Bill²⁵⁸ to the House to implement plank 4 of the platform:

I submit this motion with a feeling of hope that it will help to promote industrial progress, the social welfare of the people and the safety of the Commonwealth.²⁵⁹

Table 1 - Scale of Land Taxation

	Value	Rate	Amount of tax on largest estate of each class	Rate of tax per £100 of taxable value	Rate of tax per £100 of total value
			£ s d	£ s d	£ s d
	To £5000	exempt	20.16.8	8. 4	4. 2
£5000	£10000	1d	52. 1.8	10. 5	6. 11
£10000	£15000	1.5d	93.15.8	12. 6	9. 4
£15000	£20000	2d	197.18.4	15. 10	13. 2
£20000	£30000	2.5d	322.18.4	18. 5	16. 2
£30000	£40000	3d	468.15.0	1. 0. 10	18. 9
£40000	£50000	3.5d	635. 8.4	1. 3. 1	1. 1. 2

²⁵⁷ For an overview of the Conference debate see Appendix 11 – Commonwealth Conference 1908 - Unimproved Land Values

²⁵⁸ The Land Tax Assessment Bill was followed by the Land Tax Bill, which complimented it. See; *C.P.D.*, Vol. LVII 21 September 1910, p.3503.

²⁵⁹ *C.P.D.*, Vol. LVI, 16 August 1910, p.1535.

£50000	to £60000	4d			
£60000	£80000	5d			
£80000	and above	6d			

Fisher then outlined the basic rationale why Labor were pursuing plank 4 of the platform:

It is our obligation as the Parliament of the Commonwealth to guard the interests of the whole of the people, and if in the exercise of the powers given to us we are called upon to deal with this Bill, providing as it does for direct taxation – and in my opinion, that power is specifically given to this parliament – it is our public duty to do so ... the justification for this Bill is the necessity of the Government to have the machinery to enable them to impose any taxation they think desirable on the unimproved value of land ... the incidence and effect of unimproved land value taxation in every country where it has been applied, has been to make lands available on more reasonable terms for the people who desire to use them.²⁶⁰

The introduction of the land tax ensured parity in the relative taxing regimes that were in place with respect to land holdings throughout Australia and ensured that the large monopolistic estates owned by the graziers and members of the squattocracy would not sit idle. The owners of unimproved lands affected by the tax were forced to decide to keep their land and pay the tax or subdivide the land and sell it, contributing to the economic development of the country. Labor had again moved to enact a key plank of the platform and although it had achieved marked success in implementing the platform there were still key policy planks that Labor wished to pursue, but was hamstrung by the limiting nature of the Constitution and by High Court interpretation of the effective powers of the Commonwealth Government. Labor had two choices, continue with the status quo or change the Constitution; they chose the latter.

Constitution Alteration Initiatives – Industrial Arbitration and Nationalisation of Monopolies

²⁶⁰ ibid., pp.1536-7.

Labor had been in office for nearly three months and their legislative record in pursuing the platform was immense; policy initiatives in nearly all areas were being pursued with success and Labor now turned its attention towards expanding the powers of the Federal government via referenda as there were still key platform planks that the Government could only realistically pursue on the back of substantial Constitutional amendments. Fisher and his administration had already shown the Australian people and the wider labour movement that they were prepared to enact the platform into law and when confronted with the realisation that his government was not in a position to pursue key planks of platform, especially those related to new protection (plank 2), the nationalisation of monopolies (plank 3) and industrial arbitration (plank 9), Labor moved quickly to overcome these constitutional impediments by introducing legislation to amend the Constitution to provide them with the power to pursue the platform in these areas. On 18 October 1910 Labor introduced the Constitution Alteration (Legislative Powers) Bill and the Constitution Alteration (Monopolies) Bill into the Parliament²⁶¹ and after Acting Prime Minister Hughes was granted leave to discuss both Bills as one, he outlined Labor's case to the House:

The measures that now challenge the attention of the House are of the greatest possible importance. It is suggested to amend the Constitution in several particulars.²⁶²

Hughes then outlined the components of the Australian 'federal compact' and attempted to head off any opposition argument that the proposals were directly aimed at 'bringing about unification'.²⁶³ Hughes was also unequivocal in his adherence to the need for the federal Government to have the requisite federal powers to enable it to govern to its fullest potential:

What is in the question is the advisability of clothing the National Government with national functions. Our present impotence forces itself upon the attention of every honourable member and every citizen of the Commonwealth. The question is

²⁶¹ For an overview of each Bill as introduced by Hughes into the Parliament see Appendix 12 – Hughes' Overview of Labor's Constitutional Alteration Bills

²⁶² *C.P.D.*, Vol LVIII, 18 October 1910, p.4696.

²⁶³ *ibid.*, pp.4696-99.

whether the National Government should be supreme in its own sphere, and clothed with full power to legislate upon every part of all the matters already enumerated in section 51 of the Constitution.²⁶⁴

Hughes outlined Labor's case for the implementation of the amendments, however he also took the opportunity to reinforce to his colleagues and to the opposition that Labor was proceeding to enact its platform on the back of an overwhelming electoral victory and that it had a clear mandate from the Australian people to pursue its platform, even if that meant amending the Constitution via referendum:

I wish now to show that the people of this country expected us to make laws with respect to all these matters. In the manifesto of the party ... The party platform set forth 'new protection, nationalisation of monopolies, and a fair and reasonable wage'. We are as much pledged to these things as to a graduated tax on unimproved value of land. We are sent here to get the New Protection in very fact and deed, and not a shadowy pretence of it. We are sent here to get a fair and reasonable wage for every man and woman who works. We are sent here to nationalise monopolies, to regulate and control them. We are sent here to legislate in that wide field of commerce and industry of which I have spoken, by the people who have heard over and over again, not yesterday or the day before, but over a long series of years, what we had to say, and have in ever increasing numbers decided to support us.

[In conclusion] I have to say that the proposed amendments are put forward as embodying the opinions of a party returned at the last election with a substantial majority to carry certain legislation and effect certain reforms.²⁶⁵

Labor was insistent that it had received an overwhelming mandate by the Australian people at the election to pursue these Constitutional amendments and at the close of the first session in 1910 it was clear that Labor was not holding back in pursuing the platform. Labor's success at enacting the platform during the first session was remarkable. The fusion of the opposition parties in 1909 had cleared the way for Labor, if it won government, to govern in its own right and thus provide it with the

²⁶⁴ *ibid.*, p.4700.

²⁶⁵ *ibid.*, pp.4713-15.

opportunity to actively pursue long stated policy planks. In summarising Labor's success over the period, Faulkner and MacIntyre were of the opinion that:

The new government proceeded to implement Labor's program with vim, enacting far more legislation than any previous federal Ministry.²⁶⁶

The first session had come to a close and Labor proved to itself and the wider labour movement that a federal Labor administration could successfully pursue the platform on a number of fronts, including proposing constitutional amendments to provide the government with added powers to legislate in key platform policy areas: Federal Labor were now leading the world in showing what federal Labor governments could deliver to their core constituency.

The Parliament did not resume until September 1911, however the first quarter of the year was consumed with Labor's referendum campaign. Labor's proposed constitutional amendments were designed to address problems all federal governments, up to that point, had had with respect to the unconstitutionality of legislation associated with Commonwealth authority in the areas of commerce, industry and industrial arbitration created by decisions of the High Court since 1904. In fact this was the basis on which Labor advocated the 'Yes' case arguing that decisions of the High Court had shown that the Federal Parliament:

... cannot deal with the most important problems that confront modern society. It cannot deal with trusts, combines and monopolies. It cannot protect the consumer from extortion, nor ensure to the worker a fair and reasonable wage for his labour. It cannot even make a general company law or a comprehensive navigation law. The States are quite unable to deal with these matters; the National Parliament is powerless. But the people must be protected, and in order to protect them the Constitution must be amended.²⁶⁷

Labor had constructed the referendum proposals to address four key areas of the Constitution and by doing so made a critical miscalculation in that instead of placing

²⁶⁶ Faulkner, *op cit.*, p.39.

²⁶⁷ Commonwealth Pamphlet. *The Case for and Against the Referendum* Sydney Morning Herald, 17 March 1911.

all four proposals on the ballot paper separately, Labor had drafted the amendments so that they had to be voted for *en bloc* or not at all. Opposition to Labor's proposals was expected, however placing all proposals together meant that if a person intended to vote in favour of three of the amendments but was vehemently opposed to one of them then there was a high likelihood of that person casting a 'No' vote. This was demonstrated in the case of the Fusion Opposition who, whilst actually supporting some aspects of the amendments, could not support all and therefore voted against the entire proposal. Labor would have expected Fusion members to campaign against the proposals, however the biggest threat to the success of the proposals did not emanate from the Opposition benches but rather from senior state Labor members; notably Holman and McGowen from New South Wales.

The opposition to Labor's proposals was generated from a very unlikely source: a large section of the New South Wales Labor Party led by Holman. However, this was not unexpected given the fact that in 1908 at the Fourth Commonwealth Labour Conference in Brisbane, New South Wales delegates clearly objected to constitutional reform that negatively impacted upon the influence of the States.²⁶⁸ Also, at the 1910 federal election a concurrent referendum proposal to provide for a fixed per capita entitlement payable by the national government to the states' was supported by Holman and McGowen, however Labor, although supporting the form of the change, did not wish to entrench it in the Constitution.²⁶⁹ So it should not have been a surprise to Hughes that Holman, McGowen and Beeby made a special trip to Melbourne to confront Hughes over the proposals in an effort to change his mind over the issue. Hughes argued that:

... the national government should have such powers, and Labor's platform authorised Labor to seek them.²⁷⁰

Holman's trip to Melbourne, although unsuccessful, highlighted the divisions within the state branch over the proposals and this division played itself out over the

²⁶⁸ see especially, Australian Labor Party, Official Report of Proceedings of the Fourth Commonwealth Political Labour Conference, Brisbane, 1908, pp.8-13.

²⁶⁹ The referendum proposal was unsuccessful however the Fisher government later introduced it but did not enshrine it in the Constitution.

²⁷⁰ McMullin, 1991, *op cit.*, p.73.

campaign. At the New South Wales Parliamentary Labor League's state conference in 1911 the Conference strongly endorsed the referenda proposals and Holman assured the Conference that he and his colleagues would abide by the decision²⁷¹, despite later attempts by Holman to undermine the endorsement with specific motions put to Conference during a lull in proceedings, which produced uproar from delegates as well as the wrath of the *Worker* which labelled the opponents of the referendum as 'State insects'.²⁷² At the same time that the Parliamentary Labor League was meeting, the Australian Workers Union Conference was taking place across town and when delegates heard about Holman's antics at the State Labor conference in reference to the referendum proposals, the unionists carried a resolution stating that:

Mr Holman should at once retire from the labour movement and fight it from outside and not from within.²⁷³

The clash between Holman and Hughes took centre stage during the campaign and on 17 March 1911 Holman speaking to a large St Patrick's day audience attempted to draw an analogy between his plight and that of Home Rule stating:

I have suffered the most desperate punishment that could be devised by malignant ingenuity, namely, the imposition of silence upon a naturally loquacious politician. But this I say, that I regard the right of self government in a locality as a fundamental principle of liberty itself. It is the rock upon which I build my church.²⁷⁴

Hughes' response was sharp and he regarded Holman's 'Home Rule' analogy as:

... the most foolish utterance of the whole campaign.²⁷⁵

Hughes then warmed to his speech stating:

²⁷¹ *ibid.*

²⁷² Evatt, H. V., *William Holman. Australian Labour Leader*. Angus and Robertson, Melbourne, 1940, p.196.

²⁷³ *ibid.*, p.198.

²⁷⁴ Holman's private papers as cited in *ibid.*, p201. See also, *Sydney Morning Herald*, 12 March 1911.

²⁷⁵ *Sydney Morning Herald*, 17 March 1911.

Mr Holman in spite of the Conference decision, has nevertheless contrived by observations from day to day to hinder their progress more effectively than he could have done by speaking for twenty four hours on end. It is not what he says, but what he would have you believe he could say if he only made a start with saying it. Just like the owl, which for centuries had held the reputation of supreme wisdom, by sitting immovably grave and glum and looking wiser than any living thing could possibly be.²⁷⁶

Holman, not to be outdone replied:

Apparently Mr Hughes is growing hysterical owing to the strain of continued campaigning. Those of us who know him are always prepared for an occasional little outburst. His fighting speech is like a French recipe for a love letter. He starts it without knowing exactly what he is going to say and ends it without knowing exactly what he has said.²⁷⁷

The proposals were finally put to the people on 26 April 1911 and despite Hughes' best efforts to ensure their passage they were soundly defeated; in fact in only one state, Western Australia, did they receive a majority of the vote. In New South Wales where Holman had lead the unofficial 'No' campaign the total 'Yes' vote of 134,000 was significantly down on the 260,000 votes Labor received at the 1910 federal election. The two main reasons for the defeat were firstly, Holman's sabotage²⁷⁸ and secondly, the fact that nearly all of the proposals were grouped together, so that if a voter disliked one aspect of the proposal they were more than likely to reject the whole proposal. However, despite the result Hughes remained upbeat stating that:

... the rejected proposals were not essential to the carrying out of Labor's Federal platform, but that undoubtedly some additional powers were required.²⁷⁹

²⁷⁶ *ibid.*

²⁷⁷ Commonwealth Pamphlet. *The Case for and Against the Referendum* (1911) *Sydney Morning Herald*, 17 March 1911.

²⁷⁸ Holman's argument centred on the fact that if the proposals were adopted, workers in New South Wales would be worse off; and that if the workers had doubts about the effect of the powers even with a Labor Government in power, what would happen if anti-Labor Government's were given powers to legislate on trade, industry, wages and conditions and employment matters.

²⁷⁹ Evatt, *op cit.*, p.203.

Hughes' comments are somewhat disingenuous in relation to Labor being able to enact the platform without the success of the proposals for he knew that constitutional change was required to enact plank 2 - new protection, plank 3 - the nationalisation of monopolies and plank 9 - industrial arbitration. Labor's attempt to transform the federal political landscape had encountered a major setback, however this did not stop the government pursuing the platform in other areas, whilst also planning another assault on the Constitution to provide it with the power it required to legislate the platform into law.

Labor's first twelve months in office had been significant in respect of the party's pursuit of the platform. The Government had implemented the platform *en masse* and where it had encountered problems in the past, or was attempting to overcome High Court rulings impacting on its ability to legislate for the platform, it unsuccessfully pursued constitutional change via referendum. Labor controlled both Houses and used its position to legislate for key planks in its platform, and despite the failure of the referendum, it did little to impede the reform agenda it had set itself.

The Second Parliamentary Session

The second Parliamentary session was relatively short in comparison with the first session, but even with this being the case Labor continued to introduce legislation to enact and strengthen core platform planks. Legislation was successfully introduced to strengthen Labor's commitment to plank 5 on Defence with the passage of the *Defence Act 1911* and the *Naval Defence Act 1911*. Also, the *Land Tax Assessment Act 1911* was passed to further strengthen plank 4 and the *Old Age Pensions Appropriation Act 1911* was passed to continue the payment of old age and invalid pensions in line with plank 10 of the platform. In the area of industrial relations Labor passed the *Conciliation and Arbitration Act 1911* and the *Arbitration (Public Service) Act 1911*, both Acts were machinery in nature and strengthened provisions in the principal Act in line with plank 9 of the platform. The legislation was not ground breaking, however it continued to show Labor's commitment to strengthening planks it had already legislated for.

Commonwealth Bank

The most important piece of legislation introduced in the Parliament in 1911, and arguably the most important since federation was introduced into the Parliament on 1 November 1911 when Labor gave notice of its intention to introduce legislation to enact plank 6 of the platform calling for the establishment of a 'Commonwealth Bank of Issue, Deposit, Exchange and Reserve with non-political management'. The banking plank was a key Labor policy plank, the establishment of which had been a part of the platform since 1902. However, it was not until the Fourth Commonwealth Political Labour Conference in 1908 that King O'Malley placed it firmly on Labor's future legislative agenda.²⁸⁰ Conference affirmed O'Malley's banking scheme and adopted it as plank 6 of the Fighting Platform.²⁸¹ O'Malley had progressed the banking plank as far as possible and with Labor winning office in 1910 it would only be a matter of time before the party legislated to make it a reality. The first official mention of a Commonwealth Bank being a part of Labor's legislative agenda was not made until 30 August 1911 when Fisher outlined Labor's sessional program to Caucus, with the proposal to establish a National Bank being at the top of Fisher's list.²⁸² On 5 October Caucus referred a draft of the 'Banking Bill' to a committee²⁸³ for further consideration and after being with the committee for over three weeks Caucus moved to formally 'introduce the Banking Bill' on 25 October.²⁸⁴

On 15 November 1911, Fisher outlined Labor's commitment to pursuing the establishment of the Commonwealth Bank, to the House, stating:

The proposal has had the approval of at least one great party in every State, and those who are contending for a State bank have, as circumstances have developed, proved their case. This will be a bank belonging to the people and directly managed by the people's own agents ... The time has arrived for this Parliament to take action to give

²⁸⁰ For an overview of the Conference debate see Appendix 13 – Commonwealth Conference 1908 – O'Malley's Banking Proposals

²⁸¹ Australian Labor Party, Official Report of the Fourth Commonwealth Political Labour Conference, Brisbane, July 9 1908, p.40.

²⁸² *Caucus Minutes*, 30 August 1911, p.281.

²⁸³ *ibid.*, 5 October 1911, p.287.

²⁸⁴ *ibid.*, 25 October 1911, p. 290.

statutory authority to the Government to start a bank on the lines laid down in this Bill.²⁸⁵

Fisher then proceeded to outline the functions of the bank:

It is to have the power to carry on the general business of banking; to acquire and hold land on any tenure; to receive money on deposit, either for a fixed term or on current account; to make advances by way of loan, overdraft, or otherwise; to discount Bills and drafts, to issue Bills and drafts, and grant letters of credit, to deal in exchanges, specie, bullion, gold dust, assayed gold, and precious metals, to borrow money, and to do anything incidental to any of its powers. That clause is, I think, very comprehensive in its general provisions. The bank will not have power to issue Bills payable to bearer on demand. That is purposely forbidden because it is the policy of the Government to continue the Australian notes issue as now provided for.²⁸⁶

However, despite Fisher's pronouncements of public ownership and the benefit inherent in that fact, the legislation was bereft of detail about centralising control of the monetary system with the new Bank in line with the platform: in reality it was 'just another bank'. The irony of the fact that the proposed Commonwealth Bank was just another Bank was not lost on Greene who observed that:

Every bank which deals successfully with this class of business is, to that extent, another rampart added to the fortress within which the capitalistic system is securely entrenched, and I venture to say, another insurmountable obstacle in the pathway of those who would march forward to the realisation of the dream of the nationalisation of the means of production, distribution and exchange.²⁸⁷

Greene's analysis was poignant because the Bank's powers were limited as the Bill only provided for the creation of a Bank to carry on the general business of banking; 'to acquire and hold land on tenure; to receive money on deposit; to make advances; to discount Bills and drafts; to deal in exchanges, specie, bullion, gold dust and precious metals; to borrow money and to do anything incidental to any of its powers.'

²⁸⁵ *C.P.D.*, Vol. LVII, 15 November 1911, p.2644.

²⁸⁶ *ibid.*

However, despite its shortcomings Fisher was confident about the introduction of a Commonwealth Bank and highlighted the need to give the new institution time to develop stating:

While it [a National Bank] has had a place in platforms other than that of the Labor Party, no one has really pressed it ... I venture to say that the establishment of this bank will have the effect of developing a pure banking business. This proposal deals with a matter of serious importance, and may affect our national life and progress more than we can foresee at present ... I counsel patience as to its development, and an avoidance of that 'raw haste which is half sister to delay'. A National Bank is a necessity ... Time and experience will show how its functions for usefulness may be extended.²⁸⁸

Fisher acknowledged Labor's platform on the subject but did not discuss the key components of actually establishing a true central bank in line with plank 6 of the platform that called for the establishment of a 'Commonwealth Bank of Issue, Deposit, Exchange and Reserve with non-political management'. Fisher's pronouncement to '... counsel patience with its [the Bank's] development' was a salient message to all supporters of a fully functioning national banking institution: the foundation for a Commonwealth Bank had been established by Fisher, however the enactment of plank 6 would have to wait for the Bank to be accepted by not only the general community, but also the country's business and financial sectors before its functions and powers could be expanded.

The establishment of the bank was discussed by Hoyle who viewed it as 'a very pedestrian exercise in banking'²⁸⁹ brought about by Fisher's lack of financial knowledge, the corollary of this lack of knowledge being that the bank was only the:

... palest shadow of the bank for which O'Malley had stumped the country and severely tried the patience of his ministerial colleagues.²⁹⁰

²⁸⁷ *C.P.D.*, Vol. LVI, 15 November 1910, p.2899.

²⁸⁸ *C.P.D.*, Vol. LXII, 15 November 1911, pp.2644-2663.

²⁸⁹ Hoyle, A.R., *King O'Malley, The American Bounder*. The MacMillan Company of Australia, 1981, p.133.

²⁹⁰ *ibid.*

O'Malley took no part in the debates and there is conjecture that his silence in the chamber was due to the fact that the Bank did not possess the powers of a:

... true central bank [and was instead] nothing more than a trading and savings bank owned by the Government.²⁹¹

In fact, according to O'Malley he had to organise a Caucus 'torpedo brigade'²⁹² to coerce Cabinet just to get the Bank on the government's agenda in the first place.²⁹³ Labor held a clear majority in both houses and could have passed legislation enacting plank 6 in its entirety instead of breaking the functions of the bank up and legislating in a piecemeal way to establish a bank that was only a facade of what was approved at the 1908 Conference and what was outlined in the platform. Why? Hoyle, posits a thesis that is not without merit and which actually provides a rationale as to why Fisher and Hughes proceeded in not implementing the entire banking plank of the platform.

Hoyle submits that soon after the 1910 election there was a meeting of senior bankers in Melbourne and the new government was asked to participate. O'Malley wanted to go to the meeting but Fisher took Hughes as his legal adviser, ignoring the fact that neither had any experience in the field of banking.²⁹⁴ However, despite a paucity of knowledge on the subject, a secret meeting was held between Australia's prominent bankers and Fisher and Hughes. On 23 July 1910 the broadsheet, the *International Socialist* was the first to report on the meeting after details of its taking place had leaked out with the *International Socialist* reporting that:

Andrew Fisher had a SECRET meeting with the bankers the other day and entered into a compact with the representatives of usury not to let the public know anything about the proposals they made to him or the promises he made to them.²⁹⁵

²⁹¹ McMullin, 1991, *op cit.*, p.77; see also Sawyer, 1956, *op cit.*, p.91.

²⁹² see: Hoyle, *op cit.*, pp.123-135

²⁹³ There is little official evidence to support O'Malley's claims on this point as there is no evidence of a revolt or stand off in the Caucus Minutes of the time over the Banking issue.

²⁹⁴ Fisher admitted as much in November 1911 when debating the introduction of the Commonwealth Bank Bill he stated, 'I make no pretension to banking knowledge', see, *C.P.D.*, 30 November 1911.

²⁹⁵ Hoyle, *op cit.*, p.125.

The details of the meeting have remained confidential with neither Fisher nor Hughes revealing what was discussed. However, in a letter from Mr. O. T. Ozanne discussing the incident some years later he described the scene in Caucus just after the secret meeting had taken place when Fisher spoke to his colleagues about enacting plank 6 stating:

The time is not ripe to start the Bank. The meeting with Australia's leading bankers has convinced me of that fact.²⁹⁶

The meeting had an impact on Fisher and Hughes for they subsequently abandoned plank 6 in the platform by legislating for a separate note issue to be controlled by treasury and they steered away from creating a true central bank, which would have posed an unacceptable threat to the private banks and instead opted for a bank of deposit and exchange that was of no threat.²⁹⁷

Labor's legislative foray with respect to the Commonwealth Bank is in complete contrast with its legislative record on nearly every other plank in the platform it pursued during the period. Labor pursued a robust legislative agenda to enact the platform; drafting referenda proposals on key issues such as legislative powers; monopolies; state debts; and specific proposals to alter the constitution for corporations, industrial matters, nationalisation of monopolies, railway disputes, trade and commerce and trusts and yet they did not pursue the establishment of a true central bank.²⁹⁸ O'Malley would have to wait some years before his dream of a true central bank would come to fruition, however, apart from Hoyle's thesis there is still very little evidence as to why Labor did not pursue plank 6 with the same vigour as the rest of the platform. The second Parliamentary session concluded and Labor's record in enacting the platform was further enhanced, despite the circumstances surrounding the establishment of the Commonwealth Bank.

²⁹⁶ Letter from A. T. Ozanne to O'Malley, 25 August 1941. O'Malley Papers 460/5915, in Hoyle, *op cit.*

²⁹⁷ The writer has attempted to obtain transcripts or notes of the meeting but has been unsuccessful to date.

²⁹⁸ In 1914 the third Fisher Government amended the Commonwealth Bank Act empowering the Bank to take over other banking institutions, including State government savings banks.

Third Parliamentary Session

The commencement of the third Parliamentary session in June 1912 was significant in three key respects. First, Labor once again revisited the question of amending the Constitution. Second, Labor passed navigation laws in line with plank 7 of the platform and third there was a move to enact plank 8 of the platform to establish 'Commonwealth freight and passenger steamers'. Also, Labor continued to introduce legislation to strengthen core platform planks with the passage of the *Immigration Act* 1912 in line with plank 1. It is significant to note that in January 1912 the Fifth Commonwealth Conference of the Australian Labor Party was held in Hobart and the Conference revised the platform to include a new section entitled 'Planks Made Law'. The new section included:

1. White Australia.
2. Old age and invalid pensions.
3. Graduated tax on unimproved land values.
4. Citizen defence forces, with compulsory military training and Australian owned and controlled Navy.
5. Commonwealth Bank.
6. Electoral Reform.²⁹⁹

With the exception of 'White Australia' and 'Electoral Reform' the other planks in the new section were removed from the platform altogether. The new section incorporated policy that Labor had been responsible for implementing. However, the list was somewhat disingenuous in that it did not list all of the Government's achievements nor did it provide a breakdown of what policies were not legislated for in accordance with the platform, although they were part of the platform. Firstly, there is no mention of Federal Arbitration and the inclusion of the controversial 'preference to unionists' clause, as well as any mention of the commencement of the Navigation Laws that had taken the federal parliament almost a dozen years to enact and which had caused a stir within the party. Secondly, the Commonwealth Bank was cited as being a plank that was 'made law', however it is arguable that 'the Bank' that

²⁹⁹ Australian Labor Party, Official Report of the Fifth Commonwealth Conference, Hobart, 12 January 1912, p.46.

emanated from the statute books was a pale imitation of what the platform stated and what O'Malley had expected. Similarly, the Arbitration legislation did not include provisions excluding the legal profession whilst the Navigation Laws did not adequately address the important issue of compulsory insurance for seamen. Also, there was no discussion, debate or any declaration of policy with respect to the establishment of the General Insurance Department contained in plank 10 of the platform. However, despite being removed from the 'official' platform, Labor continued to strengthen core platform planks enacting the *Invalid and Old Age Pensions Act* 1912 and the *Invalid and Old Age Pensions Appropriation Act* 1912, the *Land Tax Assessment Act* 1912, the *Naval Defence Act* 1912 and the *Naval Agreement Act* 1912 as well as the *Defence Act* 1912.

Navigation Laws

In July 1912 Labor finally moved to introduce legislation to enact navigation laws in line with plank 7 of the platform. The introduction of Navigation laws had been a solid plank in Labor's platform since 1902. The party had formulated a detailed policy on the matter³⁰⁰ and although the plank was adopted in 1902 there was very little discussion on the issue at any of the subsequent Conferences. In fact, the Navigation Bill introduced by Labor was one of the last pieces of legislation enacted by Fisher's second government.

The Navigation plank was one of the least debated planks in the platform at Conference, which is not surprising considering that by the time Fisher's government introduced the Bill into the House, similar legislation had already been debated in the Parliament over the preceding nine years. Navigation law had also been considered by a Royal commission and had been the feature of discussions at the Imperial Conference in London. On 10 July 1905 at the Third Political Labour Conference in Melbourne the only discussion on the navigation plank was raised by Riley who moved for a clause to be inserted in the platform to:

³⁰⁰ The plank relating to navigation laws was the most detailed of all of the planks in the early platforms.

... compel shipowners to insure the lives of their vessels' crews.³⁰¹

Riley hoped that the conference delegates would 'show as much consideration for life as the shipowner did for property'.³⁰² Riley was not disappointed in his comrades and his motion was duly carried, however political realities dictated that the motion, like the plank, was not placed on the legislative agenda. Three years later on 7 July 1908 at the Fourth Political Labour Conference in Brisbane the party's focus was once again on other matters and there was little debate or discussion on the topic except for Hinchcliffe's move to expand the ambit of the plank moving that:

... the following sub-clauses be added to plank 7 - Navigation laws - (i) Efficient inspection of all shipping in Australian waters; (j) All navigation laws to apply to government as well as to private vessels.³⁰³

The Conference was not overly enthusiastic about the proposal and Hutchinson unsuccessfully moved that:

... the motion should be withdrawn [and that Labor members should be] depended upon to do their best when the Navigation Bill came up for consideration [because according to Hutchinson] ... Nothing, would induce the British Government to consent to deal with vessels of war.³⁰⁴

After Fisher's electoral victory in 1910, the Labor party drafted legislation to enact plank 9 of the platform, however like its appearances at national conference and unlike the other planks in the platform it was not the subject of any substantive Caucus debate. On 6 July 1910 Senator Pearce introduced a Navigation Bill into the Senate, however the Bill sat on the notice paper until the end of the first session where it lapsed at prorogation. The Bill then took a back seat to parliamentary proceedings for the entire period of the second session where it lapsed at prorogation again despite the fact that a Caucus meeting on 30 August 1911 called for the Navigation Bill to be

³⁰¹ Australian Labor Party, Official Report of the Third Commonwealth Political Labour Conference, Melbourne, 1905, p.18.

³⁰² ibid.

³⁰³ ibid., July 7 1908, pp.24-5.

³⁰⁴ ibid., p.25.

a part of Labor's sessional program.³⁰⁵ In January 1912 the Fifth Commonwealth Conference was held in Hobart and Labor's lack of legislative movement on the issue over the preceding two years forced a representative of the Fremantle Branch of the Federated Seamen's Union, Mr A. McCallum to move that:

... this Conference urges the Federal Government to enact legislation to put a check on the unfair competition of steamers trading on the north west coast of this state, manned by coloured crews.³⁰⁶

The Conference acknowledged the importance of MacMullan's motion and duly ratified Labor's position with respect to navigation laws and set Labor eight distinctive policy initiatives to pursue after the Conference concluded.³⁰⁷ The eight areas to be pursued were contained in plank 7 which stated:

7. Navigation laws to provide -

- (a) For the protection of Australian shipping against unfair competition.
- (b) Registration of all vessels engaged in the coastal trade.
- (c) The efficient manning of vessels.
- (d) The proper supply of life saving and other equipment.
- (e) The regulation of hours and conditions of work.
- (f) Proper accommodation for passengers and seamen.
- (g) Proper loading gear and inspection of same.
- (h) Compulsory insurance of crews by shipowners against accident or death.³⁰⁸

Labor was spurred to action by their union colleagues at the Conference and on 12 June 1912 Caucus approved to:

... pass the Navigation Bill this session.³⁰⁹

³⁰⁵ *Caucus Minutes*, 30 August 1911, p.279.

³⁰⁶ Australian Labor Party, *Official Report of the Fifth Commonwealth Conference*, Hobart, 10 January 1912, p.25.

³⁰⁷ For an overview of the Conference debate see Appendix 14 - Commonwealth Conference 1912 - Navigation Bill

³⁰⁸ Australian Labor Party, *Official Report of the Fifth Commonwealth Conference*, Hobart, 10 January 1912, p.46.

On 16 July 1912, the Navigation Bill finally proceeded to its second reading where Tudor, the Minister for Trade and Customs, outlined the government's proposals ironically noting that:

... this is the longest Bill which has ever been submitted to this Parliament.³¹⁰

However, despite the irony Tudor was quick to inform the House that:

The first aim of the Bill is to improve the lot of the seaman, and to secure fair treatment of him.³¹¹

Labor had developed eight specific policy sub-planks on this area but did not introduce legislation addressing all of the areas discussed and ratified at the 1912 Conference, with:

... a large majority of provisions being taken from existing legislation.³¹²

The Bill set out to define the ambit of what constituted 'coastal trading' because this definition was the quintessential element in its interpretation especially in relation to unfair competition and the registration of vessels engaged in coastal trade in line with sub-plank 7(b) of the platform. The Bill defined Coasting Trade as:

A ship shall be deemed to engage in the coasting trade if she takes on board passengers or cargo at any port in Australia or any territory under the authority of the Commonwealth, to be carried to, and landed or delivered at, any other port in Australia or in any such territory - provided that the carrying of passengers who hold through tickets to or from a port beyond Australia, or of cargo consigned on a through Bill of lading to or from a port beyond Australia, or of mails, shall not be deemed engaging in coasting trade.³¹³

³⁰⁹ *Caucus Minutes*, 12 June 1912, p.297.

³¹⁰ *C.P.D.*, Vol. LXIV, 16 July 1912, p.805.

³¹¹ *ibid.*, p.806.

³¹² *ibid.*, p.804.

³¹³ *ibid.*, p.815.

Tudor then provided an overview of the reach of the legislation to ensure fair competition between Australian and foreign owned and operated ships:

The provisions of the Bill are based on the national protective system of Australia. Our aim is to insure that the conditions prevailing in the coasting trade on board foreign ships shall be the same as are applied to our own people. It must be recognised that ... we must protect Australian ship-owners against unfair competition from subsidised foreign ships or poorly paid crews from other countries. If there is unfair competition on the part of vessels carrying coloured crews, we have a right to protect ourselves against it.³¹⁴

Labor sought to enforce a level playing field with respect to competition by establishing a number of regulations, covering areas such as health, wages, safety and manning of vessels in line with sub-planks 7(c)(d)(e) of the platform, that had to be adhered to by all ships engaging in coastal trade in Australia with Tudor stating that:

The Bill protects the Australian ship owner by providing that every outside ship which engages in the coasting trade shall carry a certain crew according to a scale laid down, shall provide the prescribed accommodation for the men, and shall pay them Australian rates of wages.³¹⁵

The corollary of the specific terms and conditions was such that if foreign ships did not wish to comply with the Australian regulations then:

... subsidised foreign ships would be shut out of the trade altogether [because according to the government] ... competition must be on level terms.³¹⁶

With respect to the manning of vessels in line with sub-plank 7(c) of the platform the Government proposed a manning scale for seamen. The establishment of a 'manning scale', would, the Government believed:

³¹⁴ *ibid.*

³¹⁵ *ibid.*

³¹⁶ *ibid.*

... remove any doubt as to what would constitute a proper complement of crew [with the manning scale being] ... drawn up which prescribes, not only the number of mates, engineers, and so forth, but the number of deck hands and stoke hold hands in the different classes of ships [with the scales applying to] ... all Australian registered ships, and to all British and foreign ships engaged in the coastal trade.³¹⁷

The manning scale was principally designed to ensure that English speaking crews were employed on vessels so that orders could be understood between officers and crew and that communications between ships and ship to shore could be understood. Also, in light of the *Titanic* disaster the government moved to ensure that the 'adequate provisions for the safety of life at sea' were addressed.³¹⁸ Tudor outlined a range of measures including that:

... there shall be a lifebelt to each person on board, but that the lifebelts shall be 10% in excess of the number of passengers and crew [also that] ... there should be boat drill and it should be effective.³¹⁹

However one of the most important safety provisions related to the installation of wireless telegraphy on ships as well as ensuring that they were:

... used and attended by qualified operators.³²⁰

The Bill also addressed the important issue of treatment of sailors by masters as well as the living arrangements of sailors whilst at sea in line with sub-plank 7(e)(f), which at the time were archaic.³²¹ Tudor outlined some of the new conditions that would come into force after the Act came into effect:

Seaman's quarters shall be properly lighted and ventilated, proper lighting and ventilation being, we think, of as much importance as adequate air space. There must be a separate messroom for the sailors, instead of at present having to eat their meals

³¹⁷ *ibid.*, pp.813-814.

³¹⁸ *ibid.*, p.816.

³¹⁹ *ibid.*, p.817.

³²⁰ *ibid.*, p.816.

³²¹ 'In regard to wages, hours of employment, accommodation, recreation, and amusement - the lot of the sea faring man is little better than it was 50 years ago'. See: Tudor, *ibid.*, 16 July 1912, p.806.

in the fore-castle or on the open deck and hospital accommodation must be provided for sick seamen.³²²

Labor had legislated in accordance with almost every sub-plank of plank 7 of the platform, however with respect to sub plank 7(h) concerning 'compulsory insurance for seamen' Tudor informed the House that:

... this is considered to be outside the scope of the Navigation Bill.³²³

The lack of movement with respect of compensation had been appropriately dealt with by the passage of the *Seamen's Compensation Act* 1911, however the passage of the Bill was far from assured as the British Board of Trade objected to sections in the Bill that they believed would destroy the uniformity of conditions for deep sea ships created by their own *Imperial Merchant Shipping Acts* and Fusion members opposed these provisions and also sections modifying disciplinary powers of masters.³²⁴ However, despite opposition to select parts of the legislation:

... the government anticipated objections in committee with compromise amendments so deftly that only two clauses were taken to a division, and one of these arose from a difference of opinion in the Labor Party.³²⁵

Labor anticipated objections in committee, however assent was reserved because the British Board of Trade considered the Commonwealth had no power to pass such legislation under the Constitution and could proceed only under the *Merchant Shipping Acts*, sec. 735-6, which required reservation. The Government disagreed with the British Board of Trade but did not send the Bill for Royal Assent until the position was clarified, finally in 1913 the Bill received Royal Assent and Labor could point to another key plank made law with the *Navigation Act* 1913 establishing a

³²² *ibid.*

³²³ *ibid.*, p.803.

³²⁴ See: Best, *C.P.D.*, Vol. LXIV, 19 July 1912, p.1053-60.

³²⁵ 1. Exclusion of British mail steamers from the interstate passenger trade, the Opposition desiring their admission as of right between States not connected by rail – ie. at that time Western Australia-South Australia and Tasmania-mainland, see *C.P.D.*, Vol. LXVII, p.4216. 2. Admission of British and foreign ships to the trade with Papua, a section of the Labor Party desiring that the trade be confined to Australian ships, see *C.P.D.*, Vol. LXIX, p.6862.

system of registration, regulation and inspection of merchant shipping in line with plank 7 of the platform.

The passage of plank 7 was a major achievement for Labor and in line with the nautical theme there were moves in the Senate to pursue plank 8 of the platform that sought to establish a line of 'Commonwealth freight and passenger steamers'. Plank 8 of the platform was a new plank that had been approved by Conference in Hobart in January 1912 and the Government sought to pursue it as quickly as possible. On 7 November 1912, the motion was placed on the notice paper by Senator Ready who outlined the rationale for introducing the measure in line with the platform stating:

... in the opinion of this Senate, it is desirable that the Government should, as early as possible, establish a fleet of Commonwealth Overseas and Inter-State steamers, commencing with the linking up of Tasmania, as an integral part of the Commonwealth, with the mainland, by means of a line of steamships.

One of the principal reasons which actuated me in placing this motion on the notice paper was that at the Labor Conference held in Hobart this year a new plank was added to the federal Labor platform. The plank was carried unanimously ... As is well known to honourable Senators on each side of the chamber, we as a party, have a peculiar habit of giving effect to our platform as speedily as possible. Our planks are not mere election placards, but are framed because we believe that there is vital need of the legislation which they indicate ...

... as Australia is an island continent, steam-ship communication is of vital importance to us. It is as important as internal communication by means of railways. The only way in which we can grapple with the great problem of transport is to establish such a line of boats as will enable us to relieve our people from the many grave disadvantages under which they are now suffering.³²⁶

Senator Ready's motion was debated on 21 December 1912 and was passed in the Senate by twelve votes to three.³²⁷

³²⁶ *C.P.D.*, Vol. LXVII, 7 November 1912, pp.5150-57.

³²⁷ *C.P.D.*, Vol. LXIX, 21 December 1912, pp.7723-4.

Constitution Alteration Initiatives – Corporations, Industrial Matters, Nationalisation of Monopolies, Railway Disputes, Trade and Commerce and Trusts.

Labor's commitment to enacting the platform was further strengthened when the Government introduced six separate Constitution alteration Bills into the Parliament, the Constitution Alteration (Corporations) Bill; the Constitution Alteration (Industrial Matters) Bill; the Constitution Alteration (Nationalisation of Monopolies) Bill; the Constitution Alteration (Railway Disputes) Bill; the Constitution Alteration (Trade and Commerce) Bill and the Constitution Alteration (Trusts) Bill.

The referendum results of April 1911 had burned in the collective psyche of the labour movement and on 8 January 1912 at the Fifth Commonwealth Conference in Hobart, some eight months after Labor's first referendum proposals were soundly defeated the proposals were placed back on the agenda. Hughes had been the driving force behind Labor's 1911 referendum campaign, and although not a delegate to Conference Hughes wrote to Fisher outlining that the:

... conference should not restrict the government's flexibility in wording the proposals when they were again put before the people.³²⁸

Hughes remained adamant that Labor had to pursue Constitutional change in order that it had a realistic chance of legislating for the platform and he was mindful of the fact that if Labor were to pursue the platform then it was in the best interest of the entire party if Conference approved Hughes' plan to amend the Constitution.³²⁹ Hughes' plan was well received by Fisher for he proceeded to ensure that all of Hughes' points were adopted by the delegates. In discussing the 1911 referendum failures Fisher told delegates that he:

... firmly believed that the powers asked for by the Government at that time were the minimum which would enable the national Parliament to protect the interests of the whole people. Even in dealing with monopolies if the powers asked for had been granted the task would have been difficult enough. The Referendums were lost by

³²⁸ McMullin, 1991, *op cit.*, p.79.

³²⁹ see Appendix 15 – Hughes' Plan to amend the Constitution

the 'misrepresentation of the opponents of the government proposals. If any Parliament could be trusted at all it was surely that of which both Houses were elected by the people on adult suffrage.³³⁰

Fisher spoke to delegates about the need to continue the fight for constitutional change despite the fact that the constitution acted against Labor's policy interests stating that:

... it was common knowledge that the Federation as they knew it at present did not give satisfaction [and in his opinion] ... the present Federal Constitution was not a workable one, not only from the Labor Party's point of view, but also from a national point of view ... the present Constitution was too restrictive in its nature [and that it] ... prevented the representatives of the people elected on a broad franchise from giving effect to the people's will ... any less powers than those asked for would eventually lead to disaster. The Constitution as it stood now was neither satisfactory to the states nor to the people of the Commonwealth.³³¹

The Government and the wider labour movement shared Fisher's view that not only was the federal Constitution the product of a conservative Constitutional Convention but that it was a document that effectively acted as a bulwark against Labor's policy manifesto with respect to policy planks contained in the platform. Acting on Fisher's lead, Mr McDonald moved a motion from the Toowong WPO stating that:

The referendum proposals be again submitted to the electors at the next federal election.³³²

Senator Needham successfully urged Conference to carry the motion:

... as it was highly necessary that the referendum proposals be submitted again at the next Federal elections.³³³

³³⁰ Australian Labor Party, Official Report of the Fifth Commonwealth Conference, Hobart, 8 January 1912, p.11.

³³¹ ibid., pp.10-11.

³³² ibid., p.18.

³³³ ibid.

On August 29 1912 Caucus formally adopted the Conference's recommendation to re-submit the referendum proposals to the Australian people with Higgs moving that:

Whereas at the last Referenda, considerable confusion of thought was occasioned by the five questions submitted to the electors being embodied in two Acts of parliament, the questions to be submitted at the next Referenda be embodied in four different Acts, to be entitled as follows:

1. The Trade and Commerce (Constitution Alteration) Act.
2. The Australian and Foreign Companies (Constitution Alteration) Act.
3. The Conciliation and Arbitration (Constitution Alteration) Act
4. The Trusts, Combines and Monopolies (Constitution Alteration) Act 1912

Conference had approved the drafting of legislation to amend the Constitution, on the basis that the amendments be presented to the Australian people as separate proposals. During debate on the Constitution Alteration Bills Deakin provided a fitting analogy of Labor's 1911 proposals commenting that:

On the last occasion the amendments of the Constitution were handcuffed together and sent to the country like a chain-gang.³³⁴

Deakin's observation, although colourful, was unfortunately correct, however with Conference support and the advantage of lessons learnt from the 1911 campaign Labor set about preparing six Bills to cover the proposed constitutional amendments. The first of the Bills was the Constitution Alteration (Trade and Commerce) Bill that sought to provide the basis for enacting plank 3 of the platform calling on Labor to pursue 'Effective Federation' by including in the Constitution the powers asked for on April 26, 1911, as well as enacting plank 4 of the platform dealing with the issue of 'New Protection'. The second was the Constitution Alteration (Corporations) Bill that sought to enact plank 3 of the platform calling on Labor to pursue 'Effective Federation' by including in the Constitution the powers asked for on April 26, 1911. The third was the Constitution Alteration (Industrial Matters) Bill that sought provide the government with the power to enact planks 3 calling on Labor to pursue 'Effective Federation' by including in the Constitution the powers asked for on April 26, 1911,

³³⁴ C.P.D., Vol. LXVIII, 19 November 1912, p.5617.

and plank 6 of the platform that called on Labor to pursue 'Arbitration Act amendments'. The fourth was the Constitution Alteration (Trusts) Bill that sought to empower the Parliament to make laws with respect of trusts, combinations and monopolies that would strengthen Labor's ability to enact plank 5 of the platform relating to the nationalisation of monopolies. The fifth was the Constitution Alteration (Nationalisation of Monopolies) Bill. This Bill had first been approved in the Senate by Labor during Fisher's first Government and was also included in the unsuccessful 1911 referendum proposal. Now Labor wished to present it to the Australian people again to provide them with the power to enact plank 3 of the platform calling on Labor to pursue 'Effective Federation' by including in the Constitution the powers asked for on April 26, 1911, and plank 5 of the platform that dealt with the 'Nationalisation of Monopolies'. The final proposal was the Constitution Alteration (Railway Disputes) Bill that sought to provide Labor with the power to enact plank 3 calling on Labor to pursue 'Effective Federation' by including in the Constitution the powers asked for on April 26, 1911, and strengthen plank 6 of the platform that called on Labor to pursue 'Arbitration Act amendments'.

On 19 November Hughes began the task of outlining all six referendum proposals to the Parliament and over the next three days he outlined Labor's constitution alteration proposals to the House.³³⁵ In summarising his position in respect of all of the proposals Hughes stated:

I have set forth my views on this and the measure with which I have last dealt at considerable length in connection with the other Bills. I only trust that in my exposition of them they have not suffered. I ask the House to come to the consideration of these proposals with the assurance that it is my clear conviction that they are absolutely necessary to meet the existing situation ... they are imperatively necessary to enable this Parliament to do that for which it was created.³³⁶

Labor was not going to make the same mistake they made in 1911 by grouping all of the proposals together under one banner and if successful Fisher would be in the box seat to realistically pursue key planks of the platform with a clear legislative fiat. The

³³⁵ For an overview of Hughes' case for the, see Appendix 16 – Hughes' Case For The Adoption Of The Six Constitution Alteration Bills

referendum proposals were passed through the Parliament on 6 December 1912 and Fisher called a general election to be held on 31 May 1913 at which time the referendum proposals would also be presented to the Australian people. Labor had not only placed the referendum proposals before the Australian people, but the fate of the government itself.

The referendum campaign was subsumed by the federal election, however Hughes concentrated all of his energies on advocating a 'Yes' vote for all of the proposals. In a speech at Granville, a month before the poll, he stated:

The policy of the Labor party [he is reported as saying] will be to deal with those issues and those great questions which, owing to the present position of the people under the Constitution, it was not able to do in the last Parliament. The great questions as they present themselves to the people of this country, and, indeed of every other, are mainly three. They are the questions of industrial unrest, of the high cost of living, and the operations of trusts and combines. I think, if you look at these questions, you will see that they, as it were, condition an environment for every question which is of importance to the people.³³⁷

Hughes, his Caucus colleagues and those in the wider labour movement spread the word across the country for the adoption of the proposals and the return of the government. On 31 May 1913 the people of Australia had a number of choices to make: six referendum proposals to vote on as well as elect a government. In respect of the referendum proposals, all six proposals were unsuccessful by the barest of margins. The results are contained in Table 2:

Table 2 – 1911 – Referendum Results

Proposal	States supporting	Yes votes - % of Total
Trade and Commerce	Queensland, South Australia, Western Australia	49.38
Corporations	Queensland, South Australia, Western Australia	49.33

³³⁶ C.P.D., Vol. LXVIII, 21 November 1912, p.5842

³³⁷ *Sydney Morning Herald*, Granville Speech, 1 May 1913.

Industrial matters	Queensland, South Australia, Western Australia	49.33
Railway disputes	Queensland, South Australia, Western Australia	49.13
Trusts	Queensland, South Australia, Western Australia	49.78
Monopolies	Queensland, South Australia, Western Australia	49.33

The referendum results were a blow to Labor, especially in relation to their ability to pursue the platform, however an even bigger shock was in store as Fisher's government was defeated at the poll by one seat. Labor won thirty-seven seats and the Fusion Opposition led by Cook won thirty-eight. The only consolation, albeit small, was that Labor still controlled the Senate as it retained all eighteen Senators elected in 1910, as well as eleven Senators who were newly elected.

The Fisher administration had come to an unexpected end, brought about in large part by its pursuit of the referendum proposals to enact the platform. Labor had split the proposals into six separate areas to counter the problems experienced in 1911, however instead of holding a general election and then presenting the proposals to the people, or vice versa, the voting public were presented with seven separate decisions to make on voting day and the election result mirrored the referendum result in that both were extremely close, with Labor losing on every issue by the barest of margins.

Fisher, Hughes and World War One - 1914-1916

Labor's pain, however was relatively short lived for in little over twelve months Australians found themselves back at the ballot box primarily due to two politically related factors. First, the Cook government did not control the Senate and secondly, the Government found itself in the invidious position of being continually deadlocked in the House due to the fact that after providing for a Speaker and a Chairman of Committees, the representation in the chamber was equal and divisions were primarily decided on the vote of the presiding officer. Labor had used its numbers to advantage and did not give Cook an inch, in frustration Cook called the election. Cook's

pronouncement was almost immediately overshadowed by events in Europe where on 4 August the First World War began.

The *Argus* was quick to respond to the situation, outlining to the country that:

The outbreak of war finds Australia without a Parliament ... This is no time for the obtrusion of party differences. If Great Britain becomes involved in the war, the time will have arrived for the display of a patriotism that knows no party.³³⁸

In effect the *Argus* provided in principle support for Hughes' earlier proposition that the government postpone the election and focus on fighting the war, however Cook was unmoved by both Hughes' and the *Argus* and proceeded with his commitment to hold the election, which was to take place on 5 September 1914.

On the campaign trail in Colac, Fisher left no doubt where his sympathies lay in respect of what Australia's commitment to the war should be, telling people at a rally:

Turn your eyes to the European situation, and give the kindest feelings towards the mother country at this time ... Should the worst happen after everything had been done that honour will permit, Australians will stand beside our own to help and defend her to our last man and our last shilling.³³⁹

Fisher's 'last man and last shilling' speech was not sanctioned by Labor but it became the rallying cry of the campaign and on 5 September 1914, Australia responded to Fisher's lead and voted Fisher back into office with Labor winning forty-two seats in the House with Cook's Liberals winning thirty-two. In the Senate all positions were spilled because of a double dissolution and Labor emerged with thirty-one of the thirty-six Senate seats. The war was an overwhelming endorsement for Labor to lead Australia during a time of great crisis.

Labor may have been returned to office, however attitudes in the wider labour movement to the outbreak of war were mixed. The *Labor Call* thought it was:

³³⁸ *Argus*, 3 August 1914.

³³⁹ *ibid.*

... unthinkable to believe that because an archduke and his missus were slain by a fanatic the whole of Europe should become a seething battlefield, and deplorable misery brought upon the people.³⁴⁰

In the *Australian Worker* Henry Boote declared:

We must protect our country. We must keep sacred from the mailed fist this splendid heritage. For that our Army of Defence was formed, and our Navy built. But we hope no wave of jingo madness will sweep over the land, unbalancing the judgement of its leaders, and inciting its population to wild measures, spurred on by the vile press.³⁴¹

Boote's analysis would prove to be prophetic for Labor as the war developed into a bloody stalemate on the battlefields of Europe. However, in respect to Labor's pursuit of the platform during the war we see an almost complete reversal in Labor priorities. In Fisher's second administration from 1910-1913 Labor pursued the platform with vigour, it controlled both the House and the Senate and continually pushed for legislative change to enact key platform planks. In 1914 confronted with a deteriorating world situation and with Australia being called into action on behalf of the 'Empire', Labor forays to enact the platform were severely curtailed to the point that pursuing a domestic agenda to enact the platform was extremely difficult, even with control of both Houses. Labor's primary focus was on the war in Europe and it legislated accordingly, passing the *War Precautions Acts* of 1914, 1915 and 1916, the *Trading with the Enemy Acts* of 1914 and 1916, the *Enemy Contracts Annulment Act* 1915 and the *War Census Acts* 1915 and 1916. The war specific measures were pursued and supported, in the main, by all parties during the war.

Commonwealth Bank

The war and Australia's involvement in it took legislative precedence and although Labor's political focus was on the battlefields of Europe they still sought to pursue the

³⁴⁰ *Labor Call*, as cited in Robson, L., *Australia and the Great War*. MacMillan, Melbourne, 1970, p.31.

³⁴¹ Turner, I., *Industrial Labour and Politics*. ANUP, Canberra, 1965, p.70.

platform in key platform areas when it did not directly impact on the war effort. On 12 November 1914 Fisher outlined Labor's plans to strengthen its commitment to plank 5 of the 'planks made law' section of the platform introducing the Commonwealth Bank Bill into the House:

It is a small measure, giving some necessary powers to the Commonwealth Bank in order to increase its usefulness and promote the welfare of the people of Australia generally. If the commonwealth Bank is to attain its true position among other banks in Australia, it must have the power to purchase the assets of other banks.³⁴²

The Commonwealth Bank legislation empowered the Bank to take over any other banking institution including the State banks and the Bill was passed after the entire opposition walked out of the chamber after a fiery and heated debate.

Initiative and Referenda and Conciliation and Arbitration

On the same day that Labor introduced the Bank Bill, Hughes moved a motion to pursue plank 14 of the General Platform that called on Labor to provide for 'Initiative and Referenda' stating:

That leave be given to bring in a Bill for an Act to enable the electors to take part in the Initiation and Approval of Legislation.³⁴³

The motion was the first time Labor had attempted to pursue the measure and although placing it in the notice paper the subsequent Bill was never introduced. In the area of industrial relations Labor also sought to strengthen its commitment to plank 6 of the fighting and general platforms successfully passing the Commonwealth Conciliation and Arbitration Act 1914, the *Commonwealth Conciliation and Arbitration Act (No.2)* 1914 and the *Commonwealth Conciliation and Arbitration Act* 1915. The *Commonwealth Conciliation and Arbitration Act (No.2)* 1914 was the piece of legislation with major significance to unions in that it provided for a single procedure whereby parties to a dispute could apply to a single Justice of the High Court for a binding decision as to whether the Commonwealth Court of Conciliation

³⁴² *C.P.D.*, Vol. LXXV, 12 November 1914, pp.599-604.

³⁴³ *ibid.*, p.599.

and Arbitration had jurisdiction over proceedings. The legislation was an attempt to cut through the 'Serbian bog' of technicalities that had arisen in respect of industrial disputes created by judicial interpretation of the statutes.

Invalid and Old Age Pensions, Land Tax Assessment and Constitution Alteration Initiatives

The banking and industrial planks were strengthened and Labor moved to ensure that the key plank of Invalid and Old Age Pensions was maintained and strengthened during the conflict with the *Invalid and Old age Pensions Appropriation Acts* of 1914 and 1916 as well as the *Invalid and Old Age Pensions Act* 1916. The social welfare plank was followed by legislation strengthening Labor's commitment to plank 2 of the fighting and general platforms dealing with the graduated tax on unimproved land values Labor first introduced in 1910. In December 1914 Labor passed the *Land Tax Assessment Act* 1914 that increased the coverage of the federal land tax to include all crown leaseholds that had been previously exempt under the old legislation.

The forays to strengthen the platform were significant in the context of the times, however of added significance is the fact that not only did Labor pursue these platform planks, there was a concerted effort throughout the war to pursue constitutional amendments to provide Labor with the power to pursue the platform on a much wider scale. In the period from 1914 to 1916 Labor passed the following Constitution Alteration Bills to pursue key planks in the platform, the Constitution Alteration (Legislative Referendum) Bill 1914; the Constitution Alteration (Corporations) Bill 1915; the Constitution Alteration (Industrial Matters) Bill 1915; the Constitution Alteration (Nationalisation of Monopolies) Bill 1915; the Constitution Alteration (Railway Disputes) Bill 1915; the Constitution Alteration (Senators' Term of service) Bill 1915; the Constitution Alteration (Trade and Commerce) Bill 1915; and the Constitution Alteration (Trusts) Bill 1915.

The Constitution Alteration Bills were not submitted to the electors with the exception of the Constitution Alteration (Legislative Referendum) Bill 1914 that was only placed on the notice paper and was not introduced. Labor pursued a strong legislative program to enact the platform especially with respect of constitutional change,

however the impact of the war placed Labor and its referenda initiatives under immense pressure and in the end Labor's commitment to the war effort held sway over its commitment to pursue significant referenda campaigns during a period in which Australia was at war.

Labor's wartime pursuit of the platform was significant, however the party was fracturing under the dual stresses of governing the country for war and also governing the country in accordance with stated Labor policy as outlined in the platform and according to McMullin there were differing views inside Caucus as to what Labor's role in the war should actually have been:

Diverging attitudes to the war within the Labor Party contributed to Fisher's worries. Some Labor people agreed with Hughes that Australia had to do its utmost to assist the British to victory by whatever means possible, in order to protect Labor's achievements. Many in the party felt that a commitment to the British cause might require some abnormal authoritarian arrangements during wartime, but need not preclude further progress towards Labor's objectives. Others were suspicious of the war as the justification for both the downgrading of Labor's platform goals and the introduction of government measures inconsistent with Labor ideals.³⁴⁴

Labor's drive to pursue the platform was certainly maintained by a core band in Caucus who pursued the platform where possible, however the deteriorating conditions in Europe and Australia's increased participation in the war after the Gallipoli campaign, coupled with calls from Hughes for the introduction of military conscription ensured that the primary focus of the Government remained on maintaining Australia's war effort.

Defence – Conscription

Labor's pursuit of the war effort was further strengthened on 17 October 1915 when William (Billy) Morris Hughes succeeded Fisher as Prime Minister.³⁴⁵ Hughes placed Australia's involvement in the war above domestic policy concerns and this was

³⁴⁴ McMullin, 1991, *op cit.*, p.94.

³⁴⁵ Fisher resigned from Parliament on 15 October 1915 to accept appointment as High Commissioner for Australia in London.

highlighted when he left Australia in January 1916 to travel to the United Kingdom and the battlefields of France to view the progress of the war for himself. Hughes returned to Australia at the end of July and was convinced that conscription of Australians to fight on the battlefields in Europe was essential. On 24 August 1916 the Caucus moved a motion welcoming Hughes home:

That this party welcomes the Rt Hon. W.M. Hughes, MP back to Australia and congratulates him upon the valuable work he performed in Great Britain.³⁴⁶

The positive attitude of Caucus towards Hughes would prove to be short lived as Hughes wasted little time in formulating a plan for a referendum on compulsory military conscription. On 14 September 1916, Hughes moved the second reading speech for the Military Conscription Referendum Bill in the House and when he did so Frank Tudor, one of his senior ministers, resigned. On 29 September, a month before the vote, Hughes issued a 'general call up for home service' pursuant to section 46 of the *Defence Act*. Hughes further proposed that the:

... opportunity should be taken when men appeared at polling booths - voting was compulsory - to ask questions designed to ascertain whether they were "draft dodgers" under the home service call up.³⁴⁷

On 14 September 1916, the same day that Hughes elucidated upon his plans to pursue a referendum on conscription, the labour movement as reflected in *The Worker* and *Labor Call* presented a united front in their condemnation and opposition to the proposals. *The Worker* presented its case and called for militant action against the proposal:

The gravity of the present crisis in the Australian labour Movement (caused mainly by the most unscrupulous press campaign in our history and the indecision of some of our Parliamentary leaders) makes it imperative that every Democrat should be up and doing ... It is time for militant action in preservation of the rights and liberties for

³⁴⁶ 'The motion was carried unanimously with great enthusiasm'. See *Caucus Minutes*, 24 August 1916.

³⁴⁷ Sawyer, 1959, *op cit.*, p.132.

which the Australian people have fought since the inauguration of responsible government.³⁴⁸

The *Labor Call* emphatically rejected Hughes' proposal and was uncompromising in its advocacy of a NO vote:

To-day the cry in this land is conscription, or in other words, the act of compelling men to fight in another country against their will ... I have never heard a man speak in favour of conscription. It was always the reverse. But no one ever favours compulsion but Fat and Company ... Conscription aims at the downfall of freedom and the rise of militarism. Prussianism in Australia is unthinkable. Therefore, VOTE NO.³⁴⁹

On 27 October, the day before the vote was taken Higgs and Senators Gardiner and Russell resigned from the government in protest against this scheme. The referendum was held on 28 October and was narrowly defeated, with a No majority of 72,476 in a poll of 2,247,590.³⁵⁰ On 14 November 1916, the remainder of the first Hughes Cabinet resigned and Hughes immediately formed a new administration that he called the 'Nationalist Party'. Labor and indeed the wider labour movement were split down the middle by the conscription question. The issue of conscription literally tore the party apart and it took thirteen years before Labor was able to reclaim government again in 1929.

Conclusion

The experience encountered by Fisher and Hughes in the period 1914-1916 was in sharp contrast to Fisher's second administration in the period 1910-1913. Labor advances in enacting and strengthening the platform during Fisher's second government were exceptional. In relation to the 1908 platform, Labor strengthened plank 1 of the platform with immigration legislation designed to strengthen its

³⁴⁸ *The Worker*, 14 September 1916.

³⁴⁹ *Labor Call*, Melbourne, 14 September 1916.

³⁵⁰ For more detail on the conscription issue, see Engwerda, R., Conscription: Australia during World War I. Victorian Education Centre Melbourne, 1993; Smith., F.B., The Conscription Plebiscites in Australia, 1916-17. Victorian Historical Association, Melbourne, 1974; Jauncey., L.C., The Story of Conscription in Australia. Macmillan of Australia, Melbourne, 1968.

commitment to maintaining 'White Australia'; plank 3 of the platform was pursued to increase powers to the Commonwealth Government with respect of monopolies through two unsuccessful referendum campaigns; plank 4 was enacted to provide a system of graduated land tax on unimproved land; plank 5 was enacted to establish a comprehensive Australian volunteer army as well as the establishment of an Australian owned and controlled Navy; plank 6 was pursued and enacted to establish a Commonwealth Bank; plank 9 was pursued and part of the plank enacted to provide for 'preference to unionists', with Labor also seeking to increase their powers to enact the entire industrial arbitration plank by proceeding with two unsuccessful referendum campaigns; plank 10 was strengthened as Labor continued to appropriate funds to provide old age and invalid pensions; and plank 7 of the 1912 platform was enacted to introduce and establish a comprehensive system of navigation laws for the protection of Australian shipping against unfair competition, the registration of all vessels engaged in the coastal trade, the efficient manning of vessels, the proper supply of life saving and other equipment, the regulation of hours and conditions of work, the proper accommodation for passengers and seamen and the proper loading gear and inspection of same.

Labor had clearly shown what a federal Labor government could achieve if it pursued a reformist legislative agenda. However, just basing Fisher's performance on the above planks is misleading because Labor also actively pursued amending the Constitution on a number of issues related to key platform planks. Labor were not content to sit back and ponder what might have been, they were proactive and passed a total of nine Constitution Alteration Acts which they unsuccessfully put to the Australian people in two separate referenda campaigns of 1911 and 1913. The Constitution Alteration Acts, previously outlined, were pursued by Labor to provide them with the power to legislate key planks into law.

The biggest obstacle to Labor enacting the entire platform during this period was not just the referendum results of 1911 and 1913 but the restrictive interpretation of policy and legislation handed down by successive High Court decisions that directly impinged on Labor's ability to pursue the platform in a more forthright manner. Fisher's administration of 1910-1913 proved to its supporters and to the world that a federal Labor government would and could be responsible holders of state. Labor

also proved that a federal Labor government would pursue the stated policy goals outlined in the platform via legislative reform. Labor's rhetoric was more than matched by the reforms instituted during the term of Labor's governance of the country and where it encountered difficulties in pursuing certain planks it sought to amend the Constitution, not once, but twice. However, despite the judicial and referenda setbacks Labor had provided a solid foundation upon which future federal Labor governments could strive to emulate.

It is also important to highlight the contrast between the success of Fisher's second administration in enacting the platform, with the efforts of both himself and Hughes to enact the platform during World War I. In the period 1910-1913 Labor governed in a time of peace and relative prosperity, it controlled both the House and the Senate and actively pursued the platform on many fronts with remarkable success. When Labor encountered obstacles in implementing planks of the platform due to judicial interpretation or the limitations of the Constitution it robustly pursued constitutional change via referenda. The Fisher government of 1910-1913 provided a benchmark on which future Labor administrations could measure themselves in pursuing and enacting the platform. However, comparisons with any future Labor governments would have to be based on a similar set of 'governing' criteria. In what capacity did the government control the Parliament? Did the government control the Senate? Was the government confronted with judicial and constitutional impediments? And if so what did it do to overcome these impediments? Also, What were the economic, social and political climates in which future Labor governments governed? All of these questions are extremely important in effectively comparing and measuring the success or otherwise of Labor governments in enacting the platform and must be taken into consideration in judging the performance of Labor administrations.

Fisher's third government in the period 1914 to 1915 provides a contrast to his earlier administration that is important in the context of this work in that it highlights the factors necessary for Labor to successfully pursue and enact the platform. Australia was at war with Germany and Labor now governed during a time of great international unrest and turmoil. The focus of the Government, either rightly or wrongly, was directed towards the war effort, and the defence of Australia and the Empire took precedence over Labor's domestic policy agenda. In the period 1914-

1916 both Fisher and Hughes had limited success in enacting planks of the platform, however both sought to strengthen key social welfare policy planks.

The impact of the war played a critical role in Labor's ability to pursue the platform, as it showed that even though Labor controlled both Houses (as it had done in 1910-1913) and was in a position to pursue the platform, the war effort took precedence over domestic political matters. This is nowhere better evidenced than in the constitutional alteration Bills that were introduced by Labor in both periods, 1910-1913 and 1913-1916. In the first period, Labor successfully introduced eight referenda proposals covering a number of key areas related to the platform and presented them to the Australian people. In the second period, Labor continued to pursue constitutional change and introduced another eight Bills into the Parliament, however the impact of the war was such that Labor did not submit any of the proposals to the Australian people at a referendum. Also, Labor's comparative legislative record at enacting the platform in the second period clearly shows that the war effort took precedence and any legislative forays to pursue or strengthen the platform were limited in form and substance and primarily directed at social welfare planks.

Fisher's second administration set the high water mark of Labor achievement, it was successful because all of the factors necessary for it to be successful were on its side. It controlled both Houses, it governed at a time of relative peace and prosperity and it did all it could to overcome the hurdles set in its path by the High Court and the Constitution. By contrast, the second period showed that although being in a position of strength electorally, external factors that Labor had no control over had such an impact that pursuing the platform not only became a secondary consideration, it was more often than not afforded little to no consideration.

The inference for future Labor governments was unequivocal, if they aspired to successfully pursue the platform, not only did they need to control both Houses, they had to be elected at a time when Australia was in a state of relative peace and economic prosperity and not subject to major international social, economic, political or military unrest or upheaval.

CHAPTER 3 – SCULLIN AND THE GREAT DEPRESSION

Chapter three analyses the Scullin government's attempts to enact the platform against a backdrop of rising unemployment, internal party schism and revolt and the disintegration of the government over financial and economic policy initiatives instigated to combat Australia's parlous economic state brought about by the Great Depression. Scullin came to power at a time of world peace, but governed during a time of international financial and economic crisis. Also, at no stage during Scullin's administration did he control the Senate and although a number of attempts were made to pursue and enact the platform, nearly every major policy initiative based on the platform was literally destroyed and rendered inoperable by a recalcitrant Senate.

On 11 September 1929 the conservative Prime Minister Stanley Bruce spoke with the Governor General and obtained dissolution of the Parliament³⁵¹ and a federal poll was set for 12 October 1929. Labor campaigned extensively during the campaign on maintaining the system of federal arbitration that had developed in Australia in line with stated Labor platform policy since 1901, arguing that the system of federal arbitration was the foundation upon which industrial standards were set and maintained. Labor acknowledged that the federal arbitration system had defects but that any shortcomings could be remedied by legislative amendment and not by the wholesale dismantling of the entire system.³⁵² In fact, during the campaign, the Deputy Labor Leader E.G. 'Ted' Theodore:

... promised that the mines would be open in a fortnight if his party was successful'.³⁵³

The Nationalists on the other hand campaigned against the system of federal arbitration and regarded the system as an anathema to the proper functioning of the entire industrial system and sought a mandate to abolish it outright.³⁵⁴ On 12 October 1929 Australia went to the polls and for the first time in thirteen years, the result was

³⁵¹ *C.P.D.*, Vol. 121, 11 September 1929, pp.867-8.

³⁵² see; Scullin's campaign speech in Richmond on 19 September 1929; *Argus*, 20 September 1929.

³⁵³ *Sydney Morning Herald*, 7 October 1929.

³⁵⁴ see; Bruce's policy speech in Dandenong on 18 September 1929 and Page's pronouncement in Grafton on 23 September 1929.

a landslide victory to Labor. Labor candidates were successful in forty-six of the seventy-five seats in the House. Bruce's Nationalists won twenty-four seats whilst the Country Party led by Page won only ten and the remaining five seats were won by Independents, one of whom was the old Labor Prime Minister Hughes who regained his seat of Wentworth principally due to Labor not running a candidate against him.³⁵⁵ Labor had won fifteen more seats than it had in the 1928 federal election. Labor now held power, however the 1929 federal election was only conducted for the House, there was no concurrent Senate election and the situation remained unchanged in that chamber with seven Labor, twenty-four Nationalist and five Country Party members.

The party makeup in the Senate would bring little comfort to Labor for although they had won the election they faced an overwhelmingly hostile Senate and any attempt to enact the platform would have to run the gauntlet through that chamber. However, despite the daunting task facing Labor in the Senate, the biggest surprise of the election was the defeat of Prime Minister Bruce in his seat of Flinders by Labor's Ted Holloway, the Secretary of the Melbourne Trades Hall Council. Commenting on his famous victory Holloway stated:

The campaign in Flinders was strenuous in the extreme ... the electorate ... was anything but a Labor seat. But many of its electors were on this occasion aroused by the growing unemployment and the government's industrial, financial and fiscal policies ... When after two or three days, all the votes were in and counted, I had the tiniest lead of 60 over the Prime Minister of first preference votes in a poll of 63000. I received the majority (of the independent candidate's preferences) and word was all over Australia that the Prime Minister had been defeated by the Secretary of the Melbourne Trades Hall Council by 305 votes. He [Bruce] had pulled his safe seat from under himself by the wilfulness and overbearing class bias of his policies. I was fully conscious that the Flinders vote *against* Bruce and *for* Labor: E.J. Holloway just happened to have been the man endorsed by Labor.³⁵⁶

³⁵⁵ The five Government MPs who crossed the floor to bring down the Government: Hughes, Marks and Maxwell from the Nationalists and Stewart and McWilliams from the Country Independents, were given immunity from Labor opposition in their respective seats.

³⁵⁶ Holloway, E. J., From Labour Council to Privy Council. Unpublished Autobiography as cited in Faulkner, 2001, op cit., p.58.

Holloway's victory provided a positive air to the result for Labor and certainly contributed to the exuberant renditions of the *Red Flag* that were sung in the Hotel Kurrajong by Labor members and supporters who had gathered in Canberra for the start of the new parliamentary session. When Labor assumed office the platform was a little over two years old, having been ratified by Federal Conference delegates in May 1927.³⁵⁷ The platform may have been dated but Scullin was in a similar position to Fisher in 1910 when the latter also adopted a platform nearly 2 years old when first entering office. However, any similarities between Fisher and Scullin would end at this juncture. In May 1927 when Conference debated the platform, the Australian economy was buoyant, however in 1929 when Scullin assumed office, the financial and economic landscape of Australia had changed markedly and any lingering mirth held by Labor about the election victory and Labor's ability to pursue and implement the platform would be short lived as Scullin, now in control of the Treasury, was provided with a sombre picture of Australia's finances, with the *Melbourne Age* reporting:

An inheritance of financial complexities also confronts Labor Ministers. The Bruce-Page Government heavily increased public debts abroad, and our external interest obligations now amount to about £30,000,000 a year ... At the same time adverse trading balances aggravated the position.³⁵⁸

The onset of the Depression

Scullin took office with the Australian economy in a parlous state due in large part to the policy prescriptions of the Bruce Administration, who from 1926-1929 secured no fewer than nineteen overseas loans primarily with financial institutions in London and New York. In essence, Labor had inherited a crippling budget deficit that was exacerbated by a slump in world commodity prices, the effect of which impacted on Australia's exports of wool and wheat that in turn fed a burgeoning balance of payments crisis. Also, a little over two weeks after Labor won office there were two major financial events that impacted upon Australia, the first was the spectacular collapse of the New York stock exchange and the second was when loan underwriters

³⁵⁷ see; Appendix 17 – Australian Labor Party Federal Platform 1927

³⁵⁸ *The Age*, Melbourne, 15 October 1929.

in London were left with over 80 percent of the Australian issue on their books; the effect being that London loan monies literally dried up overnight leaving an outstanding debt of nearly £35 million to be settled.³⁵⁹ The combined effect of these events would prove disastrous for the new government, however Labor supporters may have been somewhat buoyed by the analysis of the situation by the *Sydney Morning Herald*:

The crash cannot but have ramifications far away from the United States, and in the main they may be favourable to other countries rather than unfavourable. One consequence should be that money will become cheaper ... London has already experienced a rise in the value of sterling as against dollars. Loan operations in London should be facilitated, and because of that the tendency should be for Australia to benefit rather than suffer from what has been happening since Thursday last.³⁶⁰

The commentary in the *Sydney Morning Herald* had not taken into account the comments of noted economist J.B. Brigden³⁶¹ who in September 1929 addressed the Constitutional Association of New South Wales and predicted that:

The national income of Australia will be reduced by at least £30,000,000 and that the indirect loss will be another £30,000,000.³⁶²

Brigden was unable to provide a definite analysis on the impact of the reduction of national income on domestic production but provided a prophetic scenario that:

Distributors [trade and transport] would suffer first, and as they gain between one-third and one-half of the overseas price, the loss from this cause in Australia could not be less than £13 millions. This £13 millions is now spent largely on Australian goods and services, and its loss would have cumulative effects throughout Australian industry.³⁶³

In concluding his speech he stated that:

³⁵⁹ During the period July 1929 to February 1930 almost £17 million of Australian gold was shipped to London to cover the debt.

³⁶⁰ *Sydney Morning Herald*, 31 October 1929.

³⁶¹ J.B. Brigden was an economist to the Overseas Transport Association.

³⁶² *Sydney Morning Herald*, 29 September 1929.

The worst thing that could happen to Australian industry at the present juncture is that the attention of the people should be diverted from the real problem by a series of political wrangles.³⁶⁴

The 'political wrangle' Brigden was referring to was the federal election that had been called after the Government's defeat on the Maritime Industries Bill. However, Brigden's warning went unheeded and the people's attention was transfixed on the election and not on the economic state of the country. The Scullin government was elected at a time when London loan monies were almost impossible to obtain and Wall street had collapsed. The result being that there was an almost immediate reduction of capital inflow into the country that adversely affected the government's ability to pursue the platform and embark on big spending programs such as capital and public works programs, the very programs the government wanted to pursue to reduce unemployment.³⁶⁵ On 13 November 1929 new Treasurer Theodore, explained Australia's financial position to Caucus,³⁶⁶ whilst according to Robertson, Scullin who had received a private briefing from the head of the Commonwealth Bank, Sir Robert Gibson, was 'staggered' to learn the true nature of Australia's financial predicament.³⁶⁷ On 21 November, a week after outlining Australia's predicament to Caucus, Theodore informed the House of Australia's financial position stating:

Since the new government assumed office there has not been sufficient time to call for fresh estimates in detail from all departments ... therefore, the major portion of the Estimates of the late Government has been adopted.

It was the duty, however, of the new Government to examine the Estimates and revise and amend them so far as was necessary to disclose the true position of the Commonwealth finances. This examination revealed that in some important instances the late government had greatly understated the expenditure requirements and over-estimated the probable revenue. The late Treasurer has grossly

³⁶³ 'Notes on the Economic Position of Australia, October 1929'. *Brigden Papers*, NLA, 21/5/163.

³⁶⁴ *ibid.*

³⁶⁵ See; *C.P.D.*, Vol. 121, 10 September 1929, p.866.

³⁶⁶ *Caucus Minutes*, 13 November 1929.

³⁶⁷ Robertson, J., *J.H. Scullin. A Political Biography*. University Western Australia Press, Perth, 1974, p.185.

miscalculated both the cost of the definite commitments of the departments and services for the year, and also the probable revenue.

It is now apparent that if the actual requirements of the year had been provided for in connexion with war pensions, repatriation, other war services, old age pensions, iron and steel products bounty, prospecting for oil and sundry other items ... the estimates of expenditure should have been increased by approximately £500,000 ... [also] customs and excise revenue, land tax and income tax, and other receipts would have fallen short of the estimate by at least £1,050,000. The late Treasurer would, therefore, have finished the year with a deficit of about £1,200,000, instead of a surplus of £360,000, as promised by him in his budget speech.³⁶⁸

Theodore's and Labor's plan to tackle the impending deficit was to simultaneously raise revenue by increasing customs and excise duties³⁶⁹ and income taxes as well as making severe cutbacks in defence expenditure³⁷⁰ by £150,000 for the year.³⁷¹ The monetary position of the government, with respect to Labor's ability to raise loan capital for public works expenditure to pursue the platform, was literally under siege and was duly acknowledged by Theodore when he stated:

Owing to the continuation of adverse monetary conditions in Australia and abroad, the Australian Loan Council has found it necessary to curtail drastically the public works programs of the Commonwealth and State Governments for the present year.³⁷²

The monetary and budgetary impediments facing the country were decidedly bleak and any advances by Labor in pursuit of the platform would be severely hampered by the deteriorating financial situation. The financial sector was under siege and Theodore then provided an overview of the market in Australia stating:

The decline in the prices of our principal primary products, combined with diminished production owing to adverse seasonal conditions in certain parts of

³⁶⁸ *C.P.D.*, Vol. 122, 21 November 1929, p.111.

³⁶⁹ Increases were mainly imposed on luxury items as set out in the *Tariff Schedule (No 2) Act 1929*, *ibid.*, pp.120-151.

³⁷⁰ Compulsory military service and training was abolished.

³⁷¹ For an overview of the breakdown of the estimates in defence expenditure, see: *C.P.D.*, Vol. 122, 21 November 1929, pp.112-113.

³⁷² *ibid.*, p.114.

Australia, has resulted in a considerable reduction of the national income with its inevitable effects on the amount of money available for investment in Government loans. It is unfortunate that coincident with adverse seasonal conditions and business depression in Australia, financial conditions overseas should be so stringent.³⁷³

Theodore's grim assessment meant that Australia was hamstrung in its ability to raise capital overseas for implementation of Labor's platform. It was at this point that the Government turned to the Commonwealth Bank for assistance and Theodore informed the House:

When the Government assumed office it was faced with a depleted treasury and the necessity of raising an immediate loan for the needs of the Commonwealth and the States ... the Government met with the chief officers of the Commonwealth Bank ... as a direct outcome of the discussion, the Treasury immediately issued in Australia a loan of £10,000,000.³⁷⁴

The Commonwealth Bank provided the government with temporary finance³⁷⁵, and although the £10,000,000 was well received, it was not nearly enough to provide Labor with the necessary capital to pursue stated platform policy initiatives. Theodore had elucidated the government's, and the country's, economic predicament with clarity as well as providing an overview of how the government was going to address the current economic downturn, and although Theodore may have been aware of the perils facing the Australian economy he was not forthcoming about them when he concluded his budget speech stating:

I think it will be generally realised that the new Government has assumed control at a period of extreme difficulty. We inherited an empty treasury, and an impaired credit at home and abroad. However, we do not view the future with alarm or pessimism. Australia has wonderful recuperative powers, and a stout hearted industrious community. If we are blessed with good seasons, our troubles will soon disappear, and we shall commence a new era of progress and prosperity.³⁷⁶

³⁷³ *ibid.*

³⁷⁴ *ibid.*, p. 115

³⁷⁵ Gibson informed the Cabinet that the Commonwealth Bank would only finance the government for five weeks!

³⁷⁶ *C.P.D.*, Vol.122, 21 November 1929, p119.

Despite Theodore's rhetoric that the country's troubles would 'soon disappear', Australia's underlying economic base was in a parlous state and quite incapable of mounting a serious challenge to combat the Depression that was just about to engulf it and according to Schedvin:

Despite this re-assessment of the estimates, Theodore's Budget was still grossly optimistic ... He and his government had not yet come to grips with the fact that a substantial fall in national income was inevitable even if commodity prices and loan markets improved immediately; nor were they aware of the effect this fall would have on the demand for imports and hence for customs collection.³⁷⁷

Theodore's gloss might have distracted some of his colleagues away from the economic tidal wave that was about to hit the country but not all Labor members shared Theodore's positive economic prognostications. The most vocal and arguably the only Labor member who had a portent of just how bad things might become was Frank Anstey who according to Chifley:

[Anstey] ... believed in 1929 that economic conditions in Australia might get much worse for all, and especially for the working classes, before they could conceivably get better. He warned his colleagues that if they refused to challenge and drifted along subject at every move to the veto of the Senate majority, their futility in the face of economic difficulties could quickly lose them the goodwill of the majority ... and in all probability would deliver them into the hands of their enemies.³⁷⁸

Similarly, when Gibson informed Cabinet that:

... unless the Government indicated how it would reduce expenditure, the Commonwealth Bank could not finance it [the Government] beyond the end of November - five weeks hence.³⁷⁹

³⁷⁷ Schedvin, C.B., Australia and the Great Depression. Sydney University Press, 1970, p.122.

³⁷⁸ Crisp, 1977, op cit., p.43.

³⁷⁹ Ross, op cit., p.104.

Anstey was the only member to argue the point with Gibson, who in later years recalled the exchange:

I suggested he should have said so to the Bruce government twelve months earlier and he replied he had done so. I said:

The only evidence we have is that you financed Bruce so long as he remained in office and close down on us as soon as we become a government.

That was promptly resented and I suggested his resentment did not alter the facts. I reminded him that only a few weeks before the elections he had issued a bank report saying there was no justification for pessimism and that general conditions were as good as at the end of 1928. He replied that he had not attended the Cabinet to be cross-examined and insulted and on behalf of the Government Prime Minister Scullin apologised for my rudeness.³⁸⁰

Anstey appeared to be the only member of Cabinet (and Caucus), at this time, who fully understood the enormity of not only the economic burden facing Australia, but also the political manoeuvring required for Labor to have any chance of surviving the impending economic collapse that would occur. To Anstey, Gibson's message was clear and unequivocal and to his mind there was only one logical course for the party to take, it had to find an issue and force a double dissolution, as there was little chance that Labor could effectively pursue its platform:

When Sir Robert Gibson departed I said:

That puts the lid on us. We are going to be blockaded not only by a hostile Senate but by a hostile Bank Board. There is only one way to save our lives – force a double dissolution before the tide of popularity runs from under us.³⁸¹

Anstey advocated forcing a double dissolution 'on any subject the government deemed best' and suggested that Labor pursue plank 1 of the Finance and Taxation section of the platform stating:

³⁸⁰ Frank Anstey: *Memoirs of the Scullin Labor Government, 1929-1932. Historical Studies, Vol. 18, No. 72, April 1979, p.368.*

We opposed the farming out of the Commonwealth Bank to private overlords and we pledged ourselves to bring their rule to an end – make that an issue.³⁸²

Anstey was told by his Cabinet colleagues that they would:

... do it some saner way than you suggest ... [Anstey responded] ... I hope so – any sane way will do me.³⁸³

Unfortunately for Anstey and for Labor the double dissolution trigger was never utilised and the government set about attempting to come to terms with the stark reality that given the economic plight of the country coupled with the situation in the Senate, any attempts by Labor to enact the platform would be extremely difficult, if not impossible.³⁸⁴

First Parliamentary Session

Scullin's first parliamentary session was relatively short with the Parliament only sitting from 20 November 1929 – 13 December 1929.³⁸⁵ In the first parliamentary session the government managed to secure the passage of thirteen pieces of legislation and of these thirteen Acts the government only managed to pass three Acts of minor significance to the platform. The three Acts were the *Arbitration (Public Service) Act 1929*; *Commonwealth Bank Act 1929*; *Income Tax Act 1929*. All three Acts made minor consequential amendments to their principal Acts and were not based on platform policy.

The first parliamentary session was short, however even in comparison with Fisher's first session of his second government of 1910, it was apparent that Scullin's administration would find it extremely difficult to successfully pursue the platform, as

³⁸¹ *ibid.*

³⁸² *ibid.*

³⁸³ *ibid.*, p.369.

³⁸⁴ The Scullin government held office from October 1929 to December 1931, it sat through five separate parliamentary sessions and enacted one hundred and forty-eight Acts (The *Commonwealth Debt Conversion Act* (No. 2) 1931 was printed as 'No. 1 of 1932') of which thirty three were standard financial measures, whilst thirty were minor amendments to existing legislation.

any platform based policy initiatives would have to run the gauntlet of the worsening economic climate as well as the Senate, who up until this stage had not flexed its muscle.

Second Parliamentary Session

In the second parliamentary session³⁸⁶ the Government secured the passage of fifty-five pieces of legislation and of these fifty-five Acts, eighteen were *Sales Tax* or *Sales Tax Assessment Acts*.³⁸⁷ These Sales Tax Acts were subdivided into nine groups on the advice of E.M. Mitchell and H.V. Evatt, K.Cs and introduced by Labor in order to avoid infringing section 55 of the Constitution that required Tax Acts to deal with only one subject of taxation. According to Sawyer:

... different Acts dealt with sales direct by manufacturers to the public, sales to the public by purchasers from manufacturers, by importers and so on. Exemptions were designed to avoid raising the cost of exports, and basic foods, and to prevent further taxes on goods already subject to heavy excise duties.³⁸⁸

In fact, the new Sales Tax Acts were utilised by the government as part of its wider fiscal policy to combat the deepening depression to the extent that by the end of the Scullin Government reign in 1931 they had enacted a total of forty six separate *Sales Tax Acts*.

Graduated Land Tax

The government's focus was clearly on the worsening depression, however Labor did manage to successfully strengthen plank 2 of the 'Finance and Taxation' section of the platform with the passage of the *Land Tax Assessment Act* 1930 and the *Land Tax Assessment (No.2) Act* 1930.³⁸⁹ The Land Tax legislation was a positive step by Labor to strengthen an established platform plank. The legislation was significant as it was the only Act passed by Labor during the second parliamentary session related

³⁸⁵ See, *C.P.D.*, Vol.122, 1929.

³⁸⁶ Scullin's second session was again relatively short sitting from 12 March 1930 – 2 May 1930.

³⁸⁷ see; *C.P.D.*, Vol. 123, 1930, p.ix.

³⁸⁸ Sawyer, *op cit.*, p.11.

³⁸⁹ see; *C.P.D.*, Vol. 123, 19 March 1930, pp.211-247 and Senate, 20 March 1930, pp.283-310.

to the platform. However, in the economic and political context in which the Scullin administration found itself it would be negligent to measure the success or otherwise of the government on the legislation it successfully passed through the Parliament, especially given the economic state of the country and the balance of power in the Senate.

Labor had been in office a little over six months and although being continually battered by the worsening effects of the Depression, almost on a daily basis, it had found it difficult to actively pursue the platform in the same manner as Fisher during his first six months in 1910. Labor had grappled with the economic malaise that confronted them, but had taken a cautious approach to dealing with the situation. However, after spending six months coming to terms with the impact of the Depression, Labor began to actively pursue the platform in the belief that pursuing platform initiatives would provide the necessary policy mix required to alleviate the problems facing Australia.

Constitution Alteration Initiatives – Power of Amendment (of the Constitution),
Industrial Powers and Trade and Commerce

On 5 March 1930 Scullin submitted two referenda Bills to Caucus for consideration. The first was the Constitution Alteration (Power of Amendment) Bill and the second was the Constitution Alteration (Industrial Powers) Bill. Scullin had reached a point where he knew that he had to be proactive if he was to lead Australia out of the Depression. In the context of the time the Bills were arguably the most far reaching reforms ever to be introduced in the Parliament. The Constitution Alteration (Power of Amendment) Bill was an important measure for Labor and its pursuit of the entire platform. The Bill, if passed, would provide Labor and future governments with the ability to alter the Constitution by obtaining an absolute majority in both Houses. The initiative was crucial to Labor enacting key parts of the platform especially in relation to planks 3, 4 and 15 of the fighting platform, and related general platform planks, dealing with the nationalisation of 'banking and insurance', 'monopolies', and establishing a 'National monopoly of Assurance, including sick, accident, life and unemployment'; as well as planks 5 of the fighting platform, and related general platform planks, dealing with Arbitration Act amendments. The proposal would be

critical to Labor's ability to pursue the platform and combat the Depression.³⁹⁰ Caucus members were provided with confidential drafts of the proposals and after discussing the Bills they were subsequently approved and then placed on Labor's parliamentary Agenda for the autumn parliamentary session. Scullin and the Caucus were aware that the Bills would invariably come under siege in the Senate and in all probability would be defeated there, however the Bills would also provide a trigger for the calling of a double dissolution election and provide Labor with an opportunity to win back control of the Senate, thus enabling the Government to pursue expansionist economic policies in line with stated Labor policy and platform.

On 14 March 1930 Scullin introduced the proposals into the Parliament and successfully sought leave of the Speaker to debate both Bills simultaneously as they were, '... closely related in many ways.'³⁹¹ Scullin outlined the rationale for the legislation providing a history of the development of the Constitution including the fact that the constitution was fundamentally flawed:

The object of the Bill is to confer full power upon this Parliament to amend the Constitution ... Very early in the life of the federation, Parliament discovered the weakness of the Constitution ... A change in the personnel of the High Court may mean a different interpretation of the Constitution, and an alteration of the powers of this Parliament ... Thus, what ought to be a political matter becomes a judicial one. That is surely not in the interests of democratic government. Important issues like this should be decided, not by courts, but by the Parliament that represents the people. This evil is accentuated by the difficulty met with trying to amend the Constitution.³⁹²

Scullin also outlined previous attempts by Labor to amend the Constitution, providing a continuity of argument that Labor administrations are forced to amend the Constitution to pursue basic planks of Labor's platform because the official political structures within which Labor operate are arrayed against them:

The Labor party went to the country in 1910, declaring in favour of the new protection once more, and definitely advocating enlarged powers under the

³⁹⁰ See Appendix 18 - Scullin's Constitution Alteration Proposals

³⁹¹ C.P.D., Vol 123, 14 March 1930, p.177.

³⁹² *ibid.*, pp.177-180.

Constitution. A Labor Government was elected with a majority in both Houses, and referred them to the country, but the proposals were rejected by a majority of 248,000 votes. When the 1913 election took place the Fisher Government, undaunted, again submitted similar proposals to the electors, and on that occasion they were defeated by the small margin of 26000 votes. Now seventeen years later, we are again proposing to submit proposals for enlarged powers to the people. During all these years there has been litigation as to the powers of this Parliament, powers that it wishes to put into operation to give effect to the will of the people expressed at general elections. We have had litigation, legal expense, and, worst of all delays, caused by argument not the merits of the propositions submitted but merely on legal technicalities.³⁹³

Scullin had provided a reasoned argument for the support of the measure and then outlined to the House the checks and balances of the new system if it was successful:

The only restrictions that are placed upon the power of the Commonwealth to amend the Constitution are contained in the first eight sections. Those sections contain implications which presume a federal system, although they are not very clearly set out ... This amendment would enable Parliament, by an absolute majority in each House, to amend the Constitution, but until Parliament passed the necessary legislation the Commonwealth legislative power will remain as it is. The Constitution however, would be more flexible, and the methods of altering it easier and less costly.³⁹⁴

Scullin outlined the case for the adoption of the proposal and then he turned his attention towards the provisions contained in the Constitution Alteration (Industrial Powers) Bill. Scullin was quick to go on the offensive immediately attacking the recalcitrant nature of the previous Bruce administration over their handling of industrial arbitration:

The late Government intended to abolish Commonwealth conciliation and arbitration ... The failure of the late Government to honour promise has made it necessary for us to appeal to the people for increased power ... If this Parliament is given increased powers over industrial matters we shall be able to improve the present arbitration

³⁹³ *ibid.*, p.179.

system ... We are asking that this Parliament be given power to amend the Constitution along the lines of the election programs submitted to the people.³⁹⁵

Industrial arbitration was central to Labor's election manifesto and a key plank in the fighting and general platforms. Labor had been elected with an electoral mandate on the issue, however the economic crisis had overtaken industrial matters as the major issue of contention, to the extent, that the day before the Bills were introduced there was a move in Caucus to add a new paragraph to the Ministerial financial statement that read:

In view of the present deplorable condition of many thousands of Citizens of Australia through unemployment, and for the purpose of continuing Government undertakings now held up in consequence of the present financial position, and for the purpose of stimulating government activities to improve the economic position generally, the Government will arrange with the Commonwealth Bank to issue Credits on deposited Bonds of the States and Commonwealth, for all Government requirements in lieu of loans.³⁹⁶

The economic situation was deteriorating and control of the industrial system in line with the platform was critical to Labor's plan of combating the Depression. On this point Scullin left nothing to members' imaginations in the House about the dire plight of Australia, even likening the economic crises to the crises the country experienced during the World War I:

We are facing a critical period, and emergency measures may be necessary. Some emergency legislation was passed in wartime, and wartime power was used to safeguard the people. I do not suggest that we are passing through a war period, but some aspects of our financial and economic position today are quite as serious as many of those with which we had to deal during the war. We are passing through a critical time and our watchword is economy. We must attempt to balance our trade.

³⁹⁴ *ibid.*, pp.183-4.

³⁹⁵ *ibid.*, pp.184-5.

³⁹⁶ The amendment was moved by Yates but was ruled out of order by the Chairman. See; *Caucus Minutes*, 13 March 1930.

We ask for increased powers so that we may prevent this country from being exploited from within while we are balancing the trade from without.³⁹⁷

In summing up his case for the adoption of the proposals Scullin again turned his attention towards the undemocratic nature of the system for amending the Constitution and made one last plea:

Those who say that the referendum provided for in the Constitution is democratic mis-state the position ... It is possible to get a four to one majority vote in favour of an alteration which yet cannot be carried because it is not endorsed by a majority of the States. Is that democratic? ... Since 1926 the Commonwealth has enjoyed a new status; Australia is a nation, and subject to no external restrictions; and the ties that bind the Empire are mainly ties of kinship ... [Therefore] we propose to go to the people, the creators of parliament and the makers of the Constitution, to ask them to strike off the fetters that bind the National Parliament.³⁹⁸

Whilst Labor was taking the fight up in the Parliament on behalf of a myriad of Australians who had been devastated by the effects of the Depression nothing could stop the growing army of people who were unemployed, destitute and hungry. The plight of this band of Australians was taken up at rallies and demonstrations where huge crowds were addressed by people demanding answers and placing the battlers plight on the public record. One of these rallies was described in *Labor Call*:

In a stirring address, Mr Albert Butler (Flemington, ALP) said there were no signs of any financial stringency or shortage of anything in Melbourne ... Selfishness and the lust for pleasure could be seen in the fashionable streets of Melbourne, while hunger, want, misery and destitution stalked through the land. Men, women and also little children, were being herded together in railway carriages and parks at night; the appalling conditions prevailing were a disgrace to civilisation and degrading to human beings.³⁹⁹

On 2 April 1930, Scullin called a special meeting of Caucus and explained that Cabinet had given consideration to the worsening unemployment situation, and

³⁹⁷ *C.P.D.*, Vol. 123, 14 March 1930, p.185.

³⁹⁸ *ibid.*, p.187.

recommended that the Party introduce another referenda Bill to provide for Trade and Commerce.⁴⁰⁰ Caucus duly approved the new measure and on 4 April 1930 the Constitution Alteration (Trade and Commerce) Bill was introduced in the Parliament by Scullin:

The object of this Bill is that an extra question may be submitted to the electors by referendum. As a matter of fact it was the original intention of the government to submit three questions but Ministers were reluctant to submit more than two, fearing that any other course would confuse the minds of the electors ... The limitations of the Constitution in respect of Trade and Commerce have been grave stumbling blocks to the operation of the National Parliament since federation.⁴⁰¹

Scullin then outlined the limitations that Labor faced in effectively legislating in the area of trade and commerce in line with the platform and what it hoped to achieve by pursuing the legislation:

The trade and commerce limitations upon the Commonwealth are very grave. They are illogical, because who can define what is interstate and what is intrastate commerce; who can determine when commerce ceases to flow across the borders of any state and begins to be interstate, ceasing to be intrastate? ... To a large extent these restrictions of an artificial character on trade and commerce, one of the most important phases of life, make our Constitution ridiculous; as defined, our power is exceedingly narrow ... While I do not suggest that we should take over the complete fixation of prices from beginning to end under the trade and commerce power ... it has occurred that advantage has been taken of our protective duties to exploit the community. We should have the power to stop that kind of thing by regulation or control ... We desire to substitute government of the people by Parliament. If there is to be price fixing it should be done, not by private combines, but by the representatives of the people.⁴⁰²

On 10 April 1930 the three referenda Bills passed their third reading in the House on party lines. Labor had forced the political pace and was no longer content to sit back

³⁹⁹ *Labor Call*, Melbourne, 24 April 1930.

⁴⁰⁰ *Caucus Minutes*, 2 April 1930.

⁴⁰¹ *C.P.D.*, Vol. 123, 4 April 1930, p.897.

⁴⁰² *ibid.*, pp.898-9.

and accept the worsening economic plight of the country as a *fait accompli* or to accept the dictates of Gibson from the Commonwealth Bank on how Labor should fight the Depression. The passage of the referenda proposals through the House provided a clear indication that although Labor was faced with insurmountable obstacles, it still pursued key planks in the platform in the belief that enacting these planks would alleviate the worsening depression. The referenda Bills passed through the House on party lines and were then introduced to the Senate. The passage of the referenda Bills through the Senate also corresponded with Labor's 12th Commonwealth Conference held in Canberra where delegates met to debate the platform and discuss the Government's legislative program in light of the worsening economic climate that was enveloping the country.⁴⁰³ The Conference debate over the referenda proposals was lively, however Conference ratified Scullin's proposals by twenty-two votes to thirteen with the concerns raised by delegates about the proposals only providing a portent of what Labor could expect during a referenda campaign, if it could get the measures through the Senate. Scullin had secured a victory, however the opposition to the proposals by his own colleagues together with debate about the legality of the proposed Bills had placed him under pressure to re-consider the double dissolution option.

Conference may have endorsed Scullin's call to arms, however his appeal was met with stiff resistance in the Senate and on 28 May 1930 the Opposition in that chamber rejected all three proposals by twenty-two votes to seven on each Bill.⁴⁰⁴ The Bills were now potential triggers for a double dissolution which Scullin could place before the Australian people, however on 29 May Scullin informed Caucus that:

Owing to the difference of opinion of the Crown Law Officers, & the Legal opinion which the Government sought from Sir Harrison Moore & Mr Harbinger, not to take the referendum at present.⁴⁰⁵

⁴⁰³ For an overview of the Conference debate see Appendix 18 – Commonwealth Conference 1930 – Scullin's Referenda Proposals

⁴⁰⁴ No opposition Senator voted for the Bills despite the fact that Hughes, Thompson, Corser and Stewart had done so in the House. see; *C.P.D.*, Vol 124, 28 May 1930, pp.2190-1.

⁴⁰⁵ *Caucus Minutes*, 29 May 1930.

The referenda proposals that had been endorsed by Cabinet and by Federal Conference and vigorously defended in the Parliament were effectively dropped by Scullin and any potential double dissolution trigger as envisaged by members like Anstey was now voided. Scullin had forgone an opportunity to pursue and enact key planks in the platform and make an impact on the Depression by forging ahead with the proposals, instead he chose to believe that Labor could provide a viable policy mix to combat the rising unemployment, destitution and financial woes that were crippling the country. Unfortunately for Scullin and the wider labour movement, history would show otherwise and according to Barrett:

Labor's basic problem was to decide whether it should challenge the Senate and go to the country on a double dissolution. The party made several decisions to challenge the Senate, but acted on none of them; thus it solved the problem by delay and drift.⁴⁰⁶

Similarly Crisp noted that the referenda Bills:

... were victims first of the Senate and secondly of the strains and preoccupations of the deepening economic blizzard.⁴⁰⁷

Labor had effectively foregone a vital opportunity to change the political landscape in its favour by placing the Government in a position where it could have controlled both Houses and placed the referenda proposals before the people to provide Labor with the necessary power to combat the Depression by enacting a range of measures including key platform policy planks. However, despite the backdown on the referenda Labor still attempted to pursue planks in the platform notwithstanding the Opposition's stance of killing them off in the Senate.

Wheat and Hops Marketing

In the remainder of the second session Labor introduced legislation to strengthen and enact key planks in the platform, including the introduction of a proposal to establish

⁴⁰⁶ Barrett, R.H., Promises and Performances in Australian Politics 1928 - 1963. Publications Centre, University of British Columbia, Canada, 1963, p.49.

⁴⁰⁷ Crisp, L.F., (1977) op.cit., p.46.

a Hops and Wheat Marketing Board in line with sub plank 10 of the Platform under the heading 'National Work' that called on Labor to establish 'Australian wide co-operative pools for the marketing and financing of farm products'; the introduction of legislation to establish a Central Reserve Bank in line with plank 1 of the Finance and Taxation Reform section of the platform, and the introduction of Conciliation and Arbitration legislation to strengthen Labor's commitment to the Industrial Reform section of the platform.

On 4 March 1930 Scullin made a famous public broadcast to all Australians when he officially launched a campaign for farmers to 'grow more wheat' to combat the Depression by increasing national exports, in which he told Australians:

Increase our production of exportable goods. These are necessarily primary products, and the industry which can most readily respond to proposals for increasing production is the wheatgrowing industry. We must grow more wheat, and we must export more wheat.⁴⁰⁹

Labor positioned itself to assist farmers, especially wheatgrowers and hops growers proposing two pieces of legislation to enact sub plank 10 of the platform with the introduction of the Wheat Marketing Bill and the Hops Marketing Bill. On 3 April 1930 Caucus approved the Wheat Marketing Bill to be introduced in the House,⁴¹⁰ and the following day, Parker Maloney, Minister for Markets and Transport outlined the Bill to the House:

This Bill contains the proposals of the Government for the stabilisation of the wheat industry ... The Government's policy is to stimulate and encourage our primary and secondary industries ... The wheat growing industry is of outstanding importance to the financial stability of the Commonwealth ... The object of the Bill is to regulate the export and interstate trade in wheat and flour through a board, to be known as the Australian Wheat Board, controlled by wheat producers in order to give effect to the government policy for an Australian compulsory wheat pool. The government will

⁴⁰⁹ *Argus*, 5 March 1930.

⁴¹⁰ *Caucus Minutes*, 3 April 1930.

guarantee to the growers payment of 4s. a bushel for f.a.q wheat delivered at country railway stations, plus 8d. a bushel for rail freight and other expenses.⁴¹¹

Moloney outlined the broad thrust of the Bill, that was expected to bring some relief for farmers as well as improve Australia's export position, and he hoped to receive bipartisan support for its passage:

I invite the cooperation of all parties in the passage of this Bill, which is designed to assist a large section of our primary producers to whom we are appealing to help Australia out of the economic difficulties which at present surround her.⁴¹²

On 5 June the Bill passed its second reading in the House and appeared to be on track of passing through the Senate where it was supported by a number of Opposition Senators, however it was not until two Country Party members from Western Australia, who initially supported the Bill, voted against it that the measure was resigned to the political scrap heap.⁴¹³ Despite the setback Labor continued to pursue wheat legislation through the Parliament in line with sub-plank 10 of the platform and introduced the Wheat Advances Bill in December 1930. The Bill was substantially modified by the Senate and according to Sawyer:

... the Act was a dead letter because the Commonwealth and other Banks refused to co-operate – partly because of financial stringency, but still more because of doubts about the constitutional validity of the Act.⁴¹⁴

Labor's hopes of enacting sub plank 10 of the platform under the heading 'National Work' had again been dealt a savage blow in the Senate and although it had become common place for the Senate to practically maul every piece of legislation introduced into the chamber, especially legislation attempting to enact Labor platform planks,

⁴¹¹ *C.P.D.*, Vol. 123, 8 April 1930, pp.916-7.

⁴¹² *ibid.*, pp.924-5.

⁴¹³ E. B Johnson and W. Carroll, wanted the Second reading debate adjourned but the Government refused and the Country Party made this a grievance, in the resulting division the Bill was defeated. See; *C.P.D.*, Vol. 125, 4 July 1930, p.3716.

⁴¹⁴ Sawyer, *op cit.*, p.18.

Labor continued to address Australia's economic and social plight by pursuing the platform.⁴¹⁵

Central Reserve Bank

The Government now turned its attention towards enacting a key platform plank that was guaranteed to be slaughtered in the Senate, but it fought on regardless. On 1 May 1930 Labor introduced the Central Reserve Bank Bill into the House. The establishment of a Central Reserve Bank was a key plank in the platform with plank 1 of the Finance and Taxation Reform section stating:

The Commonwealth Bank to be developed on the lines of a Central Reserve Bank, while retaining its ordinary and Savings-Bank functions. Its operations to be extended to give greater assistance to the primary and other industries of the country. The Commonwealth Bank to remain, in the matter of policy, free from association or agreement with the private banks.⁴¹⁶

The Bill moved to separate core central banking functions from the existing Commonwealth Bank and establish and develop them in a new financial institution to be known as the Central Reserve Bank. Theodore introduced the Bill into the House stating:

The Bill is a proposal for the establishment of an important new financial institution, which it is intended shall operate for the maintenance of the stability and security of Australia's monetary and credit system ... There is a generally held opinion among economists, bankers and financiers generally that our existing banking and financial system has proved defective and that that has been partly responsible for the difficulties which Australia has encountered in the last year or two. The lack of means for the mobilisation of our credit resources has been a serious defect in our monetary system within recent months ... A central bank can aid greatly in tiding a country over a period of financial stringency and credit difficulties by concentrating

⁴¹⁵ In March 1931 Labor introduced another Wheat Bill that was systematically dismantled clause by clause in the Senate by Archdale Parkhill See; *C.P.D.*, Vol.131, pp.3919, 4770 and 5079. Labor again replaced it with the Wheat Bounty Bill that was finally passed on 30 October 1931.

⁴¹⁶ Australian Labor Party, Official Report of Proceedings of the 12th Commonwealth Conference, Canberra, 26 May 1930, p.4.

the reserves of all the banks operating in the country, and enabling the best use to be made of them.⁴¹⁷

The proposed Bill was a major initiative in line with the platform that sought to reshape the Australian financial landscape. The Bill proposed that the bank be controlled by a board of nine directors to be appointed by the government of the day; that it would control the note issue of the Commonwealth; that it should have the power to requisition gold and pay for it with notes; that it also have the power to make unsecured loans to the government as well as conduct the financial business of the government. A new Central Reserve Bank would also enable the Commonwealth Bank to compete in the market place with private institutions for ordinary banking business. According to Theodore:

The Commonwealth Bank was intended to be a trading institution and to operate freely in competition with the private trading banks ... It was only later in its career that an attempt was made to enable it to assume central banking functions. Originally it had not even control of the note issue. Subsequently it was given that control, and an attempt was made to enable it to develop into a central reserve bank; but it has not succeeded in fulfilling the functions of such an institution, and cannot be regarded as a central reserve bank.⁴¹⁸

The Government had experienced problems in dealing with the Commonwealth Bank and most notably its Chairman Sir Robert Gibson in formulating its policies with respect to combating the dire effects of the Depression, and it was these difficulties, with respect to banking practice and credit expansion, that the Federal Conference debated the Report of the Unemployment Committee. The Unemployment Committee's Report to delegates on 29 May highlighted the difficulties the Government had experienced in implementing its policy agenda to combat unemployment and laid the blame with the banking sector.⁴¹⁹ The Report also highlighted the importance of public works programs and requested the Government to find £20,000,000 and allocate this money to the States to finance public work programs. The Committee echoed the sentiments of all Labor supporters with respect

⁴¹⁷ *C.P.D.*, Vol. 123, 1 May 1930, p.1334.

⁴¹⁸ *ibid.*

⁴¹⁹ see Appendix 20 - Commonwealth Conference 1930 - Unemployment Committee's Report

to the provision of expanded public works initiatives and although the rhetoric could not be faulted, the Committee failed to provide the Government with a plausible way of actually obtaining the money. In its conclusion the Committee recommended that:

The general problem [of abnormal unemployment] is inherent in the existing economic system, the remedy for which is the realisation of the policy set out in the objects and platform of the Australian Labor Party.⁴²⁰

Conference delegates unanimously endorsed the report and also endorsed Labor to pursue plank 1 of the new Progressive Reform section of its platform under Banking which called for the 'Institution of a Commonwealth Reserve Bank.'⁴²¹ The Bill progressed through the House and according to Schedvin:

... was accorded a quiet and reasonably sympathetic reception.⁴²²

The trading banks were not unduly critical of the legislation and their main complaint was that they had not been consulted on the details of the Bill.⁴²³ The Bill passed the second and third readings in the House without division and apart from a few members of Labor's left wing, who considered the Bill too financially orthodox for their liking, such as Yates who described it as leaving him 'stone cold', it had a relatively unaffected passage through the House. However, it was not until the Bill reached the Senate that the Opposition set about destroying it and according to Schedvin:

There was an extraordinary change in the opposition's attitude. They now saw no merit in it [the Bill] whatsoever. As the debate progressed, purely banking considerations were pushed aside and the main issues were political.⁴²⁴

The major political consideration raised by the Opposition focused upon causing maximum political damage to Theodore who was, at the time, the centre of a

⁴²⁰ Australian Labor Party, Official Report of Proceedings of the 12th Commonwealth Conference, Canberra, 29 May 1930, p.67.

⁴²¹ see; ibid, 26 May 1930, p.4.

⁴²² Schedvin, op cit., p.173.

⁴²³ Davidson to Shann, 31 March 1930, BNSWA as cited in ibid.

⁴²⁴ ibid.

Queensland Nationalist Government's Royal Commission into his involvement in the sale of silver and lead mines at Mungana when he was Premier of the State.⁴²⁵ On 4 July the Royal Commission released its findings and found that Theodore was guilty of the 'grossest impropriety'.⁴²⁶ Theodore protested his innocence and resigned as Treasurer so that he could return to Queensland to fight the charges. The loss to Labor of Theodore was immense, for as well as attempting to steer the Central Reserve Bank Bill through the Parliament, Theodore was heavily involved in finalising the federal budget and had been notified by Scullin that he (Theodore) would lead Labor and be caretaker Prime Minister whilst Scullin attended an Imperial Conference in London (Scullin would be absent for at least 3 months).

On 10 July, the Opposition in the Senate moved to capitalise on Labor's predicament and passed a motion to refer the Central Reserve Bank Bill to a select committee comprised entirely of Opposition Senators. The Bill then sat in Committee until December when the Committee handed down a report finding that although it was in favour of the principle of a central reserve bank, the economic circumstances were such that it was inappropriate to introduce such legislation in the middle of a Depression. The report also noted that the proposed Bank would be subject to political pressure due to the appointment of Board members by the Government. After the report was handed down the Bill was carried over to be read in a further six months time. Unfortunately for Labor, the economic conditions that beset the country were worsening on a daily basis and although the Government attempted to reintroduce the Central Reserve Bank Bill in every session the Bill was eventually abandoned when the Government was defeated in 1931. Labor had again hit the proverbial brick wall in the Senate with the Opposition using its numbers in the chamber to dismantle legislation and keep Labor under a constant state of siege.

Scullin's decision not to pursue a double dissolution arguably impacted on Labor's ability to successfully pursue the platform, for if Labor controlled the Senate then important initiatives like Wheat and Hops Marketing and the establishment of a Central Reserve Bank, both important planks in the platform, could have become a

⁴²⁵ For a detailed analysis of the Mungana Royal Commission and its findings see; Kennedy, K., The Mungana Affair. University of Queensland Press, Brisbane, 1978.

⁴²⁶ ibid., p.75.

reality. However, this was not to be and although important measures were being summarily executed in the Senate, Labor continued to pursue the platform in the hope that its legislation would not attract a bullet.

Conciliation and Arbitration

On 30 May 1930, the day after Scullin had retreated on the double dissolution threat, the Attorney General, Brennan introduced the Conciliation and Arbitration Bill into the House to strengthen the existing industrial relations planks in the platform:

Peace, in industry, remains an ideal devoutly to be wished for. The Government has a mission to proceed unflinchingly along the rugged path that leads to this result; and an emphatic mandate to employ for that purpose the processes of conciliation and arbitration.⁴²⁷

Industrial peace may have been the wish, however the Government was pursuing a complete overhaul of existing industrial legislation. The three main principles contained in the Bill that the Government were pursuing were:

1. substantially modifying the penalties against strikes and lockouts;
2. providing Commissioners with award making and judicial powers; and
3. the creation of Conciliation Committees with the power of majority decision.

Brennan then cited Hansard excerpts in which the leadership of the Opposition (primarily Latham and Bruce) had publicly declared their support for the system of conciliation and arbitration⁴²⁸ and he declared:

These quotations, which need not be elaborated, bring out in strong relief the fact that honourable members opposite, as well as honourable members on this side of the House, are deeply pledged, by their votes and through their leaders, to this policy of industrial conciliation and arbitration.⁴²⁹

⁴²⁷ C.P.D., Vol. 124, 30 May 1930, p.2362.

⁴²⁸ ibid., pp.2362-3.

⁴²⁹ ibid., p.2363.

Brennan may have been somewhat optimistic in believing that the Opposition would support the proposal based on comments that were made in the late 1920s, but there was no denying the position that Federal Conference had taken on the issue. On 29 May, the day before the Bill was introduced in the House, Conference delegates adopted the recommendations contained in the Report of the Committee on Industrial Relations.⁴³⁰ The Committee recommended the adoption of the Report, however Drakeford informed the Conference that:

This Act which Mr Brennan proposed to put through did not express by any means what the ACTU desired ... for example, the creation of a Bureau of Statistics, which would gather information as to the effect of wages awards and the area and extent of unemployment ... The question of preference to unionists was not being insisted upon. [also] The position had been reached where the various judges of the Court had said that they proposed to deal with the basic wage, and in all probability reduce it ... Referring to section 2, when it [the Act] was altered in the way the industrialists desired, it might be essential to have only one judge with High Court powers. There was no idea of dictation at all.⁴³¹

Conference delegates were aware of the shortcomings of the proposed legislation but approved of the government proceeding with the Bill. With the support of Conference Brennan reiterated the Government's commitment to industrial arbitration stating:

This Government bears in mind the pledges which it gave to the people and the mandate that it received at their hands in regard to the maintenance of basic standards. That is the substance of the solemn compact on this subject between the Parliament and the electors. Faced with unprecedented financial obligations and responsibilities, the Government stands firm to its accepted promise and pledge on this vital matter, recognising, as it does, that the undermining of basic standards must be reflected in increased destitution, reduced purchasing power, inroads upon the primary necessities of the working class in the community, with the consequent and dangerous impairment of national security and solvency.⁴³²

⁴³⁰ see Appendix 21 - Commonwealth Conference 1930 - Conciliation and Arbitration

⁴³¹ Australian Labor Party Official Report of proceedings of the 12th Commonwealth Conference. Canberra, 29 May 1930, p.70.

⁴³² *C.P.D.*, Vol. 124, 30 May 1930, p.2365.

Brennan elucidated the significance of the Bill and made a plea to the leadership of the Opposition that:

On the main principles I am entitled to hope that the Leader of the Opposition (Mr Latham) will be in agreement with the Government; on matters of detail we can afford to differ.⁴³³

Unfortunately for Brennan and for Labor his plea went unheeded and after a relatively uneventful passage through the House and the Senate, where it passed the second reading in both chambers, the Opposition set about dismantling the legislation in the Committee stages of debate on the Bill. The Bill then returned to the House with thirty amendments that completely altered its form and scope. On 7 August Scullin decided to negotiate the proposed amendments via managers with representatives from all sides and both Houses being present, with the resulting meeting literally lasting all night and extending into the early hours of the next day.⁴³⁴ The compromised Bill that had been agreed to by the leadership of both Parties limped back into the House where Latham extolled:

In some respects it is a new Bill; but I am not trying to score a party advantage. Neither side has secured everything it wanted.⁴³⁵

Latham was correct, neither side secured everything that it wanted, however Labor had received an overwhelming electoral mandate to restructure the industrial relations system in line with its stated platform policy goals. On this occasion the Senate did not kill the Bill. It ensured that the revised Bill was a pale imitation of what it should have been. The impact of the amendments were not lost on Labor members who spoke to the new Bill, with Martens providing a moderate response in comparison with others stating:

⁴³³ *ibid.*, p.2363.

⁴³⁴ Beasley, McTiernan, Chifley, Daley and Barnes represented Labor and Pearce, McLachlan and Johnston for the opposition. See; *C.P.D.*, Vol. 124, 8 August 1930, pp.5664-5.

⁴³⁵ *ibid.*, p.5665.

I regret that this Government has not been able to give effect to the arbitration legislation that originally introduced; but I am prepared to support the compromise.⁴³⁶

Martens then qualified his position further by stating:

I have a keen appreciation of the slaughter that will take place among the workers if this House adjourns without amending the Arbitration Act ... This compromise is far from what the great mass of the workers want; but still it is the best that we can do for them, and, if accepted, it will to some extent alleviate the oppressive conditions under which they are working.⁴³⁷

Lazzarini was not as restrained as Martens and launched a stinging attack on Latham and the amendments that had decimated the Bill stating:

There is an old saying that the victor can afford to be generous ... but it is a little late in the day for him [Latham] to talk about sweet reasonableness and compromise, for the wreckage of industry is lying all around us ... When the Attorney General introduced this Bill, he said that it did not by any means give effect to the full objective of the labour movement in regard to industry, but represented the very least that could be accepted.⁴³⁸

Lazzarini was incensed that the Bill had effectively been destroyed by the Opposition in the Senate, even making reference to the need for Labor to pursue a double dissolution to ensure that Labor policy could be enacted:

The Senate has torn the Bill to shreds ... The Senate is, metaphorically speaking, putting its fingers to its nose, and treating this House with contempt. While the Labor Party was returned to power with an overwhelming majority, and a mandate from the people to improve our industrial machinery, none of the members of another place [the Senate] faced the electors. We have a superior army, but have thrown away our guns, and hoisted the white flag of surrender. In my opinion, the Government should

⁴³⁶ *ibid.*, p.5673.

⁴³⁷ *ibid.*

⁴³⁸ *ibid.*, p.5671.

close this abortive session, and call honourable members together as early as possible in October, and send the members of another place [the Senate] to their masters.⁴³⁹

Lazzarini's comments, although emotionally based, held some political weight for the Government had had the opportunity to go to the people and attempt to clean out the Senate and in light of the destruction of the Government's most important legislative policy prescriptions it certainly was a valid option. At the close of the second parliamentary session Labor's legislative program was a shambles and according to Robertson:

By this time its [the Government's] program should have been in full swing. Instead, its troubles were mounting; unemployment had risen to over 20% and wage rates were on a downward spiral.⁴⁴⁰

In his biography on Scullin, Robertson also discussed Labor's legislative program:

The parliamentary period had been something of a disappointment to him [Scullin]. Much had been attempted, not a great deal achieved. Twelve Bills, most of them important, had not become law. There was no sign of a double dissolution. The Government had made some attempts to balance its budget, it had raised tariffs, and had made a relief grant of £1 million; but unemployment was increasing. In Parliament, in public statements, and in addresses to unionists, Scullin had argued that his government had done all it could.⁴⁴¹

The government had attempted to pursue and enact the platform but with very limited success, due in large part to the fact that Labor did not control the very basic levers of government. In fact, Labor's problems were further exacerbated when the government effectively handed control of the Government's policy agenda to Sir Robert Gibson the head of the Commonwealth Bank, and Sir Otto Niemeyer from the Bank of England.

The Fracturing of Caucus

⁴³⁹ ibid.

⁴⁴⁰ Robertson, op cit., p.185.

⁴⁴¹ ibid., p.258.

Gibson and Niemeyer would literally prescribe federal Labor policy for the remainder of the Government's term in office and enacting Labor's platform was not a part of either man's policy agenda for combating the Depression. On 7 April 1930 the Deputy Governor of the Bank of England, Sir Ernest Harvey, cabled Gibson with concerns about Australia's ability to pay its loan obligations stating:

We here are genuinely anxious to try and find suitable means whereby Australia may be helped to overcome present difficulties. Full consideration is being given to the matter but at present are seriously handicapped by lack of full authoritative information. It is important we should have before us most complete particulars available both of immediate specific proposals and of any general plan for righting situation over a period of time.⁴⁴²

The Bank of England had become increasingly concerned about the Government potentially defaulting on its loan commitments as well as its policy prescriptions in a number of areas, most notably Australia's apparent failure to conform to the rules of the gold standard as well as the fact that the government had not contracted the note issue in proportion to its gold reserves. Harvey followed his initial cable with a stronger version on 7 May and it was at this point that Gibson and Harvey in effect plotted a peaceful coup and resolved to send out a representative of the Bank, in this case Sir Otto Niemeyer,⁴⁴³ to analyse government policy and provide a program to combat the concerns of the Bank of England.

Scullin had the opportunity to deny Gibson's and Harvey's request, however within a week of the request going to the government Scullin had agreed on the proviso of 'full disclosure' of Niemeyer's findings. Also, in respect of Gibson, Scullin incurred the ire of Caucus when he re-appointed him to his position as Chairman of the Commonwealth Bank without informing Caucus of his intention to do so with the *Sydney Morning Herald* reporting:

⁴⁴² Schedvin, *op cit.*, p.133.

⁴⁴³ Sir Otto Niemeyer was experienced in the areas of banking and finance. He had joined the British Treasury in 1906 and had been the Controller of Finance for 6 years. He transferred to the Bank of England in 1927 specialising in central banking procedures and problems of national finance.

Scullin had promised to allow Caucus to discuss the appointment before any decision was made but he had not honoured that promise.⁴⁴⁴

Scullin's announcement that he had re-appointed Gibson was not released until 15 August,⁴⁴⁵ the date is significant because Parliament was in recess and the Caucus had held its last meeting a week earlier on 6 August.⁴⁴⁶ Gibson had been an arch critic of the Scullin administration and its policy platform since its election and he did everything in his power to make life difficult for Labor. Scullin's action incensed Caucus members and on 30 October when Caucus met, Eldridge gave notice that at the first meeting which the Prime Minister be present that he would move a motion of disapproval of the reappointment of Gibson.⁴⁴⁷

On 14 July Niemeyer arrived in Australia and set about studying the documents being prepared by Treasury for the forthcoming federal budget as well as speaking with political and business leaders and public servants about the state of the Australian economy. If there was any doubt that Niemeyer was not in Australia with the intent of dictating government policy on behalf of the Bank of England it was expelled in an exchange he had with the Speaker of the House Makin who had asked Niemeyer if he [Niemeyer] was having a satisfactory visit, to which Niemeyer pompously replied, 'That depends on whether you do as you are told.'⁴⁴⁸

On 18 August Niemeyer outlined his report to Federal and State Ministers⁴⁴⁹ at a Premiers' Conference and the following day all State Premiers unanimously passed resolutions together with the Federal Government adopting the Niemeyer-Gibson policy package.⁴⁵⁰ The policy package became known as the 'Melbourne Agreement' and it locked the Federal Government into implementing policies that had strict economies and balanced budgets in direct contradiction to Labor's platform. The wider labour movement and the Labor radicals were scathing in their attacks on the

⁴⁴⁴ *Sydney Morning Herald*, 9 September 1930.

⁴⁴⁵ Scullin had informed Gibson of his re-appointment on 11 August. The appointment was then reported in the press, see; the *Sydney Morning Herald* and the *Argus*, 15 August 1930.

⁴⁴⁶ Federal Cabinet confirmed the appointment on 4 and 8 August 1930.

⁴⁴⁷ See; Eldridge's notice in the *Argus* 29 October 1930.

⁴⁴⁸ Lonie, J., *Good Labor Men: The Hill Government in South Australia, 1930-1933*, *Labour History* 31, 1976, p.20, note 36.

⁴⁴⁹ see Appendix 22 - Niemeyer's Report

⁴⁵⁰ see Appendix 23 - The Melbourne Agreement

agreement with the *Australian Worker* bitterly condemning the Conference resolutions:

We have recently had the ignominious spectacle of the Premiers of the great Australian nation sitting like a class of schoolboys to be lectured by an emissary of British moneylenders, and told how they should govern their own land. It made one hang one's head in shame. Do the Premiers admit they are incompetent? Do they confess to unfitness for their jobs? Then why not resign en masse, and let Sir Otto Niemeyer assume in fact the dictatorship he is virtually exercising now?

... To put it bluntly, the workers of Australia must eat cheaper food, and wear shabbier clothes, and give up their few pleasures, in order that Britain's wealthiest loafers may add superfluity to superfluity and wallow still more grossly in sybaritic excess.

Hundreds of thousands of workers are unemployed today. In all directions there is heartrendering distress. Men, women and children are starving. Many have not a decent roof above their heads. Such poverty, such suffering, has not been seen in Australia Before.

And all because rapacious hands are reaching across the seas and stripping us bare.⁴⁵¹

The condemnation by the *Australian Worker* of Niemeyer's economic medicine would be used to great affect by the moderates and radicals in Caucus who found the Melbourne Agreement an anathema to all they stood for. Also, in the wake of Niemeyer's report, the Federal Executive of the Labor Party met to discuss the crisis and unanimously passed a resolution outlining their program for Scullin to adopt.⁴⁵² The prescriptions of Labor's Federal Executive were ignored by Scullin who on 25 August, a few days after the Premiers' Conference and Federal Executive meeting, sailed to London to attend the Imperial Conference. Scullin held the view that Australia should be represented by its Prime Minister especially in discussions concerning its economic state and financial future. However, according to Robertson:

⁴⁵¹ *Australian Worker*, Sydney, 27 August 1930.

⁴⁵² See Appendix 24 – Australian Labor Party Federal Executive Recommendations

After Scullin's departure, Australian politics entered a crisis.⁴⁵³

With Theodore in Queensland fighting for his political life, Scullin placed two Labor 'conservatives' in charge of the party and the country, a decision that would have severe repercussions. Fenton took up the role as acting Prime Minister whilst Scullin's close friend Lyons was given the Treasury. After perusing the budget records of his new portfolio Lyons became convinced that the Government would have to economise even further from that outlined in the Melbourne Agreement and called a special meeting of Cabinet to discuss the issue. Unfortunately for Lyons the subsequent Cabinet meeting, attended by only seven ministers, divided into two groups; the orthodox conservatives siding with Lyons and Fenton urging further reductions in government spending, whilst the economic moderates comprising of Anstey, Daley and Beasley advocated credit expansion and an inflation of the note issue. The split in Cabinet over Niemeyer's plan provided a portent of the major splits and factions that would soon emerge within Labor in response to combating the financial crisis confronting the country especially in the face of Niemeyer's prescription of tighter economies and balanced budgets. An overwhelming majority of Caucus members believed that balanced budgets and spending restraint would not create employment or provide food or shelter for the growing bands of itinerant workers and families that needed help and it was just a matter of time before the issue came to a head.

On 25 October 'Jack' Lang was elected as Premier of New South Wales on a platform in opposition to Niemeyer and the Melbourne Agreement. Two days after Lang's victory Caucus met and carried a motion congratulating Lang.⁴⁵⁴ With Scullin out of the country and on the back of Lang's victory in New South Wales the more radical elements in Caucus began to flex their muscles and on 27 October they carried a motion in opposition to Niemeyer's plan:

That this Caucus disagrees with the Tariff and industrial Policy initiated by Sir Otto Niemeyer in his address published at the conclusion of the Premiers Conference in

⁴⁵³ Robertson, *op cit.*, p.271.

Melbourne, and affirms that the Tariff, and industrial policy of Australia are domestic matters to be determined by the people of Australia.⁴⁵⁵

Caucus' position was resolute, they wanted Labor to pursue the platform. On 30 October, Theodore, who had returned from Queensland, quickly moved to introduce an expansionary economic policy to combat the Depression in line with the platform and after a heated debate it was carried on the hands by twenty-six votes to fourteen outlining the Government's financial proposals for combating the Depression.⁴⁵⁶ Caucus's proposals offered hope to the ever growing army of the destitute and poor whose position had appreciably worsened, with the *Sydney Morning Herald* providing a sombre overview of the situation:

During recent months the growth of begging in Sydney's streets has been a feature of the city's life ... Now a new army is augmenting their ranks ... Lurking in an alley-way, a man pushes his stunted child forward to offer onion pickles, home made toffee:

'Has the gentleman a coin ... sick mother ... please sir!'

Thin faces dart from doorways-ties, handkerchiefs, face cream, shoe laces, posies, fish that waggle fins; unshaven chins, unwashed necks, collarless, shirtless, sockless, tense faces; 'Buy, buy, buy, give, give, give;' fierce whispers, the failure, the dart back to cover, the next prospect; 'ere y'are, sir, very cheap, sir;' eager thrusting, tenacious, imploring.

Some offer nothing, some sing, make pretence at playing violins, clarinets, anything. Some just stand and look with hunger in their eyes. When the sun drops, the still lower orders rake the garbage tins - hooking, stirring:

'nothing' 'ere, Jack'.⁴⁵⁷

⁴⁵⁴ The motion by Lazarrinni stated, 'That a letter of congratulations be forwarded to Mr J.T Lang, Leader of the NSW Labor Party, on the magnificent success of the Party at the recent State elections.' *Caucus Minutes*, 27 October 1930.

⁴⁵⁵ *ibid.*

⁴⁵⁶ See Appendix 25 - Labor's Financial Strategy for Combating the Depression

⁴⁵⁷ *Sydney Morning Herald*, 12 September 1930.

On 6 November acting Prime Minister Fenton read a cable to Caucus from Scullin:

... that supported the minority vote against Theodore's plan and opposed the expansion of credit and any threats to coerce the banks.⁴⁵⁸

Scullin asserted:

... all this talk about creating credit and inflation is most damaging to Australia's reputation in London financial circles ... [and added that] Government cannot deliberately coerce the administration of the Banks.⁴⁵⁹

The question of coercion was directly linked with threats to repudiate loan commitments on the Government's loans. The fractures that were appearing in Caucus reached flash point after Fenton raised the issue of a £27,000,000 internal loan that was due in December, and duly ignoring the Government's recent endorsement of the Theodore plan, recommended:

... that he should be authorised to advise the Loan Council to issue the Loan under three options: 6% for two years; 5.75% for ten years or 5.5% for twenty years.⁴⁶⁰

Curtin and Anstey then successfully carried a motion, in opposition to Fenton's proposal:

That the Cabinet as a whole meet the Directors of the Commonwealth Bank prior to the meeting of the Loan Council and require the Directors to meet the loan ... in anticipation of the Directors failing to do this, that a Bill be at once prepared and presented to Parliament, renewing for a period of twelve months the £27,000,000 loans falling due between this and the end of December.⁴⁶¹

The motion proved too much for Lyons who threatened to resign:

⁴⁵⁸ *Caucus Minutes*, 6 November 1930.

⁴⁵⁹ McMullin, 1991, *op cit.*, p.166.

⁴⁶⁰ *Caucus Minutes*, 6 November 1930.

⁴⁶¹ *ibid.*, the motion was carried by 22 votes to 16.

I will not do it ... I will go out of public life first. I will cable the Prime Minister and if he wants it done then he must get someone else to do it.⁴⁶²

Lyons cabled Scullin and informed him of Caucus' decision. Scullin was unequivocal in his support for Lyons stating:

I do not approve and will not support a resolution of the party, which I agree is repudiation, which is dishonest and disastrous.⁴⁶³

On 12 November a special Caucus meeting met to resolve the issue in light of Scullin's stance and unanimously passed a strongly worded resolution denying that it had planned to repudiate on the payment of government loans stating:

That this meeting of the Federal Parliamentary Labor Party strongly depreciates, and emphatically denies any suggestion of, or association with, the repudiation of any financial obligation and will faithfully discharge all lawful commitments. Any attempts to construe Labor's financial proposals to the contrary is false.⁴⁶⁴

Caucus had flexed its muscles and retreated, however the fractures within the Party had deepened. Fenton and Lyons were firmly of the view that Niemeyer was correct in his assessment of what Australian economic and financial policy should be and that the party should be enacting the Melbourne Agreement without delay. To Fenton and Lyons, who were economic conservatives, any policy directives towards credit expansion and inflation of the note issue along the lines advocated in the Theodore Plan would be disastrous for the country. The only problem for Fenton and Lyons was that an overwhelming majority of the Caucus did not agree with them and supported either the Theodore or Lang Plans. With Scullin still out of the country and not expected back until the New Year, Labor found itself floundering.

At the conclusion of the third parliamentary session in December 1930 Labor had introduced no policy initiatives based on the platform and during the entire sitting only twenty-three Acts were passed, of which fourteen were either income tax or sales

⁴⁶² McMullin, 1991, *op cit.*, p.166.

⁴⁶³ *ibid.*

⁴⁶⁴ *Caucus Minutes*, 12 November 1930.

tax amendments.⁴⁶⁵ Labor had lost all traction and any thought of pursuing the platform in the political and economic circumstances of the time was now a pipe dream.

Fourth Parliamentary Session

On 4 March 1931 the fourth parliamentary session began and within three days of the resumption the Government had already faced a censure motion⁴⁶⁶ and was at the polls for a by election for the seat of East Sydney that was won by the Lang Labor candidate, Mr Eddie Ward. In his maiden speech, which co-incidentally was the debate on the censure motion against the government, Ward stated:

I have been elected on a very definite policy. The electors of East Sydney are dissatisfied with the inaction of the present government, because they consider, as I too consider, that the present Commonwealth Ministers have wasted wonderful opportunities for doing things which the majority at their command has given them ... If Ministers ... had not been content to be merely seat warmers and timeservers, this Parliament would have been back to the country three months after it was elected. They have lost the confidence of the people because they have lacked courage.⁴⁶⁷

Ward was scathing in his assessment of the government, and although Labor had not proceeded with a double dissolution election, his charge that the government 'lacked courage' is slightly disingenuous given the debilitated and parlous economy and the political situation in the Senate. The government was now operating in survival mode, pursuing the platform was no longer a realistic option and on 26 January Scullin recommended to Caucus that Theodore be reinstated as Treasurer, the fallout of this move producing the first major split within the government under his leadership.⁴⁶⁸ Scullin's recommendation was carried by twenty-four votes to nineteen and further divided the radicals from the more conservative members in Caucus. A few hours after the Caucus vote Gabb from South Australia resigned stating:

⁴⁶⁵ For an overview of the Acts of the sitting see; *C.P.D.*, Vol. 127 30 October – 18 December 1930.

⁴⁶⁶ *C.P.D.*, Vol. 128, 6 March 1931, p.10. (The Government also faced another censure motion on 8 May 1931.)

⁴⁶⁷ *C.P.D.*, Vol. 128, 12 March 1931, p.251.

I have lost faith in your judgement as a leader ... I am sure you have chosen wrongly.⁴⁶⁹

Gabb's resignation would in fact be the first of a number of government members to take this option and three days later on 29 January Fenton and Lyons resigned from Cabinet and relinquished their ministerial portfolios.

The Lang Plan

On 6 February 1931 a special Premiers' Conference assembled in Canberra to discuss establishing a viable economic policy to combat the depression with Scullin informing the assembled Premiers that the reason for the Conference was that:

... no one government, could be expected to prepare a plan in which all governments are to share.⁴⁷⁰

When Scullin ended his speech Lang wanted to know what plans the Federal Government had to combat the Depression:

There is no plan. As I pointed out to the Premiers when I called them together, the idea of holding this conference was to evolve one.⁴⁷¹

This admission by Scullin handed the tactical advantage to Lang, who then effectively hijacked the Conference announcing his own plan for combating the depression by the implementation of a three point plan:

1. Australian governments should pay no further interest to British bondholders until Britain had dealt with the Australian debt in terms comparable to those she had obtained for her own debt to the US. [Lang's policy was repudiation writ large.]
2. The reduction to 3% of interest on all Government borrowings in Australia.

⁴⁶⁸ see; *Caucus Minutes*, 18 February 1931.

⁴⁶⁹ *Argus*, 28 January 1931.

⁴⁷⁰ *Proceedings and Decisions of the Conference of Commonwealth and State Ministers. Commonwealth Parliamentary Papers*, Vol. II, February 1931, p.87.

⁴⁷¹ *ibid.*, p.7.

3. Immediate steps be taken to abandon the gold standard in favour of a currency based upon the wealth of Australia, to be termed 'the goods standard'.⁴⁷²

The *Labor Daily* supported Lang's bold plan and outlined the rationale behind the plan:

Mr Lang does not see why Australian workers should sweat themselves to skeletons in a time of stress created by financial manipulation for the sake of paying more than a fair thing to those who are prepared to bleed this country white financially.

Therefore he suggests that no further interest be paid to British bondholders until Britain is prepared to make more equitable arrangements in regard to Australia's debts, that the interest payable on all Government borrowing in Australia be reduced to 3% and that the precious gold standard – be abolished.⁴⁷³

Lang had stunned the Conference with his proposal, however Scullin and Theodore locked the rest of the Premiers behind the Theodore Plan that relied heavily on the Commonwealth Bank co-operating with the Government by advancing credit to the government to stimulate the economy. The Conference had achieved a result, however it was a result that saw two Labor leaders, Lang and Scullin, committing their respective Labor Governments to different policy agendas to combat the depression.

The 'Lang Plan' as it became known split Labor down the middle and accentuated the split between the New South Wales branch and the Federal executive of the Party. On 18 February Caucus:

... approved of the Commonwealth Government continuing negotiations with the (Commonwealth Bank) on the lines laid down by the Prime Minister and Mr Theodore ... [for the implementation of the Theodore Plan].⁴⁷⁴

Caucus also recommended that in the event that they were unsuccessful:

⁴⁷² *Sydney Morning Herald*, 10 February 1931.

⁴⁷³ *Labor Daily*, 11 February 1931.

⁴⁷⁴ *Caucus Minutes*, 18 February 1931.

... the Government immediately proceed to secure Legislative power to give effect to the Party's Platform on Banking and Currency.⁴⁷⁵

Caucus advocated a double dissolution followed by an assault on the platform, if Labor won the election and controlled the Senate, however Scullin remained adamant that the Theodore plan was the only policy that Labor would pursue in Parliament. A double dissolution, together with pursuing the platform was not considered. Scullin told Caucus that he:

... was not going to take dictation from any one section of the movement.⁴⁷⁶

Scullin then indicated that he would move to expel any member of the Government who supported the Lang plan, to which Eldridge replied:

... here's one who's going to do it, put me out now.⁴⁷⁷

Eldridge remained in the Party until the election of Ward and on 12 March Scullin ruled in Caucus that:

... any member elected on any other policy [other than that] of the Federal ALP cannot be a member of the FPLP.⁴⁷⁸

The effect of Scullin's ruling meant that as Ward was elected on a Lang Labor ticket, he was duly excluded from Caucus. Scullin's ruling immediately lead to a walk out of Beasley, Ward, Lazzarini, Eldridge, Dunn and Rae and this group formed the Lang Labor group. On 13 March, a day after the Lang group split from the party, at the conclusion of debate on the censure motion against the Government, Lyons crossed the floor with Fenton, Gabb, Guy and Jack Price to vote against Scullin and the Government as they were convinced that Theodore's financial plan would be ruinous to the country. The Government was now operating in a minority capacity with the

⁴⁷⁵ *ibid.*

⁴⁷⁶ *ibid.*

⁴⁷⁷ McMullin, 1991, *op cit.*, p.170.

⁴⁷⁸ *Caucus Minutes*, 12 March 1931.

Lang group holding the balance of power. On 27 March a Special Federal Conference was held to discuss the ramifications of the Lang Plan and the tumult that it had caused the party. At the opening of the Conference the President J.J Keneally stated:

The conference was one of the most important in the history of the Labor Movement. It is a Special Conference, called to deal with a serious position that has arisen: a position which challenges the continuance of the Australian Labor Party.⁴⁷⁹

The Conference duly passed a resolution declaring itself and the party firmly against Lang Labor stating:

This conference declares against the Lang pronouncement to deliberately refuse to pay the interest obligation on loans raised from the general public in Australia and in England, which is contrary to Labor policy. Such action will not restore stable economic conditions and place men back at work; but on the contrary, will aggravate the position. Moreover, its application with respect to overseas debts would result inevitably in trade reprisals against Australia, and in other ways would lead to financial chaos and increased unemployment among our people.⁴⁸⁰

The resolution was particularly hollow given the already parlous state of the economy but it served its purpose to rally what was left of Labor behind its legislative program to enact the Theodore Plan with *The Worker* commenting:

The Federal Labor Conference, sitting in Sydney, declared itself opposed to what is known as the 'Lang Plan' ... The Lang Plan is not a plan at all. On the contrary, it denotes the absence of a plan.

... The economic problems of Australia cannot be solved by such crude methods. We have got to nationalise banking. We have got to put a stop to borrowing by taking control of the whole monetary system of the Commonwealth and issuing all the credits needed for the development of the country.⁴⁸¹

⁴⁷⁹ Australian Labor Party, Special Federal Conference, Sydney, 27 March 1931, Sydney, p.2.

⁴⁸⁰ ibid., p.9.

⁴⁸¹ *The Worker*, 1 April 1931.

The *Worker's* call for bank nationalisation in line with plank 4(a) of the Methods section of the platform was further indicative of the wider labour movement's position with respect to Labor calling a double dissolution and getting on with the job of governing the country and pursuing the platform.

Commonwealth Bank

The nationalisation of banking was a far cry from Labor's official financial plan that revolved around three Bills, the Fiduciary Notes Bill 1931; the Bank Interest Bill 1931 and the Commonwealth Bank Bill (No.2) 1931. The Bank Interest Bill sought to provide the Treasurer with absolute authority to vary rates of bank interest and discount. The Bill also sought to establish a Bank Interest Board to advise the Treasurer on the setting of rates, the Treasurer however would have absolute discretion to accept or reject the new Board's advice.⁴⁸² The Commonwealth Bank Bill (No.2) proposed that the Treasurer have the power to export the Commonwealth Bank's gold holdings to meet the Commonwealth Government's overseas debts thus effectively removing Australia from the gold standard. The note issue, instead of being fixed to the gold standard would be fixed to a proposed fiduciary note issue. The proposal was exceedingly bold, and was viewed by Sawyer as:

... a simple act of desperation to meet an emergency situation.⁴⁸³

The pivotal Bill of the three was the Fiduciary Notes Bill, for without this Bill the other two could not stand alone. On 2 March Caucus approved of the Fiduciary Notes Bill being introduced into the Parliament and on 17 March Theodore outlined the Bill to the House:

The Bill provides for a fiduciary currency. The notes printed by authority of this measure will be known as treasury notes. An amount not exceeding £18,000,000 will be issued by the Commonwealth Bank Board. Of that amount a sum not exceeding £6,000,000 will be issued, as and when required by the Governor General, for the purpose of providing relief to wheat growers ... There will also be an issue to an

⁴⁸² For a copy of Theodore's second reading speech see; *C.P.D.*, Vol. 28, 25 March 1931, pp.571-7.

⁴⁸³ Sawyer, *op cit.*, p.15.

amount not exceeding £12,000,000 and not exceeding £1,000,000 in each month, to be issued as and when required by the Governor General for the purpose of providing employment on reproductive works.⁴⁸⁴

The Government's proposals caused a furore:

... [and] outside Parliament the public debate on the Bill raged furiously. For some weeks the conservative press printed illustrations of bank notes and postage stamps, of enormous face values, which had to be used during the ruinous German inflation of the 1920s.⁴⁸⁵

Gibson had also been applying his own unique brand of pressure on the Government. On 11 March Theodore had written to Gibson requesting the Bank to release sufficient funds for the relief of wheat growers and the unemployed:

The Commonwealth Bank ... make advances to the Commonwealth Government as and when required, up to a total of £3,500,00 to enable the whole scheme of relief to wheatgrowers to operate at once. I have to request further that an advance of £1,000,000 to be made at once to the Commonwealth Government for the relief of unemployment.⁴⁸⁶

Labor's focus was on alleviating the plight of the destitute and the unemployed, any thought of realistically pursuing the platform had long since evaporated, Gibson responded on 2 April in his capacity as Chairman of the Loan Council informing Theodore:

It was the unpleasant duty of the Board to advise the Loan Council that a point being reached beyond which it would be impossible for the bank to provide further financial assistance for the government.⁴⁸⁷

Gibson had shown that he was not willing to listen to the Government and instead threatened it with bankruptcy. With Gibson's threat still ringing in his ears, Scullin

⁴⁸⁴ *C.P.D.*, Vol. 128, 17 March 1931, p.300.

⁴⁸⁵ Robertson, *op cit.*, p.332.

⁴⁸⁶ Schedvin, *op cit.*, p.241.

⁴⁸⁷ Robertson, *op cit.*, p.334.

warned the Senate that if it [the Fiduciary Notes Bill] was lost 'in another place', a double dissolution election would be called.⁴⁸⁸ On 17 April the Bill was defeated on the second reading in the Senate and when the Bill returned to the House Scullin stated:

I say definitely that the Bill which the Senate has rejected will be sent back to it at the earliest possible moment that it can be sent under the Constitution, and if it is rejected we shall go to the country.⁴⁸⁹

Scullin's rhetoric was sharp, however the Bill was never submitted to the Senate and the Bank Interest Bill was also abandoned. Scullin had brought Labor to the brink of a double dissolution and again retreated, however Labor continued to proceed with the Commonwealth Bank Bill (No.2) in the forlorn hope that the Senate would pass it.

On 27 April, the Government was facing a critical situation of a possible default on a short term loan due on 30 June, Scullin spoke about the necessity to pass the Bill:

Our proposals have been fought bitterly in the House of Representatives and thrown out by the Senate without any alternative having been offered. Relief for the unemployed and the wheatgrowers is urgent and vital. Nothing except a tax on bread is offered in place of measures for relief. On 30 June Treasury Bills amounting to £5,000,000 fall due in London. The Commonwealth Bank Board has written informing the Ministry that it can give no assistance to meet this obligation. The loan market is closed, and the Commonwealth Bank is helpless. The only recourse left is to ship gold to London at once, otherwise Australia will default in nine weeks' time.⁴⁹⁰

Scullin's dire assessment of the Government's financial predicament had little impact on the Opposition and on 7 May Latham resigned from his position as Leader of the Opposition and Labor's ex Treasurer Lyons took control of the Opposition and formed the United Australia Party,⁴⁹¹ with the *Melbourne Age* commenting:

⁴⁸⁸ *Argus*, 8 April 1931.

⁴⁸⁹ *C.P.D.*, Vol. 128, 17 April 1931, p.987.

⁴⁹⁰ *Argus*, 28 April 1931.

The United Australia Movement has numerous component parts. In it ultra-Labor elements and ultra-Conservative elements meet ... Mr Lyons explained that they want a movement free from party politics.⁴⁹²

Lyons told Australia that he would lead a Party free from party politics and in his first act as leader of this new 'movement' he led a party political censure motion against his old comrades. A week later on 13 May Lyons' Party rejected Scullin's Commonwealth Bank Bill (No.2) in the Senate and in an ironic twist of fate it was Lyons who effectively killed off the Theodore Plan, as it was Theodore's re-inclusion to Cabinet, at Scullin's request, that led to Lyons leaving Labor in the first place. Scullin was left with two realistic options. First, he had an opportunity to pursue the Fiduciary Notes Bill to a double dissolution, but for all his previous rhetoric about undertaking such action he backed away from his threat to go to the people. Second, in order to prolong the tenure of the government he would have to compromise with the Opposition to the extent that the basic tenets of the Melbourne Agreement be implemented. Scullin had rejected the first option, and rather than default on Government Loans he proceeded with the second.

In the period that Labor had been attempting to implement the Theodore Plan, Gibson had been busy behind the scenes attempting to establish a forum for State Premiers to discuss the financial and economic condition of the country and when Labor's legislation was again crushed by the Senate he suggested that a Premiers' Conference be convened to discuss implementing policies in line with the Melbourne Agreement. Scullin and Theodore attended the Conference that lasted from 25 May to 10 June, the outcome of which comprised three main elements.⁴⁹³ Scullin approved what became known as the 'Premiers' Plan' and on 11 June he took it to Caucus for ratification. It should have been no surprise to Scullin that Caucus was shocked at what he proposed, with Lacey moving that:

We [Caucus] do not approve of any reduction of Old Age Pensions, Invalid or War pensions; neither do we approve of any scheme which does not provide for adequate provision to employ the unemployed and make provision for necessitous farmers but

⁴⁹¹ *C.P.D.*, Vol.129, 7 May 1931, pp.1690-1.

⁴⁹² *The Age*, Melbourne, 7 May 1931.

suggest that other avenues be exploited with a view to savings being effected, especially in regard to the duplication of Parliaments etc.⁴⁹⁴

Scullin ruled Lacey's motion out of order and in the subsequent vote the Caucus approved the Premiers' Plan by twenty-six votes to thirteen. The fallout from the adoption of the Premiers' Plan was almost immediate with Holloway resigning from Caucus the next day because of the harsh cuts to pensions and Culley followed Holloway two weeks later for the same reason.⁴⁹⁵ According to Schedvin there were three specific factors that helped create the conditions for the adoption of the Premiers' Plan:

1. The large Opposition majority in the Senate which thwarted government measures on every possible occasion. As it was unable to implement its own policy and unwilling to face a general election, the government had little alternative than to acquiesce in a compromise which was heavily weighted in favour of its political opponents. Indeed, on financial matters the Senate followed the Bank's line to an extent which suggests that it acted as Sir Robert Gibson's political arm.
2. The disintegration of the Labor Party and with it the government. The government knew full well that fragmentation meant political annihilation and that an approach to the electorate on its economic policy could not be considered seriously. Knowing the government's political weakness, the Bank and the Senate could increase pressure on it without fear of reprisal.
3. The influence of the economists. Their report made compromise possible because it had the appearance of expertise and objectivity. In fact, however, the report was carefully framed so as to be acceptable to both parties: one side was offered wage cuts and the other a reduction in interest rates. The economists of their own volition had little influence on the broad principles of the plan; these were determined for them by political exigencies. Nevertheless, the important part they played in providing the framework for a workable compromise should not be underestimated. None of these factors can, however, compare with the influence of the Commonwealth Bank; indeed two of the three were largely

⁴⁹³ See Appendix 26 – The Premiers' Plan

⁴⁹⁴ *Caucus Minutes*, 11 June 1931.

⁴⁹⁵ Holloway and Culley were both senior members of their respective Trades Hall Councils and were unable to accept the implementation of the Premiers' Plan.

conditioned by Bank policy. It remains, therefore, that the Premiers' Plan was in conception and design, if not in execution, the Bank's plan.⁴⁹⁶

Gibson was the architect and driving force behind the Premiers' Plan, and Scullin accepted his financial prescription, a prescription that was the antithesis to Labor's platform and all Labor had fought against since its election. During the remainder of the fourth session and all through the fifth session⁴⁹⁷ of Parliament Labor existed on a day to day basis.

The Demise of the Scullin Government

During the fifth session Labor successfully passed fifteen Acts, however none of these was remotely related to the platform, and instead the major impact of the legislation in the final period of Scullin's administration was geared towards implementing the Premiers' Plan. Commonwealth *Debt Conversion* and *Debt Conversion Agreement Acts*⁴⁹⁸ and *Financial Emergency Acts*⁴⁹⁹ took precedence in the Parliament. On 18 June Lazzarini summed up Labor's policy agenda to enact the Premiers' Plan in a debate on the first Debt Conversion Agreement Bill stating:

This is not a Labor policy that has been put before the House – it is merely something that will make the reactionary forces of the country laugh. It cuts right across the idealism, the principles, and the philosophy of Labor ... If it can be described as the policy of Labor, I say to the men and women who are members of our industrial organisations, who have made sacrifices and fought strenuously for the cause of Labor for 40 years, look after your gardens and your own affairs, let Labor alone; it is no longer of any use to you. I urge them not to support a policy that jettisons every ideal of Labor ... if these proposals are accepted every vestige of the Labor policy will be destroyed.⁵⁰⁰

⁴⁹⁶ Schedvin, *op cit.*, p.252-3.

⁴⁹⁷ See; *C.P.D.*, Vol. 132, 16 September – 26 November 1931.

⁴⁹⁸ *Commonwealth Debt Conversion Act 1931; Debt Conversion Act 1931; Commonwealth Debt Conversion Act (No.2) 1931* and the *Debt Conversion Agreement Act 1931*.

⁴⁹⁹ *Financial Emergency Act 1931* and the *Financial Emergency Act (No.2) 1931*

⁵⁰⁰ *C.P.D.*, Vol. 128, 18 June 1931, pp.2802-3.

The Government enacted the Premiers' Plan and in doing so placed further hardship and misery on the backs of the people that, through the enactment of its platform, it was pledged to protect. The argument that it was better for Labor to enact the Premiers' Plan rather than the Opposition in government held no merit and Anstey summed up the situation best:

This is the annihilation of everything that the Labor Party has produced during two long generations ... This government has, since it took office, pursued a policy of drift. It has suffered ignominy upon ignominy ... But are we justified in spitting upon the altar of Labor simply because others may desecrate it worse than we may? ... That is not the path of salvation ... this Government is crucifying the very people who raised its members from obscurity and placed them in power.⁵⁰¹

The *Sydney Morning Herald* was quick to report on Anstey's attack on his own party, however the most poignant aspect of the report was that it provided an insight into the depth of feeling and emotion that this measure had generated within the government:

The interest aroused by the oratory of Mr Hughes was mild compared with the excitement created by Mr Anstey, when thrill followed thrill in quick succession. The member for Bourke can make the pulses of his hearers surge by the sheer force and passion of his language. He flogged those who supported the plan with a scourge of hard and bitter words and added to the wounds the salt of a stinging ridicule, and, mingling irony with sarcasm, he reviewed the history of the Scullin administration and left it without a tatter of political reputation. He said 'This Labor Government has outraged every principle it was sworn to preserve and been false to the class that had given it its life'.⁵⁰²

The Government remained in power until 25 November when Beasley moved the adjournment debate in the House on the Unemployment Relief Grant charging Theodore and the Government with impropriety in the way that it handled the administration of the grant.⁵⁰³ Theodore denied any impropriety,⁵⁰⁴ however in the subsequent division the Government was defeated by thirty-seven votes to thirty-two

⁵⁰¹ C.P.D., Vol. 128, 8 July 1931, pp.3563-5.

⁵⁰² *Sydney Morning Herald*, 9 July 1931.

⁵⁰³ C.P.D., Vol 132, 25 November 1931, pp.1888-92.

⁵⁰⁴ *ibid.*, pp.1892-4.

when the Lang Labor group crossed the floor. The *Labor Call* likened Beasley's crossing of the floor as 'bovine stupidity',⁵⁰⁵ whilst the *Worker* labelled the Beasley group, 'traitors to Labor'.⁵⁰⁶ On 26 November Scullin addressed the House:

In consequence of the vote carried yesterday, I waited on the Governor General this morning and tendered him the advice contained in the following letter:

I beg to inform you that yesterday a motion for the adjournment of the House was carried against the government, by a majority of five, by a combination of the Nationalist party, the Country Party, and the group led by Mr Beasley. I formally advise Your Excellency to grant a dissolution of the House of Representatives.⁵⁰⁷

The general election was announced for 19 December and Labor was slaughtered at the ensuing poll. Labor's first preference vote plunged to just 27.09% and it only won thirteen out of seventy-five seats in the House, and in the Senate Labor numbers dropped to just eight.⁵⁰⁸ The loss was particularly galling for a large section of the labour movement who laid the blame for the loss at the feet of Lang, the conservative parties and the hostile press, with *The Worker* stating:

The Federal Labor Government was defeated last Saturday, not because it had fallen down on the job of governing the country during a crisis unprecedented in the history of the Commonwealth, but because the electors were stampeded by the vile and unscrupulous propaganda campaign launched by the anti-Labor forces and the base treachery of the Lang Faction Party ... For sheer political dirtiness and barefaced misrepresentation the campaign launched ... by the Sydney Daily Telegraph would be hard to beat.⁵⁰⁹

The Worker was adamant about why Labor was defeated and who was to blame for the defeat, however Scullin was philosophical when questioned about Labor's performance:

⁵⁰⁵ *Labor Call*, 3 December 1931.

⁵⁰⁶ *Worker* (Brisbane), 2 December 1931.

⁵⁰⁷ *C.P.D.*, Vol 132, 26 November 1931, p.1926

⁵⁰⁸ For an analysis of the 1931 election see; Sawyer, *op cit.*, p.42-3; and McMullin, 1991, *op cit.*, p.177-80 and Robertson, *op cit.*, pp.362-79,

Defeat is the fate of a government, which has had the responsibility of governing the nation during a financial crisis ... My personal regrets are at the loss of earnest and able colleagues, and at the disappointment of strong supporters who have never wavered in their allegiance to the Government. However, the people have spoken, and theirs is the deciding voice.⁵¹⁰

Conclusion

Scullin's analysis of Labor's performance highlighted the Depression as the major reason for the loss. It is undeniable that the Depression was a major determinant in Labor's inability to enact the platform in a similar capacity to Fisher from 1910 to 1913. Also, another major obstacle that Scullin had to contend with that was absent during Fisher's administration was Labor's inability to have its legislation pass the Senate without it either being slaughtered or heavily amended so that the end product had no resemblance to that which was initially introduced. In reflecting on Labor's legislative achievements vis-à-vis enacting the platform Sawyer stated:

... little of this legislation derived from the election policy of the ALP, still less its long term program.⁵¹¹

Sawyer was of the view that the Government's inability to legislate for the platform was based on two separate but interrelated factors:

The Government was hag-ridden by the economic crisis, and by the hostile Senate, which together forced it into measures designed mainly by its opponents, and anathema to most of its followers; these measures were designed to spread the burden of the economic crisis 'equitably' – that is, so as to preserve a substantially private-enterprise economy with about the same relative class distribution of income and capital as obtained before the crisis occurred. Hence the chief legislative monument to the government was the series of financial measures enforcing reductions in salaries, wages, pensions and social services, and inviting and in the finish enforcing reductions in interest payments on the public debt.⁵¹²

⁵⁰⁹ *The Worker*, 23 December 1931.

⁵¹⁰ *Argus*, 21 December 1931.

⁵¹¹ Sawyer, *op cit.*, p.10.

⁵¹² *ibid.*

Sawer's analysis is poignant, however it should be noted that whilst the economic conditions of the time were egregious and the Senate overtly hostile and often destructive in its handling of Labor's legislative program, Scullin had two excellent opportunities to address the political situation in the Senate by forcing a double dissolution election that could have gifted Labor control of the Senate. However, neither opportunity was pursued and this coupled with the fact that Scullin chose to be out of the country during crucial times during his administration only added to his government's problems that eventually brought about Labor's demise at the polls in 1931.

The Scullin Labor Government was severely restricted in its ability to successfully enact the platform and it was forced to enact a legislative program largely in keeping with its Opponents' policy initiatives rather than its own platform. However, despite this fact a wholesale critique of the administration's shortcomings should be viewed cautiously. Labor, once again came to office at a time of great international unrest, except this time it did not face a world war it had to manage during a period of global economic and financial crisis and depression. Labor formed a Government after thirteen years' in the political wilderness and had to contend with a global economic and financial crisis the likes of which the world had never experienced, as well as dealing with a recalcitrant Senate that mauled nearly every piece of legislation that was submitted to it. Also, the obdurate Chair of the Commonwealth Bank was an individual who did everything in his power to make life a misery for the Labor administration battling to keep its head above water.

Labor's first six months in office were relatively uneventful in respect of pursuing the platform, however Labor moved to strengthen plank 2 of the 'Finance and Taxation' section of the platform by passing legislation related to Land Taxes. This measure was hardly ground breaking, however it was a positive step in the right direction. Labor was under no illusion as to the enormity of the task it faced, even if it did not fully comprehend the enormity of the tidal wave that was about to engulf it. Labor did not control the Senate but this did not stop it pursuing key platform planks by introducing three separate pieces of legislation to alter the Constitution. Labor was aware of the policy agenda it wished to pursue and did not hesitate on passing three

Constitution Alteration Bills through the House. The Bills, if passed through the Senate and at a Referendum would have provided Labor with the power to amend the Constitution by obtaining a clear majority in both Houses, as well as expanding the powers of the federal government in the fields of industrial arbitration and trade and commerce. The Bills pursued key planks of the platform but were killed off in the Senate. Scullin then had an opportunity to force a double dissolution, and after threatening to do so, he withdrew the Bills from the government program. The defeat of the referenda proposals was a blow to Labor and not entirely unexpected. However, undaunted the Government then actively pursued key platform planks including the establishment of a Central Reserve Bank, the introduction of Conciliation and Arbitration legislation and legislation to establish cooperative wide pools for wheat and hops. In April 1930, Labor introduced the Wheat Marketing Bill and the Hops Marketing Bill in line with sub plank 10 of the 'National Work' section of the platform, the Bills were passed through the House where Labor controlled the chamber but were dismantled in the Senate. In May 1930, Labor introduced the Central Reserve Bank Bill in line with plank 1 of the 'Finance and Taxation' section of the platform that called on Labor to establish a Central Reserve Bank. Again, the Bill passed through the House but was effectively rendered useless and finally killed off in the Senate. Also, in May 1930 Labor introduced the Conciliation and Arbitration Bill to strengthen the existing industrial reform planks of the platform, but again the Bill passed through the House only to be defeated in the Senate.

An analysis of the Bills introduced into the Parliament show that the Scullin Government attempted to enact key planks of the platform, including legislation on banking reform, industrial relations, national work, land taxes and constitutional initiatives, all of which were successfully passed through the House but were put to the sword in the Senate. There is little doubt that Labor was overwhelmed by the sheer magnitude of the crisis which they faced, a crisis that ultimately decimated the party at the elections in 1931. However, what is also clear is that Labor did pursue the platform and but for the Senate would have enacted a number of its key platform planks.

CHAPTER 4 - CURTIN – LABOR AND WORLD WAR II

Chapter four analyses the government of John Curtin from its rise at the hands of two independents through to its electoral dominance over its opponents in a world at war. The chapter highlights the similarities between the wartime administrations of Curtin, Fisher and Hughes and the difficulties encountered by Curtin in pursuing the platform during wartime. In the period that Curtin was Prime Minister, his government shelved the platform, amended and broadened the platform to help it fight the war, especially in relation to conscription, and as the war progressed actually began pursuing and enacting the platform. The one constant in the Curtin years, in relation to the platform, was that it was primarily utilised to advance the war effort and to help provide Australia with a foundation to rebuild after the war ended.

On 3 September 1939 Great Britain declared War on Germany after the latter had invaded Poland. Australia's Prime Minister, Robert Menzies then broadcast to the Australian people informing them of Australia's position in the war.⁵¹³

Labor and a Unified Government

On 5 September Labor leader John Curtin met with Caucus to discuss the war situation and to also inform his colleagues of his discussions with Menzies about Australia's involvement in the conflict. At the meeting Curtin introduced a draft declaration outlining Labor's official position on the war:

The Australian Labor Party affirms its traditional horror of war and of its belief that international disputes should be settled by arbitration.

It deplores the fact that force instead of negotiation and discussion has plunged the peoples into war. It believes that resistance to force and armed aggression is inevitable if attacks on free and independent peoples are to be averted. In this crisis, facing the reality of war, the Labor Party stands for its platform. That platform is

⁵¹³ It is my melancholy duty to inform you officially that in consequences of a persistence by Germany and her invasion of Poland, Great Britain has declared war upon her and that as a result, [of Britain being at war] Australia is also at war.' Declaration of war delivered by Menzies on 3 September 1939, see www.menziesvirtualmuseum.org.au/1930s/1939.html

clear. We stand for the maintenance of Australia as an integral part of the British Commonwealth of Nations. Therefore, the party will do all that is possible to safeguard Australia and, at the same time having regard to its platform, will do its utmost to maintain the integrity of the British Commonwealth.

As to the conduct of Australian affairs during this unhappy period, the Australian Labor Party will preserve its separate entity. It will give support to measures having for their object the welfare and safety of the Australian people and of the British Commonwealth of Nations.

We take the view that these measures should include the immediate control by the Commonwealth Government of all essential raw materials and the resumption by the government of the factories associated with the production of munitions and war equipment.

There must be a rigid control of commodity prices and house rents so that war profiteering will become impossible. Interest rates must be kept within bounds and the monetary system readjusted so that the National Debt be kept as low as possible.

The democratic rights of people must be safeguarded to the maximum. The very minimum of interference with the civic liberties of the people should be the objective of the government in carrying through its measures for national security. To ensure that this be done, it is essential that the Parliament of the Commonwealth should remain in session.⁵¹⁴

The declaration was unanimously endorsed by Caucus and Curtin read it into Hansard, as official Labor policy, the following day. Labor had officially confirmed its intention to pursue the platform, however the real test of this commitment would be put to the test only if Labor was in government, as it was clear from the declaration that Labor forays to enact the platform would be tempered by its commitment to safeguard Australia. A major issue associated with the commencement of war and Australia's involvement in it centred on the need for the formation of a national or unified government comprising all parties. Menzies had canvassed the issue with Curtin but Curtin's response to Parliament on the issue was unequivocal:

⁵¹⁴ *Caucus Minutes*, 6 September 1939.

The suggestion that there should be a government composed of all parties in this Parliament appears to me to be one which, if carried out, would not be in the best interests of either the parliament, the Government, or the people of Australia. This Parliament must not be a mere governmental echo during this crisis ... I think that those who examine the situation fairly will agree, that it would be a bad thing for the conduct of this war for the Government not to have to confront an Opposition, to face up to the examination which an Opposition can best give to government proposals.⁵¹⁵

Curtin re-iterated his and Labor's stance on the issue four days later in a live broadcast to the nation when he told the Australian people:

A proposal has been canvassed that the Labor Party should enter a Commonwealth Government composed of representatives of all parties ... I say to you that it would be a bad thing, during the conduct of war, if the Government used Parliament merely as a sounding-board of its policy to echo out to the country ... I would advise the Government that, if it desires to have a united Australian people at this critical time in our history, then it must take the Labor Party's views fully into account.⁵¹⁶

Curtin's initial declaration on the war coupled with his insistence that Labor would not enter into a unified government sent the signal that Labor would act as a viable Opposition. Also, in the event that circumstances changed and Labor was called upon to form a government, then that Labor Government would pursue stated policy goals as contained in the platform, for as Curtin was aware, once Labor became part of a unified government the pursuit of the platform in concert with the war effort would be virtually impossible. It should be noted that at this early stage in the war, with limited Australian involvement, Labor's position of maintaining its official opposition status was tenable, however as the war progressed the pressure mounted for Labor to join a unified government.

On 2 March 1940 Labor was provided with an electoral boost when Jack Dedman won the seat of Corio in a by-election from the United Australia Party (UAP).

⁵¹⁵ *C.P.D.*, Vol. 161, 15th Parliament, House of Representatives, 6 September 1939, p.39.

⁵¹⁶ Radio broadcast by John Curtin, 10 September 1939 in Black, D., (ed) *In His Own Words – John Curtin's Speeches and Writings*. Paradigm Books, Curtin University, Australia, 1995, p.160.

Labor's win in Corio provided the party with a morale boost, however with the war in Europe worsening, Curtin informed Caucus that there was a possibility that Menzies was going to call an early election and that certain aspects of Labor policy (notably defence) had to be clarified.⁵¹⁷ Curtin believed that a Special Federal Conference needed to be convened as soon as possible and called on Caucus to support his motion to set it up:

That in view of the world situation and the state of the war in relation to the defence of Australia and the general questions associated therewith, including the necessity of an early outline of the general principles of post war re-construction, the State Executive of the ALP be requested to convene, at the earliest possible date, a Special Commonwealth Conference.⁵¹⁸

Caucus passed the motion and the Special Conference was organised to take place in Melbourne in mid June. The buoyant mood of the party after the Corio win had long since evaporated and was totally eclipsed by events in Europe, for by the time the delegates to the Special Commonwealth Conference met on 18 and 19 June, Germany had already marched through Belgium, Denmark, the Netherlands and Norway, and was in the process of negotiating an armistice with France. The delegates knew that although Australia had not been the target of direct military action, they were nevertheless under little apprehension of the implications of Nazi Germany's blitzkrieg through Europe and the implications to Australia should Great Britain be defeated.

The mood at the Conference in relation to events in Europe was sombre, however that did not stop delegates engaging in vigorous debate about what Labor's role in the war should be. Forgan Smith lead the Conference debate and provided the rationale for why it had been called:

⁵¹⁷ *Caucus Minutes*, 9 May 1940.

⁵¹⁸ *ibid.*

It [the Conference] was desired to give a political charter to the Federal Parliamentary Labor party and the Labor movement as to how a part should be played in the present crisis.⁵¹⁹

Conference was then presented with a seven point resolution, that had been through committee,⁵²⁰ outlining Labor's position on a number of issues relating to the war and Australia's involvement in it. The resolution stated:

Having regard to the gravity of the world situation and the imminent danger to the Commonwealth of Australia, the Empire and the Allies, this conference of the Australian Labor Party definitely declares as their policy:

1. Complete and indissoluble unity with the Allies in the war.
2. The entire resources of Australia (which includes all productive and financial organisations) to be under the control of the Commonwealth Government for national service in the urgent and adequate defence of Australia and the prosecution of the war.
3. That to secure maximum productive efforts, all idle employable labour be absorbed into industry.
4. Speeding up of our war and other services on a planned scale aiming at the highest efficiency and the most economic use of the resources at our command.
5. National training for defence in terms of the existing Defence Act to be maintained on the highest basis of efficiency and provision for adequate system of physical training throughout Australia. Complete participation in the Empire Air Force Scheme. Necessary provision for reinforcement of the AIF divisions, the extent of European participation by volunteer army to be determined by circumstances as they arise, having regard to the paramount necessity of Australia's defence.
6. Full recognition of trade unions, safeguarding industrial standards and the participation by Labor organisations in the successful organisation of the nation.
7. An excess war profits tax of 100%

This conference is firmly convinced that Australia can be united on these principles and calls to Australians to stand together in resisting aggression from any source, to bear willingly any burden that may be imposed in the interests of Australia's security

⁵¹⁹ Australian Labor Party, Official Report of proceedings of the Special Commonwealth Conference, Melbourne, 18-19 June 1940, p.14.

policy ...the way to do it was to see that it was put into effect by a National government.⁵²⁶

Lowry agreed with Plummer's assessment of Australia's defence capabilities and told delegates that:

If Britain went down, the Empire would go down and Australia would be the biggest prize. The first object must be to win the war. The way to see that things were done in the interests of the workers was to join in a national Government, even if it meant associating with Menzies.⁵²⁷

Evans opposed a National Government and attacked the idea of joining Menzies telling Conference that he was:

... witnessing the capitulation of the ALP in the face of a crisis ... Delegates had admitted that the Menzies Government had bungled Australia's defences yet wanted to collaborate with it.⁵²⁸

Dwyer Gray played the role of the dire pessimist stating that he:

... would like to see a National Government and also the necessary steps taken to prevent a general election. It had to be realised that there might never be another Federal conference.⁵²⁹

However, despite Dwyer Gray's prognostications the delegates passed the resolution by twenty-four votes to twelve. Curtin then moved to consolidate the position of the Party in line with the resolution moving:

In order to effectively implement the policy agreed upon by conference and to achieve and maintain the maximum of national unity, and to ensure the preservation of the utmost degree of civil liberty consistent with the conduct of war, this conference declares-

⁵²⁶ *ibid.*, pp.17-18.

⁵²⁷ *ibid.*, p.19.

⁵²⁸ *ibid.*, p.20.

⁵²⁹ *ibid.*, p.17.

1. That Parliament should be regularly consulted.
2. That the Labor Party should maintain its integral identity in the people's interests.
3. That a National War Council including representatives of Labor should be established to advise the government in respect to the conduct of the war and in preparing for the post-war reconstruction.⁵³⁰

Curtin opposed forming a unified government but proposed that Labor should join a National War Council⁵³¹ (this 'Council' was yet to be established) and told delegates that paragraphs (a) and (b) of his motion were 'in accord with the original declaration at the outset of the war'⁵³² and that in respect of paragraph (c) 'that Labor would remain the watchdog in the federal parliament.'⁵³³ Hanlon supported Curtin, telling delegates that:

... it was obvious that if Labor joined a National Government it would have a minority place in the Government, and would have to take an equal share of the responsibility for what was done by the majority'.⁵³⁴

Clarey was more concerned with the establishment of a National Council and told the meeting that:

... if Labor won the next election, such a Council might prove a hindrance to the Labor Government.⁵³⁵

Lowry then urged delegates to consider the fact that:

... if Labor did not take its share in the Government of the country, the powers of the Government would be used against Labor.⁵³⁶

Curtin was the last to speak on the motion and told delegates:

⁵³⁰ *ibid.*, p.20.

⁵³¹ The idea of a National War Council was raised by Richards at the Conference and Curtin used this concept as a potential way for Labor to play a part in the administration of the war yet still maintain its opposition status. See; *ibid.*, p.21.

⁵³² *ibid.*, p.20

⁵³³ *ibid.*, pp.20-21.

⁵³⁴ *ibid.*, p.22.

⁵³⁵ *ibid.*

⁵³⁶ *ibid.*

There were fundamental objections to a National Government, but there was a demand (and an obligation to meet it) for Labor placing the resources of the Labour movement at the disposal of the Government ... [and summed up by stating that] ... a democracy was not a perpetual debating society, it had to act.⁵³⁷

The Conference followed Curtin's lead and passed the motion by twenty-three votes to thirteen, and although no election was imminent Labor was in a better position to grasp power than before the Conference was held. In fact, five months after the Conference, Menzies called a federal election and was very fortunate to be returned.

1940 Federal Election and the Australian War Council

On 21 September 1940 John Curtin led the Labor Party to within a breath of capturing government from Robert Menzies' United Australia Party (UAP) – Country Party Coalition Government.⁵³⁸ Labor won thirty-two seats, an increase of five from the previous parliament, including the election of H.V. (Doc) Evatt.⁵³⁹ The Non-Communist Labor Party won four seats effectively giving Labor a total of thirty-six members in the House, the same number as the UAP-Country Party Coalition; the balance being held by two independents Mr A.W. Coles in Henty, and Mr Alex Wilson, Wimmera both from Victoria. In the Senate Labor had seventeen members and the UAP-Country Party Coalition nineteen.⁵⁴⁰

In the aftermath of the election Menzies attempted to convince Curtin that Labor should join a national unified government and throughout October Curtin and Menzies debated the issue.⁵⁴¹ Menzies was ultimately unsuccessful in his attempt to persuade Curtin to join him in a national government, with Curtin standing fast alongside the Special Conference Resolution passed by the Party in June. However,

⁵³⁷ ibid.

⁵³⁸ For an overview of the UAP see; Loyd, C.J., The Formation and Development of the United Australia Party 1929-37. Australian National University, Canberra, 1989.

⁵³⁹ Herbert Vere Evatt was a High Court justice for over ten years prior to his election to the NSW seat of Barton. Much has been written on Evatt but for a solid overview see; Tennant, K., Evatt: Politics and Justice. Angus & Robertson, Sydney, 1970; and Dalziel, A., Evatt the Enigma. Lansdowne publishing, Australia, 1967.

⁵⁴⁰ The UAP had fifteen senators and the Country Party four.

agreement was reached that Labor would be a part of an Australian War Council, and in a response to a letter from Menzies, Curtin stated:

The Australian War Council should be representative of all parties and empowered to investigate, advise and assist the Government in its war effort⁵⁴² ... The Labor Party, however, hopes that the Government will be able to give effect to a substantial measure of the party's social, industrial and financial policy, with special reference to soldiers' pay and allowances; pensions; housing; unemployment; the plight of the wheat growers, and a re-organisation of the finances of the country.⁵⁴³

Labor had maintained its identity as a credible opposition party and had not joined a national unified government and Curtin was primarily responsible for repositioning Labor, after its election defeat, with a realistic chance of governing in its own right should it (and Curtin) be called upon to do so. Curtin's stance placed Labor in a position to pursue the platform that it would not have been in had he chosen to follow Menzies into a unified government. Also, as a part of the War Council Labor representatives were presented with information concerning matters of importance including advance copies of the budget. With Labor being represented on the War Council they were successfully able to negotiate changes to the budget in line with the platform, a situation reminiscent of Watson four decades earlier, and on 4 December 1940 Curtin informed Caucus of the changes accepted by the Government:

1. Income tax: Alter the exemption from £150 to £200 per annum. Wholly dependant mothers to be added to the list of dependants for purposes of exemption.
2. In the case of all Services a domestic allowance of 7/- per week to be paid to wives with a child or children.
3. Wheat: The Commonwealth to provide, by way of grant for drought relief to wheat farmers the sum of 1,000,000, the allocation of such sum to be referred to the Agricultural Council.

⁵⁴¹ For an overview of the correspondence that was sent by the respective leaders over the issue see, Australian Labor Party, *Caucus Minutes*, 15-23 October 1940.

⁵⁴² The Labor members on the War Council were Curtin, Beasley, Forde and Makin. Evatt was added on 14 March 1941.

⁵⁴³ *Caucus Minutes*, 22 October 1940.

4. Old Age Pensions: The standard rate of pension to be increased to 21/-, and to be made variable according to the cost of living, taking the present time as the base and making provision for rises of 6d.
5. A select Committee to be appointed to discuss the War Time Companies Tax, and to report within a week. It is agreed that the amount budgeted for by the Government from this source is to be raised, but the Committee will advise upon ways and means.
6. In order to permit of an investigation of the questions which have arisen in respect of Central bank credit and subsequent control, the War Council will as soon as possible confer with the Commonwealth Bank and the Treasurer.
7. In order to facilitate the future working of Parliament, Opposition Members of the War Council agree that in future questions capable of discussion by the Council will be brought before being raised in parliament.
8. The necessary legislation to give effect to the budget as altered above will be passed and the amendment now before the House withdrawn.⁵⁴⁴

Curtin steered Labor to a political holding position, where Labor had influence over policy via the War Council, however elements within the party led by Evatt sought to undermine Curtin in Caucus to force Labor, if necessary, into a unified government. In December Labor contested a by-election in Western Australia with McMullin positing:

... if Labor could capture it [the seat of Swan], an ALP government would surely follow.⁵⁴⁵

McMullin's comment appears innocuous at first instance, however he places it in a context that Curtin had:

... worries about becoming Prime Minister if Dinan [Labor's candidate] managed to win the by-election.⁵⁴⁶

⁵⁴⁴ *ibid.*, 4 December 1940.

⁵⁴⁵ McMullin, 1991, *op cit.*, p.207.

⁵⁴⁶ *ibid.*

McMullin attempts to shore up his assumption of Curtin's pusillanimity by calling on the ubiquitous reference of, 'Some ALP supporters',⁵⁴⁷ (although no identities are mentioned) concluding that it was:

... no mere coincidence that no other prominent party figure except Evatt made the long journey to help Dinan.⁵⁴⁸

The inference being that Curtin, in choosing to stay in Canberra, deliberately hijacked Labor's opportunity to form a government. As a conspiracy theory it may deserve merit, however the facts are that if Curtin had any serious misgivings about his capacity to lead Labor and the Country during World War II then he would have pursued the option of becoming a part of a National Unified government with more vigour than the outright opposition to it that he displayed, not only at the Special Conference but also during his discussions with Menzies during October when he had the opportunity to lead Labor into such a government. Curtin may have held personal doubts about his strength as a leader, but to suggest via inference that he deliberately ensured a Labor loss to keep Labor out of office should be treated with caution. Needless to say, Labor did not win Swan, however in February 1941 the Langite MP's in the Non-Communist Labor party officially rejoined Labor and whilst Labor was gaining strength the Government was slowly disintegrating, in fact Menzies' position as leader was tenuous at best within his own party:

It was being said that Menzies was not facing up to the task of making the extensive administrative changes which he had foreshadowed with a view to a more intensive war effort. He was proceeding at too leisurely a pace. Couldn't fight a war on speeches – and so on.⁵⁴⁹

Menzies was losing control of his Government, he was not popular with the electorate and Hughes was telling anyone who would listen that 'Menzies couldn't lead a flock of homing pigeons'.⁵⁵⁰ In August 1941 Menzies wrote to Curtin again attempting to convince Curtin to join a national government, to which Curtin and Caucus refused.

⁵⁴⁷ *ibid.*

⁵⁴⁸ *ibid.*

⁵⁴⁹ Spender, P., *Politics and a Man*. Sydney, 1972, p.159.

⁵⁵⁰ Horne, D., *In Search of Billy Hughes*. Macmillan Press, Melbourne, 1979, p.123.

During 1941 the direct threat to Australia by Japan had increased markedly, however despite this fact Menzies left the country for England from January to May and then in August he planned to leave again. Menzies was rebuffed in his attempt to leave the country a second time and on 22 August 1941 Menzies wrote to Curtin in another attempt to convince him to join a national government:

The events of the last few days have once more emphasised the imperative need for political stability in Australia so that we may confront and deal with our grave problems with unity, strength and effectiveness ... I feel that at this grave and perilous time no personal considerations should be allowed to retard or prevent the formation of such an administration. I therefore desire to put before you and your colleagues the following proposal:

- a. That a new Cabinet should be formed, to consist of equal numbers of Government and Opposition members;
- b. That such Government should be under the leadership of either:
 1. The present Prime Minister.
 2. The present Leader of the Opposition; or
 3. Another leader, to be chosen by some method to be agreed upon if the general principle of a joint Government is accepted;
- c. I would be prepared to serve under anybody who became Prime Minister as a result of the acceptance of this offer.⁵⁵¹

Curtin discussed the contents of Menzies' letter, and the intended reply he had developed with the Executive, to Caucus:

... As we have repeatedly declared, Labor opposes an all party Government because it believes that its formation would stifle honest patriotic criticism, without which a successful war effort is impossible ... I therefore offer four considerations in reply to your communication:

1. I agree that a workable Parliament is essential for the prosecution of the war. The Opposition has provided this.
2. Your letter indicates that you are not now able as Prime Minister to give Australia stable government.

⁵⁵¹ *Caucus Minutes*, 22 August 1941.

3. I disagree with your assertion that a government led by myself will not be able to secure a workable Parliament and political stability. I feel I have the right, having regard to the interests of the nation, to expect in the Parliament the same measure of co-operation in respect to the prosecution of the war as the Labor Party has unswervingly given.
4. I consider that, in the first instance, in view of your statement that you cannot secure political stability and a workable Parliament, you should return your commission to His Excellency the Governor-General and advise His Excellency of the purport of this communication.⁵⁵²

Caucus unanimously endorsed the response and on 27 August 1941 Calwell moved:

That the executive prepare a resolution for submission to the House inviting it to express its approval of the letter forwarded by the Leader of the Labor Party to the Prime Minister and instructing the Speaker to convey the resolution, if carried to His Excellency the Governor General.⁵⁵³

Calwell's motion, if successful, would have brought a vote of no confidence in the government, however Curtin was of the view that the most appropriate time to strike would be when the government attempted to pass its budget. Calwell's motion was defeated by thirty-five votes to fifteen.⁵⁵⁴

A Curtin Labor Government

Menzies position was untenable and on 28 August he resigned as Prime Minister and Arthur Fadden was elected unopposed by the members of the UAP and the Country Party and sworn in as Prime Minister the following day. On 2 September 1941 with the Government in internal disarray Curtin made a statement to the nation that was unequivocal about Labor being ready to govern:

Faults and cracks in the structure of the Australian government have not been of our making. They did not commence and have not been widened by any word or deed of the Opposition nor of the Advisory War Council. Therefore as we enter the third year

⁵⁵² *Caucus Minutes*, 26 August 1941.

⁵⁵³ *ibid.*, 27 August 1941.

of war the Labor Party's declaration is this: 'We will govern when we are given a mandate by the people to do so. If disintegration and dissension among our political opponents or ill-conceived policies on their part result in a call being made to Labor then we are ready to govern.'⁵⁵⁵

The Fadden Government existed on borrowed time and only lasted for forty days until debate on the budget commenced. Curtin immediately moved an amendment that the first item in the Budget Estimates should be reduced by one pound:

What we have to consider in this budget is ... how we can best and most fairly organise the nation so as to secure the greatest possible degree of efficiency in the prosecution of the war, and in that way the more early attain victory ... If we are to fight this war collectively, we must have some application immediately of what people are describing as the 'new order'. But there is nothing of a new order in allowing people at the top of the income scale to meet all of their financial contributions to the war without having to go without anything requisite to their subsistence ... We are opposed to the budget because of the principles upon which it is founded and the plan that has been formulated in order to carry it out.'⁵⁵⁶

Curtin's amendment was literally a vote of no confidence in the Government and in a light hearted moment Curtin called into Fadden's Office to discuss the vote:

'Well boy', he said, 'have you got the numbers? I hope you have, but I don't think you have.'

Fadden replied, 'No John, I haven't got them. I have heard that Wilson spent the weekend at Evatt's home, and I can't rely on Coles.'

'Well, there it is,' said Curtin. 'Politics is a funny game'.⁵⁵⁷

On 3 October the House voted thirty-six to thirty-three in favour of Curtin's amendment with the two independents, Wilson and Coles, crossing the floor to bring

⁵⁵⁴ *ibid.*

⁵⁵⁵ *The Argus*, 3 September 1941, p.9.

⁵⁵⁶ *C.P.D.*, Vol. 168, 1 October 1941, pp.608, 617.

⁵⁵⁷ Souter, G., *Acts of Parliament*. Melbourne University Press, Australia, 1988, p.341.

down the Fadden administration and provide Labor with the opportunity to form a government. Curtin's ministry was sworn in by the Governor General on 7 October and on 8 October Labor entered the House to take up their seats on the Government benches. Labor was now in a position to implement the platform and in the adjournment debate Brennan stated:

The unsolicited advice which I give to the Government that I now support is that it should go forward with its policy with courage, and with the determination that, if it fails to give effect to what it conceives to be the essential policy of Labour, it will seek an early appeal to the electors.⁵⁵⁸

Brennan's pronouncement was clear and unequivocal, Labor now had the right to govern and it should embark on implementing Labor policy in line with the platform immediately. However, according to Day:

Fadden and the press made it clear that Curtin had no mandate to implement Labor's socialist agenda since it only represented half the people.⁵⁵⁹

Curtin was cautious about sending mixed messages to the country and was of the view that:

Labor would not implement its complete election program because it lacked a mandate to do so.⁵⁶⁰

Curtin's policy position on this issue was not well received by some of his colleagues and he attempted to placate them by promising that:

Labor would adopt a realistic step by step application of policy.⁵⁶¹

⁵⁵⁸ *C.P.D.*, Vol., 168, 8 October 1941, p.739.

⁵⁵⁹ *Telegraph*, Brisbane 4 October 1941; *Herald*, Melbourne, 4 and 6 October 1941; *Age*, Melbourne, 4 October 1941; *Argus*, Melbourne, 4 October 1941; *Sydney Morning Herald*, Sydney, 4 October 1941.

Day, D., *John Curtin: A Life*. Harper Collins, Australia, 1999, p.417.

⁵⁶⁰ Day, *ibid.*

⁵⁶¹ *Daily Telegraph*, Sydney, 1 November 1941 as cited in *ibid.*

Curtin had come to power with a platform that was agreed to in June 1940⁵⁶² and much had transpired since this time.

Total War – Labor Shelves The Platform

On 8 October 1941 Curtin published a statement in the *Australian Worker* pledging the Labor Government to the wholehearted pursuit of the war effort:

We shall carry on the war effort. Make no mistake about that. We regard the war as one which affects the basic interests of Labor more than those of any other section of the community. Labor will devote itself with a singleness of purpose to achieving the desire of the whole Australian people – a maximum war effort, with distribution of the inevitable burdens of the war as fairly as possible over the whole community.⁵⁶³

Curtin's statement left little doubt that Labor's commitment to the war would take precedence over implementing the platform. The platform was effectively shelved whilst Labor pursued a policy of total war. Labor now found itself in an almost identical position to the Fisher and Hughes Governments of 1914-1916 where Labor were in power but were faced with the task of governing a country that was at war. The Fisher and Hughes Labor Governments were totally consumed by World War I and there was virtually no movement by either administration to pursue and enact the platform, with all of their energies being directed to the war effort. Now Curtin held the post of Prime Minister of a war administration and the enormity of the task that now confronted Labor to pursue and successfully enact the platform was enormous. Two months after Labor were sworn in, Curtin's fears of heightened Japanese aggression in the Pacific region were realised. On 7 December Japanese forces attacked Pearl Harbour, Malaya, Singapore and Thailand. On 8 December Curtin addressed the nation:

Men and women of Australia. We are at war with Japan ... We did not want this war in the Pacific ... I say then to the people of Australia: Give of your best in the service

⁵⁶² See Appendix 27 – Australian Labor Party Federal Platform 1940.

⁵⁶³ *Australian Worker*, 8 October 1941.

of the nation ... Each must take his or her place in the service of the nation, for the nation itself is in peril. This is our darkest hour.⁵⁶⁴

The Japanese attack, was at the time, 'Australia's darkest hour', however on 15 February 1942 Japanese forces captured Singapore and Curtin told Australians:

The fall of Singapore can only be described as Australia's Dunkirk ... the fall of Dunkirk initiated the Battle for Britain. The fall of Singapore opens the Battle for Australia.⁵⁶⁵

Curtin's pronouncement was to prove prophetic for four days later on 19 February Japanese planes bombed Darwin, and Curtin, who was in hospital at the time, issued a statement to the Australian people:

I have been advised by the Department of the Air that a number of bombs were dropped on Darwin this morning ... As the head of the Australian Government I know there is no need to say anything other than these words – total mobilisation is the Government's policy for Australia ... all Australians must voluntarily answer the Government's call for complete giving of everything to the nation.⁵⁶⁶

It was in the context of an all out war effort that Labor now governed. Labor had a duty to enact the platform, however it had pledged itself to a 'maximum war effort' and in the context of the time, this would now take precedence over the development and pursuit of all government policy including platform initiatives. Brennan's pronouncement in October 1941 certainly held merit, however after the events of February 1942 pursuing the platform on any level would become extremely difficult. In early October 1941, when Curtin became Prime Minister, the *Melbourne Age* called for the nation to get behind the Government, drawing a parallel of Curtin's position with that of Scullin during the Great Depression:

⁵⁶⁴ Commonwealth Government: *Digest of Decisions and Announcements and Speeches by the Prime Minister (the R.H. John Curtin)*, no.10, 8 December 1941, pp.19-22.

⁵⁶⁵ Commonwealth Government: *Digest of Decisions and Announcements and Speeches by the Prime Minister (the R.H. John Curtin)*, no.19, 16 February 1942, p.7.

⁵⁶⁶ *Courier-Mail*, Brisbane, 20 February 1942.

It will be recalled that a Federal Labor Government took office in the early stage of the severe economic-financial crisis of 1929-1932 ... Beset with disastrous conditions, and forced to take unpalatable measures in the interests of national solvency, the Scullin Labor Administration found its path obstructed by many whose help and co-operation would have been valuable had they been capable of rising above party prejudice and sectional interest. The situation today is even more critical and dangerous; the stakes are graver, and go to the roots of our title and right to govern ourselves.⁵⁶⁷

The *Age's* pronouncements were given added weight by events in early 1942 and with Curtin rallying Australians firmly behind the war-effort there would be little scope for Labor to actively pursue the platform. Labor had committed themselves to a policy of total war and in the Parliament they were dependant on the votes of the independents Coles and Wilson to hold power and they did not control the Senate. Curtin like Scullin, Fisher and Hughes before him, had attained office at a time when external international events were of such a magnitude that advancing national Labor policy, by pursuing the platform, was not a practical option in the circumstances. In the period 29 October 1941 to 11 December 1942 Labor sat through three parliamentary periods and enacted ninety-seven pieces of primary legislation.⁵⁶⁸ It should also be noted that the Government enacted a wide range of measures to fight the war via specific Regulations primarily arising out of the *National Security Acts* with the government publishing a special pamphlet highlighting its achievements.

Twelve Months Labor Rule

On 2 November 1942 Labor released a pamphlet entitled '*12 Months Labor Rule: What the Government led by Rt. Hon. John Curtin Has Accomplished*'.⁵⁶⁹ The pamphlet contained forty-seven pages outlining Labor's achievements whilst it had been in office. Labor claimed that it had achieved a great deal since taking power from Menzies at the beginning of October 1941, but just how much of this

⁵⁶⁷ *The Age*, 7 October 1941.

⁵⁶⁸ First period - 29/10/1941 - 17/12/1941; second period - ; third period 2/9/1942 - 11/12/1942.

⁵⁶⁹ Australian Labor Party (Victoria), 12 Months Labor Rule: What the Government led by Rt. Hon. John Curtin Has Accomplished. Industrial Printing and Publicity Co. Ltd, Victoria, 1942.

'achievement' was actually based on Labor's platform? In summarising Labor's achievements over the period, the pamphlet stated:

- On October 7, 1941, Labor assumed office. This is the second time within the past 25 years that Labor has been called upon to take office at a most critical stage of our history.
- During two years of war previous governments had shown they were quite incapable of dealing effectively with the situation. Our defences were weak, our output of arms and munitions was small, the people were not organised to the fullest capacity. Internecine strife had robbed whatever capabilities the Lyons, Menzies, Fadden Governments may have possessed of making effective preparation for the successful prosecution of the war. They lived in a fools' paradise, fearing the worst – hoping for the best – but incapable of action.
- The Labor Government from the commencement of its activities as a Government adopted the motto which Mr Churchill said in Parliament recently should be the motto of the Allies, "It is deeds not words that count." It immediately set into operation plans to produce an "all-in" war effort. The Government's actions completely disprove the insidious propaganda which has in the past been spread about by certain of our opponents concerning Labor's determination to defend Australia and prosecute the war to a successful conclusion. The Labor Government faced realities and as a result Australia today is in a much stronger and safer position than it was in the black days of 1941.
- During the past twelve months the Army has been increased threefold. It is better armed and equipped, its mechanical strength has been considerably increased and it is better trained. Our Air Force also has practically doubled in number in the past twelve months.
- It was the Curtin Government that brought the A.I.F back from the Middle East; had General Macarthur appointed Commander in Chief of the South West Pacific area; was instrumental in getting planes, tanks, men and war material from America and England; increased and produced new types of aeroplanes, increased the building of ships and increased enormously the output of arms and munitions.
- The ineffective Army Board was abolished and replaced by a unified command system comprising efficient and experienced officers.
- The old Inventions Board was discarded and a new one established consisting of capable, experienced men.
- Mass production of the Owen and Austen guns was ordered.

- An allied Supply Council to ensure supplies for munitions and equipment was established.
- A National Food Council to increase production and control supplies came into being.
- A War Risk Insurance Scheme was established.
- Industry is being rationalised, production standardised and the output of coal has broken all records.
- Trading banks have been controlled in the interest of the nation.
- Holidays and sport have been cut down, drinking has been reduced. Transport facilities have been drastically curtailed in order to conserve our resources and provide for the efficient transport of war material and troops.
- In addition, our people are better organised and on the whole are now working together in a united war effort.⁵⁷⁰

A perusal of the 'achievements' in the pamphlet clearly shows an overwhelming legislative program based on maintaining Australia's commitment to the war effort. There was very little in it for those like Brennan who had urged Curtin to pursue Labor policy. In fact, of the ninety-seven pieces of legislation the Government enacted, only five were related to the Platform. Of these five, one was indirectly related to the platform's Objective; three were related to social policy planks and one was related to the defence planks.

Income Taxation

It was clear that Labor's commitment to the war took precedence over established Labor policy. However, despite the paucity of legislative action with respect to the platform the most important initiative pursued by Labor related to the establishment of a Commonwealth monopoly of income taxation in line with Labor's primary platform Objective of the 'Socialisation of Industry, Production, Distribution and Exchange'. The passing of four separate Acts⁵⁷¹ vesting specific taxing powers with

⁵⁷⁰ *ibid.*, pp.5-6.

⁵⁷¹ Income Tax (Wartime Arrangements) Acts 1942 and 1943; Income Tax Assessment Act 1942; and the States Grants (Income Tax Reimbursement) Act 1942

the Commonwealth theoretically provided Labor with greater power to pursue the Objective than before the Acts were passed.⁵⁷²

In elucidating the rationale for the introduction of uniform taxation during debate on the Income Tax (Wartime Arrangements) Bills 1942 Curtin stated:

This measure is one of a group designed to enable the Commonwealth Government to take command of the taxable capacity of Australia in order to obtain the economic and financial resources required for the war. That is the supreme purpose of the Bills. They provide for total mobilisation so that we may use everything we have to the best advantage and in the most equitable way ... these measures are vitally requisite for the conduct of the war, and that any other consideration ought not be taken into account.⁵⁷³

The income tax measures were in direct response to the war effort, however the effect of the legislation significantly strengthened Labor's position to pursue the Objective at the war's end.

Social Services – Widow's and Children's Pensions

The war effort had precedence over all policy but this did not stop Labor strengthening its commitment to plank 18 of the 'Social Reform' section of the platform that dealt with the 'Introduction of Widow's and Children's Pensions'. On 14 May 1942, Labor introduced the Widows Pension Bill and Holloway, the Minister for Social Services outlined the Bill to the House:

The object of this Bill is to provide pensions and allowances to widows and unendowed children, subject to compliance with prescribed conditions regarding age and means.⁵⁷⁴

The Widows Pensions Bill provided for benefits to be paid to widows of any age who had to take care of one or more children and to widows over fifty years' of age

⁵⁷² The uniform tax Bills also survived a High Court challenge to their constitutional validity, and after this time uniform taxation became entrenched as the norm in the post war Australian economy.

⁵⁷³ C.P.D., Vol 171, 27 May 1942, pp.1577 and 1583.

who did not have children. The legislation was pursued by the Government and although it was on a total war footing it was still cognisant of the importance of maintaining and strengthening key social policy reform areas in line with the platform. Labor's commitment to maintaining a strong social policy agenda in line with the platform, even during the war, was highlighted when it successfully passed the *Invalid and Old Age Pensions Acts 1942*⁵⁷⁴ and the *Child Endowment Act 1942* to further strengthen planks 19 and 20 of the Social Reform agenda of the platform. The *Invalid and Old Age Pensions Act 1942* provided for a quarterly adjustment in the pension rate in line with the Consumer Price Index; and the *Child Endowment Act 1942* provided for weekly payments to people responsible for taking care of more than one child under the age of sixteen and unlike the *Widows Pensions Act 1942* there was no means test when assessing the benefit.

Defence – Manufacture of Munitions

The social policy planks of the platform were important to Labor, however the number one priority remained its commitment to the war effort and it now moved to enact specific Defence planks in the platform to pursue its war objectives. The most noticeable being plank 24(g) of the 'Defence' section of the platform which called for the 'Manufacture of munitions of war by amending the Defence Act' and also section 24(c) that stated:

That preparation, to counter any possible foreign aggression, be made by the establishment of a defence scheme commensurate with Australia's ability to maintain it and adequate for our needs, and that this be done by concentration on the following essentials:

- (i) Aerial defence, and the further development of commercial and civil aviation capable of conversion for defence purposes.
- (ii) The establishment of airports and depots at strategic points on the coast and inland.

⁵⁷⁴ C.P.D., Vol.170, 14 May 1942, p.1239.

⁵⁷⁵ In 1943 the *Invalid and Old Age Pensions (Reciprocity with New Zealand) Act 1943* was passed that provided for reciprocal recognition of qualifications for pension rights for people living in both Australia and New Zealand.

- (iii) The provision of adequate stores of oil fuel, and concentration upon the production of oil from coal and/or shale; and the production of power alcohol from crops suitable for the purpose.
- (viii) This policy to be financed by the operation of Labor's financial proposals.⁵⁷⁶

If we begin with plank 24(c)(viii) of the platform relating to financing the war effort, the uniform tax initiative together with the range of individual tax Acts such as the Income Tax, Land Tax, War Tax and War Tax (Company) Tax Acts provided the revenue stream necessary to finance the country's defence program. In respect of munitions, the 'government authorised the construction of sixteen government munitions factories and sixty-seven additional armament annexes'⁵⁷⁷ all of which were put into operation during the period with expenditure being costed at £48,500,000 and £11,100,000 respectively.

In relation to plank 24(c)(iii) of the platform Labor highlighted that:

... previous Governments failed to make adequate provision [for oil production]. Today our oil reserves are four times greater than twelve months ago and our depots, spread all over Australia, have doubled the storage capacity.⁵⁷⁸

Also, after the outbreak of war with Japan and the bombing of Darwin, planks 24(c)(i) and (ii) of the platform took on added significance with Labor claiming that:

... of the twenty five munition factories in operation, under construction or authorised at September 1941, thirteen were in capital cities and twelve in the country. The extra factories constructed, in course of construction, or authorised by the Labor Government, are all established in country towns.⁵⁷⁹

With respect of aerial defence Labor stated that 'great progress' had been made with the number of employees being employed at government factories increasing by

⁵⁷⁶ Australian Labor Party, Official Report of proceedings of the Special Commonwealth Conference, Melbourne, 18-19 June 1940, p.6

⁵⁷⁷ ibid.

⁵⁷⁸ ibid.

⁵⁷⁹ ibid., p.8.

10,798 from 12,646 in October 1941 to 23,444 in August 1942.⁵⁸⁰ This increase in employment was matched by the doubling of aircraft production and the spending of approximately £12,000,000 in eleven months on the production of Beaufort bombing and torpedo carrying aircraft as well as a greater concentration on the manufacture of combat type aircraft.⁵⁸¹

The platform gains during the first twelve months of Curtin's administration primarily revolved around the Defence section of the platform, however the Government's moves to enact and strengthen key Social Reform planks, such as child endowment, invalid and old age pensions as well as widows' pensions, highlighted its commitment to legislating for those most in need of government assistance, even in the middle of a world war.

Commonwealth Bank

The enactment of legislation on the Defence and Social Reform planks were soon followed in late 1942 with the introduction of the Commonwealth Bank Bill proposing the establishment of a separate 'Mortgage Bank' in line with Labor's planks on banking reform. The Bill was not drafted to enact plank 4(a) of the 'Methods' section of the platform that called for the 'Nationalisation of Banking', the reason for this was outlined by Curtin in response to a question from an Opposition member on Labor's bank nationalisation plans in June when he stated:

... the platform of the Labor Party provides for the nationalisation of banking. We do not regard the nationalisation of banking as a measure which should be introduced during the period of war, having regard to our war commitments and to the state of the political parties. This government came into office during a time of great national emergency. It has not abandoned its social program, and it does not regard the postponement of that program until after the war as an illogical procedure. However, insofar as the nation's war effort can be assisted by applying the general principles of the Labour platform to particular parts of the national structure, then to that degree we are prepared to do so.⁵⁸²

⁵⁸⁰ *ibid.*, p.9.

⁵⁸¹ *ibid.*

⁵⁸² *C.P.D.*, Vol 17, 3 June 1942, pp.2044-5.

Curtin outlined his interpretation of enacting the platform with respect of banking limited by the constraints imposed on him and his government by the war. According to Sawyer, the introduction of the Commonwealth Bank Bill provided Labor with the opportunity to make 'revolutionary innovations' in the banking sector,⁵⁸³ as well as implementing key nationalisation and banking planks in the platform. On 23 September Caucus approved the introduction of the Bill after previously discussing the impact of losing more than six thousand farmers from their land⁵⁸⁴ and the need for the Government to alleviate the hardship and pressures being felt by those in country communities. On 25 September Chifley introduced the Bill into the House stating:

The establishment of the mortgage bank is an objective that has been approved by all political parties. For a long time, it has been admitted that the absence of a mortgage bank was a deficiency in the Commonwealth's financial structure ... The operations of the mortgage bank at the present time will, of course, be severely restricted ... [also] the new mortgage bank will be kept quite distinct from the central bank functions of the Commonwealth Bank.⁵⁸⁵

The Bill was then sent to committee where McEwen, a Country Party MP, described it as 'a measure of the most extraordinary conservatism'.⁵⁸⁶ The Bill was subsequently passed and the mortgage bank established, with Labor effectively bypassing all of the banking planks contained in the platform to do so.⁵⁸⁷ Sawyer's view that Labor had the opportunity to make 'revolutionary innovations' in the banking sector has merit. However, the only war Labor was pursuing at this point in time was against the Japanese and its allies, not against the banks and fighting the war took precedence over implementing a wholesale restructure of the banking industry that would only have fractured the financial stability of the country and plunged the war effort into crisis.

⁵⁸³ Sawyer, *op cit.*, p.137.

⁵⁸⁴ see; *Caucus Minutes*, 7 May 1942.

⁵⁸⁵ *C.P.D.*, Vol 172, 25 September 1942, pp.973-4.

⁵⁸⁶ *C.P.D.*, Vol 172, 2 October 1942, p.1400.

⁵⁸⁷ The Commonwealth Bank Act 1943 was passed into law during the Eighth period of the First session of the 16th Parliament; see *C.P.D.*, Vol 173; 27 January - 5 March 1943.

Constitution Alteration Initiative – War Aims and Reconstruction

In fact, whilst Labor was implementing a program of total war, it had also been planning for peace and for its plans of post war reconstruction. In June 1940, delegates gathered at a Special Commonwealth Conference in Melbourne and adopted a number of resolutions based on the war effort, in relation to planning for the peace, Conference stated:

That a National War Council including representatives of Labor should be established to advise the Government in respect of the conduct of the war and in preparing for the post-war reconstruction.⁵⁸⁸

On 1 October, three months after the Special Conference, Evatt introduced the Constitution Alteration (War Aims and Reconstruction) Bill into the Parliament, a Bill that provided Labor with increased power to pursue a number of key planks in the platform:

In war-time the defence power has given the Commonwealth sufficient authority to handle the acute problems that arise. In the post war world ... there will be no defence powers on which to rely, and unless the Commonwealth is given sufficient power by the people the whole social and economic life of Australia will be placed in jeopardy. Positive, quick and courageous action must be taken after the war to ensure employment and social security for all, improved health and child welfare standards, the housing of people, and the promotion of economic stability ... We cannot afford to leave any doubt about the powers of the Commonwealth to deal with them directly, or to delegate such functions as it desires to the States and local authorities ... A national plan requires national action. This can only be assured by granting appropriate powers to the national Parliament.⁵⁸⁹

The Bill outlined fourteen specific powers that the Government would pursue if the proposed Bill was passed through the parliament and agreed to by the Australian people at a referendum:

⁵⁸⁸ Australian Labor Party, Official Report of Proceedings of the Special Commonwealth Conference, Melbourne, 1940, p.12.

⁵⁸⁹ *C.P.D.*, Vol 172, 1 October 1942, pp.1338-9.

- (a) The reinstatement and advancement of those who have been members of the fighting services of the Commonwealth during the war and of the dependants of such members who have died or been disabled as a consequence of the war.
- (b) Employment, including the transfer of workers from war time industries.
- (c) The development of the country and the expansion of production and markets.
- (d) The production and manufacture of goods and the supply of goods and services, and the establishment and development of industries.
- (e) Prices of goods and services, including their regulation and control.
- (f) Profiteering.
- (g) The encouragement of population.
- (h) Carrying into effect the guarantee of the four freedoms, that is to say:
 - (i) Freedom of speech and expression;
 - (ii) Religious freedom;
 - (iii) Freedom from want; and
 - (iv) Freedom from fear.
- (i) National works and services, including water conservation and irrigation, afforestation and the protection of the soil.
- (j) The improvement of living standards in both rural and urban areas.
- (k) Transport, including air transport.
- (l) National health and fitness.
- (m) The housing of the people; and
- (n) Child welfare.⁵⁹⁰

The fourteen powers sought by Labor would provide it with the necessary legislative mandate to pursue an extensive program of social reform at the conclusion of the war, providing it with the necessary legal foundation to pursue a number of key planks in the platform. Evatt's speech provided a framework for post war reconstruction, however after the Bill was second read the Government decided to leave the Bill on the notice paper.⁵⁹¹ Labor's term in office to the end of 1942 had shown that the party was totally committed to pursuing the war effort. The Government's regulatory regime was expansive and it sought to cover every aspect of war production including internal security. Black marketing activities became a national offence and taxes were

⁵⁹⁰ Australian Labor Party (Victoria), '12 Months Labor Rule' (1942), *op cit*, p.46.

⁵⁹¹ An amended version of the Bill was reintroduced into the Parliament in February 1944 where it was passed and put to the people in what became known as the 'fourteen powers referendum' of 1944.

increased across the board to finance the war effort. Labor had also successfully moved to curb industrial disputation to aid production of vital war armaments and materials and in the context of fighting a world war the fact that Labor still pursued planks of the platform, although in a very limited capacity, was remarkable.

Defence - Conscription

Labor's wholesale pursuit of the war effort was brought to the fore when it convened two Special Commonwealth Conferences to address the question of conscription, an issue that had been an anathema to Labor, especially given the events of 1916 and the conscription referendums that eventually tore the party apart. On 16 November 1942 Labor's Special Commonwealth Conference opened and during the second session Curtin moved a motion pledging his and his governments support for Australia's war effort:

This conference reaffirms its adherence to complete and indissoluble unity with our Allies in the war for freedom, expresses its gratitude to the fighting forces for what they have done, and pledges its determination to stand with them in resisting aggression and to bear willingly the burden and perils involved in the struggle⁵⁹²

Curtin's motion appeared innocuous at the time, however on 17 November during debate on the 'War and War Effort Committee's' Report Curtin made a statement on 'high strategy' for the use of Australian military forces telling delegates that:

... only part of New Guinea could be defended by the A.M.F. The Government could not put the A.M.F. into Timor. To send troops outside Australia meant tearing battle-seasoned divisions into fragments and re-forming, thereby losing esprit de corps and team spirit. From the operational and organisational standpoints a homogenous Australian army was, beyond dispute, necessary.⁵⁹³

Curtin then dropped his own bombshell on the Conference by asking delegates for a 'definition of what were the territories of the Commonwealth for the purposes of

⁵⁹² Australian Labor Party. Official Report of proceedings of Special Commonwealth Conferences. Melbourne, November 16 1942 and January 4 1943. 16 November, p.23.

⁵⁹³ ibid., 17 November, p.28.

defence and for political administration'. Labor's commitment to the war effort took precedence over the platform and as the platform did not provide the scope that Curtin required to effectively fight the war, he moved to amend the platform to provide him with the authority to send Australian troops into battle in the South-West Pacific area, in contradiction with Labor's anti-conscriptionist platform. Curtin proposed the following words be added to the Defence Act:

... and such other territories in the South-West Pacific area as the Governor-General proclaims to be in the South-West Pacific area.⁵⁹⁴

Curtin's pronouncement was a bold move, once again highlighting Labor's commitment to the war even to the extent of amending the platform on an issue as politically explosive as conscription. Curtin's argument for the amendment was predicated on the assumption that, as he saw it:

... the position had to be ended whereby a man could be sent to Darwin, where he could be bombed, but not to Timor to save Timor from being bombed.⁵⁹⁵

Curtin's pronouncement brought Calwell to his feet on a point of order stating:

The matter was one not properly before conference. There was no resolution on it from any State branch, the Federal Parliamentary Labor Party or the Federal Executive. The danger was that, once power was given for conscription for the South-West Pacific area, further extensions would be sought.⁵⁹⁶

The debate over Curtin's motion extended over two days on two fronts, the first was on a procedural issue related to the validity of the motion being presented to Conference without any prior consultation within the party and the second related to the issue of conscription itself. Curtin lead the debate for conscription, although not regarding it as such, stating that:

⁵⁹⁴ *ibid.*, p.28.

⁵⁹⁵ *ibid.*

⁵⁹⁶ *ibid.*

The problem of Australian defence was a strategical one. If an area was vital to Australian strategy, then that area must be the one to which Australia must give full weight ... [I had] opposed participation by Australia in overseas wars all my life, and I do not now ask for that, but that the definition of Australian territory be extended to cover areas vital to Australia.⁵⁹⁷

Calwell led the anti-conscriptionists asking delegates if it was competent for:

... any delegate to move a motion affecting the platform and rules of the party when no motion relating to the subject appears on the agenda paper.⁵⁹⁸

Bryan supported Calwell stating that he:

... opposed the motion on the ground that conscription should be fought wherever it cropped up, and the proposed motion meant conscription. The motion to grant leave was a motion to assist conscription.⁵⁹⁹

At the end of debate delegates Walsh and Taylor successfully moved to have the:

... subject matter be referred to the respective State branches to give immediate consideration thereto, with a view to instructing their delegates on the issue, and that a special conference be held .. to give further consideration to the matter.⁶⁰⁰

The conscription dilemma was now with the State Executives for ratification or rejection, and on 9 December the Caucus met for the first time since Curtin's call for conscription at the Special Conference and Calwell moved that:

This meeting of the FPLP is opposed to any proposals for the conscription of Australian Manhood for overseas service as being fundamentally the same in principle as those which the Labor movement rejected in 1916.⁶⁰¹

⁵⁹⁷ *ibid.*, p.33.

⁵⁹⁸ *ibid.*

⁵⁹⁹ *ibid.*

⁶⁰⁰ *ibid.*, p.35.

⁶⁰¹ *Caucus Minutes*, 9 December 1942.

Calwell's motion was ruled out of order by Curtin and according to an *Argus* report the following day:

Curtin ruled that the conference was the only body competent to deal with the issue and that it should not be debated by Caucus.⁶⁰²

Curtin did not want Caucus to debate the issue, however this did not stop him from elucidating why it was necessary to extend Australia's theatre of operations, informing members of the House on 10 December:

We must realise that we are up against a powerful fighting machine. It is backed by a people whose training and discipline produced a national morale which willingly accepts the utmost sacrifice, including death itself, for the national cause. Such a race can be beaten only by actual physical defeat. We, therefore, must be prepared to make such sacrifices for victory as to enable us to match and overcome a foe so thoroughly trained to the needs of total war. This is the prescription for victory which I adjure all Australians to observe.⁶⁰³

On 4 January 1943 Labor's second Special Conference convened to determine Curtin's resolution:

That, having regard to the paramount necessity of Australia's defence, as set out in Section 5 of the Special resolution, adopted in June 1940, by Federal Conference, the Government be authorised to add to the Defence Act, in the definition of the Commonwealth which at present defines the territories to which this Act extends, the following words:

... and such other territories in the South-West Pacific area as the Governor-General proclaims as being territories associated with the defence of Australia.⁶⁰⁴

The State Executives presented their responses with New South Wales, South Australia, Tasmania and Western Australia supporting the resolution whilst Victoria

⁶⁰² Curtin's ruling was upheld by thirty-seven votes to thirteen, with Calwell, Ward, Brennan and Senator Sheehan leading the opposition; see *Argus*, 10 December 1942.

⁶⁰³ *C.P.D.*, Vol.172, 10 December 1942, pp.1693-94.

and Queensland opposed it; when the resolution was put to a vote it was carried by twenty-four votes to twelve.⁶⁰⁵ Curtin had been successful in implementing a conscriptionist based policy for the Party and it was inserted into the platform. However, Curtin's success in introducing conscription into Labor's platform came at a cost, for although the party did not suffer the schisms that occurred in 1916 the unity and cohesion with which the party had operated since taking office in 1941 had been damaged. Curtin's policy was not greeted with enthusiasm by anti-conscription Labor members who did not miss an opportunity to attack their leader over the issue. Ward, never a favourite of Curtin, led the personal attacks accusing Curtin of:

... putting young men into the slaughterhouse, although thirty years ago you wouldn't go into it yourself.⁶⁰⁶

However, the simmering tensions came to a head in Caucus on 24 March 1943 when a confrontation between Calwell and Curtin caused uproar and nearly came to blows. The Caucus minutes show that Curtin was in the Chair and in response to a comment from Calwell, Curtin replied, 'The hero of a hundred sham fights!'⁶⁰⁷, at which Calwell retorted:

It's all very well for you to say that but the way you're going, you'll end up on the other side, leading a National Government.⁶⁰⁸

Curtin was incensed, 'Tasmanian Senator Lamp rushed up to Calwell threatening to fight him and Lazzarini tried to have him expelled from Caucus'.⁶⁰⁹ Curtin immediately retired from the meeting and wrote a letter that Forde (who was now in the Chair) read to Caucus:

In view of the accusation made against me by Mr Calwell, i.e., 'that I will finish up on the other side (the anti-Labor side) leading a national Government', I invite the

⁶⁰⁴ Australian Labor Party. Official Report of Proceedings of Special Commonwealth Conferences. Melbourne, November 16 1942 and January 4 1943. 17 November, p.40.

⁶⁰⁵ For an overview of the responses see; ibid., p.40-2.

⁶⁰⁶ Spratt, E., Eddie Ward. Adelaide, 1978, p.83.

⁶⁰⁷ Caucus Minutes, 24 March 1943; see also Calwell, A., Be Just and Fear Not. Melbourne University Press, 1972, p.55.

⁶⁰⁸ ibid.

⁶⁰⁹ McMullan, 1991, op cit., p.224.

party either to dissociate itself from the accusation or appoint another leader. Obviously, if the charge has a semblance of justification, the party is in an invidious position in entrusting its leadership to a potential traitor.⁶¹⁰

Forde brought the meeting to order and read Curtin's letter. Calwell immediately withdrew his statement and expressed regret for what had occurred, after which Senator Cunningham moved a motion, which was carried unanimously, that 'the Party has complete confidence' in Curtin.⁶¹¹ On 3 February 1943 Curtin introduced the Defence (Citizen Military Forces) Bill to the House in line with the new defence plank agreed to by the Special Conference:

The South West Pacific Zone is defined as 'the area bounded on the west by the one hundred and tenth meridian of east longitude, on the north by the equator and on the east by the one hundred and fifty-ninth meridian of east longitude'. The boundaries of the zone have been determined in light of the following considerations:

- (1) The strategical set-up in the South West Pacific Area.
- (2) The objectives of global strategy in their particular relation to the South West Pacific area.
- (3) The nature of the forces required for operations in the Pacific area.
- (4) The strength of the Australian naval, land and air forces available for commitments and for cooperation not only in the South West Pacific area, but also in other theatres as well.
- (5) Australia's man-power resources, and the maximum forces they are capable of maintaining in the field, in tropical warfare.

The extent of the boundaries in the defined area is based on strategical and military considerations ... the area which the Allied Nations occupy in the South West Pacific area is confined to Australia and the southern part of New Guinea, the extension of the provisions of the Defence Act has to be related to the immediate defence of Australia and prospective offensive action. With a holding strategy in the South-west Pacific Zone, our primary responsibility is the defence of Australia as the main base.

It [the Bill] conforms to the requirements of Australia's position in relation to the total war. It meets the obligation primarily resting on ourselves to defend ourselves

⁶¹⁰ *Caucus Minutes*, 24 March 1943.

⁶¹¹ *ibid.*

with the maximum of our resources, and to make the greatest contribution to the allied effort in the South-West Pacific Area.⁶¹²

The Defence (Citizen Military Forces) Bill passed through both Houses and although it caused ructions with the anti-conscriptionists, the damage done to the party was minimal in comparison to that experienced by Hughes and Labor in 1916.

Social Services – National Welfare

Labor's commitment to total war could not be questioned, even to the extent that when the platform stood in the way of Curtin fighting the war he actively sought to amend it in line with stated war policy goals and objectives. However, when presented with an opportunity to pursue social reforms based on key platform planks through the Parliament, the Government did so. Labor governed in the war but it had its collective eye on governing for the peace and in February 1943 Chifley outlined his plan, in the Government's Financial Statement, that would enact key social policy planks in the platform:

I propose to outline the financial proposals which will be submitted to Parliament during this session:

- (i) The foundation of a national welfare scheme which will be developed in progressive stages and will reach its fulfilment after the war.

Broadly, our post war aim must be the physical development of our country, linked up with expanded production and an increase of population. Measures directed to these ends must aim at ensuring a high level of employment, which is fundamental to economic advancement and social security ... Accordingly the Government now proposes to lay the foundation of a comprehensive scheme of National Welfare which will be developed progressively and will be brought into full operation after the war.⁶¹³

⁶¹² C.P.D., Vol.173, 3 February 1943, pp.266-7.

⁶¹³ C.P.D., Vol. 173, 11 February 1943, p.548.

On the same day that he read the Financial Statement to the House, Chifley introduced the National Welfare Fund Bill into the Parliament. The Bill was important as it sought to legislate for a number of core social welfare planks in the platform:

[The Bill] proposes to introduce a comprehensive scheme of national welfare and to develop it progressively. The welfare scheme includes health, sickness, unemployment and other associated services. The parts of the scheme it proposes to introduce immediately are a new maternity benefit and the liberalisation of the present maternity allowance, and the provision of funeral benefits for old age and invalid pensioners. Investigations of unemployment and sickness benefit schemes are proceeding. It is anticipated that the unemployment benefit scheme will be brought down within six months, and that the sickness benefit scheme will be introduced three months later. The several health services will need much detailed preparation. It may be impracticable to introduce a complete health service during the war.⁶¹⁴

Chifley matched his rhetoric with action and in the period from 27 January to 1 July 1943 Labor passed a total of forty-one Acts in two parliamentary sessions,⁶¹⁵ including continuing Labor's commitment to strengthen and maintain planks 18, 19 and 20 of the 'Social Reform' section of the platform as well as plank 25 of the 'Repatriation' section of the platform for increases and greater equity distributions in maternity allowances,⁶¹⁶ widows pensions⁶¹⁷ invalid and old age pensions⁶¹⁸ and war pensions.⁶¹⁹ The legislation relating to these social reform planks of the platform were introduced together with various consequential and amending Acts dealing with tariffs, income taxes and sales taxes, however the two most important pieces of legislation introduced and passed during this period were the *Defence (Citizen Military Forces) Act* 1943 and the *National Welfare Fund Act* 1943. These two Acts were the last key pieces of legislation based on the platform enacted by Labor before it was embroiled in a controversy over Australia's home defence capabilities, and the issue of the 'Brisbane Line' concept of defence became a national topic of debate.

⁶¹⁴ *ibid.*

⁶¹⁵ First session: 27 January – 5 March 1943, see; *C.P.D.*, vol 173; second session: 21 June – 1 July 1943 see; *C.P.D.*, vol 175.

⁶¹⁶ *Maternity Allowance Act* 1943

⁶¹⁷ *Widows' Pensions Act* 1943

⁶¹⁸ *Invalid and Old Age Pensions Act* 1943; the *Invalid and Old Age Pensions Appropriations Act* 1943 and the *Invalid and Old Age Pensions (Reciprocity with New Zealand) Act* 1943; see also footnote 67.

⁶¹⁹ *War Pensions Appropriation Act* 1943.

The Brisbane line concept, that was rejected by Cabinet in February 1942, meant that Australia's forces were to be concentrated on a line south of Brisbane.⁶²⁰ The Brisbane line recognised that Australia's strategic areas were located in the south east corner of the continent and that available forces should concentrate on protecting this area from Japanese invasion. Ward, who had raised the issue, had attempted to attack the Opposition over their dereliction of duty to Australia over the Brisbane line concept. However, he did not handle matters appropriately and this placed pressure on the Government as the Opposition called for a Royal Commission into one of Ward's allegations that official documents had been removed that would have proved his case. As a matter of political expediency Curtin agreed to an inquiry into Ward's allegations, but the inquiry's findings were inconclusive. The Opposition kept the pressure on the Government now threatening to block supply.

1943 Federal Election

On 24 June 1943 with the Parliament deteriorating into chaos, Curtin all but declared his intention to dissolve the Parliament and face the Australian people at an election:

I should like to add, that in my view, this parliament has about exhausted its resources for constructive legislation. I believe that it must be palpable to everybody that when we have passed the necessary measures in relation to carrying on of His Majesty's services, and the protection of the revenue with regard to the validation of customs duties, the question of the capacity of this Parliament to continue to serve the country might be submitted to a higher tribunal. Although it is not my prerogative to determine the life of the Parliament, there is certain advice which it is my privilege to give; and when the measures which are vital to the carrying on of public administration and the conduct of the war, have been passed, I would then be disposed to give advice in accordance with the sentiments, I have just expressed.⁶²¹

Curtin's pronouncement that it was not his 'prerogative to determine the life of the Parliament' was not entirely correct for on 7 July he dissolved Parliament and called a

⁶²⁰ The Brisbane line included Brisbane city within its area of operations.

⁶²¹ *C.P.D.*, Vol. 175, 24 June 1943, p.352.

general election for 21 August 1943. Curtin launched Labor's official campaign in Canberra with a radio address to the nation:

Men and Women of Australia ... The inheritance the Labor Government accepted from its predecessors was a heavy burden. Blind to the dangers in the Pacific, the Menzies and Fadden had left Australia very much unprepared ... the Labor Government [has] developed a plan to prevent this great country from being doomed .. It determined and made the necessary provision that the battle for Australia would be fought in the islands to the north, north-east and north-west of Australia and not in the environs of the peopled areas of the Commonwealth ... The Government pledges itself to ensure that every man and woman of the forces who, on discharge, is in need of employment, will be provided with reasonable opportunities for such employment ... This Government's policy of full development of resources, full employment of man power and full provision for social security is a basis not only for Australian reconstruction, but for a stable and peaceful commonwealth of nations ... I give you the Labor Government's policy in a phrase – 'victory in war, victory for peace'.⁶²²

Curtin's election phrase 'victory in war, victory for peace' certainly resonated with the Australian public for although the 'victory in war' may have been in doubt, there was no doubt about the election result. When the votes were counted Labor had won a landslide victory, winning forty-nine seats in the House and for the first time since 1916 winning control of the Senate with a majority of twenty-two to fourteen, however Labor would not officially control the chamber until 1 July 1944 when the new Labor Senators' terms would commence. The *Canberra Times* editorialised that Labor's victory was:

Primarily .. for the prosecution of the war to its logical conclusion. The appeal to the electorate was based on three main points – firstly, that Labor has the capacity to govern; secondly, that Labor has saved Australia from her direct peril; and, thirdly, that Labor will not use power to embark on a program of socialisation.⁶²³

The third point highlighted by the *Canberra Times*, that Labor would not use its power to embark on a program of socialisation was based on the fact that Curtin had

⁶²² *Commonwealth Government: Digest of Decisions and Announcements and Speeches by the Prime Minister (The Right Honourable John Curtin)*. no.62, 26 July 1943, pp.10-26.

been unequivocal throughout the campaign that Labor would not move to socialise any industry during the war:

I have this to say: That the Commonwealth Government has no power to socialise any industry. I say further that my Government has not socialised any industry ... my Government will not during the war socialise any industry. The reason is that all the physical things requisite for war can, under the National Security Act, be directed for the purposes of war.⁶²³

The victory placed the Curtin Government in a similar electoral position to that of Fisher's 1910 administration. Fisher's victory in 1910 provided him with the numbers in both Houses and with control of the Senate he pursued the platform on many fronts. Curtin now controlled both Houses, however control of the Senate would not begin until July 1944, and for the first time since Fisher, Curtin was in a position to pursue the platform in the Parliament without being obstructed by the Opposition. The major difference between the two administrations was that Fisher was not elected during the middle of a world war. However, despite the constraints imposed on the Government because of the war this did not stop it pursuing the platform when platform policy did not impede the war effort. Labor had achieved an overwhelming electoral mandate by the Australian people. However, this mandate was predicated on two major facts, the first being that Curtin had promised that Labor would not socialise any industry during the war and the second, that Labor continued to be totally committed to the war effort. The Government was now in a position to enact the platform, however whilst the war continued, pursuing major policy planks would have to wait until an allied victory was assured and subsequently declared.

In December 1943 Labor's Sixteenth Commonwealth Conference was held in Canberra and the importance of Labor's electoral victory was expanded upon by Curtin who on 14 December told delegates that:

It was the first Conference since 1914 that met with Labor in power in both Houses of the Commonwealth Parliament. Conference was the artisan of the Labor Movement,

⁶²³ *Canberra Times*, 24 August 1943.

⁶²⁴ *Sydney Morning Herald*, 19 August 1943

and the present Conference was probably the most important in history, because it would shape the policy the Government would follow.⁶²⁵

The conduct of the war and the Government's handling of the war effort was a dominant theme of the Conference, however as much as current developments on the progress of the war took precedence over debate, a great deal of Labor policy debated at Conference was focused on planning and preparing for the peace in line with the platform and the challenges of post war reconstruction. Curtin also took the opportunity, in a pre-planned closing speech to delegates, to outline his thoughts on the war and the future role a Labor Government would play in governing for the peace:

I shall endeavour to be as short as I possibly can, and at the same time to give as much information as is possible ... Looking at the problem as a whole, the strength needed to keep the enemy from ravaging Australia has been here, having regard to the strength the enemy could dispose against this country. It has taken a good deal of hard work to do that ... I have had a re-assessment made of the balance of the Australian war effort to maintain air strength, to maintain the Army, to maintain the Navy, to maintain essential industries, to keep going the things really requisite for the conduct of war. I have said to the commanders and to other Governments what Australia can do in total; I have had it formulated very thoroughly ... A new world is being created today by the terrific struggle in which we are engaged ... The principles of the Atlantic Charter,⁶²⁶ on which the hopes for a new international order are based, are a pledge that national policies will be directed to the betterment of mankind ... It would be calamitous to be as unprepared for peace as we were for war ... The geographical location of Australia has determined her destiny to be that of a Pacific Power. It is being demonstrated by her war effort today ... At the conference of the New South Wales branch of the Australian Labor Party in June 1943, I said that the world can never be the same in the years to come as it was before the war. Australia's capacity to govern involves adaptability to resolve new problems and meet new conditions. What was good twenty years ago may not be good enough now. It has been seen that even the Constitution of the Commonwealth is not framed in a manner to enable the Commonwealth Government to cope with the problems

⁶²⁵ Australian Labor Party, Official Report of Proceedings of the 16th Commonwealth Conference, Sydney, 14 December 1943, p.26.

with which it will be confronted after the war. The Labor Party has a great tradition in organising cooperation for the welfare of the mass of the people ... If the Labor Party is to maintain its place in the vanguard of the march of human progress, it must not fail to do its part in this momentous opportunity to bring nearer to achievement the fellowship and welfare of all peace loving peoples.⁶²⁷

Curtin's address to delegates, and to supporters in the wider labour movement, signalled the intent of the party to pursue policies in the post war era that would be firmly based around the platform.

Social Services – Invalid and Old Age Pensions, Maternity Allowances, Widows Pensions, Unemployment and Sickness Benefits and Pharmaceutical Benefits

In the first twelve months of the new Curtin administration Labor passed sixty-three Acts, an overwhelming majority of which were routine financial measures.⁶²⁸ Labor's legislative program during this period was still primarily geared towards full war production, however its commitment to upholding and strengthening the 'Social Reform' planks of the platform continued when it passed legislation for War Pensions,⁶²⁹ Invalid and Old Age Pensions,⁶³⁰ Maternity Allowances⁶³¹ and Widows Pensions.⁶³² The two major pieces of legislation based on the 'Social Reform' planks of the platform and passed by the Parliament, before the Government gained control of the Senate, were the *Unemployment and Sickness Benefit Act* 1944 and the *Pharmaceutical Benefits Act* 1944. The implementation of these two Acts signalled Labor's intention to pursue comprehensive reform in line with the principles elucidated in the *National Welfare Fund Act* 1943 and of the Government's commitment to post war reconstruction in line with the platform.

⁶²⁶ For further information on the Atlantic Charter see; Brinkley, D & Facey-Crowther, D (ed's) *The Atlantic Charter*. St. Martins Press, New York, 1994.

⁶²⁷ Australian Labor Party, *Official Report of Proceedings of the 16th Commonwealth Conference*, Sydney, 17 December 1943, pp.44-57.

⁶²⁸ There were three parliamentary sittings: 23 September 1943 – 15 October 1943; 9 February 1944 – 15 March 1944 and 17 July 1944 – 26 September 1944.

⁶²⁹ *War Pensions Appropriation Act* 1943 and the *War Pensions Appropriation Act* 1944

⁶³⁰ *Invalid and Old Age Pensions Appropriation Act* 1944 and the *Invalid and Old Age Pensions Act* 1944

⁶³¹ *Maternity Allowance Act* 1944

⁶³² *Widows Pensions Act* 1944

On 8 February 1944 Caucus approved the introduction of the Unemployment and Sickness Benefit Bill and the Pharmaceutical Benefits Bill into the Parliament. The Unemployment and Sickness Benefit Bill sought to enact plank 16 of the 'Social Reform' section of the platform that called for Labor to introduce a 'National Insurance, including provision for sick, accident, life and unemployment insurance, to include benefits to the dependants of the person insured'. The initiative was an important social welfare measure and 10 February, Senator Fraser, Minister for Health and Social Services, informed the Senate of the Government's intention to provide benefits for individuals unable to work because of sickness or unemployment in line with plank 16 of the platform:

This measure has been designed to provide for payments to persons whose normal earnings have been interrupted through unemployment or sickness. It represents a further instalment of the Government's plan to afford social security for all who are in need in this country ... As has already been announced, the Government's policy will be most actively directed towards assuring maximum employment ... At present, unemployment is practically confined to the unemployable. This therefore is an opportune time to introduce a scheme of this nature, as the moneys set aside now for the purpose of paying benefits will build up a reserve which will be available should unemployment increase in the future ... The proposed legislation establishes a landmark in social welfare progress in this country.⁶³³

The Unemployment and Sickness Benefit Bill was a major component of the Government's social reform agenda with the payment of the benefits being drawn from the National Welfare Fund established by the government. The unemployment and sickness benefit legislation was complemented by the introduction of the Pharmaceutical Benefits Bill in line with plank 4(d) of the platform that provided for the 'nationalisation of public health'. The Bill did not seek to totally nationalise the health system, however the Bill would provide the foundation upon which Labor could deliver a comprehensive national health service for the benefit of all Australians. On 16 February Senator Fraser outlined Labor's plans for establishing a base for a national health service, to implement plank 4(d) of the platform:

⁶³³ C.P.D., Vol. 177, 10 February 1944, pp.51-52.

Throughout the centuries of the evolution of civilisation in different countries, there has been an increasing recognition of the value of human health and life, and of the importance, in any system of national government ... The Government is now providing for persons who are temporarily removed from economic activity by illness ... Any man, who is honest and thrifty can, so long as he remains well, provide to some degree against the economic accidents of life, but he cannot foresee an illness which may disable him for a short or long period. The Government therefore intends to relieve the citizen, as far as possible, from the economic burdens of illness, and, at the same time, to take such steps as are possible to improve the quality of all the services which are available and necessary for the treatment of his illness and for his early restoration to health. This must, necessarily, involve the provision of medicine, treatment in hospital, and skilled medical attention. The first of these steps is now embodied in the Bill ... The measure provides that any citizen ordinarily resident in Australia, can, upon presentation of a prescription by a doctor, have the prescription dispensed without cost to himself; the chemist will be paid by the government.

The Government hopes, and believes, that the series of measures - of which this is the first - which it proposes to introduce, will, when the system is fully established, be accepted by the people in this country, and perhaps others, as a definite advance in the care of the health of the people, and will be recognised as a simple economic and efficient answer to a difficult political problem for which many countries have tried to find a solution.⁶³⁴

The Government's blueprint for health reform received no support from the Opposition primarily on the ground that the administration of the scheme would have a deleterious effect on doctors. Sir Earle Page (UAP), debating the Bill made a point of also highlighting the Bill's socialistic tendencies:

Clause 16 ... is worrying members of the medical profession. They are quite agreeable to the special conditions of remote villages and settlements where there is no doctor, being met in this way, but they believe that unless there is some qualification, this provision may be the thin edge of the wedge of nationalisation of the medical profession.⁶³⁵

⁶³⁴ C.P.D., Vol.177, Senate, 16 February 1944, pp223-4. Labor also amended the principal Act with the *Pharmaceutical Benefits Act 1945* to improve the administrative and operational issues related to the scheme. See; C.P.D., Vol 184, 2 August 1945, pp. 4903-4.

⁶³⁵ C.P.D., vol.178, 30 March 1944, pp.2434.

The Government's first stage of enacting a comprehensive health scheme for Australians, in line with plank 4(d) of the platform, passed through the Parliament. However, The Victorian Attorney General (Dale, Liberal) and a number of Victorian doctors were incensed at legislation that directed them to provide free medicine to people and they launched legal proceedings to have the measure ruled *ultra vires*. The *Pharmaceutical Benefits Case*⁶³⁶ challenged the constitutional validity of a free medicines scheme and the matter proceeded to the High Court where it was found to be invalid and Labor once again found its powers to pursue and enact planks of the platform curtailed by the interpretation of its legislation by the High Court. The frustrating aspect for Labor was that it had received an overwhelming mandate by the Australian people, however the dictates of the Constitution and the High Court again proved to be insurmountable objects.

Constitution Alteration Initiatives – The Fourteen Powers Referendum

The judgement in the *Pharmaceutical Benefits Case* also raised doubts about the validity of Labor's entire social reform legislation as well as a large component of its post war reconstruction program.⁶³⁷ The High Court ruling placed the Government's social policy agenda in a state of flux, and also had the effect of impacting on Labor's plans for social service and health reform that were part of a wider policy strategy that encompassed constitutional reform to enable the Government to pursue post war reconstruction initiatives in line with the platform. In November 1942 and January 1943 Labor's Special Conference agreed to the Government pursuing the Constitution Alteration (Post-War Reconstruction) Bill of 1942, with Conference stating:

We regard these [the provisions of the Bill] as important steps forward for the necessary revision to the Constitution and the implementation of Labor's platform, especially in relation to the winning of Labor's ideals of peace, prosperity and security ... The Commonwealth Constitution should be so altered as to give additional powers to the Federal Government to enable it to deal with:

- (a) Matters of a Commonwealth national character

⁶³⁶ *Attorney General (Victoria) & ors v Commonwealth*, 71 C.L.R. 237.

- (b) Matters arising out of international agreement and the treaty of peace.
- (c) Post-war reconstruction.⁶³⁸

On 10 February 1944, with the endorsement of the Special Conference, the Government re-introduced the Constitution Alteration (Post-War Reconstruction) Bill after it was approved by Caucus two days earlier.⁶³⁹ The Attorney General Dr Evatt provided a brief history of the Bill and outlined its ambit:

In October 1942 in the life of the last parliament leave was obtained to introduce a Bill to alter the Constitution ... The Government did not regard the proposals contained in the Bill as either final or definitive. It invited all concerned to make suggestions for modification of the Bill. The government also summoned a special Constitutional Convention, representative not only of all parties in this parliament, but also of the Government and the opposition in each state parliament to consider the matter ...

The purpose of the alteration is to vest in this Parliament, for a limited period ending five years after the close of hostilities, the power to make laws with respect to a group of fourteen specified subject matters. This group of powers, together with the existing powers of the Commonwealth, the Government regards as adequate, but not more than adequate, to permit the carrying out of an Australia-wide policy of post-war reconstruction.⁶⁴⁰

The contents of the new Bill were similar in substance to the 1942 Bill, with some minor modifications. The new Bill sought to legislate to provide the Commonwealth Government with the following powers: rehabilitation and advancement of servicemen and servicewomen; employment and unemployment; organised marketing of commodities; companies; trusts combines and monopolies; profiteering and prices; production and distribution; overseas exchange and investment; air transport; uniformity of railway gauges; national works; national health; family allowances and

⁶³⁷ In 1946 the Government sponsored a separate referendum to address the issues raised by the High Court in the Pharmaceutical Benefits Case.

⁶³⁸ Australian Labor Party. Official Report ... Proceedings of Special Commonwealth Conferences. Melbourne, November 16 1942 and January 4 1943. p.16.

⁶³⁹ Caucus Minutes, 8 February 1944.

⁶⁴⁰ C.P.D., Vol. 177, 11 February 1944, p.136.

people of Aboriginal race.⁶⁴¹ The Government's legislative intent was clear, it had effectively sat on the Bill since 1942, and when the intransigent States refused to defer these powers to the Commonwealth Government, Curtin and Evatt had proceeded to foster and encourage extensive consultation and comment, even convening a special Constitutional Convention which in the end agreed to the following resolution:

That this convention is of the opinion that:

- (a) Adequate powers to make laws in relation to post war reconstruction should be conferred on the Parliament of the Commonwealth.
- (b) It is undesirable that permanent alterations of the Constitution should be effected at this critical stage in Australia's history.
- (c) For this reason, legislative power with respect to suitable additional matters in relation to post war reconstruction should be referred to the Parliament of the Commonwealth by the parliaments of the States under section 51 (xxxvii) of the Constitution.
- (d) Such reference should be for a period of not less than five years and not more than seven years from the cessation of hostilities and should not be revoked during that period.
- (e) At the end of such period, or at an earlier date, a referendum should be held to secure the approval of the electors to the alterations of the Constitution on a permanent basis.⁶⁴²

Curtin was also questioned in Parliament as to introducing the Bill and seeking a referendum during war time, Curtin responded:

The reason advanced is that the States would not refer the requisite powers to us, and that is the end of it ... We do not ask for a referendum in time of war because we like it, but we think that there is no other way to obtain the powers which have been agreed to as necessary.⁶⁴³

The Government had waited two years and undertaken extensive consultation in the belief that the Australian people would accept the proposals at a referendum. Labor's ability to legislate for key areas of the platform had been placed in doubt by the

⁶⁴¹ for further information see; Dr Evatt's second reading speech: *ibid.*, pp.136-153.

⁶⁴² *C.P.D.*, Vol. 177, 11 February 1944, p.137.

rulings of the High Court and despite legislating in accordance with the edicts of a 'total war' policy program, Labor were now placing themselves in a position to govern in the peace. Labor's plans to govern in the peace revolved around increasing the Commonwealth Government's powers to legislate in key policy areas, which for Labor meant providing legal coverage to pursue and enact key elements of the platform. Labor were faced with two options if it wished to pursue its platform, the first was to do nothing, the second was to pass legislation to alter the Constitution and ask the Australian people to strengthen their arm to enact the platform. The first option was not an option and Labor, knowing full well the history of referendum results in Australia forged ahead to amend the Constitution.

Curtin's health had been a problem for some time and the job of running the campaign was left to Doc Evatt. However, for all of Evatt's campaigning, on 19 August 1944 the 'Fourteen Powers' Referendum was put to the vote and was soundly defeated with only 45.99% of Australians voting for the initiative. The referendum was defeated in four of the six states with only South Australia and Western Australia voting 'yes' for the proposals. The result was a blow to the party, however it should not have come as a surprise to the Government, or to Evatt in particular, who should have been aware from Fisher's failed referendum attempt of 1911 that grouping a number of proposals together in one omnibus referendum was courting disaster. The *Adelaide Advertiser*, although coming from a state that had actually voted 'yes' for the proposals launched a scathing attack on the Government, for what it regarded as a threat to the fabric of the country:

The important consideration is that a grave threat to the Australian Federation has been averted, and a sharp rebuke administered to those politicians who have been thinking of the post-war period in terms of a centralised and all powerful bureaucracy ... When all is said and done, however, no-one can possibly complain that it is impossible to see the wood for the trees. The national verdict is unmistakable and conclusive. Those people, at least, are justified, who warned the Curtin Government not to divide Australia, in these more than sufficiently distracted times, on a far-reaching and most controversial question of domestic politics, and who added that a measure of virtual unification would certainly be rejected ... The political history of

⁶⁴³ *C.P.D.*, Vol.177, 7 March 1944, p.1040.

this country furnishes sufficient proof of the infinite possibilities inherent in co-operation between the Commonwealth and the States; and now that the people of Australia have come down emphatically on the side of co-operation, as opposed to centralised domination, the challenge to our statesmanship is imperative.⁶⁴⁴

The *Advertiser's* hysterical overtones were in distinct contrast to Curtin's conciliatory response to the outcome of the referendum:

It was because I had the strongest urge to avoid a referendum in wartime that I decided on holding a convention with the representative leaders of the States to discuss if it were practicable to reach agreement on the additional matters of Commonwealth Parliament could legislate upon, so that the Commonwealth could plan its post war program ... I worked for an agreement and succeeded in getting it [the resolution of the Convention]. We have put forward the proposals in which we believe, and they have been defeated. It now remains for those who opposed our plan – but profess to have another – to produce a plan. Otherwise, Australia will face an era of great difficulty with powers vested in the Commonwealth Parliament which the 'yes' advocates and the prominent expositors of the 'no' case both acknowledge to be inadequate.⁶⁴⁵

Curtin was philosophical about the loss, however he was acutely aware of the limitations that were now placed on his government with respect to its post war reconstruction program and its ability to actively pursue the platform due to the result. However, despite the referendum setback the Government maintained its vigilance on the war front and continued with its legislative program throughout the remainder of 1944.⁶⁴⁶ In April Curtin had travelled to the US and Canada on his way to the UK for the first Commonwealth Prime Minister's conference since the outbreak of the war. The trip was important, however it had a major impact on his already fragile state of health:

Curtin spent a long time at the House of Commons, despite a heavy cold, listening to the foreign affairs debate ... While he was in England the Freedom of the City of

⁶⁴⁴ *Advertiser*, Adelaide, 21 August 1944.

⁶⁴⁵ Commonwealth Government: *Digest of Decisions and Announcements and Speeches by the Prime Minister (the R.H. John Curtin)*, no.86, 20 August 1944, pp.28-9.

London was bestowed on [him] ... At the ceremony as Curtin rose to speak, he stumbled, and had to be guided forward ... [He] was moody in England, and very lonely ... He clung to the isolation of his hotel, and made little attempt to see Britain or understand the British people.⁶⁴⁷

The strain of office was taking its toll on Curtin and in early November, when he was travelling from Perth to Melbourne for a War Cabinet meeting, he suffered a heart attack and was rushed to the Mercy Private Hospital when he arrived in Melbourne.⁶⁴⁸ Curtin's hospital stay was reported as being due to 'overstrain, rather than to any specific physical cause'⁶⁴⁹ and to general nervous exhaustion'.⁶⁵⁰ Curtin's health may have been failing him, however his pursuit of the war effort did not diminish, even at the expense of the platform.

Appointment of Governor General

In January 1945 Australia's Governor General, Lord Gowrie informed Curtin that he wished to return to England and in direct contravention of plank 30 of the 'Constitution and Electoral Reform' section of the platform that called on Labor to, '... appoint an Australian citizen to the position of Governor General shall be followed should Labor be in power when the position again falls vacant',⁶⁵¹ Curtin asked him to remain in the position, to which he refused so Curtin with his focus on the war effort appointed the Duke of Gloucester,⁶⁵² without consulting Cabinet or Caucus. In his biography of Curtin, Ross commented on the Duke of Gloucester's appointment:

Curtin's bold stroke in appointing the Duke of Gloucester served several purposes: it focused the attention of the allied world on Australia; it won an ally in the claims of Australian strategy; it answered the critics who still believed that aid from America meant separation from Britain and avoided the difficulties that would have arisen in

⁶⁴⁶ In the period July to September 1944⁶⁴⁶ the government enacted twenty-two new Acts, with a majority being Amending Acts and Tax Acts, none of the Acts introduced were related to the platform.

⁶⁴⁷ Ross, *op cit.*, pp.358-9.

⁶⁴⁸ *Herald*, Melbourne, 8 November 1944.

⁶⁴⁹ *Sydney Morning Herald*, 7 November 1944.

⁶⁵⁰ *Argus*, Melbourne, 7 November 1944.

⁶⁵¹ Australian Labor Party, Official Report of the Proceedings of the 16th Commonwealth Conference, Canberra, 13 December, p.5-6.

Australia if an Australian Governor General were appointed, and in the Party if a non-Australian were selected. The idea was Curtin's and the appointment can be linked with the diplomatic campaign for accelerating the Pacific war concurrently with the ending of the European war.⁶⁵³

The platform was effectively bypassed and there was virtually no opposition to the appointment within Labor ranks as the focus and commitment of Curtin and Labor was firmly placed on maintaining the war effort. The appointment of the Duke of Gloucester was a distant memory by the time Curtin, who had partially recovered from his heart attack, turned his attention to pursue major policy matters.

The Nationalisation of Australia's Airlines

In January 1945, Labor raised the issue of the Government nationalising Australia's internal airlines and Curtin was at the forefront of the debate elucidating the point that, even though his government would nationalise the airlines, it was not pursuing a socialist policy agenda:

I find on looking through my speeches that I made it perfectly clear that the government had not socialised Australia and would not apply socialisation for the sake of applying it, but would not be deterred by vested interests of capital from making such changes as the war economy required ... For myself, I said clearly that no vested interests – capitalistic or unionistic – or any other interest vested in this country should stand in the way of the organisation of Australia for the effective prosecution of the war. No question of socialisation or any other fundamental alteration in the economic system arises when we are deciding whether or not the amount of capital required to carry on a public utility shall be in whole or in part subscribed by the Government.⁶⁵⁴

Curtin's defence of his government's record on socialisation is sombre reading for those on the left who view Labor as being a socialist party, which it is not. Curtin's pronouncement providing another clear indication that the party, although containing

⁶⁵² The Duke of Gloucester assumed his position on 22 January 1945.

⁶⁵³ Ross, *op cit.*, pp.369.

⁶⁵⁴ *Commonwealth Government: Digest of Decisions and Announcements and Speeches by the Prime Minister (The Right Honourable John Curtin)*. no.94, 24 January 1945, p. 33.

a strong social democratic and labourist ethos, was far from being a socialist party and, at this time, even further away from a sustained pursuit of a full scale socialist policy agenda. However, despite Curtin's less than enthusiastic embrace for pursuing socialist policy initiatives, when the parliament resumed from the Christmas recess on 21 February 1945 the Government embarked on a wide ranging policy drive to implement key planks of the platform. In the ensuing parliamentary session Labor nationalised Australia's airlines, extended government controls over private trading banks, established a system of subsidised housing and uniform divorce laws, it legislated for the economic, social and political development of the northern territory, and passed comprehensive Life Insurance and Pharmaceutical Benefits legislation. The legislative program to enact these platform planks would be the last initiatives that Curtin would pursue, for on 5 July 1945 after being admitted to hospital in April from 'congestion of the lungs', Curtin passed away.⁶⁵⁵ The news of Curtin's death reached Canberra where Caucus was meeting. Forde was in the Chair and on announcing Curtin's death, Caucus unanimously moved:

That this meeting of the Federal Parliamentary Labor Party learns with deep regret of the death of its great, esteemed and beloved leader, Mr John Curtin; places on record his meritorious service to the Party; and offers to Mrs Curtin, his son and daughter, and his relatives, its profound sympathy in their sad bereavement.⁶⁵⁶

On 13 July Curtin's hometown paper, the *Westralian Worker*, reported on his funeral:

The nation buried John Curtin, but it was the Labor movement that gave John Curtin to the nation and the world ... Every Australian who believes in his country has lost a friend.⁶⁵⁷

Conclusion

In the four years that Curtin lead the Government, he never wavered from his commitment to the war effort, even if this meant that his policy prescriptions were in direct opposition to long stated policy goals contained in the platform. Curtin was

⁶⁵⁵ Day, *op cit.*, p.567.

⁶⁵⁶ *Caucus Minutes*, 5 July 1945.

committed to enacting the platform, however he was also a realist during a time in which he knew that fracturing the nation for the pursuit of ideology would be tantamount to treason in a country that was fighting for its very existence. Curtin's elevation to Prime Minister came at a time when the ineptitude of Menzies and his administration had placed the country in even greater risk than it should have been before the outbreak of World War II. Curtin had been handed the baton of leadership of the nation at a time when it was not politically viable to actively pursue the platform.

Curtin was sworn in as Prime Minister in October 1941, two months later Japanese forces attacked Pearl Harbour, Malaya, Singapore and Thailand and by February 1942 Singapore had fallen and Japanese forces had bombed Darwin: Australia was under direct attack. Labor's direct focus was on the war effort, however it enacted far-reaching income tax legislation⁶⁵⁸ that increased Labor's power over income tax and theoretically strengthened its position to pursue the Labor Objective after the war. Labor's commitment to the war effort was unquestioned and it was matched by its continued commitment to strengthen and enact its 'Social Reform' planks of the platform with Widows Pensions' Acts being passed in 1942 and 1944, Invalid and Old Age Pensions Acts in 1942, 1943 and 1944 and the Child Endowment Act 1942. Labor was governing in total war conditions. The 'Social Reform' legislation implemented by Labor during the war upheld a strong tradition of Labor administrations implementing or strengthening key social reform planks of the platform during times of great international unrest and upheaval.

Labor's pursuit of the social policy planks of the platform were further strengthened with the introduction of the Constitution Alteration (War Aims and Reconstruction) Bill in late 1942 that sought to enact fourteen key policy areas based on the platform that Labor would pursue at the end of the war. Labor were governing for the war but were also focusing on the peace and preparing the groundwork for governing in a world where every waking moment was channelled to the war effort. Labor left the measure on the notice paper until 1944 and then successfully reintroduced it and then

⁶⁵⁷ *Westralian Worker*, 13 July 1945.

⁶⁵⁸ Income Tax (Wartime Arrangements) Act 1942, Income Tax (Wartime Arrangements) Act 1943, Income Tax Assessment Act 1942 and the States Grants (Income Tax Reimbursement) Act 1942.

presented it to the Australian people in what became known as the fourteen powers referendum. The war raged but Labor were still prepared to pursue the platform and even propose constitutional amendments in preparation of governing a country not socially and economically fractured by its involvement in a global conflict, however unfortunately for Labor their vision for the future was not shared by a majority of their fellow Australians and the proposal was defeated and the Constitution once again played a restrictive role in allowing Labor to pursue the platform.

The defence planks in the platform were at the forefront of Labor policy with the Government enacting a number of specific taxation Acts to provide it with the ability to manufacture the munitions of war as well as providing it with the ability to adequately finance the war effort. The most significant war legislation introduced by Labor during the period related to the issue of conscription. The party held two Special Conferences to resolve the issue and finally approved an amendment expanding the platform to give effect to a conscriptionist based Defence policy that Labor promptly enacted.⁶⁵⁹ Labor also introduced banking legislation and established a separate 'Mortgage Bank', however the legislation was not based on the platform but was enacted according to the dictates of the Government's needs of the time and nationalising the banking sector certainly was not on Labor's agenda only seven months after the bombing of Darwin.

In August 1943 Labor won the federal election and for the first time since 1916 they also won control of the Senate. The victory consolidated Labor's hold on power, however although in control of the Senate it was not in a position to realistically pursue the platform whilst the war continued and Australian soldiers were fighting the Japanese in New Guinea. Labor now controlled the Senate and it took the opportunity to successfully enact substantial social welfare and health policy reforms with the introduction of the *National Welfare Fund Act 1943* and the *Pharmaceutical Benefits Act 1944*. Labor's plans to enact a comprehensive national health system were dealt a blow when the constitutional validity of a free medicine scheme was held *ultra vires* by the High Court. The ruling not only demolished Labor plans to deliver free medicine but the ruling also placed Labor's entire social policy platform agenda in

⁶⁵⁹ *Defence (Citizen Military Forces) Act 1943*

doubt. The High Court ruling and the referendum result were a setback for Labor, however they remained undaunted and continued to govern for all Australians until the end of the war.

Curtin and his colleagues worked tirelessly to ensure Australia's survival and even though the war effort took precedence over enacting the platform, the party still pursued and enacted a number of key platform planks.

CHAPTER 5 - CHIFLEY AND AUSTRALIAN POST WAR RECONSTRUCTION

Chapter five analyses the emergence of Ben Chifley from Labor Treasurer to Labor leader following the death of John Curtin and the issues and challenges that faced the government in rebuilding Australia after spending five years fighting a world war. Labor controlled both Houses during Chifley's time in office and the control of the Senate was pivotal in Labor's success of enacting the platform. Labor's success during the period is comparable with the achievements of Fisher's second administration between 1910-1913. Chifley governed in a world rebuilding itself after a global conflict and with the nation's focus on the home front Chifley legislated accordingly. However, unfortunately for Chifley and Labor and like Labor governments like Fisher before him, the major obstacle to Labor enacting the entire platform was a combination of High Court interpretations of legislation and the constraints of the Constitution in respect of referendum proposals.

On 26 April 1945 John Curtin chaired his last Caucus meeting. On 29 April he was admitted to hospital with 'congestion on the lungs'⁶⁶⁰ and as Deputy Prime Minister Forde was in the USA Chifley became acting Prime Minister. On 10 May Chifley reported to Caucus on Curtin's health:

Mr Curtin was doing very well and was much improved and should at an early date be able to leave hospital ... he had advised the Prime Minister that it was the Party's opinion and wish that he should take a complete holiday before returning to his place in Parliament.⁶⁶¹

Curtin's health had been deteriorating for a while and although he chaired Caucus and attended the start of the parliamentary session in February 1945, he was not the same man that led Labor into government in 1941. Curtin's decline forced Chifley into the spotlight and he took control of steering Labor's policy agenda through the Parliament, with Crisp noting:

⁶⁶⁰ Day, *op cit.*, p.567.

⁶⁶¹ *Caucus Minutes*, 10 May 1945.

As the seriousness of Curtin's condition became known, parliamentarians and correspondents watched Chifley's leadership with a new fascination. There could have been no more testing conditions. With Curtin, Forde and Evatt absent, Chifley had to call on the barely convalescent Beasley to shoulder for the time being the portfolios of Defence and Attorney-General as well as Supply; he himself was Acting Prime Minister, Treasurer and (briefly) Acting External Affairs Minister.⁶⁶²

Labor commenced the 1945 parliamentary session with a flurry of activity enacting fifty-nine separate legislative Acts, including the following key policy planks of the platform:

- nationalising Australia's airlines (plank 4(b) – Methods Section);
- extending government controls over private trading banks (plank 4(a) – Methods Section);
- establishing a system of subsidised housing (plank 17 – Social Reform Section);
- implementing a system of uniform divorce laws (plank 15 – Social Reform Section);
- expanding and building the Northern Territory (plank 13 – Economic Section);
- establishing a comprehensive Life Insurance program (plank 16 – Social Reform Section); and
- introducing a comprehensive Pharmaceutical Benefits scheme for all Australians (plank 4(d) – Methods Section);

The 1945 session provided the foundation on which the Government's overall pursuit of the platform would be based and a little over two weeks after the session commenced the Government introduced two complementary Bills that sought to redefine the banking system in Australia in line with plank 4(a) of the platform.

Commonwealth Bank

The introduction of the controversial Banking legislation left little doubt that Labor meant business, however in respect of banking, these two Bills were only a portent of what was to come. Labor's banking planks were firmly entrenched in the platform

⁶⁶² Crisp, 1961, *op cit.*, p.219.

and although the Government had introduced regulations that tightened the Government's control over the banks, they did not seek to replace the regulations with legislation during the war. However, at the 16th Commonwealth Conference in 1943 the report of the Finance Committee highlighted that:

Since the Labor Government had been in office much had been done by regulation to bring banking under the Commonwealth Bank.⁶⁶³

Taylor elucidated on the ambit of the regulations, informing delegates that:

No other country in the world exercised the same control over banking. The Commonwealth Parliament had sufficient powers in the Constitution to control banking in line with the party's policy. The only other desirable power lacking was in regard to control of overseas exchange.⁶⁶⁴

Chifley was aware of the sensitive nature of the proposals and he drafted 'explanatory notes' in connection with each Bill.⁶⁶⁵ Chifley did not want to leave anything to chance, however Caucus wasted little time in expressing their preferred policy options in respect of nationalising the banks in line with Plank 4(a) of the Platform with Burke unsuccessfully moving that:

The present Bills be withdrawn and a Bill introduced giving the Government power to acquire the business and assets of the private trading banks as a going concern.⁶⁶⁶

After Burke's motion failed, he seconded a motion from Ward that proposed:

That the licensing provision be amended to provide that the Government, being the authority which issues the licence permitting the operations of a private bank, be also

⁶⁶³ Australian Labor Party, Official Report of Proceedings of the 16th Commonwealth Conference, Sydney, 16 December 1943, p.31.

⁶⁶⁴ ibid.

⁶⁶⁵ Chifley then told his colleagues to write their names on the copies he had given them and to treat them as confidential. He also requested that they hand them in at the adjournment and when the debate on the Bills had concluded they were to hand them to the Whip. See, *Caucus Minutes*, 19 February 1945.

⁶⁶⁶ *Caucus Minutes*, 20 February 1945.

the authority which may withdraw the licence for continued and flagrant failure to carry out the obligations contained in the Regulations.⁶⁶⁷

Burke and Ward's motions were defeated but they were a trumpet call to action. The Banking Bills formed the basis for Labor to pursue the banking platform *en masse*. For the first time since Fisher in 1914 Labor was in a realistic position to pursue the banking platform and Chifley did not waste his opportunity to make significant reforms in line with key policy planks of the platform. Les Haylen, one of Chifley's colleagues outlined Chifley's rationale for introducing the Commonwealth Bank Bill 1945:

Deep in Chifley's heart was a burning resentment of the things done to Prime Minister Scullin in London when during the depression he went cap in hand to the Bank of England and Montague Norman for a paltry 20 million pounds to see us through. This was flatly rejected and was followed by the Premier's Plan, the most contemptible piece of planned misery and dole psychology ever to be passed by Australian parliaments.⁶⁶⁸

The Commonwealth Bank Bill 1945 proposed to strengthen the central banking functions of the Commonwealth Bank, thus ensuring that the Commonwealth Bank's policies would be in sync with the Government's. Chifley had been a proponent for change in the Banking Industry as he had seen and experienced the egregious way in which the Australian banks had conducted business during the depression period and this was reflected in his minority report on Banking to the Royal Commission on Banking in 1936. Also, the social reforms Chifley wished to pursue, the main one being 'full employment', could not be implemented unless the Commonwealth Bank Bill 1945 became law. On 9 March 1945 Chifley introduced the Bills into the House:

At the present time, when we are facing a future that is full of problems involving momentous economic issues, any legislation affecting the banking system always must be in process of evolution, continuously adapting itself to changing conditions ... The legislation that I am proposing today is based on the conviction that the Government must accept responsibility for the economic condition of the nation. The

⁶⁶⁷ *ibid.*

⁶⁶⁸ Haylen, L., *Twenty Years Hard Labor*, McMillan & Co. Pty. Ltd. Melbourne, Australia, 1969, p.43.

problems of the post-war period – of employment, development and trade, are of such magnitude, and involve such serious consequences, that no other attitude could be maintained. Accordingly, the Government has decided to assume the powers which are necessary over banking policy to assist it in maintaining national economic health and prosperity.⁶⁶⁹

At the end of the second reading on the Commonwealth Bank Bill he sought leave [which was granted] to proceed with the Banking Bill:

The purpose of this Bill is to regulate banking and to make provision for the protection of the currency and the public credit of the Commonwealth. The regulation of the banking system is an essential accompaniment to the revision of Commonwealth Bank powers ... In fact, the reform of the trading bank system was one of the main themes of the report of the Royal Commission on Monetary and Banking Systems, and the principal subject of its various recommendations ... The war intervened before any of these recommendations were acted upon, and some re-consideration of the report of the commission has become necessary in consequence of the changes that have occurred in the banking system during the war.⁶⁷⁰

The Commonwealth Bank Bill sought to repeal all previous Acts in order to establish new functions and powers for the Bank. The Bill established a new departmental framework to streamline Banking operations, with each Department being responsible for a specific core banking function such as: Mortgage Bank, Industrial Finance, Commonwealth Savings Bank, Rural Credit and the Note Issue. The Bill also prescribed the Bank's status as a 'Central Bank' that would be authorised and required to carry out general banking business in competition with other banks in line with its new Departmental structure. The Bill sought to abolish the Commonwealth Bank Board with management of the institution being placed in the hands of a Governor, who would receive policy directives from the Treasurer and the Government.

The Commonwealth Bank Bill overhauled the operational parameters in which the Bank carried out its business. The Bank would be established as the Central Bank in the system, and the Government's Banking Bill placed the control of the system under

⁶⁶⁹ *C.P.D.*, Vol. 181, 9 March 1945, p.546-7.

⁶⁷⁰ *ibid.*, p.553.

the Commonwealth Bank. The Bill provided the Commonwealth Bank with the power to control interest rates in the banking system as well as restructuring how and with whom non-government trading banks would do business.⁶⁷¹ The Bill also required the non-government trading banks to place a percentage of their reserve capital, called 'special deposits' with the Commonwealth Bank. The Government's banking legislation was extensive and even though the legislation stopped short of nationalising the system in line with plank 4(a) of the platform, the proposals sought to enact almost the entire banking platform contained in the section entitled 'Progressive Reforms', as well as the planks outlined in the 'Plan of Action' section of the Platform:

PROGRESSIVE REFORMS

1. The Commonwealth Bank to be developed on the following lines:
 - (a) A nation wide Trading Bank handling the ordinary business of the community. (*Commonwealth Bank Act 1945*)
 - (b) A Savings-Bank performing the ordinary functions of such a Bank; (*Commonwealth Bank Act 1945*) and

Plan Of Action

- (1) The operations of the Commonwealth Bank to be removed from and made entirely independent of private banking interests and free from sectional influences or constraint. (*Commonwealth Bank Act 1945*)
- (2) The abolition of the Commonwealth Bank Board and the re-establishment of the original method of control as set up- at the time the Commonwealth Bank was founded. (*Commonwealth Bank Act 1945*)
- (3) Expansion of the bank's business as a trading bank, with branches in all suitable centres, in vigorous competition with the private banking establishments. (*Commonwealth Bank Act 1945*)
- (4) A statutory provision that the banking of all public bodies shall be reserved for the Commonwealth Bank.⁶⁷² (*Banking Act 1945*)

⁶⁷¹ The Banking Bill prohibited non-government trading banks from conducting banking business for States and State Authorities, however this provision was challenged in the High Court and found to be unconstitutional. See; *City of Melbourne v Commonwealth (State Banking Case)* 74 C.L.R. 31.

⁶⁷² Australian Labor Party, Official Report of Proceedings of the 16th Commonwealth Conference, Sydney, 16 December 1943, p.4-5.

The Bills came under immediate attack by members of the Liberal Party and the banking industry. Of particular note were the Associated Banks who not only launched a scathing attack on the legislation, but also a veiled personal attack on Chifley stating:

The Banking Bills introduced into the House of Representatives by the Treasurer have, unfortunately, justified the misgivings which have been apparent in the community since it became known that such legislation was proposed. One stands aghast at the revolutionary provisions of the Bills and the possible effect they could have on the economic health of the country and the well being of its citizens.

All other provisions of the Bills pale into insignificance when it is realised that control of the nation's credit and currency would vest in one man – the Treasurer of the day ... The possibilities that this opens up are so alarming that it is difficult to understand that any democratic Government should desire to open the way to them. It is to be deplored that such highly contentious and potentially dangerous proposals should be brought forward to disturb the public mind in these days of war.⁶⁷³

The Opposition followed the lead of the Associated Banks, with Menzies focusing on the issue of the establishment of a 'central bank' and its functions in the proposed system stating:

The whole proposal on this point is a striking example of the Government's desire to perpetuate in Australia, long after the emergencies have passed, what has been epigrammatically styled "the servile state", and the particular weapon here is the weapon of slow strangulation of the private banking system in favour of a publicly owned and politically controlled banking system.⁶⁷⁴

Menzies' comments were measured in comparison to the Leader of the Country Party, Fadden, who was openly scathing of the socialistic nature of the Bill:

This measure, revolutionary though it may be, is only consistent with the policy of the Labor Party, and the basic desire of that party to convert Australia into a socialistic state ... Actually for many years' past, the Labor Party has endeavoured to pass

⁶⁷³ *The Age*, 12 March 1945.

⁶⁷⁴ *C.P.D.*, Vol. 181, 21 March 1945, p.752.

sentence of death on the private trading banking institutions of Australia, and to gain political control of the banking system.⁶⁷⁵

Calwell was quick to remind Fadden during his speech that:

... this Bill does not propose nationalisation of banking ... [to which Fadden replied]
... No, it does worse than that; it proposes strangulation of private banking.⁶⁷⁶

The Opposition and the banking and financial sectors provided trenchant resistance to the Banking Bills. However, despite the opposition the Government refused to back down and it passed the Bills into law strengthening key banking planks in the platform. Two months after the banking Bills were debated in the Parliament, Chifley had the honour, as acting Prime Minister, to inform the country that Germany had surrendered to the Allies. Chifley had received news of the surrender a day before in a top secret cablegram from London on 7 May 1945 that stated:

The surrender of all German Forces in Europe to Allied Expeditionary Force and the Soviet High Command was signed at 0141 hours this morning, Monday 7th May by representatives of the German High Command and General Eisenhower and General Suslaparov to take effect midnight Tuesday-Wednesday May 8-9th. Please treat above with complete secrecy for the moment. No release of the news is being made pending simultaneous announcement by the United Kingdom, United States and Soviet Governments. This is at present fixed for 3 p.m. B.S.T. Tuesday 8th May. If any change in this arrangement is made I will let you know at once.⁶⁷⁷

The German surrender, or V.E day, on 8 May 1945 had come at a heavy cost to the nation and although Australia rejoiced, celebrations were tempered somewhat by the fact that Australia was still at war with Japan. The war in the Pacific was still being waged, however this did not stop the Government proceeding with its legislative agenda to pursue and enact the platform.

⁶⁷⁵ *ibid.*, p.783.

⁶⁷⁶ *C.P.D.*, Vol. 181, 22 March 1945, p.785.

⁶⁷⁷ Cablegram D769 LONDON, 7 May 1945, 10.19 a.m. [AA:A1066, H45/1013/2/2/2] located at:
<http://www.info.dfat.gov.au/info/historical/HistDocs.nsf/vVolume/AA8726EO249A0F81>

Life Insurance

In late May Chifley introduced the Life Insurance Bill, another important piece of legislation which covered a key part of plank 16 in the Social Reform section of the Platform:

National Insurance, including provision for sick, accident, life and unemployment insurance, to include benefits to the dependents of the persons insured.⁶⁷⁸

A National Insurance scheme was the stated goal of the platform, with plank 16 being amended at the 15th Commonwealth Conference in May 1939 to include 'benefits to the dependents of the persons insured'.⁶⁷⁹ The Bill was the first piece of insurance legislation introduced by Labor since it came to power and although being limited in its scope in relation to the platform it was still a positive step towards stated policy goals. On 25 May Chifley explained to the House that the purpose of the Bill was to:

... regulate life insurance business conducted in Australia, and to protect the interests of persons who have effected life insurance policies ... It has long been recognised that some form of public control is necessary over a business which affects such a large proportion of the people.⁶⁸⁰

Chifley then provided a brief history of life insurance legislation in Australia and posited that it was the intent of the Bill to 'consolidate the existing State and Commonwealth Acts',⁶⁸¹ and that the Bill had four main objectives:

- (a) To replace all State legislation on the subject of life insurance, and to provide a uniform basis for applying the requirements of those acts to the whole of Australia.
- (b) To incorporate existing Commonwealth acts with minor amendments.

⁶⁷⁸ Australian Labor Party, Official Report of Proceedings of the 16th Commonwealth Conference, Sydney, 16 December 1943, p.4.

⁶⁷⁹ Australian Labor Party, Official Report of Proceedings of the 15th Commonwealth Conference, Canberra, 5 May 1939, p.71-2.

⁶⁸⁰ *C.P.D.*, Vol. 182, 25 May 1945, p.2144.

⁶⁸¹ *ibid.*, p.2145.

- (c) To appoint an insurance commissioner who shall exercise active supervision of the activities of life insurance companies, with a view to securing the greatest possible protection for policy owners.
- (d) To set up adequate machinery for dealing with any company that fails to maintain a required minimum standard of solvency.⁶⁸²

The debate and subsequent passage of the Bill was the last piece of legislation, based on the platform, that Curtin would have noted prior to his death on 5 July 1945. Curtin's death had not been unexpected, however when it happened it sent shockwaves through the Government and the wider labour movement. Chifley had led Labor since the start of the session and was instrumental in guiding the legislative program through the Parliament, however even though Labor did not have an official succession plan, it was Forde (Deputy Prime Minister) who was 'next in line' for the leadership, not Chifley.

Forde had been in America as one of Australia's representatives at the opening of the United Nations and had only arrived back in Australia three days prior to Curtin's death. Forde was duly sworn in by the Governor General as caretaker Prime Minister until Caucus elected a new leader. On Thursday 12 July Caucus assembled to vote for one of three candidates who had nominated for the leadership: Forde, Chifley and Makin. In the ensuing vote Chifley received forty-four votes, Forde sixteen, Makin eight and Evatt one.⁶⁸³ Chifley assumed the leadership and Forde was elected as deputy leader by an almost unanimous margin.⁶⁸⁴ Four days after being elected by Caucus, Chifley addressed Labor's Macquarie District Assembly in New South Wales calling for the party to unite:

The Party will not stand for dissension in any movement, Labor or otherwise, that seeks to govern this country ... [he] did not desire the Labor movement to become a mutual admiration society ... to him Labor was a social religion for the betterment of mankind.⁶⁸⁵

⁶⁸² *C.P.D.*, Vol. 182, 25 May 1945, p.2145-6.

⁶⁸³ See Appendix 29 – Election of Chifley

⁶⁸⁴ Evatt and Forde contested the Deputy Leader's position. The final vote was Forde 68 votes and Evatt 1 or 2.

⁶⁸⁵ *Bathurst National Advocate*, 16 July 1945.

The Development of Northern Australia

In the hours prior to Curtin's death the Government introduced important legislation based on plank 13 of the Platform for the 'Development and settlement of Northern Australia'.⁶⁸⁶ The bombing of Darwin on 22 April 1942 had brought the war to Australia's shores causing the evacuation of much of its civilian population and the area ostensibly became a military base of operations. In July 1945 with the war heading to an end the Government took proactive steps to prepare for the resettling of Darwin for the civilian population and took another step to enact an important plank of the platform. On 4 July 1945 Lazzarini outlined the Government's plans for Darwin in the Darwin Lands Acquisition Bill:

This short measure is designed to authorise the acquisition by the Commonwealth of freehold land in the town of Darwin and its environs ... As a result of the bombing of Darwin, many of the houses and buildings were destroyed. Other property has been demolished to meet defence requirements. The whole of Darwin's "Chinatown" has disappeared. The carefully considered view of a number of authorities is that all freehold land in the Darwin area should be acquired by the Commonwealth ... The acquisition is desirable to enable the future development of Darwin and the exploitation of its potentialities to the best advantage, from both civilian and defence points of view.⁶⁸⁷

The Bill was an important measure pursued by Labor to ensure that after the war, there would be a viable system in place to redevelop industry and settle civilians in Darwin and its environs in line with stated platform policy goals. The Bill was later followed by the *Northern Territory (Administration) Act* in 1947 and the *Northern Territory Representation Act* in 1949. All three pieces of legislation aimed to create a strong and viable environment for civilian settlement and business development that changed the face of Northern Australia and provided the Government with another plank of the platform legislated into law.

⁶⁸⁶ Australian Labor Party, Official Report of Proceedings of the 16th Commonwealth Conference, Sydney, 16 December 1943, p.7.

⁶⁸⁷ *C.P.D.*, Vol. 183, 4 July 1945, p.4049.

Nationalisation of Australian Airlines

On the same day that Lazzarini introduced legislation to rebuild Darwin, Drakeford requested that leave be granted:

... to bring in a Bill for an act to provide for the establishment and operation of a national airline service by the Commonwealth.⁶⁸⁸

Labor had already successfully introduced Banking legislation earlier in the session, now it was proposing to nationalise Australia's airlines. The Australian National Airlines Bill 1945 was introduced in line with plank 4(b) of the platform that called for the 'Nationalising of Monopolies'.⁶⁸⁹ The Australian National Airlines Bill 1945 was one of the few legislative initiatives since federation that actually advocated the nationalisation of an industry in line with stated policy planks of the platform. Labor had only spent about thirteen years in government since 1901 and with the exception of a number of abortive attempts to reform the banking industry, this Bill was the first active pursuit of the platform 'Objective' in a coherent form. On 18 July 1945, Drakeford, the Minister for Air and Civil Aviation, addressed the issue of monopolies in the airline industry when he introduced the Bill stating:

The proper approach to this legislation should be: Is it in the interests of the people as a whole? Is national ownership and control of civil aviation preferable to a private monopoly? These are the real questions, for there is abundant evidence that a monopoly is inevitable in the near future.⁶⁹⁰

Labor was committed to eliminating the virtual monopoly that existed in the airline industry and set out four main objectives to achieve this goal:

The social obligation, the economic obligation, national development and national defence.⁶⁹¹

⁶⁸⁸ ibid.

⁶⁸⁹ Australian Labor Party, Official Report of Proceedings of the 16th Commonwealth Conference, Sydney, 16 December 1943, p.4.

⁶⁹⁰ C.P.D., Vol. 183, 18 July 1945, p.4179.

⁶⁹¹ ibid., p.4181.

The Government was also well aware of the fact that the legislation would reignite hostilities over Labor's 'Socialist' policy agenda that came to the fore on the debate on the bank legislation, when Drakeford stated:

I anticipate that the Honourable members opposite will attack it from the same political party angle as they used in attacking the banking Bills ... No doubt the word socialisation will echo through every speech in this debate from honourable members opposite – socialisation, with all the dread foreboding they can conjure. But I would remind them that had this nation depended on private enterprise to organise the country for war, we would not have accomplished one fraction of the marvellous war effort achieved in this grave crisis ... I recognise that there exists in certain sections of the community and in the minds of some honourable members opposite, a predetermined hostility. Because of this I make the strongest possible plea for reasoned thinking. If that is granted I have no doubt that the debate which will follow will be profitable, and that the House will pass the Bill as a constructive piece of legislation.⁶⁹²

Drakeford's plea for reasoned thinking was ignored by Menzies who summed up his and his party's position on the Bill:

... the Government, without analysis, without reasoning without any true technical support, has introduced a Bill simply to give effect to its party constitution. Nationalisation is the Government's policy; therefore, let the airlines be nationalised. Has there been any examination of the facts? No. Has technical advice been received supporting the conclusion reached by the Government? No. Nationalisation is in the party constitution; therefore, it is to be proceeded with.

Therefore, the choice is either a dull adherence to academic socialist theory for its own sake or a realistic approach to the actual and rapidly changing needs of the people in the world of modern transport and communications.⁶⁹³

Menzies' view was also backed up by Spender, who attacked the Bill's socialist bent as well as taking the opportunity to introduce Communist Russia into the debate:

⁶⁹² *ibid.*, p.4178-9.

⁶⁹³ *C.P.D.*, Vol. 184, 25 July 1945, pp.4556-7.

... I turn now to the so-called merits of the Bill ... An examination discloses that there is only one real purpose. The idea of the Government that socialisation of anything must be for the benefit of the people is outmoded. It has become almost fashionable to speak about the great prowess of Russia, as though its economic system were better than that of any other country ... Socialisation or nationalisation, or government ownership, is not the best means of raising the standard of living of the people ... The Bill cannot be shown to have one merit.⁶⁹⁴

Burke⁶⁹⁵ and Fuller spoke in support of the Bill with Fuller staking his political reputation on the legislation:

This is one of the most important Bills ever presented to the House and I wholeheartedly support it. In fact, I am prepared to stake my political neck upon it.⁶⁹⁶

Fuller kept his neck and the Bill was passed through the Parliament, establishing an Airlines Commission with the express power to control interstate civil aviation as well as setting up the government's own flagship carrier, Trans-Australian Airlines (TAA), to conduct interstate air services. The legislation also provided for the termination of all privately owned airline carriers operating interstate air services in competition with TAA. However, a challenge by non-government airline operators was upheld by the High Court that found the legislation to be unconstitutional and thus impacting on Labor's plan to break the airline monopoly and nationalise the industry.⁶⁹⁷ The discretionary clauses contained in the Act provided the Government with the power to cancel (or not renew) private airline licences, thus eliminating other carriers in competition with the Government sponsored carrier, TAA. The High Court's ruling on the discretionary power contained in the Act was a setback to the Government's plans to legislate for its stated platform policy on nationalisation, however despite the High Court's judgement, the Government continued to pursue the platform.

Marriage and Divorce

⁶⁹⁴ C.P.D., Vol. 184, 27 July 1945, pp.4690-3.

⁶⁹⁵ See; *ibid.*, pp.4697-02

⁶⁹⁶ *ibid.*, p.4708.

⁶⁹⁷ See; *Australian National Airways Pty Ltd and ors. V Commonwealth* (October-November 1945) 71 C.L.R. 29

The nation's focus was on the nationalisation of Australia's airlines when the Government introduced more legislation relating to the platform. Major reforms in banking and the airlines were not the Government's only policy initiatives to bring the platform into law, it now introduced legislation for marriage and divorce. Plank 15 of the platform related to the issue of 'Uniform Laws of Marriage and Divorce',⁶⁹⁸ and the Matrimonial Causes Bill introduced by Chifley was the first piece of legislation on marriage or divorce, in the federal jurisdiction, since the passage of the *Matrimonial Causes (Dominion Troops) Act 1919*.⁶⁹⁹ According to Chifley the objects of the Bill were twofold:

First, to enable an Australian woman married to an overseas serviceman or other person from overseas to institute divorce proceedings in Australia; and, secondly, to provide that a person domiciled anywhere in Australia may institute divorce proceedings in the State or Territory in which he or she is for the time being resident.⁷⁰⁰

The Bill only focused on the 'divorce' aspect of the plank and did not pursue the subject of 'uniform laws of marriage'. The subject was raised by the Liberal, Holt during debate when he interjected during Chifley's speech:

I suggest that consideration should be given to a general Australian marriage law, not merely a divorce law.⁷⁰¹

Chifley replied that, 'The honourable member must realise that it is a "sticky" subject'. Chifley then discussed the outcomes of an earlier Premiers' Conference meeting on the subject and informed the House that:

I propose to leave my learned colleague, the Attorney General (Mr Evatt), upon his return, to argue the difficult points raised by ... the honourable member for Fawkner (Mr. Holt). I realise my limitations.⁷⁰²

⁶⁹⁸ Australian Labor Party, Official Report of Proceedings of the 16th Commonwealth Conference, Sydney, 16 December 1943, p.7.

⁶⁹⁹ *C.P.D.*, Vol. XC, 17 October 1919, pp.13548-9.

⁷⁰⁰ *C.P.D.*, Vol. 184, 20 July 1945, p.4350.

⁷⁰¹ *ibid.*, p.4352.

Evatt addressed the legal aspects of the Bill and provided responses to Opposition questions. In relation to the question of marriage Evatt stated:

Marriage, has, first a religious significance of a sacramental or almost sacramental character, according to the views of the churches, and, secondly, a tremendously important social significance. My own opinion is that nothing could be worse for a country than to weaken the institution of marriage by making divorce too easy.⁷⁰³

Evatt's legal expertise was acknowledged by the Opposition and the Bill passed through the remaining stages without amendment, thus ensuring another important plank in the platform was enacted during the session. Chifley had been at the forefront of the Government's legislative agenda and was responsible for driving through major reforms related to the platform. In the middle of the session Chifley also had the fitting opportunity to inform the people of Australia that Japan had surrendered. On 15 August 1945, in a radio broadcast to the nation, Chifley announced Japan's surrender:

Fellow citizens, the war is over.

The Japanese government has accepted the terms of surrender imposed by the Allied Nations and hostilities will now cease. The reply by the Japanese government to the note sent by Britain, the United States, the U.S.S.R and China has been received and accepted by the Allied nations.⁷⁰⁴

Chifley then discussed the return of the troops from the theatres of war as well as the new United Nations Charter, he then turned his thoughts towards the rebuilding of Australia:

Here in Australia, there is much to be done. The Australian government, which stood steadfast during the dread days of war, will give all that it has to working and planning to ensure that the peace will be a real thing. I ask that the State governments and all sections of the community should cooperate in facing the tasks and solving the

⁷⁰² *ibid.*, pp.4352-3.

⁷⁰³ *C.P.D.*, Vol. 184, 1 August 1945, p.4841.

⁷⁰⁴ Chifley, B., *Things Worth Fighting For: Speeches by Joseph Benedict Chifley*. Melbourne University Press, 1952, p12.

problems that are ahead. Let us join together in the march of our nation to future greatness.⁷⁰⁵

The general feeling of the Australian community to the announcement was no where better captured than in an *Age* article the following day:

Wistful, joyous, sad, exuberant, perplexed, sorrowful, delirious, wild, these citizens sighed, sang and shouted their relief that war – the second world war within thirty years – had ended. It was a celebration of strange, confusing, violent, emotional import that will long be remembered. Nothing like it in sheer eruption that may – we hope and pray – never again be witnessed. It was tempest after storm.⁷⁰⁶

There was little doubt that the world in which Labor now found itself would be different from what it had experienced in the preceding four years. Labor had governed in war, now it had to govern for the peace.

Public Health – Hospital Benefits and Tuberculosis

The constraints that Labor was under in fighting the war were no longer present and the opportunity to pursue the platform, without having to fight a war, was a strong driver to enact stated party policy and in September 1945 the Government moved to legislate in the area of Public Health and strengthen its commitment to key planks of the platform with the introduction of the Hospital Benefits Bill and the Tuberculosis Bill. The Tuberculosis Bill provided grants to the States to conduct a campaign to identify and treat the disease. The Hospital Benefits Bill was introduced by Lazzarini and was regarded by him as:

... a further major step in developing the Government's health and social services policy.⁷⁰⁷

The Hospital Bill provided for tied grants to the States to subsidise the costs of maintaining their public hospitals. The Grants were conditional on the hospitals

⁷⁰⁵ *ibid.*, p14.

⁷⁰⁶ *The Age*, 16 August 1945.

⁷⁰⁷ *C.P.D.*, Vol. 184, 12 September 1945, p.5299.

providing accommodation, treatment and services free of charge for specified areas. The legislation provided important health benefits to Australians, however although the Government had not pursued a policy of outright nationalisation of the health system as stated in plank 4(d) of the platform, its initiatives in respect of Pharmaceutical Benefits, Hospital Benefits and its Tuberculosis measures had provided Australians with a level of health care far superior than before these initiatives were introduced and strengthened Labor's position on nationalising the system in line with the platform.

Commonwealth Housing Scheme

The 1945 session was significant for Labor, as the Government had delivered a number of key planks in the platform, the most notable being the Banking reforms and nationalising Australia's Airlines. Another key plank was added to Labor's list of achievements with the establishment of a national housing scheme. In April 1943 the Curtin Government appointed a Commonwealth Housing Commission within the Ministry of Post-war Reconstruction. The Commission visited 21 states and obtained exhaustive information and evidence from every section of the community. The Commission published three reports with the final report being tabled in Parliament in September 1945. The Commission considered that governments should take an active part in providing housing and that the Commonwealth Government should supplement the housing activities of State governments:

(The Commission) argued, in its final report, for a broad-based and comprehensive approach to housing policy, ... with a national target of 80,000 dwellings per year. Such an ambitious target would require cooperation between government and private sectors and co-ordination between the various levels of government. The federal government was to assume the primary financial burden, in keeping with its greatly augmented revenue-raising capacity ... The Commonwealth would also monitor and consider housing provision within a comprehensive national economic planning framework, ... Public works programs would be coordinated through regular Premiers' Conferences and Loan Council meetings. In this scenario the state

governments would be directly responsible for the construction and management of the expanding public housing sector.⁷⁰⁸

On 16 December 1943, eight months after Labor appointed the Commonwealth Housing Commission, delegates at the 16th Commonwealth Conference urged the Government to initiate a housing scheme for rural districts as a complementary factor to decentralisation, successfully moving that:

The Government appoint a Commonwealth General Construction Authority for the purposes of:

- a) Clearance of slum areas, and siting of suitable areas and locations for groups of homes, townships and new suburbs, and provision of community facilities.
- b) Developing modern types and standards of dwellings, and consolidation of minimum standards in a National Housing Code.
- c) Promoting home ownership.
- d) Providing housing for rental.⁷⁰⁹

Delegates also re-approved plank 17 of the 'Social Reform' section of the platform that outlined the party's position with respect to providing quality housing to working families by simply stating that Labor would pursue, 'An adequate housing scheme'.⁷¹⁰ The plank was simple, however the Government's total commitment to the war effort precluded it from appropriating the necessary capital to fund such a scheme. However, the tabling of the final report of the Commission in September 1945 coupled with the fact that the war was over provided Labor with an opportunity to implement this key social reform plank. On 13 September 1945, Dedman, Minister for Post War Reconstruction, introduced the Commonwealth and State Housing Agreement Bill into Parliament to enact plank 17 of the Social Reform section of the platform:

⁷⁰⁸ Hayward, D., *The Reluctant Landlords? A history of Public Housing in Australia*, 1996, p.6. see: <http://www.infoxchange.net.au/rhchome/iurhc/index.htm>

⁷⁰⁹ Australian Labor Party, *Official Report of Proceedings of the 16th Commonwealth Conference*, Sydney, 16 December 1943, p.38.

⁷¹⁰ *ibid.*, p.7.

The Bill ... is an important piece of social legislation. It will provide means whereby a full scale attack can be made on one of the worst of our social evils, namely, the bad housing of the Australian people.

... this Bill provides a plan for housing and rehousing families of the lower income group, adequately, effectively and hygienically on a scale in advance of all our past performances ... the principal deficiency in Australian housing policy to date has been in respect of good standard houses to be let at rents within their capacity to pay, to families who cannot afford, or are not ready, or on account of their occupations do not desire, to purchase homes. To our great discredit, there has not been to date a full scale attack on our slums ...

The Government realises the need for the encouragement of home ownership. The Commonwealth Bank Act, which was recently enacted, and the War Service Homes Act are ample proof of the Commonwealth's interest in that matter.⁷¹¹

The Bill strengthened the Government's commitment to enacting the social reform planks in its platform and now that the war had ended the Government was in a strong position to pursue important policy planks such as providing adequate housing to those who needed it most. The *Commonwealth and State Housing Agreement Act* 1945 established a housing scheme involving both State and Federal governments subsidising the construction of homes for particular sections of the Australian community. On 3 October 1945 the Government introduced the Loan (Housing) Bill and Lazarrini informed the House that:

The purpose of this Bill is to obtain a loan appropriation of £15,000,000 to be applied in making advances to the States of Capital funds for housing under the Commonwealth and State housing agreements. Under the agreements, the Commonwealth will advance the initial capital funds to the States, subject to stated conditions as to interest and repayments.⁷¹²

The appropriation Bill provided the financial stimulus required for the commencement of the program with £10,500,000 being allocated for the 1945-6 year. The balance of the funds being allocated to the States following ratification of the

⁷¹¹ *C.P.D.*, Vol. 184, 13 September 1945, pp.5385-6.

agreement. The funds were now available to pursue policy initiatives like housing because the Government was no longer committed to stringent economic management based on full war production.

The 1945 parliamentary session would go down in Labor annals as one of the most bitter sweet in Labor's history. The year had seen the death of John Curtin, the rise of Ben Chifley and the end of the second world war, however despite the momentous changes, the Government maintained its focus on the legislative tasks at hand. With the war over and the task of post war reconstruction commencing, Labor's advance of the platform would take on an added significance.

The 1946 parliamentary session commenced in March and Labor wasted little time in governing for the peace. Chifley was Prime Minister in his own right, but was still to face the people at an election. The war had ended with an Allied victory and Labor had carriage of rebuilding the nation. In the period from March to September 1946 Labor enacted fifty-five pieces of legislation with Labor's legislative program containing a number of amending Acts that strengthened and updated key social reform and health planks of the platform. Planks 17, 18 and 19 of the Social Reform agenda relating to 'adequate housing', 'widows' pensions' and 'invalid and old age pensions' were boosted by the passage of the *Invalid and Old Age Pensions Act* 1946 the *Widows' Pensions Act* 1946 and the *Loan (Housing) Act* 1946. Also, plank 4(d) of the platform dealing with 'public health' was further boosted by the passage of the *Tuberculosis Act* 1946.

Constitution Alteration Initiatives – Social Services, Organised Marketing of Primary Products and Industrial Employment

The advances Labor was making in pursuing and enacting the platform were positive. Chifley had actively pursued a diverse range of planks with marked success, however Labor had once again reached a junction where the pursuit of key platform planks would realistically only be possible if Labor pursued amendments to the Constitution. In November 1945 at Labor's 17th Commonwealth Triennial Conference Chifley

⁷¹² C.P.D., Vol. 185, 3 & 4 October 1945, p.6430.

outlined his Government's plans for social welfare reform in line with the platform in the face of restrictive High Court judgements striking down the party's social services legislation:

I now refer to the recent decision of the High Court in regard to social benefits. I think that greater acknowledgment should be paid to the Labor Government in regard to social services, as no Government in this country has done so much for social security as the Labor Governments have done – and that goes back to Federation.

Social Services, I believe, are something for which we should fight. I come to the decision of the High Court, and I tell you the present position. The High Court has, in relation to the Pharmaceutical Benefits Act, made an attack on the powers of appropriation of the Commonwealth Parliament. That power has been challenged, and although the judgement of the Court deals only with that Act, it seems fairly clear that nearly all social security legislation, with the exception of the Old Age and invalid pensions, which are specifically provided for under the Constitution, is challenged.

On the question of social services, the Government will have to make sure whether the power is there or not, and the Government will then have to decide whether a referendum should be taken on that particular matter to place it beyond doubt, so as to ensure social benefits being paid.⁷¹³

Conference ratified Chifley's stance on the referendum proposals and unanimously agreed:

That the Federal Government seek an alteration of the Constitution by referendum as early as possible, to enable the Federal Parliament to effectively legislate for the social and economic needs of the nation.⁷¹⁴

The Conference demanded action for Labor's platform to be implemented via referendum and although Parliament had recessed for the Christmas break, when it resumed in the new year Chifley wasted little time in bringing the referendum

⁷¹³ Australian Labor Party, Official Report of Proceedings of the 17th Commonwealth Triennial Conference, Melbourne, 30 November 1945, pp.46-7.

⁷¹⁴ ibid., p.21.

proposals to Caucus for approval. On 12 March 1946 Chifley introduced the proposals and Evatt led the discussion and moved, 'That the following questions be submitted at the same time on election day.'⁷¹⁵ Evatt outlined the proposals as well as providing details of legal opinion that the Government had sought in connection with each referendum proposal:

1. Maternity allowances, child endowment, unemployment and sickness benefits, hospital benefits (including private hospitals), widows' pensions, medical and dental services and family allowances.
2. Organised marketing of primary products, irrespective of section 92 of the Constitution.
3. Terms and conditions of employment in industry.⁷¹⁶

The referendum proposals were warmly welcomed by Caucus, however there were a few members who had not forgotten Fisher's ill fated attempt in 1913 to link referendum proposals with elections and Falstein and Conelan unsuccessfully moved to amend Evatt's earlier motion:

That the Referendum be held on a day prior to Election Day, such day to be fixed by the Cabinet or by the Prime Minister.⁷¹⁷

There was wide ranging debate in the Caucus room and a number of unsuccessful amendments were proposed in relation to the substance and form of the referendum proposals, however Caucus finally approved that:

The referendum proposals be submitted to the people at the forthcoming election, be prepared on the one ballot paper and voted upon separately.⁷¹⁸

On 27 March Evatt introduced the Constitution Alteration (Social Services) Bill, the Constitution Alteration (Organised Marketing of Primary Products) Bill and the Constitution Alteration (Industrial Employment) Bill into the House. Labor's social reform agenda, based on the platform, had been threatened by the High Court

⁷¹⁵ *Caucus Minutes*, 12 March 1946.

⁷¹⁶ *ibid.*

⁷¹⁷ *ibid.*

judgement in the *Pharmaceutical Benefits Case* and Labor now moved to consolidate its power to enact social reform measures by amending the Constitution. Labor were determined to pursue the platform even if this meant confronting the onerous task of submitting its proposals to a referendum and Evatt outlined the rationale for the Social Services Bill:

Ever since federation, it has been assumed by successive governments and parliaments that the National Parliament could spend for any all Australian purpose the money that it raises. In 1944, I warned the House and the country that, under the Constitution as it stands, the legal foundations for even the most urgent modern social service legislation were doubtful and insecure. The High Court's decision last year in the pharmaceuticals benefits' case has shown that these doubts were only too well founded. The object of this Bill is to place Australian social service legislation on a sound legal footing.⁷¹⁹

The Government had also attempted to enact plank 11 of its 'Economic' section of the platform with respect to introducing 'Australian wide cooperative pools for the marketing and financing of farm products',⁷²⁰ and Labor now took the opportunity to effectively deal with the organised marketing of Australia's primary products by submitting a proposal to the people:

With the exception of the war years, attempts by this Parliament to give effective assistance to primary producers by organising the marketing of primary products have encountered two constitutional difficulties. One is the fact that while the Parliament may make laws with respect only to trade and commerce with other countries and among the states, it may not make laws with respect to trade and commerce within a single state. The second difficulty is the requirement laid down in section 92 of the Constitution, that trade, commerce and intercourse among the States shall be "absolutely free". The present Bill is designed to obviate both these difficulties.

... The marketing of primary products has ramifications which are Australian wide, and the national interest demands that the Commonwealth should be free to take

⁷¹⁸ *ibid.*

⁷¹⁹ *C.P.D.*, Vol. 186, 27 March 1946, pp.646-7.

⁷²⁰ Australian Labor Party, Official Report of Proceedings of the 17th Commonwealth Triennial Conference, Melbourne, 30 November 1945, p.7.

measures to regulate marketing in a manner that will serve not only the interests of producers but also those of the people of Australia as a whole.⁷²¹

The third Bill Labor proposed covered the area of industrial employment and sought to provide the Government with the power to regulate, either directly or indirectly, the terms and conditions of employment in industry, thus providing the Government with the means to effectively pursue over twenty sub-planks of section 10 of the platform dealing with 'Industrial Regulation'⁷²²:

During the war years, the defence power of the Commonwealth enabled this Parliament, and under its authority, the Government, not only to improve and extend the existing machinery for conciliation and arbitration but also to deal directly, as occasion required, with almost every phase of the terms and conditions of employment. Wages, hours, holidays, and working conditions were regulated.

... The most important aspect of this Bill, is the positive powers it will confer. It will enable this Parliament to fix standard hours in any industry, though not in occupations that are not industrial in character, in accordance with the distinction between industrial and other types of employment drawn by the decisions of the High Court under section 51 (xxxv). It will enable disputes to be arbitrated upon if they are industrial in character. Employment of many types does not fall within that category. It will enable this Parliament to fix the basic wage ... [the] maximum weekly hours of labour that may be worked in industry throughout the Commonwealth ... In short, the Bill will enable this Australian Parliament to discharge all the normal responsibilities of government in an advanced industrial democracy.⁷²³

All three referendum proposals had the total support of Caucus and the wider labour movement, and provided a blueprint of the Government's plans to amend the Constitution to ostensibly provide it with increased legal coverage to enact planks of the platform without having to run the gauntlet of challenges in the High Court. The legislation was passed through the Parliament and the three Constitution Alteration

⁷²¹ C.P.D., Vol. 186, 27 March 1946, pp.650-1.

⁷²² See: Australian Labor Party, Official Report of Proceedings of the 17th Commonwealth Triennial Conference, Melbourne, 30 November 1945, section 10, pp.7-8.

⁷²³ C.P.D., Vol. 186, 27 March 1946, pp.651-3.

Acts were now placed on the notice paper in preparation for their submission to the Australian people at the next federal election.

Nationalisation of Wireless Transmission

The pursuit of constitutional change by Labor did not hamper its drive to enact other planks of the platform and in June the Government moved to nationalise Australia's overseas telecommunications services in line with part of plank 4(e) of the platform that provided for the 'Nationalisation of wireless transmission, including broadcasting'. On 20 June, Calwell outlined the purpose of the Bill to the House:

It deals with the transfer to national ownership of the external telecommunications services now owned and operated by Amalgamated Wireless Australasia Limited and the establishment of a statutory corporation to operate both radio and cable services linking Australia with other countries. This Bill is one of a number of similar pieces of legislation which will be enacted by the parliaments of all self-governing countries in the British Commonwealth and Empire.⁷²⁴

The nationalisation of overseas telecommunications was an important measure with respect of the platform and it was soon followed by legislation to enact plank 10(p) of the Industrial Regulations section platform that called for a 'Commonwealth Mines and Regulation Act'.⁷²⁵

Labor and the Coal Industry

Labor first introduced the plank at the 6th Commonwealth Conference in 1915 when a motion was successfully moved on behalf of the Australian Labour Federation of Western Australia, to incorporate a plank into the federal platform for a specific Commonwealth Mine Regulation Act to be introduced to handle/deal with issues surrounding mining.⁷²⁶ The Government had moved during the war to control the coal industry through the defence power and with the conclusion of the war it now

⁷²⁴ *C.P.D.*, Vol. 187, 20 June 1946, pp.1653-4.

⁷²⁵ Australian Labor Party, Official Report of Proceedings of the 17th Commonwealth Triennial Conference, Melbourne, 26 November 1945, p.6.

sought to strengthen its level of control over the operations of the coal industry in line with plank 10(p) of the platform. The Government's actions were also predicated on industrial action in the industry and its impact on the country. In September 1945 coal miners, steel miners and waterside workers were involved in industrial action that virtually crippled the nation, with power and gas having to be rationed by the Government. The war had ended and communist influence in the labour movement had increased as communists began to contest union elections and assert their dominance in industrial campaigns. This dominance had come to the fore during the campaign with the coal and steel miners and the waterside workers where militant communist led unionists literally did battle against the moderate right wing unions to see who would control the sector. The Official paper of the Communist Party in Australia, the *Tribune* provided commentary at the conclusion of the dispute in December:

The aim of the BHP monopoly and the right wing traitors in the Labor Movement to crush the Ironworkers' Union has now definitely failed ... The smashing of the Ironworkers' Union would have paved the way for a general offensive against the workers. This conspiracy was defeated by the magnificent fighting spirit of the striking ironworkers and the generous aid rendered by the miners, seamen and F.E.D.F.A. members. These are outstanding and permanent gains which have been won for the working class. The miners have reached agreement with the Governments on their 'Five Year Plan' ... Had they [BHP and the ALP right wing] succeeded in smashing the ironworkers, it would have undermined the position of every union and paved the way for a general drive by the employing class against the living standards of the working class.⁷²⁷

The strike was settled by arbitration, however it sent a clear signal to the Government of the importance of ensuring that industrial harmony be maintained in the coal industry, especially in New South Wales where eighty percent of the nation's coal was produced. Labor had depended on the defence power for the validity of the *Coal Production (War-time) Act 1944* and the *Coal Mines Profits (War Time) Act 1944*, however the end of the war also meant that the defence power Labor relied on would

⁷²⁶ Australian Labor Party, Official Report of the Sixth Commonwealth Conference of the Australian Labor Party, Adelaide, 4 June 1915, p.46.

⁷²⁷ *Tribune*, Sydney, 18 December 1945.

gradually become redundant, so the Government moved to consolidate their position with respect of the coal industry as well as enacting plank 10(p) of the platform and on 24 July Dedman outlined the Bill to the House:

Today in the midst of the transition from war to civil production, we are confronted with a dangerously low level of coal stocks on the one hand and an ever-mounting demand on the other ... During the war years, we had to improvise and patch as best we could in the circumstances ... Today, however, we face a peace period in which the Government is determined that we shall proceed vigorously on a program of basic re-organisation. That is why we mark the first year of peace by bringing down this legislation to lay the framework for a new deal for the New South Wales industry, which produces over 80% of our black coal ... This Government, and the Government of New South Wales, must make a fresh start at resolving the clearly recognisable problems of discontent and under production in the industry. Only a wide, systematic and thorough re-organisation of the industry will meet the real needs.⁷²⁸

The Bill was supported by the union, however the Northern Colliery Proprietors' Association were less than complimentary. Wells for the union stated:

The Bill does not nationalise the industry. Instead, it brings the industry under a measure of control ... The owners fought the Bill, but that was just a big piece of bluff. The Coal Board will reorganise the industry, provide loans for better equipment and more efficient working of mines and guarantee a reasonable profit. Research stations will be established and everything else done to bring the industry to the highest level.⁷²⁹

Forster for Northern Colliery Proprietors' Association was of the opinion that:

So long as the Prime Minister (Mr Chifley) retains control of the coalmining industry, as he does under this Bill, then we say he will not get one extra ton of coal, because it is an invitation to the Miners' Federation to do its collective bargaining direct with

⁷²⁸ C.P.D., Vol. 188, 24 July 1946, pp.3007-8.

⁷²⁹ *Newcastle Morning Herald*, 2 September 1946

the head of the Government, thereby disregarding the employers, special tribunals and the Arbitration Court.⁷³⁰

The Bill was passed despite the rumblings of the Northern Colliery Proprietors' Association and it consolidated the Government's continued control over the industry in line with plank 10(p) of the platform. The Coal Industry was important to the economic wellbeing of Australia and although the continued mining of the resource was important, so too was the ability to transport it and other goods around the country.

National Rail Standardisation

The deficiencies in the Australian rail transport system were highlighted during the war and Labor now moved to rectify the problems experienced during the conflict and in the process sought to enact two planks of the platform. Plank 3(f) of the 'Methods' section outlined that Labor was, 'to vest the Commonwealth Parliament with authority to proceed with the Royal Commission scheme of unification of railway gauges, provided the Commonwealth make the necessary monetary provision'⁷³¹ and plank (c) of the 'National Credit' area contained in the 'Progressive Reforms' section of the platform that called for a 'Plan to extend Australian secondary industries to secure a maximum of industrial self sufficiency, and to provide for effective transport services for the nation'.⁷³² On 2 August 1946, Ward, Minister for Transport provided a brief history of the Australian rail transport system to the House when he introduced the Railway Standardisation Agreement Bill:

Since the first railway was built in Australia, in 1854, the growth of Australian railways has not progressed according to any national plan, and state boundaries have accentuated the difficulties arising out of any national railway policy ... The difficulties of interstate rail transport have been apparent for many years ... In Australia, we suffered a serious handicap in the transport of men and war materials because there are fifteen break-of-gauge points in our railway system ... One of the

⁷³⁰ *Newcastle Morning Herald*, 26 July 1946

⁷³¹ Australian Labor Party, Official Report of Proceedings of the 16th Commonwealth Conference, Sydney, 16 December 1943, p.3.

⁷³² ibid., p.5.

most important aspects of standardisation of railways is that it will permit the standardisation of trucks, locomotives, and other railway equipment.⁷³³

Ward then outlined the objectives of the Bill and what Labor hoped to achieve:

After a full examination of the facts, the Commonwealth Government has come to the conclusion that the standardisation and modernisation of our railway systems is an essential defence work. Whilst the project is advanced by the Commonwealth primarily as being necessary for defence purposes, it cannot be overlooked that the economic gains resultant from the adoption of uniformity in gauges and railway equipment, would be tremendous.⁷³⁴

Standardisation of railways, coupled with modernisation, will enable the number of types of locomotives, passenger rolling stock and goods vehicles, to be reduced considerably.

Advantages to defence and civilian traffic may be briefly summarised: Standardisation will obviate the necessity for changing trains at present break of gauge points, thus eliminating delay in the transfer of passengers and goods, as well as the labour involved therein; and enable rolling stock to be used on all lines, which would:

1. Allow of the most economical use of the available rolling stock, by using it for through journeys, thus avoiding congestion, and sometimes empty back-running from break-of-gauge points.
2. Facilitate repair and replacement, since all railway work-shops, foundries &c. in the several States would use standard parts. Repair and replacement of rolling stock would be speedier, and less liable to interruption by enemy attack, owing to the wide dispersal of the workshops.
3. Facilitate the marshalling of trains for strategic and tactical moves, as a result of the interchangeability of rolling stock.
4. Allow of the employment of standard trains in all States for service purposes, thus facilitating staff work and administration generally.⁷³⁵

⁷³³ *C.P.D.*, Vol.187, 2 August 1946, p.3625-6.

⁷³⁴ *ibid.*, p.3629.

⁷³⁵ *ibid.*

The Bill was passed in line with the relevant planks of the platform and provided for an agreement between the Commonwealth, Victoria, South Australia and New South Wales to carry out the necessary work to convert the broad gauge lines of Victorian and South Australia to the standard gauge lines of New South Wales. The Railways Standardisation Bill was also the last piece of legislation based on the platform introduced by the Government before it went to a federal election in September 1946.⁷³⁶

1946 Federal Election and the Passage of the Social Services Referendum

The Government had shown its supporters that it could govern during the war, it was now governing in the peace and implementing stated policy goals in line with the platform. On 28 September 1946 Australia went to the polls and the Chifley Government was returned with a majority in both the House of Representatives and the Senate. Labor won forty-three seats in the House, losing six from the last election. The biggest blow to the government was the loss of Forde in his seat of Capricornia, where he was defeated by the Country Party. However, the biggest surprise was in the Senate where Labor won five out of the six states which meant that from 1 July 1947 it would have thirty-three Senators out of a total of thirty-six in the chamber.

The election result was a triumph for Chifley who had ensured that the wartime government was returned to office, unlike his British counterpart Churchill who was defeated at the polls at the war's end. The result was a rare achievement despite the fact that some in the mainstream press regarded it as rather pedestrian:

In the midst of a world still partly darkened by shadows cast from the past, and while other peoples tread uncertainly their paths of political evolution, Australia has displayed a steadiness of political outlook which deserves to be emulated ... The victory of the Chifley Government is probably due to more than one factor. Obviously, the Australian people regard the Labour Government's service during the last three years as having entitled it to a further term in charge of Commonwealth administration. This is the main factor that has actuated electors in their voting, but it

⁷³⁶ In 1949 the Government also passed the *Railway Standardisation (South Australia) Agreement Act 1949* to strengthen the initial agreement between the Commonwealth and South Australia.

is allied with other reasons. Whatever inclination there was for electors to be attracted by the policies of other parties – and there is no doubt that up to the last minute, this attraction had been substantial – when the testing time came electors were not prepared to take the risk.⁷³⁸

The new Labor ministry under Chifley was decidedly different from the ministry that first took up the reins in 1941. Curtin had passed away, Forde and Froste had lost their seats, Beasley was High Commissioner in London and Makin was Minister in Washington, whilst Senators Collings and Fraser and Lazzarini were not re-elected by Caucus. The party political changes in the aftermath of the election were significant, however of even greater significance was the fact that Labor had also submitted the three Referendum proposals to the people and for the first time in the history of a Federal Labor Government, a referendum proposal was successful as outlined in Table 3. Labor's electoral success was enhanced by the passage of the 'Social Services' referendum with almost 55% of Australians voting in favour of the proposal together with the support of all six states. Labor's social services referendum was carried in every state with an overwhelming mandate and the Party now had the opportunity to advance the social reform planks in the platform. Labor's joy at the passage of the 'Social Services' referendum was tempered somewhat by the fact that the remaining two proposals came agonisingly close to also being passed, as can be seen in Table 3 below.

Table 3 – 1946 Referendum Results

Subject	Yes Voters - States	Yes Voters – % Of Total	Carried Or Lost
Maternity allowances, child endowment, unemployment and sickness benefits, hospital benefits (including private hospitals), widows' pensions, medical and dental services and family allowances	New South Wales, Western Australia, South Australia, Victoria, Tasmania, Queensland	54.39	Carried
Organised marketing of primary products, irrespective of section 92 of	New South Wales, Western Australia,	50.57	Lost

⁷³⁸ *Canberra Times*, 30 September 1946.

the Constitution	Victoria		
Terms and conditions of employment in industry	New South Wales, Western Australia, Victoria	50.20	Lost

As Table 3 shows, the marketing of primary products proposal that sought to provide Labor with the power to enact plank 11 of the 'Economic' section of the platform with respect of introducing 'Australian wide cooperative pools for the marketing and financing of farm products' was approved by 50.57% of Australians, whilst the proposal dealing with terms and conditions of employment for Australian workers that would have provided Labor with the opportunity to pursue over twenty sub-planks of section 10 of the platform dealing with 'Industrial Regulation' was approved by 50.20% of voters. The result on this basis really was a major achievement for the Government, as all three proposals were endorsed by a majority of voters. However, unfortunately for Labor the marketing and industrial arbitration proposals were only supported by three States, with South Australia, Queensland and Tasmania voting against the proposals. A majority of Australians had signalled their intention that they wanted the Federal Government to have power over the marketing of primary products and industrial employment, ironically however it was the Constitution that thwarted the majority vote becoming law. Labor had once again fallen short of achieving its objectives of pursuing and enacting key platform planks because of the vagaries of the Constitution through the provisions of the Constitution. Labor was extremely unlucky, of the nineteen referendum proposals introduced since federation (three being carried) up til that time, only one other had received a majority of votes but was defeated.⁷³⁹ In the last session of the year Labor passed the Constitution Alteration (Social Services) Act 1946 and the referendum proposal was enacted into law and Labor now had the opportunity to advance the social reform planks in the platform.

The election and referendum results provided Labor with a clear mandate to govern and an opportunity to continue to pursue major policy initiatives based on the platform. Chifley's Government had shown the Australian people that it could govern

⁷³⁹ On 6 March 1937 the Lyons Government sought a referendum on 'Air Navigation'. The proposal received 54.39% of the total vote but was only carried in two states, Victoria and Queensland.

in a time of crisis, now it had an opportunity to put its post war policies to the test. Labor went to the Christmas break with a renewed sense of purpose and vigour unaware that the 1947 session would become one of the most controversial in the history of the Federal Parliament.

The Governor General, Industrial Relations and Estate Duties

Labor hit the ground running after the election enacting a number of important platform planks. In January 1947, Chifley set the tone for the new government when he announced the nomination of William McKell as Governor General thus enacting plank 30 of the 'Electoral and Constitutional' section of the platform that called on Labor to establish the precedent of, 'appointing an Australian citizen to the position of Governor General shall be followed should Labor be in power when the position falls vacant'.⁷⁴⁰

Chifley wanted an Australian Governor General 'without the pomp and plumes and social glitter'⁷⁴¹ generally associated with the position and he wanted the Governor General to be a 'man of the people'⁷⁴² and somebody all Australian's could relate to and respect. The choice of McKell in line with the platform caused uproar on the conservative side of politics with Menzies leading the charge:

It constitutes the most deplorable incident in the Government's growing record of political jobbery. One is forced to the conclusion that it is expressly designed to lower the Governor-Generalship in significance and esteem, and so weaken our vital connection with Great Britain and with the British Crown.

The appointment of McKell was soon followed by the introduction of Stevedoring legislation enacting plank 10(g) of the 'Industrial Regulation' section of the platform that called on the party to 'Repeal the *Transport Workers Act*'.⁷⁴³ The *Transport Workers Acts* of 1928 and 1929 required waterside workers to be licensed and sought

⁷⁴⁰ Australian Labor Party, Official Report of Proceedings of the 17th Commonwealth Triennial Conference, Melbourne, 30 November 1945, p.9.

⁷⁴¹ Kelly, V., A Man of the People. Alpha, Sydney, 1971, p.160.

⁷⁴² ibid.

⁷⁴³ Australian Labor Party, Official Report of Proceedings of the 17th Commonwealth Triennial Conference, Melbourne, 30 November 1945, p.6.

to regulate conditions on the wharves to the detriment of the workers. On 21 February 1946 Evatt introduced the Bill:

The aim of this Bill is to achieve industrial peace, and continuity and efficiency of work in the stevedoring industry, which is an essential factor in the transport of this country and thus to its economy.⁷⁴⁴

The repeal of the *Transport Workers Act* 1929 had been a long standing plank in the platform that had now been successfully enacted by Labor. A month after the introduction of the Stevedoring Bill Labor moved to enact plank 5 of the 'Taxation and Finance' section of the platform relating to 'Estate duties' calling on Labor to amend:

The Federal 'Estates Duties Act' to provide for the prevention of evasions of death duties by creation of trust deeds and such like instruments.⁷⁴⁵

On 27 March 1947, Chifley introduced the Estate Duty Assessment Bill into the House to strengthen Estate Duties laws in line with the platform:

The amendment made by clause 5 relates to the deduction allowable in respect of State and Commonwealth income tax and land tax which become due and payable after death and within one year after payment of duty. The intention of the law was to permit the deduction for income tax and land tax assessed subsequent to the date of death on income derived and land owned by the deceased during his lifetime. In many cases however, owing to the complicated nature of the estate a considerable time elapses before the estate duty can be finally assessed ... The unintended effect of the present law is that many large estates are, by reason of the unavoidable delay in completing the estate duty assessment, receiving the benefit of very substantial deductions in respect of income tax and land tax assessed on income derived and land owned by the executors subsequent to the death of the deceased. The amendment ... will ensure that proper effect shall be given to the original intention of the law.⁷⁴⁶

⁷⁴⁴ *C.P.D.*, Vol. 190, 21 February 1947, p.123.

⁷⁴⁵ Australian Labor Party, Official Report of Proceedings of the 17th Commonwealth Triennial Conference, Melbourne, 30 November 1945, p.5.

⁷⁴⁶ *C.P.D.*, Vol. 191, 27 March 1947, pp.1266-7.

The original intention of the law would be upheld as well as enacting plank 5 of the 'Taxation and Finance' section of the platform relating to 'Estate duties'. However, whilst stevedoring and estate duties were important policy initiatives delivered by Labor, moves were also made to provide an adequate compensation regime for seamen in line with plank 22(h) of the Navigation section of the platform that called for, 'The compulsory insurance of crews by shipowners against accident or death.'⁷⁴⁷

Navigation and Shipping

On 1 May 1947 Senator Ashley, Minister for Supply and Shipping detailed the Bill to the Senate:

The Seaman's Compensation Act is an important Commonwealth Act which provides compensation cover for those workers who, while employed on the high seas, are outside the scope of the various state compensation Acts ... Naturally, seamen regard these new provisions as representing the current Commonwealth view of what is fair and reasonable compensation for injuries.⁷⁴⁸

The Bill outlined the benefits a seaman could expect if he was injured, maimed or killed and set out specific payment schedules for these as well as for industrial diseases. In closing Ashley stated:

I commend the Bill to the Senate, as a measure which will give to seamen a compensation law in keeping with modern conceptions of social justice, and one which their services to the nation have richly earned.⁷⁴⁹

The coverage provided to seamen by Labor was extensive and brought it into line with general Commonwealth insurance practices and whilst the platform related to the provision of insurance by shipowners this did not stop Labor taking the initiative to ensure that workers, in this instance 'seamen', were adequately covered in case of accident or worse. The social policy initiatives continued to be pursued by the Government and following the passage of the *Constitution Alteration (Social*

⁷⁴⁷ Australian Labor Party, Official Report of Proceedings of the 17th Commonwealth Triennial Conference, Melbourne, 30 November 1945, p.6.

⁷⁴⁸ *C.P.D.*, Vol. 191, 1 May 1947, pp.1791-2.

Services) Act 1946, Chifley officially moved to ensure that Labor's Social Policy platform initiatives were provided with a secure legal foundation. On 15 May 1947 the Government introduced the Social Services Legislation Declaratory Bill into the Parliament. Senator McKenna, Minister for Health and Minister for Social Services, outlined the rationale for the Bill:

The purpose of the Bill is to make use of the new powers vested in the Parliament as a result of the recent referendum to place on a firm legal foundation certain existing legislation of a social services character ... The constitutional position in regard to our social services legislation ... [and] the only specific power to enact such legislation which the Parliament had was to provide invalid and old age pensions ... The decision of the High Court in the Pharmaceutical Benefits Act case showed, however that the appropriation power could only be exercised for those purposes which are stated or implied elsewhere in the Constitution, and that Parliament had been acting on too wide a view of its power.⁷⁵⁰

Senator McKenna outlined the form and scope of the legislation with respect to the social policy planks of the platform that the Bill would legitimise:

The new power which now resides in the Parliament is to make laws with respect to the provision of maternity allowances, widows' pensions, child endowment, unemployment, pharmaceutical, sickness and hospital benefits, medical and dental services – but not so as to authorise any form of civil conscription – benefits to students and family allowances. The view of the Government's legal advisers is ... that the Commonwealth cannot rely on these new powers to support legislation enacted before 19 December 1946 unless that legislation has been confirmed by Parliament on or after that date ... The Bill, if passed, will ensure their validity by declaring them to have full force and effect.⁷⁵¹

The Social Services Declaratory legislation was strengthened by similar legislation in 1948.⁷⁵² The effect of the legislation providing legitimacy to key planks of the Social Reform section of the platform, plank 17 – An adequate Housing Scheme; plank 18 –

⁷⁴⁹ *ibid.*, pp.1792-3.

⁷⁵⁰ *C.P.D.*, Vol. 191, 15 May 1947, p.2392.

⁷⁵¹ *ibid.*, p.2393.

⁷⁵² *Social Services Declaratory Act* 1948

Widows' and Children's Pensions; and plank 20 – Motherhood and Childhood Endowment.

Public Health

The 'Public Health' plank contained in section 4(d) of the platform was also strengthened by the fact that the Parliament could now legitimately legislate for pharmaceutical, sickness and hospital benefits and medical and dental services. The referendum result was crucial to Labor maintaining and pursuing a viable social reform agenda based on the platform and it wasted little time introducing legislation to provide free medicine to the people of Australia and on 30 May 1947 sought leave to introduce the Pharmaceutical Benefits Bill.⁷⁵³ In response to Opposition questions on the Bill, Senator McKenna outlined the rationale for the legislation:

... the basic principles which underlay the Pharmaceutical Benefits Acts of 1944 and 1945 have not been changed in this measure ... The Government feels that it is under an obligation of good faith to the people of this country to fulfil its promise and to implement the pharmaceutical benefits scheme as early as possible. The scheme is merely a modification of the original one.⁷⁵⁴

The *Pharmaceutical Benefits Act* 1947 was passed in the Parliament, however the Australian branch of the British Medical Association (BMA) resisted any attempts to cooperate in any schemes associated with the legislation. The BMA also made its position on the Act clear to Labor:

Principles enunciated by the British Medical Association are: (i) Opposition to a full time salaried service. (ii) Freedom from control in professional matters. (iii) Freedom for the patient to choose his own doctor. (iv) Freedom of the Doctor to practise where and in the way he thinks best. (v) Adequate medical representation on controlling bodies. (vi) Freedom from political interference. (vii) A stable guaranteed fund to finance the service.⁷⁵⁵

⁷⁵³ C.P.D., Vol. 192, 30 May 1947, p.3198.

⁷⁵⁴ C.P.D., Vol 192, 4 June 1947, p.3319.

⁷⁵⁵ *Medical Journal of Australia*, Sydney, 14 February 1948, p.212.

The Australian Federal Council of the BMA also outlined to Senator McKenna the major issues the BMA had with Labor's planned pharmaceutical scheme:

1. The principle of discrimination as to their entitlement to pharmaceutical benefits between those members of the public whose requirements come within the limits of the formulary and those whose requirements are not so covered. It is this principle which involves an interference with the doctor's freedom of judgement in prescribing for his patient.
2. The principle of penal clauses, whereby a doctor who voluntarily uses the government forms and formulary finds himself not only restricted in his choice of the treatment which he may order for his patient, and the subject to the intervention of a third party in the transaction, but also finds himself liable to heavy penalties if his procedure varies from that laid down by the Government.
3. The principle of control by a government department rather than by a corporate body.
4. The opportunity provided for the introduction of a nationalised medical service by means of an act not drawn up for that purpose.⁷⁵⁶

Chifley labelled the leaders of the BMA as 'conservative shellbacks' for their stance on the issue,⁷⁵⁷ however this did not stop the BMA commencing a court challenge against the validity of the Act or of informing Australian doctors how to destroy the scheme:

The Federal Council of the British Medical Association in Australia desires each member of the Association to know the actual steps to be taken in the event of the Pharmaceutical Benefits Act 1947, coming into operation.

Each member should:

1. Return to the Association Branch Office prescription forms and Formulary sent by the controlling authority under the Act.
2. Continue to prescribe as heretofore on private forms or lodge prescription books.

⁷⁵⁶ *Medical Journal of Australia*, Sydney, 17 April 1948, p.513.

⁷⁵⁷ Sawyer, *op cit.*, p.198.

3. Ensure that all patients receive a copy of the printed statement sent by his own Branch of the British Medical Association.⁷⁵⁸

The BMA's attacks on the scheme both from the medical profession and through the courts saw the matter eventually proceed to the High Court⁷⁵⁹ where in a split 3-2 decision⁷⁶⁰ the Court invalidated the scheme on the ground that the compulsory use of Commonwealth prescription forms for medicines within the federal formulary contained in the *Pharmaceutical Benefits Act 1947* constituted 'civil conscription' within the meaning of the new section 51(xxiiA) of the Constitution which was passed in the 1946 referendum. The High Court had again shown a preparedness to interpret the constitution narrowly when Labor was in power pursuing its policy platform. This theme was touched on by McMullin who stated:

From Labor's viewpoint the court had displayed since its inception a disconcerting tendency to reserve its most restrictive interpretations of the national government's constitutional powers for the times when the Federal Parliamentary Labor Party was ascendant.⁷⁶¹

The adverse decision was a setback to Labor's program to legislate for plank 4(d) of the platform calling for the 'Nationalisation of public health', however this did not stop the Government pursuing other core planks of the platform despite the increasing threat of legislation running the gauntlet of restrictive interpretations from the bench of the High Court: the battle for the banks was about to commence.

Commonwealth Bank

In May 1947 the Government commenced the operation of section 48 of the *Banking Act 1945* that effectively precluded State Governments, State Instrumentalities and local government authorities from dealing with any private banking institution.⁷⁶² At the end of May the Melbourne City Council launched legal proceedings against the

⁷⁵⁸ *Medical Journal of Australia*, Sydney, 1 May 1948, p.568.

⁷⁵⁹ *British Medical Association v Commonwealth* (August-October 1949) 79 C.L.R. 201

⁷⁶⁰ Latham C.J., Rich, Williams and Webb JJ held that the free medical scheme was invalid whilst McTiernan and Dixon JJ dissented.

⁷⁶¹ McMullin, 1991, *op cit.*, p.246.

⁷⁶² This measure precluded over 200 local government authorities from banking in the private sector.

constitutional validity of section 48 of the *Banking Act* 1945.⁷⁶³ The *State Banking Case* proceeded to the High Court where on 13 August 1947 the High Court determined, by a majority decision of five to one, that the operation of section 48 was *ultra vires*. The High Court's decision was not unexpected, however *obiter* comments by some of the justices indicated that Labor's banking legislation could be threatened by future court challenges against the operation of the banking legislation, and given the political orthodoxy of the bench it would more than likely be ruled *ultra vires*. The High Court's decision and interpretation of the statute was a blow to Labor, however Chifley was undaunted and as Crisp states:

Chifley had let it be known quietly in an appropriate quarter that if the private banks sought to emasculate essential provisions of the 1945 Acts, on whatever pretext or behind whatever 'front', he would go to the limit to sustain the basic purposes of that legislation.⁷⁶⁴

On 14 August, a day after the decision Chifley discussed the legal implications of the decision with Evatt and McKenna as well as with the Governor of the Commonwealth Bank and the Bank's senior Officers. On 16 August Cabinet met to discuss the *State Banking Case* and with Evatt and McKenna already aware of what was to come, Chifley dropped his bombshell. Evatt provided Cabinet with an overview of the ramifications of the decision and then Chifley outlined the choices available to them:

The Government could either swallow the decision and await an attack by the private banks on the vital sections of the 1945 Acts, or they could remove the challengers by nationalising the banks.⁷⁶⁵

Chifley's statement did not come as a shock to either Evatt or McKenna, however they noted that after the announcement there was 'complete stunned shock'⁷⁶⁶ by members, then, after the gravity of what Chifley proposed had sunk in, there was 'a good deal of jubilation'.⁷⁶⁷ Chifley asked every Cabinet member present⁷⁶⁸ for their

⁷⁶³ *City of Melbourne v Commonwealth (The State Banking Case)* (July-August 1947) 74 C.L.R. 31.

⁷⁶⁴ Crisp, 1977, *op cit.*, pp.324-5.

⁷⁶⁵ *ibid.*, p.327.

⁷⁶⁶ *ibid.*

⁷⁶⁷ *ibid.*

personal opinion on the appropriate course of action, and to a man they asserted that the appropriate course of action for Labor was to nationalise the banks in line with plank 4(a) of the platform. When Cabinet had provided unanimous support for the nationalisation proposal Chifley then provided his response:

'Well that's the decision then', he said.

To which Pollard interjected, *'Wait a minute, what about you Chif - where do you stand?'*

Chifley replied, *'With you and the boys, Reggie, to the last ditch.'*⁷⁶⁹

Chifley's decision to pursue plank 4(a) of the platform to nationalise the banks has been criticised for being somewhat rash, with Sawyer stating:

It was policy conceived in pique, and its execution was bound to be blundering since an operation of that size, directed against such powerful and ably-defended adversaries, required long planning.⁷⁷⁰

Sawyer and others who take the view that Chifley's actions were based on a 'fit of pique' have underestimated Chifley's decision making abilities and with a decision of this magnitude it would not have been taken lightly or arrived at in a 'fit of pique'. In his biography on Chifley, Crisp touched on the episode stating:

Unlike most people, Chifley *lived* for politics and government and he gave practically his whole time and thought to them. The charges that his decisions – to nationalise in 1947 (three days after the Melbourne City Council Case verdict), to appeal to the Privy Council in 1948 (two days after the nationalisation verdict), and after the Privy Council decision in 1949 to give the banks 'virile competition' through the Commonwealth Bank – were all taken suddenly and out of pique displays a complete ignorance of the thought Chifley gave in advance to possible future contingencies and

⁷⁶⁸ Dedman, Calwell and Ward were overseas when Chifley discussed the nationalisation of the Banks with Cabinet.

⁷⁶⁹ McMullin, 1991, *op cit.*, p.246.

⁷⁷⁰ Sawyer, *op cit.*, pp.220-1

the ways in which they should be tackled. This advance planning was a habit which never ceased to impress his close collaborators.⁷⁷¹

Chifley and Cabinet had unanimously endorsed the pursuit of section 4(a) of the Platform calling for the 'Nationalisation of Banking', a plank that was first approved by Federal Conference in 1919 and which was a core plank of the platform. At the conclusion of the meeting, members dispersed for lunch and when he left the room Chifley was approached by journalists inquiring about any news of Cabinet decisions, to which Chifley informed them:

Oh, Don [Rogers, his press secretary] may have a little piece in there that'll interest you.⁷⁷²

The 'little piece' of interest Chifley alluded to stated:

Cabinet today authorised the Attorney General (Dr Evatt) and myself to prepare legislation for submission to the Federal Parliamentary Labor Party for the nationalisation of banking, other than State banks, with proper protection for shareholders, depositors, borrowers and staff of private banks.⁷⁷³

In what has become folklore, it was said that a senior press correspondent bit through the stem of his pipe when he read the statement and realised what was being proposed. The veracity or otherwise of this actually happening is a moot point, however it highlighted the magnitude of the task that Labor had set itself in enacting the platform on this issue. Chifley's announcement was made whilst Parliament was in recess and it was not until 16 September 1947, almost a month after the announcement, that Caucus met to discuss Cabinet's decision. At the Caucus meeting Chifley asked leave to introduce a Bill for the nationalisation of banking stating:

There was a recommendation from Cabinet for the nationalisation of banking and he moved for its adoption.⁷⁷⁴

⁷⁷¹ see footnote 7 in Crisp, 1977, *op cit.*, p.331

⁷⁷² *ibid.*, p.328.

⁷⁷³ *ibid.*, p.328.

Caucus unanimously supported the proposal despite the fact that members had to wait a month to officially endorse it. However, the forces arrayed against the proposal, notably the Opposition and the banking sector, wasted no time in launching a full scale blitzkrieg against the proposal almost immediately after it was announced on the 16th August, so that when Caucus met to discuss the proposal there was already a concerted and well orchestrated campaign to destroy it. The proposal polarised political and public opinion with Duthie poignantly observing that, 'all hell broke loose',⁷⁷⁵ after the announcement and Labor battened down the hatches to ride out the political storm.

On 15 October 1947 Chifley introduced the Banking Bill into the Parliament for the first reading and a division was called by the Opposition.⁷⁷⁶ The intent of the Opposition to stall the passage of the Bill at every opportunity was clear, however this did not stop Chifley outlining the scope and form of the legislation to enact plank 4(a) of the platform in his second reading stating:

The purpose of this Bill is to empower the Commonwealth Bank to take over the banking business at present conducted in Australia by private banks. State banks and savings banks will not be affected.

It will be the responsibility of the Commonwealth Bank under this legislation:

- (a) To provide, in accordance with the conditions of normal banking business, adequate banking facilities for any state or person requiring them;
- (b) To conduct its business without discrimination; and
- (c) To observe, except as otherwise required by law, the practices and usages customary among bankers and, in particular, to maintain strict secrecy within the law as to the affairs and dealings of its customers.

The Bill also envisages the development, under public ownership, of a comprehensive banking service that will strengthen and assist the growth of the Australian economy and provide facilities adequate to its rapidly expanding and changing needs.⁷⁷⁷

⁷⁷⁴ *Caucus Minutes*, 16 September 1947.

⁷⁷⁵ Duthie, G., *I Had 50,000 Bosses: Memoirs of a Labor Backbencher 1946-1975*, Angus & Robertson, Sydney, 1984, p.42.

⁷⁷⁶ Labor won the division on the numbers by 42 to 27, see; *C.P.D.*, Vol. 193, 15 October 1947, p.796.

⁷⁷⁷ *ibid.*, p.798.

Chifley expanded on the modern policy of banking in Australia and then turned his attention towards what he described as the 'Labor view of banking':

The Labor Party has maintained for many years that, since the influence of money is so great, the entire monetary and banking system should be controlled by public authorities responsible through the government and parliament to the nation ... Labor policy on banking has envisaged that, together with the elimination of private banking, the Commonwealth Bank would be strengthened to give it adequate control of monetary and credit conditions within Australia and its services would be extended to meet the needs of all sections of the people.⁷⁷⁸

The constitutional issues were central to the introduction of the legislation and after discussing Labor's record with the banks during the war years and the experience gained through the passage of the 1945 Banking legislation Chifley then focused on the constitutional aspects of the Bill:

The Banking Act of 1945 was framed on the best constitutional advice and the Government felt confident that it would withstand any legal challenge that might be directed against it.

For example, it seemed quite clear that Parliament had made a law with respect to banking, and had thus acted within the scope of the powers conferred by section 51(xiii) of the constitution, when it enacted section 48 of the Banking Act ... When challenged in the High Court, however section 48 was held to be invalid on the grounds that so long as private banks existed States and State authorities could not be denied the use of their facilities. The decision showed that full public control of banking as sought under the 1945 legislation could not be secured without public ownership of banking. The decision forced the government to re-examine all circumstances, constitutional and otherwise, surrounding the legislation of 1945.

The structure of banking based upon the legislation of 1945 went part of the way towards the objectives which the Labor Party has long advocated in regard to banking ... That position was never accepted without reservation by the private banks and

⁷⁷⁸ *ibid.*, pp.798-9.

now that the legal foundations of the system have been challenged the Government has decided to proceed with its long standing policy of full public ownership.⁷⁷⁹

In concluding his speech, Chifley castigated opponents who had been attacking the proposals, but he stuck to the core theme of the Bill:

The proposal to take over the banks is being condemned in some quarters in recklessly extravagant terms; all kinds of hidden purposes are being wrongly ascribed to it from the same sources. The simple truth is this – the reasons and motives for this measure and the uses to which it can and will be applied are no more and no less than I have stated ... Full public ownership of the banks will ensure control of banking in the public interest.⁷⁸⁰

On 23 October 1947, a week after Chifley's second reading speech, Menzies led the attack on the legislation in the Parliament:

This Bill makes revolutionary changes. It will, of course, by weight of numbers, be passed, but it will be passed without mandate and ... I assert, without popular approval ... If we want to get the real historical foundation of this Bill that is before Parliament and the people tonight we must go back to Karl Marx and the Communist Manifesto.

... Let nobody suppose that these aspiring dictators [Labor] will rest content with the destruction of the banks. That is merely the first giant stride towards complete socialisation, which is to come partly by the ruthless exercise of such powers as the Commonwealth possesses and partly by close collaboration with socialist governments in the States, producing interlocking legislation and the establishment of government trading corporations with monopolistic powers.⁷⁸¹

Anthony for the Opposition (Country Party) made Menzies' speech look pedestrian:

This Banking Bill, which the Minister so ardently supports, is the first step in a sinister scheme under which not one farmer but every one of the 250,000 farmers of

⁷⁷⁹ *ibid.*, pp.801-3.

⁷⁸⁰ *ibid.*, p.809.

⁷⁸¹ *C.P.D.*, Vol. 194, 23 October 1947, pp.1279-83.

Australia will ultimately be dispossessed of their farms and 'liquidated' ... just as was done in Russia under socialisation twenty years ago ... They [Labor] have to conceal the fact that they are implementing a policy designed by the Bolshevik Communists, the worst and most poisonous faction of all the Communist factions.⁷⁸²

The speeches by the Opposition mirrored the propaganda war that had been waged by the Opposition and its allies since the first announcement of the measure in August. Labor was besieged by a well orchestrated daily campaign by the banks and business. The propaganda campaign was intensive and unrelenting, however Chifley's commitment to enacting plank 4(a) of the platform was commendable, however as Crisp noted:

Chifley was realistic enough to know that with the limited channels which would be open to Labor, and its very limited funds, even their largest scale efforts would be puny in the existing atmosphere alongside what the banks were doing. "Well, I don't know", he said, "but I wouldn't take a rowing boat out in a storm".⁷⁸³

Chifley's analogy was apt, however the storm did not abate and even as the Bill passed through the Parliament a legal challenge was being prepared to kill it.⁷⁸⁴ The *Bank Nationalisation Case*, as it became known, reached the High Court on 9 February 1948. Evatt led the Defence for Labor and Barwick headed the challenge for the banks. Barwick took 7 days to outline the case for the Banks, whilst Evatt took an incredible 18 days to outline Labor's defence. On 11 August 1948, some four months after the case commenced, the Court handed down their judgement:

... and revealed that once again Barwick's view of section 92 of the constitution had prevailed over what was commonly regarded as good sense and sound law in the form of Evatt's alternative interpretation, which had underpinned the Doc's own 1930s judgements and was to be upheld by a later generation of High Court judges.⁷⁸⁵

⁷⁸² *ibid.*, pp.1302-3.

⁷⁸³ Crisp, 1977, *op cit.*, p.333.

⁷⁸⁴ *Bank of New South Wales v Commonwealth* (February-August 1948) 76 C.L.R. 1

⁷⁸⁵ McMullin, 1991, *op cit.*, p.249.

Chifley was unperturbed by the ruling of the High Court, and although somewhat disappointed in the decision, he knew that the Court would strike it down, and in a personal note to a friend after the ruling he stated:

The decision of the High Court was not, of course, unexpected by our people, although I am afraid their [presumably, the judges'] judgement was not based in some cases on questions of law. The Doc. was naturally very disappointed in the decision, although he felt that the going would be very hard and the most he could hope for was a photo finish.⁷⁸⁶

Chifley consulted with Cabinet on the decision and announced that the Government would appeal the matter to the Privy Council as soon as practicable to do so. The nationalisation plans were slowly slipping away together with Labor's hopes of enacting plank 4(a) of the platform, however this did not stop Labor turning its sights towards pursuing the platform in other policy areas whilst the battle for the banks continued.

Customs Tariffs

The nationalisation of the Banks was the focus of everybody's attention but in April 1948 the Government moved to enact the Customs Tariff legislation in line with plank 6 in the Methods Section of the platform that called on Labor to introduce legislation to provide 'Additional tariff preferences to the United Kingdom or other countries, conditional upon equitable reciprocal arrangements' and Labor passed a number of Acts to legislate plank 6 of the platform into law, including the Customs Tariff (Canadian Preference) Act 1948; the Customs Tariff (Canadian Preference No.2) Act 1948; the Customs Tariff (Canadian Preference No.3) Act 1948; the Customs Tariff (New Zealand Preference) Act 1948; the Customs Tariff (New Zealand Preference No.2) Act 1948 and the Customs Tariff (Southern Rhodesia Preference) Act 1948. The Acts were passed through the Parliament with minimal debate and with no controversy compared with other legislation. In fact, at the end of May 1948 the people of Australia went to the polls and voted in a referendum on Rents and Prices

⁷⁸⁶ Crisp, 1977, op cit., p.336.

and compared to the publicity and furore directed at the Banking legislation, the referendum was almost a non-event.

Constitution Alteration Initiative - The Rents and Prices Referendum

The Referendum was also in line with plank 3 on the 'Economic' section of the platform that called for 'Price Control',⁷⁸⁷ that was adopted by Conference in September 1948. The Price and Rents referendum was a core Labor policy and the Party had pursued the issue in two previous, unsuccessful, referendum campaigns in 1944 and 1946. The Government had been reliant on the defence power to regulate prices and rents, however it had been nearly three years since the end of WWII and viability of the Government maintaining control via the defence power, in peacetime, was diminishing. On 19 November 1947, Holloway the Minister for Labor and National Service outlined Labor's plan to implement plank 3 of the 'Economic' section of the platform that called for 'Price Control' with the introduction of the Constitution Alteration (Rents and Prices) Bill 1947:

To safeguard the Australian People from inflation and depression, and to keep in check the profiteer and the racketeer [that] are nation wide problems ... The object of the Bill is to give permanent, nation wide protection to every tenant, every income earner, every housewife, anxious about what her weekly budget will buy, to every user of services and, indeed, to every purchaser as well as to primary producers dependant on unsheltered markets.

... A vital duty of national government is to give its people freedom from fear and want which was held out to them in the Atlantic Charter as one of the aims which made the sacrifices of the war worth while. I will show that the power to control rents and prices is a power without which the Australian Parliament will be severely handicapped in carrying out this duty in the economic sphere. The Australian Government is therefore convinced that the people should be given the opportunity to arm themselves through their Parliament, with essential power.⁷⁸⁸

⁷⁸⁷ Australian Labor Party, Official Report of Proceedings of the 18th Commonwealth Triennial Conference, Canberra, 27 September 1948, p.55.

⁷⁸⁸ C.P.D., Vol. 195, 19 November 1947, p.2306.

Labor's approach to protecting Australians from inflation and depression was not shared by the Opposition who launched another frontal assault on the proposal with Menzies outlining the tenor of the future referendum campaign stating:

When these proposed powers are added to the bank monopoly now created, the result will be, in the central government, an enormous power to control all industry – to control it through the instrument of the banking monopoly and through powers of the kind to which I have just briefly referred ... if this Bill were to pass and this referendum were to succeed, what would happen would represent the perfect state of affairs for the central planner, who is, after all, the vital element in the socialist, or, as I would prefer to call it, the servile state.

... We believe that the immediate battle is not between control or no control, but between temporary control and permanent control. Finally, we believe that the ultimate battle is between the basic democratic conception of a free community and the socialist conception of a community which takes its orders from the central authority and enjoys only such freedom as its masters permit.⁷⁸⁹

The 'socialist' bogey had been raised again, however the Bill passed through the Parliament and on 29 April 1948 Caucus discussed the pending Referendum proposal and 'Dr Evatt circulated amongst members a statement in reference to Price Control and the States'.⁷⁹⁰ Chifley addressed Caucus on the forthcoming campaign, the Caucus minutes noted:

The Prime Minister stated that the general organisation of the Prices Referendum Campaign was well in hand in all States and that the States had selected their campaign directors and the commonwealth Government was co-operating with them in the campaign.⁷⁹¹

Chifley's last formal address to his Caucus colleagues may have been positive and upbeat, however on 29 May 1948, the referendum proposal was presented to the Australian people who dealt it a savage blow, with only 40.66% of voters supporting it. The vote was significant in that, out of the twenty-two referenda proposals that had

⁷⁸⁹ *C.P.D.*, Vol. 195, 27 November 1947, pp.2831-38.

⁷⁹⁰ *Caucus Minutes*, 29 April 1947.

been put to the country since Federation it was the second vote in history that was not supported by a single state⁷⁹² and with a total vote of 40.66% it was the third lowest supported initiative since 1901.⁷⁹³ The referendum result was a blow to Labor together with its ability to enact policy planks in the Platform, although the result should not have come as a surprise given the anti-Labor sentiment that had been whipped up in the community over the nationalisation of the banks. Chifley provided a simple overview of what he regarded as the reason for the defeat:

Over £100,000 was spent at the prices referendum and a lot of Labor people were misled and voted 'No'.⁷⁹⁴

Chifley's analysis was not shared by the press, however the *Melbourne Age* was surprisingly balanced in its review of the referendum defeat:

Saturday's vote must be regarded as a heavy reverse for the Chifley Government and the Federal Labor Party. Unlike many previous referenda, each State returned the same decisive answer: the only variation seems to have been in degree of emphasis. Seldom, if ever, was a proposal so firmly and unequivocally rejected in the proper democratic process ...

The rebuff could have been avoided if the Government had heeded the disinterested advice of those who warned months ago of the risks of making a third request, after two other attempts - that of 1944 and that of 1946 - had failed ...

It is clear that masses of people who put Labor into office, and twice renewed its tenure, seized the opportunity to declare that they did not want the system of controls, restraints and restrictions grafted on the country's peacetime life.⁷⁹⁵

⁷⁹¹ *ibid.*

⁷⁹² On 6 March 1927 Bruce proposed the Marketing without restriction of section 92 regarding interstate trade.

⁷⁹³ On 26 April 1911, Fisher introduced the Legislative Powers: trade and commerce; labour; combinations and monopolies referenda that only received 39.42% of the vote. Also, On 6 March 1927 Bruce proposed the Marketing without restriction of section 92 regarding interstate trade that only received 36.26%.

⁷⁹⁴ Australian Labor Party, *Official Report of Proceedings of the 18th Commonwealth Triennial Conference*, Melbourne, 30 September 1948, pp.49-50.

⁷⁹⁵ *Age*, Melbourne, 31 May 1948.

Commonwealth Housing Scheme

The referendum result did not dampen Chifley or Labor's pursuit of the platform. On 8 September 1948, Labor introduced the Loan (Housing) Bill to strengthen plank 17 of the Social Reform section of the platform providing for Labor to establish and maintain an 'Adequate Housing Scheme':

The purpose of the Bill is to obtain parliamentary approval for further advances to the states of capital funds totalling £14,000,000 in accordance with the provisions of the *Commonwealth and State Housing Agreement Act 1945*.⁷⁹⁶

The legislation consolidated the housing scheme in line with the platform and the positive impact of the scheme was highlighted in the Commonwealth Official Yearbook:

From the inception of the Commonwealth and State Housing Agreement in April, 1944 to 30th June, 1948, the five States operating under agreement had completed 15,271 dwellings. A further 10,900 dwellings were under construction at that date. In the period mentioned, the Commonwealth advanced £31,115,000 to the States to finance the acquisition and development of land and the construction of dwellings.⁷⁹⁷

Labor's commitment to strengthening core social policy planks was commendable and it also continued to pursue strengthening Australia's public health system in line with section 4(d) of the Methods section of the platform that sought the 'nationalisation of public health', with the introduction of legislation to combat the growing incidence in Australia of tuberculosis. Although, the legislation did not seek to nationalise the health system, it was an important national measure that strengthened the Government's continuing pursuit of the plank. The incidence of Tuberculosis in the Australian community was a matter of major significance and a coordinated national response was required to combat it. On 30 September Holloway, Minister for Labour and National Service, introduced the Tuberculosis Bill into the House that sought to address the problem:

⁷⁹⁶ *C.P.D.*, Vol. 198, 8 September 1948, pp.274-5.

One of the greatest tasks confronting the nation at this time is the maintenance of national health ... One of the greatest victories which we could achieve in this country would be to destroy or reduce, by combined action, the scourge of tuberculosis. This disease is as much the enemy of our people as is any military force which confronted us in the recent war.

The campaign against tuberculosis authorised by this measure is an example of Commonwealth-State cooperation and collaboration at its best, working on a uniform plan for the positive health of the people.⁷⁹⁸

The Tuberculosis legislation was important to the Government's commitment to providing a viable national health service and it was a precursor to the introduction of the National Health Service Bill. On 24 November Senator McKenna outlined the Bill to the chamber:

The Bill which it is my privilege to introduce stems from the Government's belief that, apart from spiritual considerations, the health of the people is the foundation upon which all their happiness and all their powers as a nation are built. The Bill ... introduces the national health service as a further step to improve the lot of the Australian people and as a direct attack on disease and sickness and their aftermaths, misery and want.⁷⁹⁹

The legislation strengthened Labor's commitment to providing a strong public health system and it was not drafted to nationalise the system, primarily because the high Court had made a point of striking down legislation that vaguely resembled the nationalisation of the system, a point Senator McKenna highlighted during debate:

Before the amendment, late in 1946, of section 51 of the Commonwealth Constitution, this Parliament was very greatly restricted in its power to deal with problems affecting the health of the people of Australia ... The Government does not contemplate, nor in fact does the constitutional amendment it recently sought and

⁷⁹⁷ *The Official Year Book of the Commonwealth of Australia*, 1946-1947, No. 37, p.1201.

⁷⁹⁸ *C.P.D.*, Vol. 198, 30 September 1948, pp.1066-68.

⁷⁹⁹ *C.P.D.*, Vol. 200, 24 November 1948, p.3372.

obtained permit, any nationalisation of doctors, dentists or members of allied professions and occupations.⁸⁰⁰

In fact the chances of Labor actually nationalising or socialising any industry or group, especially in the area of health, was made almost impossible by the restrictive judgements of the High Court in related matters.⁸⁰¹

Commonwealth Shipping Line

The judicial impediments faced by Labor did not stop it pursuing the platform and in December 1948 the Government introduced legislation to revitalise Australia's shipping industry in line with the following three planks of the platform:

Shipping

1. Accelerated shipbuilding program to the maximum capacity of Australian ship yards, to overcome shipping shortages.
2. The maintenance of adequate shipping facilities to meet Interstate requirements and the special difficulties of Tasmania, Western Australia and the Northern Territory.⁸⁰²

Rural

5. The institution of a Commonwealth Shipping service for the carriage of products, both interstate and overseas.⁸⁰³

On 9 December Senator Ashley, Minister for Shipping, introduced the Shipping Bill into the Parliament to enact the above planks:

In introducing this Bill, I should like to assure the members of the Opposition, in anticipation of their usual protests in regard to socialisation, that there is no provision in the Bill for the nationalisation of the shipping industry. The objectives of the Government in introducing the Bill are, first, to provide for the maintenance of the

⁸⁰⁰ *ibid.*, pp.3373-4.

⁸⁰¹ see; *Attorney General (Victoria) & ors. v Commonwealth* (October-November 1945) 71 C.L.R. 237; and *British Medical Association v Commonwealth* (August-October 1949) 79 C.L.R. 201

⁸⁰² Australian Labor Party, Official Report of Proceedings of the 18th Commonwealth Triennial Conference, Canberra, 27 September 1948, p.55.

⁸⁰³ *ibid.*, p.57.

Australian mercantile marine, secondly, to provide for the maintenance of the shipbuilding industry in Australia, and, thirdly, to provide for the establishment of a Commonwealth line of steamers ...

This Bill will provide the measures needed for the maintenance and development, on sound lines, of the Australian shipping and shipbuilding industries. Experience has fully demonstrated that the fostering of these industries is necessary, first, from the point of view of the defence of Australia, and secondly, to ensure that those industries shall continue as sound and prosperous parts of the Australian industrial economy.⁸⁰⁴

Labor passed the Shipping legislation and again enacted key planks in the platform, however the success of the *Shipping Act* 1949 was the last substantive plank of the platform enacted by the Government before the federal election in December. Also, domestic legislative developments were eclipsed by developments on the New South Wales coal fields and the Privy Council in London where the Council was hearing the *Bank Nationalisation Case*. The Privy Council heard the appeal from 14 March to 1 June and again the judgement was not favourable to Labor.⁸⁰⁵ Chifley studied the judgement and declared that, 'bank nationalisation was perforce a dead issue'.⁸⁰⁶ On 31 July 1949, David Berry of the Brisbane *Sunday Mail* wrote:

The decision of the Privy Council against the nationalisation of banking in Australia touched off an all out campaign by the banks and by bank officers to sink Chifley at the federal elections towards the end of this year.⁸⁰⁷

In October 1949, Chifley addressed Labor's Federal Executive and told them that, 'We definitely will not do anything that is outside the Constitution'.⁸⁰⁸ A year after his defeat at the 1949 federal elections Chifley spoke about the nationalisation clause in Labor's platform stating:

The plank of the Labor Party's Platform regarding socialisation is being used by our opponents to create fears ... It has to be remembered that the Commonwealth

⁸⁰⁴ C.P.D., Vol. 200, 9 December 1948, pp.4218-4225.

⁸⁰⁵ see; *Commonwealth v Bank of New South Wales* (1949) [1950] A.C. 235.

⁸⁰⁶ Crisp, 1977, *op cit.*, p.338.

⁸⁰⁷ *Sunday Mail* (Brisbane), 31 July 1949; as cited in Crisp, 1977, *op cit.*, p.339.

⁸⁰⁸ *ibid.*, p.338.

Parliament's constitutional power is limited. It is not the objective of the Labor Party to go around socialising everything.⁸⁰⁹

Labor's drive to nationalise the banks had been clearly thwarted by the Constitution and the interpretative disposition of the judiciary, who were, in respect of this issue, the major impediments to Labor enacting plank 4(a) of the platform. Labor's woes were further compounded by events on the coal fields of New South Wales where communist influence in the mines had led to a massive strike that virtually crippled industry from June to August 1949. In response to the strike Chifley enacted the *National Emergency (Coal Strike) Act 1949* that made it an offence for trade unions and their members to provide financial assistance to support the strike. In the middle of the Coal strike Chifley addressed the New South Wales Branch of the party and outlined his vision for the future:

I have had the privilege of leading the Labor Party for nearly four years ... No Labor Minister or leader ever has an easy job ... But the strength of the movement cannot come from us. We may make plans and pass legislation to help and direct the economy of the country. But the job of getting the things the people of the country want comes from the roots of the Labour movement – the people who support it ... I try to think of the Labour movement, not as putting an extra sixpence into somebody's pocket, or making somebody Prime Minister or Premier, but as a movement bringing something better to the people, better standards of living, greater happiness to the mass of the people. We have a great objective – the light on the hill – which we aim to reach by working for the betterment of mankind not only here but anywhere we may give a helping hand.⁸¹⁰

Chifley's famous 'light on the hill' speech galvanised Labor and provided it with a clear focus for the forthcoming election. The Government had been in office since 1941, with Chifley as Prime Minister since Curtin's death in April 1945. The achievements of the Chifley Government were impressive, since 1946 it had:

⁸⁰⁹ Stargaardt, A.W., Things Worth Fighting For: Speeches by Joseph Benedict Chifley, Melbourne University Press, Australia, 1952, p.71.

⁸¹⁰ ibid., p.107.

... passed more acts and more significant legislation than had been enacted in any other national parliament.⁸¹¹

An impressive summation of the Government's achievements in enacting key planks of the platform in relation to health, social services and economy in general was provided by Senator McKenna during debate on the National Health Service Bill when he stated:

The Commonwealth Government, under agreement with the States, has legislated to provide adequate housing for families in the lower ranges of income. It has interested itself actively in the fields of preventative medicine and research, nutrition, child health and industrial hygiene. During its term of office, as a part of its approach to community welfare, the Government has doubled the amount of child endowment payments, trebled maternity benefits, and doubled the rate of invalid and age pensions. It has introduced widows' pensions and unemployment and sickness benefits. In furtherance of its policy to overcome the economic hazards of ill health, the Government has provided public hospital benefits, private hospital benefits, and pharmaceutical benefits and is about to introduce a measure to authorise an agreement with the states to relieve patients in mental hospitals and their relatives from the obligation of contributing to the maintenance of those patients. The Government has, in cooperation with the States, initiated a nation wide attack on the scourge of tuberculosis. It has sponsored improved conditions of work and has vigorously pursued a policy of full employment.⁸¹²

The Government had brought the country through the second world war. It had legislated during war and in the peace and maintained an impressive list of achievements. Even with the bank nationalisation propaganda and the issue of Communism and Communists in Australia, and in the party, Labor would still enter the election with a favourable list of credits. Chifley called the election for 10 December 1949 and in the ensuing campaign Labor was soundly defeated. Four Ministers, Dedman, Scully, Barnard and Lemmon lost their seats along with seven backbenchers. The *Commonwealth Electoral Act* 1948 had enlarged the House from seventy-five to one hundred and twenty-one members of which Labor only won forty-

⁸¹¹ McMullin, 1991, *op cit.*, p.253.

⁸¹² *C.P.D.*, Vol. 200, 24 November 1948, p.3373.

seven and the Liberal and Country Party's securing no fewer than seventy-four seats an increase of forty-five seats since the 1946 poll.⁸¹³

The loss signalled an end to Labor's plans for continued post-war reconstruction initiatives and although the pursuit of policy planks such as the nationalisation of the Banks had impacted on the party's electoral viability, Chifley was unperturbed. Chifley believed in the Labor Party and the wider labour movement and viewed it as a vehicle to ameliorate the lot of the worker:

Labor, as I understand it, is a party of reform. Labor is not a party that stands for the retention of the *status quo*. The Labor Party, in defeat or victory, must fight for what it believes to be right, whether that brings electoral success or not.⁸¹⁴

Chifley's defeat was highlighted by McMullin who cited a 'throw away line' by Chifley as to his demise:

... afterwards Chifley wryly quipped that his government fell because people who could not afford a bus ticket when Labor came to office were now up in arms about petrol rationing.⁸¹⁵

Chifley's own local newspaper agreed with his bus fare analogy:

Never before has the Commonwealth been so prosperous and never before have its people been more prosperous as they are today ... Saturday's vote proved a striking illustration of both the fickleness and frailties of human nature ... Hundreds of illustrations can be given to show that men who, when they were struggling for existence were enthusiastic supporters of Labor. However, like the horse who is docile and tractable when underfed, and then when he is provided with an abundance of corn, turns and bites the hand which provided it. So it was with altogether too many workers on Saturday.⁸¹⁶

⁸¹³ The Act increased representation in the House and changed the voting system in the Senate from a winner takes all to a system based on proportional representation. The Act was in direct conflict with plank 3(e) of the 'Methods' section of the platform that specifically called for the abolition of the Senate: the Act actually strengthened it.

⁸¹⁴ Crisp, 1977, *op cit.*, p.342.

⁸¹⁵ McMullin, 1991, *op cit.*, p.255.

⁸¹⁶ *National Advocate* (Bathurst), 12 December 1949.

The Chifley Government had enacted significant legislation based on the platform that benefited a large number of people especially the working classes, however the residual effects of Bank nationalisation, continued petrol rationing and the emergence of the Communist Party in Australia, were all issues that went against Labor.

Conclusion

Chifley came to office after the death of John Curtin and at a time when Australia and its troops were still fighting in World war II. Curtin's death was a huge blow to Chifley and indeed the entire labour movement, however Chifley moved quickly to fill the considerable void left by his good friend and former leader and he wasted little time in setting Labor on a path of reform to enact the platform. Chifley's government introduced legislation covering all areas of the platform.

The Government tackled the big issues of the time and fought hard to pursue established platform planks. Chifley had a number of successes and some spectacular failures and like Fisher before him, Chifley had shown that a Labor Government, controlling both Houses, during a time of relative stability, could achieve significant reform based on the platform. Also, like Fisher, Chifley experienced the effects of restrictive interpretations of the Constitution by the High Court as well as seeing important referenda initiatives based on key platform planks defeated.

The Chifley government was only the second Labor administration in nearly forty-five years of federation that actually controlled both Houses of Parliament in a period of relative peace and economic stability.⁸¹⁷ The control of the House and Senate is especially important to reforming governments like Labor, for without control of the Senate Labor's legislative program is susceptible to being destroyed in that chamber, as was the case with the Scullin government's legislative program to combat the Depression in the early 1930s. Labor control of the Senate from 1945-1949 played a

⁸¹⁷ Curtin's victory in the 1943 federal poll also provided Labor with control of the Senate, however even though Labor won the poll on 21 August 1943, it had to wait until 1 July 1944 for the new Labor Senator's terms to commence. Also, Curtin's government was elected during the second world war and was still committed to a program of total war.

major part in Chifley's ability to pursue and enact large parts of the platform including legislative initiatives to strengthen the Commonwealth Bank, to provide life insurance, to provide national laws dealing with marriage and divorce, as well as introducing significant measures to rebuild and develop northern Australia in the aftermath of the war. The government also pursued major infrastructure, social welfare and public health policy initiatives including the provision of a comprehensive Commonwealth Housing scheme, the introduction of a standard national rail system, the nationalisation of wireless transmission, together with legislation providing comprehensive hospital benefits and a national tuberculosis treatment scheme.

In 1946 Labor went to the polls and was returned with a comfortable mandate to continue with its program of post-war reconstruction. The Government introduced substantial constitution alteration initiatives to provide it with the power to pursue the platform *en masse* and for the first time in the history of the party they were successful in securing the passage of the Social Services Referendum in 1946. The success of the Social Services referendum was tempered somewhat by the fact that referendums on Organised Marketing of Primary Products, Industrial Employment, and Rents and Prices were rejected at the ballot box. However, despite the referendum results Labor continued to pursue and enact key platform planks including the establishment of a Commonwealth Shipping line as well the introduction of comprehensive navigation and shipping laws for Australian merchant vessels. Labor's success at enacting the platform was comparable to the second Fisher government of 1910-1913, however placing the successes to one side, arguably the biggest platform issue to confront Chifley during his time as Prime Minister centred on his ill-fated plans to nationalise Australia's banking industry. Chifley's plan to nationalise the banking sector was a bold initiative to enact a key platform plank that eventually was struck down by successive verdicts of the High Court and the Privy Council.

Chifley's success at implementing the platform, like Fisher before him, demonstrated that a Labor Government controlling both Houses during a time of relative peace and stability could achieve significant reform based on the platform. Also, like Fisher, Chifley experienced the effects of restrictive interpretations of the Constitution by the

High Court as well as seeing important referenda initiatives based on key platform planks defeated.

Conclusion

The work provides a comprehensive overview of federal Labor governments from 1901-1949 and their success in pursuing and implementing the platform. It also provides a timely reminder for those in the wider labour movement and supporters of the Labor party generally, that despite the prevailing literature from the early 1980s through to the new millennium arguing that Labor has betrayed its traditions, the historical record as reflected in this work shows that the Labor governments in the first fifty years after federation achieved a great deal in advancing the Labor cause by pursuing and implementing the platform. In particular, Fisher's second majority government in 1910 that literally implemented the entire platform and Chifley's post war administration in the 1940s and its pursuit of the socialist objective and the nationalisation of the banks shared a commitment to the platform.

The work highlights the fact that not withstanding the national or international economic, social and political conditions in which Labor administrations governed, they did pursue and attempt to enact the platform. Labor has a strong history of achievement in pursuing and enacting its platform, however Labor's record appears to have been overlooked by writers and analysts who have replaced qualitative research with more punishing prose in their treatment of the party and its achievements. This work provides a comprehensive analysis of federal Labor achievements in pursuing and enacting the platform for the public record; a record that is lacking in this area. It is arguable that one of the primary reasons for the absence of literature on Labor's success in pursuing and implementing the platform arises from the fact that the literature that focuses on Labor's platform has been directed towards one specific plank in the platform: the 'socialist objective'. It is acknowledged that the socialist objective is an important plank in Labor's platform, however it is only one part of the platform and as the work shows federal Labor governments in the period from 1901-1949 have been successful in pursuing and implementing the entire platform, not just selective parts of it.

The debates over what type of party Labor is or should be have not been central to this work, although it is acknowledged that there is an ongoing debate over this issue. The debate over Labor's ideology and traditions has been well documented in the

literature by the likes of Nairn⁸¹⁹, Manning⁸²⁰ and Singleton⁸²¹ who view Labor as a 'labourist' party; or Maddox⁸²² and Battin⁸²³ who argue that Labor is constituted by a broad tradition of democratic socialism; or Stretton⁸²⁴ and Fitzgerald⁸²⁵ who posit that Labor is a social democratic party; or Jaensch⁸²⁶ who views modern Labor as a 'catch all' party. In respect of the arguments that surround Labor's ideology and history, I have drawn solace from an eclectic mix of 'labour' people who share a wide variety of viewpoints on what actually constitutes Labor. I am comfortable with Jaensch and his summation of what type of party Labor is, and has been, as well as his view on those who critique the party:

In terms of policy, as distinct from ideology, the Labor Party almost from its formation, and until the 1960s, was a labourist, not a socialist, party ...

The Labor Party has never been a socialist party in any sense other than a very loose rhetorical commitment to something that some people in the party thought was something near socialism ...

The critics who suggest that Labor has not attempted to put its ideology into practice have perhaps misread the ideology, or perhaps have simply found their own particular ideology/strategy unacceptable to the party.⁸²⁷

In respect of Labor's socialist history, Gollan has merit when he argues that:

As far as possible the Labor Party remained silent on socialism but, when forced to comment, referred to it as being beyond the scope of practical politics.⁸²⁸

⁸¹⁹ Nairn, *op cit.*

⁸²⁰ Manning, *op cit.*

⁸²¹ Singleton, *op cit.*

⁸²² Maddox, *op cit.*

⁸²³ Maddox, & Battin, *op cit.*

⁸²⁴ Stretton, *op cit.*, pp.7-14.

⁸²⁵ Fitzgerald, *op cit.*

⁸²⁶ Jaensch, *op cit.*

⁸²⁷ *ibid.*, pp.88-89; 95-96.

⁸²⁸ Gollan, *op cit.*, p.194.

Also, I would agree with Beilharz when he comments on the structural changes that have taken place in the party that have impacted upon what the party stands for, especially to rank and file members when he states:

The labour movement's organisations have become more administratively advanced and efficiently organised and more soulless. Even the limited traditions of the old labourism have been emptied out, replaced by machine politics.⁸²⁹

The work has taken into account the wide variety of viewpoints on the issues of ideology and history, however the central argument has focused upon the success of Labor administrations in pursuing and enacting the platform, an area of research that has been neglected in the literature related to the party. In 1988 Freudenberg spoke about the importance of Labor history to the party:

The ALP is a collective memory in action. That is why our history is so important to us; and why so much of the internal debate in the party is about the interpretation of that history.⁸³⁰

Freudenberg's comments are poignant to this work because the success of Labor governments in pursuing and enacting the platform are central to the ethos that Labor is a party that governs for its basic constituency and the work shows that in the period from 1901-1949 federal Labor administrations largely did all they could to pursue and enact the platform for the betterment of this constituency. This work is important to the internal debate within the party in the new millennium for the simple reason that the prevailing literature has been singly concerned with presenting a literary diet of 'betrayal' and a 'breaking of traditions' to Labor members and supporters, and apart from the wide ranging party histories by McMullin⁸³¹, and Faulkner and MacIntyre⁸³² there has been very little literature that has focused on Labor's success at pursuing and implementing the platform. This work provides a counter view that Labor governments have been successful in pursuing and implementing stated party policy goals and platform planks.

⁸²⁹ Beilharz, *op cit.*, p.13.

⁸³⁰ Freudenberg, N.G., *1988 McKell Lecture*, NSW Branch ALP, Sydney, 21 December 1988.

⁸³¹ McMullin, 1991, *op cit.*

⁸³² Faulkner, *op cit.*

The opening chapter highlighted Labor's key platform achievements in the first ten years of the federal Parliament where it was shown that although Labor only held government for two short periods in 1904 and 1908, it played a significant and defining role as one of the three major political parties in the Parliament in supporting and extolling the virtues of Labor's platform in the legislation that passed through both the House and the Senate. Labor achievements were notable with the party supporting a number of important legislative initiatives including White Australia, Adult Suffrage, Patents, Naval and Military Defence as well as support for the introduction of Old Age Pensions, a Labor plank that Labor was committed to passing that the other parties did not already have on their respective legislative agendas in the first instance. The chapter also highlighted the fact that Labor's ability to influence legislation in line with the platform was further enhanced when Labor, after successive elections, strengthened its position in the Senate where it used its numbers and growing influence in that chamber to successfully pass motions to pursue stated planks of the platform, especially in relation to the nationalisation of monopolies.

The chapter showed that Labor's successes during the period were tempered somewhat by Watson, who after attaining and losing government in 1904, actively sought out alliances with Deakin's Protectionists that threatened Labor's very independence as a viable political party. The chapter argued that Labor was fortunate during this period that the administrative wing of the party, through its presence and intervention at Commonwealth Conferences, put a stop to alliances and forced the parliamentary wing of the party to maintain Labor's independence as a party committed to pursuing the platform and legislating for its basic constituency, the working classes. The chapter also posited that in its first decade Labor's pursuit of the platform, although positive, was a mixed one. First, Labor's early enthusiasm in supporting key platform planks such as White Australia and Defence was then followed by reluctance on the part of Watson to pursue the platform and to assail Deakin for the post of Prime Minister. Second, Watson's pusillanimity and his quest for a Labor/Protectionist Alliance was tempered somewhat by robust Labor Senators like Spence and Givens who successfully pursued Labor's key nationalisation planks in that chamber and finally, in the later part of the decade, after the Alliance ructions had receded, the party underwent a mini revival under the leadership of Fisher

attaining government in 1908 and providing the foundation upon which Labor would contest the 1910 federal election. The chapter highlighted that the first ten years of the federal Parliament provided an enormous challenge for those involved at all levels of the party and although emerging somewhat battered and bruised at the end of the decade, the party had learnt valuable lessons that would hold it in positive stead for what lay ahead with the chapter outlining the premise that the real test for Labor, in the pursuit of the platform, would come if they were ever elected in a majority capacity in the Parliament and in the first decade of Federation no party could lay claim to this honour.

In 1910 Fisher lead Labor to an historic victory where for the first time since Federation, a party was elected to govern in its own right. Chapter two showed that Fisher, with control of the Senate and with stable political, economic and financial conditions, embarked on a successful wide ranging program of reform based on the platform. Defence was accorded priority and Labor established a Citizen Defence Force and an Australian owned and controlled Navy in line with the platform. Labor also moved to strengthen its commitment to White Australia and made significant advances in the area of conciliation and arbitration. The chapter also highlighted Labor's success in establishing the Commonwealth Bank, its enactment of comprehensive graduated land tax initiatives, as well as its success in introducing comprehensive navigation laws. Labor's pursuit of the platform was impressive and the chapter argued that when Labor was confronted with potential legislative and constitutional difficulties in pursuing the platform it did not hesitate to pursue Constitution alteration initiatives to increase the Commonwealth's powers to legislate in key platform areas such as Industrial Arbitration, Corporations, Industrial regulation, Nationalisation of Monopolies, Railway Disputes, Trade and Commerce and Trusts. The chapter showed that the Fisher government was the first Labor government to experience the difficulties amending the Constitution to pursue the platform with referendum proposals requiring not only a majority of voters but also a majority of states before a proposal could be passed. This voting criteria providing what would be an almost insurmountable obstacle for Labor in its pursuit of key platform planks.

The chapter also provided a comparative analysis of the successful Fisher administration of 1910-1913 with the wartime administrations of Fisher and Hughes of 1914-1916 and argued that although Labor controlled the Senate in all of these administrations, constraints imposed on Labor due to its involvement and focus on the war was such that Labor's ability to even pursue, let alone enact the platform was severely restricted. The chapter posited that the second Fisher administration set the benchmark for Labor achievement in pursuing and enacting the platform primarily due to the fact that the administration had the necessary 'governing criteria' for it to pursue and enact the platform writ large. The corollary of Fisher's success also provided a salutary warning to future Labor governments who aspired to enact the platform, that not only did they need to control both Houses, they had to be in government at a time when Australia was in a state of relative peace and economic prosperity and not subject to major international social, economic, political or military unrest or upheaval.⁸³³

In 1916 the issue of conscription literally tore the Hughes Labor government apart and it was not until 1929 that Labor again found itself in power when Scullin was elected Prime Minister. Chapter three outlined Scullin's ascension to power as a positive mark for Labor which had been in the political wilderness for thirteen years. However, the chapter also pointed out that the victory did not deliver a Senate majority to Labor and this coupled with the impact of the great depression severely hampered Labor's ability to pursue and enact the platform. The chapter provided an analysis of the legislation introduced into the Parliament and revealed that the Scullin Government did attempt to enact key planks of the platform, including legislation on banking reform, industrial relations, national work and land taxes, all of which were successfully passed through the House but were ultimately dismantled or slaughtered in the Senate. Also, the chapter showed that the government attempted to combat the worsening effects of the depression by passing three Constitution Alteration Bills to widen the Commonwealth's powers in key areas including Industrial Powers and Trade and Commerce. Labor also proposed an initiative to provide the government with the power to amend the Constitution by obtaining a clear majority in both

⁸³³ The writer acknowledges that the same set of governing criteria would be essential to any government at the national level to pursue and enact stated policy goals.

Houses, thus negating the power of the Senate and the onerous nature of the Constitution with respect to the requirements to pass referendum proposals. However, like the bulk of the government's legislative program, the Constitution alteration initiatives came to grief on the Senate floor. The chapter argued that the Senate continually thwarted Labor in its attempts to pursue and enact the platform, however it was also highlighted that Scullin had two excellent opportunities to address the political situation in the Senate by forcing a double dissolution election that could have gifted Labor control of the chamber. The chapter highlighted the fact that Scullin, after threatening to call a double dissolution election not only retreated from his stance of calling the election, but also withdrew the Bills from the Government program. The chapter argued that Scullin's actions left the government in a parlous situation with no hope of pursuing the platform, or for that matter, any Labor policy. However, the chapter also posited that although Labor was completely overwhelmed by the sheer magnitude of the crisis it faced, the Scullin government did attempt to pursue the platform and but for the Senate would have enacted a number of its key platform planks.

In 1931 Labor were decimated at the polls and it was not until 1941, two years after the start of World War II that Curtin was elevated to the role of Prime Minister with the support of two independent MP's. The fourth chapter highlighted that during Curtin's administration Labor shelved the platform, then amended and broadened the defence planks of the platform to help it fight the war, and as the war progressed it pursued and enacted the platform especially in relation to its 'Social Reform' platform agenda. The chapter also posited that the one constant in the Curtin years, in relation to the platform, was that it was primarily utilised to advance the war effort and that the pursuit and enactment of the platform was only initiated if the proposals did not interfere with Labor's agenda for total war. The chapter revealed that the defence planks in the platform were accorded advanced standing, with the Government enacting specific taxation initiatives to provide it with the ability to manufacture the munitions of war as well as providing it with the ability to adequately finance the war effort. The war effort was Labor's first, and overriding, priority and this was nowhere more evident than in the moves by Curtin to amend Labor's platform to allow for a conscription based policy to send troops into Australia's northern theatre of operations including New Guinea. In fact, the party was forced to convene two Special

Conferences to resolve the issue, finally approving the passage of the *Defence (Citizen Military Forces) Act* 1943 to give effect to the newly amended platform. The chapter also showed that although Labor was committed to a policy of total war, even during the darkest days of the conflict the government's commitment to strengthen and enact its 'Social Reform' planks of the platform were not forgotten and it duly enacted the *Child Endowment Act* 1942, the *Widows Pensions' Acts* in 1942 and 1944 and the *Invalid and Old Age Pensions Acts* in 1942, 1943 and 1944.

The chapter also showed the significance of Labor's electoral victory in 1943 that provided it with control of the Senate for the first time since 1916. The victory not only consolidated Curtin's hold on power but it provided the impetus for Labor to focus on its plans for postwar reconstruction and it began to take steps towards successfully enacting key social welfare and health policy reforms including the enactment of the *National Welfare Fund Act* 1943 and the *Pharmaceutical Benefits Act* 1944. However, it was shown that Labor's plans to enact a comprehensive national health system were dealt a substantial blow when the constitutional validity of Labor's proposed free medicine scheme was held *ultra vires* by the High Court. The chapter argued that Labor's pursuit of the platform was not affected by the High Court's decisions with the government moving to strengthen its commitment to Labor's social reform agenda, as well as preparing for post war reconstruction, by passing the Constitution Alteration (War Aims and Reconstruction) Bill.

Labor's 'Fourteen Powers' referendum proposal sought to provide the government with specific powers in key areas to enact large sections of the platform including employment, production and manufacture of goods, national works and services, transport, national health and fitness and housing and child welfare. The 'Fourteen Powers' referendum was a bold initiative to increase Commonwealth power to enable Labor to legislate for the platform, however when the proposal was presented at a plebiscite it was rejected by the Australian people, thus denying Chifley and Labor the power necessary to successfully pursue and enact key platform planks. In concluding, the chapter argued that during the period that Curtin was Prime Minister, he never wavered from his commitment to the war effort, even if this meant that his policy program (ie., conscription) was in direct opposition to long stated policy goals contained in the platform. However, although Curtin and his colleagues worked

tirelessly to ensure Australia's survival with the war effort taking precedence over enacting the platform, Labor still pursued and enacted a number of important platform planks.

In April 1945 Curtin died in office and Chifley was elected by Caucus as party leader and Prime Minister. The final chapter focused upon Chifley and his government's pursuit of the platform in a country rebuilding itself after a world war. The chapter argued that the end of the conflict coupled with Labor's control of the Senate saw the government restore its policy focus to domestic issues and in the first fourteen months it legislated accordingly with Chifley and his comrades wasting little time in pursuing a raft of platform planks including legislation strengthening the Commonwealth Bank, the provision of life insurance, national laws for marriage and divorce, as well as strategic initiatives to rebuild and develop northern Australia in the aftermath of the bombing of Darwin and the after effects of World War II. The chapter also highlighted Chifley's pursuit of major infrastructure, social welfare and public health policy initiatives including the provision of a comprehensive Commonwealth Housing scheme, the development of national rail standardisation across the country, the nationalisation of wireless transmission as well as a comprehensive hospital benefits and national tuberculosis treatment scheme.

The chapter then analysed the Chifley government after its success at the 1946 federal election and argued that the government refused to rest on its laurels and continued at pace to enact the platform. Also, the chapter showed that for the first time in the history of the party Labor was successful in passing a referendum proposal. The passage of the Social Services Referendum in 1946 enhanced the government's power to legislate for key platform planks including maternity allowances, child endowment, unemployment and sickness benefits, hospital benefits (including private hospitals), widows' pensions, medical and dental services and family allowances. The referendum result was extremely positive for Chifley and his government, however the restrictive nature of the Constitution, especially in relation to Labor referendum proposals, was again highlighted by the fact that two other referendum proposals, the first on Organised Marketing of Primary Products, and the second on Industrial Employment were defeated even though both proposals received over fifty percent of the vote and were supported by three of the six States. The referendum results

spurred Labor into renewed action with the government establishing a Commonwealth Shipping line as well as introducing comprehensive navigation and shipping laws for Australian merchant vessels. The chapter also highlighted Chifley's ill-fated attempt to nationalise the banks and showed that at no stage during the campaign to nationalise the banks did Chifley take a backward step, even taking the matter to the Privy Council after the High Court struck down the banking legislation. The chapter showed that Chifley and his government dealt with the major issues of the time and fought hard to pursue and enact key platform planks, achieving some notable successes. Also, a comparative analysis between the Chifley government and the Fisher government of 1910-1913 highlighted the argument that a Labor Government controlling both Houses during a time of relative peace and stability could achieve significant reform based on the platform. The chapter also showed that like Fisher, Chifley experienced the effects of restrictive interpretations of the Constitution by the High Court (and the Privy Council) as well as seeing important referenda initiatives based on key platform planks defeated. The success of the Chifley government in enacting the platform again highlighted the required 'governing criteria' necessary for Labor to enact large sections of the platform.

In summary, it is argued that during the eighteen years that Labor was in government, the only administrations that controlled the Senate and were not impacted upon by devastating world events were the second Fisher government of 1910-1913 and Chifley's government from 1945 to 1949. The achievements of these governments in pursuing and enacting the platform were remarkable in the sense that the only bulwark in their respective paths to enacting their respective platforms in their entirety was a combination of High Court interpretations of legislation and the constraints of the Constitution in respect of successfully enacting referendum proposals.

The work also showed that even when Labor governments were beset by major issues and problems over which they had little or no control such as world wars and financial depressions, they invariably attempted to pursue and enact key platform planks with varying success, and it was also argued that at no stage during the term of any Labor government was the platform totally abandoned. The writer acknowledges that governments such as Scullin's could be accused of abandoning the platform, however on closer analysis it can be seen that Scullin did much to advance the platform and

although political events overtook him and his government, there is little hard evidence to show that the platform was jettisoned. It was more a case of Scullin and his colleagues being totally overwhelmed by the crisis they faced with little or no control over what they could have done to combat the situation. In fact I would argue that the first fifty years of federal Labor was one of significant achievement and I would highlight the fact that Labor governments were ostensibly elected to govern in times of great economic or human uncertainty or peril and that even in the face of overwhelming international pressures, obstructive Senates and intransigent High Courts, Labor governments still pursued the platform. What is remarkable about the Labor administrations during the difficult times they were called upon to govern, is the fact that they were able to enact any planks of the platform, given the state of affairs that three of the five administrations found themselves in.

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APPENDIX 1 - AUSTRALIAN LABOR PARTY FEDERAL PLATFORM 1901

1. That the Party be named 'The Commonwealth Labor Party'.
2. That the Party sit in each house on the cross benches.
3. That the executive of the Party be elected annually and that it consist of a Chairman, a Vice Chairman, a Secretary, an Assistant Secretary, and three members. The secretary and Assistant Secretary to act as Whips in their respective Houses.
4. That members of the Federal Parliament not elected on the Labor ticket be admitted on a two thirds vote of the party and on signing the Federal Labor platform.
5. That current politics take precedence at all Caucus meetings of the party.
6. That the Commonwealth Parliamentary or fighting Labor Platform consist of the following planks, viz:
 1. A White Australia
 2. Adult Suffrage
 3. Old Age pensions
 4. A citizen army
 5. Compulsory arbitration

The committee consider that as some of the members from the smaller States are opposed to the National Referendum, and as the question is not likely to come up in an acute form for some time, it would be unwise to insist upon its inclusion in our platform at present. Members, however, who have pledged themselves to that plank should be quite free to advocate it.¹

¹ *Caucus Minutes*, 20 May 1901.

APPENDIX 2 - AUSTRALIAN LABOR PARTY FEDERAL PLATFORM 1902

Fighting Platform

1. Maintenance of a White Australia.
2. Compulsory Arbitration.
3. Old Age Pensions.
4. Nationalisation of Monopolies.
5. Citizen Defence Force
6. Restriction of Public Borrowing.
7. Navigation Laws.

General Platform

1. Maintenance of a White Australia.
2. Compulsory Arbitration to settle industrial disputes, with provision for the exclusion of the legal profession.
3. Old Age Pensions.
4. Nationalisation of Monopolies.
5. Citizen Military Force and Australian owned Navy.
6. Restriction of Public Borrowing.
7. Navigation Laws to provide
 - (a) for the protection of Australian shipping against unfair competition
 - (b) registration of all vessels engaged in the coastal trade
 - (c) the efficient manning of vessels
 - (d) the proper supply of life-saving and other equipment
 - (e) the regulations of hours and conditions of work
 - (f) proper accommodation for passengers and seamen
 - (g) proper loading gear and inspection of same.
8. Commonwealth Bank of Deposit and Issue and Life and Fire Insurance Department, the management of each to be free from political influence.
9. Federal Patent Law, providing for simplifying and cheapening the registration of patents.
10. Uniform industrial legislation: alteration of Constitution to provide for same.²

² Australian Labor Party, Second Commonwealth Political Labour Conference. Official Report, 1902, pp.13-14.

APPENDIX 3 – WATSON TO DEAKIN 26 MAY 1904 – ALLIANCE PROPOSAL

I have been empowered by the Labor Party, at a meeting held today, to enter into negotiations with you in reference to arranging an Alliance by which the Liberal and Labour Parties may be consolidated, sufficiently, at least, to ensure a program of progressive legislation being put through parliament in the immediate future.

Our party recognised the desirability of securing settled administration if it can be obtained without sacrifice of principle upon the part of those concerned.

Having this in view, I would suggest the following as a basis:

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

Note: the railway vote will have been decided.

4. Details of next session's program to be submitted to joint party, with right of either section of joint party to withdraw from Alliance if agreement impossible.
5. All questions relating to program and conduct of affairs by ministry to go before joint party.
6. Members of joint party to be supported at elections, after the manner usual in all parties, during the continuance of the Alliance.

Trusting you may be able to submit this suggestion to your party.³

³ Papers of Alfred Deakin, *National Library of Australia*, Canberra. Watson to Deakin, 26 May 1904, MS 1540-16-62-s2-v. The letter was also copied into the ALP, *Caucus Minutes*, Book by Frank Tudor on 1 June 1904.

APPENDIX 4 - ARTICLES OF ALLIANCE BETWEEN THE LIBERAL PROTECTIONIST AND THE LABOR PARTIES

Agreed to by ALP, 7 September and approved 14 September 1904

Conditions of Alliance

1. Each Party to retain its separate identity.
2. The Alliance to be for the life of this and the next Parliament.
3. Each to use its influence, individually and collectively with its organisations and supporters, and secure support for, and immunity from opposition to, members of either party, during the currency of the Alliance.
4. A joint election committee to consider contested seats, and to make recommendations to both parties.
5. Any member of the Parliament who agrees to this Alliance may, subject to the approval of both parties be admitted to this Alliance.

General Platform

1. The Conciliation and Arbitration Bill as nearly as possible in accordance with the original Bill as introduced by the Deakin Ministry, but any member is at liberty to adhere to his votes already given.
2. White Australia legislation - Maintaining existing acts in their integrity, and effectively supporting their intention by faithful administration.
3. The Navigation Bill - Report of Royal Commission to be expedited, and subject to this the Bill to provide for:
 - (a) Protection of Australian shipping from unfair competition.
 - (b) Registration of all coastal vessels.
 - (c) Efficient manning of vessels.
 - (d) Proper accommodation for passengers and seamen.
 - (e) Proper loading gear and inspection of same.
4. Trade Marks Bill.
5. Fraudulent Marks Bill.
6. High Commissioner Bill - Selection of High Commissioner to be subject to prior consent of Parliament; the economising of existing State agencies, and full utilisation of Federal staff for the benefit of the States.
7. Electoral Act Amendment Bill.
8. Papua Bill
9. Anti Trust legislation.
10. Tobacco monopoly - Appointment of present Select Committee as Royal Commission, with the addition of members of both Houses of Parliament.
11. Iron Bonus Bill - Every member to have freedom of action as to method of control.
12. Standing Committee on trade, commerce and agriculture.
13. Preferential trade to be discussed by joint parties at an early date
14. Legislation (including tariff legislation) shown to be necessary:
 - (1) To develop Australian Resources. (2) To preserve, encourage and benefit Australian industries, primary and secondary. (3) To secure fair conditions of labour for all engaged in every form of industrial enterprise and to advance their interests and well being without distinction of class or social status. (4) As to any legislation arising under this paragraph only: - Any member of either party may as to any specific proposals: - (a) Agree with the members of

his own party and be bound by their joint determination, or (b) Decide for himself how far the particular circumstances prove the necessity and the extent to which the proposal should be carried. (5) A Royal Commission to be at once appointed to inquire into the necessity for tariff legislation; personnel to be approved by Parliament; commission to report in sufficient time to enable any desired legislation to be introduced next session.

15. Old Age Pensions on a basis fair and equitable to the several States and to individuals.
16. Quarantine legislation.
17. Either party may at any time submit to the other party any other subject for consideration with a view to joint action.⁴

⁴ *Caucus Minutes*, September 6 1904.

APPENDIX 5 – WATSON TO DEAKIN

It has been suggested to me that you might be willing to undertake the direction of affairs yourself and assume office again at the head of a Government. If such an idea is in your mind, you can rely on our active support, and I think our people would prefer that to joining in a coalition. We, and especially myself, do not want office, but I have the utmost desire to stop the retrogressive movement which Reid is heading and I feel the moment has arrived when you could take command with every prospect of success ... I feel that many moderate people who are a little afraid of us would rally to your support if given an opportunity ... I hope you will not hastily decide to miss the opportunity of course, a two party position is desirable, but the Labor Party would become practically identical with the Protectionists, and that would be something gained. Of course this letter is confidential but I know the feeling I express is shared by a majority of the party, and they would be all glad of seeing you in the leading position again.⁵

⁵ Papers of Alfred Deakin, *National Library of Australia*, Canberra. Watson to Deakin, 22 June 1905, MS 1540-16-392-s4-v.

APPENDIX 6 - DEAKIN TO WATSON

I am now able to inform you that the program of business to be submitted to the present Parliament will include in addition to the Budget and other ordinary requirements of that kind any necessary legislation upon the matters and lines embraced in the Ballarat platform of 1903 or since arising out of the action of the House.

I may mention among the subjects that we hope to deal with some of them being already advanced more than one stage:

1. White Australia
2. Iron Bounty
3. Preferential Trade
4. Rural development
5. Navigation
6. High Commissioner
7. Tariff Commission Reports
8. Trade Marks
9. Fraudulent Marks
10. Papua
11. Quarantine
12. Electoral requirements
13. Population
14. Old Age Pensions
15. WA Survey
16. Anti Trust Bill
17. Defence
18. State Debts

We cannot hope to dispose of all those great problems but may be enabled to secure further consideration for these upon which legislative action is not yet desirable.⁶

⁶ Papers of Alfred Deakin, *National Library of Australia*, Canberra. Watson to Deakin, 5 July 1905, MS 1540-16-392-s4-v

APPENDIX 7 – COMMONWEALTH CONFERENCE 1905 – ALLIANCE DEBATE

The first shot was fired by the Victorian PLC secretary Patrick Heagney who vigorously attacked the Alliance of the previous year and moved a motion to amend the federal pledge:

After the words 'Caucus meeting' add the words 'and not to form any Alliance, coalition, or combination without such Alliance, coalition or combination having first obtained the sanction of the combined Labour organisations, to be determined by a special interstate conference.'⁷

Heagney's motion was clear and unequivocal and reflected the concerns of the wider labour movement and in defence of his motion stated:

... an Alliance such as had taken place between the Labor Party and Mr Isaacs was subversive of the best interests of the movement. ... [and although] Mr Watson had carried out his work with great skill under difficult circumstances, the Alliance was unwise when it attempted to obtain immunity from attack for those in the Alliance who were not Labor members.⁸

Supporting Heagney, Billson was of the view that:

The great enemy to the cause was the man who was as good as a Labor man, and in the Alliance there had been individuals of that stamp.⁹

Billson's reasoning was also followed by Senator Turley from Queensland who was firmly of the view that:

... alliances, so far as he knew them, had done no good for the Labor Party. The men who came in with the Labor Party generally did so to get in out of the wet.¹⁰

Senator Turley, after speaking against the Alliance, then stated:

... the Alliance that Mr Watson had entered into had not affected the platform at all'.¹¹

Senator O'Keefe was also of the view that:

... the Alliance had not trenched on a plank of the party'.¹²

The Alliance proposals hit a raw nerve with the wider labour movement and highlighted the divide that existed between the parliamentary wing and the respective State organisations and the wider labour movement. Riley a NSW delegate stated:

⁷ Australian Labor Party, Third Commonwealth Political Labour Conference. Melbourne, July 1905, p.19.

⁸ ibid.

⁹ ibid., p.15.

¹⁰ ibid., p.19.

¹¹ ibid.

¹² ibid., p.20.

No Alliance should be countenanced which did not meet with the views of the various organisations.¹³

Similarly, Lamond another NSW delegate declared:

... the Labor party ought not to join any Alliance or coalition without having first obtained the sanction of the State executives.¹⁴

Unsurprisingly, the parliamentary delegates did not share this view. Watson was adamant that the course he had taken and the decision to enter into an Alliance was not only justified but essential:

The view I take is that the organisations outside lay down the policy upon which the Party is to work and decide what the platform should be. They arrange the Pledge for each candidate to take before he submits himself for election. But once the man is in parliament, they have to trust to his judgement to carry out their work. The Alliance at any rate prevented a fusion of the two other parties, who could thus have presented a solid phalanx to Labor.¹⁵

Watson's main reason for entering the Alliance was to 'prevent a fusion' of the two non-Labor parties. Watson's reasoning is somewhat disingenuous because during the early Alliance period Deakin and a large section of the radical Protectionists had no intention of 'fusing' with Reid. Spence agreed with his leader stating:

... organisations formed the policy, selected candidates, and did other work; but once their own men were in the House they must trust them to carry out the platform.¹⁶

Spence's assertion to 'trust them [parliamentary members] to carry out the platform' held about as much weight as Watson's 'Fusion argument', as Labor had done everything in its power, up to that point, to enter into alliances that negated its ability to actively pursue the platform.

At the conclusion of the Alliance debate, Heagney's original motion was amended and the conference passed a compromise resolution stating:

That the Federal Labor Party should not enter into any Alliance that would extend beyond the then existing Parliament, nor grant nor promise immunity from opposition at election time.¹⁷

¹³ *ibid.*

¹⁴ *ibid.*

¹⁵ *ibid.*, p.19.

¹⁶ *ibid.*, p.20

¹⁷ *ibid.*, pp.19-20.

APPENDIX 8 – AUSTRALIAN LABOR PARTY FEDERAL PLATFORM 1908

General Platform - 1908

- a. The cultivation of an Australian based sentiment, based upon the maintenance of racial purity, and the development in Australia of an enlightened and self reliant community;
- b. 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.

Fighting Platform

1. Maintenance of White Australia.
2. The New Protection.
3. Nationalisation of Monopolies.
4. Graduated tax on Unimproved Land Values.
5. Citizen Defence Force.
6. Commonwealth Bank
7. Restriction of Public Borrowing.
8. Navigation Laws.
9. Arbitration Act Amendment.

General Platform

- 1 Maintenance of a White Australia.
- 2 New Protection - Amendment of Constitution to ensure effective Federal Legislation for New Protection and Arbitration.
- 3 Nationalisation of Monopolies - if necessary, amendment of Constitution to provide for same.
- 4 Graduated Land Tax - Graduated tax on all estates over £5000 in value on an unimproved basis.
- 5 Citizen Defence Force, with compulsory military training and Australian owned and controlled Navy.
- 6 Commonwealth Bank of Issue, Deposit, Exchange and Reserve with non-political management.
- 7 Restriction of Public Borrowing.
- 8 Navigation laws to provide -
 - (a) For the protection of Australian shipping against unfair competition.
 - (b) Registration of all vessels engaged in the coastal trade.
 - (c) The efficient manning of vessels.
 - (d) The proper supply of life saving and other equipment.
 - (e) The regulation of hours and conditions of work.
 - (f) Proper accommodation for passengers and seamen.
 - (g) Proper loading gear and inspection of same.
 - (h) Compulsory insurance of crews by shipowners against accident or death.
- 9 Arbitration Act amendment to provide for preference to unionists and exclusion of the legal profession with provision for the inclusion of all State Government employees.
- 10 Old Age and Invalid Pensions.
- 11 General Insurance Department with non-political management.
- 12 Civil equality of Men and Women.
- 13 Naval and military expenditure to be allotted from proceeds of direct taxation.
- 14 Initiative and Referendum¹⁸

¹⁸ Australian Labor Party, Official Report of the Fourth Commonwealth Political Labour Conference, Brisbane, July 7 1908, p.42.

APPENDIX 9 – COMMONWEALTH CONFERENCE 1908 - COMPULSORY MILITARY TRAINING

Watson led the 'pro-military' camp at the 1908 Conference and moved that:

... this conference approves of the principle of compulsory military training for all males, irrespective of class or condition, as the only method of giving effect to the plank providing for a Citizen Defence Force.¹⁹

Watson was of the view that Labor:

... should define their platform with respect to this subject and do something tangible.²⁰

Watson informed delegates that he was desirous of peace but was of the view that:

... peace could only be secured by being prepared for war - by having every male trained and ready to take up arms in defence of his native land.²¹

Holman supported Watson's resolution, with Tudor's support, but did so:

... without the slightest enthusiasm, regarding it as a melancholy necessity.²²

Similarly, Senator De Largie supported Watson but could not say that he:

... favoured militarism [as] ... militarism operated in connection with the suppression of men who stood up for their rights in industrial strikes. Militarism meant that in cases such as he had mentioned the military were called out against the workers and always at the bidding of the capitalist or his government.²³

The only female delegate to Conference Mrs K Dwyer, did not hold back telling delegates that she:

... bitterly regretted that anything legalising murder should emanate from a Labor man at all.²⁴

Dwyer placed a caveat on her position stating:

If however it was determined to have a citizen Defence Force she did not see why it should be made compulsory.²⁵

Senator Findley reminded Conference that:

... the Australian Labor Party, anterior to federation was a Peace Party.²⁶

¹⁹ Australian Labor Party, Official Report of the Fourth Commonwealth Political Labour Conference, Brisbane, 7 July 1908, p.16.

²⁰ ibid.

²¹ ibid.

²² ibid., p.17.

²³ ibid.

²⁴ ibid.

²⁵ ibid.

Findley viewed the whole defence debate as being driven by the media stating:

During the last 18 months or 2 years, mainly because of the capitalist created bogey which was trotted out in newspaperdom some Australians were thinking that unless a citizen army or a Commonwealth navy were started every hearth and home here was threatened', and Findley did not accede to this line of thought.²⁷

Senator Givens attacked delegates, like Dwyer and Findley, who opposed the measure stating:

It was quite useless and unfair to throw the sneer of jingoism at those who advocated this question. They all knew the Labor Party was in favour of universal peace, but whilst they were strongly in favour of it they had no guarantee that another country would not plunge Australia into war.²⁸

Senator Henderson, Spence, Hurst²⁹ and Foster were of the collective view that Australia had to be protected and that the only way to do this efficiently was to ensure that it developed a viable fighting force with Spence summing up the central tenet of their argument that:

... if men were to carry arms they must be drilled, for what was the use of a rifle to a man if he did not know how to use it?³⁰

The only delegate to expound a practical political response was Batchelor who urged delegates to be aware that:

During this parliament or the next the Labor Party would be called upon to explain what form of citizen defence force they proposed [and that the response by the party had to] ... be a substantial one and not any evasion of the real issue.³¹

Watson then summed up his argument by providing delegates with an illustration of what he perceived to be the dangers of Labor not taking a firm stand on the issue. Watson told of the time when Peru, an ideal socialistic and peace loving community, was conquered by a small well armed force, with Watson stressing that:

Peru was beaten through its trustfulness and lack of preparation against invasion or aggression from outside.³²

The inference being that if Labor stood by and did nothing then Australia one day would also be conquered in a like manner. Watson, by consent, withdrew his original motion and substituted it with the motion from Tasmania that stated:

²⁶ At innumerable May Day gatherings militant and even violent speeches were delivered in denunciation of war. *ibid.*, p.18.

²⁷ *ibid.*

²⁸ *ibid.*

²⁹ Hurst argued that although he favoured training men for defensive purposes, that 'No war of aggression, on our [Australia's] part would have his support'. see: *ibid.*, p.19.

³⁰ *ibid.*, p.18.

³¹ *ibid.*

³² *ibid.*, pp.19-20.

That Plank 8 be amended to read: Citizen defence force with compulsory military training and Australian owned navy.³³

Watson's motion was discussed at length by delegates with a motion to omit the word 'compulsory' being defeated by twenty one votes to ten and another motion providing for an Australian owned 'and controlled navy' being carried by twenty one votes to five.³⁴ At the end of the Conference Labor's new plank 5 called on Labor to establish a 'Citizen Defence Force, with compulsory military training and Australian owned and controlled Navy'.

³³ *ibid.*, p.20.

³⁴ See: *ibid.*

APPENDIX 10 – LORD KITCHENERS KEY RECOMMENDATIONS

In estimating the strength of the land forces necessary to meet this requirement [the defence of Australia], three principal factors should be considered:

1. The great ocean distances which lie between Australia and the territory of any possible enemies.
2. The armed strength and power of transportation over sea of any conceivably hostile nation.
3. The vast extent, and railway communication, of the Australian continent, which covers an area of 2,948,366 square miles, and possesses a coastline of 12, 210 miles; as contrasted with the smallness of its population, 4,275,000 souls, of whom 1,295,000 are males of a fighting age.

Consideration of these factors leads me to estimate the land forces required at 80,000 fighting troops. Of these numbers, half would be required to secure the larger cities and defend ports from attack, and so to maintain the public confidence and national credit, while the other half would be free to operate as a mobile striking force anywhere in Australia.³⁵

³⁵ C.P.D., Vol. LVI, 18 August 1910, p.1662.

APPENDIX 11 – COMMONWEALTH CONFERENCE 1908 – UNIMPROVED LAND VALUES

Even before the Commonwealth took control of the northern 'half' of South Australia the delegates to the 1908 Conference pursued Pearce's old 1905 motion to establish a tax on unimproved land values with Grant moving that:

... the details of the Federal Graduated Land Tax be the same as the New South Wales State Graduated Tax, viz., Graduated Land Tax on all estates over £5000 in value on an unimproved basis increasing ½d for each £5000 in value over that exemption.³⁶

Grant's motion received strong Conference support, with the Tasmanian delegate Hurst supporting the tax stating that farmers in Tasmania were:

... taxed on their improvements and there were thousands who supported the Labor Party because they recognised that the Labor Party was the only one determined to grapple with the large monopolistic estates.³⁷

Hurst also pointed out to delegates that:

... the party had fought the election on this issue in Tasmania³⁸

As a farmer himself, Hurst believed he paid more under the improvement tax with his 103 acres than some people did who owned 20000 acres. Holman and Senator Lynch wanted any exemption to be:

... fixed rigidly ... so that the farmer would know absolutely that the Labor party was committed to the principle of protecting the small man'.³⁹

Senator Findlay supported this proposition by pointing out that:

... farmers were being driven out of Victoria through not being able to obtain land, and that condition of things should be remedied by the imposition of the progressive land tax to bust up the big land monopolies. By endorsing the exemption of £5000 Labor could prove incontestably that they desired to help the farmers, and were on the side of the poor man.⁴⁰

Watson and Spence advocated to 'leave the plank as it presently stood' with Spence being of the view that the issue was an 'unsettled one' as New South Wales had already passed legislation that embraced a similar tax.⁴¹ Lynch then moved an amendment:

³⁶ Australian Labor Party, Official Report of the Fourth Commonwealth Political Labour Conference, Brisbane, July 7 1908, p.15.

³⁷ ibid.

³⁸ ibid.

³⁹ see Holman, ibid.

⁴⁰ ibid., p.16.

⁴¹ Local Government Act 1908 (NSW)

That Conference favours a Progressive Land Tax with an exemption of £5000' and this was subsequently carried.⁴²

⁴² Australian Labor Party, Official Report of the Fourth Commonwealth Political Labour Conference, Brisbane, July 7 1908, p.16.

APPENDIX 12 – HUGHES' OVERVIEW OF LABOR'S CONSTITUTIONAL ALTERATION BILLS

Hughes turned his attention to the four key components of the proposed referendum:

What is our position in regard to trade and commerce, corporations, companies, industrial matters, combines, and monopolies? Paragraph I section 51, which deals with trade and commerce, violates every one of the canons of effective Federation. There is no clear line of demarcation, but rather endless clashing and ambiguity.⁴³

Plank 2 of the platform covered Labor's commitment to 'New Protection' and the 'amendment of the Constitution to ensure effective Federal Legislation for New Protection and Arbitration'. Labor proposed two separate constitutional changes to enact plank 2 by amending the following sections of the Constitution:

- section 51(i) - extension of Commonwealth authority to *all* Australian trade and commerce;
- section 51(xx) - amendment of the corporations power to cover creation, dissolution regulation and control of all Australian commercial and financial corporations.

In relation to trade and commerce and the amendment of section 51(i) of the Constitution Hughes stated:

It is proposed to strike out the words of limitation in the Constitution, and to give the Commonwealth Parliament power over trade and commerce. We shall then have power over all trade and commerce, and there can be no mistake, no clashing of rival jurisdictions, no uncertainty, and no confusion. We shall not have to go to the Court every time an endeavour is made to enforce an existing law. There will be no necessity to go to the Court to find out whether or not we have the power. ... It is absolutely essential that the National Government should have control of commerce ... The commerce power is essentially a national one, for it concerns vitally the welfare of every human being in the community. Those who control trade and commerce control those who have to live by it. That is to say, they control the whole community, and to assert that the National Government must not have control of the well spring from which all must perforce drink or die ... is to reduce the National Government to a condition of impotence, and to grievously imperil the welfare of every individual in the community.⁴⁴

At the conclusion of his expose on the trade and commerce amendment Hughes then turned his attention to the proposed amendment of section 51(xx) dealing with corporations stating:

Here again we find our powers shorn by the High Court interpretations of the Constitution. We thought that we had power with regard to making laws regulating corporations ... upon that assumption the Anti-trust Act was passed ... It was found however, in the Huddart-Parker⁴⁵ case, that we had no such power, that paragraph (xx) did not mean what it said, and that practically the only power we have is the power to deal with corporations before they commence operations. Once they

⁴³ *C.P.D.*, Vol. LVIII, 18 October 1910, p.4702.

⁴⁴ *ibid.*, p.4703.

⁴⁵ *Huddart Parker v Moorehead* 8 C.L.R. 330

commence operations we can do nothing whatever with them ... We had a right to believe we had the power of dealing with corporations. We have not got it, and we must have it. I say that deliberately.

The National Parliament must have this power of dealing with corporations. Consider the position. Corporations are clearly a national matter ... It is impossible for State Governments to deal effectively with corporations whose operations extend all over Australia. The effort has been made repeatedly ... We may not deal with corporations; the States cannot deal with them. Are we then to sit down impotently and do nothing in face of the greatest menace of modern days?⁴⁶

Hughes' comments were somewhat restrained with respect to trade and commerce and corporations in comparison with what he had to say about industrial arbitration and Labor's goal to amend section 51(xxxv)⁴⁷ of the Constitution to enact plank 9 of the platform stating:

In no sphere of operations have we been more disappointed than in that relating to industrial matters ... There cannot be democratic government, or even a pretence at it, with a general diffusion of the glorious gifts of civilisation, if industry is not to be controlled and systematised in a sane, beneficent, and effective fashion for the benefit of the whole community ... Clearly industrial matters are not provincial or State concerns, but of national importance ... The industrial question is in essence national, although it has phases peculiar to localities, districts, and States. There must be one supreme authority in order to secure industrial peace. We cannot deal with the industrial question like mites burrowing and hiding themselves in the recesses of a cheese. Only by a comprehensive review of the whole situation, by an authority clothed with powers co-extensive with our territorial limits, will order emerge from chaos; from confusion, harmony; and from war, peace.

The High Court has put a narrow and technical meaning on the term 'industrial dispute', and has decided that our power does not extend to the making of laws respecting collective bargaining or industrial agreements. We cannot place the sanction of the law over that most excellent and effective means of promoting and maintaining industrial peace – the industrial agreement ... The net result is, as Mr Justice Higgins has pointed out that the Arbitration Court is hampered at every turn and can do little or nothing. Industrial peace, which is of the utmost importance to this community, is daily threatened, because there is no body possessing powers capable of dealing with a widespread national industrial dispute.

There never was as clear a need for an amendment of the Constitution as there is for this amendment, which would remove, amongst other things, that limitation of our powers which confines us to legislating for disputes Inter-state.⁴⁸

Industrial arbitration was a key Labor plank, however the party had also been attempting to enact plank 3 to nationalise monopolies for as long as they had been in the Parliament, especially in the Senate, where in previous years, a number of motions were successfully passed calling for nationalisation of particular industries including the sugar industry. Labor was proposing to enact plank 3 of the platform by

⁴⁶ C.P.D., Vol. LVIII, 18 October 1910, pp.4703-4.

⁴⁷ section 51(xxxv) - substitution for the arbitration power; power to control wages and conditions of employment in all Australian industries and callings, and to settle all industrial disputes including those concerning the State railways.

⁴⁸ C.P.D., Vol. LVIII, 18 October 1910, pp.4708-9.

amending the Constitution to include a new power to control all combinations and monopolies. Hughes dealt briefly with the issue of monopolies stating that:

... when we speak of a, 'monopoly', we do not mean a legal monopoly – the case of a man protected from competition by law – but such control of a commodity, manufacture, service, or business as enables those who hold the control to fix prices and output ... We cannot tolerate the existence of any private corporation, combine, or trust which fixes, by arrangement amongst its members, the prices of commodities which are in general consumption ... All that I contend is that it is impossible and incompatible with our existence as a National Parliament to say that we have no power over these combines. Are they to rule us or are the people to rule them? We must have the power to make laws to whatever extent we please for the regulation and control of monopolies. We must have the power, if necessary, to take over and nationalise those monopolies. In short, we must have power to do whatever is necessary for the welfare of the whole of the people in relation to those industries in which competition no longer exists.⁴⁹

Hughes had outlined Labor's case for the implementation of the amendments, however he also took the opportunity to reinforce to his colleagues and to the opposition that Labor was proceeding to enact its platform on the back of an overwhelming electoral victory and that it had a clear mandate from the Australian people to pursue its platform, even if that meant amending the Constitution via referendum:

I wish now to show that the people of this country expected us to make laws with respect to all these matters. In the manifesto of the party ... The party platform set forth 'new protection, nationalisation of monopolies, and a fair and reasonable wage'. We are as much pledged to these things as to a graduated tax on unimproved value of land. We are sent here to get the New Protection in very fact and deed, and not a shadowy pretence of it. We are sent here to get a fair and reasonable wage for every man and woman who works. We are sent here to nationalise monopolies, to regulate and control them. We are sent here to legislate in that wide field of commerce and industry of which I have spoken, by the people who have heard over and over again, not yesterday or the day before, but over a long series of years, what we had to say, and have in ever increasing numbers decided to support us.

[In conclusion] I have to say that the proposed amendments are put forward as embodying the opinions of a party returned at the last election with a substantial majority to carry certain legislation and effect certain reforms.⁵⁰

⁴⁹ *ibid.*, pp.4710-11.

⁵⁰ *ibid.*, pp.4713-15.

APPENDIX 13 - COMMONWEALTH CONFERENCE 1908 – O'MALLEY'S BANKING PROPOSALS

O'Malley, who by his own reckoning felt that he was 'competent to deal with it, having devoted the greater part of his life to finance', produced a report he had prepared to Conference on the matter. On Tuesday July 7 1908, O'Malley moved a motion to Conference stating that:

... no financial scheme between the Commonwealth and States can be satisfactorily adjusted without the establishment of a national postal banking system.⁵¹

According to O'Malley:

In order to facilitate and economise the carrying out of financial transactions of the Commonwealth and the States, and especially those connected with the conversion, redemption, renewal and issue of loans, he proposed to establish a National bank of Deposit, Issue and Exchange and Reserve.⁵²

O'Malley discussed his plan to the delegates and outlined how he envisaged the Bank to be set up:

The General Post Office in each capital would be the head office of the bank in that state, and any post office within the Commonwealth carrying on the business of a money order office could be constituted a branch of the bank.⁵³

O'Malley would become the official champion of the bank's cause and the:

... great question was to his mind, whether the Commonwealth should establish its own National Postal Banking System and manage its own finances through the regulation of its own money scheme, or continue under the benevolent guardianship of capitalists – lambs in the keeping of wolves.⁵⁴

The discussion of the Commonwealth Bank at Conference was included in the debate about Labor's financial policies and the issue of funding and states' rights. However, despite being merged within the finance debate, there was widespread support for O'Malley's proposal. Holman moved that:

Conference approve the general outlines of O'Malley's scheme relating to the establishment of a National Bank.⁵⁵

Catts agreed and was of the view that the O'Malley scheme would:

... settle the financial malaise of state funding arrangements as they currently stood.⁵⁶

⁵¹ Australian Labor Party, Official Report of the Fourth Commonwealth Political Labour Conference, Brisbane, July 7 1908, p.21.

⁵² ibid., p.20.

⁵³ ibid., p.20.

⁵⁴ ibid., p.20.

⁵⁵ Australian Labor Party, Official Report of the Fourth Commonwealth Political Labour Conference, Brisbane, July 9 1908, p.33.

⁵⁶ ibid., p.34.

Watson supported the 'principle of the scheme for a Commonwealth Bank' and stated that O'Malley was entitled to:

... every commendation [and that] if Conference could agree to the scheme then they should do so, as it was unwise to go to the electors with a scheme at the last moment.⁵⁷

McGowen echoed Watson's sentiments on O'Malley, but also warned that the proposal would be opposed stating that:

... the movement was under a lasting debt of gratitude [to O'Malley] ... [and that] Conference should not assume that they were framing a scheme that would not receive criticism'.⁵⁸

⁵⁷ *ibid.*, p.35.

⁵⁸ *ibid.*, p.37.

APPENDIX 14 -- COMMONWEALTH CONFERENCE 1912 -- NAVIGATION BILL

Labor had let the Navigation Bill lapse twice and McCallum told delegates that:

... a serious position was involved [and that] ... There were one or two companies which were trying to work up a trade in the nor' west but boats from Singapore, manned by coolie labour came in and there was no chance of fair competition.⁵⁹

McCallum, speaking on behalf of the Federated Seamen's Union, wanted Labor to stop procrastinating and enact the legislation and urged delegates that he wanted the:

Federal Government to refuse trading facilities to boats that competed unfairly.⁶⁰

Hannan seconded the motion and suggested that:

... all foreign traders on the Australian coast should be included.⁶¹

Senator Givens believed that:

... the principle of White Australia was not observed on the Coast [and that] ... it was surely intended that this principle should be maintained on the coast of Australia as well as within its shores.⁶²

Givens suggested further that an amendment:

... making the motion of general application and relating to steamers manned by coloured crews trading on any part of the Australian coast.⁶³

Delegates supported both the motion and the amendment,⁶⁴ however Roberts was of the opinion that:

... the federal parliament could not pass legislation to discriminate between the states' and suggested to his West Australian comrades that 'some sort of general amendment be accepted.'⁶⁵

Senator Given's then moved a new amendment that was carried by the delegates:

That this conference urges the federal government to enact legislation to put a check on the unfair competition of vessels not complying with conditions prescribed by the Commonwealth Navigation laws.⁶⁶

⁵⁹ Australian Labor Party, Official Report of the Fifth Commonwealth Conference, Hobart, 10 January 1912, p.26.

⁶⁰ ibid.

⁶¹ ibid.

⁶² ibid.

⁶³ ibid.

⁶⁴ see Bryant and Somerville, ibid.

⁶⁵ ibid.

⁶⁶ ibid.

APPENDIX 15 - HUGHES' PLAN TO AMEND THE CONSTITUTION

Very much depends upon what is decided and in particular with regard to the proposed alterations of the Constitution. On this head I think the only course for the Conference to pursue if it wants to help us is:

- A. To affirm its entire approval of our action in endeavouring to amend the Constitution.
- B. To express its regret that the people did not agree to this: and to set forth the opinion that the attitude of a section of the State Labor parties in regard to the referendum was most unfortunate and contributed largely to the rejection of the proposals.
- C. To question very strongly the proposal of Holman & Co to get the various State Premiers to give the Commonwealth *permission* to do certain things. The thing is either right or wrong: if right it is for the good of the whole people - in their State as well as Commonwealth capacity. If wrong it ought not to be done at all.
- D. In regard to the lines along which the proposed amendments of the Constitution should go: - This is THE CRUX of the whole thing.

I suggest that the Conference confine itself to a broad general approval of such amendments of the Constitution as shall give us power to regulate for:

- (1) New Protection
 - (a) Fair and reasonable wages for ALL workers.
 - (b) Fair and reasonable prices to the consumer.
- (2) Regulation of Trusts and trade generally.
- (3) Nationalisation of industries.

It is essential in my opinion that the Conference should not attempt to lay down the precise form of the questions. If they repeated the form used at the Referendum it would embarrass us.

If they departed from it it would amount to censure and look like dictation.

I am perfectly certain that unless the powers granted are wide, we had better leave the business alone. I am sure that the questions can be so framed that many of the objections urged against the proposals at the Referendum will be removed.⁶⁷

⁶⁷ Hughes to Fisher, 2 January 1912 (Fisher Papers) as cited in Fitzhardinge, L.H., William Morris Hughes. A Political Biography: That Fiery Little Particle. Angus & Robertson, Melbourne, 1964, pp.285-286.

APPENDIX 16 – HUGHES' CASE FOR THE ADOPTION OF THE SIX CONSTITUTION ALTERATION BILLS

The first of the Bills was the Constitution Alteration (Trade and Commerce) Bill that sought to provide the basis for enacting plank 3 of the platform calling on Labor to pursue 'Effective Federation' by including in the Constitution the powers asked for on April 26, 1911, as well as enacting plank 4 of the platform dealing with the issue of 'New Protection'. Hughes stated:

The measure before the House deals with the most important subject which can engage the attention of any parliament, certainly the most important which can engage the attention of any Parliament constituted as this one is under a Federal form of government ... Government exists for the benefit of the people governed ... The test to be applied to each is, "Does it protect the interests and promote the welfare of the people?"

... What is the position to-day? ... The world today is ruled by trusts ... Under our powers, as they exist today, we are unable to deal with operations in this wide and constantly enlarging field. Our powers at the present time prevent us from dealing with trusts and combines, prevent us from dealing with monopolies, from making effective company laws, effective commerce laws and regulations, enacting uniform and effective navigation laws and uniform and effective industrial laws. Yet all these are inextricably intertwined about the two great and vital problems of today: Trusts and combines, and industrial unrest. This Commonwealth, now barely twelve years old, has no power to deal effectively with these two vital issues. For all practical purposes it is powerless.⁶⁸

Hughes then outlined the major reason for the Commonwealth's diminished capacity to legislate in respect of trade and commerce:

In regard to trade and commerce and corporations, our powers, never sufficient, have been cut down by successive decisions of the High Court, until at present they are admittedly futile.⁶⁹

Hughes then briefly outlined the history of High Court cases to emphasise his point. Hughes had made it clear that Labor was pursuing a stated policy initiative based on the platform and that the Australian public were again being provided with an opportunity to amend the Constitution:

This Government has, in this matter, always taken the only straightforward course. When we found that Parliament could not pass laws which were considered to be necessary and proper for the benefit of the people, we laid the position frankly before the electors, and gave them an opportunity of amending the Constitution.⁷⁰

In the evening of 19 November Hughes turned his attention towards the Constitution Alteration (Corporations) Bill. The Bill was introduced to enact plank 3 of the platform calling on Labor to pursue 'Effective Federation' by including in the Constitution the powers asked for on April 26, 1911, with Hughes stating

⁶⁸ *C.P.D.*, Vol. LXVIII, 19 November 1912, pp.5605-7.

⁶⁹ *ibid.*, p.5607.

⁷⁰ *ibid.*, p.5611.

This is a proposal to amend the Constitution, section 51 sub-section xx relating to corporations. The question of corporations and the scope of their power is one so inextricably woven with the trade and commerce power generally, and with that relating to trusts, combines and monopolies, that a law to deal effectively with one must deal with all ... the existing laws and the power to make laws [with respect to corporations] are quite insufficient.⁷¹

The Corporations amendments were closely linked with the other proposals, as Hughes rightly pointed out, but although expanding on the history of Corporations law in Australia Hughes again focused upon the need for the Commonwealth to have sufficient power to protect and safeguard ordinary Australians in areas such as corporations law:

The Constitution of Australia was created for the benefit of the people, to increase their self governing powers, to enable them as a Federation to do something which the States could not do. Under it, this Parliament has done great work. But it has at last come to an end of its tether. There is much to be done but we cannot do it. The people of this country are now confronted with conditions such as in America [that] enable corporations to defy the Government ... there are bodies in this country who exercise a power superior to that of this Parliament, who control to a very large extent – commodities and agencies essential to the life of the people. Yet we have no control over them ... Since there is no competition from outside, and there is no competition from inside ... we should have power if necessary to control and regulate their [corporations] operations.⁷²

On 20 November Hughes continued to elucidate Labor's Constitutional amendments and he turned his attention to the Constitution Alteration (Industrial Matters) Bill. The issue of industrial arbitration was a key plank embedded in Labor's platform in one guise or another since federation. The successful passage of the amendment at a referendum would provide Labor with the power to enact planks 3 calling on Labor to pursue 'Effective Federation' by including in the Constitution the powers asked for on April 26, 1911, and plank 6 of the platform that called on Labor to pursue 'Arbitration Act amendments'. Hughes was unequivocal in his reasoning why it was essential that the Commonwealth be granted powers to deal with industrial arbitration matters:

The proposal before the House is to amend paragraph xxxv of section 51 of the Constitution, which empowers the Commonwealth to make laws in respect to – Conciliation and arbitration for the prevention and settlement of industrial disputes extending beyond the limits of any one state.

The history of our efforts at legislation under that power has been most varied, disastrous, and almost pathetic.

... It is sufficient to say that the [Conciliations and Arbitration] Act has been riddled by High Court decisions, and its usefulness reduced almost to zero.

... what we are here to do, if we can, is to endeavour to secure to every man a fair and reasonable wage, having regard to what he does, where he does it, and how he does it. This power, I say, ought to be a national power ... We are asking for power to deal with all disputes and all industrial conditions, for the preservation of industrial peace

⁷¹ *ibid.*, p.5625.

⁷² *ibid.*, p.5635.

... Our object is to set up machinery which will insure fair industrial conditions for all citizens in Australia ... Our authority now is quite inadequate. Not only is the Arbitration Act which touches the utmost limits of our power at present futile, in that it is necessary to wait until a dispute extends beyond one State; but when the Court gets jurisdiction its powers are emasculated.⁷³

Hughes outlined the need for the amendment and did not deviate from his central argument that the Commonwealth's powers with respect industrial matters had to be broadened:

The amendment as proposed will, in my opinion, give this Parliament power to secure industrial peace by enabling the conditions of labour and employment to be dealt with. The proposal is not indefinite and vague, but definite and precise, aiming, not at doing that which is necessary only in the future, but at doing that which is urgently necessary now. It will give to this Parliament power to make laws to deal with industrial conditions ... A national law is needed to give to industrial agreements the aegis of national authority. A national power is required to deal with disputes in the early stages, when they can be most easily settled, to create and promote such conditions as will prevent the interruption of industrial operations, and to secure that condition of things that we were promised when the Conciliation and Arbitration Bill was introduced.⁷⁴

On 21 November Hughes outlined Labor's plans in respect of the remaining three proposals. Hughes first dealt with the Constitution Alteration (Trusts) Bill that sought to empower the Parliament to make laws with respect of trusts, combinations and monopolies that would strengthen Labor's ability to enact plank 5 of the platform relating to the nationalisation of monopolies, even though this would be dealt with in a separate referendum proposal. Hughes stated:

It is a proposal to give this Parliament power to deal with the most notable and menacing factor of modern life ... We are living now in a new world where the dominating factor is not competition, but co-operation; where the consumer is no longer protected by rival traders seeking his custom, but where everything he desires, and everything that he must have, is under the control of a comparative handful of persons who decide what the output shall be, how it shall be distributed, and at what price ... It is for that reason that we are asking for power to make such alterations in the constitution as will enable us to deal with this new condition of affairs.⁷⁵

Hughes then turned his attention towards the 'impotence' of the Parliament and the need to nationalise monopolies:

... this Parliament and this party are here to see that everybody gets a perfectly square deal. We are not here to crush the merchant, the trader, or the manufacturer ... we must have the power to regulate, to control combines. And lastly, to nationalise them ... We wish to put an end to the impotence of this Parliament, so that it may be able to legislate for the people. We wish this Parliament to be able to exercise rationally and effectively the functions for which it was deliberately created ... In the nature of

⁷³ *C.P.D.*, Vol. LXVIII, 20 November 1912, pp.5684-7.

⁷⁴ *ibid.*, pp.5692-3.

⁷⁵ *C.P.D.*, Vol. LXVIII, 21 November 1912, pp.5832-4.

things this task cannot be achieved by any but a central authority controlling the whole domain of trade, commerce and manufacture.⁷⁶

The penultimate Bill was the Constitution Alteration (Nationalisation of Monopolies) Bill. This Bill had first been approved in the Senate by Labor during Fisher's first Government and was also included in the unsuccessful 1911 referendum proposal. Now Labor wished to present it to the Australian people again to provide them with the power to enact plank 3 of the platform calling on Labor to pursue 'Effective Federation' by including in the Constitution the powers asked for on April 26, 1911, and plank 5 of the platform that dealt with the 'Nationalisation of Monopolies'. Hughes was brief in his comments concerning the Bill, given its history, stating:

This proposal substantially was before Parliament in 1910 ... The Labor party has favoured nationalisation of monopolies, and advocated it before the electors ever since they came into public life. When a state of things exists in which there is no competition, and in which the welfare of the public is at the mercy of a great corporation, it may be that there is no method of dealing with such a state of affairs except by nationalisation, and the taking over by the community for the welfare of all of that which was controlled by a private corporation for the benefit of a few.

... Nationalisation of monopolies is not a general, but a specific power which, under the proposed new section is to be exercised in certain definite ways. The industry must be taken over and paid for on just terms, and may then be carried on by the Government, or dealt with in any way the Government pleases. There is nothing in this proposal which ought to excite alarm or opposition in the mind of any person, whether he be a supporter of the Labor party or not.⁷⁷

Hughes now brought the focus of the House onto the final proposal, the Constitution Alteration (Railway Disputes) Bill. This Bill was similar to the Monopolies Bill in that it had been included in the unsuccessful 1911 referendum proposal and like the monopolies Bill the measure was a part of a key platform policy plank that Labor had advocated for a number of years. The successful passage of the amendment at a referendum would provide Labor with the power to enact plank 3 calling on Labor to pursue 'Effective Federation' by including in the Constitution the powers asked for on April 26, 1911, and strengthen plank 6 of the platform that called on Labor to pursue 'Arbitration Act amendments'. Hughes was also brief in his comments on this Bill stating:

The present proposal is limited to the creation of Courts of conciliation and Arbitration for the prevention and settlement of disputes in the railway service of a State ... the industrial power of the Commonwealth ought to extend to all industrial disputes wherever they arise; it was the settled and deliberately expressed wish of this Parliament, 1904-5-6 that it should be so extended. The mere fact that the High Court has decided that we had not the constitutional power to deal with that matter should surely not be a bar to our asking for that power.⁷⁸

⁷⁶ *ibid.*, pp.5838-9.

⁷⁷ *ibid.*, pp.5840-1.

⁷⁸ *ibid.*, p.5842

APPENDIX 17 - OFFICIAL FEDERAL PARLIAMENTARY LABOR PARTY PLATFORM 1927

OBJECTIVE

The Socialisation of Industry, Production and Exchange.

METHODS

Socialisation of Industry by –

- (a) The constitutional utilisation of the Federal, State and Municipal Government Parliamentary and administrative machinery;
- (b) The extension of the scope and powers of the Commonwealth Bank until complete control of banking is in the hands of the people;
- (c) The organisation and establishment of co-operative activities, in which the workers and other producers shall be trained in the management, responsibility and control of industry;
- (d) The cultivation of Labor ideals and principles and the development of the spirit of social service;
- (e) The setting up of Labor research and Labor information bureaux and of Labor educational institutions;
- (f) Progressive enactment of reform as defined in the Labor Platform.

FIGHTING PLATFORM

1. The cultivation of an Australian sentiment, the maintenance of a White Australia and the development in Australia of an enlightened and self reliant community.
2.
 - (a) Complete self Government for Australia as a Member of the British Commonwealth of Nations.
 - (b) No Imperial Federation.
 - (c) Unlimited legislative powers for the Commonwealth Parliament and such delegated powers to the States or Provinces as the Commonwealth Parliament may determine from time to time.
3. Nationalisation of Banking and Insurance.
4. Nationalisation of Monopolies.
5. Arbitration Act Amendment to include –
 - (a) The establishment of a maximum 44 hour week throughout Australia, with special provisions where health is menaced and for women workers.
 - (b) Standard of living not inferior to the basis of the Piddington Basic Wage Commission finding.
6. Navigation Laws.
7. Commonwealth Freight and Passenger Steamers.
8. Restriction of Public Borrowing.
9. Electoral Reform.
10. Initiative and Referendum.
11. Abolition of State Legislative Councils.
12. Abolition of State Governors.
13. Abolition of Senate.

14. Amending Workers' Compensation Act.
15. National Monopoly of Assurance, including sick, accident, life and unemployment.
16. Motherhood and Childhood Endowment.
17. Amendment of Defence Act.

CONSTITUTION AND ELECTORAL REFORM

1. Complete Self Government for Australia as a Member of the British Commonwealth of Nations. No Imperial Federation. Administration on advice of Australian Ministers only, subject to the control of the Commonwealth Parliament. All legislation, except such as appears inconsistent with Ministers only. No further Imperial honors to be granted in any circumstances to Australian citizens.

The Commonwealth Constitution to be amended to provide:

- (a) Unlimited legislative powers for the Commonwealth Parliament, and such delegated powers to the States or provinces as the Commonwealth Parliament may determine from time to time.
 - (b) The Commonwealth Parliament to be vested with authority to create new states and provinces.
 - (c) The Senate to be abolished.
 - (d) The High Court of Australia to have final jurisdiction in all Australian causes.
 - (e) The principle of adult suffrage to be embodied in the Constitution.
 - (f) The initiative, referendum and recall.
2. Maintenance of a White Australia
 3. Adult Suffrage to be made part of the Commonwealth Constitution.
 4. Amendment of the Electoral Act to provide for compulsory voting.
 5. Initiative, Referendum and Recall.
 6. Abolition of State Legislative Councils.
 7. Abolition of State Governors.
 8. Abolition of Senate.
 9. Alteration of Constitution to give authority to Commonwealth Government to proceed (if necessary without concurrence of the States, provided the Commonwealth Government furnishes the money) to the unification of the railway gauges in accordance with the scheme laid down by the Royal Commission.
 10. The Commonwealth Electoral Act to be amended so as to remove the existing disqualification against State members contesting Federal seats and the Senate.

FINANCE AND TAXATION REFORM

1. The Commonwealth Bank to be developed on the lines of a Central Reserve Bank, while retaining its ordinary and Savings-Bank functions. Its operations to be extended to give greater assistance to the primary and other industries of the country. The Commonwealth Bank to remain, in the matter of policy, free from association or agreement with the private banks.
- 2.

- (a) Maintenance of Graduated Tax on Unimproved Land Values, where estates are over 5000 in value.
- (b) Amendment of existing Land Tax Act to provide that the graduation shall not apply to the different portions of the values of large estates. That the maximum of the tax be not less than 1/- in the pound, while maintaining the present exemption of 5000.
- 3. Naval and military expenditure to be allotted from the proceeds of direct taxation.
- 4. The New Protection, embodying effective protection of Australian industries, prevention of profiteering and the protection of the workers in such industries.
- 5. Import embargoes for the effective protection of Australian industries, subject to the control of prices and industrial conditions in the industry benefited.
- 6. Restriction of Public Borrowing.
- 7. Income Tax – All incomes from personal exertion of not less than 300 to be exempt from Income Tax, with a further deduction from the taxable income of 100 for a taxpayer's wife and 60 for each child and others wholly dependent on the taxpayer.
- 8. Until the Constitution is amended in accordance with Plank 1 of the General Platform, the per capita payments to the states to be continued without diminution.
- 9. No additional preference to the United Kingdom or any other country except under an equitable reciprocal arrangement.

INDUSTRIAL REFORM

- 1. Amendment of Workers' Compensation Act to provide compensation for sufferers from industrial disease (such as miners' phthisis), and the securing of adequate benefits for injured or disabled workers, the scheme to be based on the compulsory assurance of all workers.
- 2. Commonwealth Mines and Regulation Act.
- 3. The Commonwealth Conciliation and Arbitration Act be amended to provide:
 - (a) Appeals as of right to the High Court against decision of State Civil Courts relating to the interpretation of Federal Awards.
 - (b) Representatives of employers and employees to have right to check data on which Commonwealth Statistician's figures are based.
 - (c) Power to declare a Common Rule.
- 4. That Provision be made to establish a Board on similar lines to that of the British Board of Trade, vested with power to investigate all serious railway accidents occurring on the railways and other forms of transport, and to make and enforce regulations governing those engaged in and in charge of transport operations throughout Australia. That provision be made for the industrial side to be represented by representatives of the employees apart from those of the administrative staffs.

SOCIAL REFORM

- 1. Civil Equality of Men and Women.
- 2. Uniform laws of Marriage and Divorce.
- 3. Widows' and Children's Pensions.
- 4. Increased Old Age and Invalid Pensions.
- 5. Motherhood and Childhood Endowment.
- 6. Abolition of Capital Punishment and Flogging.

NATIONAL WORK

1. Nationalisation of Banking and Insurance.
2. Nationalisation of Monopolies.
3. Commonwealth Sugar Refinery.
4. Nationalisation of Shipping.
5. National Assurance, including Sick, Accident, Life and Unemployment.
6. Nationalisation of Public Health.
7. Development of commercial aviation.
8. Government control of wireless.
9. Development and settlement of Northern Australia.
10. Australian wide co-operative pools for the marketing and financing of farm products.
11. Extension of the Commonwealth Shipping Line. The line to be kept independent of the Shipping Combine.
12. Subsidising of secondary industries on a co-operative basis.

NAVIGATION

1. Navigation laws to provide -
 - (a) For the protection of Australian shipping against unfair competition.
 - (b) Registration of all vessels engaged in the coastal trade.
 - (c) The efficient manning of vessels.
 - (d) The proper supply of life saving and other equipment.
 - (e) The regulation of hours and conditions of work.
 - (f) Proper accommodation for passengers and seamen.
 - (g) Proper loading gear and inspection of same.
 - (h) Compulsory insurance of crews by shipowners against accident or death.
 - (i) That the Plimsoll mark, which was suspended during the war, be restored on all ships as it was before the war.

DEFENCE

1. Adequate home defence against possible foreign aggression.
2. That the Commonwealth Constitution be amended to include a condition that no Australian can be conscripted for military service.
3. Amendment of Defence Act to secure -
 - (a) Deletion of all clauses relating to compulsory training and service;
 - (b) Any sentence imposed by court martial to be subject to review by a civil court;
 - (c) No offence to be created by regulation; no penalty to be imposed by regulation;
 - (d) No employment of or interference by soldiers in industrial disputes;
 - (e) No raising of forces for service outside the Commonwealth or participation or promise of participation in any future overseas war, except by decision of the people.

REPATRIATION

1. Liberal treatment to be extended to all soldiers disabled as a result of war service and their dependents. Creation of an Appeal Board to finally decide all appeals relating to war pensions.
2. Sympathetic administration of Repatriation in relation to the valuation and terms of conditions of occupancy of farm properties and homes provided for returned soldiers and their dependents.

IMMIGRATION

Immigration to be strictly regulated and linked with Land Settlement and the expansion of Secondary Industries.

(Note – An influx of Immigrants in circumstances that would imperil Australian Industrial conditions, by over competition for the work available, would not be approved. The Labor Party's policy is designed to create further employment for the people already here and opportunities for new-comers by the breaking up of large estates and the expansion of primary and secondary industries.

To protect Australian workers, Immigration schemes must be carefully controlled and unemployment Insurance provided.)

APPENDIX 18 – SCULLIN'S CONSTITUTION ALTERATION PROPOSALS

A Bill for an Act

To alter the constitution by conferring upon the Parliament full power to amend the constitution.

Be it enacted by the King's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, with the approval of the electors, as required by the constitution, as follows:

1. This Act may be cited as the Constitution Alteration (Power of Amendment) 1930.
2. The Constitution is altered by inserting, after section one hundred and twenty-eight, the following section:

'129. Notwithstanding anything in the last preceding section, the Parliament shall have full power to alter the Constitution in the following manner:

The proposed law for the alteration thereof shall, after the lapse of one month from its origination in a House of the Parliament, be passed by an absolute majority of each House of the Parliament, and be assented to by the Governor-General.'⁷⁹

The second measure was the Constitution Alteration (Industrial Powers) Bill that sought to extend the Government's power in the field of industrial relations in line with plank 5 of the fighting platform and planks 1 to 4 of the Industrial Reform section of the platform. Scullin provided the draft proposal to Caucus:

A Bill for an Act

To alter the provisions of the Constitution with respect to industrial matters.

Be it enacted by the King's Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, with the approval of the electors, as required by the constitution, as follows:

1. This Act may be cited as the Constitution Alteration (Industrial Power) 1930.
2. Section fifty-one of the constitution is altered by omitting from paragraph XXXV the words:
 - (a) Labor
 - (b) Employment and unemployment
 - (c) Terms and conditions of labour and employment in any trade, industry, occupation or calling
 - (d) The rights and obligations of employers and employees
 - (e) Strikes and lock-outs
 - (f) The maintenance of industrial peace; and
 - (g) The settlement of industrial disputes.⁸⁰

⁷⁹ *Caucus Minutes*, 5 March 1930. (Note - section 2 of the Bill was amended by Caucus on 13 March 1930. The original section stated: '128. This constitution shall not be altered except in the following manner: The proposed law for the alteration thereof must, after the lapse of one month from its origination in a House of the parliament, be passed by an absolute majority of each House of the Parliament, and must receive the Royal assent.'

⁸⁰ *ibid.*

APPENDIX 19 - COMMONWEALTH CONFERENCE 1930 - SCULLIN'S REFERENDA PROPOSALS

On 26 May 1930, the day before the Bills were debated in the Senate, the issue of the referenda Bills were discussed by Conference delegates with Drakeford moving:

That this conference approves of the referenda proposals of the Federal government as being a definite and strong endeavour on the part of the Federal Government to put into operation one of the chief planks of the platform.⁸¹

Scullin's administration had been in power six months and although fighting to keep its head above water, it had at last faced the Depression head on and was actively pursuing Labor policy as prescribed in the platform in an effort to combat rising unemployment, homelessness and a raft of other social and economic issues that confronted Australia.

Scullin was determined to ensure that Conference unanimously supported the proposals, especially given the fact that they had been passed in the House and were being debated in the Senate. Scullin told delegates that:

Now they [Labor] were in the responsible position of being a Government and able to take a referendum, they ought to be in a position to know exactly what was in the mind of every Labor party in the Commonwealth. They had a clear and definite platform, that declared for unlimited legislative powers to the Commonwealth Parliament and such delegated powers to the States as the Federal Parliament may from time to time determine. They were elected with the platform before them, and they felt that there were powers they ought to have at once; principally industrial powers and powers to regulate trade and commerce, because with the control of labour conditions there should be, side by side with that, power to regulate the prices of commodities.⁸²

Scullin was concerned that State executives would not back the proposals and that Conference may alter the platform with respect to the goals of pursuing change via referenda. In fact, Scullin like Hughes twenty years earlier had to contend with State Labor executives who were fearful of losing their power. However, despite some opposition from State executives Scullin urged delegates to convince their respective executive branches to 'pledge' support for the proposals whilst they were in the federal Parliament stating:

He was elected on the platform but the conference could alter it. He did not want to be put in the position of saying that it could be modified. He asked delegates to take the position they, as a Government, would be in if they went forth and were not getting the support of men who counted in the states. It was all very well for them to have the parliamentary Labor Party, but if their State executives were not with them, where would they be? If conference was prepared to say now: "We believe in the solidarity of Labor. Go for a measure of the platform", that would not be breaking the platform. If they said: "Go for the whole platform we stand for" he would be delighted, because he had never believed in anything else.⁸³

⁸¹ Australian Labor Party, Official Report of Proceedings of the 12th Commonwealth Conference. Canberra, 26 May 1930, p.35.

⁸² ibid., p.34.

⁸³ ibid., p.35.

Scullin's appeal to delegates about the need for solidarity to pursue the referenda proposals in line with the platform was not well received by some delegates who raised serious concerns about the impact of referendum proposal number one. One of the most vocal critics of proposal number one was Western Australian delegate Burgess who stated that:

Speaking as a delegate credentialed by the district council of Fremantle ... [he had a] free hand on most agenda items, but on the present question he had most definite and emphatic instructions to oppose it in all its phases ... although they might not be able to block the passage of these measures, he was quite satisfied that there would be intense opposition to any extension of Federal political powers.⁸⁴

Similarly, Curtin expressed his concerns about the breadth of proposal number one stating that:

This question of altering the constitution had behind it a history of defeat, and it had had many complications ... At present the people were the masters of the constitution, but with the passage of No.1 it only meant a change of government of the capitalistic order to show its boomerang effect ... The Constitution should be amended and the people should be consulted in respect thereto and there should be certain rights reserved for all time to the people and no variation of the constitution except by reference to the people.⁸⁵

At the conclusion of debate on the original motion Calwell moved:

The motion be taken seriatim in the order of the three subjects involved, namely: (1) Full powers to the Commonwealth; (2) industrial powers; and, (3) relating to trade and commerce powers.⁸⁶

The Chairman then read the original motion from Drakeford in conjunction with the three proposals: proposals two and three were carried unanimously, however proposal one was only carried by 22 votes to 13.⁸⁷

⁸⁴ *ibid.*, p.38.

⁸⁵ *ibid.*, p.37.

⁸⁶ Mr Mooney seconded the motion, see: *ibid.*, p.48.

⁸⁷ see: *ibid.*, p.48

APPENDIX 20 - COMMONWEALTH CONFERENCE 1930 -
UNEMPLOYMENT COMMITTEE'S REPORT

In Australia preventable unemployment has been aggravated by the restriction of credit due to present banking practice. This has operated to prevent potential employers, ie., manufacturers, agriculturalists, local governing bodies and the like, being able, in the case of the first class, to extend their factories in order to supply the home market which recent tariff policy has secured to them ... Faced today with widespread and increasing unemployment, it is undoubted that the primary duty of Australian Governments, Federal and State, is the provision of adequate food clothing and shelter ... The immediate problem as it presents itself to your committee is twofold in character:

1. Subsistence relief and work and;
2. Scientific treatment towards prevention and elimination.

In regard to either or both of the foregoing, the restoration and freeing of credit is an indispensable condition. The Commonwealth Government by reason of the fact that banking is within its legislative jurisdiction, must release the necessary credit.⁸⁸

⁸⁸ Australian Labor Party, Official Report of Proceedings of the 12th Commonwealth Conference, Canberra, 29 May 1930, pp.66-7.

APPENDIX 21 - COMMONWEALTH CONFERENCE - CONCILIATION AND ARBITRATION

The Committee had perused the proposed Bill and recommended to delegates:

1. That the Conciliation and Arbitration Act should be amended as early as possible; In order to give effect to the policy of the Government as outlined in the Prime Minister's policy speech:
2. The Arbitration Act to be revised to provide for a system of sound, business like arbitration, free from the entangling legalisms of the law court ... to be to ensure equitable, expeditious and less costly methods of dealing with industrial matters.
3. The alterations of the Act should provide forthwith for the judges being confined to purely legal functions, and that the conciliation and arbitral functions of the court be exercised by the industrial commissioners.
4. That the improvements foreshadowed in the proposed Act are approved of as an instalment of arbitration reform in the direction of conciliation, but the Government be requested as soon as possible, ~~or when further powers are obtained~~, to *immediately* bring the Act into line with the desires of the industrial movement;⁸⁹
5. That the decisions of conference on the recommendations contained herein be immediately conveyed to the government.⁹⁰

⁸⁹ The amendments to section 3 were moved by Duggan and Jude. See; Australian Labor Party Official Report of proceedings of the 12th Commonwealth Conference. Canberra, 29 May 1930, p.70.

⁹⁰ The Report Committee comprised of A.S Drakeford; W.J. Riordan; T.M. Jude; J. Hooke; H. Kneebone and P.J. Mooney, Australian Labor Party Official Report of proceedings of the 12th Commonwealth Conference. Canberra, 29 May 1930, p.70.

APPENDIX 22 -- NIEMEYER'S REPORT

On 18 August Federal and State Ministers gathered at a Premier's Conference to hear Niemeyer report his findings:

Australian credit is at a low ebb ... lower than that of any of the other dominions ... Australia is off budget equilibrium, off exchange equilibrium, and faced by considerable unfunded and maturing debts, both internally and externally; in addition to which she has on her hands a very large program of loan works, for which no financial provision has been made. The only minor alleviation of a gloomy picture is that, apart from the £36,000,000 of unfunded debt, Australia, by a great piece of luck, has no external maturities in 1930 and 1931. That means, in effect, that she has a maximum period of two years in which to put her house straight ... It is certain that the rate of increase of output per capita in other countries in recent years is much greater than that of Australia.⁹¹

Niemeyer's findings became the subject of an extraordinary Cabinet meeting on 20 August held at Scullin's residence in Melbourne. Scullin had been unable to attend the Conference due to the fact that he had developed pleurisy and was in a bad state of health, but he oversaw a four hour meeting the *Sydney Morning Herald* described as:

... one of the most vital in the history of the Commonwealth.⁹²

Gibson was also present at the meeting asserting that the Government had to reduce its costs as the limit of Bank credit was diminishing. The following day all State Premiers unanimously passed resolutions together with the Federal Government adopting the Niemeyer-Gibson policy package.

⁹¹ *Sydney Morning Herald*, 22 August 1930.

⁹² *ibid.*

APPENDIX 23 - THE MELBOURNE AGREEMENT

There were five major resolutions:⁹³

1. That the several Governments represented at this conference declare their fixed determination to balance their respective budgets for the financial year 1930-1931, and to maintain a similar balanced budget in future years. This budget equilibrium will be maintained on such a basis as is consistent with the repayment or conversion in Australia of Existing internal maturing debt in the next few years. Further, if during any financial year there are indications of a failure of revenue to meet expenditure, immediate further steps will be taken during the year to ensure that the budgets shall balance.
2. That the Loan Council raise no further loans overseas until after existing overseas short term indebtedness has been completely dealt with. This decision to apply to overseas borrowing by large public authorities, in controlling the operations of which the State Treasurer concerned will act in agreement with his colleagues on the Loan Council.
3. That it is resolved by the several Governments, as regards such public works as it may be possible to finance by loans raised in the internal market, that approval will not be given to the undertaking of any new works which are not reproductive, in the sense of yielding to the treasury concerned within a reasonable period a revenue at least equal to the service of the debt (interest and sinking fund).
4. That in order to secure the regular service of the public debt from revenue, steps will be taken to provide that all interest payments shall be made to a special account in the Commonwealth Bank, to be used solely for the payment of interest.
5. That the Commonwealth and State Treasurers will publish monthly, in Australia and overseas, a brief summary on uniform lines showing their budget revenue and expenditure, the position of their short term debt, and the state of the loan account; such statements to be drawn up after a uniform mode^l to be agreed upon.⁹⁴

⁹³ The Conference also agreed on three minor resolutions covering the establishment of a standing committee with representatives from all states; the question of duplication of services and thirdly a claim by South Australia for further financial assistance.

⁹⁴ *The Age*, Melbourne, 22 August 1930.

APPENDIX 24 – AUSTRALIAN LABOR PARTY FEDERAL EXECUTIVE RECOMMENDATIONS

Faced with conditions unprecedented in the history of Australia and the necessity for the Labor Movement acting in complete unison in protecting the interests of the masses of the people, this Federal Executive of the ALP, acting in accordance with its constitution, declares that ... this attack being the result of long and studied preparation, can only be successfully defeated by the united opposition of Labor.

After a careful analysis of the economic conditions ... this Executive emphatically submits that the economic position can be adjusted by Labor statesmanship adhering to the clearly defined principles of the Labor Movement as expressed in its platform, particularly such planks as those dealing with Banking, Insurance and Arbitration.

We therefore declare as follows: We are convinced that the only solution of the problems confronting Australia lies in giving effect to Labor's Platform and we direct attention particularly to the planks dealing with Banking, Insurance and Arbitration.

As a necessary corrective to the wage reduction propaganda, which is causing increased unemployment, we believe that:

1. There should be immediately instituted a 'Back to Work' campaign
2. Industry should be stimulated by making credits immediately available
3. By the utilisation of the nation's credit the annual interest burden on internal loan commitments should be progressively eliminated by liquidation of such loans as they mature.
4. There should be a reduction of interest on bank credits advanced to industry.
5. In view of our per capita obligations resulting from the war, negotiations between the Governments of Britain and Australia should result in terms being agreed upon more in keeping with conditions applying to the war indebtedness of other British and foreign countries.⁹⁵

⁹⁵ Weller, P., & Lloyd, B., Federal Executive Minutes, 1915-1955 : minutes of the meetings of the Federal Executive of the Australian Labor Party. Melbourne University Press, Australia, 1978, p.147-8; 151-2.

APPENDIX 25 - LABOR'S FINANCIAL STRATEGY FOR COMBATING THE DEPRESSION

1. That the Commonwealth Bank be required to create sufficient credit, as and when required, for the following purposes:
 - (a) Finance the requirements of the Commonwealth Government in connection with all services covered by Parliamentary appropriations.
 - (b) Meet that proportion of the internal loans maturing during the financial year which has not been otherwise provided for.
 - (c) Provide for financing State and Commonwealth loan works programs up to a limit of £20,000,000.
 - (d) Provide financial accommodation through the Commonwealth Bank, trading Bank, State financial institutions and, if necessary, through insurance companies, to be used for productive purposes in primary and secondary industries. The ultimate amount of credit to be issued under this head to be determined by the effect upon the commodity price levels.
2. The Credit under the various heads be made available at an interest rate not exceeding 5% per annum.
3. An effective exchange pool be continued to provide Australian Government with first claim on Australian funds in London. The external exchange rates to be fixed at such rates as will give primary producers the full benefit of the exchange premium on their exports to compensate for the diminished market prices.⁹⁶

⁹⁶ *Caucus Minutes*, 30 October 1930.

APPENDIX 26 - THE PREMIERS' PLAN

1. The reduction of 20 percent of adjustable government expenditure (with the exception that old age pensions were only to be reduced by 12.5%). The total saving under this heading was expected to be £12,000,000.
2. Increases in Commonwealth income and sales tax, and primage duties. These increases were estimated to yield £7,500,000. In addition, increased state income tax was suggested, although this did not form a specific part of the plan. An extra £2,000,000 could, it was thought, be raised under this heading.
3. The reduction of public and private interest rates. The conversion loan, which would involve reduction at the rate of 22.5%, would involve a saving of £5,500,000. Bank interest was to be reduced by voluntary action, mortgage rates by state legislation, and also rents (although these were not referred to specifically in the plan). The reduction in private interest rates was to conform to the 20% standard.⁹⁷

⁹⁷ Report of the Sub-Committee of the Australian Loan Council', *Commonwealth Parliamentary Papers 1929-1931*, Vol.II, 23 May 1931, pp.351-3.

APPENDIX 27 - OFFICIAL FEDERAL PARLIAMENTARY LABOR PARTY PLATFORM 1940

OBJECTIVE

The Socialisation of Industry, Production, Distribution and Exchange.

PRINCIPLES OF ACTION

Socialisation of Industry by -

- (a) The constitutional utilisation of the Federal, State, and Municipal Government Parliamentary and administrative machinery;
- (b) The extension of the scope and powers of the Commonwealth Bank until complete control of banking and credit is in the hands of the nation;
- (c) The organisation and establishment of co-operative activities, in which the workers and other producers shall be trained in the management, responsibility and control of industry;
- (d) The cultivation of Labor ideals and principles, and the development of the spirit of social service;
- (e) The setting up of Labor research and Labor information bureaux, and of Labor educational institutions;
- (f) Progressive enactment of reform, as defined in the Labor platform.

METHODS

1. Cultivation of Australian democratic sentiment, development of an enlightened and self reliant community and maintenance of White Australia.
2. Complete Australian self government as a member of the British Commonwealth of nations, the Commonwealth Parliament alone controlling administration with the vice regal representatives at all times acting on the advice of Commonwealth Ministers, except where such appears inconsistent with Imperial Treaty obligations.
3. Amendment of the Commonwealth Constitution:
 - (a) To invest the Commonwealth Parliament with unlimited legislative powers and authority to create (or re-order) States or Provinces with delegated powers.
 - (b) To invest the High Court with final jurisdiction in all Australian causes.
 - (c) To insure constitutional recognition of adult suffrage.
 - (d) To embody the principle of the Initiative-Referendum and Recall.
 - (e) To abolish the Senate.
 - (f) To vest the Commonwealth Parliament with authority to proceed with the Royal Commission scheme of unification of railway gauges, provided the Commonwealth make the necessary monetary provision.
 - (g) To assure that no Australian citizen can be conscripted for military service.
4. Nationalisation of:
 - (a) Banking, Credit and Insurance (including sick, accident, life and unemployment).

- (b) Monopolies.
 - (c) Shipping
 - (d) Public Health.
 - (e) Wireless transmission, including broadcasting.
 - (f) Sugar refining.
5. New Protection:
 - (a) Effective tariff protection of Australian industries, with measures to prevent profiteering and to assure industrial protection to workers.
 - (b) Import embargoes to assure the home market to Australian industries capable of fully supplying the demand subject to control of prices and of industrial conditions, Australian standard.
 6. Additional tariff preferences to the United Kingdom or other countries, to be conditional upon equitable reciprocal arrangement.
 7. Until such times as constitutional validity of the Policy of New Protection is established, tariff protection shall only be afforded to industries able, after investigation, to satisfy the Government that it should be granted or continued.
 8. Other equitable arrangements as compensation to the states for the very serious disabilities inevitably created by the unequal incidence of the Australian Tariff and embargo in regard to the distribution of costs and benefits.
 9. No imperial Federation, and no further Imperial honors to Australian citizens.
 10. Abolition of State Legislative Councils and State Governors.

PROGRESSIVE REFORMS

1. The Commonwealth Bank to be developed on the following lines:
 - (a) A nation wide Trading Bank handling the ordinary business of the community.
 - (b) A Savings-Bank performing the ordinary functions of such a Bank; and
 - (c) A Credit Financier System for the purpose of providing advances to primary producers and home builders.
2. The following is adopted as a declaration of policy and in amplification thereof.

Purpose

The utilisation of the real wealth of Australia to ensure a maximum standard of living consistent with the productive capacity of the Commonwealth through national control of its credit resources and the establishment of an efficient medium of exchange between production and consumption.

Principles

- (1) The direction and control of credit resources and banking to be vested in the Commonwealth Bank, operating under the powers and responsibilities defined by the Commonwealth Bank.
- (2) The ensuring of essential community purchasing power by the organisation of employment and the expansion of social services to enable Australian primary and secondary industries to operate at their maximum capacity.

- (3) The control of interest rates to reduce the burden upon public and private undertakings.
- (4) The financing by the Commonwealth Bank at the actual cost of issuance and services of public works at not less than award rates to aid national development.

Plan Of Action

- (1) The operations of the Commonwealth Bank to be removed from and made entirely independent of private banking interests and free from sectional influences or constraint.
- (2) The abolition of the Commonwealth Bank Board and the re-establishment of the original method of control as set up- at the time the Commonwealth Bank was founded.
- (3) Expansion of the bank's business as a trading bank, with branches in all suitable centres, in vigorous competition with the private banking establishments.
- (4) A statutory provision that the banking of all public bodies shall be reserved for the Commonwealth Bank.

National Credit

A National Credit Advisory Authority will be set up to collaborate with the Government and the bank to plan the investment of national credit and thus utilise to the fullest extent the real wealth of Australia.

Objects to attain include:

- (a) To finance the building of homes and to adjust mortgages at present existing to present values by amortising private mortgages and replacing them with loans issued under the authority of the Commonwealth Bank.
- (b) To plan future agricultural development with loans issued at nominal rates of interest to promote closer settlement and to effect complete adjustments of existing farm mortgages.
- (c) To plan the extension of Australian secondary industries to secure a maximum of industrial self sufficiency, and to provide for effective transport services for the nation.

Taxation And Finance

- 3. Maintenance of Graduated Tax on Unimproved Land Values of estates over £5000 in value, subject to amendment of existing tax to provide (a) that the graduation of increased tax levy at highest point of value shall apply throughout; (b) that the maximum of the tax be not less than 1/- in the £.
- 4. Income Tax – Incomes from personal exertion of not less than £300 to be exempt from Income Tax. Deduction of the personal income of £100 for a taxpayers' wife and £60 for each child and others wholly dependent on the taxpayer.
- 5. The Federal "Estates Duties Act" to provide for the prevention of evasions of death duties by creation of trust deeds and such like instruments.

6. Sales tax to be repealed as soon as practicable.
7. Naval and military expenditure to be allocated from direct taxation.
8. Restriction of Public Borrowing.

Shorter Working Week

9. The immediate application of a maximum 40 hour working week with progressive reductions to a 30 hour week.

Industrial Regulation

10.
 - (a) Wage scale to be so increased as to provide a standard commensurate with the productivity, such standard to be increased progressively as the standard of productivity increases, and not to interfere with the standard of any state, or in any industry
 - (b) Immediate Commonwealth inquiry into these matters.
 - (c) Enforcement of result of inquiry by Commonwealth legislation, as far as possible under present power.
 - (d) Full extension of these principles when the Commonwealth Constitution has been amended as provided by this platform.
 - (e) Preference to unionists.
 - (f) Department of Industrial Statistics to be instituted under the direction of a Council representing employees and employers.
 - (g) Repeal of Transport Workers' Act.
 - (h) Equal pay for both sexes.
 - (i) Adequate and efficient personnel machinery to be set up for the policing and enforcement of Federal Industrial Acts and Awards in conjunction with the Trade Union Officials.
 - (j) Appointment of Federal Industrial Magistrates for the hearing of wages claims and of information for breaches of awards and industrial laws.
 - (k) Amendment of Commonwealth Conciliation and Arbitration Act in furtherance of the foregoing.
 - (l) Amendment of Workers' Compensation Act to provide compensation for sufferers from industrial disease (such as miners' phthisis), and for securing of adequate benefits for injured or disabled workers, the scheme to be based on the compulsory assurance of all workers
 - (m) That Conference affirms that on the appointment of any Board, Commission, or Trust by Parliament, it shall be the duty of Labor members to press for the adequate representation of the trade union movement, with due regard to the rights of the Union or Unions concerned.
 - (n) Conference endorses the draft convention carried by the International Labour Conference at Geneva, to abolish night work in bakeries.
 - (o) Amendment of the Commonwealth Conciliation and Arbitration Act, to provide for annual holidays with pay, in all industries.
 - (p) Commonwealth Mines and Regulation Act.
 - (q) Establishment of a Board similar to British Board of Trade, to investigate all serious railway and other transport accidents, and to make and enforce regulations governing transport operations in Australia. Provision for

employers' representatives on the Board independent of the administrative staffs.

- (r) That Commonwealth legislation be enacted to provide for a bond to be given by travelling theatrical companies to insure the return of their employees to their home town.
- (s) That in all Contracts made by the Federal Government or any of its departments it shall be mandatory for the contractor to give preference to unionists for employment and pay award rates and comply with award conditions. This shall apply whether the original contractor carries out the work or sublets the whole or part.
- (t) Amend Crimes Act by repealing sections relating to political or industrial offences.
- (u) Amend the Censorship Literature legislation.

Economic

- 11. Australian wide co-operative pools for the marketing and financing of farm products.
- 12. Subsidising of secondary industries on a co-operative basis.
- 13. Development and settlement of Northern Australia.

Social Reform

- 14. Civil Equality of Men and Women.
- 15. Uniform laws of Marriage and Divorce.
- 16. National Insurance, including provision for sick, accident, life and unemployment insurance, to include benefits to the dependents of the persons insured.
- 17. An adequate housing scheme.
- 18. Widows' and Children's Pensions.
- 19. Old Age and Invalid Pensions be increased to not less than £1 per week.
- 20. Motherhood and Childhood Endowment.
- 21. Abolition of Capital Punishment and Flogging.

NAVIGATION

- 22. Navigation laws to provide -
 - (j) For the protection of Australian shipping against unfair competition.
 - (k) Registration of all vessels engaged in the coastal trade.
 - (l) The efficient manning of vessels.
 - (m) The proper supply of life saving and other equipment.
 - (n) The regulation of hours and conditions of work.
 - (o) Proper accommodation for passengers and seamen.
 - (p) Proper loading gear and inspection of same.
 - (q) Compulsory insurance of crews by shipowners against accident or death.
 - (r) That the Plimsoll mark, which was suspended during the war, be restored on all ships as it was before the war.

DEFENCE

23. Adequate home defence against possible foreign aggression.
24. Amendment of Defence Act to secure –
- (a) Deletion of all clauses relating to compulsory training and service;
 - (b) Any sentence imposed by court martial to be subject to review by a civil court;
 - (c) No offence to be created by regulation; no penalty to be imposed by regulation;
 - (d) No employment of or interference by soldiers in industrial disputes;
 - (e) No raising of forces for service outside the Commonwealth or participation or promise of participation in any future overseas war, except by decision of the people.
 - (g) Manufacture of munitions of war

The following is adopted as a declaration of policy and in amplification thereof:

- (a) The Australian Labor Party expresses its greatest abhorrence to war and Fascism and urges that the Commonwealth Government should endeavour to establish and maintain friendly relations with other nations.
- (b) That the complete control of the production of munitions and war materials of all kinds, should be vested entirely in the Commonwealth Government.
- (c) That preparation, to counter any possible foreign aggression, be made by the establishment of a defence scheme commensurate with Australia's ability to maintain it and adequate for our needs, and that this be done by concentration on the following essentials:
 - (i) Aerial defence, and the further development of commercial and civil aviation capable of conversion for defence purposes.
 - (ii) The establishment of airports and depots at strategic points on the coast and inland.
 - (iii) The provision of adequate stores of oil fuel, and concentration upon the production of oil from coal and/or shale; and the production of power alcohol from crops suitable for the purpose.
 - (iv) The intensification of a scientific search for additional oil sources, natural and artificial, throughout the Commonwealth.
 - (v) The provision of bomb and gas proof shelters and the means of evacuating women and children from menaced areas.
 - (vi) The maintenance of naval, aerial and land forces at an efficient standard and in emergency the mobilisation of marine, aerial and land transport facilities.
 - (vii) A national survey of all industries to discover their potential value for defence purposes.
 - (viii) This policy to be financed by the operation of Labor's financial proposals.

REPATRIATION

25. Liberal treatment to be extended to all soldiers disabled as a result of war service and their dependents. Creation of an Appeal Board to finally decide all appeals relating to war pensions.
26. Sympathetic administration of Repatriation in relation to the valuation and terms of conditions of occupancy of farm properties and homes provided for returned soldiers and their dependents.

IMMIGRATION

27. Immigration to be strictly regulated and linked with Land Settlement and the expansion of Secondary Industries.
(Note - An influx of Immigrants in circumstances that would imperil Australian Industrial conditions, by over competition for the work available, would not be approved. The Labor Party's policy is designed to create further employment for the people already here and opportunities for new-comers by the breaking up of large estates and the expansion of primary and secondary industries. To protect Australian workers, Immigration schemes must be carefully controlled and unemployment Insurance provided.)

CONSTITUTION AND ELECTORAL REFORM

28. Commonwealth Electoral Act amendment to remove the existing disqualification of State members as Federal Parliament candidates, and the repeal of any Commonwealth law preventing the removal of the existing disqualification.
29. Public Servants to have full rights of citizenship.
30. The precedent established of appointing an Australian citizen to the position of Governor General shall be followed should Labor be in power when the position again falls vacant.

APPENDIX 28- OFFICIAL FEDERAL PARLIAMENTARY LABOR PARTY PLATFORM 1943

OBJECTIVE

The Socialisation of Industry, Production, Distribution and Exchange.

PRINCIPLES OF ACTION

Socialisation of Industry by -

- (a) The constitutional utilisation of the Federal, State, and Municipal Government Parliamentary and administrative machinery;
- (b) The extension of the scope and powers of the Commonwealth Bank until complete control of banking and credit is in the hands of the nation;
- (c) The organisation and establishment of co-operative activities, in which the workers and other producers shall be trained in the management, responsibility and control of industry;
- (d) The cultivation of Labor ideals and principles, and the development of the spirit of social service;
- (e) The setting up of Labor research and Labor information bureaux, and of Labor educational institutions;
- (f) Progressive enactment of reform, as defined in the Labor platform.

METHODS

1. Cultivation of Australian democratic sentiment, development of an enlightened and self reliant community and maintenance of White Australia.
2. Complete Australian self government as a member of the British Commonwealth of nations, the Commonwealth Parliament alone controlling administration with the vice regal representatives at all times acting on the advice of Commonwealth Ministers, except where such appears inconsistent with Imperial Treaty obligations.
3. Amendment of the Commonwealth Constitution:
 - (a) To invest the Commonwealth Parliament with unlimited legislative powers and authority to create (or re-order) States or Provinces with delegated powers.
 - (b) To invest the High Court with final jurisdiction in all Australian causes.
 - (c) To insure constitutional recognition of adult suffrage.
 - (d) To embody the principle of the Initiative-Referendum and Recall.
 - (e) To abolish the Senate.
 - (f) To vest the Commonwealth Parliament with authority to proceed with the Royal Commission scheme of unification of railway gauges, provided the Commonwealth make the necessary monetary provision.
 - (g) To assure that no Australian citizen can be conscripted for military service.
4. Nationalisation of:
 - (a) Banking, Credit and Insurance (including sick, accident, life and unemployment).

- (b) Monopolies.
 - (c) Shipping
 - (d) Public Health.
 - (e) Wireless transmission, including broadcasting.
 - (f) Sugar refining.
5. New Protection:
 - (a) Effective tariff protection of Australian industries, with measures to prevent profiteering and to assure industrial protection to workers.
 - (b) Import embargoes to assure the home market to Australian industries capable of fully supplying the demand subject to control of prices and of industrial conditions, Australian standard.
 6. Additional tariff preferences to the United Kingdom or other countries, to be conditional upon equitable reciprocal arrangement.
 7. Until such times as constitutional validity of the Policy of New Protection is established, tariff protection shall only be afforded to industries able, after investigation, to satisfy the Government that it should be granted or continued.
 8. Other equitable arrangements as compensation to the states for the very serious disabilities inevitably created by the unequal incidence of the Australian Tariff and embargo in regard to the distribution of costs and benefits.
 9. No imperial Federation, and no further Imperial honors to Australian citizens.
 10. Abolition of State Legislative Councils and State Governors.

PROGRESSIVE REFORMS

1. The Commonwealth Bank to be developed on the following lines:
 - (a) A nation wide Trading Bank handling the ordinary business of the community.
 - (b) A Savings-Bank performing the ordinary functions of such a Bank; and
 - (c) A Credit Financier System for the purpose of providing advances to primary producers and home builders.
2. The following is adopted as a declaration of policy and in amplification thereof.

Purpose

The utilisation of the real wealth of Australia to ensure a maximum standard of living consistent with the productive capacity of the Commonwealth through national control of its credit resources and the establishment of an efficient medium of exchange between production and consumption.

Principles

- (1) The direction and control of credit resources and banking to be vested in the Commonwealth Bank, operating under the powers and responsibilities defined by the Commonwealth Bank.
- (2) The ensuring of essential community purchasing power by the organisation of employment and the expansion of social services to enable Australia's primary and secondary industries to operate at their maximum capacity.

- (3) The control of interest rates to reduce the burden upon public and private undertakings.
- (4) The financing by the Commonwealth Bank at the actual cost of issuance and services of public works at not less than award rates to aid national development.

Plan Of Action

- (1) The operations of the Commonwealth Bank to be removed from and made entirely independent of private banking interests and free from sectional influences or constraint.
- (2) The abolition of the Commonwealth Bank Board and the re-establishment of the original method of control as set up- at the time the Commonwealth Bank was founded.
- (3) Expansion of the bank's business as a trading bank, with branches in all suitable centres, in vigorous competition with the private banking establishments.
- (4) A statutory provision that the banking of all public bodies shall be reserved for the Commonwealth Bank.

National Credit

A National Credit Advisory Authority will be set up to collaborate with the Government and the bank to plan the investment of national credit and thus utilise to the fullest extent the real wealth of Australia.

Objects to attain include:

- (a) To finance the building of homes and to adjust mortgages at present existing to present values by amortising private mortgages and replacing them with loans issued under the authority of the Commonwealth Bank.
- (b) To plan future agricultural development with loans issued at nominal rates of interest to promote closer settlement and to effect complete adjustments of existing farm mortgages.
- (c) To plan the extension of Australian secondary industries to secure a maximum of industrial self sufficiency, and to provide for effective transport services for the nation.

Taxation And Finance

3. Maintenance of Graduated Tax on Unimproved Land Values of estates over £5000 in value, subject to amendment of existing tax to provide (a) that the graduation of increased tax levy at highest point of value shall apply throughout; (b) that the maximum of the tax be not less than 1/- in the £.
4. Income Tax – Incomes from personal exertion of not less than £300 to be exempt from Income Tax. Deduction of the personal income of £100 for a taxpayers' wife and £60 for each child and others wholly dependent on the taxpayer.
5. The Federal "Estates Duties Act" to provide for the prevention of evasions of death duties by creation of trust deeds and such like instruments.
6. Sales tax to be repealed as soon as practicable.

7. Naval and military expenditure to be allocated from direct taxation.
8. Restriction of Public Borrowing.

INDUSTRIAL REGULATION

Shorter Working Week

9. The immediate application of a maximum 40 hour working week with progressive reductions to a 30 hour week.
- 10.(a) Wage scale to be so increased as to provide a standard commensurate with the productivity, such standard to be increased progressively as the standard of productivity increases, and not to interfere with the standard of any state, or in any industry
 - (b) Immediate Commonwealth inquiry into these matters.
 - (c) Enforcement of result of inquiry by Commonwealth legislation, as far as possible under present power.
 - (d) Full extension of these principles when the Commonwealth Constitution has been amended as provided by this platform.
 - (e) Preference to unionists.
 - (f) Department of Industrial Statistics to be instituted under the direction of a Council representing employees and employers.
 - (g) Repeal of Transport Workers' Act.
 - (h) Equal pay for both sexes.
 - (i) Adequate and efficient personnel machinery to be set up for the policing and enforcement of Federal Industrial Acts and Awards in conjunction with the Trade Union Officials.
 - (j) Appointment of Federal Industrial Magistrates for the hearing of wages claims and of information for breaches of awards and industrial laws.
 - (k) Amendment of Commonwealth Conciliation and Arbitration Act in furtherance of the foregoing.
 - (l) Amendment of Workers' Compensation Act to provide compensation for sufferers from industrial disease (such as miners' phthisis), and for securing of adequate benefits for injured or disabled workers, the scheme to be based on the compulsory assurance of all workers
 - (m) That Conference affirms that on the appointment of any Board, Commission, or Trust by Parliament, it shall be the duty of Labor members to press for the adequate representation of the trade union movement, with due regard to the rights of the Union or Unions concerned.
 - (n) Conference endorses the draft convention carried by the International Labour Conference at Geneva, to abolish night work in bakeries.
 - (o) Amendment of the Commonwealth Conciliation and Arbitration Act, to provide for annual holidays with pay, in all industries.
 - (p) Commonwealth Mines and Regulation Act.
 - (q) Establishment of a Board similar to British Board of Trade, to investigate all serious railway and other transport accidents, and to make and enforce regulations governing transport operations in Australia. Provision for employers' representatives on the Board independent of the administrative staffs.

- (r) That Commonwealth legislation be enacted to provide for a bond to be given by travelling theatrical companies to insure the return of their employees to their home town.
- (s) That in all Contracts made by the Federal Government or any of its departments it shall be mandatory for the contractor to give preference to unionists for employment and pay award rates and comply with award conditions. This shall apply whether the original contractor carries out the work or sublets the whole or part.
- (t) Amend Crimes Act by repealing sections relating to political or industrial offences.
- (u) Amend the Censorship Literature legislation.
- (v) That by regulation the basic wage shall consist of the Commonwealth Arbitration Courts needs wage, plus 6/- prosperity loading, plus 6/- war loading – the total to be included in one sum for the purpose of quarterly adjustments, which shall be made in accordance with the Commonwealth Statistician's "C" table index figures, as supplied by the Commonwealth Court of Conciliation and Arbitration.
- (w) That the platform be amended to provide for compulsory unionism, and that the Commonwealth Government be requested to provide for compulsory unionism by regulation.
- (x) Repealing all regulations affecting the pegging of wages.
- (y) That the Federal Government be urged to again include the Commonwealth Conciliation and Arbitration Acts provisions covering employees in the agricultural, horticultural, viticultural and dairying industries.
- (z) Conference recommends that the existing system of directorships over manpower be reviewed, to ascertain those positions where such directorships can be replaced by directorates including representatives of the trade union movement.⁹⁸

Economic

- 11. Australian wide co-operative pools for the marketing and financing of farm products.
- 12. Subsidising of secondary industries on a co-operative basis.
- 13. Development and settlement of Northern Australia.

Social Reform

- 14. Civil Equality of Men and Women.
- 15. Uniform laws of Marriage and Divorce.
- 16. National Insurance, including provision for sick, accident, life and unemployment insurance, to include benefits to the dependents of the persons insured.
- 17. An adequate housing scheme.
- 18. Widows' and Children's Pensions.
- 19. Old Age and Invalid Pensions be increased to not less than £1/7/- per week.⁹⁹
- 20. Motherhood and Childhood Endowment.

⁹⁸ Planks 10. (v-z) adopted at the 1943 Conference.

⁹⁹ Increase in pension rate adopted at 1943 Conference.

21. Abolition of Capital Punishment and Flogging.

NAVIGATION

22. Navigation laws to provide -

- (a) For the protection of Australian shipping against unfair competition.
- (b) Registration of all vessels engaged in the coastal trade.
- (c) The efficient manning of vessels.
- (d) The proper supply of life saving and other equipment.
- (e) The regulation of hours and conditions of work.
- (f) Proper accommodation for passengers and seamen.
- (g) Proper loading gear and inspection of same.
- (h) Compulsory insurance of crews by shipowners against accident or death.
- (i) That the Plimsoll mark, which was suspended during the war, be restored on all ships as it was before the war.

ADEQUATE SHIPPING FACILITIES

22a. *Having regard to the serious shortage of shipping, and the necessity for the provision and maintenance of adequate shipping facilities from and to Tasmania, this Federal conference of the Australian Labor Party urges the Commonwealth Government to:*

1. *Expedite the construction of ships wherever possible of either wood, steel, or composite materials.¹⁰⁰*

DEFENCE

RESOLUTION ADOPTED BY SPECIAL ALP FEDERAL CONFERENCE, JANUARY, 1943

"That, having regard to the paramount necessity of Australia's defence, as set out in Section 5 of the Special resolution, adopted in June 1940, by Federal Conference, the Government be authorised to add to the Defence Act, in the definition of the Commonwealth which at present defines the territories to which this Act extends, the following words:

and such other territories in the South-West Pacific area as the Governor-General proclaims as being territories associated with the defence of Australia.¹

23. Adequate home defence against possible foreign aggression.

24. Amendment of Defence Act to secure -

- (a) Deletion of all clauses relating to compulsory training and service;
- (b) Any sentence imposed by court martial to be subject to review by a civil court;
- (c) No offence to be created by regulation; no penalty to be imposed by regulation;

¹⁰⁰ Provisions relating to Adequate Shipping Facilities were adopted at the 1943 Conference.

- (d) No employment of or interference by soldiers in industrial disputes;
- (e) No raising of forces for service outside the Commonwealth or participation or promise of participation in any future overseas war, except by decision of the people.
- (g) Manufacture of munitions of war

The following is adopted as a declaration of policy and in amplification thereof:

- (a) The Australian Labor Party expresses its greatest abhorrence to war and Fascism and urges that the Commonwealth Government should endeavour to establish and maintain friendly relations with other nations.
- (b) That the complete control of the production of munitions and war materials of all kinds, should be vested entirely in the Commonwealth Government.
- (c) That preparation, to counter any possible foreign aggression, be made by the establishment of a defence scheme commensurate with Australia's ability to maintain it and adequate for our needs, and that this be done by concentration on the following essentials:
 - (i) Aerial defence, and the further development of commercial and civil aviation capable of conversion for defence purposes.
 - (ii) The establishment of airports and depots at strategic points on the coast and inland.
 - (iii) The provision of adequate stores of oil fuel, and concentration upon the production of oil from coal and/or shale; and the production of power alcohol from crops suitable for the purpose.
 - (iv) The intensification of a scientific search for additional oil sources, natural and artificial, throughout the Commonwealth.
 - (v) The provision of bomb and gas proof shelters and the means of evacuating women and children from menaced areas.
 - (vi) The maintenance of naval, aerial and land forces at an efficient standard and in emergency the mobilisation of marine, aerial and land transport facilities.
 - (vii) A national survey of all industries to discover their potential value for defence purposes.
 - (viii) This policy to be financed by the operation of Labor's financial proposals.

REPATRIATION

- 25. Liberal treatment to be extended to all soldiers disabled as a result of war service and their dependents. Creation of an Appeal Board to finally decide all appeals relating to war pensions.
- 26. Sympathetic administration of Repatriation in relation to the valuation and terms of conditions of occupancy of farm properties and homes provided for returned soldiers and their dependents.

IMMIGRATION

27. Immigration to be strictly regulated and linked with Land Settlement and the expansion of Secondary Industries.
(Note – An influx of Immigrants in circumstances that would imperil Australian Industrial conditions, by over competition for the work available, would not be approved. The Labor Party's policy is designed to create further employment for the people already here and opportunities for new-comers by the breaking up of large estates and the expansion of primary and secondary industries. To protect Australian workers, Immigration schemes must be carefully controlled and unemployment Insurance provided.)

ELECTORAL AND CONSTITUTION REFORM

28. Commonwealth Electoral Act amendment to remove the existing disqualification of State members as Federal Parliament candidates, and the repeal of any Commonwealth law preventing the removal of the existing disqualification.
29. Public Servants to have full rights of citizenship.
30. The precedent established of appointing an Australian citizen to the position of Governor General shall be followed should Labor be in power when the position again falls vacant.
31. That every person on reaching the age of 18 years be given the adult franchise

APPENDIX 29 – ELECTION OF CHIFLEY

When Caucus assembled to vote on the leadership a number of members were absent, the most notable being Evatt who was on board a ship in the middle of the Pacific returning to Australia.¹⁰¹ Caucus members had noted the absentees and Williams moved:

That the election of Leader be postponed until the return of Dr. Evatt, Mr Pollard and Senator Nash.¹⁰²

Williams' motion failed for want of a seconder, however James moved:

That owing to the absence of so many members of the party from the meeting:

1. That the present Prime Minister, Mr Forde, and the Cabinet carry on for a period of five weeks as from today.
2. At this meeting we then proceed only to elect a Leader and fill the vacant Cabinet position.
3. In the meantime, we request Cabinet to give consideration to recommending to Caucus the appointment of Assistants to those Ministers who are overworked, on similar lines to those adopted by the New Zealand Labor Government.
4. This question to be decided by secret ballot.¹⁰³

James' motion was defeated and then Marten's moved as an amendment:

1. That the eighteen members of the Cabinet be re-appointed.
2. That we proceed to elect the Leader and then to elect a Minister to fill the Cabinet vacancy caused by the death of Mr Curtin.
3. That this matter be decided by ballot.¹⁰⁴

James' motion was ruled out of order by the Chair. In the ensuing vote Chifley received forty-four votes, Forde sixteen, Makin eight and Evatt one. According to the Caucus minutes Chifley then thanked his colleagues 'for the honour they had confirmed on him'¹⁰⁵ and stated that he:

... would give of his best at all times and asked members for their co-operation in all matters, as success could only be assured if this were done.¹⁰⁶

Chifley's victory was decisive, however according to Crisp, Chifley's time as acting Prime Minister whilst Forde was in America played a pivotal role in his victory:

For Chifley's career the two months of May and June 1945, proved crucial. Forde's performances during his two periods as Acting Prime Minister in the previous twelve months had been conscientious but unimpressive. An able, likeable politician, he had

¹⁰¹ Evatt had taken a holiday after attending the United Nations opening with Forde, unfortunately for Evatt, he was in a ship in the Pacific and the war with Japan was still being waged, the ship was bound by radio silence and a message of proceedings in Australia had to be dropped to him.

¹⁰² *Caucus Minutes*, 12 July 1945.

¹⁰³ *ibid.*

¹⁰⁴ *ibid.*

¹⁰⁵ *ibid.*

¹⁰⁶ *ibid.*

neither the intellectual power and range nor the ready command of the many branches of Government business compared with Curtin and Chifley.¹⁰⁷

Forde's defeat was a bitter personal blow, as he had been the Deputy Labor leader since 1935. Haylen, in his book 'Twenty Years Hard Labor' recalled the conversation he had had with Forde on the morning before the vote:

He asked me about his chances. I told him frankly what the position was. It was brutal but it was the kindest thing to do. I saw a different Frank Forde. His face went deathly white, the veins on his neck stood out in an effort to suppress his emotions. No man gives up the Prime Ministership easily. After a while he said, "I must say a little prayer for Ben. It's not an easy job".¹⁰⁸

¹⁰⁷ Crisp, 1961, *op cit*, p.219.

¹⁰⁸ Haylen, *op cit*, p.67.