

Socialism at Work?

Queensland Labor in Office
1915-1957

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Contents

Abstract	vii
Acknowledgements	ix
List of Tables	x
List of Illustrations	xi
List of Abbreviations	xii
Note on Style	xiii

<u>Introduction</u>	1
The 'state centred' approach.....	3
Relations between Labor in office and the Labor movement.....	4
Labor electoralism: forging social consensus	8
Labor reform delivery: economic intervention and social policy.....	11
Queensland labour politics and Labor in office	13

Chapter 1

Solidarity Forever: Industrial Relations 1915-1957	16
Labor and political Labor	16
The state, industrial relations and the labour movement	18
Background to 1915:	
1 - labour defeats.....	24
2 - PLP vs the unions.....	29
Labor's platform: arbitration and industrial quasi-corporatism.....	34

Quasi-corporatism, the unions and industrial relations	39
The first decade 1915-1925: exclusion of the militants	
1 - The shape of radicalism.....	46
2 - Labor and the unions.....	51
The AWU and the Labor leadership	65
The 1927 South Johnstone strike:	
discipline with violence.....	68
Industrial relations 1928-1933	76
The restoration: industrial relations 1932-1945	78
The beginning of the postwar boom and	
the re-assertion of discipline.....	81
Industrial relations and the Labor split 1950-1957	90
Conclusion: labour and Labor in office	102

Chapter 2

'Socialism at Work': Queensland State Enterprises

1915-1930.....	104
State enterprises in Queensland history	104
State enterprises and Labor ideology	105
Establishment of the enterprises:	
legislative and administrative methods.....	112
A major profitable enterprise:	
the State Butchery.....	116
Scandal, loss and waste: the State Smelters	121
A sound commercial venture? The State Stations	134
Postscript: sale of the lesser enterprises	142
State enterprises:	
keeping the market safe for capitalism?.....	143

Chapter 3

Cocky Want a Block of Land: Agrarian Socialism and Land Settlement 1915-1939.....	149
Rural socialism and its place in Queensland	149
The origins of the small farmer-ALP alliance	150
Growth of Queensland smallholding	153
The alliance and ALP electoral ascendancy	155
Enactment of alliance policy	158
Socialism and alliance policy	160
The alliance and legitimacy	162
The alliance as populism	166
Growth of rural corporatism 1915-1930	167
Non-Labor parties and the development of Labor agricultural policy.....	171
Rural corporatism - the Theodore initiatives	173
Adjustments to the Queensland system 1925-1929: after Theodore.....	184
Recruiting farmers for the alliance: land settlement schemes.....	186
Soldier settlement	188
Pastoral rents and the closer settlement schemes of the 1920s.....	190
The Moore Government and agriculture	200
The restoration of Labor: agricultural policy under Forgan Smith.....	202
Conclusion: the electoral alliance and economic development.....	208

Chapter 4

Citadel of the People:

State Health Care 1915-1957.....	211
Health services in 1915	212
Stasis: 1915-1922	220
State intervention mark 1: 1923-1930	224
The administrative model:	
The Brisbane and South Coast	
Hospitals Board.....	228
The Moore Government, the BMA and the	
1930 Royal Commission on Hospitals.....	232
Imposition of central control 1932-1939	237
Move toward free hospitals 1939-1944	248
The V.D. scare: state coercion and public morals	250
Free hospitals: 1944-1952	252
Queensland public hospitals: policy outcomes	256

Chapter 5

Instructing the Public:

State Education in Queensland	
1915-1957.....	260
Education in Queensland history	260
Before 1915: free, compulsory, cheap	264
The 1875 Act	268
Labor education policy to 1915	274
Theory of education: competing claims	
on Labor.....	279
Education for the workers:	
the WEA.....	284

Secondary education 1915-1957	290
Labor and the University of Queensland	300
Conclusion	308

Appendix 1

Queensland Governments 1899-1963	312
---	------------

Appendix 2

Queensland Elections 1915-1957	321
---	------------

Appendix 3

Selected Statistical Tables	329
--	------------

Bibliography

Archival Materials	333
Articles	333
Australian Bureau of Statistics Publications	342
Australian Labor Party Documents	343
Books	343
Legislation	353
Manuscripts	355
Newspapers	255
Pamphlets and Monographs	356
Papers	358
Queensland Official Documents	359
Theses	359

Abstract

This thesis attempts to account for the disinclination of Queensland Labor over forty years in office to implement policies in tune with stated Party ideology. Significant events in selected prominent policy areas are examined to show how the Party in government arrived at its policy choices.

The first section of the thesis looks at industrial relations under Labor. This is a key area for a party organisationally based around the union movement. Queensland's largest union - the AWU - eschewed militancy and solidarity with other unions' strike action, preferring to pursue claims through influence in the Party. Public sector unions provided the main opposition to the ruling forces in the Party and engaged in direct confrontation with Labor governments. The governments responded to militant industrial action by deploying draconian emergency powers, and the success of these measures served to exclude militants from the Party. The dominant coalition within the Party was able to secure longterm control of the Party organisation. So long as the coalition focussing on rural interests held together, internal dissention was minimal.

The remaining sections of the thesis discuss the role of the State in its accumulation and legitimation functions in an effort to discover the sources of community consensus around the Labor leaders and to define the forces operating on the Party in government. Various claims made by Party mythology and by historians are analysed in the areas of State enterprises and health policy, showing that the results in these two areas owed less to Party ideology than to administrative convenience. The Party throughout its period in government needed the electoral support of the Queensland smallholding farming population, and this led to profound interventions in the formation of farmer-controlled marketing authorities and the institution of an alternative political structure for responding to farmers' needs. Opposition to Labor surfaced from time to time in the professions and the educational institutions, and the

suppression of these pockets of opposition had a significant bearing on the development of Labor's public health system and on education policy.

Labor in Queensland has at times been portrayed by the Party and by historians as a success story for social democracy because of Labor administrations' record in expanded public sector activity and free health care. The thesis examines the bases of Labor's at times remarkable electoral success and of the eventual disaster which befell Labor in 1957 and argues that the coalition of forces behind the leadership was unstable and that in the end refusal to act upon Party ideology led to a split between the leadership and the organisation. Practical light is thrown on the role of the state under social democratic administration during the State of Queensland's transit around the economic periphery from a largely pastoral economy to one based on mining, tourism and light manufacturing.

This thesis contains no material which has been accepted for the award of any other degree or diploma in any University.

To the best of my knowledge and belief, the thesis contains no material previously published or written by another person, except where due reference is made in the text of this thesis.

I consent to the thesis being made available for photocopying and loan if applicable if accepted for the award of this degree.

Harold James Thornton

23 June 1986

I wish to acknowledge the assistance provided in the course of research for this thesis by the staff of the John Oxley Library, Brisbane, the staff of the Fryer Memorial Library, University of Queensland, the staff of the Queensland State Archives, and the staff of the Barr Smith Library, University of Adelaide. I thank my supervisor, Professor B.J. McFarlane, for the assistance provided throughout the project, and also Dr J. Playford for the assistance provided in Professor McFarlane's absence in 1983. Sir Gordon Chalk, Professor Doug Gordon, Ross Patrick, Ted Bacon and Mick Healy, all of whom were at the centre of many of the events outlined in this thesis, gave generously of their time in answering my questions. Finally, I thank my fellow students at the University of Adelaide for the critical analysis my ideas were subjected to throughout the development of the thesis, the Department of Housing and Construction for allowing me the time away to complete the work, and my fellow workers for supporting me in the final stages.

Tables

1.1	Labour and Labor in Office - factors in tension.....	20
1.2	Adult Male Weekly Wage.....	77
1.3	Union Membership, 1939.....	78
2.1	Establishment of State Enterprises.....	108
2.2	State Enterprises, Accumulated Profit/loss.....	120
2.3	State Stations, Purchase and Sale.....	139
2.4	State Stations - Apportionment of Losses.....	141
3.1	Persons in Agriculture: Queensland 1933.....	157
3.2	Structure under <i>Primary Producers' Organisation</i> <i>Act, 1923</i>	177
3.3	Establishment of Rural Marketing Boards.....	179
3.4	Queensland Exports.....	194
3.5	Queensland Sugar Production.....	207
4.1	Hospital Funding.....	246
4.2	Hospital Expenditure by Source.....	255
5.1	Per Capita Education Expenditure.....	262
5.2	Queensland and Australian Education Expenditure.....	264
5.3	Attendance at State High Schools.....	295
5.4	Scholarships.....	298
5.5	Per capita Secondary Education expenditure.....	299
5.6	Matriculants to University of Queensland.....	306
5.7	Nominal per capita Education expenditure, Queensland and other States.....	311
 A2.1 - A2.16		
	Queensland elections 1915 - 1957.....	321
A3.1	Queensland Population.....	329
A3.2	Queensland Population/Australian Population.....	330

A3.3	Adult Male Weekly Wage.....	330
A3.4	Wages by Index Number.....	331
A3.5	State Expenditure per capita.....	331
A3.6	Queensland Wage/Australian Wage.....	332
A3.7	Employment in large Queensland factories.....	332

Illustrations

	Following Page
1912 Brisbane Tramway and General Strike, Special Constables preparing for action	33
Anti-syndicalist cartoon, <i>Worker</i> , 27 January 1921	48
1948 Railway Strike, Police besieging Trades Hall	86
Babinda State Hotel	113
State Cannery, Bulimba	113
State Butchery and Fish Supply, South Brisbane	117
State Smelters, Chillagoe	127
Brisbane General Hospital	214
Cartoon, <i>Worker</i> , 29 May, 1930	232
School polo Team, 1915	291
Fitness class, Teachers Training College, 1937	291

Abbreviations

[Most abbreviations are explained in the text when first used. The following are employed in references or are more commonly used]

ABC.....	Australian Broadcasting Corporation
ALF.....	Australian Labour Federation
ACTU.....	Australian Council of Trade Unions
ALP.....	Australian Labor Party
ANZAC.....	Australia and New Zealand Army Corps
ARU.....	Australian Railways Union
AWU.....	Australian Workers Union
BGH.....	Brisbane General Hospital
BIC.....	Brisbane Industrial Council
CPE... ..	Central Political Executive (of the Queensland ALP)
IWW.....	Industrial Workers of the World
MLA.....	Member of the Legislative Assembly
NSW.....	New South Wales
OBU.....	One Big Union
PPA.....	People's Parliamentary Association
OUP.....	Oxford University Press
<i>QAJ</i>	<i>Queensland Agricultural Journal</i>
QCE.....	Queensland Central Executive (of the ALP)
<i>QGG</i>	<i>Queensland Government Gazette</i>
<i>QGMJ</i>	<i>Queensland Government Mining Journal</i>
<i>QPD</i>	<i>Queensland Parliamentary Debates</i>
<i>QPP</i>	<i>Queensland Parliamentary Papers</i>
QSA.....	Queensland State Archives

QUP.....Queensland University Press
SA.....South Australia
SUP..... Sydney University Press
TLC.....Trades and Labor Council
WA.....Western Australia
WEA.....Workers Educational Association
WPO.....Workers Political Organisation

Note on Style

I have employed the referencing system set out in Modern Language Association, *MLA Handbook for Writers of Research Papers, Theses and Dissertations* (New York: Modern Language Association, 1977) throughout the thesis. For modes of address and where the foregoing lays down no clear guidelines, I have used *Style Manual For Authors, Editors and Printers of Australian Government Publications*, 3rd Edition (Canberra: Australian Government Publishing Service, 1978). Spellings are as preferred by the *Macquarie Dictionary*.

Introduction

This thesis analyses the performance of Labor in office over the forty years of almost continuous rule from 1915. As distinct from the image of radicalism projected in the early years, the leadership of the Party during most of its period in office rejected militancy in favour of unexceptional short-range policy objectives. This study attempts to account for the disinclination of Queensland Labor over this long period to implement policies in tune with stated Party ideology.

The thesis is structured in three broad sections, divided into five chapters. The three sections follow respectively the politics of the labour movement under Labor governments, the economic interventions of Labor in office, and the performance of Labor administrations in social policy. This framework has been adopted as generating effective analysis of Queensland Labor performance through scrutiny of the accumulation and legitimation functions of the state¹ as conveniently defined through administrative portfolio responsibilities.

The five Chapters are structured as follows:

Chapter 1 discusses relations between the labour movement and the Labor Party during the period under review. Particular attention is paid to the activities of militant opposition groupings within the labour movement, to the circumstances attending the Party split in 1957, and to confrontations between the union movement and State Labor administrations.

¹"The capitalistic state must try to fulfil two basic and often mutually contradictory functions - *accumulation* and *legitimation*. This means that the state must try to maintain or create the conditions in which profitable capital accumulation is possible. However, the state also must try to maintain or create the conditions for social harmony. A capitalist state that openly uses its coercive forces to help one class accumulate capital at the expense of other classes loses its legitimacy and hence undermines the basis of its loyalty and support. But a state that ignores the necessity of assisting the process of capital accumulation risks drying up the source of its own power, the economy's surplus production capacity and the taxes drawn from this surplus (and other forms of capital)." James O'Connor, *The Fiscal Crisis of the State* (New York: St Martin's Press, 1973), p.6. See also James O'Connor, *Accumulation Crisis* (New York: Basil Blackwell, 1984), pp. 191-227.

Chapter 2 looks at the establishment of State trading enterprises under Labor in its first period in office 1915-1929. The various rationales proposed within the Party for this exercise are discussed, and the reasons for their commercial success or failure are analysed in order to assess their significance in the subsequent development of Party objectives.

Chapter 3 examines the role played in Labor strategy by rural policy. The various economic interventions undertaken by Labor in the area are analysed and an assessment is made of the effects these had on the Party's electoral stocks. Some discussion focusses on the development of Party ideology stemming from prioritisation of rural issues in the Party program.

Chapter 4 concerns Labor reforms in the field of public health care delivery, an area which is claimed as a signal success for Labor administration. The establishment of the free hospital system, although it became central to the Party leadership's legitimation of their activities within the labour movement, is shown to have grown out of administrative expedience rather than reforming zeal.

Chapter 5 examines Labor administrations' record on education in Queensland. Education, while central to the Party's reform ideology in the early years in office, was subsequently relegated to a low priority. The resurgence of interest in education among sections of the labour movement occurring through various worker education channels is examined, showing that the exclusionist strategy of the Party required it to foreclose such activities.

The 'state centred' approach

The methodology employed in this thesis is anchored in political economy and on the role of the state within the distinctive economic structure of Queensland during the period under review. The focus is on the ways in which Labor in office used the state apparatus at its disposal in developing and administering policies in the policy areas outlined above. Looked at in broad terms, public policy outcomes in these areas are displayed as arising out of a continuing set of interactive relationships of authority, power, and influence among (a) the Queensland labour movement²; (b) the Labor leadership, both organisational and parliamentary; (c) the Queensland public service personnel; (d) the Queensland electorate, or its perceived demands; (e) the non-Labor parties and their threatened return to office; (f) the various fractions of capital and business and professional groups supporting the non-Labor parties.

The analysis offered here cuts against a straightforward pluralist account which would interpret the state under Labor as simply acting as mediator or conduit for negotiating, where necessary, a resolution of the conflicts between the above groups and interests by accommodating the pressures exerted by them, the outcomes emerging as officially endorsed public policies. Rather, the thesis stresses what has been termed a 'state centred' approach to the analysis of the state.³ This approach centres on the extent to which governments and public officials in charge of the state apparatus under liberal democracy have available to them a range of strategies through which, given acumen and strength of purpose, they are able to carry through in the face of opposition from what are generally the most powerful interests in society. The success of the Swedish Social Democratic Party in modifying the contours of capitalism in that country might be taken as an example of this relative autonomy in operation.

²Defined as including the unions, Labor Party membership, and the memberships of other political organisations which formed part of the union movement.

³For a brief account of 'state centred' theory see Brian Galligan, "The Political Economy of the States", in *Australian State Politics*, ed. Brian Galligan (Melbourne: Longman Cheshire, 1986), pp. 244-265.

Relations between Labor in office and the
labour movement

In 1899 Queensland, albeit briefly, had the first Labor Government in the world. A workers' political party, created by the organised labour movement to advance the interests of workers through capturing the organs of legitimate political power, had for the first time achieved its goal. While the Labor Party in Queensland was not to hold a Parliamentary majority in its own right for a further sixteen years, Queensland Labor had made its mark on international labour history. Its return to office in 1915 was accompanied by heightened expectations of radical reform across the social and economic agenda.

The relationship between the industrial base of the labour movement and the political leadership of the Labor Party in office administering a capitalist state was fraught with difficulties. The Labor Party's organisational base, the labour movement, was dedicated to taking the workers' side in confrontations with capital while the Party in office had frequently to support the side of capital. The Party was based on the strategy and practice of **electoralism**, the notion that the numerical superiority of the working class over other social and political classes gave the labour movement, properly organised, an unassailable advantage over other contenders in the political competition of liberal democracy. The state in this widely accepted view could be manipulated by the electorally triumphant Labor Party in the interests of labour. The winning of elections was of course central to this schema, and so policy outcomes which promoted stability of Labor's tenure in office were preferred over those which, although strongly held by sections of the movement, were electorally dangerous or divisive. This was not necessarily a case of Labor leaders selling out their former comrades, although militants in the movement often responded to Labor policy machinations with accusations of class treason.

The relationship between movement and Party was multi-dimensional in that the performance of the Party in office had a direct bearing on the behaviour of union leaders and while the Party leaders depended on the support of a majority of unions for electorate organisation and

endorsement of preferred platform planks. Internal labour movement oppositions to the Party leadership and its behaviour in office sought from time to time to counterpoise electoralism with various direct action strategies: actual industrial disruption was resisted by the Party leadership with all the state coercive powers available. The militants were unable to capture majority support in the union movement, where their activities were viewed as divisive. This assessment was confirmed by the success of the militants in driving Labor from office at the 1929 election (Chapter 1). The perception that the militants' activities served only to advance the electoral interests of the anti-Labor parties helped reinforce the sentimental attachment held by the labour movement for Labor Party electoralism and to legitimate such actions of the Party leadership as, for example, closing down the Workers' Educational Association (Chapter 5) which in other circumstances would have been viewed as attacks on the interests of workers..

Meanwhile, the industrial labour movement found itself still bound by the same structurally determined instrumental role which had impelled it to establish the Labor Party in the first place. While the movement was able to exercise considerable suasion over the Party in office, unions soon found that Labor governments were unwilling to exercise the authority of the state in restructuring capitalism, or indeed in gaining basic industrial objectives. The organisational and emotional links between the Party and organised labour at the same time served to confuse the loyalties of labour leaders at times of crisis and so split the solidarity the movement needed if it was effectively to win concessions from capital.

Yet the Labor administrations in the first years after 1915 were justly renowned within the labour movement for rapid interventionist reforms in the spheres of industrial relations law and in the establishment of State enterprises. Incidents such as those in the 1917 conscription referendum campaign, when the Queensland Labor leadership appeared to stand alone on the national political stage for radical Laborism and against the militant conservatism of the renegades led by Prime Minister Hughes, reinforced the *bona fides* of Queensland Labor as a genuinely reformist and productive organ of the labour movement. The anti-Labor political and economic forces' frenzied

opposition, often careless of convention, served to bolster the received image among the Party faithful of the Labor Party in Queensland as the fearless reformer and fighter for Labor principle.

Various partial explanations have been offered for the phenomenon of Queensland Labor's disinclination to effect fundamental reforms, none of which, it is contended, satisfactorily addresses both the internal dynamics of the Labor Party and the range of external factors acting upon it in office.⁴ Much of the more recent historical writing has proceeded from a 'political culture' standpoint.⁵ Such analyses posit the existence of cultural traits in Queensland which predispose the electorate to accept ideological statements based on, for example, anti-intellectualism, authoritarianism, or regional xenophobia. In this view the Queensland administration responsible for imprisoning strike leaders in the 1890's was little different from the Labor Government which connived in the bashing of militant unionists in 1948 and from the Bjelke-Petersen Government of the 1970's and 1980's.

The prolonged dominance of non-militant forces within the Party and the labour movement of Queensland has provided evidence for political culture analysis.⁶ To be sure, such sentiments pepper the recorded remarks of Queensland Labor leaders, and examples will be found in this thesis. The material conditions operating on the Queensland labour movement and on Labor in office provide a more convincing set of data than that drawn upon by political culture analysis as a basis for the history outlined in this thesis, however. The mediation of conflicting political demands

⁴Although see V.G. Childe, *How Labour Governs: A Study of Workers' Representation in Australia* (Melbourne: MUP, 1964).

⁵'Political culture' analyses attempt to characterise political processes in terms of the cultural environment in which they operate. Such analyses attempt to determine generalised attitudes to and expectations of political systems in order to derive empirical definition of the supposed political culture. Political culture analyses are compatible with pluralist theory in that they assign no particular weight to variables such as class and economic factors which are held to be pre-eminent under competing analyses. They claim a value-neutrality while suggesting that existing political systems succeed in resolving conflicting political demands. See, for example, Robert C. Tucker, "Culture, Political Culture and Communist Society", in *Political Science Quarterly*, Vol. 88, N^o 2 (1973), pp. 173-190; Patricia Smith, "Queensland's Political Culture", in *The Bjelke-Petersen Premiership 1968-1983: Issues in Public Policy*, ed. Allan Patience (Melbourne: Longman Cheshire, 1985), pp. 17-32; D.A. Kemp, *Society and Electoral Behaviour in Australia: A Study of Three Decades* (Brisbane: UQP, 1978), especially pp. 1-44; for a criticism of Smith's approach see Brian Head, "The Queensland Difference", in *Politics*, Vol.21, N^o 1(May 1986), pp. 118-122.

⁶For example, Margaret Cribb, "Queensland Politics", in *Current Affairs Bulletin*, vol. 58, N^o 5 (October 1981), pp. 22-32; Peter Charlton, *State of Mind: Why Queensland is Different* (Sydney: Methuen Haynes, 1983).

and the legitimization of policy outcomes by Labor in office, which are discussed in detail, served to create and reinforce the 'political culture' of the State rather than the reverse.

The structure of the Queensland labour movement mirrored the disposition of the Queensland economy. The concentration of strength within the Queensland labour movement represented by the mass union of low-skilled bush workers reflected the numerical dominance of such workers in the Queensland labour force. It was historically fortuitous, however, that the bush workers almost alone among the Queensland working class were represented by a union (the Australian Workers Union) which transcended industrial and work classification boundaries, a position which maximised the tactical advantage of bush workers in the forums of the labour movement. The leading militant role played by the railway unions is similarly dependent on the Queensland Railways' status as the State's largest single employer, public or private. The defeats of militant unions in several major confrontations with Labor governments in Queensland reflect their failure to overcome the craft basis of labour organisation (other than the industry-based bush workers' organisation) as much as the tactical skills and ruthlessness of their antagonists.

The role of the state in facilitating the accumulation process was in Queensland skewed towards providing an infrastructure for expanded petty bourgeois production, rather than for manufacturing industrialisation as in New South Wales, Victoria and South Australia. Consequently, the technical and professional skills of the Queensland workforce lagged behind the other States as the Queensland education system (Chapter 5), set as it was within a predominantly rural economy, failed to match the expansion seen in other States after the Depression. Queensland's industry assistance and economic planning agencies directed their energies under Labor to the expansion of the agrarian economy and the enhancement of social infrastructure in provincial areas. Urban development, so much a part of the economic development of these three other States, was thus afforded a low priority in Queensland under Labor.

The ability of a Labor Party to articulate labour's demands for state intervention which challenges capital's expropriation of the economic surplus is severely constrained within the

confines of the state's accumulation function. Yet in order to maintain its position as the legitimate political representative of labour, the Party must deliver some reform measures which can at least be paraded as constituting material gains for labour. In this respect Queensland Labor's period in office exhibits important similarities to the problematic position faced by all social democratic parties in office. The unique structure of the Queensland economy and its attendant labour movement, and the political structure of Australian federalism,⁷ provided the parameters within which Labor had to operate in the delivery of any reform outcomes in its forty years' administration of the Queensland state. Labor electoralism could not survive without the acceptance by the labour movement that the reforms it delivered constituted a legitimate articulation of labour demands and thus that the Party deserved active support.

Labor electoralism: forging social consensus

As with other social democratic parties, the Labor Party in Queensland underwrote its electoral success through strategies devised to construct social consensus.⁸ The development and success of these strategies in Queensland were closely allied with internal Party conflicts over ideology and platform. In Queensland, distinctively, Labor electoralism and consensus strategy was based on co-option of the rural electorate and exclusion of labour movement militants. The tactics used to ensure continued dominance of the Party forums by the parliamentary leadership and its supporters involved the periodic exclusion of and denial of legitimacy to internal opposition elements. The dissociation of the Party from the uncomfortable positions taken by labour movement militants facilitated the longterm capture by Labor of the electoral allegiance of many Queensland petty bourgeois.

Pursuit of conflict-avoidance by a party of the organised working class remains fraught with contradiction. The suppression and exclusion of militants led to some notable dialectical

⁷Note that States retained the power to tax income for most of Labor's period in office in Queensland.

⁸See Alan Warde, *Consensus and Beyond: The development of Labour Party strategy since the second world war* (Manchester: Manchester University Press, 1982), pp. 2-8.

collisions between the Labor Party in office and the industrial labour movement in Queensland. The legitimisation role of the state was vital to the consensus strategy pursued by the Party; industrial struggles which challenged the legitimacy of the state were resisted on occasion with the full armoury of legal coercion and violence available.

The Labor Party, being tied by origin and organisation to organised labour, is more vulnerable than non-Labor parties, which will have strong but not always easily discernible links to elements of capital, to the electorally damaging criticism that it is the tool of sectional interests. A party in government which successfully portrays its administration as acting in the interests of the 'people' as a whole becomes heir to the bewitching imagery of liberal democratic mythology. The Labor leadership in Queensland was keen to reap the electoral dividends to be derived from this tactic and so acted to keep distance between itself and the unions both through its industrial relations policy and through co-option of petty bourgeois elements via the medium of rural policy (Chapter 3). The foundations of Labor administrations' legitimacy were also the bases of conflict between the Labor Party in office and the union movement.

This was not an inevitable or pre-ordained strategy for Queensland Labor to have followed. While any strategy based on electoral success required the Party to pursue a course legitimating its claim on office with a majority of the Queensland electorate, it was open to Labor to have sought legitimacy for an interventionist set of policies which more actively challenged capital's expropriation of the State's economic surplus. The impetus for such a strategy was set in motion in the early years of Labor administration. The successive establishment of a host of State trading enterprises (Chapter 2), for example, was supported in some sections of the Party because it appeared to lay the ground for a socialist transformation of the economy. Such a position achieved widespread support in Party forums in the period 1915-1920, but at no stage was it put forth in public utterances and propaganda statements as the rationale for the interventions. Instead, State enterprises were justified by recourse to bourgeois consumerist ideology. While this made the work of Labor publicists easier, it effectively foreclosed the option of intervention in the productive, as opposed to the mercantile, sector of the Queensland economy.

Alternative strategies of radical populist legitimization of democratic social transformation and economic intervention have been canvassed in some recent literature.⁹ Such accounts offer, at the level of theory, prospects for mounting effective challenges to existing social and economic relations through the construction of alternative popular ideology. The electoral road taken by Lang Labor in New South Wales in the 1930's is perhaps a practical example of such left-populist legitimization of militant labour politics. But Queensland Labor strategy emphasised electoral safety rather than ideology, and the continuity of the Party in office appeared to bear out in the minds of the leadership the effectiveness of the path being followed. By way of contrast, Lang Labor's challenge to the fabric of the existing polity was profound enough to stimulate viceregal intervention, and Labor in New South Wales remained out of office for a decade thereafter.

Queensland Labor was nonetheless a creature of the labour movement by structure, history, rhetoric, and indeed by definition. The Party's role required it at least to mediate if not to articulate the demands of the labour movement. The Party forums which directed the Parliamentary leadership and determined the platform were dominated by union nominees; the electorate organisations were likewise dependent upon unions for their strength. The Party leadership was thus required to answer for its policies at this level, and to couch its performance in terms acceptable to organised labour.

The structure of the Queensland labour movement facilitated the dominance of the Party by forces other than the manufacturing craft unions with which labour parties in other States and nationally were traditionally associated. One union in particular, the AWU, was able to deliver an unassailable bloc of votes at Party forums and covered a membership of unskilled agricultural, mining and processing workers from the provinces. The capital confronting the AWU's dispersed membership was by and large petty bourgeois capital: the farm labourers, shearers, miners, timbergetters and construction workers who comprised the bulk of the union's membership were employed by the petty

⁹Ernesto Laclau, *Politics and Ideology in Marxist Theory* (London: New Left Books, 1978); Cathy Greenfield, "'In the People's Name': Populism as a Political Form", *Australian Journal of Cultural Studies*, vol. 3, N^o 2 (1985), pp. 89-103.

bourgeoisie. These workers were more amenable than their manufacturing comrades to consensus strategies which sought to dampen class antagonisms. In particular, they were receptive to programs aimed at recruiting workers into the ranks of the petty bourgeoisie through land grants and closer settlement(Chapter 3).

Labor reform delivery: economic intervention
and social policy

The establishment of a profusion of State trading enterprises (Chapter 2) by the early Labor governments in Queensland was paraded as a proof of Queensland Labor's socialist *bona fides* during the national debates over the Party's principles of the 1920's. Queensland Labor leaders took a prominent role in toning down the 'socialist objective' of the Federal Party such that the Queensland strategy could be interpreted as satisfying its terms (Chapter 1).

The Queensland enterprises were not unique in conception - Labor administrations in other States and Federally established operations along similar lines - but their ambitious scale and the comparatively long life of those with a legislative base has kept their memory alive. Individual enterprises experienced mixed commercial success. Their organisation remained always along traditional lines, managerial discipline being strictly enforced: workers were at no stage given any say in the administration of the enterprises established in their name. Worker control could hardly be countenanced in the public sector while Queensland Labor was busily projecting an identity of interest between workers and the small farmer (and fossicker) petty bourgeoisie. Socialism was strictly delimited by Labor from direct worker management of their work areas, although the at times strong syndicalist militants in the Queensland labour movement had definitely placed worker control on the reform agenda.

The concentration of Queensland's labour militants in the State's own agencies, particularly the railways, fuelled the process of excluding militants from the Party's decision-making

apparatuses and from the labour movement mainstream, since the class location of State employees was necessarily ambiguous. State servants had less claim on labour movement solidarity than did workers for private capital. Public opposition to Labor governments from the ranks of its own employees was conceived as disloyalty to the Party and to the people of Queensland who paid their wages. The public opposition put up by the medical profession to minor administrative rearrangements of the hospital system in the 1920's (Chapter 4) could not have been allowed to succeed in the context of savage suppression of the railway workers for similar acts of defiance (Chapter 1). The principle of administrative discipline in the agencies of the Queensland state had to be upheld.

Labor electoralism required both the exclusion of electorally embarrassing militant elements from the labour movement and the co-option of the large petty-bourgeois rural community's electoral allegiance. The provincial bias of the Queensland economy and Labor's electorate encouraged the Party to develop elaborate mechanisms to mediate the conflicts of interests between workers and farmers. The 'Queensland system' of corporatist policy development mechanisms and market control agencies (Chapter 3) developed for the farm sector under Labor was introduced in response to failing electoral stocks. The machinery of representative democracy which was employed in the operation of the 'Queensland system' empowered the rural petty bourgeoisie to deploy State economic intervention powers to bolster their own position free of market pressures. At the same time, the larger agglomerations of rural capital seen in the pastoral industries (wool and meat production), which provided the bulk of Queensland's exports, were left to pursue their own ends without State support.

The Queensland Labor consensus strategy did, nonetheless, allow room for a variety of social reforms to proceed, the most notable of which was the restructuring of the public hospital system (Chapter 4) in the 1930's and 1940's which left Queensland with the only free, universal public hospital system in Australia. Although the health care system had not initially been a priority reform area, the exclusionist tactics employed by the Labor leadership to reinforce support for consensus strategy within the labour movement were effectively redirected and brought to bear on the medical profession to achieve this result. The fortitude of the Labor administrations in resisting the

struggle put up by the medical profession to retain its bourgeois position was portrayed by the Party leaders as further evidence of their ability to manipulate the Queensland state in the interests of labour and hence of the legitimacy of Labor electoralism.

The reforms delivered by Queensland Labor derive from the electoral consensus strategy. The Party's requirement to demonstrate *bona fides* as the labour movement's legitimate political representative was satisfied by policy outcomes which posed no major challenge to capital. Labor leaders' sensitivity to the need to reinforce the legitimacy of electoralism within the labour movement is demonstrated by their rhetorical pronouncements of identity of interest between farmers and workers in an attempt to portray rural marketing reforms as labour gains. The more radical objectives envisaged by some elements in the Party and labour movement for such reforms as the State enterprises were jettisoned in a successful attempt to forge electoral consensus around Labor's program.

Queensland labour politics and Labor in office

The history of the Queensland labour movement prior to 1915 is replete with examples of direct and bitter confrontations between unions and employers which, while inspiring as celebrated elements of labour mythology, were more often than not defeats for the unions involved. The 1890's shearers' strikes and the 1912 Brisbane General Strike, to name the most famed examples, had collapsed in the face of state repression, the leaders being thrown into gaol. This experience, rather than radicalising the labour movement, had strengthened the advocates of the parliamentary road within the movement and the Labor Party; direct union action, it was contended, had been tried and found wanting. The strategies proposed by the now dominant forces within the movement and Party for achieving workers goals and for mediating their demands were first, the extension of industrial arbitration machinery to encompass compulsory unionism, and second, the establishment of various welfare services to underwrite a certain standard of frugal comfort for workers and so ameliorate the maldistributive effects of the capitalist economy.

There was militant opposition to this reformist program in the important early years of Queensland Labor's period in office, but it was strongly syndicalist in character,¹⁰ and so lacked the disciplined militant organisation which the Communist Party was later to provide. Syndicalists rejected strategies of organised political opposition within capitalism since to participate in bourgeois institutions would endow them with a façade of legitimacy. They therefore excluded themselves from the policy-making organs of the Labor Party. Communists, in the years before Stalin's domination of the international communist movement, were when circumstances seemed appropriate prepared to use the tactical advantage conferred by participation in social democratic political processes. By the time the Communist Party had taken over the mantle of the foremost militant force within the labour movement the Labor leaders were well enough established to resist attempts by militants to subvert the organs of the Labor Party toward ends other than those which the leadership favoured. While in other States, notably New South Wales, communists were able to exert from time to time a degree of influence within the Labor Party, Party members in Queensland were required to pledge their anti-communism as a credential for membership.

Queensland Labor's period in office was punctuated by occasional major outbursts of dissent outside the arenas of legitimate debate. This was expressed in direct action from excluded elements of the Queensland community, in particular from the militants in the labour movement. Queensland capitalists who felt themselves to be threatened by the radical countenance of the early Labor governments after 1915 were successful in petitioning the City of London to deny loan funds to the State. Militant labour was rarely as successful, being in the longer run able to do no more than to deny support to the Labor leadership and remove it from office in 1929 and 1957. In the absence of an alternative mass political party of labour, the results in both instances were the elevation of non-Labor administrations.

¹⁰It has been suggested that syndicalism is a phenomenon of rurally based economies but this view is not explored here. See Jim Moss, *Sound of Trumpets: History of the Labour Movement of South Australia* (Adelaide: Wakefield Press, 1985), p. 291.

The 1957 Labor split in Queensland resulted from this strategy of excluding dissenting elements of the labour movement which left the Party leadership with no alternative source of support when it attempted to confront the unions traditionally loyal to it (Chapter 1). Labor electoralism was successful in retaining the confidence of the labour movement so long as it delivered sufficient reforms within the ambit of consensus strategy to claim to be effectively manipulating the Queensland state in the interests of labour. While the Labor leadership was able successfully to portray itself as the legitimate political leadership of the labour movement for many years while delivering strictly limited reforms, it was not able to remain completely immobile.

Labor electoralism in Queensland as articulated through the consensus strategy outlined in this thesis delimits the relative autonomy of the political leadership: the Party was able to stay in office for four decades by steering a policy course which, on the one hand, fended off the labour movement's traditional political enemies and, on the other hand, suppressed radicalism emanating from the left of the Party and from militant unions. The cost of this strategy was, in the main, the jettisoning of radical reform in favour of short-term managerial and electoral concerns as required by the consensus framework. Hence, when looked at over the forty year period addressed by this thesis, the autonomy of the Queensland state is revealed as being after all heavily circumscribed. The freedom of manoeuvre available to Labor governments in achieving the goal of manipulating the state was limited to those issues which offered no direct challenge to the structure of Queensland capital.



Chapter 1

Solidarity Forever:

Industrial Relations 1915-1957

Labour and political Labor

The expectations of the founders of the political Labor Party were that it would carry on the struggle of the industrial labour movement through other means. The very point of establishing a political party was that universal suffrage should be harnessed by the organised working class through the selection of candidates and determination of platform by the proven representatives of that class - the union leaders.¹ The Labor Party was established for this purpose, was subject to the same canons of solidarity and discipline which bound the industrial labour movement, and its policies were governed by forums dominated by the unions. The notion that the Party could exercise political power contrary to the interests of workers would have seemed unlikely to its founders. Yet the history of Labor governments in Australia and elsewhere is the history of constant conflict between political 'Labor' and labour. Queensland witnessed the development of these conflicts in an intense form, as this Chapter demonstrates.

Nonetheless, the labour movement remained sentimentally strongly attached to the Labor Party throughout the period and remains so today. The elements of the movement which advocated alternative, non-electoral, strategies for the advancement of labour remained on the

¹W. G. Spence, *Australia's Awakening: Thirty Years in the Life of an Australian Agitator* (Sydney: The Worker Trustees, 1909), p. 220.

fringe of the movement and came to prominence only at times of open strife and confrontation between unions and Labor governments. Militants who attempted to gain election themselves were better rewarded, but never amounted to more than a tiny minority on the floor of Parliament. The majority of Queensland unions retained their affiliation to the Party for the duration of Labor's period of office, effectively funding and organising for the Party at each election.

Labor electoralism, to which most Queensland unions remained loyal for so long, was based on the notion that manipulation of the state was the most effective strategy for labour advancement. The goals of this strategy were at no stage more ambitious than the modest extension of state enterprise and social welfare services, and 'socialism' was consciously redefined to fit within these bounds. Agrarian corporatism (discussed in Chapter 3), used to win the confidence of Queensland's economically dominant rural community, was likewise included in Labor rhetoric as a natural working class demand. The agrarian bias of the Queensland economy ensured also that the union representing bush workers, the AWU, was able to deliver sufficient support at the Party's decision making forums to insulate the Party leadership from most militant demands and lend proceedings a convincing air of solidarity.

The consistent support given to Labor by most unions is theoretically problematic given the low dividends received by labour. This Chapter examines in some detail the mechanisms whereby the leaderships of Queensland unions remained intact for prolonged periods despite frequent rank and file restiveness. The factors impelling union leaders and Labor politicians, themselves often former union leaders, away from conflict strategies and toward electoralism are also scrutinised. The alternative strategies advocated by the well organised syndicalist and communist militants are dealt with in some detail, as are the reasons for the failure of the militants to solidify the union movement behind them at crucial moments. The success of the Labor leadership in suppressing opposition owes much to tactical blunders by the militants.

The state, industrial relations
and the labour movement

The ambiguous relationship between the political and the industrial leaderships of the labour movement is nowhere thrown into sharper relief than in the management of industrial relations. The state's primary function may be said to be the preservation of order: social, political and economic. It is for this reason that the state holds its monopoly over the legitimate use of violence, a feature held by Weber to be the state's definitive characteristic.²

Just as it is incumbent upon a government to provide for the physical safety of citizens, so also must it ensure the uninterrupted production and operation of goods and services necessary for economic health. In a capitalist society, this implies an underwriting of the conditions required for capital accumulation. At bottom, any state administration which presided over a breakdown of economic order and productive forces and hence a sudden collapse in the material well-being of its citizens would lose its electoral base and surrender its political legitimacy. This hardly needs to be spelled out, however, since these basic functions of government are so much part of commonsense understanding of the purpose of political institutions.

Furthermore, the state is itself the sole provider of many essential facilities and services: roads, ports, mail services being virtually universal examples. In Australia, state provision of services is more widespread than in most Western countries extending to railways, shipping, telecommunications, electricity generation and distribution, health and education. An Australian State government is both guarantor of economic order and itself the major participant in the economy, being the largest single employer of labour within its jurisdiction. In Queensland just one State enterprise - the railways - was the State's biggest employer in 1915.³ Such

²Max Weber, *Economy and Society*, Vol. 3, eds. Guenther Roth and Claus Wittich (New York: Bedminster Press, 1968), pp.941-953)

³In 1915 the Railways Commission employed 11,267 workers, with a further 3000 contracted on construction projects. Source: *QPP*, 1915-16, Vol 3, p.1040.

employment is generated by State capital accumulation, of which more in later sections of this Chapter.

Given that the State employed such a large segment of the workforce, the labour movement was all the more likely to find itself locked in periodic internecine conflict with the State apparatus, sometimes directed by comrades of the political wing of their movement. Even though the Government's management of its workforce was mediated through the agency of statutory managers like the Commissioner of Railways or the Public Service Board, the potential for serious tension and struggle within the labour movement was never far from the surface.

These underlying contradictions besetting a Labor administration in the field of industrial relations occur on two levels. First, a Labor administration is torn between (a) the political demands of labour for various interventions (at least) to regulate the labour market so as to improve labour's lot and (b) the governmental function of underwriting and facilitating the operation of the (private) economy. Secondly, as employer, a Labor administration is faced with (a) the demands for improved wages and conditions of its own large workforce, and of the labour movement generally, and (b) the imperatives of efficient administration and fiscal prudence. The two levels are not strictly discrete, since the state as employer may act as a wages and conditions 'pacesetter', thus intervening in the labour market through resort to market forces. Similarly, governments as employers may invoke state coercive powers to smash direct action by their employees.

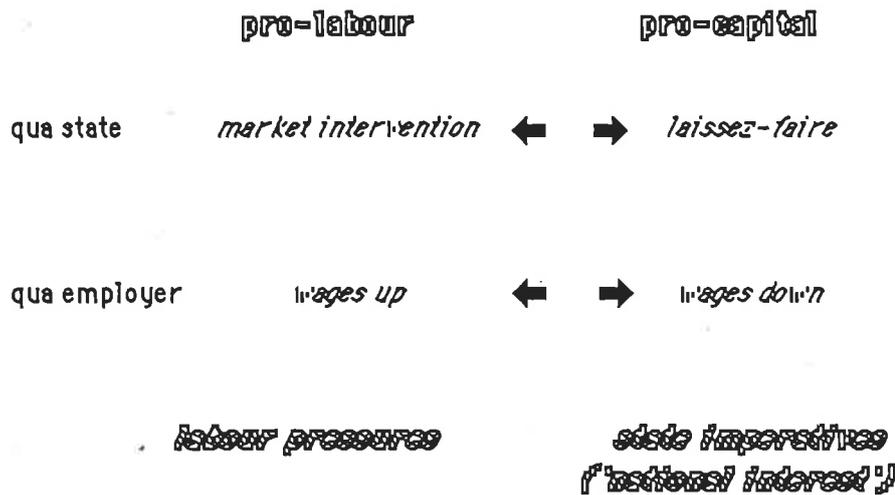
Table 1.1**Labour and Labor in office - factors in tension**

Table 1.1 sets out a grid on which industrial policy outcomes under Labor in government may be roughly located in relation to the conflicting factor from which they are derived. Changing political and economic circumstances will give more or less weight to one or other of the contributory factors. For example, an economic boom may reduce the threat of sanctions for abandoning fiscal rectitude and at the same time increase pressures from the union-dominated organisational wing of the Party for legislated improvements in wages and conditions. The converse might also be expected to apply.

This grid applies most clearly in the case of day-to-day relations, rather than to open conflict as in the instance of strike action. During such collisions, employers will often demand government intervention to defeat the strike, while unions will press for non-intervention. Yet it is in the case of strike action that the underlying tensions become most apparent, so a large part of this Chapter will be devoted to examination of the events of major strikes to elicit some understanding of the general factors at work.

Conflict-avoidance

One central goal in industrial relations to which most labour movement leaders (both industrial and political) as well as captains of industry subscribe is that of conflict-avoidance. On both sides of the shopfloor battleground there will be a few ideologues and "hotheads" openly seeking confrontation, but this is not the norm. Miliband has identified several causes of the phenomenon of union leaders acting to suppress sources of disputation.⁴ This may be seen as paradoxical, because trades unions' leaders are after all, representatives of those same workers whom Marx described as being "daily and hourly enslaved by the machine, by the overlooker, and, above all, by the individual bourgeois manufacturer himself."⁵

Exploring the causes of conflict-avoidance in workers' organisations, Miliband also makes a useful distinction between (i) environmental influences, namely structures against militant action applied from external sources (state, press, disaffected sections of society inconvenienced by the action), and (ii) the crippling effects of sustained industrial strife upon the finances of the organisation and its membership, leading to justified fears of failure.⁶ Implicit in his argument, not set forth in these clear terms, is the ever-present constraint imposed by the symbiotic relationship of workers and employers: if sustained strike action leads to a collapse of the enterprise, the workers lose their jobs. This consideration takes on an increased importance during an economic downturn when, despite the heightened conflict generated by pressures for wage cuts and by sackings, capitalist enterprises are more liable to fail and the spectre of unemployment becomes the more terrifying.⁷

Marx went so far as to identify the tendency for unemployment to discipline the workers as a lynchpin of a 'General Law of Capitalist Accumulation':

⁴Ralph Miliband, *The State in Capitalist Society* (London: Quartet, 1969), pp.139-148.

⁵Karl Marx and Frederick Engels, *The Manifesto of the Communist Party* (Peking: Foreign Languages Press, 1968), p.40.

⁶Miliband, pp.142-143.

⁷For instance, see *Statement of Accord by the Australian Labor Party and the Australian Council of Trade Unions Regarding Economic Policy* [Melbourne]: [ACTU], [1983], p.15.

The law, finally, that always equilibrates the relative surplus-population, or industrial reserve army, to the extent and energy of accumulation, this law rivets the labourer to capital more firmly than the wedges of Vulcan did Prometheus to the rock.⁸

Marx makes the point here that what he identifies as the barbarous equations of capitalist economy negate any posited identity of interest between capital and labour. Yet the reality of the immediate misery caused by strikes to their participants which is enhanced by the lurking danger of unemployment, leads unions to seek conciliation and accommodation most of the time. Thus while in Australia at least, and certainly in the Queensland in 1915, few union leaders would admit of any theoretical congruence of interest between their members and management, they would almost always pursue policies of conflict avoidance and acceptance of industrial discipline which have a similar effect. In this way they behave as though they did believe in such a congruence.

In his analysis of the reaction of agents to deteriorating industrial relations, Colin Crouch has traced the tendency of unions to pursue defensive, rather than revolutionary, goals to similar factors.⁹ Operating under the rules of the game prevailing at a certain stage in the development of capitalist relations of production, unions will pursue objectives which offer reasonable prospects of success. The immediate loss of income to members caused by strike action ensures that no goals are pursued relentlessly which appear to offer prospects of accentuating unemployment. Wages and conditions already won, including income relativities, will thus be defended with greater determination than the struggle for improvement will be prosecuted.

In other words, unions commonly adopt a posture of passive acceptance of the dominant rules, precedents and established frameworks which must help to reproduce capitalist relations of production. As labour market collectives within the capitalist state, unions have an instrumental role to play in providing representation and organisation for their members operating in the market. This basic instrumental role leads them to concentrate on the mechanics of the

⁸Karl Marx, *Capital: A Critical Analysis of Capitalist Production*, Vol II, trans. Samuel Moore and Richard Aveling, ed. Frederick Engels (Moscow: Progress, n.d.), p.604.

⁹Colin Crouch, *Trade Unions: The Logic of Collective Action* (Glasgow, Fontana, 1982), pp.120-140.

market's operation, through seeking wage rises for example, rather than to attempt any direct assault on the abstraction of capitalism. Officials may frequently act as industrial trouble-shooters, conciliating and restoring discipline at flareups of shop floor conflict. Such activity is lauded in the press as 'responsible unionism' and was a frequent role performed by R.J.L. Hawke in his period as ACTU President, for example.¹⁰ This tendency of unions to eschew conflict and confrontation need not necessarily be taken for capitulation or collaborationism,¹¹ and nor should the capacity of workers to eject union leaderships which appear to act counter to workers interests be underestimated.¹² It is tactical commonsense to steer clear of actions which seem to court defeat and will certainly involve loss of wages by members, while it is difficult to inspire membership to direct industrial action for the objective of destroying the capitalist state. Moreover, trouble-shooting involves the judicious use of threats aimed at management and can sometimes lead to painless victories.

It is also possible, as in the notorious example of the U.S. Teamsters' Union, that unions may become dominated by corrupt or openly collaborationist leaders. There is no evidence to suggest that such phenomena have ever typified the Australian union leader. Rather, natural long-term irreconcilability of workers' and managements' interests had been an article of belief for Australian union leaders and has featured in many of their rhetorical pronouncements. This was perhaps more so in the period under review in this chapter than is the case today. Their pursuit of conflict-avoidance can be seen as a strategic response to the conditions of existence in the capitalist state. The compatibility of this strategy with what conventional theories of social cohesion would suggest does not entail that the strategy arises from commitment to such conservative ideologies. Australian union leaders have in general given little direct evidence of conservative commitments or belief in the paramountcy of class collaboration. Doctrines of

¹⁰For instance, see Humphrey McQueen, *Gone Tomorrow: Australia in the 80's* (Sydney: Angus and Robertson, 1982), p.23 - strikes at Chrysler's S.A. works in 1977, and p.172 - aftermath of 1975 dismissal of ALP Government.

¹¹See, for example, comments on the role of union leaders in the 1973 Ford strike in R.W. Connell, *Ruling Class, Ruling Culture: Studies of conflict, power and hegemony in Australian life* (Cambridge: CUP, 1977), pp.2-3.

¹²See R. Hyman, *Industrial Relations: A Marxist Introduction* (London: Macmillan, 1975), pp. 92-93.

hegemonic ideology and 'false consciousness'¹³ are not needed to account for strategies of conflict resolution pursued by Australian union leaders.¹⁴

Background to 1915:

1 - labour defeats

The defeat of the 1891 shearers' strike is so celebrated in verse and song as to be legend. The history of this strike, of the 1891 maritime strike, and of the less-remembered shearers' return bout of 1894 will not be canvassed in detail here,¹⁵ but the effects of these defeats on the Queensland labour movement and the Queensland political environment need to be discussed.

Both the 1891 and 1894 strikes took place in a period of economic depression. In both cases also anti-labour State Governments passed punitive legislation to aid in the violent suppression and dispersal of strikers. The *Peace Preservation Bill*, 1891 (passed but not enacted) disclosed that the State was prepared to dispense with the most basic civil rights like trial by jury, right to silence and so forth. Such concerted use of state coercive power was given added significance in that the primary issues in the strikes were the rights of unions to organise and to act as the sole legitimate agents of the workers in bargaining with employers over wages and conditions. Defeat was all the more crushing in Queensland because it came as the result of a counter-offensive by employers. The closed shop principle had been won in the Queensland wool sheds, after years of agitation, only in 1890.¹⁶ Moreover, Queensland was not the only

¹³See Crouch, pp.130-138.

¹⁴See Malcolm Waters, *Strike in Australia: A sociological analysis of industrial conflict* (Sydney: Unwin, 1982), pp.31-32.

¹⁵See R.J. and R.A. Sullivan, "The Pastoral Strikes, 1891 and 1894", in *The Big Strikes: Queensland 1889-1965*, ed. D.J. Murphy (Brisbane: UQP, 1893), pp.80-99 (hereafter *The Big Strikes*); R.W. Connell and T.H. Irving, *Class Structure in Australian History: Documents, Narrative and Argument* (Melbourne: Longman Cheshire, 1980), p.195; Ross Fitzgerald, *From the Dreaming to 1915: A History of Queensland* (Brisbane: UQP, 1982), pp.320-324 (hereafter *From the Dreaming to 1915*); Michael Wilding, Introduction to William Lane, *The Workingman's Paradise* (Sydney: SUP, 1982), pp.(12)-(54) *passim*.

¹⁶See R.J. and R.A. Sullivan, "The London Dock Strike, the Jondaryan Strike and the Brisbane Bootmakers' Strike", in *The Big Strikes*, pp.53-58.

battleground in 1891, nor were the wool sheds the only front. The strength of the entire industrial labour movement was tested, and was found wanting. Gollan summarises the effects of the strikes thus:

The defeats in the strikes were not the single cause of the formation of the Labor Party, but were the final incentive needed to launch it. The strikes were so decisive because the issue at stake was the right of the unions to act on behalf of the working class in all their relations with the employers. They were decisive also because, in the minds of both the workers and employers, they were a test of strength on a wide front between forces that had been skirmishing for the previous five years.¹⁷

Aside from the ruthless employment of state coercion against the strikers, the other salient feature of the 1890s strikes was the unprecedented solidarity of the employers. With their greater financial resources and the backing of like-minded governments, the employers were seen as demonstrating their ability, acting as a class, to smash even the most hard-fought workers' struggle. The working class was then left to face the bitter years of the 1890s depression in disarray.

The lessons drawn from these unpleasant experiences by political and industrial labour were many. A significant strand of Australian labour historiography has been devoted to discussion of the political results of the debacles of the 1890s and the depression of that decade.¹⁸ The birth of the Labor Parties in the early 1890s may not, as noted by Gollan above, have been a direct response to industrial rout, since the groundwork for the political movement had been laid in the 1880s but there is consensus in the literature that the reallocation of organised labour's resources to the political struggle after 1891 was primarily caused by the disastrous failure of industrial action.

¹⁷Robin Gollan, *Radical and Working Class Politics: A Study of Eastern Australia 1850-1910* (Melbourne: MUP, 1960), p.128.

¹⁸See Ian Tuner, *In Union is Strength*, 2nd ed. (Melbourne: Nelson, 1978); D.J. Murphy (ed.) *Labor in Politics: The State Labor Parties in Australia 1880-1920* (Brisbane: UQP, 1975) (hereafter *Labor in Politics*); Gollan, pp.128-150; Connell and Irving, pp.188-269; Peter Love, *Labour and the Money Power: Australian Labour Populism 1890-1950* (Melbourne: MUP, 1984), ch.1, pp.20-40; Robert Catley and Bruce McFarlane, *Australian Capitalism in Boom and Depression: Options for the 1980's* (Sydney: APC, 1981), pp.43-46; P. Loveday, A.W. Martin and R.S. Parker (eds.) *The Emergence of the Australian Party System* (Sydney: Hale and Iremonger, 1977), pp.119-133 and elsewhere; W.G. Spence, *Australia's Awakening* (Sydney: The Worker Trustees, 1909), pp.91-235; B.C. Fitzpatrick, *A Short History of the Australian Labour Movement* (Melbourne: Rawson's, 1977); J.T. Sutcliffe, "The Strikes of the 1890's" in *Australian Labour Relations: Readings*, eds. J.E. Isaac and G.W. Ford (Melbourne: Sun, 1966), pp.99-113.

Unionism, although still in its infancy in 1891, waned following the defeats: some unions ceased to exist while those that remained declined in membership.¹⁹ Industrial militancy was widely perceived to be bankrupt. The militant union leaders were replaced with more 'moderate' leaders while those who all along had counselled against confrontation rose to greater prominence.²⁰ On the one hand, the trade union movement had shown itself to be incapable of beating the combined might of the state and disciplined organisations of employers. On the other hand, the unions were so weakened by defeat that some means other than direct action had to be found to prevent the downward spiral of wage cuts eating away all the relatively impressive improvements in living standards won by Australian workers over previous decades.

The structure of the unions themselves also underwent change in this period of convalescence. Attempts were made to broaden the base of individual unions to cover all occupations and grades within one, or across several, industries. This move was not yet One Big Union-ism (OBU), a phenomenon of subsequent decades and the rise of militant syndicalism. It was partly, as is claimed by AWU leader Spence,²¹ a strategic move to facilitate the solidarity of workers within an industry and to prevent isolation of segments of the workforce in a confrontation with disciplined employers in the midst of a depression. The trend to industrial unionism was also, however, an organisational response to declining membership and the disorganised conditions of labour in key Australian industries.²²

Certainly the prime movers in the amalgamations and extensions of coverage that took place through the 1890s and after were the bushworkers' unions. The AWU (initially the Amalgamated Workers' Union - Amal.WU) was formed in Queensland in December 1891 from the depleted Queensland Shearers' and Queensland Labourers' Unions.²³ The other States followed suit

¹⁹See Sullivan and Sullivan, "Pastoral Strikes 1891 and 1894", p.97; Turner, *Industrial Labour and Politics*, p.10.

²⁰See D. J. Murphy, "Queensland", in *Labor in Politics*, pp.146-152.

²¹W.G. Spence, *History of the Australian Workers' Union* (Sydney: The Worker Trustees, 1911), p.80-82.

²²Turner, *Industrial Labour and Politics*, pp.8-14.

²³Sullivan and Sullivan, "Pastoral Strikes 1891 and 1894", p.94; Gollan, p.147.

in 1894.²⁴ In 1913, just before Labor won office, the sugar workers and some miners were brought into the fold by the further amalgamation with Theodore and McCormack's AWA.

The other union aspiring to industry-wide coverage through the 1890s and afterward was the railways' union, the Queensland Railway Employees' Association (QREA), formed in 1888, which advocated "All-Grades" unionism from the outset.²⁵ This was eventually federated as the ARU in 1920, of which more later.

The effects of this structural change on the face of unionism in Queensland are debatable. Turner and McQueen argue, from different standpoints, that the broadening of the AWU in particular led to a decline in militancy.²⁶ Turner's view is that the structural constraints of representing diverse segments of workers, mass membership and the preponderance of itinerant workers forced the AWU into an, at times, undemocratic and collaborationist, but always conciliatory, stance. The insistence of the AWU leadership on the greater value of political, rather than industrial, action is symptomatic of this tendency, according to Turner. There are also some writers, for instance Murphy,²⁷ who would agree with Turner's analysis, but who would see these changes as being improvements on a previous untenable militant line. Against the main contention of this analysis, it also needs to be said that those involved in the amalgamations which broadened the AWU intended the union to become more militant and effective.²⁸

Turner's correlation of the rise in industry-based centralised unionism with a decline in union militancy as measured by strikes can be disputed. Waters' s account of the debate arising from Ingham's comparative study of the Swedish and British experiences is illuminating here.²⁹ Factors other than the structure of industry and the union movement may have equal or

²⁴Turner, *Industrial Labour and Politics*, p.10.

²⁵Frank Nolan, *You Pass This Way Only Once: Reflections of a Trade Union Leader*, ed. D.J. Murphy (Brisbane: Colonial Press, 1974), pp.8-10.

²⁶Turner, *Industrial Labour and Politics*, pp.8-21; Humphrey McQueen, *A New Britannia: An argument concerning the social origins of Australian radicalism and nationalism* (Harmondsworth: Penguin, 1970), pp.209-216.

²⁷Murphy, "Queensland", p.184 and elsewhere.

²⁸See, for example, E.H. Lane, *Dawn to Dusk: Reminiscences of a Rebel* (Brisbane: William Brooks, 1939), pp.118-121.

²⁹Waters, pp.16-18.

even greater significance in determining levels of strike activity. Of particular relevance to the Queensland situation is the suggestion that a hegemonic working class party of government is a major determinant of strike levels.³⁰ The dominance of the AWU within the ALP machine which became evident because of its great voting strength following the 1913 merger can be seen, therefore, to have produced concomitant effects on the AWU industrial posture.

The defeats meted out to the Australian unions in the 1890s were perhaps more profound in their long-term impact on the labour movement than expected at the time. Only a small proportion of Australian workers were unionised even before the defeats led to defections and by no means all unionised workers were involved.³¹ By the middle of the next decade, wages had risen above their pre-1890 level and another boom was underway.³²

The effects of the stirring industrial events of 1890s on the Queensland union movement may be summarised as follows:

1. There was a shift of emphasis and resources to the political movement;
2. Confidence was lost in the strike weapon as a lever for generating social change in favour of labour;
3. Craft unionism declined to the advantage of industry-based mass unionism - centred particularly in rural industries and railways.

Each of these trends had been present before the 1890s and to this extent the revisionist account downplaying the significance of the 1890s struggles holds good.³³ Revisionist analyses do not, however, confront a vital issue - what if the strikes had achieved victory rather than crushing defeat? Would not the militants' hand have been strengthened? Would

³⁰Waters, p.17, quoting Walter Korpi and Michael Shalev, "Strikes, Industrial Relations and Class Conflict in Capitalist Societies", in *British Journal of Sociology*, Vol.30, no.2.

³¹See McQueen, pp.210-211; Murphy, "Queensland", pp.154-155.

³²See Catley and McFarlane, p.40; N.G. Butlin, A. Barnard and J.J. Pincus, *Government and Capitalism: Public and Private Choice in Twentieth Century Australia* (Sydney: Unwin, 1982), pp.16-28; Turner, *Industrial Labour and Politics*, pp.1-32 *passim*.

³³For example, McQueen, pp.209-216; June Philipp, "1890 - The Turning Point in Labour History?" in *Historical Studies Selected Articles*, 2nd series, compiled by Margot Beever and F.B. Smith (Melbourne: MUP, 1967), pp.126-135.

the shift to electoralism have been so rapid? Would the implicit acknowledgement of state legitimacy have been so complete? A hypothetical alternative history is valid here given the relatively disorganised petty bourgeois and export-dependant structure of Queensland capitalism at the time which in actuality gave the unions tactical advantage.

As Murphy points out, the mythology born of the 1890s came to have its own life and reality:

Legends in any society are important and, as the strike receded and memories dimmed, the legendary foundation of the Labor Party emerged as having a basis of fact.³⁴

This mythology of the 1890s defeats, constantly reproduced through such media as songs written long after the event, helped to engender the feelings of solidarity and 'mateship', and appreciation of the class 'enemy', which held the labour movement together. Thus, while the immediate effect of the defeats was a change towards political action as defined by the parliamentary arena, the defeats continue to serve also as an inspiration for more militant action.

Background to 1915:

2 - PLP vs the unions

Political Labor - at that time in the guise of the Peoples' parliamentary Association (PPA) - had its first Queensland parliamentary success in the 1892 Barcoo by-election with the election of one T.J. Ryan.³⁵ Formal separation of the political and industrial arms of the labour movement occurred later that year at the first Labor-in-Politics Convention. A Labor Party was formed, based on local Workers' Political Organisations (WPO's) and a Central Political Executive (CPE) with representation from the parliamentary Labor Party (PLP) and the unions, together with delegates elected by Convention.³⁶ This was a fateful move, since it symbolically reaffirmed and reproduced the principles of representative electoralism within the Party

³⁴Murphy, "Queensland", p.150.

³⁵See Murphy, "Queensland", p.148; Gollan, p.147. This Ryan was no relation to later Premier Ryan, also coincidentally member for Barcoo.

³⁶ See *Worker*, 20 August 1892 - no separate *Official Record* was issued for the first Convention.

organisation. At the same time, the unions' control of the CPE left them with de facto control over the politicians.

The Party platform remained sketchy on the detail of a Labor Government's legislative and administrative program for the first decade of the Party's parliamentary life. In particular, little was offered in the way of an alternative to the orthodox economic strategy advanced by the Colonial Government.³⁷ Instead the extra-parliamentary Party relied on the goodwill and hard work of the PLP³⁸ and confined its general platform to demands for electoral reform and opposition to anti-labour programs like kanaka importation and the above mentioned *Peace Preservation Bill*, 1894.

Despite the wooliness of its specific promises, the PLP increased in parliamentary numbers to the extent that in 1899 PLP leader Dawson was asked to form a Government after brawling among non-Labor Parties had brought down the short-lived Dickson administration. It took only a week for the non-Labor forces to recover from their shock and eject Dawson in favour of their man (later Sir) Robert Philp.³⁹ This had been the first Labor Government in the world.⁴⁰

Despite its brevity, the first Labor Government's formation meant that the prospects of Labor achieving a more lengthy tenure of office had become real: from 1903-1907 a measure of this was accomplished in coalition with the Liberals. The Party platform, and the exercise of Party discipline over the PLP, thus became a battleground for the strategists of the resurgent labour movement. The goodwill and camaraderie which flourished during politically important opposition had now to give way to the serious business of constructing a strategy for the wielding of state power and the attempt at social reform in the interests of labour.

³⁷See Gollan, p.149.

³⁸See S.A. Rayner, *The Evolution of the Queensland Labor Party to 1907* (University of Queensland: M.A. Thesis, 1947), pp.99-191; Murphy, "Queensland", p.225, also quotes Rayner's remarkable statistical table (pp.108-109) showing the PLP's Parliamentary zeal in terms of lines in Hansard.

³⁹See Rayner, pp.172-176; Murphy, "Queensland", pp.164-165.

⁴⁰See Ross Fitzgerald, *From the Dreaming to 1915*, pp.326-327; Catley and McFarlane, p.44.

The 1905 Labor-in-Politics Convention, after bitter debate, adopted for the first time since 1899 an objective for Labor in Government, which included a demand for the "collective ownership of the means of production, distribution and exchange."⁴¹ This wording was rejected later that year by the Federal Conference in favour of a less radical proposal from the NSW Party,⁴² but the battle for control of strategy had been joined. A large section of the PLP, including leader Kidston, rejected the 1905 objective and much of the platform. Although Kidston had risen in the ranks of the coalition Government to be Premier in 1906,⁴³ the 1907 Labor-in-Politics Convention reaffirmed the principle of PLP allegiance to the decisions of the Party Convention and Executive. Kidston refused to back down and left the Party along with a majority of the then PLP.⁴⁴

But if the industrial wing of the labour movement had reasserted control over its parliamentary creation, the cost was another decade of impotence in Opposition. Moderate coalitionism had at least realised some of the objectives set out for the political wing of the movement in the 1890s. Among these, the *Adult Suffrage Act*, 1905, stands out as having effected the demand for electoral reform. Such measures may not have addressed what might be taken to be the fundamental demands of labour - indeed they were clearly shared with bourgeois liberals - but they did represent major advances which could not have been achieved without Labor participation in government.

The 1907 split occurred at an unpropitious time for the labour movement, since the return of boom times had engendered a resurgence of unionism and industrial agitation. Labor had thus lost its hold on government at the same time as growing unionism was broadening its electoral base and economic conditions favoured more radical fiscal policy. The conservative

⁴¹*Official Record*, Fourth Labor-in-Politics Convention, 1905, p.17.

⁴²See Gareth Evans and John Reeves, "The Evolution of the Socialist Objective 1890-1980", in *Labor Essays 1980*, eds Gareth Evans and John Reeves (Melbourne: Drummond, 1980), p.156.

⁴³Labor had entered coalition in September 1903 - see Appendix 1.

⁴⁴Rayner, p.224-240; D.J. Murphy, "William Kidston: A Tenacious Reformer", in *Queensland Political Portraits 1859-1951*, eds D.J. Murphy and R.B. Joyce (Brisbane: UQP, 1978), p.248-252.

parliamentary beneficiaries of the split and the collapsed coalition lost little time in extending State administrative authority to restrict union organisation.⁴⁵

It is in this context that the major strikes of 1911-1912 must be viewed. While the issue of PLP independence had been resolved in 1905-1907 in favour of the Party organisation (and through it, the industrial wing of the movement), the battle over electoral and government strategy had only begun. What strategy would most quickly lead to electoral triumph? What should be the goals of a Labor Government? What interventions deserved the greatest priority? What sort of society could or should Labor be aiming at achieving?

The victory of the AWA under McCormack in the 1911 sugar strike was the first major victory won by a union in industrial struggle in Queensland for twenty years. The leaders of the strike were natural labour heroes and were rapidly propelled to dominant positions in the PLP to replace the discredited Kidstonites as Labor seats were recovered.

In achieving its greatest industrial success since Jondaryan (1890), the Queensland labour movement had found new leaders - Theodore, McCormack and Lyon - to replace the old guard, such as David Bowman and Albert Hinchcliffe, who had dominated the movement for twenty years.⁴⁶

The goals of the 1911 strike were strictly limited, however, being primarily the recognition of the AWA's coverage of the workers in negotiating a log of claims over wages and conditions. The employers insisted on treating only with their preferred Free Workers' Union, an organisation of non-unionists set up after the strike had begun. The employers in this instance, while they were themselves unified and backed by the Denham State Government, were confronted not only by excellent union organisation, but by public, press, growers and Commonwealth Labor Government sympathy with the strikes,⁴⁷ in part because of racist antagonism toward non-union workers. The AWA was content with an arbitrated solution and a general inquiry into conditions in the sugar industry.

⁴⁵See John Armstrong, "The Sugar Strike, 1911", in *The Big Strikes*, pp.102-103.

⁴⁶Armstrong, p.115. Theodore retained his AWA position, although a member of Parliament, through the strike.

⁴⁷Armstrong, pp.108-114; Kay Saunders, "Masters and Servants: the Queensland Sugar Workers' Strike 1911", in *Who Are Our Enemies? Racism and the Working Class in Australia*, eds Ann Carthoys and Andrew Markus (Canberra: Hale & Iremonger, 1976), pp.96-111.

Although the 1911 strike deliberately confined itself to matters which were the 'legitimate' prerogative of the unions, namely wages and conditions, many in the union saw this as a first step or a road to more radical demands.⁴⁸ The AWA simply insisted upon its tactics and steered clear of extra-legal confrontation. While some other unions became involved, notably the maritime unions in blacking non-union sugar, the AWA sought throughout to confine the dispute to its own claims and jurisdiction.

By contrast, the 1912 Brisbane Tramways and general strike was allowed to develop into open conflict with the civil power. Like the 1891 strikes, the 1912 Brisbane defeat has acquired something of a legendary aura in the circles of the labour movement, perhaps because it involved, like its predecessor, marked struggle between a cross-section of the organised working class and the combined forces of capital and the state. The symbolism of such confrontations had a longer life than that of other, equally hard-fought, but less spectacular and ambitious industrial disputes. Moreover, the perceived challenge to the legitimacy of the capitalist state presented by the labour mobilisation of a general strike elevates this kind of conflict into a different order. A general strike approaches revolutionary conditions, a factor which certainly catapults this form of action to great prominence in the writings of revolutionary strategists, notably the Trotskyists.⁴⁹

From its beginnings as a lockout on the Brisbane Tramways of workers wearing their union badges, to the savage street fighting of Black Friday, to the eventual crumbling of solidarity, the general strike of 1912 failed because it had no clear goals and inadequate organisation. Although the initial issue in dispute was won by the Tramways unionists in the Commonwealth Conciliation and Arbitration Commission some weeks after the strike's collapse, the whole affair was viewed as a defeat by its leaders because the strike had of itself achieved nothing.⁵⁰ More, it had shown to many that the militants' strategy was hollow, since the

⁴⁸E.H. Lane, pp.88-90.

⁴⁹For instance, Ernest Mandel, *From Class Society to Communism: an Introduction to Marxism*, trans. Louisa Sadler (London: Ink Links, 1977), pp.122-142.

⁵⁰See D.J. Murphy, "The Brisbane Tramway and General Strike, 1912", in *The Big Strikes*, pp.127-130; E.H. Lane, p.105.



1912 Brisbane Tramway and General Strike -
Special Constables preparing for action against
strikers outside University of Queensland Building
(formerly Government House)

[Photograph courtesy John Oxley Library]

requisite working class solidarity was not achieved, and perhaps could not be achieved in such an ambitious confrontation.

The 'heroes' of the 1911 strike and champions of conciliation and arbitration were thus secured in their positions of leadership of the Labor Party and of the State's biggest union. The isolation of the Brisbane Trades Hall militants was symbolically sealed by the transfer of the newly amalgamated AWU to new offices across town from the Trades Hall in 1913.⁵¹ The significance of these events, however, was not widely appreciated by the militants at the time.

The Labor political leadership was reconfirmed in its convictions that the path of militant confrontationism was the road to defeat and ruin. Moreover, Denham's Government had used the crisis to defeat Labor at the 1912 elections, a factor which led Labor leaders to believe that the militants had played into the hands of the conservatives,⁵² and accelerated the formation of the election-winning alliance discussed in Chapter 3. The opinion that the unions had unwittingly played into Denham's hands was not confined to the Labor camp: even the Governor voiced this opinion in his reports to the Colonial office.⁵³ Yet despite the wild scenes surrounding the crushing of the strike, anti-union feeling inflamed by pro-Government propaganda, and gloom in the general labour movement, Labor fared rather well in the 1912 elections.⁵⁴

Labor's platform: arbitration and
industrial quasi-corporatism

The institution of a quasi-judicial system of industrial arbitration with the powers to determine and enforce awards on wages and conditions had been a central demand of the

⁵¹Murphy, "Queensland", p.184.

⁵²See *Worker*, 4 May 1912.

⁵³Governor's Secret and Confidential Outward Dispatches and Telegrams, Gov.68/QSA: Letter MacGregor to Colonial Secretary 1 June 1912. Quoted also in Murphy, "Tramway and General Strike, 1912", in *The Big Strikes*, p.127.

⁵⁴See W. Ross Johnston, *The Call of the Land: A History of Queensland to the Present Day* (Brisbane: Jacaranda, 1982), pp.124-125.

labour movement since before the turn of the century.⁵⁵ Commonwealth machinery to this end had been established in 1904, and the 1907 *Harvester* judgement of the Commonwealth was to form the standard for 'fair and reasonable' wages well into recent times. Commonwealth jurisdiction was, and remains, limited to those industrial disputes "extending beyond the limits of any one State" (S.51 (xxxv) *Commonwealth of Australia Constitution Act*, 1901), thus leaving great industrial authority with the States.

Queensland had no indigenous, general system of arbitration before 1915. Unions had attempted to circumvent this institutional lack by fabricating interstate disputes so as to achieve federal coverage, as in the 1911 sugar strike when the AWA had investigated signing on sugar workers in the NSW northern rivers district.⁵⁶ Instead of a quasi-judicial body backed by State authority, Queensland had adopted a form of the Victorian Wages Board model. This provided for the establishment of boards, consisting of employers' and workers' representatives, which had the power to rule on wage rates and hours.

Unions objected to Queensland workers' lack of any automatic recourse to an arbitral procedure, the appointment of a Board to cover an industry being a Government responsibility. Enforcement of awards was often lax, and the workers' representatives did not need to be union appointees.⁵⁷ In the 1911 sugar strike, for example, a Wages Board was convened with representatives of the 'scab' Free Workers' Union.⁵⁸

Following the 1912 general strike, the *Industrial Peace Act*, 1912 established an Industrial Court under a judge, but this body was equipped to penalise unions for strike action and boycotts rather than to arbitrate on claims. The institution of a centralised State system of quasi-judicial industrial arbitration had by 1915 become a key plank of political Labor and the union movement. The militants who, by contrast, favoured direct action and confrontation had been

⁵⁵Turner, *In Union is Strength*, pp.55-62; Spence, *Australia's Awakening*, pp.305-316.

⁵⁶Armstrong, p.114.

⁵⁷See Spence, *Australia's Awakening*, pp.310-311; T.A. Coghlan, *Labour and Industry in Australia: From the First Settlement in 1788 to the Establishment of the Commonwealth in 1901*, Vol. IV (London: OUP, 1918), pp.2052-2053.

⁵⁸Armstrong, pp.104, 112.

discredited in the eyes of many by the failure of the 1912 general strike. Further, the success of the original strike claim (the right to wear Tramways' union badges) in the Commonwealth jurisdiction, suggested that "State-sponsored systems of third-party intervention"⁵⁹ might accomplish more for the workers, in the short term at least, and certainly with less suffering, than could frontal industrial assault.

The unions remained suspicious of the likely class bias of the quasi-judicial arbitral personnel. As Spence has it,

it was long ere [the unionist] was prepared to hand over his destinies to a Supreme Court Judge who, he knew, had come from different stock, and who had never shown any sympathy for him or his class.⁶⁰

A Labor Government, however, could safeguard the unions' welfare through the appointment of sympathetic, or at least 'neutral' persons to the arbitral benches. Here was a mechanism for translating political power into industrial gains, obviating, as it seemed, the often desperate and always costly process of organised withdrawal of labour.

The 1915 Labor platform, swiftly incorporated into the legislative program, laid great emphasis on the mediation of industrial conflict through the introduction of a centralised system of quasi-judicial arbitration. Further gains for labour were foreshadowed in the promised introduction of compulsory no-fault workers' compensation insurance and the like, but the flagship of intervention in the labour market was certainly the arbitration plank.⁶¹

The *Industrial Arbitration Act*, 1916, repealed the previous legislation and set up an Industrial Arbitration Court with a bench to be drawn from the judiciary. To ensure ease of passage through the hostile Legislative Council, the Act also provided for the appointment of wages boards of the old type, but little use was ever made of these provisions.⁶² T.W. (Tom) McCawley, the Crown Solicitor, was appointed President. McCawley was allegedly something of

⁵⁹Braham Dabscheck and John Niland, *Industrial Relations in Australia* (Sydney: Unwin, 1981), p.65.

⁶⁰Spence, *Australia's Awakening*, p.312.

⁶¹*Worker*, 1 April, 1915.

⁶²E.I. Sykes, "Labour Relations - Law", in *Labor in Power*, p.237.

a Fabian and the appointment was the subject of criticism and even legal action by conservative elements.⁶³

The determination of minimum award rates, the definition of standard hours and the setting of benchmark living standards were not, however, left entirely up to the goodwill of McCawley. The Act made the eight-hour day the legal standard (S.10(1)(2)) and provided guidelines for the determination of a minimum wage corresponding to the wording of Higgins' *Harvester* judgement (S.9(3) (d) (i)). It also provided for equal pay for women (S.8 (i) (a)), but only in circumstances of identical work. Moreover, the minimum female wage definition (S.9 (3) (d) (ii)) contained none of the assumptions of providing for a family contained in the definition for the minimum male rate,⁶⁴ a distinction implicit in the *Harvester* judgement.⁶⁵ The suspicion and condescension directed at working women by the chiefly male unions of this and subsequent periods⁶⁶ guaranteed that agitation for equal pay was not a priority item on the industrial agenda.

Confirmation of the Labor Government's *bona fides* and of the rectitude of the political wing's strategy for the advancement of Labor came with McCawley's first judgements. The Mt. Morgan copper mine decision of March 1917 granted preference in employment for unionists, an intervention in the free contractual labour market process which appeared to underscore the conservatives' worst fears.⁶⁷ The unions could now depict themselves as the sole recognised legitimate actors on the labour side in the resolution of industrial conflict.

⁶³See D.J. Murphy, "Labour Relations - Issues" in *Labor in Power*, pp.246-248, *Courier*, 12 January 1917.

⁶⁴See B.H. Matthews, "A History of Industrial Law in Queensland with a Summary of the Provisions of the Various Statutes" in *Historical Society of Queensland Journal*, Vol. 4, no.2 (December 1949), pp. 150-181.

⁶⁵Constance Larmour, "Women's Wages and the WEB", in *Women at Work*, eds. Ann Curthoys, Susan Eade and Peter Spearrit (Canberra: Australian Society for the Study of Labour History, 1975), p.47. Geoff Sorrell has pointed out that the *Harvester* judgement was more based on 'comparative wage justice' than on the 'living wage' concept, in that the award rate set was derived from rates paid to comparable workers, a basis which helps explain the apparent disregard for females in the judgement: Geoff Sorrell, "The Arbitration System", in *Australian Capitalism: Towards a Socialist Critique*, eds. J. Playford and D. Kirsner (Melbourne: Penguin, 1972), pp. 248-264.

⁶⁶See, for instance, "Women in Sydney Factories c. 1920-1950", in *Women at Work*, pp.31-46; Ann Game and Rosemary Pringle, "Women and Class in Australia: Feminism and the Labor Government" in *Critical Essays in Australian Politics*, ed. Graeme Duncan (Melbourne: Edward Arnold, 1978), pp.119-126; *Official Record*, Ninth State Labor-in-Politics Convention, 1918, pp.14, 21.

⁶⁷*Courier*, 6-9 March 1917.

As an employer, the Ryan Government was able to boost the depressed wages of State employees and aid in the unionisation of formerly prohibited groups of civil servants, notably the police.⁶⁸ By 1920, each Department was able to boast of massive pay increases for its employees over the period of Labor Governments: in some cases, such as the teachers, pay in the lower grades had been almost doubled over the pre-1915 levels.⁶⁹ It is for achievements like these that Turner dubs the Ryan Government "the high water mark of Labor in politics".⁷⁰

Successes like these made Labor's strategy of industrial quasi-corporatism (of which more below) look very attractive to the union leaderships. Queensland Labor erected the most complete, potent and centralised corporatist structures for mediating industrial conflict of any of the Australian States,⁷¹ with the full acceptance and enthusiastic support of most union leaders.⁷² Agitation within the movement for further legislative or administrative action confined itself largely to claiming for further legislated reductions in hours and automatic indexation of minimum wages. Such demands were unsuccessful in the short run following opposition in 1918 by the political leadership (notably Theodore and McCormack) on the grounds that these concessions ought now to be won by the industrial wing **using the structures available**.⁷³ Nonetheless, the restricted scope of those claims is indicative of a general acceptance by the labour movement of Labor's quasi-corporatist strategy.

⁶⁸Turner, *Industrial Labour and Politics*, p.75; Murphy "Industrial Relations - Issues", pp. 248-249.

⁶⁹*Pamphlet: Administrative Actions of the Labor Government with Certain further Statistics and Extracts* (Brisbane [?]: Government Printer [?], 1920 [?]), p.17. Pay was £30 per annum lower for women than for men in all grades.

⁷⁰Turner, *Industrial Labour and Politics*, p.76. Turner does not make use of the term 'corporatism'.

⁷¹Turner, *Industrial Labour and Politics*, p. 76; Kenneth F. Walker, *Industrial Relations in Australia* (Cambridge, Massachusetts: Harvard University Press, 1956), pp.26-29.

⁷²For example, *Worker*, 7 December 1916: "The boldness of the Queensland Industrial Arbitration Act of 1916 lies not in the experimental nature of the proposals it carries into law as in the wide area of callings covered and the complete power conferred upon the court."

⁷³See *Official Record*, Ninth State Labor-in-Politics Convention, 1918, pp.22-24.

Quasi-corporatism, the unions
and industrial relations

The adoption of a centralised, state-sponsored apparatus of industrial arbitration as the main technique for deciding questions of industrial conflict goes some of the way to fulfilling the role assigned to institutional foundations in corporatist models. Corporatist writers have divergent views on the political and economic functions of the apparatuses they analyse, but at bottom corporatism is generally defined as an institutional arrangement whereby public policy is worked out through an interaction between top state elites and the leadership of a limited number of powerful corporate organisations (mainly business and industrial corporations on the one hand and labour unions on the other). Under this arrangement, the corporate organisations are granted a deliberate representational monopoly within their respective areas of interest in exchange for submitting themselves to certain constraints imposed by the state.⁷⁴

The ambit of this area of public policy, until the 1960s determined by the arbitration system, was restricted to adjustment of wages and certain labour conditions. For this basic reason, as well as the institutional character of the arbitration forums, it is proper to talk of industrial arbitration as representing at best a quasi-corporatist arrangement.⁷⁵

More importantly, the various organs of the arbitration system in Queensland and throughout Australia have no jurisdiction over investment decision making. This limitation imparts a most significant advantage to the owners of capital, in that should unit labour costs rise

⁷⁴Eva Etzioni-Halevy, *Bureaucracy and Democracy: A Political Dilemma* (London: Routledge & Kegan Paul, 1983), p.63 - this is a reworking of the definition offered by P.C. Schmitter, "Still the Century of Corporatism?", in *The New Corporatism: Social-Political Structures in the Iberian World*, eds. F.B. Pike and T. Stritch (Notre Dame, Indiana: University of Notre Dame Press, 1974), pp.93-94; see also Leo Panitch, "The Development of Corporatism in Liberal Democracies", in *Comparative Political Studies*, Vol. 10, no. 1 (April 1977), pp.64-66.

⁷⁵The recent move of the Australian Conciliation and Arbitration Commission into fresh areas of the labour contract such as superannuation, and its endorsement of the Prices and Income Accord arrangements suggest that the institutions of industrial arbitration in Australia have the potential to become full-blown corporatist institutions with wider impact on public policy. The willingness of the Commission to grant control of superannuation funds to the union movement has the added potential of placing significant investment decision-making in the hands of the labour movement. This ingenious use of the industrial relations jurisdiction had not previously been pressed by Australian unions.

to a level deemed unconscionable, capital can respond by shifting the site of production to a more congenial location or by replacing labour through the introduction of new plant. Retention by capitalists of this (to them) basic freedom can be seriously inimical to the presumptive labour goals of full employment and economic growth through publicly controlled, rational deployment of the productive forces.⁷⁶

Moreover, the institutions of arbitration have not closely corresponded to any corporatist ideal type. Courts of industrial arbitration belong more to the British juridical family. Conflict is generally internalised through the agency of adversarial process rather than mediated through informal compromise. The court environment is highly bureaucratised, in contrast to the non-bureaucratic forms favoured by at least one strand of corporatist thinking.⁷⁷ Most importantly, the court institution keeps government and the state administrative centres of power at arm's length from the decision-making process. Through the creation of industrial arbitration systems, the state arrogates to itself the power to fix wages and conditions, but at the same time hands over that power to an 'autonomous', supposedly neutral agency. Governments may or may not involve themselves in hearings, but they have no ironclad guarantee that their views will prevail. In any case, there has been no requirement in the Queensland or most Australian systems for the government to present a case in the determination of any industrial causes to which it is not a party as employer.

Since the Queensland and Australian systems of industrial arbitration may be characterised as merely quasi-corporatist, the explanatory power of corporatist insights needs to be examined. What does it matter that these institutional apparatuses bear some partial resemblance to those which are the concern of corporatist theorists?

⁷⁶Colin Crouch, *The Politics of Industrial Relations* (Glasgow: Fontana/Collins, 1979), pp.123-124.

⁷⁷J.T Winkler, "The Corporatist Economy", in *Industrial Society*, ed. R. Scase (London: George Allen & Unwin, 1969) p. 51.

First, corporatist theory, while it may have its normative exponents arises by and large out of the observation of certain **tendencies** in the administration of the capitalist state.⁷⁸ Unlike, say, pluralist or Marxist analyses, corporatism does not attempt a 'complete' analysis of the existing capitalist state. It contents itself with assessing the causes and possible outcomes of tendencies which are held to be evident. Second, while corporatists may make mention of the fascist corporate state, the main object of their attention is the administration of the capitalist state under social democratic regimes, since social democracy is seen to be the political motor behind the modern development of corporatist arrangements.⁷⁹

Corporatist theory is divided over questions of the desirability of tendencies it describes, their likely long-term consequences, and whether or not corporatist modes of representation can successfully supplant other forms.⁸⁰ The literature may be generally labelled as dividing into 'liberal-corporatist' and 'socialist-corporatist' camps, depending on the writer's orientation to the implications corporatist structures' development.

The more conventional analysis in recent years may be characterised as liberal-corporatist, since, although stemming from Marxist concepts of social and economic relations, it perceives corporatist tendencies as representing an extension of the liberal-democratic state, as a political response to the declining plausibility of liberal-democratic ideology in the face of working class organisation. Central to these perspectives is the idea that corporatist institutions have the function of co-opting the upper echelons of working class organisations so as to create a new consensus around wage restraint and capitalist economic restructuring.⁸¹ Union leaders are put in the position of imposing discipline on their own members with the aim of achieving this consensus, thereby running the serious and destabilising risk of isolating themselves from their

⁷⁸B.W. Head, "State and Economy: Theories and Problems", in *State and Economy in Australia*, ed. Brian Head (Melbourne: OUP, 1983), p.30; Panitch, pp.74-76.

⁷⁹Laurel Black, "Corporatism, Keynes and Social Democracy", APSA Conference paper, August 1982, p.2.

⁸⁰Bob Jessop, *The Capitalist State* (Oxford: Martin Robertson, 1982), pp.229-230.

⁸¹Colin Crouch, *Trade Unions*, pp.208-214; Gerhard Lehbruch, "Liberal Corporatism and Party Government", in *Comparative Political Studies*, Vol. 10, no.1 (April 1977), pp.96-100.

own base.⁸² On this analysis, the attainment of consensus based on the incorporation of union elites into the public policy process serves to obscure and complicate the underlying worker-capital conflict.

Alternatively, it has been argued that corporatist arrangements offer the prospect for involvement of previously excluded groups in the formulation of rational economic planning. According to this perspective, which I will call socialist-corporatism, corporatist institutions may be captured by working-class organisations working in collaboration with Labor in government, thus bypassing the mystifications of the parliamentary process.⁸³ Such an analysis is, of course, prospective, and so has only marginal utility in any assessment of the quasi-corporatism of an arbitration system created seventy years ago. It may, however, be argued that the arbitration institutions do serve to include the weaker unions in their processes and so fulfill at least that democratic role. This has certainly historically been one of the attractions of the arbitration system for the union movement.

Binding the above two perspectives together are mutual definitions of corporatist institutions as having both a more extensive role than and different composition to the Australian arbitration courts. Arbitration institutions, while they frequently hear argument over economic policy, are only empowered to make decisions on actual wage levels. The personnel occupying arbitration benches, while including many former union and employer representatives, are never responsible to their former organisations. Typically, despite early far-reaching reforms like the *Harvester* judgement in the Commonwealth jurisdiction or the Queensland union preference decisions under McCawley, the arbitration systems have been extremely conservative bodies, operating on accumulated precedent and slow to make any far-reaching changes to existing wage relativities or historically accepted principles.

⁸²Cf. Leo Panitch, "Trade Unions and the Capitalist State" in *New Left Review*, N° 125 (1981), pp. 40-42.

⁸³Geoff Dow, Stewart Clegg, Paul Boreham, "From the Politics of Production to the Production of Politics", in *Thesis Eleven*, N° 9 (July 1984), pp.16-32.

So, at least partly for this reason, both Labor and non-Labor governments have in fact, if not in rhetoric, reserved the right to overrule and circumvent the arbitration processes where these are too slow to respond to perceived pressures. As will be shown in this Chapter, the more important advances made by labour in terms of wages and conditions were made in spite of the arbitration system through direct representations to and pressure on Labor Governments.

The quasi-corporatism of the arbitration system can be defined as a corporatism of rhetoric. The rhetoric of conflict-mediation and union legitimacy remains a potent force. The objective reality, however, is that the Commission and Wage Boards constituted an 'autonomous' bureaucracy administering a vast body of precedent and historical relativities. Labor administrations in fact played fast and free with the rhetorically sacrosanct arbitration systems, deferring to them usually on account of their natural conservatism.

Consensus from the union side based on the arbitration framework has been fragile, as this Chapter will show. The more militant and better-organised unions have historically sought gains outside the system, while the more conservative and weaker unions have worked within and defended the system, constructing a consensus based on the legitimacy that arbitration affords the union movement. In Queensland, the supply of personnel for arbitration benches coming out of the AWU, when seen in the context of that union's long-standing conservatism, ensured its loyalty to the system and perhaps a certain influence over awards. By the same token, the exclusion of the ARU from such appointments heightened the militants' distaste for arbitration.

Basically, it was the inability of the unions to use arbitration to trespass on managerial prerogatives which most alienated the militants. It must be said that the original Commonwealth 'New Protection' program of the first decade of Federation did include some additional ambit for the arbitration system which implied some control over investment decision-making. Initially, therefore, there existed some prospect for a framework embracing more than a quasi-corporatism in the arbitration system. Unhappily for the New Protection program, however,

the investment 'control' aspects of the enabling legislation were ruled invalid by the High Court.⁸⁴ The Australian federal system thus doomed the construction of a more thoroughgoing corporatist system of industrial relations management even at the outset. Wages were, rather, to be the subject of a form of tripartite control, but no aspect of managerial prerogative or investment decision-making was to come under tripartite ambit.

There were many in the labour movement, however, to whom the corporatist flavour of arbitration nonetheless appealed. The aura of legitimacy imparted by participation in the state-sponsored procedures of the system, especially where this was enhanced by union preference provisions in awards, was attractive to the more conservative or to the organisationally weaker unions.⁸⁵ Chief among the former type in Queensland was the giant AWU, which had benefitted early from the insertion of union preference provisions in its federal pastoral awards.⁸⁶ The dedication of these significant segments of the labour movement to arbitration came to mean that challenges by other, militant unions to the system were regarded as challenges to the sphere of authority exercised by pro-arbitration 'moderate' unions, of which more later.

To political Labor, the arbitration system offered a ready-made mechanism for removing from its political agenda the vexed questions of the coercive character of the social relations of production.⁸⁷ The quasi-judicial format of the system also kept State labour market intervention at arms length from the Labor government leaders. At the same time the Labor Party could, and did, present the introduction of arbitration as the fulfilment of a fundamental labour movement goal, thereby justifying its political strategy. It was aided in this process by the often frenzied opposition of conservative political leaders and press to the introduction of Queensland's *Industrial Arbitration Act*, 1916, and then to certain Industrial Court decisions.⁸⁸ In addition, the powers vested in government to make appointments to benches were used to install people like McCawley who had some sympathy for the labour cause. The introduction of arbitration was then

⁸⁴Gollan, pp.168-169; Fitzpatrick, pp.159-164.

⁸⁵Waters, p.110.

⁸⁶Turner, *Industrial Labour and Politics*, p.39.

⁸⁷Turner, *Industrial Labour and Politics*, p.45, sees this as a conscious motive.

⁸⁸See Murphy, "Queensland", pp.188-189.

followed by a quick succession of cheaply won labour victories, in contrast to the costly battles advocated by direct actionists. The labour movement militants were thus divided into the camp that attempted to work from within the Party for more Government initiatives, and those who maintained that real gains could only be won on the shop floor.

Lastly, for Labor in government, the introduction of industrial arbitration was at worst electorally innocuous. Through its quasi-corporatist insistence on collective representation of parties to disputes, arbitration had the side effect of helping to organise the farmers whose votes were essential to Labor's electoral strategy (see Chapter 3). Labor could realistically point to the success of State-sponsored representative forms of conflict resolution and decision-making as some sort of model for the small farmer class it depended on for electoral survival.

In summary, Labor's strategy for intervention in the labour market by the introduction of industrial arbitration was an ill-formed essay in corporatism. Unlike developed corporatist institutions of either the liberal or 'socialist' corporatist moulds, the arbitration system adopted throughout Australia, which reached full maturity in the Queensland system after 1916, was "subordinate to [...] conflict processes, rather than the master of them".⁸⁹ Having been won after nearly two decades of struggle and defeat, and having been mythologised as a great Labor triumph, the arbitration system was to receive far greater loyalty from Labor in office and from important sections of the industrial labour movement⁹⁰ than it perhaps deserved. Yet, for obvious reasons, the great challenges to the system were to come from the labour movement, not from capital.

⁸⁹Waters, p.112.

⁹⁰Queensland in 1954 had the highest percentage of workers covered by awards and the second highest (marginally behind W.A. - both well ahead of other States) State award as against Federal award coverage - 73.5% - in the nation: Dabscheck and Niland, p.274.

The first decade 1915-25: exclusion of the
militants

1 - The shape of radicalism

The political organisation of sections of the labour movement opposed to the parliamentarism of the Labor Party had commenced prior to 1915. Australia-wide, the best-known organisation of left opposition was the Industrial Workers of the World (IWW), a syndicalist group with roots in the American labour movement often referred to by the pejorative nicknames "Wobblies" and "I Won't Work[ers]".⁹¹ The IWW platform specifically rejected a political strategy which was not the outgrowth of industrial conflict, and called for acts of industrial sabotage as well as more traditional forms of direct action to bring down the capitalist system.⁹² Some IWW strategies, notably the goal of One Big Union (OBU), found more widespread support in the labour movement of the time than did revolutionary confrontationism.

IWW strength was nowhere as great as feared by conservatives, and less in Queensland than in New South Wales,⁹³ where alarmism at their influence and anti-war stance led to the imprisonment of twelve prominent members on treason charges in 1916. Nonetheless, some unions were sympathetic to the impeccable radical credentials of the IWW, and certain prominent officials maintained a dilettantish liaison with the organisation. Until May 1917 when it was forced underground, permission was given for the IWW to hold its meetings at the Brisbane Trades Hall, where it was kept under surveillance by Commonwealth agents.⁹⁴ Two major unions sympathetic to IWW radicalism were the Queensland (later Australian) Railways Union (QRU) and the Australian Meat Industry Employees' Union (AMIEU),⁹⁵ but the consensus at Trades Hall was at this time only one of tolerance towards the syndicalists. When the organisation

⁹¹See Ian Turner, *Sydney's Burning* (Melbourne: Heinemann, 1967); R. Coates, "Notes on the Industrial Workers of the World", in *Labour History*, N° 6 (May 1964), pp.25-28; Turner, *Industrial Labour and Politics*, pp.111-138; Fitzpatrick, pp.158, 186 and elsewhere.

⁹²An Open Letter from the Industrial Workers of the World Club to the Australian Working Class (Sydney: IWW Club, 1909); *Industrial Worker* (October 1917).

⁹³D.J. Murphy, "Trade Unions", in *The Big Strikes*, pp.40-41.

⁹⁴"Ryan's Disloyal Associations - Dossier", Australian Archives Accession B197, Defence Army, Secret and confidential correspondence files, multiple number series 1906-1935, file no. 2021-1-270.

⁹⁵Murphy, "Trade Unions", p.40.

was prescribed by the Hughes Commonwealth Government in May 1917, an anti-conscriptionist body called the Universal Freedom League was set up at Trades Hall as what Commonwealth informants saw to be an IWW front.⁹⁶ The main Trades Hall leaders, however, involved themselves chiefly in the official Labor Anti-Conscription Campaign Committee.

Relations between the IWW and the Labor Party were necessarily chilly, as the IWW platform utterly rejected the very concept of the state as any sort of vehicle for social change, let alone a parliamentary road for the labour movement. The IWW-sympathetic unions continued to be affiliated to the Party throughout this period, though, which is an indication again of their lack of real commitment to syndicalist strategy. Despite the natural enmity of the Labor leadership for the IWW, the Ryan Government was conscious of IWW commitment to the advancement of labour and saw the suppression of the organisation as part of the same pattern of Commonwealth *War Precautions Act* abuses to which the whole labour and radical movement was then being subjected.

It was with this in mind that Ryan, as Queensland Attorney-General, authorised the holding of an Art Union (lottery) to raise funds for the dependants of the gaoled Sydney twelve. This was a bold move, since such authorisation required a civil servant to be delegated to supervise the draw, which fact appeared to lend official sanction to an illegal organisation:

Ye Gods! Representatives of the Department of Justice of the State of Queensland disporting themselves in the rooms of the I.W.W., an illegal association, and assisting a lot of rebels, sympathisers, and members of the I.W.W. to raise money to assist a collection of criminals and their kith and kin.⁹⁷

Similarly, the Government issued permits for IWW luminaries like Tom Barker to address public meetings in support of the Sydney twelve. Such actions, in spite of conservative allegations to the contrary, cannot be construed as demonstrating any sudden amity between Labor and syndicalism. In the context of the anti-conscription campaign, the best that can be made of these essentially liberal actions is that they helped preserve labour unity around the conscription issue.

⁹⁶"Ryan's Disloyal Associations - Dossier".

⁹⁷Malcolm Henry Ellis, *A Handbook for Nationalists* (Brisbane: National Political Council, 1918), p.65.

In any case, the IWW reached its zenith at this time, and rapidly exited the industrial and political stage in the years following the Bolshevik revolution in Russia in November 1917. OBU-ism however, was a legacy which survived, at least in rhetoric, for another decade. Organisationally, many of the now illegal IWW's members re-emerged in the form of the OBU Propaganda League. A difficulty with the OBU objective was that it was alien to the craft-based union structure which characterised most of the labour organisations.⁹⁸ The one great industrial union extant was the AWU, which could alone have formed the foundation for an OBU. AWU enthusiasm for the revolutionary aims of the OBU-ists was, however, at best lukewarm given its close attachment to political Labor. Turner paints a scathing picture of the AWU leadership, in league with Labor parliamentarians, sabotaging the OBU project, to protect their elite position in the labour movement.⁹⁹ No significant steps were taken down the OBU road, however, by any other militant unions including the Railways Union, which had a fair measure of industrial coverage and large membership. The ARU was strong on OBU rhetoric but weak in any activity which threatened its own position. In Queensland the OBU rhetoric, while widespread in the labour movement, lacked total conviction even in the most ardent exponents.

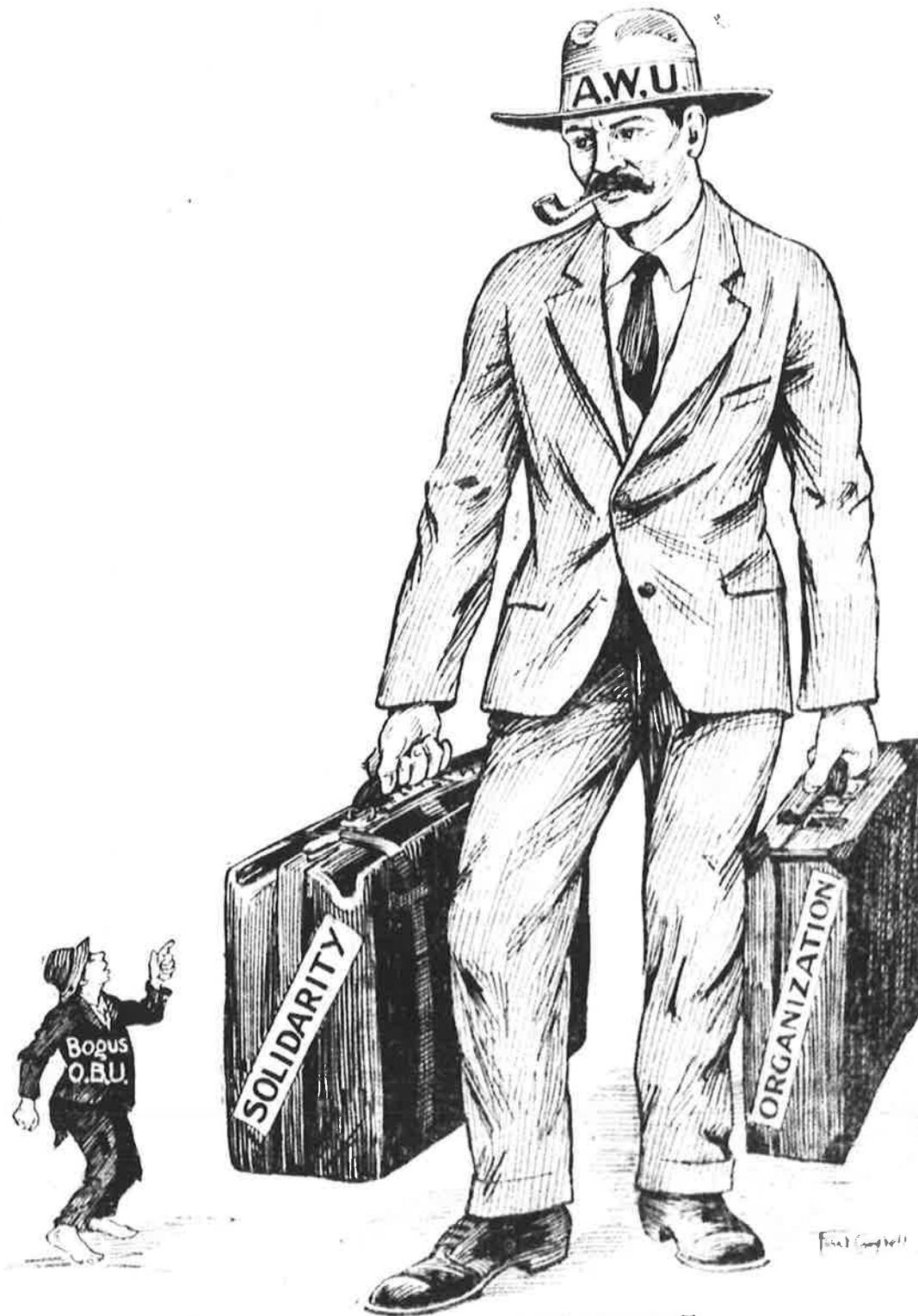
In any case, syndicalism was losing its popularity and theoretical gloss in the wake of events in Russia, and labour militants were beginning to lean towards Leninist-political, rather than IWW-industrial, strategies for the overthrow of capitalism. This paradigmatic shift in strategy was given added impetus in Queensland by the presence of large and politically active communities of emigre Russians in Brisbane and the far north.¹⁰⁰ The Brisbane-based Russian Association was indeed a hot-bed of Bolshevism, from whose ranks came the first Soviet diplomatic appointee to Australia (whose credentials remained unrecognised).¹⁰¹ A former leading light of the association, Artyom (Sergeyev), had gone home to become a major leader of

⁹⁸Murphy, "Trade Unions", p.41.

⁹⁹Turner, *In Union is Strength*, pp.69-70; *Industrial Labour and Politics*, pp.192-194.

¹⁰⁰See Diane Menghetti, *The Red North: The Popular Front in North Queensland* (Townsville: James Cook University, 1981), p.9-16; E.H. Lane, *Dawn to Dusk: Reminiscences of a Rebel* (Brisbane: Brooks, 1939), pp.194-195.

¹⁰¹See Eric Fried, "The Union of Russian Immigrants", article to be published in *Labour History*, forthcoming.



DIGNITY AND IMPUDENCE.

Anti-syndicalist cartoon, Worker, 27 January 1921

[Reproduced by kind permission John Oxley Library]

the Revolution; his remains now lie in honour in the Kremlin wall immediately behind Lenin's mausoleum and next to John Reid's.¹⁰²

Russians had been involved in radical politics and industrial agitation in Queensland for some time before the overthrow of the Provisional Government in Petrograd, but the victory of the Bolsheviks gave them added cachet in their dealings with the Australian labour movement. But since Revolution also brought separate peace with Germany, the Russians suffered increased harassment from the Commonwealth Government using the wide-ranging provisions of the *War Precautions Act*, 1915.¹⁰³

After the 1918 Armistice in Europe, Brisbane Industrial Council (BIC - the Trades Hall unions) joined with the Russians in organising protest action against the continuation of the *War Precautions* powers. The so-called Red Flag Riots of March 1919 were a result. Public display of red flags had been banned by the Commonwealth, and their proud and provocative flaunting at demonstrations (organised in part by genuine Russian Bolsheviks), brought swift and savage reaction in the form of counter-demonstration by enthusiastic returned soldiers' groups backed by Opposition politicians and the anti-Labor press.¹⁰⁴ Armed State police battled with both sides.

The Russians, better versed than their anglophone comrades in Leninist theory, were active at this time in getting a local Leninist vanguard political party off the ground. In the days before the Russian Bolsheviks under Stalin gained hegemony over the international communist movement through the Comintern, Australian communists and labour movement radicals had considerable freedom to develop their own political strategies. This suited unions which had a large 'non-factory' membership of itinerant workers: shearers, timber and railway workers, and meat processing workers, for example. For some years the ferment of ideas on the

¹⁰²See Eric Fried, "Artem: A Bolshevik in Brisbane", article to be published in *Labour History*, forthcoming.

¹⁰³The Association was proscribed and its office was raided following the Revolution, and the confiscated documents are still held as Australian Archives Accession MP 95/1.

¹⁰⁴See *Courier*, 24 and 25 March 1919; Frank Farrell, *International Socialism and Australian Labour: The Left in Australia 1919-1939* (Sydney: Hale and Iremonger, 1981), pp.1-3.

left caused by such factors as the persistence of syndicalist doctrines of mass working class mobilisation, the ideological struggles going on within the Russian Party itself and in the Comintern, and the proliferation of cells and factions with divergent dogmas, militated against the establishment of the one properly credentialled Communist Party of Australia.¹⁰⁵

The ostensible triumph of the Russian working class and the prospect of the incipient collapse of capitalist states throughout Europe stirred up a lot of interest in radical politics in the labour movement. As Turner observes, "the ideas of the Bolsheviks acquired great prestige - not only as explanation of the victory of [revolutionaries] Russian comrades but as a magic prescription for their own success".¹⁰⁶ Links were rapidly forged between the communists and the more militant segments of the labour movement; communist ideas and propaganda circulated among unionists and Labor Party members; and a few communists began to penetrate the Party branches.

In Queensland there was no wholesale entryism in the sense that no major attempt to convert the Labor Party to Bolshevism by capturing its organs met with the kind of success found in New South Wales.¹⁰⁷ There was some airing of communist ideas in Labor Party forums, as can be seen in the 1920 Labor-in-Politics Convention debates. Whatever the communists' theoretical problems with the Labor Party, they remained keen on involvement in the unions. Communists failed in Queensland, however, to capture the leaderships of any major unions not already known for radicalism and militancy - especially not the AWU.

The agitation of the Russian community calmed as the Russians themselves departed for the revolutionary homeland beginning in late 1919.¹⁰⁸ Penetration of the Labor Party branches was most evident in the north, where communist ideas found converts among a

¹⁰⁵Robin Gollan, *Revolutionaries and Reformists: Communism and the Australian Labour Movement* (Canberra: ANU, 1975), pp. 1-18; Turner, *Industrial Labour and Politics*, pp.206-210.

¹⁰⁶Turner, *Industrial Labour and Politics*, p.206.

¹⁰⁷See Gollan, *Revolutionaries and Reformists*, pp.10-14.

¹⁰⁸See Fried, "The Union of Russian Immigrants".

labour movement with a radical tradition.¹⁰⁹ At the 1920 Labor-in-Politics Convention motions calling for workers' control on a Soviet model in State Enterprises were put (and decisively lost on the conference floor) by the Bowen Coalfields and Townsville WPO's.¹¹⁰ At bottom, however, the communists were equivocal about their strategy on relations with the ALP,¹¹¹ so entryism could never become a consistently accepted tactic.

Despite their theoretical commitments to political action and to the (temporary) acquisition of State power (which had of course been anathema to the syndicalists), the Communists had no appreciably greater immediate success in swaying the Queensland labour movement towards radical action than had their IWW-inspired comrades. Superior organisation and more rigorous theory supported by Soviet praxis were, however, to guarantee the Communists a lasting place in the labour movement and this was to have significant effects in the long term which were important for the Labor Party.

The first decade 1915-1925: exclusion of the militants

2 - Labor and the unions

The election of the Ryan Government was greeted with wholehearted celebration by both the BIC militants and the AWU in their respective publications the *Daily Standard* and the *Worker*.¹¹² The grim news from the war (ANZAC had landed at Gallipoli on April 25, 1915) had no dampening effect on the speed with which the Labor Government began to move on the implementation of its reform program, and this general public support from the militant and 'moderate' unions carried through into the following year unabated. The Labor Party Executive

¹⁰⁹Menghetti, pp.15-23.

¹¹⁰*Official Record*, Tenth Queensland Labor-in-Politics Convention, 1920, pp.48-49.

¹¹¹See Farrell, p.43.

¹¹²*Daily Standard*, 24 May 1915; *Worker*, 27 May 1915.

offices had moved in June 1913 from the Trades Hill to AWU's *Worker Building*,¹¹³ a move which the BIC unions came to view with some disquiet. The 1916 Labor-in-Politics convention proceedings are, however, full of expressions of mutual goodwill, in part because of the former AWA's more radical credentials, and the AWU and BIC unions combined to change the Party structures so as to give the unions direct representation at future Conventions on an affiliated membership basis. The formula adopted actually appeared to favour the BIC unions, which gained eight delegates to the 1918 Convention as against the AWU's four (plus the Clerical Workers' one).¹¹⁴ The AWU was, of course, well represented among the WPO and PLP delegates.

The numbers at Conventions remained firmly with the branches (WPO's), of whose delegates by far the largest identifiable bloc was the PLP, which sent sixteen delegates to the 1918 Convention. Premier Ryan was ousted in June 1916 from the chair of the Executive and replaced by Demaine¹¹⁵ in an apparent assertion of control on the part of the unions and the Party organisation (although Demaine soon after joined the PLP via appointment as an MLC). But, as Murphy observes,

[o]n the surface it seemed that the industrialists had ousted the politicians from control of the CPE, but as with many such simplifications of Labor ballots, the reality was otherwise.¹¹⁶

The majority which deposed Ryan was purely transitory, and the PLP and its supporters continued to be able to muster the numbers on issues of importance.

In fact the first major test of strength between the more militant unions and the Labor Government was to begin the year after the CPE rearrangements. The issue was union acceptance of industrial arbitration decisions, and the QRU was the major militant union involved. A strike broke out in the beginning of August 1917 arising from the unwillingness of McCawley, President of the Industrial Arbitration Court to award retrospectivity in a pay rise to the majority of railway workers.¹¹⁷ In the event the strike fizzled out after some three weeks when

¹¹³*Official Record*, Eighth State Labor-in-Politics Convention, 1916, p.7.

¹¹⁴*Official Record*, Ninth State Labor-in-Politics Convention, 1917, p.4.

¹¹⁵CPE Minutes, 26 June 1916.

¹¹⁶Murphy, "Queensland", p.193.

¹¹⁷See D.J. Murphy, "The North Queensland Railway Strike 1917", in *The Big Strikes*, pp.132-143; E.H. Lane, pp.204-206; *QPD*, Vol. CXXVI (1917), pp.828-830.

the workers accepted a government proposal, endorsed by McCawley, to refer the matter to Commonwealth Arbitration Court Judge Higgins.

Although Prime Minister Hughes attempted to rekindle the strike by refusing Higgins permission to hear the case, the unions allowed the Government to find another appropriate arbitrator. Other events then intervened, notably the anti-conscription referendum campaign, and finally the whole business was forgotten, the railway workers achieving pay rises by other means and in the legitimate forum of the arbitration system.

The Ryan Government's tactics for dealing with this particular strike are worth looking at more closely, since they showed a willingness to consider an extension of corporatist decision-making structures outside the arbitration system, albeit with the goal of restoring the primacy of the system. As the employer in the dispute, the Government was able to use its good offices within the labour movement to convoke a conference in Brisbane with representatives of Queensland unions on 21 August 1917. The unions' delegation comprised representatives from unions making up 70% of Queensland unionists.¹¹⁸ The Government was represented by Ryan, J.H. Coyne as Minister for Railways, and representatives from the Railways Commission together with Theodore who, as part of his Public Works portfolio, administered the *Industrial Arbitration Act*, 1916. In the face of moves by the Commonwealth to use its war powers to take over the dispute and sign on non-union labour,¹¹⁹ Ryan was able to secure the agreement of the meeting for a return to arbitration on the new terms. When some of the Northern strikers then refused to return to work, the Government, citing the support of the combined unions' conference for its compromise solution, gave the continuing strikers an ultimatum after which time they would be sacked. The strikers backed down on the bell.

Labor in this instance deployed an alternative mechanism for State involvement in industrial relations to that afforded by arbitration. Though it is significant that the Government was prepared to go outside the arbitration mechanism in order to negotiate a settlement, the

¹¹⁸*QPD*, Vol. CXXVI (1917), p.829.

¹¹⁹*QPD*, Vol. CXXVI (1917), pp.837-839.

possibility of extending this corporatist mode of intervention to cover general and ongoing industrial relations was not explored. This was perhaps the only time Labor in office convoked a mass meeting of unionists across an industry, thereby creating an *ad hoc* corporatist consultative mechanism. Initially, this had strengthened the Government's hand through isolation of the Northern militants; the mechanism had, nevertheless, the potential for a reverse effect where the unions were solid or the strike confined to a small area. Quasi-corporatism through the arbitration system allowed the Party in office to remain at arms length from industrial conflict and the demands of labour, and thus continued to make it an attractive centrepiece for Labor industrial relations policy and the preferred mode of labour market intervention.

Labor had now shown itself quite willing to draw upon the arsenal of strike-breaking weapons available to it as employer. It is true that the Government resisted exhortations to sign on non-union labour in order to restore essential services,¹²⁰ but this can be construed, primarily, as a shrewd non-inflammatory tactic designed to dampen down an explosive situation. This was the conclusion drawn by Murphy¹²¹ and supported by Ryan's own comments. Labor had shown that, faced with industrial confrontation, it was not prepared to take off its 'legitimate Government' or 'employer' hats and don its 'labour solidarity' hat.

In the context of the anti-labour assaults of the Hughes Federal Government and of Queensland's isolation as the only Labor State, the labour movement closed ranks behind Ryan in the 1917 conscription referendum and 1918 State election campaigns. Demaine, still CPE President (he was to hold that position for another decade and more), almost certainly echoed the general opinion of the Trades Hall unions in his address to the 1915 Labor-in-Politics Convention, held at opening of the election campaign:

the Queensland Labor Government, with all its faults and weaknesses, and it is not without both, is the best and most truly democratic Australia - not to go further than that - has ever had...¹²²

¹²⁰For example, *Courier*, 8 August 1917.

¹²¹Murphy, "Railway Strike, 1917", pp.142-143.

¹²²*Official Record*, Ninth State Labor-in-Politics Convention, 1918, p.6.

The Ryan Government was returned with an increased majority in April 1918, a remarkable achievement in the climate of hysterical reaction to the Russian revolution and Empire jingoism then rampant. This victory was due in large part to the solidarity the union movement showed in support of the Labor Government.

A renewal of the public schisms between the Government and the militant unions was not too long in coming, however. Again, the issue revolved around the coverage and legitimacy of the arbitration system, and again the location was the north. On this occasion, though, the conflict erupted in an industry where the management was in private (indeed foreign) hands, and one which provided no service or goods vital to the preservation of individual safety or to the general operation of the economy.

The workers concerned were employed at the two Townsville export abattoirs, and their union was the militant AMIEU. The AMIEU in Townsville had been able for some years to negotiate its own wages and conditions with the abattoir managements outside the arbitration system, thereby extracting some notable concessions, including a closed shop and a monopoly over nominating workers to be hired. In most other Queensland shops, the AMIEU had accepted the jurisdiction of McCawley's bench. McCawley had in March 1918 made an award covering the Townsville workers but they refused to acknowledge it and conflict persisted on and off for the remainder of the year as the managements attempted to split the union memberships.¹²³

In January 1919, the meat companies, in the face of a shrunken market at the end of the war, and taking advantage of rising unemployment, applied for and were granted deletion of union preference provisions in the award - an award which, in any case, the union still refused to recognise. McCawley, to the delight of the non-union press, specifically cited the workers' militancy and interference with management prerogatives as justification for the deletion.¹²⁴

¹²³Doug Hunt, "The Townsville Meatworkers' Strike, 1919", in *The Big Strikes*, pp.144-146; Terrence Cutler, "Sunday, Bloody Sunday", in *Strikes: Studies in Twentieth Century Australian Social History*, eds. John Iremonger, John Merritt and Graeme Osborne (Sydney: Angus & Robertson, 1973), pp.84-90 (hereafter *Strikes*).

¹²⁴*Courier*, 1 February 1919.

When the managements promptly began to hire non-union labour from the growing pool of unemployed constantly fed by reinforcements from military demobilisation, the unionists came out on strike. The managements remained intransigent and spurned union overtures since they were able to operate at full capacity using non-union labour, and the strike collapsed at the end of March.¹²⁵

The strike erupted anew in June, when it became clear that the managements were determined to persist with their policy of employing only non-union labour. Now the strikers won the support of the QRU and the Waterside Workers Federation (WWF), but internal disputes over tactics and suspicion of some of the leaders served to bring on a breakdown in discipline.¹²⁶ Union frustration grew at the continued smooth operation of the meatworks by non-union labour and on the night of Saturday-Sunday 27-28 June, 1919, some of the strikers, supported by pro-strike unemployed, vandalised the stockyards and released the store cattle. The militant strike leaders were arrested for inciting the disturbance on Sunday. Later that day a rowdy demonstration demanding their release led to an exchange of gunfire between police and demonstrators and left at least nine demonstrators with gunshot wounds.¹²⁷ Some of the dispersing crowd then raided nearby hardware and gunshops and continued to exchange fire with the police who were barricaded in the gaol. This encounter was to become famous as Bloody Sunday.

There were to be no other major incidents of unruly behaviour on the part of the strikers and their supporters as the Ryan Government rushed companies of armed police to Townsville. Curiously, the *Sugar Acquisition Act*, 1916 (see Chapter 3) was invoked to empower police to confiscate firearms, thus setting a precedent for Government action in such crises. When the QRU refused to carry a trainload of police to Townsville, union members who refused to work as directed were sacked and the trains driven on by non-union staff.¹²⁸ The non-labour press in

¹²⁵Hunt, p.151.

¹²⁶Cutler, pp.92-93: On the grounds that it was easy for the management to recruit 'scabs' the IWW faction within the AMIEU called for on-the-job sabotage rather than strike action.

¹²⁷Hunt, p.153; Cutler, pp.94-95. Each side blamed the other for firing the first shot, but the subsequent Royal Commission accepted the police version of events. See *QPP*, 1919, Vol. 2, pp.589-598.

¹²⁸William Morrow (QRU northern organiser), quoted in Margaret Bridson Cribb, "The A.R.U. in Queensland: Some Oral History", in *Labour History*, No. 22 (May 1972), pp.19-20.

Brisbane applauded these measures, while continuing to insist that a firm hand earlier in the day would have avoided the entire violent episode.¹²⁹

What was remarkable about the part played by the Labor Government in the whole affair was not its readiness to adopt the role as enforcer of law and order and persecutor of militant labour. Rather, what is more interesting is the Government's total refusal to initiate mediating action outside the framework of the arbitration system. Again it is instructive to consider a hypothetical alternative history, given the precedent of the earlier railway dispute and the destabilising impact of the course actually followed. Labor could have put pressure on the companies to cool the dispute by eschewing the tactics of blacklisting and mass hiring of non-union labour. It could, again, as in the 1917 disputes, have convened a conference of the union leaders to apply pressure on the Townsville militants to return to arbitration. Instead it sat tight in its role as 'neutral' observer and non-interventionist.

Within the labour movement, the Government's stance and the violent defeat of the strike had some noteworthy effects. First, the humiliating defeat of the strike was used as yet another potent example of the folly of pursuing claims other than those legitimated by the arbitration system. IWW tactics of effective on-the-job control of the productive process by mass refusal to accept shop floor discipline by management were thus seen to be self-defeating by many in the labour movement who might otherwise have been attracted to syndicalist ideology.¹³⁰ Second, the Ryan Government had laid down its interpretation of the limits of industrial action within the State: rejection of the arbitration process by a section labour would place that section beyond the pale and the full array of management strike-breaking measures could be unleashed with Government connivance and support. Third, unions were expected to discipline their own branches: industrial relations processes would need to be centralised with full disciplinary authority vested in the central leaderships. Fourth, it was now to be understood that labour would

¹²⁹*Courier*, 1 July 1919.

¹³⁰Cutler, p.100, claims that this syndicalist failure accelerated the move toward Leninist tactics among the militants, citing W. Davis, *In Pursuit of the Millenium* (Brisbane: AMIEU, n.d.), pp.188-191.

make industrial gains legitimately through the arbitration system or not at all: Labor in office would strongly resist acting independently to effect such gains.

Politically, it was opportune for that moderate wing of Labor associated with the PCP and AWU to make these delineations clear at this time. Political reaction to the actions of militant labour and radical ideas generally was fierce in the context of revolutionary struggle in Europe and counter-revolutionary intervention by the Allied powers.¹³¹ Meanwhile Queensland Labor, as the sole Labor Government in the country, was about to enter the national stage. Ryan resigned the Premiership in October 1919 to contest (successfully) a Federal seat. His successor Theodore had close personal and political links with the AWU. Both had something to gain and little to lose by disciplining the militants in the Trades Hall unions. The Trades Hall militants were themselves in disarray over competing radical theories and strategies (all of which were, nevertheless, tempered by an abiding loyalty to Labor in office).

Yet in the face of the 1920 loans crises (see Chapter 3) and following hard on a disappointing Queensland Labor vote in the 1919 Federal election,¹³² the PLP-AWU dominant axis found itself obliged to make some concessions to its opponents in the Party at the 1920 Labor-in-Politics Convention: the support of the militants was essential for successful electoral mobilisation at this time. Numerous 'radical' motions affecting working conditions of State employees and education were carried, while an AMIEU motion censuring the police handling of the 1919 strike was gently handled. An amendment requiring consultation between the Government and unions concerned in strike action where police were to be used was moved by PLP supporters and carried.¹³³

¹³¹See Humphrey McQueen, "Shoot the Bolshevik! Hang the Profiteer! Reconstructing Australian Capitalism, 1918-1921", in *Essays in the Political Economy of Australian Capitalism*, Vol. 2, eds. E.J. Wheelwright and K. Buckley (Sydney: ANZ, 1978), pp.185-206.

¹³²Labor won no Queensland House of Representatives seats in 1919 - see *Official Record*, Tenth Queensland Labor-in-Politics Convention, 1920, p.6.

¹³³*Official Record*, Tenth Queensland Labor-in-Politics Convention, 1920, pp.64-65. The Convention was, coincidentally, held in Townsville.

Nonetheless, the militants were not entirely mollified, sensing that their own minority position within the Party machine denied them any chance of dictating policy. Trades Hall support for Labor in the 1920 Queensland election was lukewarm (see Appendix 3).¹³⁴ This failure to support Labor wholeheartedly in an election was blamed by many for depriving Labor of much of its parliamentary majority. Moreover, the big electoral losses were in the metropolitan (Brisbane) electorates, where the influence of the Trades Hall unions was strongest. Thus the PLP-AWU dominant faction had reason to feel embittered at the spurning of its conciliatory overtures.

In March 1919 Theodore and Ernie Lane (one of the few ex-AWA militants to remain an official of the AWU) drafted a document entitled *Solidarity or Disruption* which called on the labour movement to close ranks behind the Labor Government. The document was endorsed by the QRE and circulated to WPO's and affiliated unions;¹³⁵ it specifically reaffirmed the legitimacy of left dissent within the Party:

The Queensland Central Executive fully recognises that the suppression of bona-fide and honest criticism is vicious in principle and reactionary in effect, and would inevitably result in stagnation and the early decay of the Labor party. Without the driving force of the Left or extreme wing of Labor and an intelligent or advanced criticism, progress and virility are impossible. Lately, however, advocates of other doctrines have insinuated their way into the ranks of the workers and are seeking to spread a crafty and disruptive propaganda in the working class movement.¹³⁶

But the traumatic events of 1919-1920 conspired to ensure that this hoped-for solidarity among Party and industrial factions was not to be fully realised. No further such statements were to be forthcoming.

Queensland's fiscal crisis deepened through 1920 and into 1921, precipitated by the evaporation of loan funds (see Chapter 3); by the impact of a recessed economy on the revenue fund, and by the drain on the exchequer of losses in the State Enterprises (see Chapter 2). From 1920 until the Great Depression, the worsening recession was reflected in a steady deflation in retail markets, reversing the wartime inflationary trend.¹²³

¹³⁴For example, *Daily Standard*, 1-9 October, 1920.

¹³⁵QCE Minutes, 11 March 1919.

¹³⁶QCE Minutes, 11 March 1919.

¹³⁷Butlin, Barnard and Pincus, pp.88-89.

When Justices McCawley and Macnaughton finally determined a basic wage for State awards in February 1921, it was of course framed on the material standard basis laid down in the 1916 Act, which had regard to price movements and community standards. The award of £4 5s 0d with regional adjustments, although it made Queensland a marginal pacesetter, was subject to annual review.¹³⁸ In February 1922 the basic wage was reduced to £4 0s 0d in line with the fall in retail prices and in response to the arguments of employers who argued that they could not afford to employ labour at the old rate.¹³⁹ The QCE, on the motion of ARU President Rymer, adopted the following wording:

That the ACE recommend to the-PLP that the Arbitration Act be amended to provide for the raising of the standard of living, and that any reduction in the existing basic wage of £4 5s 0d be prevented by such amendment.¹⁴⁰

The Government did not act on the recommendation prompting condemnation, but also calls for unity, in the pages of the *Daily Standard*.¹⁴¹ The contemporaneous opening of Hughes's National Economic Conference in Sydney was undoubtedly a factor in the muted reaction to the wage cut, since the labour movement was keen to support Theodore against the likes of Hughes.

From the militants' point of view, worse was to come. With the stated objective of cutting Government expenditure, Theodore successfully approached the Arbitration Court, in July 1922, seeking a flow-on of the 5s. reduction in the basic wage to all State employees.¹⁴² The stronghold of the militants - the ARU¹⁴³ - was now seen to be under direct assault. This time the moderates in the QCE used their majority to prevent any action stronger than voicing 'strong disapproval' of the move or 'urging' the Government to change its stance, although a deputation was sent to the Premier. A motion from Rymer of the ARU calling on the PLP to "take all reasonable steps" to secure a return to the old rate was rejected.¹⁴⁴

¹³⁸*Worker*, 17 February 1921; *Courier*, 16 February 1921.

¹³⁹*Courier*, 2 February 1922.

¹⁴⁰QCE Minutes, 17 February 1922.

¹⁴¹*Daily Standard*, 1 March 1919.

¹⁴²*Courier*, 14 July 1922.

¹⁴³The QRU changed its name to ARU - Queensland Branch following the national conference of railways unions in September 1920. See Turner, *Industrial Labour and Politics*, p.194.

¹⁴⁴QCE Minutes, 14 July 1922.

The ARU then decided on a policy of public opposition to the Government and to its much-vaunted arbitration system. A Government Employees' Anti-Reduction Committee was formed under the auspices of the ARU comprising representatives of twenty-nine unions with coverage of State employees.¹⁴⁵ Unhappily for the ARU in the long-term (as will be shown), it adopted a tactic of personal vilification of Theodore and his close associates.

At the 1923 Labor-in-Politics Convention ARU delegates George Rymer and Tim Moroney attempted to force the PLP leadership to confess to what were seen as fundamentally anti-labour attitudes. They moved what amounted to a manifesto of militant unionism:

That, in view of the fact that the Arbitration Court's policy of reducing workers' wages conflicts with the policy of the ALP, this Convention is of the opinion that the workers should immediately adopt the means of redress laid down by the All Australian (Trade Union) Congress.¹⁴⁶

Those 'means of redress' included the establishment of the OBU and training for workers in the control of industry. Theodore stayed out of this debate, leaving the running to his deputies, one of whom - McCormack - declared ominously of the ARU

[t]hey might honestly believe in their attitude, but he (McCormack) hoped to live to see the day when some of them got involved in some big industrial trouble. Some of them would run away when this happened. (p.26)

The Rymer/Moroney motion went down by twelve votes to sixty (p.34). Theodore and at this forum outmanoeuvred the militants by bringing on a debate over a motion expressing support for the principle of arbitration, (which was accepted by all but the militant unions) before the much more contentious motion to restore the basic wage to the 1921 level of £4 5s 0d. Here he launched into an impassioned defence of the Government's actions, headlined by reference to the just re-endorsed principle of arbitration. His other arguments were (i) that the Government had no money, (ii) that the union had been consulted, (iii) that the labour movement had to support the Government in an election year, (iv) that the Anti-Reduction Committee threatened the Government and (v) that if the Government had yielded it would have fallen and the 'Tories' would

¹⁴⁵*Daily Standard*, 20 July 1922; Margaret Bridson Cribb, "Ideological Conflict: the 1927 and 1948 Strikes", in *Labor in Power*, p.386.

¹⁴⁶*Official Record*, Eleventh Queensland Labor-in-Politics Convention, 1923, p.31 (subsequent references to this debate incorporated in text).

have been worse (pp.40-42). The debate was then gagged and the motion to restore the 5 shillings was lost by thirty-seven votes to thirty-five.

Although Theodore conceded a 44-hour week (p.46), as well as increased workers' compensation payments (p.72), the damage was done in the eyes of the militants. It has been alleged that the fiasco of Theodore's few minutes' loss of the PLP leadership in July 1924 (see Chapter 3) was due to canvassing among selected Parliamentarians and militant threats of loss of preselection.¹⁴⁷ At all events, Theodore was forced to bring forward the promised passage of the *Industrial Arbitration Act Amendment Act*, 1924, lowering working hours to 44 per week (five and a half days). This was in conflict with the arbitration-only approach insisted upon since 1916, but in making this concession the Government down-played the existence of conflict between long-standing policy and the Act's provisions.¹⁴⁸

The 44-hour concession was enough to satisfy the less militant unions and sections of the Party. Faced with continued frustration on the wages issue, the ARU resolved to make life difficult for Theodore. It campaigned among its members for informal voting in Theodore's seat Herbert, during the March 1925 Federal election:¹⁴⁹ Theodore lost by a couple of hundred votes.

In May 1925 the Arbitration Court again rejected union submissions for a rise in the £4 0s 0d basic wage.¹⁵⁰ When further representations to the Court and to the Government failed, the ARU succeeded in cobbling together support from the other railway unions for industrial action. The Government had further antagonised the railway unions in these last

¹⁴⁷J. Larcombe, *Notes on the Political History of the Labour Movement* (Brisbane: Worker Newspaper, 1934) pp.81-83; D.J. Murphy, "Edward Granville Theodore: Ideal and Reality" in *Queensland Political Portraits*, pp.328-329; Anne Smith, "The Railway Strike, 1925", in *The Big Strikes*, p.164. C.A. Bernays, *Queensland: Our Seventh Political Decade* (Sydney: Angus and Robertson, 1931) pp.33-34 does not mention this aspect, which casts some doubt upon the allegation, since Clerk of the Legislative Assembly and notorious gossip Bernays would certainly report such goings on if rumours reached his ears. Murphy cites Larcombe in support, but Larcombe was after all a member of the Theodore cabinet.

¹³⁵*QPD*, Vol. CXLIV, (1924), pp.1792-1796.

¹⁴⁹Interview with George Rymer, notes held by Margaret Bridson Cribb.

¹⁵⁰*Courier*, 6 May 1925; *Daily Standard*, 6 May 1925.

negotiations by its insistence on AWU representatives being included in negotiations.¹⁵¹ (The AWU had been active in 'poaching' members from the railway unions.¹⁵² See below - "The AWU") Following the expiry of several ultimatums, the combined railway unions went out on strike at midnight, 27-28 August 1925.

After a week, the Gillies Government capitulated. To the disgust of the non-labour press,¹⁵³ Gillies agreed to the statutory restoration of the 5 shillings removed by the 1922 Arbitration decisions. The ARU appeared for all the world to have justified its strategy of forcing the Labor Government into legislating for labour gains through industrial action. ARU membership soared to an all-time peak of 11,000 in the months following the strike.¹⁵⁴

The following month, however, the ascendant forces within the Labor Party unveiled a counter-strategy. The *Industrial Arbitration Act Amendment Act, 1925*, abolished the Court and substituted a Board of Trade and Arbitration of which only one member out of the three was to be a judge. The lay appointees were former AWU Secretary Dunstan and the now disgraced former Premier Gillies.¹⁵⁵ This began a twenty-six year tradition of AWU representation on the arbitration bench. Former AWU Secretary and Theodore numbers-man McCormack had by then ascended to the Premiership.

McCormack, now unfettered as leader of the PLP, and supported by his old comrade Theodore who was back at the AWU office,¹⁵⁶ moved swiftly to purge the ARU and its backers from the Party. Earlier in 1925 the QCE had circulated a Member's Pledge form to all branches and affiliates with the following wording:

¹⁵¹Smith, p.168.

¹⁵²E.M. Higgins, "Queensland Labor: Trade Unionists Versus Premiers", in *Historical Studies Australia and New Zealand*, Vol. 9, no.34 (May 1960), pp.142-143.

¹⁵³*Courier*, 9 September 1925, *Daily Mail*, 9 September 1925.

¹⁵⁴Information supplied from membership records by ARU, Queensland Branch, February 1985; see also *Advocate*, 15 February 1926, and Table 1.3.

¹⁵⁵*QGG*, 22 October 1925; Murphy "Labour Relations-Issues", p.251.

¹⁵⁶*Worker*, 26 November, 1925.

I declare that I am not a member of any Communist Organisation or Party, or of any political party having objects or methods in any way opposed to the Australian Labor Party.¹⁵⁷

At the time, the circulation of this pledge purported to be nothing more than compliance with Federal Conference's decision the previous year concerning membership of communist organisations¹⁵⁸ and it was largely ignored by Party members.¹⁵⁹ Then, without apparent warning,¹⁶⁰ McCormack successfully moved at the November QCE meeting to have all QCE members sign the pledge forthwith or be thrown out of the QCE.¹⁶¹ Two of the three ARU delegates, Rymer and Moroney, withdrew in protest.

No longer privy to the QCE discussions, the ARU delegates determined to recover their ground at the February 1926 Labor-in-Politics Convention and signed their pledges with an over-typed protest.¹⁶² They were not to know that the QCE had determined that for credentials to the Convention to be recognised, pledges would need to be presented without reservation.¹⁶³ The scene at the 1926 Convention when the four ARU delegates were denied entry were reported with the coy notation:

[t]he Credentials Committee had decided that the four gentlemen representing the A.R.U. were not entitled to stay.¹⁶⁴

Outraged at these sly manoeuvres, the ARU and some co-militant unions from Trades Hall disaffiliated from the Party in the second half of 1926. Some, including the ARU, were not to reaffiliate until after the 1957 split.

At the 1926 Convention and afterwards, McCormack and his AWU supporters sought to justify their actions by reference to the communist menace.¹⁶⁵ Government advertising

¹⁵⁷QCE Minutes, 25 February 1925.

¹⁵⁸Farrell, p.62.

¹⁵⁹QCE Minutes, 25 September 1925, 82 Branches accepted, 6 indefinite, 3 refusals, 209 no reply; see also K.H. Kennedy, "The Anti-Communist Pledge Crisis" in *Labor in Power*, pp.371-372; by 27 November, QCE Minutes record 154 acceptances, 6 indefinite, 5 refusals, 129 no reply.

¹⁶⁰*Advocate*, 10 December 1925.

¹⁶¹QCE Minutes, 27 November 1925.

¹⁶²See Kennedy, "The Anti-Communist Pledge Crisis", p.375 for photograph of an ARU pledge; also *Advocate*, 15 February 1926.

¹⁶³QCE Minutes, 21 December 1925.

¹⁶⁴*Official Record*, Twelfth Queensland Labor-in-Politics Convention, 1926, p.5.

¹⁶⁵*Official Record*, Twelfth Queensland Labor-in-Politics Convention, 1926, p.17-23.

and transport privileges were withdrawn from the Trades Hall's *Daily Standard* and the ARU's own *Advocate* publications during 1926 on the same pretext.¹⁶⁶ The chief effects flowing from McCormack's purge were (1) to isolate the militant unions and deprive them of access to the Government through the organs of the Labor Party; (2) to bind unions remaining within the Labor fold to the State's arbitration system as a sole mechanism for industrial gains and conflict resolution; and (3) to remove the only union with enough members to challenge AWU hegemony within the Party.

This exclusion deprived militants of the mechanisms, formerly made available through Party membership, for canvassing and legitimating a broader political and economic agenda than that determined by the instrumental role of unionism.¹⁶⁷ The goal of manipulating the state envisaged by the labour movement in its establishment and continued sentimental attachment to the Labor Party was redefined to exclude direct intervention in the labour market in effecting even basic industrial aims, let alone radical social and economic change. Having excluded the militants, the Party leadership was left with freedom to co-opt alternative, non-labour, sources of support, such as the farmers (see Chapter3).

The AWU and the Labor leadership

At this point it becomes necessary to give some attention to the AWU itself. What were the forces which impelled it to be such a staunch opponent of industrial militancy, a policy from which it has not deviated significantly to the present day? How did it achieve so complete a control over the ALP organisation? What was the nature of its links with the PLP, with the Labor leadership?

¹⁶⁶Higgins, p.143.

¹⁶⁷See Chapter 5 on the attempts made to fill this gap by worker education.

The formation of the AWU in the 1890s has been canvassed above. Through the 1890s and early 1900s the union, via a series of defeats and subsequent reorganisations, moved more and more towards a pro-arbitration and conflict-avoiding posture, although it did retain strong links with the ALF (Australian Labor Federation - precursor to the ALP) and a militant rhetoric sustained by *Worker* editors William Lane and Henry Boote.¹⁶⁸

Several factors determined this shift away from militancy. The defeats of the 1890s revealed the difficulty of successful strike action in the quintessentially decentralised working environment of the pastoral industry in the absence of efficient central union organisation backed by the enforcement of closed shop. Moreover, because much of the work done by pastoral workers was semi-skilled, non-union labour could easily be recruited to defeat a strike, especially where such a policy had government backing.¹⁶⁹ The AWU was thus in the paradoxical position that the organisational preconditions for successful direct actions could only be achieved through the agency of the state. Facing up to the realities of the situation, the AWU leaders successively moderated their policies to the extent that 'fair' arbitral arrangements became the prime industrial goal. Throughout the 1890's and early 1900's the union had conducted isolated guerilla action against non-union labour, but no decisive victory had been possible without legal recognition and closed shops.

The AWU achieved its first national award from Justice O'Connor of the Federal Arbitration Court in 1907, in a case costing the union some £4,000.¹⁷⁰ Highly centralised organisation had won, but at the price of surrendering the strike weapon.

Tight central organisation has its own imperatives - a phenomenon first observed by elitist writers in the tradition of Michels. As Croucher notes, the "fundamental insight" here is that "the people charged with running an organisation of workers may come to have different interests from those of their members, and that they may be able to ensure that the organisation

¹⁶⁸See Spence, *History of the A.W.U.*, pp.138-152.

¹⁶⁹Spence, *History of the A.W.U.*, pp.114-117.

¹⁷⁰Spence, *History of the A.W.U.*, p.139.

primarily serves their own interests."¹⁷¹ The structure of the AWU was ideally suited to the operation of Michels "Iron Law", although this theory scarcely encompasses the full range of political and organisational factors at work.¹⁷² The backbone of the AWU (even after the 1913 amalgamation with the AWA) remained the dispersed, atomised and seasonal gangs of pastoral workers and cane-cutters. Units of organisation were thus so small, and the total membership of the union so large (see Table 1.3), that internal opposition became almost impossible to organise successfully. Indeed, by the 1930s the union leadership had banned non-approved candidates from standing for union positions,¹⁷³ and had enforced the union's own version of the anti-communist pledge.¹⁷⁴

Meanwhile, the AWU was the ideal mechanism for Labor Party organisation throughout the non-metropolitan electorates of Queensland so vital to the Labor electoral strategy (see Chapter 3). The AWA amalgamation had brought in the sugar workers and miners of the North, while the AWU pastoral workers constituted the sole effective labour organisation west of the Great Dividing Range.¹⁷⁵ The organisational strength of the revamped AWU became reflected in an interchange of key personnel between the union and the PLP. McCormack, who became AWU Queensland President after the amalgamation, held on to his union position for some time after his election to Parliament and to the Speaker's chair. Theodore, the former AWA leader, returned to the AWU payroll for some time after his defeat in the 1925 Federal election. The location of the Labor Party offices in the AWU building served to emphasise the organisational closeness of the two bodies.

¹⁷¹Crouch, *Trade Unions*, p.172.

¹⁷²For criticism of Michels' Iron Law and its application see F. Parkin, *Class, Inequality and the Political Order* (London: Paladin, 1971); E. Davis, "Participation in Six Australian Trade Unions", in *Journal of Industrial Relations*, Vol. 23, N^o 2 (June 1981), pp. 190-216.

¹⁷³See, for instance, interviews with Fred Paterson and Bluey Bliss, in W. Lowenstein, *Weevils in the Flour: An Oral Record of the 1930's Depression in Australia* (Melbourne: Hyland House, 1978), pp.180, 382-383.

¹⁷⁴E.H. Lane, pp.246-247.

¹⁷⁵The union was also able to use its considerable financial resources to secure preselection for its preferred candidates and support their campaigns, allegedly employing corruption on occasion. See D.W. Rawson, *The Organisation of the Australian Labor Party 1916-1941* (PhD Thesis: University of Melbourne, 1954), especially pp. 20-25.

AWU leaders derived added benefits in the form of political patronage from their closeness to the Labor leadership. Government appointments, such as those to the new Board of Trade and Arbitration established in 1925 and those to semi-governmental authorities like Hospital Boards (see Chapter 4) often went to AWU officials on retirement.

Lastly, the AWU's leading role in the Labor Party meant that many of the contradictions and ambiguities afflicting Labor in government rubbed off on the union leadership. Being so close to the Government, the AWU leaders were naturally constrained in their expression of any open conflict with Government policy. Compromises on conflicting positions were therefore likely to be resolved in private discussions so as not disturb the unified PLP-AWU front which, as had been amply demonstrated, could deliver the numbers on nearly every issue.

The political and industrial battles leading to the exclusion of militant unions from the Labor Party in 1926 had, therefore, two interrelated aspects. First, there was the overt fight waged on the shop floor and in the Party organs to shift industrial relations policy radically in the direction of workers' control of industry and legislated wage rises. Secondly, insofar as these struggles forced the hegemonic AWU-PLP faction to back down, they represented a serious threat to the internal control exercised by the leadership of both organisations. Thus the personal antipathy between the leaders of the ARU and of the AWU-PLP emphasised by writers such as Kennedy,¹⁷⁶ should be seen as merely a by-product of these organisational and control factors, not as a cause of the breach between the two organisations.

The 1927 South Johnstone and railway strike:

discipline with violence

The ARU, chief exponent of militancy and direct action strategy in the Queensland labour movement, curiously mirrored the AWU in organisation. Like the AWU, the

¹⁷⁶Kennedy, "The Anti-Communist Pledge Crisis", pp.378-379.

ARU was a mass union of at best semi-skilled bushworkers who operated by and large in small gangs of fettlers and the like. Like the AWU, the ARU was organised on industrial as opposed to craft lines. Again like the AWU, the ARU had a tight central organisation which admitted little open opposition to the leadership.¹⁷⁷

On the other hand the ARU was a union composed entirely of State employees whose labour was absolutely essential to the operation of the economy. Thus the ARU's position in the labour movement was central to the grid of ambiguities affecting Labor Governments' industrial relations policy outlined at the beginning of this chapter. Moreover, within the labour movement the claims of a militant public sector union are viewed in quite a different light from the legitimate struggle of labour against capital. Speaking of the 1984-1985 British miners' strike, Ignatieff has observed:

[w]hatever the party in power, there will always be 'economic' grounds for closure [of mines], simply because there are choices to be made over public expenditure, between increasing the subsidy to miners, for example, and raising old age pensions. The appeal of the miners' case was fatally damaged by the failure to admit that their claim on collective resources was as limited as any other social group's. The fact that the State is the employer in this dispute creates a conflict of loyalties for those workers asked to join sympathy strikes.¹⁷⁸

The same conflicts of loyalties certainly applied in the case of the Queensland Railways.

Other tensions which weakened the ARU's potential call on labour movement solidarity included the belief, then more widespread than now, that state ownership in itself constituted an achievement of socialist and of labour movement goals. Workers in a state enterprise could therefore be seen by their counterparts in private industry as protesting too much. For those colleagues state ownership was an unrealised goal.

Furthermore, the ARU's insistence on OBU-ism led it to adopt an arrogant attitude towards the craft railway unions, which it dubbed 'sectional' unions. The fact that some of these unions had split off from the ARU or its predecessors, and had in general charged lower dues

¹⁷⁷For example, J. Hayes, the only ARU QCE delegate to sign the anti-communist pledge, attempted to oust the Rymer-Moroney ruling and was purged from the union. See *Advocate*, 10 December 1925; Cribb, "Ideological Conflict", p.390-391.

¹⁷⁸Michael Ignatieff, "Strangers and Comrades", in *New Statesman*, 14 December 1984, p.26.

enhanced the ARU's sense of moral superiority.¹⁷⁹ The locomotive drivers' union, AFULE, itself crucial to the success of industrial action, came in for particularly vituperative treatment. In the pages of the ARU's *Advocate*, the drivers' union was referred to as "A. Fule". Such childish remarks on the part of the ARU succeeded only in encouraging suspicion and enmity in the ranks of the other railway unions. Even in the 1925 basic wage strike, the ARU had difficulty in holding the other unions together, and its victory in the dispute only served to enhance its inflated posture of moral superiority.

The ARU's departure from the Labor Party isolated the union in a way not perceived, or at least not publicly admitted, by the union at the time. It remained, after all, the most powerful union on the Trades and Labour Council¹⁸⁰ and hoped through its unadulterated adherence to labour principles to shame the rest of the movement back to its side. The 1927 action in the railways thus began as a demonstration by the ARU of its unstinting solidarity with workers betrayed by their own union, appropriately enough the AWU. Since its exclusion from the 1926 ALP Convention the ARU had played a leading part in undermining union support for the McCormack Government. The traditional Australian fawning reception arranged by the Queensland Government for the Duke and Duchess of York on their visit to Brisbane in April 1927¹⁸¹ incensed the militants, who thereupon moved to exclude Government members from participation in that year's May Day parade. An Ironworkers delegate told the TLC that

[i]f the workers believed that the politicians had failed in their duty to the movement, then the workers should take a stand and decline to recognise them.¹⁸²

McCormack was overseas on the annual loan-raising trip of the time, so the Acting Premier, Forgan Smith, replied on the Government's behalf:

all this serves to indicate an effort at a form of blunt and savage 'ictation, which is cowardly in its inception, and would only be submitted to the politicians and the feeble-minded.¹⁸³

The May Day parade was abandoned.

¹⁷⁹Conversation with Ted Bacon, 14 February 1985.

¹⁸⁰The TLC had succeeded the BIC in April 1922, following two years of loose formations. See Murphy, "Trade Unions", p.40.

¹⁸¹See *Telegraph*, 5 April 1927.

¹⁸²*Daily Standard*, 21 April 1927.

¹⁸³*Daily Standard*, 29 April 1927.

A war of words between George Street (Parliament House, Brisbane) and Turbot Street (Trades Hall) continued unabated over the ensuing months. In May-June unrelated industrial action by Bowen stevedores demanding some form of workers' control brought statements from the Government that the WWF was acting "counter to the public interest",¹⁸⁴ signalling the development of a tougher stance by the Labor leadership and a more determined intention to act against union militancy. The South Johnstone sugar mill dispute had already been simmering for over a month at this stage. The mill had been acquired from the State by a farmers' co-operative under the *Primary Producers' Co-operative Associations Act, 1923* (see Chapter 3), and the new management had dismissed the existing all-union workforce at the end of April and replaced it with a new crew including some non-union labour.¹⁸⁵ At the end of June the AWU, with some reluctance, declared the strike official and the TLC declared support for the strikers.¹⁸⁶ The dispute reached boiling point when on 5 July a picketing striker was shot dead. (No-one was ever charged with the murder, and it still remains unclear whether or not the incident was directly connected with the strike.) Forgan Smith immediately invoked the *Sugar Acquisition Act, 1915* to confiscate all firearms within a twenty mile radius of the Innisfail Post Office - a replay of the Government's strategy in 1919. This proclamation gave the police wide authority, including search and deputation powers:

[a]n authorised State officer, with any necessary assistance may, for the purposes of this proclamation, enter any place at any time and use any force considered necessary.¹⁸⁷

Though tempers were further inflamed by this suspension of civil liberties, the strikers nonetheless restrained themselves from physical conflict with the police¹⁸⁸ and for a couple of weeks pressure subsided once more.

¹⁸⁴*Courier*, 3 June 1927.

¹⁸⁵See *Sydney Sun*, 26 July 1927 for history of the dispute; also K.H. Kennedy, "The South Johnstone Strike, 1927", in *The Big Strikes*, p.174.

¹⁸⁶See *Advocate*, 15 July 1927.

¹⁸⁷*Daily Mail*, 7 July 1927.

¹⁸⁸*Truth*, 10 July 1927.

A further Arbitration Board hearing then recommended reinstatement of all workers,¹⁸⁹ but the strikers refused to go back as long as any 'scab' labour remained at the mill. At the end of July the local (Innisfail) TLC blacked the mill, although the AWU had been anxious to confine the dispute to the mill only.¹⁹⁰

Initially the ban involved only the WWF, as the mill used shipping to convey its product to the refinery. At this point the AWU leadership began to have cold feet about the widening dispute and shifted to a posture of urging a return to work.¹⁹¹ The railways became involved in the second week of August when the mill management requested rail transport for its produce.¹⁹² The AFULE refused to be bound by the Innisfail TLC ban decision,¹⁹³ but the ARU members abided by the ban, despite exhortations from AWU Secretary Riordan to the contrary.¹⁹⁴

McCormack had now returned to Queensland, and assumed personal charge of the dispute which was widening by the day as more and more railway workers were directed to perform work subject to the bans. On 29 August McCormack issued an ultimatum to the entire ARU membership that they would be dismissed unless work as directed was resumed by midday on 3 September. ARU members seeking to return would also need, under the terms laid down by McCormack, to sign a no-strike pledge.¹⁹⁵ This directive was extended to include the entire staff of the Railways when it was realised that the Commissioner had no ready means of distinguishing ARU members from their fellow workers.¹⁹⁶

In a final bid to prevent the Government's lockout, the TLC called for the QCE to be permitted to arbitrate on the dispute.

¹⁸⁹*Courier*, 21 July 1927.

¹⁹⁰Kennedy, "The South Johnstone Strike, 1927", p.178.

¹⁹¹*Daily Standard*, 22 August 1927.

¹⁹²Larcombe, p.84.

¹⁹³Kennedy, "The South Johnstone Strike, 1927", p.181.

¹⁹⁴*Courier*, 29 August 1927.

¹⁹⁵*Daily Mail*, 30 August 1927.

¹⁹⁶Kennedy, "The South Johnstone Strike, 1927", p.181.

Then, if the Government chooses to adopt an imperious attitude that will allow of no amicable settlement, Labor will know where it is, and will not be hampered, as it is now, by consideration for a political entity, which disavows primary responsibility to the workers.¹⁹⁷

The QCE, however, saved McCormack the trouble of rejecting this demand by disclaiming any jurisdiction in the affair,¹⁹⁸ motions calling for intervention lapsing for want of seconders. The following day the Government appealed for volunteer workers to come forward and present themselves for work in the positions about to be vacated by ARU members.

The TLC now openly declared itself behind the ARU and against the Government:

[i]f Labor in Queensland can govern only by the aid of scabs there is something radically wrong with structure, and the sooner this is overhauled the better it will be for the workers.¹⁹⁹

Let there be no hesitancy and wobbling on the workers' side. The unions must go in and win now. They, too, must be audacious. Certain erstwhile trusted representatives of Labor have deliberately chosen a course that could only end in cleavage. They must now be resisted in the interests of the thousands of workers who have rung true to the fundamental principles of unionism.²⁰⁰

McCormack carried out his sack threat on 3 September, and the lockout began. The non-labour press swung strongly behind McCormack, even abusing the Opposition for not supporting the Government strongly enough.²⁰¹ Tributes for the Queensland Government's courageous stand poured in from Australian and foreign conservative leaders.²⁰²

By 11 September, the unions had collapsed. Thousand of railway workers had already signed their pledges, the AWU and AFULE had ordered their members to accept the Government's terms, and the ARU, isolated, finally ordered its members back to work, on the Government's terms but with a guarantee of no victimisation.²⁰³ The TLC could only console itself with the expectation that the non-union labour at South Johnstone could be dealt with by the

¹⁹⁷*Daily Standard*, 31 August 1927.

¹⁹⁸QCE Minutes, 31 August 1927.

¹⁹⁹*Daily Standard*, 2 September 1927.

²⁰⁰*Daily Standard*, 6 September 1927.

²⁰¹*Courier*, 8 September 1927; *Daily Mail*, 8 September 1927.

²⁰²*Courier*, 9 September 1927.

²⁰³*Courier*, 12 September 1927; *Daily Standard*, 12 September 1927.

unionists "in the way that it most effectively can be done".²⁰⁴ Anti-labour publicists were in no doubt at the magnitude of the defeat suffered by the militants. The Government announced suspension of its reform program on 20 September, ostensibly as a measure to combat the drought. The *Courier* noted the move with approval, observing that the Government's victory in the strike had freed it from subservience to 'sectional interests'.²⁰⁵ However, the non-labour press was soon to desert its erstwhile Labor champion McCormack, beginning with a renewed "Spare the Bear" campaign against the decision to declare an open season on koalas in October 1927.²⁰⁶ During the 1929 State election TLC unions were to make good their veiled electoral threats against the "strike-breaking scab-enlisting McCormack".²⁰⁷

The 1927 strike must be seen as a watershed in industrial relations under Labor. The McCormack Government had called upon every means it had as a government, as employer, and as leader in the labour movement to defeat and humiliate the militant unions led by the ARU. Labor had unambiguously staked out its function in Government in terms of the "public interest", a definition explicitly excluding what Forgan Smith characterised as the "sectional interest" of the unions.²⁰⁸ Politically, the crushing defeat of the militants further weakened and isolated them within the labour movement. More importantly, however, the PLP had in its industrial relations policy declared itself independent of the industrial movement's suasion. The strike's defeat also cemented Labor's definition of legitimate industrial action, that is, no future strikes would be legitimate if they occurred outside or in defiance of the State's arbitration apparatus. Furthermore, unions (like the AWU) which continued to support the Government in Party forums implicitly subordinated themselves to Government prescriptions on industrial affairs.

Although Labor was to lose power some eighteen months after the 1927 imbroglio, the personnel of the Labor administration which later took office in 1932 was little changed from the Cabinet of 1927 (see Appendix 1). Throughout the remainder of Labor's long

²⁰⁴*Daily Standard*, 9 September 1927.

²⁰⁵*Courier*, 21 September 1927.

²⁰⁶*Courier*, 12 October 1927.

²⁰⁷*Daily Standard*, 14 October 1927.

²⁰⁸*Courier*, 7 September, 1927.

period of office, the policy stances and Government union relations established in 1927 were to remain in place, with only the occasional buttress added by the Government in the face of a new challenge or two. Those challenges were to be generated by the same sections of isolated militants defeated in 1919 and 1927.

The AWU in the 1927 dispute had finally and unashamedly declared itself to be in support of the (Labor) Government or its instrumentalities. In documenting the ascendancy of the anti-militants in the AWU leadership, Ernie Lane maintains that the leaders deliberately and ruthlessly purged the union of militants like himself:

[b]ut the mills of the A.W.U. bureaucracy, though sometimes they grind slowly, yet sooner or later they crush their victims.²⁰⁹

In any event, the following decade was to witness a number of examples of AWU-Government solidarity overriding the demands of sections of the AWU membership.

The humiliating defeat of the 1927 strike fuelled the tendency of Queensland unions to jettison militancy and the direct action tactics of the syndicalists. Although large sections of the labour movement had been alienated from Labor by McCormack's handling of the dispute, they were paradoxically driven to electoral opposition in continuing the struggle. The anger of the ARU and other disaffected sections of the labour movement translated into the defeat of the McCormack Government at the 1929 election and its replacement by an administration that owed nothing at all to the labour movement. The logic of the syndicalist and militant positions called for further direct industrial action against the capitalist state, the experiment with electoralism represented by the Labor Party having failed, yet the defeat had illustrated weaknesses in union organisation and deprived the membership of any will to carry on the industrial struggle. The installation of a non-Labor regime to administer Queensland in the worst years of the Depression served to restore legitimacy to Labor electoralism: the goal of returning Labor to office subsumed other considerations in the unemployment-ravaged labour movement of these disastrous years.

²⁰⁹E.H. Lane, p.249.

Industrial relations . 1928-1933

Coming into office at the onset of the Great Depression, the Moore Government was to remain in power during the bleakest years of that period. Although labour militancy was held in check by the brutal imperatives of the grossly oversupplied labour market, the Moore Government instituted certain changes to the legal framework of the arbitration system in order to extend the range of legal remedies available to employers.

One of its first acts was the passage of the *Industrial Conciliation and Arbitration Act*, 1929, which abolished the 1925 Act's Board of Trade and Arbitration, substituting a more judicial Arbitration Court.²¹⁰ For the first time since 1916 the Act gave the court the freedom to make awards on hours without directions as to minimum hours. Curiously enough, the 1929 Act made express provision for preference to unionists, but only where this was mutually agreed between union and employer. No express provision had been made in the 1916 or 1925 Acts for union preference.²¹¹ Provision was also made for the appointment of Conciliation Commissioners of whom one was former AWU leader and member of the old Board of Trade and Arbitration, Dunstan,²¹² indicating an understanding even by the conservative Government that the AWU was a 'responsible' union.

The militants in the AWU, did, however, take the initiative in forming an alternative union, the Pastoral Workers' Industrial Union (PWIU).²¹³ Though this move was instigated as a result of Federal award wage cuts and constituted no direct challenge to the Queensland jurisdiction, it did reveal that the AWU was not completely monolithic. The PWIU sprang up first in New South Wales in 1930 in direct opposition to the AWU in that state, but its strike against the Commonwealth award in January-April 1931 came to involve Queensland

²¹⁰Matthews, p.164.

²¹¹Matthews, p.166.

²¹²Matthews, p.169.

²¹³Brian Costar, "Two Depression Strikes, 1931", in *The Big Strikes*, pp.187-190.

shearers, given the nomadic conditions of labour in the industry. The AWU in Queensland responded by actually assisting the anti-Labor Moore Government, signing on strike-breaking labour as union members and participating in the recruiting program, to the utter disgust of the TLC unions and the militants.²¹⁴ In the event, given the vast pool of unemployed labour, the strike collapsed and the ringleaders were blacklisted.²¹⁵ The AWU had again demonstrated its perfidy from the militants' viewpoint, and the basic political-industrial alignments remained unchanged.

The other feature of the Moore period worth noting here was the Government's use of the 1929 Act's provisions allowing it to proclaim industries or awards to be immune from arbitration procedures. During the Depression, this allowed employers to lower wages unilaterally; these provisions were used to effect in the mining industry.²¹⁶ On regaining power, Labor was thus able to offer full restoration of the arbitration system as a major gain for the labour movement.²¹⁷ Wages generally, according to Larcombe, had declined to a £3 14s 0d base,²¹⁸ in comparison with which the Theodore £4 0s 0d wage of 1922-1925 looked attractive (see Table 1.2).

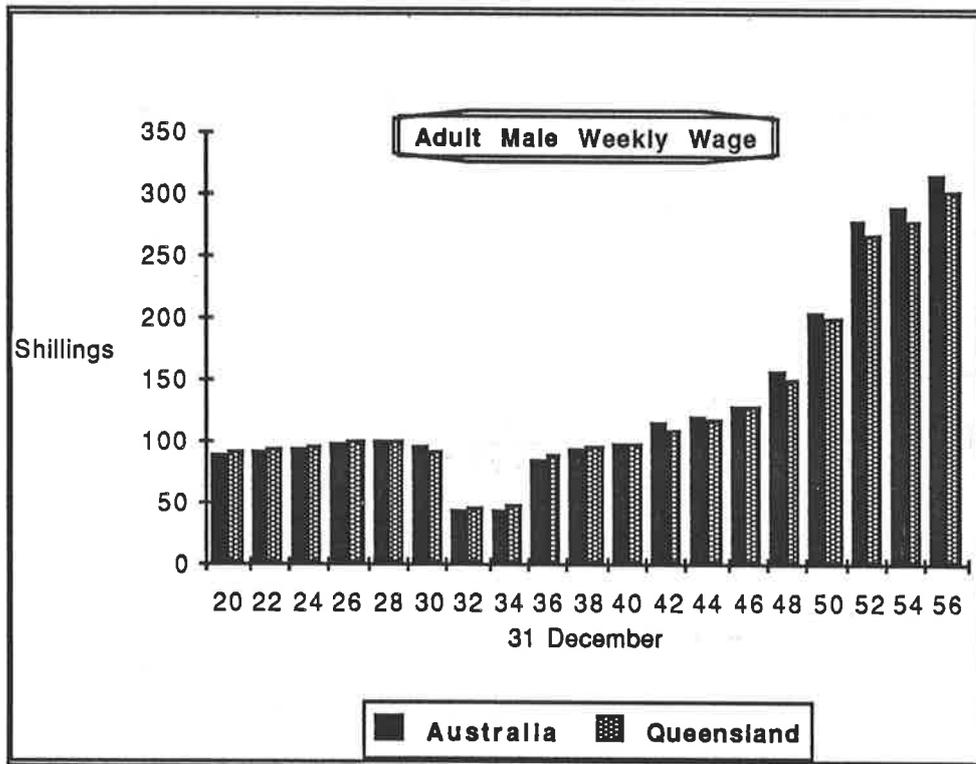
²¹⁴Costar, pp.190-191; *Workers' Weekly*, 21 January 1931.

²¹⁵Conversation with Ted Bacon, 14 February 1985.

²¹⁶Costar, pp.191-193; Larcombe, pp.99-101.

²¹⁷W. Forgan Smith, *Summary of Labor's Policy: State Elections 1932* (Brisbane: Worker Newspaper, 1932) [pamphlet].

²¹⁸Larcombe, p.99.

Table 1.2

[Sources: *Commonwealth of Australia Year Book*, 1925, p. 570; 1931, p. 378; 1936, p. 536; 1939, p. 426; 1946-47, p. 466; 1953, p. 400; 1957, p. 159]

After Labor's victory in 1932, the Forgan Smith administration immediately passed the *Industrial Conciliation and Arbitration Act, 1932*, which reinstated the pre-1929 position with minor amendment. The new Industrial Court was made up, as had been the old Board of Trade and Arbitration, of one judicial and two lay members. (s.5).

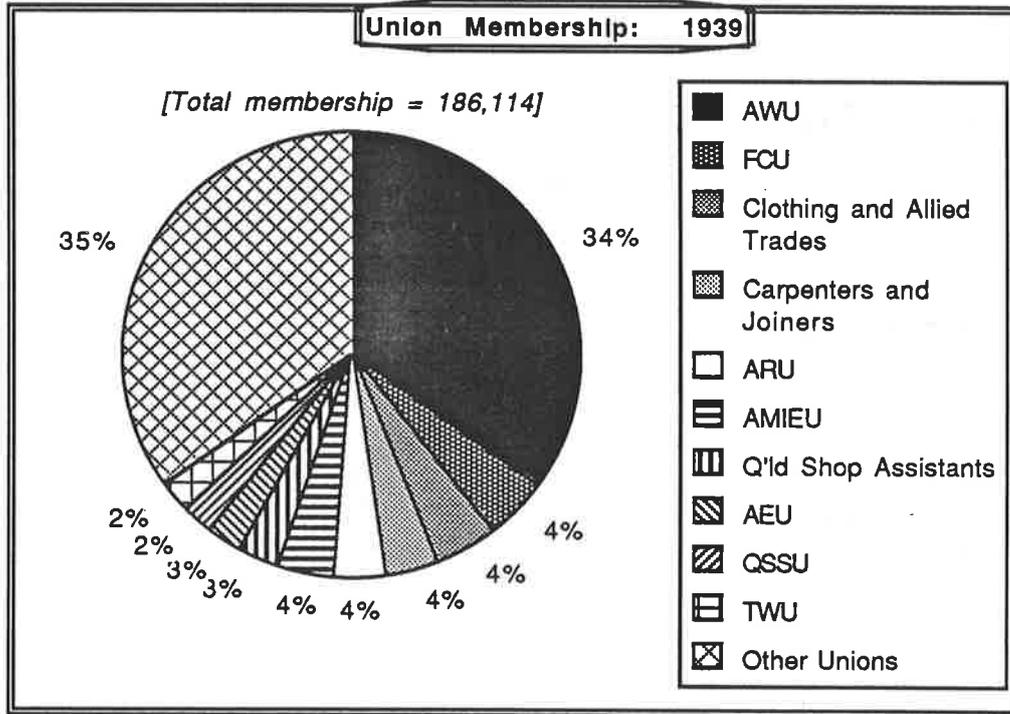
The restoration: industrial relations

1932-1945

It took militant unions some time to recover from the severe setbacks sustained in 1927. For example, the ARU was so much persuaded of the weakness of its position as the

union primarily of the unskilled workers that it declined to become involved in the 1931 PWIU dispute unless the AFULE also became involved.²¹⁹

Table 1.3



[Source: *Queensland Year Book 1940*, p. 267]

In the 1930's the main eruptions of industrial conflict occurred among sections of the AWU, with the union led by Clarrie Fallon in close co-operation with the Labor leadership attempting to dampen down or confine the disputes. The ostensible cause of these eruptions was the Government's failure to alleviate conditions in the sugar industry, especially by way of combatting the endemic leptospirosis (Weil's Disease), a disease which in the long run was eradicated by public health campaigns presided over by Director-General of Health Cilento (see Chapter 4). Underlying this issue and the immediate cause of the strike action, however, was the unwillingness of the AWU leadership to pursue rank-and-file claims, with the result that for a time communists were able to gain a toehold in the union leadership in the north.²²⁰ The ultimate success of Cilento's public health measures was sufficient, though, to ensure the longer-run

²¹⁹Costar, p.191.

²²⁰See Diane Menghetti, "The Weil's Disease Strike, 1935", in *The Big Strikes*; p.214.

continuity of AWU leadership. One of the AWU leaders to emerge from the 1930's struggles was "Midnight Joe" Bukowski, so called because of his alleged nocturnal strike-breaking activities, who as will be shown was to play a crucial role in the 1957 split.²²¹

For a dozen years 1932-1945 the Labor industrial relations edifice survived without major challenge. The Pacific War saw an end to Queensland's unemployment problems, if not its problems of industrial development.²²² Strains on its economy posed by the influx of a million and more military personnel were not reflected in any upsurge of industrial activity by militant unionists who were devotedly anti-fascist and supportive of the war effort.

The 1930's witnessed the highpoint of Labor electoralism within the labour movement. Fear of unemployment enforced discipline among the militant unions. The modest welfare and employment-creation measures introduced or restored by the Labor administrations of the period were sufficient proof of Labor legitimacy among the broad movement, given the harsh fiscal regimes and wage reduction policies maintained in other States and federally.²²³ The role of arbitration was strengthened at a time when the system underwrote a gradual restoration of wages to their pre-Depression level (see Table 1.2) at a time when militant action did not appear to be an option and when employers would otherwise have been able to obtain lower wages on an oversupplied labour market. Unions in this climate were inclined to confine their activities to disciplining their own ranks in support of the Party in office and the arbitration system, and the AWU was the most enthusiastic in this role among Queensland unions.

²²¹Conversation with Mick Healy, 14 February 1985.

²²²Marion Gough, Helen Hughes, B.J. McFarlane and G.R. Palmer, *Queensland: Industrial Enigma* (Melbourne: MUP, 1964), p.13.

²²³See, for example, L.J. Louis and Ian Turner (eds), *The Depression of the 1930's* (Melbourne: Cassell, 1968), especially pp. 97-123.

The beginning of the postwar boom and the
re-assertion of discipline
1945-1950

As at the end of the Great War, militants in the labour movement had anticipated a significant shift in the pattern of industrial relations in favour of the workers as a just reward for wartime sacrifices. Militancy had elicited wide popular support in the north during and after the 1930s strikes, with the communists the chief beneficiaries.²²⁴ The war against the German and Italian fascists had also yielded the communists additional support as a by-product of the Soviet Union's leading and popular role in the defeat of Germany.²²⁵ Fred Paterson, having been deprived of ALP preselection in 1925 over the anti-communist pledge issue,²²⁶ won the State seat of Bowen as an endorsed Australian Communist Party (ACP - later Communist Party of Australia - CPA) candidate in 1945.

At this point the stage was set for further confrontations between militant labour and the Labor Government over the Government's insistence upon strict adherence to arbitration procedures. These confrontations were not long in coming. Ned Hanlon, the new Premier (see Appendix 1) was a veteran of the QRU and the 1912 Brisbane general strike committee,²²⁷ and so was well versed in the dynamics of the labour movement and in its likely responses to state coercive action.

The first great postwar test of the firmness of the Labor resolve on arbitration came in 1946 in a meatworkers' strike involving that old opponent of Labor industrial policy, the AMIEU. As in 1919, the central issue was trespass of workers into the field of managerial prerogatives, in particular hiring and firing - the "first on, last off" rule.²²⁸ Again, as in 1919,

²²⁴Diane Menghetti, *The Red North*, pp.42-58, p.85; Ian Moles, *A Majority of One: Tom Aikens and Independent Politics in Townsville* (Brisbane: UQP, 1979), pp.62-71.

²²⁵See Gollan, *Revolutionaries and Reformists*, pp.119-138.

²²⁶QCE Minutes, 31 July 1925.

²²⁷*Worker*, 16 March 1912.

²²⁸Douglas Blackmur, "The Meat Industry Strike, 1946", in *The Big Strikes*, pp.210-220; *The Truth About The Meat Strike* (Brisbane: TLC, 1946), pp.1-6 (hereinafter *The Meat Strike*).

the militants looked to the Labor administration to prove its working class *bona fides* by supporting, or at least acquiescing in, the workers' action.²²⁹ As in 1919, however, the Government held fast to the decisions of arbitration panels, which ruled the kind of worker control over the hiring and firing processes the union demanded to be illegitimate. Unlike 1919, the dispute became State-wide.²³⁰

Meatworkers had been able to negotiate favourable conditions under the wartime regime which gave a high priority to food production.²³¹ Meatworks managements were anxious to secure a return to peacetime industrial relations, and in particular they wanted the union excluded from the hiring and firing process. Some few days after the abolition of wartime controls at the beginning of March 1946, a number of known AMIEU militants were dismissed from a Toowoomba meatworks.²³² By the end of March, the AMIEU was on strike throughout Queensland and by this time the issues had broadened to include a union requirement for a general agreement with the meat companies over seniority while the employers insisted on a general agreement over discipline.²³³ After some weeks of strike action, when it became clear that the arbitration system would be unable to negotiate an end to the stoppage, the Hanlon Government took dramatic action. A State of Emergency was declared under the *Transport Act, 1939*, predicated upon the increasing involvement of the railway and electricity unions.²³⁴ This had little direct effect other than empowering the Government to make directions overriding the arbitration process, and this it did in a radio broadcast on 7 July 1946 by ordering the workers back on the conditions of "past custom and practice".²³⁵ The strike collapsed in the face of the emergency powers proclaimed by the Government. Within the unions, the Government's order was used as an excuse to turn on the communists who had led the strike committee, a response in

²²⁹*The Meat Strike*, pp.5-7 and elsewhere.

²³⁰It is also worth noting here that V.C. Gair, later Premier and centre of the 1957 split, was Minister for Labour during this dispute.

²³¹Kenneth F. Walker, *Industrial Relations in Australia* (Cambridge, Massachusetts: Harvard Univ. Press, 1956), pp.138-146.

²³²*The Meat Strike*, p.2; Blackmur, "The Meat Industry Strike, 1946", p.221.

²³³*The Meat Strike*, pp.3-4; Blackmur, "The Meat Industry Strike", pp.223-224.

²³⁴*Courier Mail*, 29 June 1946.

²³⁵*Courier Mail*, 8 July 1946.

line with the then ascending anti-communist mood.²³⁶ Widespread perceptions of poor leadership on the part of the communists in the dispute²³⁷ exacerbated the reaction.

A renewed campaign began during 1946 within the Labor Party organisation to purge the Party and if possible the unions of communist influences:

[p]retending to be friends, bent upon the unity of the working class, the enemies of Labor within the movement are just wreckers in disguise, determined to destroy the A.L.P. and all that it means. Fortunately for the Queensland Labor Party the Q.C.E., composed of representatives of trade unions, watches the activities of these parasites and works against them wherever possible.²³⁸

Although the Party had some qualms about the propriety of itself intervening in the unions' internal affairs,²³⁹ it did move to lend Party sanction to anti-communist bodies called Industrial Groups and thereby gain some Party control of these until then secret organisations. The Groups had been established within unions during the war years by a shadowy body called the (Catholic) Movement, ostensibly to combat communist influence. An Industrial Group Committee was set up under the auspices of the QCE, comprising Messrs. Bukowski from the AWU, Rasey from the Brisbane City Council and Walsh (ex-AWU) from the PLP "to assist A.L.P. supporters in unions to fight against the Communist members of those unions securing control of the organisations and doing everything they could to injure the A.L.P."²⁴⁰

In Queensland the Groups were less successful than their Victorian counterparts, due in part to their lack of local intellectual leadership and lukewarm support from the generally anti-labour Archbishop Duhig who did not favour any sort of activity to do with unions.²⁴¹ Moreover, the leadership of the Queensland Group Committee by the AWU did not help their cause, since the AWU leaders were not held in good odour at Trades Hall.²⁴² The Groups as it turned out were never able to unseat the communists from their positions at Trades Hall; the

²³⁶See Blackmur, "The Meat Industry Strike, 1946", p.230.

²³⁷James Beatson, *Communism and Public Opinion in Queensland 1939-1951: An Explanation of Queensland's Vote in the 1951 Anti-Communist Referendum* (BA Thesis: University of Queensland, 1974) pp.51-53.

²³⁸*Official Record*, Nineteenth Queensland Labor-in-Politics Convention, 1947, p.96.

²³⁹*Official Record*, Nineteenth Queensland Labor-in-Politics Convention, 1947, p.75.

²⁴⁰*Official Record*, Twentieth Queensland Labor-in-Politics Convention, 1950, p.95.

²⁴¹John Hepworth, "The Bishops and the Movement", unpublished seminar paper, University of Adelaide Politics Department, 1983.

²⁴²Conversation with Ted Bacon, 14 February 1985.

communist TLC Secretaries, Mick Healy (to 1952), then Alex Macdonald, enjoyed continuity of incumbency from 1942 until well after the 1957 split.

At the same time, the communists themselves adopted in this postwar period a strategy of militant confrontationism, partly in conformity with the international communist ideological line then being followed,²⁴³ and partly in an effort to reaffirm their *bona fides* as natural labour leaders in the face of the Groupers' challenge and the onset of Cold War.²⁴⁴ Although the Communist Party had exercised a restraining influence on the 1946 meatworkers strike,²⁴⁵ the entrenchment of its militant strategy after that time was as will be seen demonstrated by its leadership of the 1948 Railway Strike (although Healy and Bacon maintain that the ACP had no leading role in causing the dispute²⁴⁶).

Though not themselves members of the Communist Party, the ARU leaders enjoyed close and harmonious relations with Trades Hall communists and with communist lawyers like Fred Paterson, M.L.A, and Max Julius.²⁴⁷ ARU President O'Brien chaired the TLC Railway Central Disputes Committee (QR CDC) during the strike and communist Federated Ironworkers Association (FIA) Secretary Macdonald was appointed Committee Secretary.²⁴⁸ The ARU leaders were the spiritual heirs to the militants of the 1920's: Tim Moroney had continued as ARU secretary until as late as 1944, when he died.²⁴⁹

Queensland's Railways had been put under great strain by the exigencies of wartime transport logistics. A sudden near doubling of Queensland's population with the influx of U.S. and Australian military personnel in 1943-45 had necessitated astounding makeshift

²⁴³Gollan, *Revolutionaries and Reformists*, pp.232-235.

²⁴⁴Cribb, "Ideological Conflict", pp.399-402.

²⁴⁵Blackmur, "The Meat Industry Strike, 1946", pp.230-231.

²⁴⁶Conversations with Mick Healy and Ted Bacon, 14 February 1985.

²⁴⁷Nolan, pp.109-117.

²⁴⁸*Report and Balance Sheet of the Queensland Railway Strike February 2nd to April 6th, 1948 (9 weeks)* (Brisbane: QR CDC, 1949), p.11.

²⁴⁹Murphy, "Trade Unions", p.41.

organisation and brought wear and tear not merely on track and rolling stock but also on railway workers. As Minister for Railways Duggan recalled:

[i]n theory [sic] we carried more on our single lane tracks than the experts thought possible. We flogged everything, men and machinery to the limit. [After the war] the railways were very run down, morale was undoubtedly low and amenities poor.²⁵⁰

The wartime efforts of the Queensland railway workers were certainly forgotten when they were denied a flow-on of rises granted to metalworkers under Federal awards following the Victorian metal trades strike of 1946-47,²⁵¹ and when they were also denied an extension of the penalty rates granted to railway workers in other States.²⁵² In addition, the State award covering metalworkers in private employment had been adjusted for the flow-on in September 1947.

From the Labor Government's viewpoint, the railway workers demands for flow-on increases were unreasonable. First, following the 1947 Convention's resolution, the Government had at last legislated for a forty-hour working week, matching the earlier New South Wales decision. Queensland workers had thus received the hours reduction some six months before the Federal Arbitration Commission had made 40 hours the national standard. Other legislated benefits made by the Queensland Government in 1946-47 included sick leave and annual leave.²⁵³ Second, and perhaps more importantly in terms of its long-term industrial relations strategy, the Government was concerned to support the Arbitration Court which had before the war adopted as a principle the discounting of Queensland over-basic wage awards to take account of supposed lower living expenses in Queensland.²³¹ Consequently, Queensland wages were kept down with concomitant incentives for capital to invest, an outcome which meshed with Labor's revamped post-war development plans (see Chapter 3), but which antagonised the unions. Hence, while the Government could point to a higher basic wage than the national norm, the unions were upset at differentials with their Southern counterparts of as much as £3 18s 0d a week in the case of some

²⁵⁰Interview with J. Duggan, 1967, quoted in R. Shearman, *The Politics of the 1948 Queensland Railway Strike* (University of Queensland: B.A. Thesis, 1973) pp.25-26.

²⁵¹See Turner, *In Union is Strength*, p.99-101; Tom Sheridan, "Labour versus Labor", in *Strikes*, p.176-224.

²⁵²*Report and Balance sheet...*, p.6.

²⁵³Matthews, p.175.

²⁵⁴Blackmur, "The Railway Strike, 1948", in *The Big Strikes*, pp.236-237.

miners.²⁵⁵ Furthermore, in 1948-49 Queensland average male weekly earnings were the lowest in Australia, representing a reversal of pre-war conditions (see Table 1.2, also Appendix 3).

When the Government offered as a maximum increase to the railway unions a sum of 6s 0d a week for skilled trades, reducing to a few pence for semi-skilled grades, and insisted on a 3s 8d discount to any wage increase for the free railway travel privileges enjoyed by railway employees, the unions rejected it as an insult.²⁵⁶ Moreover, some months had elapsed between the time the union claims were first filed and the Government's offer without any hearing of the matter by the Arbitration Court. The Government offers were made made in December 1947, and throughout January 1948 stop-work meetings and Disputes Committee meetings confirmed the beginning of February as an ultimatum on strike action. On 2 February, hours before the expiry of the workshop unions' deadline, a compulsory conference at the Arbitration Court failed to yield significant advances on the earlier offers, and at midnight the strike began.

As the railways ground to a halt, the Government stood down affected workers and thereby turned what had been a strike confined to metalworkers into a general lockout. The combined union disputes committee prepared for a prolonged siege and sent out a call to unions and peak councils throughout the country for funds. In all, some £35,000 was collected from all States over the period of the stoppage for relief pay, propaganda and organisation.²⁵⁷ The strike soon widened as waterside workers refused to handle goods freighted by road which would in normal circumstances have been handled by the Railways. Brisbane Tramways workshop staff joined in a sympathy strike at the end of February.

Meanwhile the Government initiated a campaign of counter-propaganda, backed by the press,²⁵⁸ which sought to blame the strike on "communist subversives". Communist

²⁵⁵*Report and Balance Sheet...*, p.5.

²⁵⁶*Report and Balance Sheet...*, pp.6-7.

²⁵⁷*Report and Balance Sheet...*, pp.68-71.

²⁵⁸The labour newspaper *Daily Standard* had ceased publication in September 1931, and no other mass circulation Queensland newspaper followed a pro-union editorial policy by 1948.



1948 Railway Strike: cordon of police besseiging
Trades Hall, Brisbane

[Photograph courtesy John Oxley Library]

agitators were said to be being imported from the southern States.²⁵⁹ The Federal Labor Government intervened within the first few weeks of the strike in support of the Queensland Government by banning Social Service payments for strikers, regardless of whether their participation was voluntary or the result of lockout action.²⁶⁰ On 27 February, as in the 1946 meatworkers' strike, the Government declared a State of Emergency and further offered to negotiate separately with any union or unionists who could be persuaded to break ranks. Hanlon noted that "[t]here is ample protection for anybody in the State to go about their lawful occupation. The police will see to that."²⁶¹

When this failed to prevent further widening of the dispute, Hanlon took the extraordinary action, backed by the Opposition, of passing the *Industrial Law Amendment Act*, 1948, making it a criminal offence not only to participate in picketing or demonstrations (s. 4), but also to call for such participation, or merely to speak or advertise in favour of continuing the strike (s.5, 6, 7). Onus of proof in a prosecution was reversed (s. 5(2)) and arrest without warrant on suspicion was provided for (s. 8). Repeal of this Draconian Act then became a central strike demand, as the unions issued a defiant statement ending with the words "STAND FIRM - OUR CAUSE IS JUST, OUR UNITY UNSHAKEN, VICTORY WILL BE OURS".²⁶² On the day the Act became law, March 11, warrants were issued for the arrest of several communist strike leaders, including TLC Secretary Healy. Trades Hall was invested by the police, and those for whom warrants had been issued resorted to disguises to enter the building.²⁶³

The Government also attempted, with some success, to split the strikers by increasing its offers to some of them in compliance with the original demands. The AFULE pulled out of the strike on 15 March, against the urgings of its communist leaders, and the

²⁵⁹*Sunday Mail*, 22 February 1948.

²⁶⁰*Report and Balance Sheet...*, p.13.

²⁶¹*Courier-Mail*, 28 February 1948.

²⁶²*Report and Balance Sheet...*, p.24.

²⁶³Conversation with Mick Healy, 14 February 1985.

workshops unions began to lose heart after this time, particularly in the Central Coast district.²⁶⁴ For the time being however, most unions stood firm and defied the new Act's bans on picketing and demonstrations. On 17 March, St. Patrick's Day, a demonstration against the Act was set upon by uniformed and plain clothes police as it moved off from Trades Hall down Edward Street. Several communists and other radicals present were evidently singled out by police and savagely beaten, including Fred Paterson MLA, who sustained permanent head injuries. Five, including Healy and Julius, were arrested.²⁶⁵

The St. Patrick's Day police violence served only to inflame and unify the strikers, who responded by denouncing the Government as "fascist".²⁶⁶ Despite further arrests, mass demonstrations were successfully held in Brisbane over the following days. Early in April, the Government finally weakened on the wages issue, agreeing in essence to all the original demands. The workers returned on 6 April 1948.²⁶⁷ Details of the bargain were ratified by the Arbitration Court over the ensuing months.

Repeal of the offending Act was not part of the deal negotiated to end the strike, however, and strike leaders charged under this legislation were in August imprisoned for non-payment of fines. Following further demonstrations and lightening strikes, most of the men were released from Boggo Road gaol after their fines were paid by an 'anonymous benefactor'. Realising that the Act's penal provisions were only solidifying much of the union movement behind the communist martyrs, Hanlon at last repealed it in early September 1948.

Both sides claimed victory in the dispute. At first sight it seemed the unions' claim of a win is more plausible, since their original demands were largely granted, and the authoritarian legislation was indeed repealed within the year. No union demand was acceded to in

²⁶⁴Blackmur, "The Railway Strike, 1948", p.248; Margaret Cribb, "State in Emergency: The Queensland Railway Strike of 1948", in *The Big Strikes*, pp.243-246; Ted Bacon claims this was a result of Movement influence in the Rockhampton area - conversation 14 February 1985.

²⁶⁵*Report and Balance Sheet...*, pp.26-30; *Telegraph*, 17 March 1948.

²⁶⁶*Report and Balance Sheet...*, p.25.

²⁶⁷*Report and Balance Sheet...*, pp.44-45.

full, however; the greatest concession was 95 per cent of the original demand on one claim, while the unions received around 80 per cent on most claims.²⁶⁸ Nevertheless, the Government had retreated from its original 'non-negotiable' position and certain historians who have assessed the strike therefore side with the unions' view that the action produced victory.²⁶⁹ Gollan goes so far as to describe the action as a "model of how to win industrial gains".²⁷⁰

An alternative view is that the strike depleted union resources and the goodwill of many workers towards industrial militancy.²⁷¹ For these accounts it is significant that the strike dragged on for some time after the Government's concessions which were eventually accepted, and it is argued that the militants were unable to hold solidarity in outlying regions. The strike led to no explosion of militancy, rather a return to previous stand-off relations between the TLC militants and the Government. Concessions made by the Government may therefore show a desire to rehabilitate itself with its traditional supporters who had been dragged into the dispute by the lockout and who were outraged at the violence unleashed by the State on unionists exercising their rights to peaceful protest. There were, however, those in the Government and in the Labor Party who advocated an unyielding hard line. This faction was led by Gair,²⁷² who was to succeed Hanlon a few years later as Premier.²⁷³

The 1948 strike had seen an unprecedented number of unions involved, including staunch Labor affiliates like the Electrical Trades Union (ETU), the Boilermakers Society, the Vehicle Builders and the Amalgamated Engineering Union (AEU). Hanlon, it seems, perceived that any continuation of the inflexible attitudes adopted up to the St. Patrick's Day violence could split the Party and render redundant the invincible electoral alliance built up over so many years

²⁶⁸*Report and Balance Sheet...*, p.60.

²⁶⁹Cribb, "State in Emergency", pp.246-248; Gollan, *Revolutionaries and Reformists*, pp.232-235.

²⁷⁰Gollan, *Revolutionaries and Reformists*, p. 235.

²⁷¹Blackmur, "The Railway Strike, 1948", pp.249-250; Turner, *In Union is Strength*, p.103.

²⁷²Fitzgerald, *From 1915 to the Early 1980's*, p.132-143.

²⁷³The original February State of Emergency declaration, which first gave the Labor administration extraordinary powers to smash picket lines, search and seize, arrest suspicion, and so forth was perhaps forgotten in the heat of the subsequent melee, and deserves to be recalled. The declaration was made under the *Transport Act*, 1938, and remained in force to be used by the Nicklin Government in the 1965 Mt Isa strike and by the Bjelke-Petersen Government in the 1971 Springbok tour.

(see Chapter 3). A partial backdown which returned the dispute to a politically safe agenda of wages claims was thus the most expedient way out both for his Government and Labor's many supporters in the union movement. The retrospective validation of the settlement in the Arbitration Court put the long established policy of legitimation through arbitration firmly back in place.

The Queensland labour movement's attachment to electoralism was nonetheless sorely tested by the 1948 strike. The return to full employment after 1945 had released pressures for wage rises above those which the arbitration system was prepared to concede. The legitimation of Labor electoralism and the industrial quasi-corporatism of the arbitration system had rested on their ability to deliver gains which could plausibly be portrayed as unattainable (at least without unacceptable cost) under alternative regimes. The 1948 strike involved Labor in office and the prized arbitration system in denying Queensland workers benefits which were already enjoyed by colleagues in other States who had not had the benefit of three decades of almost continuous Labor administration. While the unions involved were again the excluded militants, the framework of legitimation built up by decades of Labor in office was now under strain.

Industrial relations and the Labor split:

1950-1957

The Party monolith, so carefully nurtured and reinforced over some three decades by Labor leaders such as Theodore Forgan Smith and Hanlon, and by union leaders like AWU Secretary Clarrie Fallon, had begun to show cracks by the close of the 1940s. Differences over industrial policy within the Government's own ranks were brought out into the open at the 1950 Labor-in-Politics Convention. Militants from unions affiliated with the Party had often advocated that labour advances of one sort or another should be legislated by Labor governments, whereas the Labor leadership in office had maintained a stance of ostensible non-interference through recourse to the arbitration system. As has been shown, the militants had from time to time been able to

force Labor in office to legislate on such issues as working hours, but the Labor leadership was usually able to resist such demands.

The ruling compromise, however, had depended upon the Labor leadership being pressured in the direction of legislated labour gains only by militants. Labor in office could always refer to its legitimate role as guardian of the Queensland public as a whole, reject direct interference and defer to the arbitration system. Concessions were thus in general granted only when a claim was such as to implicate parts of the labour movement upon which the Labor leadership relied for organisational support, or when the parliamentary leaders were unsure of the appropriate response. The granting of the 40-hour week in 1947 and the raising of the basic wage in 1925 are respective examples of these two modes of influence.

By 1950, however, a third force was at work - the Groupers' faction. Anti-communism had been an appropriate mantle for the dominant Labor axis during the long period when challenge came only from the militant minority. When the ideological implications of the anti-communist posture were taken to heart by aggressively anti-communist (Catholic) Movement-inspired elements however, the stability of the Labor leadership's organisational support became endangered. This was particularly so as it became clear that, although the Industrial Groups which formed the base of Movement influence in the Party were not so successful in Queensland as elsewhere, the Movement's ideology exercised considerable influence in sections of the Government.

In particular, the Movement's insistence on petty-bourgeois economic units as ideal forms of enterprise, especially its fondness for the small rural producer,²⁷⁴ was attractive to some members of a Government which for decades had stressed the role of smallholding farmers in economic development and cultivated them as electoral allies (see Chapter 3). Moreover, the

²⁷⁴For example, see Blanche D'Alpuget, *Robert J. Hawke: A Biography* (Melbourne: Schwartz/Penguin, 1982), pp.56-58; P.L. Reynolds, *The Democratic Labor Party* (Brisbane: Jacaranda, 1974).

Movement's reverence for legitimate authority²⁷⁵ flattered some of those who wielded that authority. In terms of Labor's longer term stability, it was a signal misfortune that chief among those who identified with Movement thought and activity was heir apparent to the Premiership Vincent Clair Gair.

Since it operated as a secret society, the Movement's existence was not widely appreciated. Not until after the Federal and Victorian Party denunciations and splits of 1954 was it forced partially into the open though awareness of its operations was evident at the 1950 Labor-in-Politics Convention. According to documents obtained by Murphy,²⁷⁶ the Movement maintained two full-time officers in Queensland, one of whom, a W.T. Thornton, represented a branch at the 1950 Convention and was elected as an FCU delegate to the QCE.

Several motions were moved at the 1950 Convention, calling for government intervention in unions to combat the communist menace. One motion, moved by State Minister Walsh on behalf of the Industrial Groups Committee (seconded by Thornton) called for the legal proscription of the Communist Party within the union movement.²⁷⁷ The motion was defeated with, significantly, AWU opposition. AWU delegate Pont, speaking against the motion, said:

I say to those concerned with the activities of the Communist Party that they should do as the A.W.U. has done and that is, fight the Communists in the open field (p.59).

AWU leaders perceived the Movement as presenting something of the same kind of organisational threat as did the communists: as a secret, cabalistic organisation it had the potential to infiltrate the union and oust unwary incumbents.²⁷⁸

When the Railway Maintenance Employees' Union delegate moved for immediate implementation of work 's' compensation increases agreed to at the 1947 Convention, Gair

²⁷⁵For example, see Douglas Blackmur, "The ALP Industrial Groups in Queensland", in *Labour History*, N^o 46 (May 1984), pp.99-102.

²⁷⁶D.J. Murphy, "The 1957 Split", in *Labor in Power*, p.486.

²⁷⁷*Official Record*, Twentieth Queensland Labor-in-Politics Convention, 1950, pp.58-59 (subsequent references in text).

²⁷⁸See D.W. Rawson, "The ALP Industrial Groups", in *Australian Labour Relations Readings*, ed. J.E. Isaac and G.W. Ford (Melbourne: Sun, 1966), p.176.

seconded an amendment, which passed, leaving implementation at the Government's discretion (pp.58-60). The Grouper faction, sensing victory, then moved for compulsory State-supervised secret ballots for State-registered unions; this debate was gagged and the motion lost. Thornton, supporting the motion, noted that "[a]t the present time is necessary to establish a prima facie case to the satisfaction of the Industrial Registrar and that is not an easy matter" (p.63). As the argument continued it became obvious that the Labor leadership was under pressure from both militants and Groupers.

The Government representatives at the Convention, as was traditional, responded verbally to criticism and demands from the militants. Against the Groupers, however, it was silent and preferred procedural means of avoiding debate. Clearly, the leadership was uncertain how to respond to this new challenge, since certain of the Movement ideals were close to their own. Public opposition to principles like compulsory secret ballots would be electorally damaging and such a move could only weaken the coalition of industrial and political factions upon which the Labor leadership relied. The Grouper challenge discomfited the Party leaders touching as it did best left alone.²⁷⁹

The Groupers reached the zenith of their influence within the Labor Party in Queensland and the labour movement generally in the period between the 1950 and 1953 Conventions. Hanlon, the champion of the old axis, died in office on 17 January 1952 and was succeeded by Gair. Although Gair subsequently denied that he had fallen under the influence of the Movement at this time,²⁸⁰ his refusal of the AWU membership traditionally held by Labor Premiers in favour of continuing membership of the Grouper-controlled FCU, and his appointment of Movement man Brian Mullins as private secretary suggest otherwise.²⁸¹ It is doubtful whether Gair would have accepted discipline from the Movement, given his notorious

²⁷⁹Rawson, "The ALP Industrial Groups", pp. 171-175..

²⁸⁰Conversation with V.C. Gair, January 1975, quoted in Murphy, "The 1957 Split", p.494.

²⁸¹Letter from Sir Gordon Chalk, 25 March 1985.

arrogance, but rather it seems likely he saw the growing dominance of the Groups in the Party as a vehicle for increasing the independence of his Government from union pressure.²⁸²

Murphy suggests that personal animosity between Gair and the leaders of the more powerful non-Grouper ALP unions was a major factor in the breakdown of harmony in the ruling axis.²⁸³ This may well have fuelled the confrontationism adopted by the AWU-TLC coalition which formed after 1953, but it does not explain the formation of that alignment, nor its success in gaining enough support to expel the Premier in 1957. To understand how this happened it is necessary to examine the shift in Labor industrial relations policy under Gair, a man who had definite ideas on the area given his industrial relations experience in the Labor Ministry.

First indications of a policy shift emerged in 1952. Riordan, the former AWU Secretary, retired from the traditional union seat on the arbitration bench. He was not replaced. In 1952 also, a form of long service leave was introduced by legislation (*Industrial Conciliation and Arbitration Acts Amendment Act*, 1952). This appeared to herald a significant improvement in workers' welfare, but it had no application to seasonal or casual workers and was negated by any break in service brought about by illicit strike action. At the same time, Gair granted three weeks' annual leave to public servants, a benefit not enjoyed by the members of the unions covering private sector employees which formed the majority of the Labor leadership's support. The chief beneficiaries of these actions were the Grouper-controlled State Service Union and Federated Clerks Union (FCU), while AWU members were largely ignored.

The 1953 Labor-in-Politics Convention highlighted the growing strength of a Grouper Gair axis. On the crucial issue of extending long service leave provisions to seasonal and casual workers, the relevant AWU-supported motion was amended from an instruction to the Government to introduce such a scheme to an instruction requiring only an investigation of a

²⁸²Conversation with Ted Bacon, 14 February 1985.

²⁸³Murphy, "The 1957 Split", pp.507-514. Some support for this view is also given by Robert Murray, *The Split: Australian Labor in the Fifties* (Sydney: Hale & Iremonger, 1984), pp. 325-327.

suitable scheme.²⁸⁴ Gair himself expressed some annoyance that the Government had not been adequately thanked for its earlier good works and accused those supporting the original motion of being malcontents:

[it has been said] that a great deal of discontent has been created by the long service leave provision... I suppose most reforms lead to some discontent and you will always hear about the discontent. No one has said here that the Government are to be complimented on having introduced this great industrial reform for the workers. (p.102)

Earlier in the Convention, the report of the Industrial Groups Committee had been overwhelmingly endorsed (p.77), although a move by some of the Groupers to add further qualifications to the Party's 'socialist' objective had failed (p.13).

The Industrial Groups Committee was now almost entirely made up of PLP members, Committee member Rasey having been elected to Parliament. Mick Brosnan MLA, an ex-ETU Grouper, had replaced Walsh who was now Treasurer. Gair, through his lieutenants, thus wielded perhaps more direct influence the union movement in Queensland than any previous Premier, a fact which disturbed those union leaders now excluded from the informal channels of communication with the Party political leadership.

1954 saw a reversal of the growth in Grouper influence. Evatt's exposé of the Movement and the subsequent Victorian split led to a proscription of links between the Groups and the ALP. Gair and some like-minded PLP and Grouper delegates boycotted the 1955 Federal Conference which purged the Victorian Party and disbanded the Groups. The AWU, having been expelled from its position of dominance in the Party, reopened liaison with the TLC after one and a half decades of isolation per medium of rising TLC leader Jack Egerton of the Boilermakers' Society.²⁸⁵

By the middle of 1955, Gair had lost the numbers battle in the Party, although this did not become quite clear until the 1956 Convention. Unlike his predecessor Theodore, he

²⁸⁴*Official Record*, Twenty-first Queensland Labor in Politics Convention, 1953, pp.113-115 (subsequent references in text).

²⁸⁵Murphy, "The 1957 Split", pp.495-499; Anne McMurchy, "The Pastoral Strike, 1956", in *The Big Strikes*, p.256-257; *Worker*, June-December 1955.

made no effort to forge a new consensus embracing the natural constituency of the AWU and the less militant unions. Instead, he prepared for seige and became more obstinate in his refusal to treat with the new AWU-TLC coalition. With the PLP behind him more solidly than it had ever backed Theodore, he had a firm base from which he obviously felt he could withstand the blandishments of the Party.

The three weeks' leave issue emerged as the issue chosen by the new AWU-TLC coalition over which to exact some concessions from the Gair-dominated PLP. State public servants, as has been seen, had enjoyed three weeks' leave since 1952. The 1953 Labor-in-Politics Convention had passed a rather ambiguous notion which appeared to call for the universal application of the principle (p.121). Two years later, the new coalition now wanted the principle realised. During the last quarter of 1955, the AWU suffered a serious setback when the State shearing award was cut by ten per cent on application by the United Graziers Association (UGA). This particularly aggravated the AWU, since it had lost 'its' seat on the Arbitration Court in 1952 and the wool industry was enjoying near-record profits.²⁸⁶ Preparations for the first major official shearers' strike in sixty years helped to cement the still tentative alliance with the TLC. The period leading up to the February-March 1956 Labor-in-Politics Convention was thus also a period of close AWU-TLC co-operation over strike plans.²⁸⁷ The shearers actually went out on strike on 1 January 1956, but TLC co-operation became essential as non-union shorn wool began to reach the market.

The depth of the rift within the Party was clearly revealed at the 1956 Convention. QCE President and AWU representative Boland set the scene in his address, which contained, amongst the calls for unity, a veiled demand for a backdown by Gair:

Let us function as one big family. Let us forge unity in the Labor Government. We cannot have that unity at the expense of the destruction or throwing overboard of some principle associated with the (labour) Movement which many of those people would have us do. The majority decisions have always been obeyed by the

²⁸⁶L.J. Hume, "Wool in the Australian Economy, 1946-1958", in *The Simple Fleece: Studies in the Australian Wool Industry*, ed. A. Barnard (Melbourne: MUP, 1962), pp.615-627.

²⁸⁷McMurchy, pp.257-258; *Worker*, 20 and 27 February, 1956.

minority and that is how it will continue, and I suggest that that is how it should be. (p.68).²⁸⁸

The weakness of the Grouper-Gair function emerged in the defeat of a State Service Union motion which would have supported the sponsorship of the proscribed Industrial Groups under a different guise. Walsh, speaking to a version of the motion, was heckled with taunts about his absence from the previous year's Federal Conference (pp. 38-40).

The AWU-TLC grouping resolved to force Gair to back down on the leave issue. As the AEU's QCE delegate Devereux reported to the Convention, Gair had refused to be bound by QCE resolutions on the matter (a legally questionable stance on his part), but had conceded in October 1955 that he would be bound by Convention (pp.77-78). The AWU-TLC forces wanted a clear direction which dictated the timing of the introduction of the extra leave measures. Gair responded by declaring the Government to be above direction by the Convention:

it is very obvious... that Parliament would not be a supreme body if its members were subjected to outside coercion, intimidation or direction... But, surely, you must have some confidence in us, the elected members of the Government itself. Surely you must give us some credit for knowing where we are going, and what is in the best interests of the community! (p.81)

Minister Duggan, who while loyal to the Government was close to the AWU-TLC grouping, preferred to argue on the old principle of arbitration being the sole legitimate industrial forum (p.87), but the debate had already moved well past the stage where such rhetoric could calm the situation.

AWU-TLC delegates pointed out that Convention had twice already (in 1924 and 1947 over the 44-hour and 40-hour week) forced Government action on labour advances. Moreover, now was a time of economic boom. As Devereux noted in reply:

we should have had our three weeks' annual leave by now. There is no trouble about the cash now, so we could have had our three weeks' leave now... Now, does Mr Gair suggest that as a member of the parliamentary Labor Party he is not subject to any discipline from... the Queensland Branch of the Australian Labor Party? ... Is it suggested that outside the ballot box or the plebiscite Parliamentarians are completely free to do as they choose? I submit that you do not believe that. (p.104)

²⁸⁸*Official Record*, Twenty-second Queensland Labor -in-Politics Convention, 1956, p. 68 (subsequent references in text).

A TLC-AWU coalition motion, which required Gair to include the leave issue in his election policy speech, was carried 75 to 58 (p.105).

Gair responded later in the Convention by announcing Cabinet's rejection of the Convention decision (pp.133-134). According to Murphy,²⁸⁹ Gair gave a private undertaking during the Convention to the effect that he would include the leave issue in his policy statement, and subsequent events indicate that those on the Convention-appointed committee who discussed the Cabinet stance with Gair were given such an undertaking.²⁹⁰ At any event, the actual policy speech²⁹¹ contained no promise of action on the leave policy. Whether or not any undertaking was given, Gair had blatantly defied the Party organisation.

Although the conservative press supported Gair on his public defiance of Convention,²⁹² there were other matters brewing which were to deprive the Premier of a good deal of conservative and indeed liberal, support. Among these, the *University Act Amendment Bill*, 1956-57 is perhaps the best remembered by researchers since it affected the employment conditions of academics (!). This Bill included in its provisions power for the Minister (for Public Instruction) to intervene in appointments of academic staff (see Chapter 5). Libertarians were also gravely concerned at the continued operation of the *Printers and Newspapers Act*, 1953, which required, among other things, registration of all printing presses and duplicating machines and provided stiff penalties for non-registration. The Townley Royal Commission into corruption over the granting of Crown leases caused months of embarrassment for the administration.²⁹³ Further, the mysterious (even to the QCE)²⁹⁴ source of some £12,000 received by Gair for the 1956 election campaign was a cause for concern among Party members.

²⁸⁹Murphy, "The 1957 Split", p.506.

²⁹⁰QCE Minutes, 1 June 1956.

²⁹¹*Courier-Mail*, 25 April 1956.

²⁹²See *Courier-Mail*, 2 March 1956.

²⁹³QPP, 1956-57, Vol. 1, pp. 733-876.

²⁹⁴QCE Minutes, 18 May 1956.

The main factor impelling Gair's downfall, however, was the continuing shearers' strike. In July, the AWU-TLC reconciliation had been consummated with the reaffiliation, after seventeen years, of the AWU.²⁹⁵ During August and September, a war of words erupted between Bukowski and Gair with Bukowski accusing Gair of siding with the graziers.²⁹⁶ In October, (after nine months of strike) Gair declared a State of Emergency. The Brisbane wool store workers capitulated in the face of the sackings, penal sanctions, stories of AWU shearers secretly working during the strike,²⁹⁷ organised non-union labour and the urgings of the Storemen and Packers' Union (SPU) leadership.²⁹⁸ The long strike ended a few days later, with the shearers agreeing on a rate lower than the rate they had enjoyed before the 1955 award change, but higher than the original 1955 award. In the context of the booming profits going to graziers, this outcome was seen by the unions as arising from treacherous Government intervention on behalf of bloated capitalists.²⁹⁹ Nor did non-labour publicists congratulate Gair, since his administration had allowed the strike to drag on for nine months before finally intervening.³⁰⁰

Both Murphy and McMurchy suggest that the personal animosity borne by AWU Secretary Bukowski for Gair was behind his dogged leadership of the strike and political support for the anti-Gair campaign.³⁰¹ This must be discounted as an adequate explanation since the striking shearers, despite their admittedly above-average wages,³⁰² had a legitimate grievance in that the graziers were reaping bumper profits. Wage cuts at such a time were bound to arouse justifiable anger. On the political front, the exclusion of the AWU from its long-held leading role in the determination of Party policy and from the administration of the arbitration system were also certain to create and prolong bitter recriminations.³⁰³ When further, Gair failed to respond to

²⁹⁵See *Worker*, 16 July 1956.

²⁹⁶*Telegraph*, 29 September 1956; *Truth*, 30 September 1956.

²⁹⁷*Telegraph*, 4 October, 1956.

²⁹⁸McMurchy, pp.265-267; *Courier Mail*, 8 October 1956: Federal SPU President Kyle travelled to Brisbane to enforce a secret ballot. Kyle was closely associated with the Movement, being President of the expelled Victorian ALP Executive.

²⁹⁹*Worker*, 8 October, 1956, 22 October 1956.

³⁰⁰For example, *Courier Mail*, 19 October 1956, letters to the editor.

³⁰¹Murphy, "The 1957 Split", pp.514-516; McMurchy, pp.262-268.

³⁰²Based on an average of 550 sheep per week, shearers could earn about £42 6s 0d at the old rate, reducing to £38 10s 0d at the new rate: based on *Courier Mail*, 5 December 1955.

³⁰³George Boland, a widely rumoured AWU nominee for a vacancy on the Arbitration Bench, was allegedly rejected by Gair on the ground that he was too friendly with Duggan: letter from Sir Gordon Chalk, 25 March 1985, in the possession of the author.

the direction of the highest forum over three weeks' annual leave, the reaction of the AWU Labor leadership was quite predictable.

The AWU had been happy enough to co-operate with the Industrial Groups until it realised that the force behind them (the Movement) had the capacity to threaten traditional AWU prerogatives. As soon as the Groupers were perceived as a threat by the AWU leaders, they were jettisoned, for all that their anti-communism was akin to the AWU posture. It may be that a Fallon and a Theodore could have reached compromise over such issues, but given the direction taken by Gair after 1952, it is difficult to see how. By the end of 1956 the drama had unfolded and only the denouement was awaited. Gair would by now be humiliated if he backed down, and in any case the dominant AWU-TLC coalition had determined that he should go. The PLP could have avoided a split by dumping Gair, but the PLP majority remained loyal to its leader.³⁰⁴

In the event, Gair did not back down, indeed quite the reverse. The motion in the QCE to expel Gair from the ALP on 24 April 1957 was close.³⁰⁵ It should be recalled, however, that many who voted against the expulsion were not Gair supporters but drew back from the step of bringing down the Labor Government, for that was the only possible outcome. Duggan, for one, although he voted against the expulsion, went on to head the new ALP Opposition after the 1957 election. Gair's actual support within the Party organisation and among the affiliated unions was lower than the spill vote at the QCE indicates.

In the electorate, Gair's support was almost equal to that for the official ALP (see Appendix 3). Gair's Queensland Labor Party (QLP) did well enough in the 1957 and 1960 elections to allow the Country/Liberal coalition six years of consolidation.³⁰⁶ With the electoral

³⁰⁴Murray, p. 327, suggests that many Gair opponents were confident that Gair would stand aside in favour of Duggan. He does not provide any supporting evidence for this, however.

³⁰⁵QCE Minutes, 24 April 1957; see Murphy, "The 1957 Split", pp.516-522 for details of motions and voting.

³⁰⁶See Colin A. Hughes, *The Government of Queensland* (Brisbane, UQP, 1980), pp.87-98 *passim*; also Hughes, *Images and Issues: The Queensland State Elections of 1963 and 1966* (Canberra: ANU Press, 1969), pp.7-14.



laws changed in 1958 to disadvantage Labor and a low total Labor (including QLP) vote after 1960, Labor has not since been able to make a convincing electoral showing.

Once Gair was ousted, there was nothing holding the AWU-TLC alliance together, and by the end of 1957 Bukowski had been suspended from the QCE after an undignified fistfight which he had apparently instigated, at the QCE Christmas party.³⁰⁷ The AWU subsequently disaffiliated from the ALP.

In summary, then, changed industrial and internal organisational strategies pursued by the Gair Government from 1952 - 1957 were responsible for the breakup of the Labor hegemony which had looked so unassailable in 1950. The Movement's role in this shift is debatable, but it is certain that the organisational backing for Gair's moves came from the Movement-inspired Industrial Groups. Until such time as the National Civic Council opens its archives to public scrutiny, the exact role played by the Movement in pushing Gair along his fateful course will remain unclear.

³⁰⁷*Courier Mail*, 12 December 1957; QCE Minutes, 18 December 1957.

Conclusion: labour and
Labor in office

The Labor Party's long tenure in office in Queensland throws into relief the contradictory relationship between the union movement and the political Labor party. The relationship was multi-dimensional: the policies followed by the Party in office had significant impact on the industrial stance of leading Queensland unions, as the relative union quiescence in the face of Labor's wage reduction in the 1920's showed. The Party's direct intervention in the unions' organisation through the Industrial Groups was not typical of political Labor's relations with unions, and the widely perceived alienness of this tactic combined with infiltration of the Groups by non-Labor forces to ensure the Groups' downfall.

The Queensland unions themselves possessed a high degree of direct control over the Party through the various decision-making organs and in particular the QCE. The development of the Party in Queensland saw the unions force several major changes on the Party in the period before 1915, in the Kidston case costing the defection of most of the Party's parliamentary leadership, so their dominance of Party platform was well established in fact as well as in principle at the outset of Labor's period in office. The unions effectively endorsed an instrumental role for themselves in the industrial relations system and abstained from interference in politics for the Labor's long tenure, a time when *prima facie* they should have been pressing for political goals such as wealth redistribution.

The coalition of forces which held the majority within the Labor Party and which was centred on the AWU depended for its solidarity on the tacit agreement of the PLP to provide political and industrial victories at moments of tactical importance. The stance of the union leaders in acquiescing to Labor administrations' unexceptional reform performance was legitimated by key reforms such as, for example, the 40-hour week and the free hospital system (see Chapter 4), both of which surfaced at times of increasing militancy and restiveness among rank and file members. At the same time, the constant threat of militant employers' action (through closures and political organisation) and the perceived anti-worker character of the non-Labor alternative

government's policies served to make the stance of the PLP/AWU axis more credible. The Queensland labour movement remained sentimentally attached to the Labor Party and the prospect of manipulating the state in the interests of workers despite the highly circumscribed successes in this direction boasted by Labor administrations.

The peculiar features of the Queensland economy served to make the package of measures canvassed by the Party and the dominant axis union leaderships attractive to the movement. The dispersal of union members, the chastening experience of early essays in labour militancy, and the receptivity of many workers to class mobility as promoted for example by land settlement schemes (see Chapter 3) combined to support the non-militant and electoralist line of union leaderships. These factors were all in evidence in the makeup of the State's largest and, within the Party, most influential union - the AWU. The location of many workers in petty bourgeois production helped divide them from the industrial workers with their militant unions. The concentration of militant organised workers in the export industries and in State services meanwhile contributed to their isolation during critical strike actions.

The collapse of the dominant axis which eventually led to the 1957 Party split was not fuelled by any triumph of militancy within the Queensland labour movement. The consistent failure of the Party in the 1950's to implement the limited measures necessary to legitimate the position of union leaders who subscribed to the dominant axis forced them to withdraw support. Those involved in the expulsion of Gair were temporary allies only and soon reverted to hostility once the immediate circumstances of the split had passed. Despite the manifest failure of political Labor even in electoral terms, the unions which had formerly been in the Party minority rejoiced in their newfound dominance of the machine and continued to support electoralism even in the absence of any capacity to manipulate the Queensland state.

Chapter 2

'Socialism at work'¹: Queensland

State Enterprises 1915-30

State enterprises in Queensland history

There was a time when Queensland ranked with the Soviet Union in terms of state penetration of those economic activities normally reserved for the private sector. Although Aleksandr Herzen² outlines a culture and administrative apparatus in pre-emancipation³ Russia which has certain quaint similarities to the frontier atmosphere of colonial Queensland, the Sunshine State and Holy Mother Russia have rarely been seriously compared in recent years. At the time of the Ryan Government when all this economic intervention was initiated Queensland was viewed as a hotbed of radicalism, as a beacon for the future rather than an anachronistic backwater. Among the reforms which generated this reputation were many which were later echoed by all advanced capitalist states, such as unemployment benefits, industrial health and safety legislation, workers' compensation and other measures towards a welfare state. The importance of these measures should not be underestimated: all have now become part of the expected repertoire of state expenditure commitments. But the State enterprises were the jewels in the Queensland Labor crown in its claim

¹Title of pamphlet, Chief Secretary's Department [compiled by E. Broadbent] *Socialism at work: results of the working of various State Enterprises established by the Queensland Government or: How the Queensland Government succeeded in State competition or State monopoly* (Brisbane: Government Printer, 1918) (hereafter *Socialism at Work*).

²See A. Herzen, *Childhood, Youth and Exile*, translated by J.D. Duff, introduction by Isaiah Berlin (Oxford: O.U.P., 1980).

³Emancipation of the serfs: 1861.

to be the "best and most truly democratic [government] Australia - not to go further than that - has ever had".⁴

The State enterprises stand, as does the Bjelke-Petersen Government's ban on street marches, as a political landmark by which Queensland politics are often located. The popular wisdom that Queensland is fundamentally different from the rest of Australia stems in large part from a received impression of political extremism (by Australian standards) and disavowal of sophistication. Queensland governments have traditionally 'got away' with more than would seem possible elsewhere. Democratic pluralism has not been a pre-eminent ideology in tropical Australia.

The Queensland State enterprises are held to be evidence of Queensland Labor's capacity to effect reform, and remain pre-eminent among the Australian examples of state excursions into the marketplace, although often forgotten now. The Queensland enterprises, for example, occupy almost a third of the text of the Communist Party's 1945 *Story of Government Enterprise in Australia*,⁵ although they get no mention at all in two recent volumes on the subject of state market intervention in Australia.⁶ This Chapter will examine the history of the enterprises with a view to assessing their place both in the development of Labor policy and as models of state intervention in Australia.

State enterprises and Labor ideology

A program for the introduction of State enterprises had been a plank of Labor policy since the days of the Kidston split in 1907 and the end of coalitionist strategies. The driving principles embodied in the fighting platform contained both socialist and bourgeois-reformist

⁴President Demaine's opening address: *Official Record*, Ninth State Labor-in-Politics Convention, 1918, p. 6.

⁵E. L. Sharkey and E. W. Campbell, *The Story of Government Enterprise in Australia* (Sydney: Australian Communist Party, 1945).

⁶Butlin, Barnard and Pincus, ; G. R. Curnow and C. A. Saunders (eds.), *QUANGOS: The Australian Experience* (Sydney: Hale & Iremonger/ Royal Australian Institute of Public Administration, 1983).

elements. On the one hand, it was thought to be a good idea for the working class if a state guided by its political representatives could

- (i) regulate working conditions through public management
- (ii) control investment and direct it to socially useful production
- (iii) restrict repatriation of profit to foreign speculators (and ensure accumulation of public capital within Queensland)

On the other hand, it was also argued that State enterprises would

- (iv) smash restrictive trade practices through competition
- (v) iron out the more painful fluctuations of the trade cycle through subtle manipulation of market forces and through price stabilisation in the primary production sector
- (vi) help fund State services through means other than taxation and reduce costs of existing services.

The expropriation of private business either through out-right confiscation or through some form of nationalisation with compensation, seems never to have been seriously considered. As Premier Theodore once remarked "capitalism is well entrenched here in Queensland."⁷ The kind of assault necessary to winkle out such determined resistance was clearly beyond the means of Theodore's Labor Party.

The areas of private business activity selected for State entry were chosen on the basis of the various often conflicting rationals outlined above. They were:

- railway refreshment rooms
- retail butchering

⁷Worker, 1 March 1923.

- fish marketing
- hotel trade
- fruit canning
- sawmilling
- sugar milling
- coal mining
- cattle production
- iron and steel production
- insurance and estate management⁸

With the major exception of iron and steel production, all were previously areas solely exploited by the private sector in Queensland. The selected areas, limited though they were, traversed much of the significant business activity developed in Queensland at the time (with the important exception of wool growing). The processing of agricultural and pastoral produce, the provision of retail services and the underwriting of life and property were the sites of most commercial activity, having a high profile with the public and apparent potential profitability. The export-oriented wool industry was to be made to benefit Queensland through contributions to consolidated revenue via land and associated taxes. The use of public capital for broadening Queensland's industrial base was considered only in the proposals for a State iron and steel works. No machinery was foreshadowed for attracting and channelling private capital, nor for the provision of infrastructure to that end (see Appendix 3 on Queensland's comparative industrial performance).

The establishment of State enterprises in the areas indicated above proceeded willy nilly immediately following the election of the Ryan Government in 1915. Table 2.1 shows inaugural dates for the major enterprises. The *State Enterprises Act, 1918*, gave some legislative existence to the enterprises, providing for proclamation of enterprises in the *Queensland Government Gazette*, auditing, annual reports and Ministerial responsibility. The program was fiscally and politically ambitious, especially when the tight credit and political conservatism of wartime are taken

⁸See *Socialism at Work*.

into consideration. The prevailing anti-profiteering ideology was a political bonus in that it provided a rhetorical platform against which appealed to non-labour lines of argument. The immediate object was "to protect the public by competing ... on fair and efficient lines".⁹ It was generally thought at the time that unscrupulous mercantile traders, the notorious "middle men", were extracting, 'unjustified' profits because of the wartime shortages of basic commodities.

Table 2.1

Establishment of State Enterprises

<i>Enterprise</i>	<i>Date Opened</i>
State Butchers' Shops.....	12 November 1915
State Railway Refreshment Rooms.....	1 January 1917
State Fish Supply.....	1 April 1917
State Hotel, Babinda.....	29 May 1917
State Cannery.....	29 May 1917
State Produce Agency.....	8 April 1918
State Pastoral Stations.....	8 June 1916
Hamilton Cold Stores.....	1 July 1928(a)
State Smelters, Chillagoe.....	1 January 1920(b)
State Government Insurance Office.....	1 January 1917(c)

(a) Gazetted to State Trade Commissioner on this date.
 (b) Operated under the Mines portfolio for the duration of the enterprise.
 (c) Opened as State Accident Insurance Office and allowed to take general insurance with the passage of the *Workers Compensation Act Amendment Act, 1917*. Independent Statutory Authority.

[Sources: *QPP*, 1929, vol.2, p.3; *QPP*, 1927, vol.1, p.1404; *Socialism at Work*, pp. 85-87]

McQueen argues that this anti-profiteering ideology in fact presented a mask for the what were in fact attacks on the working class.¹⁰ The 'profiteers' and the proponents of working class action were presented in the wartime and postwar period as the obverse and reverse of the same bad un-Australian penny. Tight controls on union activity and attacks on more militant groupings were to be offset by ostentatious assaults on the worst of capitalist evils. In practice, it was so difficult to isolate and define the 'unreasonable' profit margin from that returned to the honest trader that the plethora of legislation designed to counter 'profiteering' enacted in all States had little impact on profit margins or prices. Measures to break strikes and subdue union militancy were, however, effected with vigour.

⁹*Socialism at Work*, p.5.

¹⁰Humphrey McQueen, "Shoot the Bolshevik! Hang the Profiteer!", pp.185-206.

Queensland Labor's objectives were at this time, as was seen in the preceding Chapter in regard to industrial arbitration, to remove some of the rougher edges of the labour-capital interface without expropriating or directly controlling capital. The State enterprises were to be a primary tool, using market forces to manipulate certain labour and commodity markets.

The evident 'national interest' in social conflict-avoidance of a nation at war was also a factor in Labor thinking. Even in the politically heated atmosphere of the 1917 second Conscription Referendum campaign, with troops entering Queensland State Government offices to confiscate copies of Parliamentary Debates, Ryan was anxious to defuse the righteous anger of the labour movement and to channel its force into areas other than direct confrontation.¹¹ This is not to deny the leading and indeed lonely role the Queensland administration was playing at the time in resisting the worst excesses of wartime jingoism, but the Ryan Labor administration nonetheless constrained by popular belief in the rectitude and primacy of the war effort. The need to avoid confronting capital and anti-Labor political forces under wartime conditions had continuing effect on Labor's thinking on the State enterprise question.

Ryan's publicists were happy, therefore, to trumpet to the public that the enterprises had nothing to do with chiselling at the edifice of capitalism - more a steam cleaning job:

Where the Government has entered into the areas of trade, the object has not been to secure monopoly or to squeeze out of business legitimate private traders...¹²

The apologia for this substantial redefinition of socialism show a concern at this time on the part of the Labor leadership to associate performance in office at least with socialist language, a concern which was subsequently jettisoned:

For many generations, the natural operation of forces of supply and demand protected consumers from exploitation at the hands of producers or middle-men. The results of this industrial revolution of nearly a century ago, arising from the invention of steam and the evolution of the joint stock company, brought slow death to competition as a beneficial force in industry and commerce, and the tendency ever since has been for capital and control to concentrate in fewer and still fewer hands."¹³

¹¹For example, in reply to Hughes' threat to "have him within 48 hours" (after the publication of anti-conscription material in *QPD*), Ryan appealed to "British liberty and fair play", and equated Hughes's actions with "the worst excesses of Prussian militarism", *The Truth: The People's Paper* (Queensland Edition), 2 December 1917. (hereafter *Truth*).

¹²*Socialism at Work*, p.5.

¹³*Socialism at Work*, p.5.

The identification of 'producers', 'middle-men' and 'consumers' as the prime agents of political economy throws light on the philosophical tradition being invoked. Labour movement militants, and indeed may in the movement mainstream like the President of the Queensland Labor Party Bill Demaine, preferred to characterise society in terms of 'worker' and 'capitalist'. *Socialism at Work* as an ideological tract invokes not only the divine laws of conventional economics, but a nostalgia for the supposed historical utopia of simple artisanal production. The words of Proudhon as well as of Adam Smith appear to have echoed subliminally among the mango, palm and fig on the banks of the lazy Brisbane River.

Socialism at Work was not an internal Party discussion piece, but was intended as electoral propaganda. The specific reference to socialism in the title has been seen as an attempt to defuse criticism of Labor's intentions by presenting socialist objectives as being quite innocuous. Dennis Murphy sees a primary reason for this inappropriate use as a need "to convince Queenslanders that it was a good, not a bad term." (emphasis in original)¹⁴ Other less generous writers see this loose employment of the term as rather more sinister: an attempt to mask the reality of 'state capitalism'.¹⁵ Theodore himself gave some credence to the more Machiavellian view when in 1923 he said

State Socialism is the first stage of Socialism, people who advocate the introduction of a Soviet system here forget that we have our fight to wage.¹⁶

Before adjudging the State enterprises movement as the surreptitious instrument of bourgeois ideology that Sharkey and others suggest it was, two substantial caveats need to be borne in mind. First, although it is true that the objectives behind their establishment may have been dubious, it is also undeniable that many genuinely socialist goals were firmly held by both the leading actors and the Labor rank and file. Stormy applause for example, greeted the keynote address to the 1918 Labor-in-Politics Convention which read in part

We need first to make the [Labour] movement more definitely socialistic to have our people realise that Labour objects and ideals are more than high wages and shorter hours. [The ideal is] the abolition of common ownership

¹⁴D.J. Murphy, "State Enterprises" in Murphy et al. *Labor in Power*, p.154.

¹⁷Sharkey and Campbell, p.51.

¹⁶E.G. Theodore, quoted in *Worker*, 1 March 1923.

and control of industry for the common good [...] There can be no possible identity of interest between employer and employees [...] only by the communalisation or Socialisation of capital, can the interests of Labour and capital become identical.¹⁷

Second, Queensland capitalists and their political or journalistic supporters fought the State enterprises ferociously. Clearly they did not perceive this set of innovations as being in their interests:

State steamships, State refineries, State crushing mills, State Bakeries, State wash tubs, State ironies [sic], State Brickeries, and so on, are but some of the modest schemes of Mr Ryan. To carry them out, he wants not the poor little revenue of Southern Queensland, but 'all the wealth of Ormuz and of Ind.'¹⁸

In summary, the policy of establishing State Enterprises designed to operate competitively in sectors of the economy traditionally reserved for private exploitation was the product of a miscellany of political thinking. The Labor leadership desired to provide, at least, an analgesic for certain dysfunctional elements of capitalism. At most, this school of thought wished for the capitalist society to become benign. Since it sees the worker primarily as consumer, the modern term **consumerism** is apt for this approach.¹⁹ Labour movement militants, by contrast, wished to use the enterprises to storm the citadel of capitalism. They expected at the least that exemplary public production and exchange units would demonstrate to the electorate the viability of social rather than private ownership. Militants also supposed that State enterprises could engender improved working conditions generally through the operation of market forces. **State Entrepreneurialism** is an appropriate title for this school of thought.

¹⁷W.H. Demaine, speech given to Labor-in-Politics Convention, Trades Hall, Brisbane, quoted in *Worker*, 30 January, 1918.

¹⁸*Brisbane Courier*, 5 May 1915.

¹⁹Fitzpatrick calls this set of notions '**consumer socialism**'. Brian Fitzpatrick, *Public Enterprise Does Pay: a story of successful government industrial enterprises in Australia 1911-1944* (Melbourne: Rawson's Bookshop, 1945), pp.8 ff.

Establishment of the enterprises:legislative and administrative
methods

The very idea of State enterprises was viewed, as has already been shown, as a radical step. In a political climate where almost any Labour Government move was viewed with acute alarm by the political opposition which at that time dominated the Legislative Council of the Queensland Parliament, Labor was understandably keen to clothe its innovations as respectably as possible. This camouflage process was difficult to effect for measures which were seen to have benefits for the working class in particular. The rudimentary unemployment relief measures embodied in the *Unemployed Workers' Act*, 1919 were, for example, characterised as "loafers' paradise laws".²⁰ Consumerism as a justification for State enterprises was free of this taint of sectionalism. Thus consumerism had obvious political appeal to an embattled Labor political leadership as an appropriate ideological vehicle for the establishment of the enterprises.

The parliamentary deadlock faced by Labor was both an actual disincentive for any ambitious reform measures and a source of justification to the labour movement for immobility on the more far-reaching measures then being canvassed. The Legislative Council, whose membership owed nothing at all to popular suffrage having been appointed by previous non-Labor governments, blocked or emasculated any legislation which looked at all contentious or suggested gains for labour. From 1915-1920, no less than 29 bills lapsed following rejection or amendment by the Legislative Council. Faced with such an obstruction, Ryan tried to abolish the body by Referendum in May 1918. The usual difficulty of winning a contested referendum was in this instance complicated by contemporaneous campaigns for 'No' votes in the Conscription Referenda and local option polls to reduce the number of liquor licences. In short, the move not only failed, but demoralised the Ryan Government's legislative reformists and lent legitimacy to the power arrogated by the Council.

²⁰*Brisbane Courier, inter alia*, leading articles March 1919.

Effectively deprived of legislation as an instrument of change (although not entirely hamstrung, as will be shown) Labor resorted to administrative action to achieve its objectives in this area. In the Westminster System the executive has freedom of action in allocating portfolios and in the appointment of functions to a ministry. Queensland did not depart from the pattern in this respect. It was thus possible to create administrative entities which had *de facto* responsibility for new functions within a given ministry. In this manner, the State Butchery, State Stations, State Sawmills, State Fish Supply, a State hotel and the Railway Refreshment Rooms were created under the aegis of the Premier's Department, and the State Coal Mines under the Railways Department. The State Sawmills and Railway Refreshment Rooms (RRR) were distinct from the other enterprises in that their central functions were to provide services for or cheapen the running costs of other State agencies: the Sawmills to provide timber for the Works Department and the RRR to augment the Railways' services to travellers. These service functions of the two agencies was to ensure their survival after the others had been liquidated.

A unique at this time example of a legislatively based enterprise, the State Government Insurance Office (SGIO) was created by the *Workman's Compensation Act*, 1916, giving it both *de jure* independent existence and a monopoly of underwriting in the workers' compensation sphere. This Act was itself spared the usual fate at the hands of the Legislative Council by shrewd drafting and sheer incompetence on the part of Opposition Councillors, who passed amendments which left the substance of the legislation intact. The self-aggrandising members of this capricornian *duma* were so shocked at Ryan's sneakiness in declaring the Act as passed - when the Council's intentions were so plain - that they demanded a recall of the legislation. Fihelly, the Labor Attorney-General, disdained to reply, although Ryan eventually dispatched a polite refusal.²¹

This early divergence in the administrative histories of the SGIO on the one hand and the remainder of the State enterprises on the other was to prove of considerable import in the history of the enterprises. The 38-story SGIO building with its illuminated digital clock dominates the Brisbane skyline from the Ann Street heights today. Most of the other State enterprises are a dim

²¹See D.J. Murphy, *T.J. Ryan: a political biography* (Brisbane: UQP, 1975), pp.122-148.



Babinda State Hotel, ca. 1917

[Photograph courtesy John Oxley Library]



State Cannery, Bulimba, Brisbane, 1920

[Photograph from QPP, 1919-20, vol.3, after p.1287]

memory. On the most obvious level, agencies which are brought into being with the stroke of the Governor's pen on an administrative arrangements order may be as easily dissolved. The dismemberment of organisations founded in legislation is at the very least a much more public and time-consuming process, often embarrassing for an administration with conservative inclinations. The difficulty experienced by the Fraser Federal administration in divesting the public sector of Trans Australia Airlines and the Australian National Railways, for example, may be compared with the easier dismemberment of the Department of Urban and Regional Development or weakening of the Foreign Investment Review Board. Put simply, the more central and accountable to government a public agency is, and the less encumbered is it with a legislative foundation, the more easily it may be ground down or disposed of by an administration opposed to public enterprise.

This political reality is, however, rarely borne in mind by reforming governments, who merely see an operational instrumentality performing its allotted function, and Queensland Labor exhibited no legislative concern to protect the enterprises from a restored non-Labor administration. Moreover, establishing an agency within a ministerial portfolio enables direct political control over that body. Pressure can be applied directly (in circumstances where discretion is assured) to the agency, for example, to provide employment within a given electorate. Gillies, later Premier after Theodore, wrote on 3 February 1918 to Hunter, then Minister in charge of State enterprises, asking that favourable consideration be given to opening a State Butcher's Shop in Herberton (Gillies' electorate):

It will help me if you will hand the spare copy to the 'Standard' reporter saying that I have placed the matter before you &c. &c. [sic]. I might add that the men behind this besides having a good case are to a man staunch supporters of the Party.²²

Such direct interference in managerial prerogatives is not as simple in the case of an independent statutory authority operating outside the public service like QANTAS or the SGIO. Subtle pressures, as in the selection of board of directors appointees and elsewhere, are of course the rule, but are not as clean as defined lines of responsibility. The statutory corporation form of state enterprise is much more likely to enjoy a long life free of arbitrary policy dictation than is the more ephemeral Departmental trading agency.

²²QSA, BUT 32, f.16, 3 February 1918. Hunter's reply is, like most of the State enterprise archives, lost owing to a fire which destroyed most of the records in the 1940s.

The latter form of State enterprise which includes, as has been seen, most of the Queensland enterprises, need not be unsuccessful in the efficient delivery of services, nor in the return of profit to the public purse. The State Butcher's Shops and the State Hotel at Babinda, North Queensland, are the shining examples. The State Hotel began with a capital investment of £17,721 3s 7d which was increased to £19,474 14s 1d when the cost of cyclone repairs incurred in 1918 and the cost of ground lease is included. The enterprise opened for business on 29 May 1917, as the *Brisbane Courier* noted:

The Home Secretary [Huxham] has performed the noble function of declaring the State groggery at Babinda open for public business. Whether this historic deed was done by pulling the first cork,²³ or drawing the first beer, or ejecting the first tipsy man we are not told.²³

Interest was payable on the capital invested in the hotel at 6% per annum (comparable with commercial rates then applicable) and redemption of principal was calculated on the 40 year term of the loan. The enterprise nonetheless, and despite cyclones, economic fluctuations and occasional changes in management, netted profits every year of State ownership, as high as £5,106 12s 6d for the fiscal year ended 30 June 1925, and only falling below £1,000 the year the district was devastated by a cyclone - 1918-19 (profit of £120 1s 2d credited). Total profit of State operation was £32,569 12s 6d²⁴ The objection that this success was due to any monopoly or artificial advantage must be discounted: the enterprise was heavily capitalised and enjoyed no monopoly. Indeed, the initial capitalisation included a sum of £2,387 5s 3d to the proprietor of the Babinda Creek Hotel for 'goodwill'.²⁵ Public Works Department day labour was used for construction and maintenance work - the full cost being charged against the enterprise. The only major failure shown by the State Hotel in its 13 years of public ownership appears to have been the continued existence of sly grog outlets in the district - an occurrence attributed by the one-time State Hotel bookkeeper to trading hours' being limited to 8 a.m. - 8 p.m. daily.²⁶

²³*Brisbane Courier*, 30 May 1917.

²⁴*QPP, Reports of the Commissioner for State Enterprises, years ending 30 June 1918 - 30 June 1930.*

²⁵J.A. Martin, "A brief history of State Hotel-Babinda", *Mulgrave Shire Historical Bulletin*, N^o 32 (October 1980).

²⁶Martin.

A major profitable enterprise:

the State Butchery

The State Butcher's Shops were a much grander operation than the State Hotel. The first of the State enterprises to commence trading - the first branch opened in Roma Street, Brisbane City on 12 November 1915 - the State Butchery grew to a commercial empire with seventy-two retail outlets at the end of the 1922-23 fiscal year.²⁷ The enterprise was able to grow to healthy maturity under the guidance of one Charles Ross, formerly of Queensland Meat Export Company²⁸ and concurrently the Imperial Meat Officer (in charge of meat procurement for the Imperial Government's war victualling), and John McEwen Hunter, Minister for Lands and Minister Assisting the Premier in State Enterprises. Ross was no socialist, but appears from the records to have thrown himself into the job of Supervisor, State Butchery with vigour and innovative aplomb. Hunter was a rare beast for an ALP Cabinet - a businessman with a commercial background.²⁹ The two tackled the task of establishing the enterprise with the dual goals of commercial success and selling at prices kept as low as costs made possible: a not incompatible pairing, as the shareholders in K-Mart could no doubt attest.

The system of retail management developed by the State Butchery under Ross and Hunter would be familiar to urban consumers today, but was revolutionary in 1915 Queensland. A limited number of standard product lines were traded, on a strictly cash-and-carry basis, at fixed widely advertised prices which were good for any branch. This was all seen as unfair or sharp practice in a trade where credit and home delivery were the norm.³⁰ Further, all meat sold was either chilled or frozen, thereby minimising on-premises butchering and reducing the impact of seasonal fluctuations. Purchasing was by bulk futures contracts, the same system as was used for the Imperial meat order. Ross's intimate personal knowledge of the Q.M.E. Co./Australian Stock Breeders' Company meat

²⁷QSA A/25922, Register of Questions asked in State Parliament, 1915-29, N^o 8 of 5 August 1927.

²⁸D.J. Murphy, "State Enterprises" in *Labor in Power*, p.145.

²⁹He was not over-popular with Caucus, being only ever elected to honorary Ministerial rank - see Childe, p.20.

³⁰See leading article *The Sun*, 19 May 1918; also Ellis, p.37.

cartel and its trading practice both as former chairman and now as Imperial Meat Officer, would undoubtedly have been useful in the State's purchasing negotiations. Ross wrote on 19 September 1918, for example, in the context of purchase bargaining, that the 1918 profits of the cartel "show slightly over 80% on invested capital, and the dividends for twelve months on capital paid up slightly over 67 1/2%".³¹ The implied threat to publicise such super-profits in a context of wartime austerity and anti-profiteering ideology must have been a useful bargaining counter. The figures also give the lie to charges that the State Butchery was 'bleeding the industry dry' through restrictive trade practices.³²

The popularity of the enterprise was from the outset phenomenal, the first outlet to open serving 2,500 customers per day.³³ Turnover for the whole enterprise rose to £688,119 16s 9d for the 1919-20 fiscal year³⁴ and total turnover for the operation when wound up had reached £5,745,844.³⁵ The anti-profiteering effect of the enterprise's operation must have exceeded consumerists' expectations. Ryan Government publicists claimed an overall retail meat price reduction of 40% forced on by the entry of the State between 1915 and 1917.³⁶ State meat prices remained at 1d - 1.1/2d per lb. cheaper than ruling private butchers' prices. For example, by 1917 private butchers were charging 9d/lb. for prime rump steak where the State charged 7.5d/lb.³⁷

The enterprise was extremely profitable in the first half decade of trading and remained profitable until its final year (1929) when the general onslaught of the Depression put trading into the red. By 1920 the enterprise had paid back all the initial capital, indeed had a credit balance with Treasury's loan and trust funds of £26,144 13s 6d and was able (after transferring £15,000 to reserves) to declare a net surplus profit for the year of £21,652 4s 0d.

³¹QSA, BUT 16, Reports submitted by the Supervisor, Retail Butchery Department to the Minister in charge of State Enterprises, August 1916 - November 1920.

³²Ellis, pp.34-37.

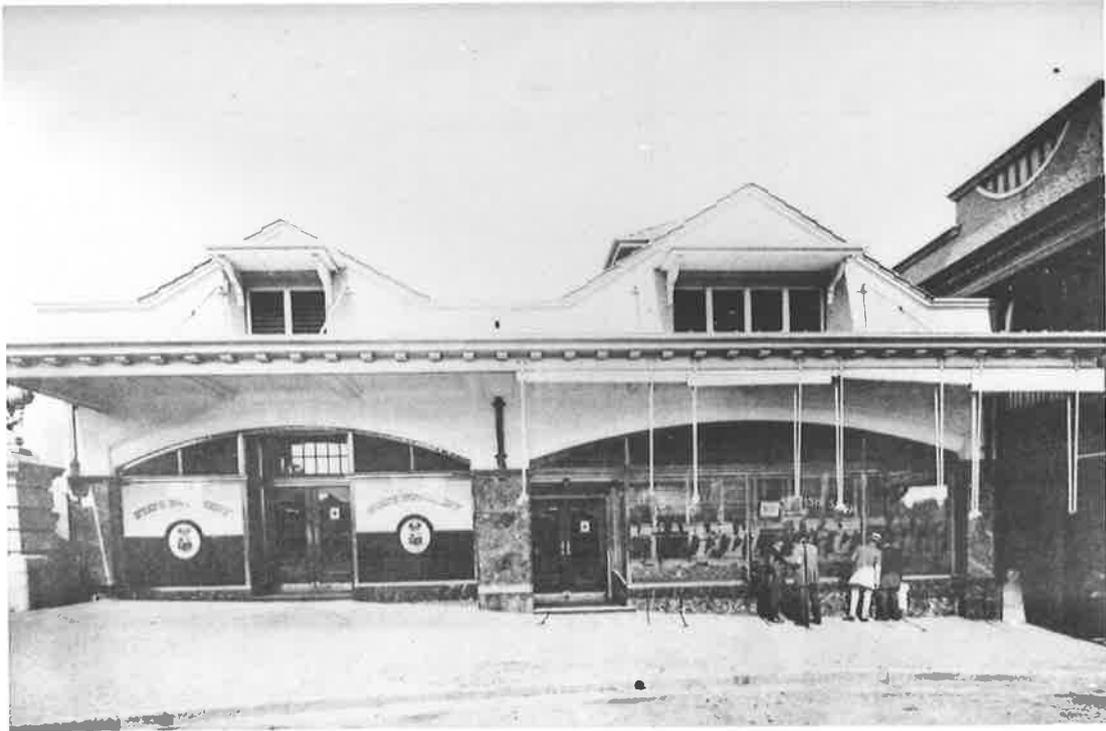
³³*Socialism at Work*, p.31.

³⁴*QPP*, 1920, Vol. 2, p.580.

³⁵*QPP*, 1929, Vol. 2, p.6.

³⁶Government critics also attest to this success of the enterprise - for instance V. G. Childe, "A Labor Premier Meets His Masters", in *Labour Monthly*, Vol. 6, N^o1 (may 1924), p.283.

³⁷*Socialism at Work*, p.29.



State Butchery and State Fish Shop, South Brisbane 1918



Interior, State Fish Shop, South Brisbane, 1918

[Both photographs from QPP, 1918, vol.2,
after p.1706]

Allegations surfaced in 1917 that the State Butchery had been inflating its profit margin through sharp practice. The substance of the allegations was that the State Butchery had charged the Imperial Government £20,000 for meat cold storage which had in fact been stored by the meat cartel or had never been held.³⁸ The Government at the time downplayed the allegations, insisting that the cost was in fact incurred. A minute of 30 January 1920 from Ross to Austin (Trade Commissioner) covering correspondence dated May 1917, however, makes it clear that the meat cartel was not pressing for recovery of the amount. Ross advised Hunter to cancel the invoice on the Imperial Government. Hunter ordered resubmission of the invoice in the amount of £19,717 16s 2d for which, in his capacity as Imperial Meat Officer, Ross was then obliged to recommend payment, despite explicit Ministerial confirmation of the nil cost incurred.³⁹ Ross's conflict of loyalties can only be imagined.

Although the extraordinary paper profitability this piece of business acumen produced for the enterprise in the 1916-17 year was excellent propaganda for State enterprises, the main rationale for the move seems to have been capital commitments involved in the establishment of the other State enterprises, in particular at that time the State [cattle] Stations, of which more a little later. By 1920 the State was in serious default to the meat cartel, both for processing charges on State cattle and State Butchery meat purchasing. A cartel delegation met Fihelly, the Acting Premier, on 22 March 1920, and threatened to cut off meat supplies unless the State were prepared to pay £100,000 of the money owing forthwith. Fihelly eventually got the cartel to agree to £50,000 immediately and the remaining £50,000 in installments over the next twelve months.⁴⁰

The efficient and profitable managerial system established by Ross was accompanied by the adoption of private enterprise industrial relations. Although bound by the general Labor Government policy of giving preference in hiring to trades' union members, the State Butchery had little time for organised labour. In reply to Butchers' Union complaints of 'sweating' of workers at

³⁸Ellis, pp.34-35.

³⁹QSA BUT 17, Correspondence: Supervisor, State Butchery and Trade Commissioner, Minute Ross to Austin confirming previous correspondence, 13 January 1920.

⁴⁰QSA BUT 16 Memoranda to Minister re State Trade Department November 1916-August 1920, Confidential note for file on meeting of 22 March 1920.

some State shops - charges which involved forced overtime without prior warning - Ross replied that "some clear understanding [should] be arrived at immediately whereby Union Officials are not allowed to run our Establishments."⁴¹ Early in the history of the enterprise a branch manager was disciplined for augmenting employees' wages during heavy trading periods with meat for their families. In the same correspondence another manager was instructed to sack a clerk as it had been decided to get out of the bulk meat trade with restaurants and institutions.⁴²

Another aspect of the Ross style was intolerance of political interference with internal management. It is this which seems to have led to his eventual downfall, for his superiors were not always as amenable as Hunter to his managerial and commercial discretion. The *State Enterprises Act*, 1917, which recognised the existence of the non-statutory State enterprises, required enterprise managers to report to the State Trade Commissioner, a provision which was interpreted as requiring managers to direct all correspondence with the Minister through the Commissioner's office. An angry exchange of letters soon began, with Ross insisting on direct access to the Minister and preferring to interpret the new conditions as requiring only reportage:

I would submit that the Officer-in-Charge of any special enterprise should have authority to run the business as a commercial concern, only consulting yourself as Trade Commissioner when necessary, but reporting to you every week on the business under his care. Dual authority or control in the active working of any enterprise can only end in failure.⁴³

The parting of the ways came with an incident which was almost a repeat of the 1917 cold storage speculative deal. In May 1920 Queensland lodged a claim against the Imperial Government for cold storage costs allegedly incurred through delays in collection of ordered meat. Ross refused to sanction the charge and claimed instead that the liability lay with the State.⁴⁴ Austin, the Trade Commissioner, responded by amalgamating the administration of the Stations and the Butchery, noting "I have therefore to advise that after the 30th of this month your services will not be required by this Department."⁴⁵

⁴¹QSA BUT 16, Minute Ross to Hunter, 19 September 1918.

⁴²QSA BUT 16, Minute Ross to Hunter, 14 November 1916.

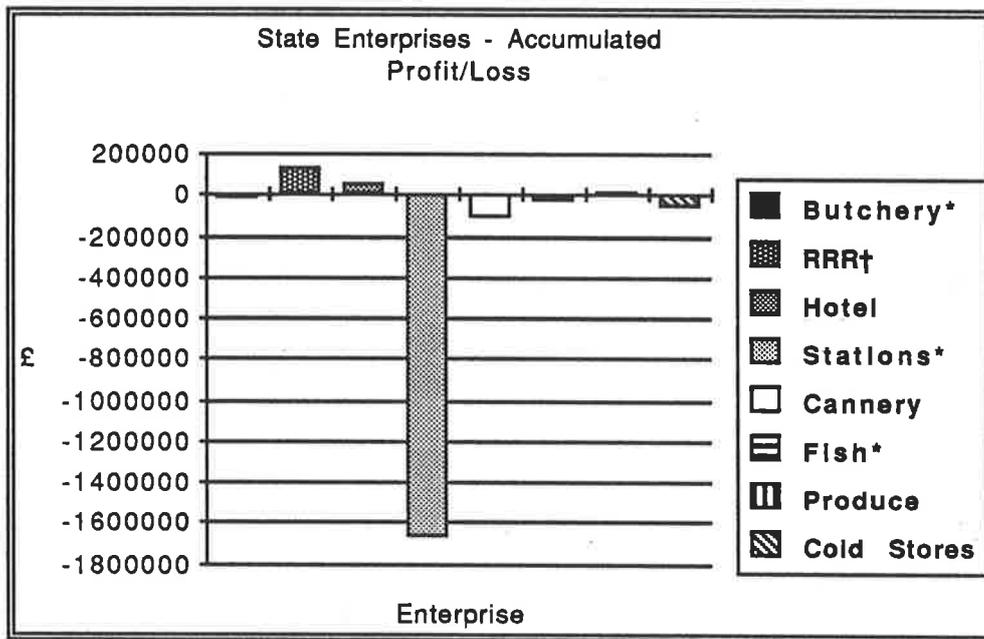
⁴³QSA BUT 17, Minute Ross to Austin, 6 March 1919.

⁴⁴QSA BUT 17, Minute Ross to Hunter, 14 June 1920.

⁴⁵QSA BUT 17, Minute Austin to Ross, 23 June 1920.

The separation of Ross and his entrepreneurial skills marked the end of the State Butchery's period of rapid expansion. The 1920's saw the enterprise remain static, apart from a slight decline in numbers of outlets after 1927. The only managerial innovation was experimentation with street cart sales outlets in otherwise unserved Brisbane suburbs which occurred 1923-25. The experiment did not yield satisfactory commercial returns.⁴⁶

Table 2.2



Notes: Accumulated profit/loss figures are shown at 30 June 1930 for all enterprises under the control of the State Trade Commissioner and include totals after realisation of assets and deduction of amounts written off, notably the £674,000 written off from the State Stations for extraordinary losses in 1927 and £50,000 defraying Butchery debts transferred from the State Stations account in 1919.

* State Butchery, Stations and Fish Supply figures include book value of unrealised assets as follows:

Butchery.....	£19,129
Stations.....	£92,520
Fish Supply.....	£47,984

†Railway Refreshment Rooms was transferred to the Commissioner for Railways at the end of the 1929 fiscal year, only profits under the control of the State Trade Commissioner are shown.

[Source: Queensland, Auditor-General's Report on State Enterprises 1929-1930, QPP, 1930, vol.2, p.92.]

⁴⁶QSA A/25922, State Trade Office, Register of Questions asked in State Parliament 17 August 1919 - 22 November 1929, Question N^o 8 of 5 August 1928.

Scandal, loss and waste: the State Smelters

The success of these retail enterprises was, as can be seen in Table 2.2, overshadowed by the disastrous losses sustained by the State (cattle) Stations and by the State Mines and Smelters at Chillagoe (not included in the Table 2.2 as not set up under the *State Enterprises Act*, 1917). Between them, these enterprises accumulated losses amounting to well over £1 million, ruined the political careers of two Labor Premiers and helped bring down both the McCormack Government and the whole State enterprise edifice.

The Chillagoe operations are inseparably associated with the Mungana Royal Commission and the political scandals that racked the Scullin Federal Government, and I will first attend to the substance of these allegations. The expenditure of large amounts of public money provides opportunity for graft by those in a position to influence transactions. Australian political leaders have not been slow to make use of these opportunities. As Cyril Pearl points out, an alternative history of Australia could be constructed based on the corrupt and extra-legal activities of the country's rulers.⁴⁷ The huge losses which were sustained by the Chillagoe operation attracted public attention and helped give credence to allegations of criminality in some questionable dealings which, were the enterprise profitable, would probably have escaped attention.

Labor leaders Theodore and McCormack were alleged to have received £7,000 each for their part in promoting the purchase by the State of two mines associated with the smelting enterprise. Neither the Campbell Royal Commission held in 1930 nor K.H. Kennedy's recent book on the subject⁴⁸ has produced any concrete evidence to substantiate the charges against Theodore. Kennedy's case is essentially that made by the Crown in a civil action for recovery of the allegedly misappropriated funds in 1931, namely that corruption is the most likely explanation for the series of cheques made in favour of Theodore by McCormack totalling the £7,000. Kennedy, like the *Courier* leader writers of the time, finds it particularly damning that Theodore made no use of the legal avenues

⁴⁷Cyril Pearl, *Wild Men of Sydney* (Melbourne: Cheshire-Lansdowne, 1965), p.7.

⁴⁸K.H. Kennedy, *The Mungana Affair*, (Brisbane: UQP, 1978).

available to clear his name. Nevertheless, the Crown was unable to convince a jury on the civil test of balance of probabilities. Moreover, any conspiracy so conceived is unlikely to incriminate itself by keeping written records so the failure of researchers to uncover material is not surprising. Perhaps the last word on the subject should be the reported words of one of Theodore's two daughters, who, in a tutorial on the Depression at the University of New South Wales in 1976 supposedly commented, "Ted Theodore was my father, and I want you to know that all those terrible things they said about him were true."⁴⁹ The motives which impelled the Queensland Government to enter the Chillagoe enterprise were not solely or even mainly those of personal avarice, however, as will be shown.

The Chillagoe Company was one of Queensland's largest industrial concerns. The effects on the fragile North Queensland economy of its closure were for the Ryan Government unconscionable. The area was, moreover, Labor heartland - Theodore's own Woothakata electorate in fact. The price negotiated with the company's receiver looked like a good bargain - the bond and debenture holders were furious at the loss realised on the face values of their holdings. The *Truth*, at the time pro-Labor, quotes extensively from the London *Financial News* of 13 March 1917 which attacked Ryan for parsimony with the Chillagoe Company capitalists. *Truth's* remarks indicate that the belief that the State was getting a fair bargain on the purchase was widespread.

The *Financial News*, along with local capitalists, has, first of all, a grievance against the Government for not buying the Chillagoe concern at the company's own price, and, secondly, indulges in criticism because the Government would not compensate the debenture holders for all they had lent the company. Were the Government a charity concern for broken-down capitalists, this attitude would be understandable, but the commercial gentry are the first to jump on a Government for bad business, so it is well to be careful.⁵⁰

The State paid £701,000 for the Chillagoe and Etheridge railway with all rolling stock, the smelters and associated works, mining plant and other property including Einasleigh Mine. The payment was authorised by the *Chillagoe and Etheridge Railways Act*, 1918, which valued the smelting enterprise at £240,000. The remainder was a charge on the Commissioner of Railways.

The Act provided for the management of the enterprise and to this end, a Mr P.L. Goddard was appointed General Manager in April 1919. The mines at Mungana were purchased for a

⁴⁹Reported by K. McAlpine, University of Adelaide, 1982.

⁵⁰*Truth*, 25 May 1917.

further £40,000 over five years on 4 June 1921. The purchase of the Mungana operation was justified on the basis that existing sources could not guarantee the continuity of ore supply for the smelter which was necessary for profitable operation. It seems the assay work at Mungana was at least inadequate.⁵¹

The inaccurate assessment of the Mungana mines' ore potential was only a minor factor in the commercial failure of the enterprise, although it became central to the evidence against Theodore. The basis of the enterprise's financial disaster was a failure to gauge accurately the postwar international metals market (Australia has recently witnessed a similar phenomenon with the collapse of the expected resources boom). High ruling prices make medium-grade ores in out-of-the-way places extremely profitable. Since the mining operation requires a high level of capitalisation in the development phase, there is a sharp price line below which exploitation is unprofitable. The profit needs to be high in order to compensate for the extended period capital may lie idle.

Already by 1900, the Chillagoe Company was losing on its mining and smelting operations.⁵² The only part of the business showing a profit was the privately owned railway, which had originally been built to service the mines, and for which the Company had received State guarantees and fare indemnities. These indemnities enabled the Company to charge rates well above those ruling on the State railways. Piecemeal capitalisation on further mines and railways consistently failed to make the enterprise show a profit, and by 1914 the Company shut down owing some £850,000 to debenture holders.⁵³ The whole of the capitalisation had been some £2 million. Assets were valued at £1,035,576.⁵⁴

The Company had consistently failed to recognise its operations as a trading unit in which each branch had to be made to pay. Thus it had overcapitalised on mines to feed railways. In 1904, for example, the Company directors advised their shareholders that "any proposal to obtain money for the sole purpose of further testing the mines would certainly fail, and without sufficient

⁵¹Kennedy, *The Mungana Affair*, pp.10-15.

⁵²*QPD*, Vol. CXV (1916-17), p. 2414.

⁵³*QPD*, Vol. CXV (1916-17), p.2510.

⁵⁴*QPD*, Vol. CXV (1916-17), p.2510.

funds for this purpose the failure of the Company ... depriving some 3,000 or 4,000 people of a livelihood seems almost certain ... There is but one way [raising the necessary capital] might be done, that is to get the railway extended to the Etheridge [fields]..."⁵⁵

Mining appears to be a process of getting something for nothing. Profits accrue apparently from God's bounty. The capital invested, however, is viewed much as capital invested in manufacturing is viewed; as representing tangible assets. Shaft equipment, pit heads gear, drills, pumps, underground railways, above ground railways, bulk handling terminals, smelters can all be seen as capital which can be valued irrespective of the productivity of the ore body and the end commodity's ruling price. These assets cannot, however, be liquidated. They are assets only inasmuch as the whole operation is commercially successful.

The Queensland Labor Government was ill advised to have assessed the Chillagoe Company's assets as a bargain at £701,000. As Opposition member Forsyth noted in the second reading of the 1916 Bill when the proposal was first canvassed:

The main point is that no matter what happens there has been a loss. They may have given work to thousands of men, but they have made no money ... But the government now intend ... to work the mine, and I venture to predict that if they do so it will be the worst day's work they ever did in their lives.⁵⁶

Theodore in reply asserted that the conditions now obtaining, namely higher metal prices and the existence of local supplies for the furnace, would ensure profitability.⁵⁷ Labor offered no explanation as to why debenture holders in the Company would be prepared to accept 10 shillings in the pound on their investment (the offer then being negotiated) if the mines could so easily be made profitable.

Theodore's most powerful argument concerned the prospects for northern development offered by the bounty on the fields. The enterprise was to be a component of Labor social policy and its profitability was a matter of lesser concern:

It is an extensive, well-trying, wealthy district which has immense possibilities and a mighty future - a district which will support, in the course of the ordinary development which is bound to take place in the locality in years to come - a very large population. Twenty thousand

⁵⁵QPD, Vol. CXV (1916-17), p.2414.

⁵⁶QPD, Vol. CXXV (1916-17), p.2552.

⁵⁷QPD, Vol. CXXV (1916-17), pp.2554-6.

persons were employed a few years ago in the three electorates in the immediate vicinity of the Chillagoe Railway, and a population will be supported there again so long as wise counsels prevail in connection with the proposal under discussion [the purchase], and provided the Government looks upon these problems from the point of view of a reasonable Government anxious to secure the State and every part of the State, and so long as it is a Government that will not keep its eyes fixed on Brisbane or centres that develop near to seat of Government.⁵⁸

Mining was presented as being a worthwhile industry for the economic development of a sparsely populated region of the State, analogous to heavy engineering, shipbuilding or power generation. The Chillagoe enterprise was thus portrayed as a first venture into the entrepreneurialism advocated by the labour movement militants, and its subsequent failure served to discredit this strategy. Further, the opposition mounted by the non-Labor parties to the move was taken as proof of the ideological *bona fides* of the scheme. The enabling act finally became law in 1918.

The last act of the moribund Chillagoe Company was to complain that the long delay over putting the purchase through Parliament had meant yet further loss. The departing Chairman's words should have served as a warning to the Labor administration of the difficulties it was about to inherit:

The defeat of this Bill was a great disappointment to your directors, and it threw on them the heavy and unexpected burden of continued stewardship in a great, dormant, unproductive concern....⁵⁹

These last words of warning, however, fell on deaf ears amid a rising clamour of calls for Government support of mining. A Copper-Producers' Conference held in Sydney in March 1919 proclaimed that the then evident downturn in world copper prices was only temporary, and that Government assistance in "highly productive" mining was much better than unemployment.⁶⁰ The downturn was not to be temporary.

Goddard took up his post as manager of the enterprise in April 1919 and the smelters commenced operations under the new management soon afterward. The Chillagoe Mining Warden reported in December 1919:

notwithstanding the unsettled state of the copper market, to encourage production and to obtain supplies as well as to finance the gouger, the

⁵⁸*QPD*, Vol. CXXV (1916-17), p.2554.

⁵⁹*QGMJ*, Vol. xix, N^o 223 (December 1918), p.588.

⁶⁰*QGMJ*, Vol. xx, N^o 227 (April 1919), p.146.

manager is advancing on copper ores 75% of standard values, on lead ores 25% per ton Pb and on silver 4s. per oz. Ag on delivery.⁶¹

In other words, private producers were being paid in advance on the claimed metal content of their ore. The Auditor-General took a dim view of this practice, commenting in 1927 that "this tariff works out at very favourable terms to the seller of low-grade ores, but has been costly to the Chillagoe Smelters."⁶² The fact that the funds from a State enterprise were being squandered to support private mining operations does not appear to have drawn much attention from advocates of state entrepreneurialism in the Party, however. Although it later emerged that nearly all these putative private "gougers" were in fact the one person - Fred Reid - Party militants were more concerned to see increased state activity than they were to examine how the funds were being spent.

Advocates of expanded state entrepreneurialism had reason to believe that the enterprise was likely to be a booming success at this time, however. The enterprise's management and numerous experts were happy to project a rosy future. A minor sour note was sounded by the acting Government Geologist Dr H.I. Jensen, who in a report on the fields in 1920 noted that the antiquated smelting technology was "very wasteful", much useful metal going up in smoke during the process. Yet even this less optimistic report observed that there were a number of useful mineral deposits in the Chillagoe area.⁶³

1920 turned out not to be a profitable year for the enterprise. Manager Goddard blamed unreliable and limited ore supplies for the poor showing, noting that the furnaces had because of this problem to be shut down repeatedly. Over the year only 6% of total capacity had been achieved. The solution he proposed was that the State should purchase and work the Mungana mines.

With improved quantities, costs could be reduced considerably. I would strongly urge that some endeavour be made to open up the Mungana mines. It is known beyond all doubt that enormous bodies of profitable ores exist in both the Lady Jane and Girofla mines. With the present metal prices and the modern scientific methods of mining now available, I feel assured any capital required to place these mines on a proper producing basis would be returned.⁶⁴

⁶¹*QGMJ*, Vol. xx, N^o 235 (December 1919), p.541.

⁶²*QPP*, 1927, Vol. 1, p.1404.

⁶³*QGMJ*, Vol. xxi, N^o 238, (March 1920), pp. 97-101.

⁶⁴*QGMJ*, Vol. xxi, N^o 244, (September 1920), p.397.

Goddard's predictions of profit through expansion at Mungana received official support. The Chillagoe Mining Warden's report for the first half of 1920 made further optimistic references to the future of the mines. The Girofla mine, for example, was described as having "an excellent past, a highly-payable present, and large ore reserves in its lower levels" and was thought to guarantee smelter profits "for many years to come".⁶⁵ Official advice such as this appeared to justify increasing capitalisation despite the worrying downturn in metal prices.

The Mungana mines' vendors were F. Reid and partners, who operated through a company Mungana Silver-Lead Mine N.L. with an issued capital of £100,000. The company had been formed in 1919 amid optimistic projections and plans to spend £40,000 in developmental work - mainly dewatering and retimbering of existing shafts. It was later to be shown that very little work was done on the shafts,⁶⁶ but the mines were able to produce ore by sifting through the mullock heaps left by the former operators and working open cuts. It was later shown that too little of Reid's capital was paid up to enable full developmental work but the Labor Government, acting on the enthusiastic advice of supposed experts on the spot, agreed to purchase the waterlogged and disused mines for a further £40,000.

As the former Chillagoe Company had discovered, capitalisation on expanded operations and diversification of interests were no guarantee of profitability. Continued depressed copper prices forced the closure of the enterprise's Einasleigh copper mine in May 1922, by which time the Mungana mines' silver-lead had come into operation. Dismal performance in the 1922-23 fiscal year brought forth optimistic prognostications from the management which were repeated by the Government as for the third year running the enterprise lost over £50,000 after deduction of interest.⁶⁷ *The Queensland Government Mining Journal's* April 1923 issue featured a lengthy illustrated report on the Mungana mines claiming the existence of nearly 700,000 tons of high grade silver and lead ores in the (still flooded) lower levels.⁶⁸ By July 1923 Mines Minister A.J. Jones was claiming a

⁶⁵*QGMJ*, Vol. xxi, N^o 244, (September 1920), p. 349.

⁶⁶*QPP*, 1930, Vol. 1, pp.1357-9.

⁶⁷1922-23 trading loss was £26,337, plus interest to Treasury of £32, 455: *QPP*, 1930, Vol. 1, p.1359.

⁶⁸*QGMJ*, Vol. xxiv, N^o 275, (April 1923), pp. 129-30.



State Smelters Chillagoe, n.d. [1921?]

[Photograph courtesy John Oxley Library]

projected smelter output of 400 tons silver-lead bullion and 200 tons of blister copper per month - sufficient to make the venture profitable at last.⁶⁹

When the 1922-23 loss was declared, based on the continuing optimism of the enterprise management, and despite looming fiscal troubles (see Chapter 3) the Government decided to advance the enterprise a further £275,000 for upgrading the smelters and extending mining operations. Jones argued that the State had, in any case, an "obligation to feed people who could not get work, and it was better to provide work even at a loss than to create a whole army of unemployed."⁷⁰ Using logic curiously similar to that of the former private management, Jones also claimed that the associated railway revenue was enough to compensate for the loss made.⁷¹

The welfare function of the operation foreshadowed by Jones was enacted in charming fashion over the 1923-24 Christmas period. Some 200 workers at the enterprise and their families were subsidised by the State Smelters on a seaside holiday to Double Island from 20 December - 7 January. Goddard reported the event in some detail:

A branch of the State Store was established and practically everything that could be desired was obtainable there. Each employee was also entitled to obtain credit at the store to the extent of 10... The Smelters also arranged for "movie" entertainments on the beach, and several concerts were also held... as some of the campers had not seen the sea for 20 years - in some cases thirty years* - and others had not gazed on it before, full advantage was taken of the opportunity for a dip in the briny.⁷² [*Chillagoe is 150 km from Cairns on the coast]

The workers who participated appeared to have taken the Minister's word to heart, leaving little doubt that in their view the enterprise was now primarily operated as a welfare measure rather than as a commercial venture:

From the time of departure of the excursion from Chillagoe till the return from the island the common experience was one of unexpected pleasures. We know of nothing left undone, nothing that could materially enhance or add to the enjoyment, the comfort, or the convenience of employees that was not anticipated and effected... With best wishes for continuous prosperity for the State Smelters during the coming and future years, and with gratulation at the success of the first State Social Enterprise.⁷³

⁶⁹*QGMJ*, Vol. xxiv, N^o 279, (August 1923), p.313.

⁷⁰*QGMJ*, Vol. xxiv, N^o 282, (November 1923), p.407.

⁷¹*QGMJ*, Vol. xxiv, N^o 282 (November 1923), p.407.

⁷²*QGMJ*, Vol. xxiv, N^o 282 (November 1923), p.407.

⁷³*QGMJ*, Vol. xxiv, N^o 282 (November 1923), p.92.

The 1923-24 loss was £103,166 3s 7d of which slightly over half represented trading loss, the remainder being interest to Treasury.⁷⁴ The Government responded by announcing a moratorium on interest from 1 July 1924 and the writing off of the enterprises' £280,000 plus accumulated debt.⁷⁵ When Jones rose in the House on 30 September 1924 to defend the Government's actions, he conceded that "our production of silver-lead, bullion, and copper shows some loss." He maintained, however, that the enterprise had "produced a very useful commodity, and the compensating benefits are shown in the employment of a great many men".⁷⁶ There is no evidence that the State subsidisation of this industry had any benefits for Queensland manufacturing industry, although considerably more of the metals was being worked in Australia by 1924 than had been the case only three years earlier.⁷⁷

This period marks the transition of the Chillagoe Smelters from a putative asset to a recognised liability with full political protection. During this period also (July 1924 - February 1925), Theodore gained Party preselection for the Federal seat of Herbert which included Chillagoe, and prepared the way to step down as Premier to enter the Federal Parliament. Concerns within the Party at the direction of political leadership and fiscal administration erupted at this time in a backbench revolt. On the opening day of the 1924 session (29th July), the Theodore Government was forced by Caucus to resign over the tardy introduction of the 44-hour week and the depression of the basic wage (both had been justified on the ground of the State's parlous indebtedness - see Chapters 1, 3). For seven and one half minutes Charlie Collins (Bowen) was elected leader of the PLP, before Theodore and his ousted Government separately caucused, agreed to compromise, and were immediately reinstated.⁷⁸ The initiatives sought did not include winding up either of the two main loss-making State enterprises, indicating that despite the losses the operations had by now become sacrosanct within the Party. Jones was to continue as Minister responsible for the Chillagoe operation in the ensuing Gillies and McCormack Governments.

⁷⁴*QPP*, 1930, Vol. 1, p.1359.

⁷⁵*QGMJ*, Vol. xxv, N^o 293 (October 1924), p.351.

⁷⁶*QPD*, Vol. CXLIV (1924), p.1215.

⁷⁷*Commonwealth of Australia Year Book*, 1925, pp.xxiv, 777.

⁷⁸Bernays, pp.32-34.

Justice Douglas of the Queensland Industrial Court bench, handing down the 1925 Award for workers in the Chillagoe State Smelters and Mines, emphasised the importance of maintaining the operations of the Chillagoe enterprise for internal ALP politics. The Award gave preference to AWU members and gave workers two weeks annual leave. Douglas held wages down, however, reasoning that "if wages were raised...it would mean the closing down of all the mines ...everybody knew [the enterprise] was being subsidized by the Government in order to keep mining alive."⁷⁹

Notwithstanding this depression of wage levels, the enterprise lost £155,893 8s 5d in the 1925-26 fiscal year, almost equalling the accumulated losses on all the previous years.⁸⁰ The new Premier McCormack (Gillies retired to a seat on the Board of Trade and Arbitration in October 1925) was moved to call for a report from the Auditor-General. On 22 October 1926, a year to the day after he became Premier, McCormack finally confessed that the enterprise was a failure:

The Government thought that they could again revive in North Queensland an industry carrying a mining community, which is one of the best communities for the development of a country. That has always been our experience, and so we embarked on this expenditure. The results have been unsatisfactory because of many causes which I have not the time to go into at the present time, nor would anything be gained if I did so. We find that we have failed to establish profitably the mining industry in the hinterland of Cairns... What the Government desire to do, if it is possible...is to try in a limited way to keep the mining industry alive in that district... The policy of the Government is not to continue mining and smelting as a big operation, but to endeavour, with as little loss to the State as possible, to provide facilities for the smelting of ore.⁸¹

No longer being able to afford the luxury of such elaborate welfare schemes as the Chillagoe enterprise, within a few months of McCormack's admission the State withdrew from the mining side of the venture. The Lady Jane and Girofla mines were leased to private operators in July and September 1926 respectively, and the Red Cap mine abandoned in January 1927.⁸² Smelting facilities, as McCormack had indicated, were kept in skeleton operation for the time being in order to provide smelting and marketing for the private operators and fossickers of the area. Workers were

⁷⁹*QGMJ*, Vol. xxvi, N^o 302 (July 1925), p.247.

⁸⁰*QPP*, 1930, Vol. 1, p.1359.

⁸¹*QPD*, Vol. CXLVIII (1926), p.1321.

⁸²*QGMJ*, Vol. xxviii, N^o 331 (December 1927), p.500.

sacked as the enterprise wound down, the State Butchery and State Store branches closing as their custom dropped in mid-1927.⁸³

Public disquiet about the enterprise management's honesty followed hard on the announcement of the closure. Details of lucrative deals made at the ailing State enterprise's expense were leaked to Opposition parliamentarians, leading to a series of specific questions from Opposition frontbenchers Moore and Elphinstone during September and October 1926. For example, the Smelters bought a five ton motor truck new in October 1925 at a cost of £1315 8s 5d. For reasons never explained, the enterprise did not use the truck, and Reid offered to buy it. He was allowed the truck on approval for three months, which time was free of any rent, whereupon he opted to rent rather than buy the machine. For the year he rented the truck, charges being determined on the basis of tonnage carried, Reid paid £126 10s 0d. In the same period the Smelters paid out £268 12s 4d for the truck's upkeep. When the Smelters repossessed it in March 1927, the by now clapped-out wreck could optimistically be valued at only £400. The Smelters lost £1057 10s 9d on the deal, nearly the total purchase price.⁸⁴

The Auditor-General's "Special Report on the State Smelters, Ore Reduction and Treatment Works and Mines, Chillagoe" submitted on 24 August 1927 disclosed, apart from the corrupt dealings, a loss for the enterprise in the 1926-27 fiscal year of £156,126 2s 11d. Manager Goddard had prudently tendered his resignation at the end of March 1927. The various assets of the enterprise were already effectively being liquidated, with the exception of the actual smelting plant.

McCormack's abandonment of the enterprise with which he had been so closely involved should be seen in the context of the State's financial position. The 1925-26 disastrous loss contributed significantly to the State's £554,005 13s 10d deficit for the year which was, as the Auditor-General noted, "the largest in the history of the State".⁸⁵ The accumulated overdraft in

⁸³*QPP*, 1927, Vol. 1, p.1408. The State Store was run by the Smelters and appeared to be the subject of substantial mismanagement, including particularly stock over-valuation.

⁸⁴*QPP*, 1927, Vol. 1, p.1407.

⁸⁵*QPP*, 1926, Vol. 1, p.83.

Consolidated Revenue had reached nearly £1 million.⁸⁶ The Chillagoe State Smelters' deficit was the largest single item of unforeseen expenditure in the year.⁸⁷ The scale of this deficit may be seen when compared to the State's total receipts of £15,559,718 9s 4d.⁸⁸ The State's total indebtedness increased by £6,877,527 over 1925-26 to reach some £101 million or nearly £120 per head of the State's 847,757 population,⁸⁹ interest on this sum averaging five percent. Clearly, in such circumstances the continued operation of a major loss-maker like Chillagoe, despite the large political and capital investments made in it by the Government over the years, was difficult to justify.

Parliament was not recalled following the Christmas recess, 1926, until the end of August 1927, when the presentation of the Auditor-General's Report on the Chillagoe management coincided with the South Johnstone strike emergency (see Chapter 1). Nevertheless, the Opposition resumed the Parliamentary attack, despite such factors as the elapsed time, the support being then given by the non-labour press for McCormack's handling of the strike, the departure of Goddard, and the winding down of the enterprise. Opposition Leader Moore, in repeating demands for a Royal Commission, produced numerous mineral assay figures which suggested the Auditor-General's report had not uncovered all the misprison. He also read out a letter from a sacked foreman at the Smelters, Jim Stones, who was apparently the source of some of the information which had led to the Opposition's attack of the previous year:

Nicholls [Assistant Manager, Chillagoe State Smelters] then said to me [16 October 1926] 'Look here, Jim, if you have anything on Goddard, see him and put it on him for £1000'. I made no comment and left him... [On 21 October] Nicholls came into my office; he was excited and started to argue, and told me I was kicking up a row over nothing. He told me I was fighting the Labour [sic] Government and would get crushed and land myself in gaol. He asked me what I was getting out of it. I told him, 'nothing.' He said, 'You are a fool'. He again said to me, 'go and see Goddard and put it on him for a thousand'; I said, 'No, I am not going to see Goddard'. At 3 pm the same day Nicholls came to me and told me that I was finished. I had to knock off at 4 pm and my time was waiting for me in the office. He explained that I would get a week's wages in lieu of notice and would be paid for two weeks' holiday. So the reason I was sacked was because I would not take a bribe. I asked Nicholls who sacked me and he said, 'Goddard'. Goddard never sent for me nor did he say anything to me about the trouble at any time..... Yours faithfully, J. Stones.⁹⁰

⁸⁶*QPP*, 1926, Vol. 1, p.84.

⁸⁷*QPP*, 1926, Vol. 1, p.92.

⁸⁸*QPP*, 1926, Vol. 1, p.83.

⁸⁹Mean population, 1925-1926 financial year - Australian Bureau of Statistics, *Demography 1971*, p.183.

⁹³*QPD*, Vol. CXLIX (1927), p.521.

McCormack refused to hold a Royal Commission into the affair, but the embarrassing dealings at the Chillagoe enterprise continued to haunt Labor. State enterprises as a whole could not avoid being tainted with the stink emanating from Chillagoe, and the Labor leadership ceased to defend them with any vigour. Although, as has been shown, Chillagoe had only briefly been operated as a commercial venture, the non-Labor parties taunts that trading enterprises could not be efficiently run by other than private management seemed to have been confirmed. The Party leadership would not forget the political dangers to be faced in deploying the Queensland state in the marketplace.

There is debate over the full extent of the substantial loss made by the Chillagoe State mining and smelting operations. Losses made in the early years of operation, to July 1924, included interest on capital as a significant component, while subsequent losses were calculated without taking interest into consideration. The paper loss shown by the Smelters on the basis of these varying systems of accounting was £1,164,822 15s 11d when liquid assets held at 30 June 1927 had been deducted.⁹¹ This figure includes both trading loss and initial capitalisation. Trading loss alone amounted to £508,727 19s 7d, with interest discounted.⁹² Kennedy prefers not to incorporate the figures for 1927, since this was not a full trading year and much of the loss represented downward revaluations of assets rather than trading loss.⁹³ The assets depreciated in this exercise included flue dust, unsmelted ore and abandoned workings, the optimistic valuations of which had served in previous years to minimise declared losses. Kennedy's assessment, however, fails to consider that much of this later loss would in normal commercial accounting appear as depreciation on capital and be treated as part of a profit and loss account. The question must also arise as to the legitimacy of the substantial paper loss created by interest payments to Treasury. Had the enterprise been floated as a public company, only the capital advanced by debenture-holders would attract interest: ordinary shareholders' dividends would be dependent on profitability. The State Treasury, as sole investor, is accounted for as though it were a debenture holder, but this may not be a fair method. Conversely, trading loss, which would in a private enterprise be covered by overdraft, was treated by Treasury as

⁹¹*QPP*, 1927, Vol. 1, p.1404.

⁹²*QPP*, 1930, Vol. 1, p.1359.

⁹³K.H. Kennedy, p.131.

though it were additional capitalisation, so the interest assessed on trading loss is probably low. In any case, the writing off in 1924 of accumulated losses and the waiving for subsequent years of interest charges so complicates analysis of the Smelters' financial position that no precise figure may be put forward confidently. It can fairly be estimated, though, that a figure in excess of £1 million is reasonable. Had that £1 million not been wasted at Chillagoe, it could have been possible to realise some of the more ambitious state entrepreneurial schemes put forward by the more enthusiastic champions of public enterprise in the early years of Labor's tenure such as State steelworks.

A sound commercial venture?

The State Stations

In January 1986 the Angliss Queensland grazing properties were sold off, making the largest private land sale in Queensland history.⁹⁴ The jewels in the crown of the Angliss pastoral empire were the Wando Vale and Vanrook stations, purchased from the Queensland Government in 1930. The Queensland State Stations were a bonanza both for the original vendors and the eventual purchasers of the enterprise's assets. The bargain basement sale of these assets was carried out under the auspices of a non-Labor government, but the end result of the fifteen-year experiment with socialist pastoral production was a significant infusion of public capital into the State's wealthiest pockets.

The Labor commitment to establishing State pastoral stations was by no means central to the Party's platform. As has been shown, the retail enterprises appealed to the dominant consumerist tendency in the ALP State enterprise movement. The Chillagoe enterprise was embarked upon and kept going for the northern development electoral necessity it seemed to represent, although along the way its failure managed to damage the whole idea of state participation in the marketplace. The State Stations, by contrast, were an entry into the most lucrative and concentrated of Queensland's rural industries (see Chapter 3) and so seemed to be a toehold in the escarpment of local capitalism and

⁹⁴Data obtained from Dalgety Winchcombe, the auctioneers, January 1986.

thus a concession to the state entrepreneurialist tendency of the Party. Moreover, the simultaneous foundation of the State Butchery offered the chance for vertical integration of production along the lines pioneered by the Vestey's concerns.

The degradation of land by private graziers and the irrational effects of private pastoral production were, however, advanced by Labor leaders as preferred rationales for the State Stations' establishment. The State Stations would show private grazing interests how they should be running their leases:

If the Allies' line of troops in France were divided into sections, each under separate control, and none aiding the other, so that, when a particularly ferocious attack was made on one point, reinforcements could not be brought from elsewhere, that policy would resemble the system, or lack of any system whatever, underlying the conduct of the Queensland pastoral industry.⁹⁵

Yet again, the Labor leadership took pains to deny that their intentions were in any way inimical to continued operation of the private market. State Stations were not established with any intention to use them in scaling the battlements of 'Fort Capitalism',⁹⁶ but rather they were to encourage rational market reorganisation by example.

The meat export side of the pastoral industry was already subject to a considerable degree of State control at the time of the Stations' purchase owing to the war production regime. The State's planners thus appeared to have a unique insiders' view of the profitability of cattle grazing, and at a time of unprecedented demand and stable, high, prices. The profitability of pastoral production depended also on being party to the cartel arrangements - mentioned earlier in this Chapter - since access to international markets had been sewn up by the international companies at an early stage in the industry's development.⁹⁷ Private pastoral interests, and the international companies in particular, were implacably opposed to State participation in the industry. This opposition was heightened, no doubt, by the transfer pricing deals worked by the international companies which allowed them to play off one nation's taxation system against another's through the use of paper transactions which presented a false picture of profitability.⁹⁸ Pastoralists' anti-Labor activities

⁹⁵*Socialism at Work*, p.34.

⁹⁶*Worker*, (cartoon) 21 February 1918.

⁹⁷See J. H. Kelly, *Struggle for the North* (Sydney: ABS, 1966), pp.1-8.

⁹⁸Kelly, pp. 3-7.

extended to interference with the State's borrowing activities (see Chapter 3), an action which V. G. Childe for one credits as having "...at once ruled out any 'extension of the industrial and economic functions of the State'".⁹⁹

Curiously, initial opposition to the State Butchery on the part of the meat companies had accelerated the establishment of the Stations enterprise.¹⁰⁰ Any restrictive trade or other tactics brought to bear by private pastoralists with the aim of ruining the State Stations were, however, insignificant in their effect compared to the commercial ineptitude of the enterprise's management. The first and major mistake made was the excessive price paid for the stations. The leases on many of the stations had either expired or had little time remaining,¹⁰¹ a position which should have been exploited to the advantage of the State as buyer. In fact top prices were paid for the properties because of inadequate or incompetent muster figures. Instead of 'bangtail' (i.e. physical count) mustering, book muster figures which turned out to be enthusiastically overestimated were accepted by the State's agents. Since cattle prices were at a premium because of the heavy wartime demand, the State paid handsomely for non-existent assets. The deficiencies were written off in subsequent years and accounted for as stock deaths.¹⁰²

As had been the case with the Smelters, the enterprise was overcapitalised on the mistaken expectation of everlasting high world commodity prices and was equally ill-equipped to face the lean 1920's with massive debt to the Treasury. Despite misgivings within the PLP,¹⁰³ the broad Party was happy with the enterprise's expansion and continued to urge the purchase of further holdings and further steps at vertical integration of the State pastoral/meat interests through the addition of a State tannery and boot factory as late as the 1920 Labor-in-Politics Convention.¹⁰⁴ By this time the financial difficulties of the enterprise were fully apparent to the State's officials overseeing its administration. The Auditor-General's report on the 1919-1920 year noted that the ledger net profit

⁹⁹Childe, "A Labour Premier Meets His Masters", p.282.

¹⁰⁰QSA, BUT 16, Minute Ross to Hunter 14 May 1917.

¹⁰¹*Socialism at Work*, p.38.

¹⁰²QPP, 1920, Vol. 2, pp.1029-1032.

¹⁰³Childe, *How Labour Governs*: p.20.

¹⁰⁴*Official Record*, Tenth State Labor-in-Politics Convention, 1920, pp.15, 25.

announced by the enterprise of £25,661 9s 3d had only been achieved through "an inflation in the values of the cattle" entered as assets in the accounts and a deceleration in the rate of depreciation on plant from 10% to 5% "although the conditions were the same in each year [of previous operation]".¹⁰⁵ No amount of juggling could disguise the increasing losses: 1920 was the last year the State Stations declared a profit.

As with the Smelters, the suggestion of corruption tainted the enterprise. In this instance the beneficiaries of the corrupt dealings were alleged to be Labor Party funds as well as the individual politicians and officials. Home Affairs Undersecretary Gall records:

Mr Fletcher Member for Port Curtis [marginal Country Party] called today [23 December 1920] and in the course of conversation made reference to the high prices paid for the purchases of State Stations... and the allegations made involving a certain minister that whatever else happened, the price was absurd. Possibly Mr T[heodore?] did not get anything out of it himself, but there might have been consideration in another way. He stated that [in] a letter relating to a business transaction ... read to him...[there was] a suggestion that in the event of a sale, a sum was to be donated to party funds.¹⁰⁶ (emphasis in original)

As senior officials and politicians began to realise that the enterprise was going bad, however, any suggestions of corrupt motives found ready acceptance. Profitable enterprises do not inspire searches for scapegoats.

As with the Smelters, the Stations' losses began to mount as the economic slump of the 1920's coincided with mounting interest installments due to Treasury. The enterprise declared a loss of £194,147 10s 0d on the year 1920-1921 despite further controversial revaluations of stock which yielded an appreciation on the Trade Commissioner's admission of over £30,000.¹⁰⁷ As losses mounted, the management cited a range of factors including the weather, falling export meat prices, local management deficiencies and a spate of cattle duffing for the enterprise's worsening failure. The lax management of many of the Stations does seem to have been a major contributor to the rapid deterioration in the enterprise's financial standing, managers of some of the larger properties having to be investigated over large-scale misappropriation of funds and missing stock.¹⁰⁸

¹⁰⁵*QPP*, 1920, Vol. 2, p.652.

¹⁰⁶William James Gall, papers held in the Fryer Memorial Library, MSS 43/D/240 (b).

¹⁰⁷*QPP*, 1921, Vol. 2, pp.1029,1080.

¹⁰⁸An investigation in 1926, for example, revealed discrepancies in the Vanrook State Station books totalling 13,500 head of cattle or £40,000: *QPP*, 1929, Vol. 2, p.30.

McCormack was sufficiently disenchanted with the State Stations' performance by August 1926 to order the enterprise to be wound up and its assets liquidated:

The Government have adopted a policy that we will not continue to lose the money of the taxpayers on ventures that are unprofitable... Until the public show that they are willing to give the social service that is so necessary to make [the enterprises] successful, the Government will not persevere with these ventures... The people who have been charged with the responsibility of conducting some of these concerns have not done their duty to the State... If [a manager] thought [an enterprise] was his own property it would be all right. That is the evil - he does not.¹⁰⁹

The State Stations property portfolio was put up for sale by auction in April 1927, but nearly all the properties were passed in without reaching the reserve prices. No bids at all were received on some properties.¹¹⁰ The State was attempting to make good some of its trading losses, and the depressed pastoral property market would not bear the huge volume of property at the prices needed to balance the Trade Commissioner's books. But neither was the McCormack administration about to make a gift of the State's assets, so the State Stations kept operating, albeit under a kind of receivership regime.

Despite the writing off of accumulated losses to 30 June 1924 totalling £674,789, proper accounting of assets revealed further massive book losses in 1927. The loss for the year 1926-1927 was thus some £285,486 or more than three times the business's turnover of £72,283.¹¹¹ The Stations retained the same accounting procedures as the other enterprises under the administration of the Trade Commissioner, and so did not benefit from an interest moratorium of the kind applied to the Smelters. The Stations thus edged ahead of the Chillagoe operation as the biggest loss-making enterprise.

The Stations were at least realisable assets, however, and continued operation could be justified as maintenance on invested capital. The McCormack Government hung on to the enterprise's assets waiting for better times and higher selling prices, although the subsequent Moore non-Labor administration had no scruples about selling public assets on a dead market. Having made

¹⁰⁹*QPD*, Vol. CXLVIII (1926), pp.1152-1153.

¹¹⁰*QPP*, 1929, Vol. 2, pp.30-31.

¹¹¹*QPP*, 1929, Vol. 2, pp.6-7.

the initial mistake in wrongly forecasting continued high postwar meat prices, successive Labor administrations in the 1920's were compelled constantly to wait for the economic upturn which would allow the enterprise to be wound up with honour. Those few properties in country suitable for closer settlement (see Chapter 3) were broken up for that purpose;¹¹² the rest were kept in minimal operation until the reserve price could be obtained.

The Moore Government was elected on a platform which included among its planks a commitment to pull the State out of extravagant enterprise commitments. The State Stations were accordingly advertised for freehold sale by public auction on 17 September 1929 through various agents including Dalgety's, the Queensland Primary Producers' Co-operative Association, Australian Mercantile Land and Finance Company, and Australian Estates and Mortgage Company.¹¹³ The properties were sold at significant loss, as Table 2.3 below demonstrates, most being sold in private negotiation after having failed to attract bids at auction¹¹⁴. The conversion to freehold was a special bonus to the private buyers, remembering that many of the leases were close to expiry at the time of original purchase by the State.

¹¹²For example Dillalah Station (Warrego district - 515 square miles) was surrendered for closer settlement at the end of 1925: *QPP*, 1929, Vol. 2, p.31.

¹¹³Queensland, Department of Public Lands, *Particulars of Queensland Government State Stations To be offered For Sale...* (Brisbane: Government Printer, 1929).

¹¹⁴*QPP*, 1929, Vol. 2, pp. 31-32.

Table 2.3**State Stations: Purchase and Sale, 1915-1930**

<i>Station</i>	<i>Purchase Price £</i>	<i>Year</i>	<i>Sale Price £</i>	<i>Year</i>
Mount Hutton.....	73,500	1916	14,379(a)	1919
Dillalah.....	51,961	1916	converted(b)	1926
Wandovale.....	82,000	1916	115,000(c)	1929
Dotswood, Brooklyn and Maitland Downs, Merluna and York Downs, Silver Plains.....	228,000	1916	20,500(d)	1930
Vanrook(including Sterling, Dunbar and Strathmore).....	253,000	1917	185,575(e)	1930
Lynthurst.....	170,000	1919	70,000	1930
Macaroni.....	31,000	1919	with Vanrook	1930
Buckingham Downs.....	140,000	1919	no bid	
Kenmore.....	20,000	1920	5,500(f)	1926
Keeroongooloo.....	156,000	1920	no bid	
Wallinderry.....	5,000	1920	no bid	
Waterloo.....	12,000	1920	7,000	1930
Monamby.....	20,500	1920	7,500	1927

(a)Taken over by Lands Department, Cattle sold to New South Wales Government. (b)Converted to closer settlement leases. (c)Sold with Dotswood as a package. (d)Brooklyn and Maitland Downs sold separately but price shown. (e)Sold as package with Macaroni; 70 square mile section of Strathmore - £575 - and Dunbar - £50,000 - sold separately but shown in price. (f)Sold unstocked in two separate 30-year leases with a combined annual rental of £704.

[Sources: *QPP*, 1929, vol. 2, pp. 22-33, 67-70; *QPP*, 1930, vol.2, p. 92; C. A. Bernays, *Our Seventh Political Decade* (Sydney: Angus and Robertson, 1931), pp. 106-107.]

The stations were stocked when sold at actual levels which were similar to the overoptimistic book musters marked down at original purchase: 112,354 head in 1929 as against 121,636 in 1916-1920.¹¹⁵ The loss shown by the enterprise of £1,800,000 was, as Table 2.4 below shows, primarily attributable to overcapitalisation and the prolonged slump in meat prices after the inflation wartime rates. The State Trading Commissioner in his final report on the enterprise adds to these causes the subsidiary factors of high stock mortality and low turnover which were responsible for many losses in the industry, "particularly in the districts where the State Stations were situated".¹¹⁶ Although the Commissioner does not mention it, all these factors may have been

¹¹⁵*QPP*, 1929, Vol. 2, p. 32.

¹¹⁶*QPP*, 1929, Vol. 2, p. 33.

attributable to the normal practice in the Australian dry land pastoral industry of overgrazing during good seasons and times of high ruling prices leading to pasture devastation, with concomitant stock mortality, and market gluts in normal times.¹¹⁷ At the time of purchase, the Stations must have appeared to be ideal targets for State intervention after a decade of conspicuous profitability, especially so considering the scandals over unfettered private control of the industry which fed the 1918 revolt against Administrator Gilruth in the Northern Territory.¹¹⁸

Moreover, a Labor State Government had to be seen to be paying fair compensation for the property it acquired. The original owners of the properties could point to high profitability and had no shortage of political supporters on the Opposition benches willing to plead their case should they feel hard done by. Confiscation of property is the worst nightmare conjured up by anti-Labor publicists, and so a Labor administration is always under considerable pressure to overcompensate vendors. A pastoral capitalist is under no such pressure. Perhaps the lesson of the State Stations disaster is that the State needed to be as rapacious as its private entrepreneurial competitors in order to survive in the dryland cattle grazing business.

Table 2.4

State Stations: Apportionment of Losses, 1915-1930

<i>Treasury Interest</i>	£900,000
<i>Depreciation</i>	240,000
<i>Excess of writeoffs for losses over natural increase and the reduction in values</i>	530,000
<i>Deduct Surplus revenue from sales etc. over working expenses</i>	70,000
	460,000
<i>Loss on realisation, 1929</i>	200,000
	£1,800,000

[Source: *QPP*, 1929, vol. 2, p.33.]

¹¹⁷See Kelly, pp. 20-56.

¹¹⁸Kelly, pp. 1-2; H.I. Jensen, "The Darwin Rebellion," in *Labour History*, N^o 11 (November 1966), pp. 3-13.

Postscript: sale of the lesser enterprises

The Moore Government's policy of dismantling the State trading enterprises extended to all businesses under the control of the State Trade Commissioner. No time was lost in disposing of the various assets, either as whole businesses or as separate assets. Some enterprises, such as the State Hotel, the State Cannery, the State Fish Shops and the State Produce Agency, operated out of one or two premises and so were sold in their entirety as going concerns. The State Butchery, however, was too large and dispersed an enterprise to attract interest as a single concern, and the shops were sold severally.

Only the Railway Refreshment Rooms enterprise of the Trade Commissioner's empire was retained by the State, being transferred to the Railway Commissioner's jurisdiction at the end of the 1928-29 fiscal year. Always the biggest money-spinner of the trading enterprises, the RRR was a natural extension of the Railways. Its profitability made the enterprise a desirable asset for a government pathologically committed to fiscal prudence and its services were appreciated by the Country and Progressive National Party's rail travelling rural constituency. Moreover, the RRR was a monopoly, which status put it in a different ideological universe to concerns which competed directly with private business. The case against public enterprise is often made by reference to the unfair commercial threat said to be offered by operations backed by state coercive powers and 'unlimited' capacity to withstand losses (although, as has been shown, the Queensland state could sustain only limited, albeit large, losses). In the natural order of things, private profit-seeking and competition are said to lead to maximal productive efficiency and minimal prices. Australian anti-Labor thought of the 1930's, however, did not then proceed to the proposition often advanced in recent times that all state economic activity was unproductive¹¹⁹ and was content to allow natural monopolies like the utilities to be operated by apparatuses of the state.

All but a handful of the Trade Commissioner's assets were sold by the end of the 1929-30 fiscal year, the handful consisting of a few butchers' shops in undesirable locations, three of

¹¹⁹See Marian Sawer, "Political Manifestations of Libertarianism in Australia", in *Australia and the New Right*, ed. Marian Sawer (Sydney: George Allen & Unwin, 1982), pp. 1-19.

the stations, and the Hamilton Cold Stores. Considering that the sales coincided with the onset of the Depression, this turnover is some indication of the bargain basement deals the State was offering. The goodwill generated by some of the enterprises was shown by the retention of the "State" business name by the new private owners. Henry Jones Pty Ltd retained the "State" brandname and a facsimile of the Queensland Maltese Cross on its jams and other food products canned at the Bulimba cannery until Elders took the giant food processor over in the 1980's. The State Hotel at Babinda is still called the State Hotel.

Statutory enterprises not under the control of the Trade Commissioner were spared the accelerated privatisation treatment. The SGIO continued to operate with its monopoly of workers' compensation business and as the only significant Queensland-based underwriter. The former State Sawmills had been passed to the control of the Forestry Department in 1921 and continued in their major role of providing sleepers for the Railways. The various mines, treatment works and batteries under the control of the Mines Department (with the exception of the Chillagoe operations discussed above) were abandoned as their profitability dictated. Most were abandoned well before the election of the Moore Government.¹²⁰

Conclusion - State enterprises

keeping the market safe for capitalism?

The Queensland State enterprises are not alone as examples of state participation in production, distribution and exchange under Labor administration. Within the Labor Party, most recent discussion on public enterprise has concentrated on the alleged constitutional impediments to nationalisation of private property by the Commonwealth.¹²¹ The Queensland experience with management of trading businesses deserves more of an airing than it has received. The Queensland

¹²⁰See Bernays, pp: 96-129; *QPP*, 1929, Vol. 2, pp. 1-65.

¹²¹For example, Gareth Evans, "A Socialist Objective for the 1980's", in *Labor Essays 1980*, pp. 173-181; Bruce O'Meagher (ed.), *The Socialist Objective*:

State enterprises encroached upon the area of the economy normally occupied by the entrepreneur and the small businessman. Mining, shop proprietorship, fishing, sawmilling, cattle grazing: such activities were the natural domain of the private sector, indeed by and large of small-scale rather than hegemonic or concentrated capital. This sector of the economy has a mystique in the Australian political pantheon which transcends party boundaries, the Labor Party often being as infatuated as the conservatives with the alleged sterling qualities of the family business, and with the votes delivered by support for the 'Milk Bar' economy.¹²²

The Queensland State enterprises were thus a unique excursion of the state into the heartland of the Australian economy. The experiment was not, and could never have been, an attempt to assert control over the engines driving the accumulation processes of capital. As has been shown, those who established the enterprises relied on principles which were distinctly tainted by market ideology. While the likes of Ryan, Theodore and Hunter would, if pressed, have conceded that capitalism was inimical to the interests of workers, they were committed to the politics of the immediately possible. Theodore, the promoter of the Blackburn Declaration at the 1921 Federal Party conference, advocated a 'socialist objective' that sought to establish 'collective ownership [only] for the purpose of preventing exploitation'.¹²³ The enterprises were mechanisms not to eliminate the private market itself, but only to cancel the temptations standing before private business to exploit commodity shortages by inflating prices paid by consumers or restricting the prices paid to suppliers.

The grander visions of those arguing for a State entrepreneurialism - State Steelworks in particular - failed not so much because of opposition on the part of the consumerists in the Party and government, but because the State's exchequer had been drained by poor investments in the State Stations and the Chillagoe Smelters operation. The £3 million or so poured down the drain in these two commercial disasters left the State with little in the way of funds not already tied to recurrent expenditure, especially when the effects of the City of London loan embargo of the early

¹²²See Catley and McFarlane, pp. 64-70.

¹²³'Blackburn Declaration', ALP Federal Conference, October 1921, in *Worker*, 27 October 1921. As Turner notes, "'exploitation' was used in the sense of 'sweating', or of 'profiteering' by monopoly practices or market manipulations, rather than in the Marxist sense": Turner, *Industrial Labour and Politics*, p. 224, footnote.

1920's were felt (see Chapter 3). Moreover, the commercial failure of State management in these two enterprises tainted the electorate's perception of the desirability of direct interventions. The electoral winner of 1915 had become something to be apologised for, if mentioned at all, by 1929. When Labor returned to office in 1932, there were no promises to restore the State enterprises, although some publicity was given to the allegedly giveaway prices paid for the enterprises when they had been sold off, and to the alienation of the Stations' land through freehold tenure.¹²⁴

The success of most enterprises was forgotten in the atmosphere of scandal and failure that arose from the Smelters and the Stations. The State Hotel, for example, was extraordinarily profitable. The State Butcher Shops showed healthy profits for all but one of their fifteen years of operation. The State Cannery broke even, and the State Fish Supply would have shown a profit were it not for the losses sustained in the early years by the operation of its trawler *Bar-ee-mul* which attempted to chart new fishing grounds.¹²⁵ The Railway Refreshment Rooms and the State Produce Agency showed healthy profits in accordance with their turnovers for the duration of their management by the Trade Commissioner.

Yet all these businesses worked under constraints imposed by the government which regulated such details as profit margins, new investment and interest payments, and all had social goals beyond that of simple commercial success imposed upon them. The State Butchery, for example, was a weapon in the fight against war profiteers and ensured that retail meat prices charged to workers were kept as low as slaughter prices allowed. The Fish Supply attempted, at least for a time, both to act as a price stabilisation scheme for fishermen and to underwrite and popularise the development of the Queensland fishing industry. Similarly, the Cannery sought to discover new processed food products which Queensland could sell, and acted as a market for some closer settlement schemes (see Chapter 3).

¹²⁴Australian Labor Party, election leaflets (Brisbane: Worker Newspaper Pty Ltd, 1932), held in Oxley Library Political Pamphlets collection.

¹²⁵QSA A/25922, State Trade Office, Register of Questions Asked in State Parliament, 12 August 1919, 6 December 1920, and 30 September 1921.

These goals of social responsibility were superimposed over the enterprises' function as operators in the marketplace. It was one of the prime attractions of state enterprises to all brands of Labor members that they were subject to a measure of social control as well as to the anarchy of the marketplace. The imposition of standard prices throughout Australia on the postal service is a case in point. The difficulty lies in that enterprises like the State Smelters may be so afflicted with non-market organisational goals that they cease to function as rational actors in the market environment. Unlike the post office, which has a monopoly of letter delivery in Australia, enterprises such as those discussed in this Chapter are subject to the same uncertainties and market forces as are their private competitors. Queensland Labor paid dearly for losing sight of its own injunction that the enterprises should at least "return interest on capital outlay and meet all fair and legitimate working expenses."¹²⁶ As a further goal it was suggested that "by retaining for the State the profit previously accruing to private enterprise, [the enterprises could] add to the revenue and render taxation and borrowing increasingly unnecessary"¹²⁷ This turned out to be unattainable where the administration was prepared to jettison its more modest market objective.

While those in the Party who pursued the goal of State entrepreneurialism were, as noted above, stymied by the haemorrhage of funds to the two big loss-makers, those influenced by syndicalist thinking who proposed workers' control of the enterprises established in their name were given short shrift by the dominant elements in the Party. The administrators of the enterprises, from the Ministerial level on down, were insistent upon retention of the traditional coercive employer/employee relationship, as was seen with the State Butchery earlier in this Chapter. The militants like V. G. Childe who publicly advocated giving "State employees a substantial share in the control of the industries, which they work"¹²⁸ were gagged and defeated in Party conventions with less observance of debating niceties than was normal for militant motions.¹²⁹ There appears to have been no use by these militant forces of the ammunition which the constant allegations of poor

¹²⁶*Socialism at Work*, pp. 6-7.

¹²⁷*Socialism at Work*, p. 9.

¹²⁸V. G. Childe, Letter, *Daily Standard*, 4 January 1919.

¹²⁹For example, the 1920 Convention gagged and then defeated (23-17) two motions of this sort in less time than had been devoted to a motion calling for the introduction of a minimum 40 perch housing block size: *Official Record*, Tenth Queensland Labor-in-Politics Convention, 1920, pp. 48-49.

management and the evidence of low morale and absence of organisational loyalty (pilfering and so on) could have provided for their cause. The suggestion that workers' control could have been a factor in improved market performance was, it seems, beyond the militants.

The Queensland State enterprises were all established, and mostly capitalised, under the Ryan Governments 1915-1919. The subsequent Theodore Government maintained existing enterprises and further capitalised the Chillagoe operations. The McCormack administration commenced to wind down the two major loss-making enterprises and put a lid on the expansion of the other businesses. The Moore Country Progressive National Party Government dismantled and sold off all the enterprises except those which had a legislative foundation, like the SGIO, and those which existed to serve other State instrumentalities, like the Railway Refreshment Rooms and the State Sawmills. The Forgan Smith and subsequent Labor governments made no effort to reestablish any similar network of State enterprises.

The chief failure of the State enterprise movement was thus a failure to capture the imagination and the loyalty of the broad labour movement. Other than the fact that the enterprises provided their employees with jobs, there was no commitment to their continued existence on the part of the unions, the Party, and even the employees themselves. While the enterprises were run supposedly on behalf of the workers, or at least the 'people', they were managed along strictly traditional lines and the labour movement had nothing other than a sentimental stake in their success. The State enterprises might indeed have been forays into the heartland of the Queensland economy, but they were too far away from the heights to equip a Labor government with the tools to forestall or even ameliorate the slide into depression.

That the enterprises utilised market mechanisms to flatten out some of the peaks and troughs of the market and to cauterise some restrictive trade practices, they may have served to rehabilitate the market system in the eyes of those who were alienated by its failures before Labor's ascension to office. If all the state could do was to offer a slightly cheaper cash and carry alternative to the home delivery services of the local butcher while at the same time pouring taxpayers' funds into

bankrupt concerns a long way from population centres, then state enterprise was hardly a goal worth fighting for.

The more successful enterprises were those which were the most bureaucratic, were run on the most rational as well as market-oriented lines. Those enterprises, like the SGIO and the State Hotel, which were susceptible to tight bookkeeping and centralised control thrived while those which needed decentralised control and local knowledge or initiative on the part of far-flung employees like the Stations and the Smelters, failed. The reasons for success and failure of particular enterprises were, of course, more complex than such a typological analysis would allow, but the lesson of what was apparently achievable through state participation in the market was clear enough to the electorate and to those who set the Labor agenda.

In the end it was hardly worth pressing for nationalisation if the state would only run things the same as, or worse than, the existing bosses. Those who frantically opposed the enterprises' establishment should perhaps have been less vocal. The success of the many Queensland State enterprises which yielded satisfactory commercial returns was no threat to capitalist labour relations. The much vaunted ability of these enterprises to hold down prices, difficult as such claims are to verify after the initial effects have filtered through the system, may have served to rehabilitate the free market in the eyes of the Labor electorate as an efficient and equitable distribution mechanism. The Stations and Smelters disasters discredited state enterprise even within the Labor Party for many years after the liquidation of the actual businesses, and provided anti-Labor forces with much of the ammunition they needed to bring Labor policies and leaders into disrepute federally.

Chapter 3

COCKY WANT A BLOCK OF LAND: AGRARIAN SOCIALISM AND LAND SETTLEMENT 1915-39

Rural Socialism and Its Place in Queensland

In Queensland, the man on the land cuts more of a figure than the man in the street. Queensland, as has been noted earlier, has been the only mainland State to harbour only a minority of the population within the metropolitan area of its capital city. Electoral success in Queensland has long been dependent upon cultivating the rural electorate. Labor's maintenance of majorities from 1915-1957 owes much to its early implementation of interventionist agricultural policies which shielded farm incomes against market fluctuations and kept up the small family farm as the premier unit of agricultural production. Although the Labor Party drew its organisational strength from the broad labour movement, Labor governments from the start pursued an agriculture-based development policy which favoured the interests of small farmers rather than workers. Much attention was devoted by the Labor leadership to constructing an electoral alliance between workers and farmers which served to placate potential opposition within the Party and to put distance between many farmers and their self-proclaimed political representatives in the Country Party.

Rural Queensland supplied the firm electoral base for Labor administrations during forty years' office and now supports the National Party under Sir Johannes Bjelke-Petersen. Recognising Labor's achievement in capturing the Queensland farmer's vote, the succeeding Coalition governments left intact the rural policy apparatuses established by Labor. Queensland State administration has accordingly been characterised under governments of both parties by a complex system of quasi-autonomous rural product marketing and distribution agencies, the prime function of which is to insulate the farm sector from market uncertainties. From the distribution and improvement of the land, through the planting or rearing, growing, marketing, processing, to distribution and export of agricultural and pastoral commodities, the guiding hand of the Queensland Government is much in evidence. The continued electoral hegemony of the avowedly 'free enterprise' Nationals owes much to their maintenance of the Queensland system of "agrarian socialism" which Labor developed.¹

The Origins of the small farmer - ALP alliance

The Queensland ALP had a history of romantic attachment to an ideal rural communism similar to that found in the contemporary Russian Social Revolutionary Party. William Lane, inspirational leader of the New Australia movement which established communes in Paraguay, was a founding member and leading propagandist for the Labor Party.² The institution of settlement schemes to encourage prospective communes to be established in Queensland rather than Paraguay was among the first documented policy achievements of the Party in 1893.³

Within the ALP, the rural-based AWU became preeminent in both the organisational and parliamentary wings. Theodore, whose leading role in the early Labor

¹See, for example, D. Solomon, "Qld's agrarian schemes likely to be challenged", in *Australian Financial Review*, 21 March 1984.

²See William Lane, *The Workingman's Paradise*.

³Coghlan, Vol. 4, pp. 1988-1989.

governments has already been explored, was a prominent figure in the rise of the AWU, being largely instrumental in the amalgamation of his own northern-based Amalgamated Workers' Association (AWA) with the older Southern-based AWU (see Chapter 1).⁴ McCormack likewise was a former AWA official and continued to press within the Party for greater AWU representation.⁵

For Labor's leaders in 1915, the class enemy was defined from personal experience as the grazier and the mining or processing capitalist. Presiding over an economy that lacked dynamic manufacturing capital, and remaining suspicious of the benefits to be derived from industrialisation, the ALP in Queensland chose to tackle the power of the rural rich through fostering the growth of smallholding farming rather than through the development of manufacturing industry. The immiseration of the British working class, and the poor wages and working conditions of many Australian manufacturing workers, did not compare well with the relative affluence of many Queensland country workers. This was despite the losses of the 1890's. The Queensland labour movement had won more victories in the country than the city; the 1912 Brisbane general strike had highlighted seemingly irremediable weaknesses in metropolitan union organisation (see Chapter 1) In the bush, by contrast, weapons such as the lockout were often not available to employers. Squatters whose sheep were heavy with wool or planters with fields of ripe cane were restricted in their ability to enforce discipline over an organised workforce. Queensland Labor leaders were thus encouraged to view rural development favourably compared with industrial development as the economic basis for a healthy labour movement. Electoral pressures complemented the natural inclinations of the Labor leaders in ensuring that policy remained rural-oriented.

The Queensland ALP had grown from the need to give political voice to the predominantly rural organised working class following its defeat at the hands of the rural aristocracy which was backed by the coercive State apparatus during the 1890's depression (see

⁴See also Irwin Young, *Theodore: His Life and Times*, (Sydney: Alpha Books, 1971), pp. 11-29; E. H. Lane, pp. 118-126.

⁵K. H. Kennedy, "William McCormack: Forgotten Labor Leader," in *Queensland Political Portraits*, pp. 349-350 (hereafter Kennedy, "McCormack").

Chapter 1). The period of the rise of the Labor Party had also seen the replacement of extensive kanaka-worked sugar plantations by small owner-operated farms employing seasonal white labour, and the growth of processing monopolies. Labor leaders saw a commonality of interest between the rural working class, the Party's natural support, and the small farmer. The forging of this alliance was correctly perceived to be a winning electoral strategy, and policies were developed to take advantage of this. The Labor victory in 1915 was quickly followed by the enactment of measures to effect radical changes to support the farmer allies, leaving the former ruling grouping in a state of some disarray. As has been shown in Chapter 2, this period also saw the creation of numerous State enterprises to challenge the cartel arrangements enjoyed by other mercantile, financial and rural capitals. Labor in the early years after 1915 appeared to be demonstrating the efficacy of the parliamentary road to socialism, but offered no direct challenge to the social relations of capitalist production.

Family farming production, in particular, was seen by Labor to be an ennobling and manly activity as well as comprising the economic backbone of the State. This rhetoric was warmly appreciated by the smallholding farmers who were vital to Labor's electoral ambitions. Theodore in 1922 stated the romantic Labor vision in unambiguous terms: "the best way to get... a greatly increased virile population in Queensland [is] to get men to go on to the land and to increase wealth production..."⁶ Pastoral production, on the other hand, was less favourably viewed. Squatters, the proprietors of the pastoral properties, were the historical enemies from the legendary 1890's strikes. Pastoral production techniques of extensive grazing moreover conflicted with Labor policy of northern development. This was because huge stations of one beast to the acre holdings could support only sparse permanent human population. Although pastoral production was responsible for a significant proportion of the State's wealth, the graziers were seen as peripheral to Labor rural policy.

This Chapter argues that Labor's electoral success was underwritten by an electoral alliance between the Party in government and small family farmers. The alliance was expressed in Labor administrations' agriculture policies through the construction of an elaborate

⁶Report of speech made to Dairy Conference, Land Court Room, Brisbane, 24 March 1922, in *QAJ*, April 1922, p. 151.

semi-governmental network of farmers' organisations, commodity boards, and policy advice bodies. Farmer-elected agencies were given commodity monopolies within Queensland with legal authority to set prices, impose production quotas and distribute profits. Labor governments helped to organise the small farmers as a political force, and the alliance rhetoric helped convert this into electoral support for the Labor Party.

Growth of Queensland Smallholding

A significant industry supporting small farming populations in Queensland was the sugar industry (see Table 3.1). This industry had grown up under a system of indentured labour which had given way to small farming. This transformation in the industry had been accompanied by political agitation against the system from farmers, liberals and the nineteenth century labour movement. Indentured labourers ('kanakas') had been imported from South Pacific islands, many of them under circumstances of dubious legality, by seagoing recruiters known as 'blackbirders'. Conditions for kanakas on plantations were not good, death from disease being common especially in the early years of the industry.⁷

The causes of this reversal have been the subject of some controversy, the conventional view being that the system was driven out by antagonism from whites to the importation of cheap coloured labour.⁸ Laws restricting and regulating blackbirding and the conditions of kanaka plantation workers were passed by the pre-federation colonial administration and subsequently by the Commonwealth. Assistance was also given to white small farmers.⁹ A.A. Graves argues a revisionist view, claiming that the plantation system was broken not by political pressure but by competition from the more productive and profitable small farmers.¹⁰

⁷See Ross Fitzgerald, *From the Dreaming to 1915*, (Brisbane: University of Queensland Press, 1982), pp. 183-188; an account of the system more favourable to the planters is given in W. Ross Johnston, *The Call of the Land*, pp. 59-64.

⁸Cilento and Lack, pp. 291-293; Humphrey McQueen, *A New Britannia*, p. 52.

⁹W. Ross Johnston, *The Call of the Land*, pp. 63-64.

¹⁰A. A. Graves, "The Abolition of the Queensland Labour Trade - Politics or Profits?" in E. L. Wheelwright and K. Buckley (eds), *Essays in the Political Economy of Australian Capitalism*, Vol. 4 (Sydney: ANZ Book Co., 1980), pp. 41-57.

The small cane farm achieved higher productivity per acre through more scientific farming techniques and greater intensity of labour (in part due to the superior nutrition available to its workers). In Graves's view political action by the labour movement and others opposed to the kanaka trade was redundant; by 1900 the kanaka-worked plantation was already an economic fossil. The Colonial Sugar Refinery Company (CSR) benefitted from the changed industry structure through greater market control: a mass of individually powerless suppliers can be more easily manipulated than a cabal of wealthy planters. The small farmer selling to a monopoly is in a position comparable to a piece rate out-worker in the textile industry, and can as easily be forced out of production when required.

While it may seem that the labour movement's political opposition to indentured labour plantation farming may have been redundant, alliance with the family cane farmer implied by the common cause of small farmers and the anti-kanaka Labor Party was to be no illusion. Murphy records that the worker-farmer alliance was forged at the formation of the Labor Party in Queensland.¹¹ The class antagonisms of the small-plot selector and of the rural worker were similar in more respects than their mutual opposition to kanaka labour. Squatters and planters frustrated the farmer by grabbing and holding the best land, and frustrated the worker by combining to defeat the unions and depressing wages (see Chapter 1). It was the dream of many rural workers one day to work their own plots. In these respects Queensland was like other States. In smashing the kanaka-worked plantation system the Queensland workers and farmers won what they thought to be a glorious victory over a substantial sector of the local rural aristocracy. Queensland sugar cane farmers had natural allies in the local labour movement not possessed by the rural slum dwellers of New South Wales who formed the core support of the Country Party in that State. As Murphy notes, "the Australian dream of a nation of yeoman farmers was held as strongly by the Labor movement in Queensland as by any other group in the country."¹²

¹¹Murphy, "Queensland", pp. 146-149.

¹²Murphy, "Queensland", p. 149.

The Alliance and ALP electoral ascendancy

The Labor-farmer alliance was well established by 1915. When on 30 November 1914 Ryan moved a Want of Confidence motion in the Denham Government, he levelled the following charges :

1. tampering with the electoral laws for party political purposes;
2. failure to legislate to protect the interests of the primary producer;
3. neglect to remedy the unsatisfactory position of sugar growers;
4. failure to adopt sound policies regarding railway construction management;
5. neglect to assist metal miners in the current crisis;
6. failure to adopt sound policy for closer settlement and encouragement of agriculture;
7. disregarding the alarming increase in the cost of living;
8. neglect to check the growing power of trusts and combines, and failure to fulfil promises in that regard;
9. committing a breach of faith with the civil service regarding automatic increases in salary while granting increases by Executive Council Minute to highly paid officials;
10. failure to provide for maturing loans;
11. crediting the proceeds of Crown lands and royalties to revenue.¹³

Four of the eleven charges (viz. 2, 3, 6, 11) refer specifically to agricultural policies, and a further charge (8) was levelled particularly at the operations of agricultural trusts like CSR. Theodore had earlier observed:

Most of the farmers are beginning to recognise who their true friends are, and they have lately decided to remove from the name of their political party the word 'Liberal'.¹⁴

¹³*QPD*, Vol. CXVII (1914), p. 191.

¹⁴*QPD*, Vol. CXV (1913), p. 1242.

And substitute the word "Labor", he implies. Theodore was foremost among Labor leaders in wooing the rural electorate and cementing the Labor-farmer alliance:

I would like the real man on the land, the man who has been working and struggling on the land and who has established himself by real endeavour... I would like the farmers to realise the simple facts and give their allegiance to the Party that has some identity of interest with their own.¹⁵

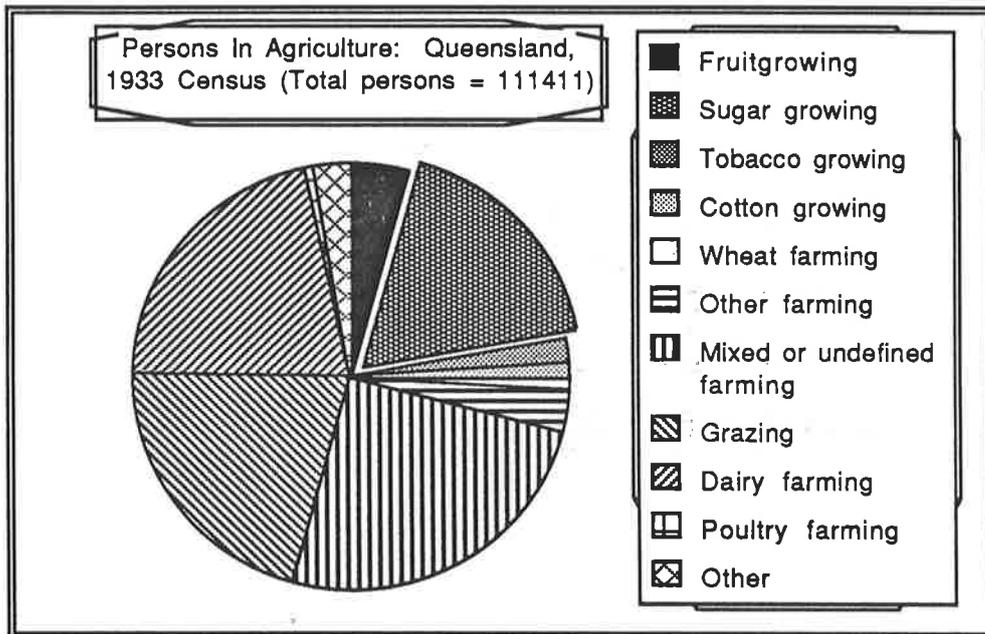
Voting at the 1915 election indicated the soundness of Labor's appeals for an alliance with farmers. Cane farming areas in particular showed strong support. Labor majorities were recorded in seven of the eight Northern seats and all six Central (coast) seats.¹⁶ The demographic preponderance of the rural working class ensured victories also in most of the grazing land seats in the North-West, Central-West and South-West. Less success was achieved in the Wide Bay area North of Brisbane, with its more diversified and larger holdings, Labor victories being recorded only in the provincial towns of Bundaberg, Gympie and Maryborough. The prosperous grain and mixed farming belt of the Darling Downs remained with the non-Labor parties, as did most of the relatively affluent cattle-fattening and dairy lands of the South-East. Brisbane seats were divided between Labor and non-Labor parties along traditional voting patterns.

Labor's electoral achievement under Ryan was to separate the rural Labor strongholds, that is to say small farmer- and wage labour-dominated constituencies, from the natural conservative constituencies inhabited by the more prosperous broad acre farmers. The small farmers of the north were won to the alliance with Labor and were thus divided electorally from their fellows in the south and south-east. Labor's seats were concentrated at opposite ends of the State - in the remote north and west and in metropolitan Brisbane - while support for the non-Labor parties was strongest in the south-east country seats ringing the capital. This pattern was to persist until the end of Labor's period of office in 1957. Table 3.1 shows the distribution of breadwinners in the various rural industries of Queensland at the 1933 census.

¹⁵*QPD*, Vol. CXIV (1913), p. 45.

¹⁶Figures quoted in Appendix A to Murphy et al. (eds), *Labor in Power: The Labor Party and Governments in Queensland 1915-1957*, (Brisbane: University of Queensland Press, 1980), pp. 528-529.

Table 3.1

Persons in Agriculture: Queensland 1933

[Source: *Queensland Year Book*, 1940, p.256.]

An electoral wedge had been driven between the State's main groupings of rural producers. Conditions prevailing in the sugar industry of the north in 1915 assisted in this process, since farmers were demanding, and only Labor promised, full-scale regulation of the industry. Sugar cane producers were forced by transport availability, and frequently by contract, to sell their cane to local crushing mills. These local mills were mainly independent operations, some being owned by co-operatives of the farmers themselves. The raw sugar extract from the mills needed, however, to go through a number of sophisticated refining processes before the end products (white sugar, brown sugar, syrup, molasses, rum, etc.) were derived. CSR, and a couple of smaller companies operating together as a cartel, controlled the refining process and through it the entire domestic sugar products market. This market control was further enhanced by high wartime demand in export markets which allowed the refiners to withhold products from the Australian market which created artificial shortages and so drive up the prices paid by the consumer. The producers and millers were understandably upset at missing out on this bonanza, while Labor was anxious to deflate prices on food items (see chapter 2). CSR was meanwhile able to manipulate prices paid to growers and millers to the extent that the original producers felt

themselves reduced to the status of piece workers. Price and cost pressures on cane farmers were exacerbated by steep labour cost rises following on a new award granted in 1914.¹⁷ Farmers could not pass on their increased costs since the refining cartel set the prices they received. Farmers had no ability to stockpile or to play off buyers against one another. Government regulation of prices was seen to be the sole remedy and regulation of agricultural markets was a main plank of Labor policy.

Enactment of Alliance Policy

At the time of Ryan's accession to the premiership in 1915, CSR had angered both farmers and Labor's worker electorate by attempting to export the entire 1914-15 sugar production in order to cash in on high wartime prices in Europe, thereby creating domestic shortages and driving up local prices as mentioned. The new Labor Government responded to consumers' and sugar producers' concern at this behaviour and quickly reached an agreement with the Commonwealth to overcome CSR's market manipulation. The Commonwealth was concerned at the political unrest the shortage of a staple like sugar could cause for a sweet-toothed nation at war. The Queensland Government used its powers to effect the compulsory acquisition of the whole year's production, whereupon the Commonwealth purchased it and negotiated a fee with CSR to have the crop refined. The Commonwealth then marketed the refined products, having retained ownership of the goods throughout the refining process. CSR's margin therefore became only what were calculated to be justifiable refining costs. The agreement was given legal status through the passage of the *Queensland Sugar Acquisition Act, 1915*.¹⁸

Later in the year the *Regulation of Sugar Cane Prices Act, 1915* established mechanisms for setting differential prices. This was necessary to take account of varying cane

¹⁷See D. Shogren, "Agriculture 1915-29" in *Labor in Power*, pp. 180-181.

¹⁸A form of these arrangements remains in force today, the crop now being sold by direct negotiation between the Queensland Government and the refiners, without the involvement of the Commonwealth.

quality, distance to mills, and other purely local conditions, in order to determine a standard 'fair' profit margin for growers and to settle disputes arising out of the arrangements. This second piece of legislation set up a Central Sugar Cane Prices Board to determine general pricing policy and a system of local boards to make rulings in individual cases. These boards were made up of representatives of the judiciary, farmers, millers, Government bureaucrats and technical experts. As with many Ryan Government initiatives, considerable discretion in defining the operation of both these pieces of legislation was reserved for Orders by the Governor in Council and for Regulations, thereby avoiding scrutiny and possible obstruction by the Legislative Council.

These two Acts served as a model for Labor's subsequent agricultural interventions. Included among the provisions were mechanisms for:

- (a) creation of State product marketing monopolies;
- (b) compulsory acquisition of crops;
- (c) establishment of price maintenance pools;
- (d) imposition of minimum pricing;
- (e) incorporation of producers' organisations into the State bureaucracy;
- (f) formal recognition of farmers' organisations as legitimate industry controlling bodies; and
- (g) encouragement of farmers' co-operatives.

This model for intervention was to guide Labor agriculture policy over most of its ensuing years in office. Politically, Ryan's prompt intervention in the sugar industry had far-reaching results. First, Labor had proven its *bona fides* in rural policy by acting swiftly on promises to cane farmers and legislating to remove their prime grievance. Second, the intervention had demonstrated to a skeptical electorate that profound state intervention in a major market could hold benefits for both producer and consumer. The anti-Labor Legislative Council allowed the legislation to pass despite its economic interventionism, although concerns were

voiced.¹⁹ Third, the free market dogma held by conservatives to be self-evident and immutable - namely that free markets delivered the product through the most efficient production at the lowest possible price - was shown to be flawed: free markets could operate counter to the public good. Fourth, Labor had acted to support private land use and had allied itself to a group of employers, albeit a group of petty bourgeois rather than the cigar-smoking capitalists caricatured in the pro-Labor press. As with the State enterprises, Labor was at its most effective and energetic in assaulting the dysfunctional market operations of private monopolies rather than the walls of Fort Capitalism itself. The rural petty bourgeoisie, elevated by Labor rhetoric to the status of honorary workers, were granted price support and market control in the same spirit that workers were given enhanced access to industrial arbitration: the farmers were entitled to a 'fair' profit in the same way that workers were entitled to a 'fair' wage.

Socialism and alliance policy

Small-scale owner farming was perceived by Labor as having a socialist character. The relations of the farmer to the productive process appeared little short of ideal, especially where co-operative ownership of plant was in evidence: farmers owned their means of production; no coercion was used in the social relations of production on the family farm; farmers appropriated their own surplus and controlled its use. Moreover, the farmers' product constituted a major generator of export income and so small farming seemed to be an appropriate base for the Queensland economy. Converting 'waste' land to profitable use was a prime example of praiseworthy economic 'development'. Farmers, unlike pastoralists, were able to populate the vast tracts of land which were Queensland's most obvious assets while carrying on this socially useful labour.

¹⁹*QPD*, Vol. CXX (1915-16), pp. 284 ff. A division on an amendment moved by P. J. Leahy (Country) to delete clause 10, viz. "The operation of this Act may at any time... be extended by the Governor in Council so as to authorise the acquisition of... any foodstuffs, commodities, goods, chattels, livestock or things whatever..." was resolved in the negative, a majority of members expressing the opinion that wartime conditions necessitated wide Government powers. This Act was used in the 1919 Townsville strike to confiscate firearms, as was seen in Chapter 1.

Labor was thus emboldened to claim an **identity** of interest between its worker and farmer supporters: both workers and farmers engaged in actual value-adding labour and thus were subject to exploitation by the same class of non-working capitalists who derived their profit from buying and selling - profit upon alienation. Theodore summarised Labor's claim of worker-farmer identity as follows:

No one has a greater claim to be regarded as a worker than the man who tills the soil; and no one is more entitled to participate in shaping the policy and governing the affairs of this State than the members of that great and influential class. The farmer is the mainstay of our civilisation and the most indispensable worker in the community.²⁰

Admittedly, many farmers employed labour, particularly in harvesting, thereby expropriating a surplus from the labour of others. The prevailing conditions, however, made this appear a benign process. The seasonal workers so employed, for example cane cutters, tended to work in co-operative gangs whose conditions were, moreover, the subject of scrutiny and improvement through the revised arbitration system (see Chapter 1). Such seasonal workers, besides enjoying the conviviality of equal relations within the gang, would receive enough pay at the end of a contract to make good use of the ensuing period of leisure - or so it was assumed. Many of these workers were in any case itinerant, moving interstate at the conclusion of the Queensland cane season to take advantage of other harvests, thereby rendering themselves marginal Queenslanders, partially disenfranchising themselves within the AWU and cutting themselves off from the Queensland labour movement mainstream. Ray Lawler's play *Summer of the Seventeenth Doll*, which has been critically acclaimed for its accuracy, portrays the canecutter's life in the off season as consisting of spending up in the southern States the proceeds of the contract cheque. Small farmers on modest incomes appeared to be as unlike bondholding capitalist exploiters of labour as were the labourers employed to gather the harvest.

Further, Labor's perception of farming as a wholesome and economically viable way of life made it look to farming as a remedy for workers trapped in the exploitative relations of

²⁰E. G. Theodore, address to Laidley farmers, Laidley, 21 February 1922. Reported in *QAJ*, April 1922, p. 193. Hereafter cited as "Laidley address."

capitalism. Little capital was required to establish a small farm in the days before intensive mechanisation of agriculture. Labour was the main factor in getting a farming enterprise under way - clearing the land, planting and tending crops. The 'national interest' of economic and population growth could cheaply be advanced if opportunities were made available for workers to go on the land. If the ranks of farmers were swelled by former workers organising themselves in agrarian co-operatives, Labor's notions of socialism could also be realised. As Gillies, the then Secretary for Agriculture and Stock, noted in 1919:

There are many men who desire to leave the labour market and become their own masters, which is a very laudable desire, and one that should be encouraged.²¹

He was introducing what became the *Co-operative Agricultural Production and Advances to Farmers Act Amendment Act, 1919*, which provided for advances to *bona fide* co-operative enterprises of amount not exceeding two-thirds of the capital needed to set up processing plant (for instance, a butter factory). Individuals were made eligible for interest-free loans of, for example, up to two hundred pounds over seven years to erect a grain silo. Such advances were dependent on the farmer's membership of a co-operative. 'Farmer' was also redefined to include recent selectors whose lands were not yet cleared and producing, thus providing an incentive for recent entrants to farming to join co-operatives so as to qualify for State loans at concessional interest rates.

The Alliance and legitimacy

The perception of a natural alliance between workers and farmers was uncritically held by those in the Labor leadership. The ambitious legislative program introduced in the early years after 1915 was directed to cementing this alliance more than to any other single goal. Ryan's first Address-in-Reply as Premier contained the following observation:

²¹*QPD*, vol, CXX (1915-16), p. 44.

Throughout the late election, from almost every platform from which I and the members of this Party addressed public meetings, we pointed out that the true alliance - **the foundation of sound government** - was an alliance between the primary producer and the industrial worker.²² (Emphasis added)

Labor was at this time prepared to concede the existence of an inevitable conflict between worker and capitalist inherent in the wage system (see Chapter 1). Conflict between worker and farmer was however seen by Labor as an illusion born of 'Tory' propaganda. Farmers and workers were the classes producing wealth; capitalists, merchants and squatters merely skimmed off the wealth produced by others taking no direct part in the labour process.

This denial of conflict between the two numerically dominant classes of Queensland is the basis of a claim to represent 'the people' as a whole, which is the implication in Ryan's reference to the alliance as "the foundation of sound government". Radical reformist governments like the early Labor administrations are concerned to rebut the accusations of illegitimacy which tend to be levelled by those who have formerly held power and whose position is under threat. For example, even the ameliorative welfare and workers' compensation programs introduced by Ryan relied for their justification on assumptions about prevalent inequality, unfreedom, and absence of individual responsibility which 'common sense' would seek to deny, since all citizens are held to be equal before the law. The social relations of the market place and the polling place are assumed to be free and equal. This is fundamental to the amalgam of ideas in which common sense perceptions about political legitimacy consist: noone is forced to sell or to buy labour or commodities, no citizen has a greater right to elect political representatives than any other citizen, and the elected government has the legitimate right to represent the whole population of the state. Labor's worker-farmer alliance, then, was the basis for a counter claim to legitimacy. The former wielders of governmental power had to be portrayed to the electorate as representatives of sectional, anti-popular interests, whose policies would foment social conflict. In other words, they were not legitimate representatives of the people. The Labor Party, on the other hand, claimed to represent the wealth-creators and transcended traditional class boundaries.

²²Laidley Address, p. 4.

Later in the same debate, another Labor member (McPhail, Windsor) summed up this ALP claim to political legitimacy:

The Labour Party view things from a national standpoint, and while they have been brought into being for the purpose of assisting those who are down-trodden, at the same time, now that they are in power, they are not here for the purpose of simply putting one set down to elevate the other, but rather to bring about a juster and more equitable state of things than existed in the days gone by... We have no objection to the producer getting a fair price for his commodity. At the same time we realise that the consumer is always ready to pay a fair price for what he consumes. But what we do object to is the actions of those who come in between.²⁹

The industrial working class was not the mass of the Queensland electorate, but the traditional Party of the working class was nevertheless represented as the Party that identified with the interest of the broad mass of Queenslanders. Inequalities and injustices are admitted to exist, and are the subject of the reform program, but are now said to result from mercantile distortions of markets rather than from the very existence of those markets. The speaker resiles from any challenge to the legitimacy of the labour market, any challenge to the fundamentals of capitalism. The greed of the **profiteering** merchant who profits on alienation is held to create the conditions of social conflict rather than the wage system itself. The family entrepreneur seeks a 'fair' return on investment of his own labour as well as his capital, the worker a 'fair' wage. A new and illegitimate parasitical group, represented by the non-Labor parties, is held to be responsible for the creation of manifest inequality.

As seen in Chapter 2, the profiteer was the target of a campaign of popular abuse from both sides of Australian politics during and after the Great War. This has been described by some as a ploy engineered by conservatives wishing to lower wages and increase working hours while appearing even-handed.²³ Queensland Labor had a broader ambit in mind for taking up the cudgels against profiteering, and used a wider variety of weapons than the 'symbolic legislation' enacted elsewhere. The explosion of state enterprises canvassed by Labor under this rhetoric, for example, was not the kind of thing conservative forces had in mind. Local capital in Queensland was concentrated in mercantile rather than manufacturing or finance operations - for example CSR's processing and marketing activities and Burns Philp and T.C. Beirne's trading businesses.

²³McQueen, "Shoot the Bolshevik! Hang the Profiteer!" ; B. Berzins, "Symbolic Legislation: The Nationalists and Profiteering in 1919", in *Politics*, Vol. VI, N^o1 (May 1971), pp. 42-52.

Thus attacks on mercantile profiteering were closer to the heights of local capitalism in Queensland than elsewhere.

Labor leaders were nonetheless careful to avoid direct attack on the legitimacy of the family entrepreneur's profit, since the Party's successful worker-farmer electoral alliance strategy had drawn into Labor's following a large group of such entrepreneurs - the farmers. Labor anti-profiteering rhetoric thus portrayed the 'middle man' as the common enemy of farmers and workers, as the source of food shortages and hyper-inflation and the skimmer of the honest farmer's profit margin. As McQueen has observed, profiteering and working-class radicalism (especially that of the IWW) were linked together by the conservative rhetoric of the time,²⁴ Revolutionary syndicalism was not in good odour with the avowedly parliamentarist Labor Party in Queensland either, but the linkage between profiteering and radicalism was not characteristic of Labor rhetoric. The anti-conscription Labor Party was not wholly convinced by claims being made that the war was being prosecuted in order to extend democracy when there were such visible great beneficiaries of the conflict close at hand. If the war was being waged to help the common man, then Labor leaders were keen to see the benefits from increased demand for Queensland products passed on to him sooner, rather than later.

The edifice of political legitimacy fabricated by Labor can thus be seen, as Ryan affirmed, to rest solidly on foundations constructed by the alliance. The main elements are (1) a claim to represent the people as a whole, hence to be the keepers of Queensland's 'national' interest; and (2) the identification of the political opposition as representatives of divisive sectional interests, in particular the interests of profiteers. Anti-profiteering rhetoric in Queensland was not used as elsewhere in Australia to divide and confuse the labour movement, but as the justification for State intervention in a range of markets in order to challenge the market control exercised by local capital. Agricultural markets saw the most thorough interventions under Labor as a consequence of the alliance electoral strategy pursued by the Party to gain and retain office.

²⁴McQueen, "Shoot the Bolsheviki! Hang the Profiteer!", pp. 195-200.

The Alliance as populism

This alliance strategy to forge consensus, retain electoral dominance and so construct a foundation for Labor as the legitimate party of office in Queensland looks very much like a species of populism. A useful taxonomy of populism is to be found in Margaret Canovan's theoretical analysis of the subject, according to which Queensland Labor's position could be characterised as "Populist Democracy".²⁵ Queensland measures such as the *Initiative and Referendum Bill*, 1917, which, if passed, would have provided for mandatory referenda where a certain number of signatures could be collected on any issue, are mainline examples of Populist Democrats in her sense. Labor appealed to the people; Labor was anti-elitist. Labor therefore satisfies Canovan's nominated prime criteria of populism (p. 294). The question which must be asked here is whether a characterisation of Queensland Labor as 'populist' or any variant thereof adds anything to the analysis. Canovan herself questions the usefulness of populism as an umbrella concept, observing that "one thing is certain: if the notion of 'populism' did not exist, no social scientist would invent it: the term is far too ambiguous for that" (p. 301).

'Populism' fails to characterise any particular political platform or ideology. In its appeal to the indivisible people as prime rhetorical device, however, the populist political movement distinguishes itself from consciously class-based parties which rely for their appeal on notions of social conflict. 'Populism' tends to be used in discussion of the Australian Labor Party to describe platforms or social analyses propounded within the Party which derive their power from appeal to popular prejudice or which invoke simplistic theories about the origins of social inequity. New South Wales Premier Lang, for example, has been described as a populist for his extravagant 'money power' conspiracy economic theories which helped to confuse the Australian labour movement about the nature of the Depression crisis, weakening the Federal Labor Government at a

²⁵M. Canovan, *Populism* (London: Junction Books, 1981), pp. 172-224.

time of already considerable strain.²⁶ In this sense, populism is used to denote radical-sounding Labor policies which by virtue of their appeal to false social analyses divided, confused or weakened the labour movement. Populism therefore implies a set of ideological blinkers rather than any particular set of policies.

Queensland Labor's legitimating strategy, as has been seen, posited the notion of a worker-farmer alliance which backed the Party's claim to represent the people as a whole. Chapter 1 has shown that the practice of Queensland Labor in government was at times directed against the organised labour movement when labour's interests conflicted with those of farmers and so threatened the harmonious alliance propagated by Party ideology. This pattern was also, as is shown here, reflected in favoured treatment afforded farmers through the use of State power to advance their economic interests. To the extent that this pattern was opposed to the 'objective' interests of labour, a characterisation of Queensland Labor as populist carries explanatory power.

Growth of rural corporatism 1915-1930

This Chapter has already suggested that the *Sugar Acquisition and Regulation of Sugar Cane Price Acts*, 1915, go to make up an experimental model in market interference and rural corporatism. Moreover, the Acquisition Act had an ambit that extended beyond its point of departure in the sugar industry. It gave the Government wide powers of intervention by granting it authority to acquire compulsorily any commodity whatever (s. 10).. The *Regulation Act* established arbitral mechanisms for determining prices and profit margins, with express provision for election of growers' and millers' representatives to local and central Boards along with government-appointed technocrats, bureaucrats and judiciary to determine the prices canegrowers received for their produce. Coercion was available within the Act (s. 12) to ensure that, for

²⁶Frank Farrell, "Dealing with the Communists 1923-36", in Heather Radi and Peter Spearitt (eds), *Jack Lang* (Sydney: Hale & Iremonger and *Labour History*, 1977), pp. 49-68; John Iremonger, "Cold War Warrior", in *ibid.*, pp. 227-248; Peter Love, *Labour and the Money Power: Australian Labour Populism 1890-1950* (Melbourne: MUP, 1984), pp. 181-191.

example, millers could not refuse to buy and process cane at Board-determined prices. Costs of Board operations were defrayed by a levy of one penny per ton raw cane delivered at mill.

The significance of these moves was manifold. Farmers benefitted not only from increased, stable and guaranteed prices, but also from the direct political and economic authority conferred by their incorporation in the Boards. Farmers' incipient proletarianisation through the restrictive trade practices followed by the refining cartel appeared to have been arrested. The refiners had manipulated domestic prices by speculating on the export market while holding down prices to canegrowers. All this was now brought down to a conscionable level. In the one action Labor had demonstrated both a legitimate form of market intervention and an efficient corporatist economic management structure.

The pattern of intervention established with sugar was repeated later in 1915 in the dairy industry where milk processors were alleged to be exporting butter to Southern States, again creating local shortages.²⁷ The Queensland Government circumvented this practice by compulsorily acquiring most of the State's butter production and acting as a wholesaler for retail outlets. This process was only followed on a large scale in the 1915-1916 year. Once the Labor Government's resolve to act had been demonstrated, the restrictive practice ceased permanently. The dairy case was like the sugar precedent in that compulsory acquisition was employed against anti-social cartel arrangements. But the temporary nature of the measures and their application to manufactured rather than raw commodities reflected the administrative difficulty of intervention in the dispersed and disorganised dairy industry. The dairymen nonetheless appreciated the effect of the intervention and returned control of their marketing to the State under the system established in the 1920's, as will be shown (see Table 3.3).

The State enterprise mechanism was for Labor in 1915 the preferred alternative to direct market regulation as a means for exercising control over domestic food commodity markets to limit cartel operations. The State enterprise mechanism avoided the hostility that could be

²⁷*QPD*, Vol. CXX (1915-16), pp. 754-755.

expected from the targets of coercive interventions. As has been shown in Chapter 2, the State enterprise mechanism had the added advantage of appealing to socialist elements within the Labor Party without presenting any genuine challenge to capitalist structures. Nonetheless, conservatives regarded the enterprises with horror, the *Courier* describing Labor State enterprise policy as "almost from end to end a tissue of misrepresentations, of false innuendo, and of demagogic clap-trap."²⁸

While the State enterprises appeared to conservatives as dangerous socialist initiatives, they were marginal from the farmer's point of view in that they did not interfere with the market structure. For the farmer, the ostensible effect of State enterprises' market intervention was limited compared to corporatist market controls on the sugar model. So, as the enterprises went sour commercially, market controls on the sugar lines began to become a more attractive proposition for a Labor Party in government in an electorally precarious position. The corporatist structures for cane farmers remained for some time a special case. Labor was quite happy to preach the benefits of its agrarian program, but would not during Ryan's Premiership foist corporatist market controls on unwilling primary producers.

Little expansion of 'agrarian socialism' was forthcoming until after Peace in 1919. Prime Minister Hughes in 1915 had formed a Commonwealth Wheat Pool on which the Commonwealth and all wheat-producing States except Queensland were represented. At the beginning of 1915 Queensland had been the only non-Labor State, and Hughes had led a Labor Commonwealth Government. Moreover Queensland, although self-sufficient in wheat, was a small wheat producer relative to Western Australia, South Australia and New South Wales so there were non-partisan reasons for Queensland's exclusion from the Board, especially in wartime conditions. By 1920 the Queensland wheat industry had further deteriorated,²⁹ when the Commonwealth Pool altered its domestic pricing policy so as to demand world parity pricing, thus drastically increasing the cost to the Australian consumer. The Queensland Government objected

²⁸*Courier*, 6 July 1917.

²⁹Production had declined from 1,975,505 bushells in 1911 to 311,568 bushells in 1919. In 1920 production of wheat grain rose to 3,707,357 bushells: *Queensland Statistics*, 1920, p. 19K.

to this move, pointing out that Queensland could have (but did not) pursued a similar line to its advantage in the case of sugar in 1915. Queensland's objections fell on deaf ears.

The Theodore Government's reaction was to attempt to establish a viable wheat-growing industry in Queensland on the controlled market lines used successfully for sugar. Both wheat growers and the parliamentary Opposition were enthusiastic about the idea of Queensland-based orderly marketing for wheat,³⁰ and the *Wheat Pool Act*, 1920, was passed without delay.³¹ The wheat scheme created a Board, on similar lines to the existing Sugar Board, to oversee pricing, quality control and marketing. Queensland wheat growing country was concentrated on the Darling Downs³² so there was no need for a proliferation of local boards like those for sugar. Again, in the flour milling and stock feed processing industries to which wheat flowed, there was no counterpart of the sugar processing cartel, so there was no need for wholesale acquisition of the crop on the sugar model.

Politically, the Queensland *Wheat Pool Act*, 1920 was not able to yield the same electoral dividends for Labor as had the earlier sugar legislation. The Darling Downs traditionally returned non-Labor Members, and (as Table 3.1 shows) the wheat farming community was in any case not a significant proportion of the total farming population. The Wheat Pool scheme did not change this traditional arrangement, especially since the Opposition made it a bipartisan matter. Sensitive to their Darling Downs electoral heartland, the Opposition in fact took the initiative in making representations to the Government calling for the establishment of the Wheat Pool. In this way it portrayed itself convincingly to the wheat farmers as the sponsor of the ensuing legislation.

³⁰See Shogren, pp. 185-186.

³¹By this time the Opposition had lost the ability to obstruct legislation in the Legislative Council through the appointment by Labor Speaker and temporary Lieutenant Governor Lennon of sufficient Labor MLC's to control the Upper House. The new Members took their seats in the session 1919-20.

³²Out of Queensland's total of 177,320 acres given over to wheat grain cultivation in 1920, 160,576 acres was in the Downs statistical division: *Queensland Statistics*, 1920, p.15K.

The Labor Party was concerned that the Opposition parties should not weaken the electoral alliance by taking credit for such initiatives in the future. The narrow win in the 1920 election heightened this concern, and accordingly Labor determined that the extension of corporatist market control scheme on the sugar model should receive priority treatment. During debate on the legislation, while Opposition members took credit for the move on wheat, Government speakers emphasised their commitment to orderly marketing arrangements for the gamut of food products.³³ Much of Labor's rhetoric was couched in terms of equitable prices for consumers and this was clearly meant for the ears of Labor's working class constituency. Unemployment was on the rise and Theodore was already considering the Public Service wage cuts introduced a few months later (see Chapter 1). Price control would sweeten the blow. Agrarian interventionism became at this time the main instrument for maintaining and extending the worker-farmer alliance and bolstering Labor's failing electoral stocks.

Non-Labor Parties and the development of Labor agricultural policy

Another consideration at this time for Labor policy-makers was a desire to foment division in the ranks of the non-Labor parties. Increases in pastoral rents since 1915 had raised the ire of many graziers, and in January 1919 the United Graziers' Association (UGA) intervened in the political arena to stop the rot. The UGA's mechanism for this was the establishment of Primary Producers' Union (PPU) embracing the less moneyed Queensland Farmers' Union, which represented dairy farmers and wheat growers of the South East, and the United Cane Growers' Association which represented the cane farmers of the Central Coast. The UGA supplied both the impetus and the funds for the new body.³⁴ Because of the public membership of the other bodies, the PPU could be represented as speaking for a wide range of rural interests rather than merely for graziers who appeared to the public as an already privileged group.

³³QPD, Vol. CXXXVI (1920), pp. 171-214.

³⁴B. D. Graham, "Graziers in Politics, 1917-1929", in A. Barnard (ed.), *The Simple Fleece: Studies in the Australian Wool Industry* (Melbourne: MUP, 1962), pp. 592-601.

Through the PPU, the UGA moved to restructure the non-Labor parties away from the electorally unpopular image of disunited 'silver-spoon high Torydom' towards a united broad-based front with strong local constituency organisation.³⁵ The formation of a re-vamped Country Party in July 1920 with a breakaway parliamentary core led by W.J. Vowles was part of the move to broaden anti-socialist appeal in rural areas and so maximise the non-Labor vote.³⁶ At the insistence of the UGA, the PPU reached an arrangement with the National Democratic Council (NDC) to fund candidates in urban electorates, although such a move was opposed by the strongly country-oriented Queensland Farmers' Union and United Cane Growers' Association components of the PPU. The PPU's move into wider politics also created the conditions for democratising the structure of the National Union, the body which selected Nationalist candidates and managed campaigns.³⁷ This body had formerly consisted almost exclusively of large contributors to campaign funds rather than rank and file Nationalist supporters.

The anti-Labor pastoral forces blotted their work in building up the conservative parties into popular organisations, however, through their association with the notorious 'stinking fish' delegation in 1921. The pastoral companies, aided by conservative allies particularly at the Federal level, sent a delegation led by former Premier and magnate Sir Robert Philp to ask the City of London to deny loan moneys to the Queensland Government unless it agreed to reduce pastoral rents. Theodore refused to submit to the policy dictates of foreign financiers and as a result he did in fact have to forego the loan, although he was able to negotiate a more expensive loan on the New York financial market later in 1921.³⁸ Against this background and the need to come to terms with the electoral losses of the 1920 election a by now impecunious Labor Government was forced to make concessions to the demands of pastoral interests. This experience also impelled Labor to attract more farmers into the alliance fold. The political success of the

³⁵See also B. Schedvin, "E. G. Theodore and the London Pastoral Lobby" in *Politics*, Vol. VI, N^o 1, May, 1971, pp. 26-41, especially footnote 30.

³⁶See J. Jupp, *Australian Party Politics* (Melbourne: MUP, 1964), p. 152.

³⁷Schedvin, pp. 29-32 and footnotes 30 and 33.

³⁸Seven percent at ninety-nine, compared with about five percent then ruling in London. Although favourable exchange rates reduced the cost somewhat, the loan was widely perceived as an unnecessary expense: Schedvin, pp. 35-37. See also V. G. Childe, "A Labour Premier Meets His Masters", in *Labour Monthly*, Vol. VI, N^o 5, May 1924, pp. 282-285.

policies thus engendered was demonstrated in 1922 when the UGA decided it had no further need to involve itself in party politics, and pulled out of the PPU. Deprived of its main source of funds, the PPU fell back on the National Union, thus sacrificing its independent image. By 1925 the fiction of a separate Country Party was abandoned by amalgamating the National Union's subsidiaries to form the Country and Progressive National Party (CPNP).³⁹

Rural corporatism - the Theodore initiatives

The conciliatory Labor initiatives made their public appearance when in February 1922 Theodore announced a bold plan to extend agrarian corporatism to practically every agricultural market in the State (the exception was wool). Said Theodore:

In Queensland we have passed the gold era, and have not yet begun a manufacturing era; but we are on the threshold of a great agricultural era. We have been endowed by Providence with a wonderful heritage - a land which is richer in natural resources, climate and fertility than any other undeveloped country on earth. It is to agriculture, and to the industries dependent on agriculture, that we must turn our attention in formulating future policies... An agricultural policy, to be effective, must include proposals dealing with all of the following topics; these would constitute some of the leading planks of an agricultural programme:-

1. Co-operation.
2. Pools.
3. Advisory Boards for the different sections of the agricultural industry.
4. Agricultural education.
5. Main roads.
6. Extension of social amenities to rural life.
7. Opening land for settlement.
8. Representation abroad to promote trade for primary products.⁴⁰

A platform along these lines was proselytised at successive industry conferences organised by the Department of Agriculture and Stock over the following months. An interim Council of Agriculture was set up as a first step, to give detailed advice to the Government and to confer with farmers' associations.

The detailed proposals as they emerged included the incorporation of all farmers in Queensland into a statutory body to be known as the Queensland Producers' Association. The

³⁹Graham, p. 598.

⁴⁰Theodore, Laidley Address, p. 195.

tiers of this organisation were to include Local Producers' Associations, District Councils, and the Council of Agriculture. The Association was to receive Public Service secretarial and expert support. The Council of Agriculture was to be like the interim Council in having direct access to Government. The organisational moves to establish the Association were put in train straight away. Elections for representatives at all levels were held during the period of discussion and even before the introduction of the enabling legislation.

Advisory councils were established on an industry as opposed to a regional basis, for the purpose of recommending market control initiatives. Where statutory intervention was recommended, farmers within that industry were to be required to vote in a referendum to determine whether it should proceed. Further, any such intervention would be subject to 'sunset' clauses of periodic review and to recall where enough opposition was demonstrable. The consensual and participatory approach evident in this format was tested in late 1921 prior to the proclamation of the *Cheese Pool Act*, 1921. As with the earlier Wheat Pool legislation, the Government had brought on a Bill following representations from dairy farmers' organisations. The Act was not proclaimed, however, until a poll had been conducted among relevant farmers which revealed ninety-one percent support (See Table 3.2).⁴¹

The various industry conferences and meetings addressed by Theodore and Minister for Agriculture Gillies during 1922 greeted the proposed consultative and legislative processes with great enthusiasm.⁴² The Government was, after all, effectively granting to any industry group of farmers the right to control their own markets with the backing of State coercive powers, and was giving to farmers as a class a privileged and leading role within the State apparatus. Yet nothing was to be foisted on any unwilling group of farmers, nor would any scheme entered into be irrevocable. Government funds would be available for establishment costs so that only continuing costs would be levied on the market.

⁴¹See also Shogren, p. 187.

⁴²For example, *QAJ*, April 1922, pp. 145 ff..

Labor's corporatist strategy in essence set out to create for farmers within the agricultural sector a separate locus of political and economic power, parallel to but dependent for legitimation on the State's executive and legislative structures. Political manoeuvring or pressure activity by farmers' organisations would be diverted into what was for the Government an electorally harmless arena: farmers' grievances were now to be directed to the organs of the Queensland Producers' Association. Administrative structures with direct links to the State bureaucracy were established to supercede and make formal what had previously been non-governmental organisations.

Armed with the enthusiastic support of industry conferences, the Labor administration proceeded to enact its plans in the latter half of 1922. This timetable allowed enough leeway for the new instrumentalities to become fully operational well before the next election. The session of 1922 was replete with agricultural legislation introduced to enact the new measures. The *Queensland Agricultural Journal* noted with unintended irony that "the third session of the twenty-second Queensland Parliament may well be regarded as a distinctly agricultural assembly."⁴³

This legislative program was given added impetus by a deterioration in Labor's control on the floor of Parliament when a Labor MLA defected to the Country Party, leaving Labor with a majority of one.⁴⁴ The Opposition, concerned about the appeal of Labor's agricultural policies to farmers, saw this as an important chance to unseat Labor. An attempt was made by two journalists close to the conservative camp to bribe another Labor MLA, one Frank Brennan, in an effort to engineer a further defection and bring down the Government. Unhappily for the would-be seducers, Brennan had alerted the police, who were in an adjoining room trying

⁴³*QAJ*, August 1922, p. 119.

⁴⁴See D. J. Murphy, "Edward Granville Theodore: Ideal and Reality", in *Queensland Political Portraits*, p. 321.

notes.⁴⁵ Sadly for Opposition tacticians, this incident took place the day before a no confidence debate in the Parliament, allowing Theodore to exploit the situation to maximum advantage.⁴⁶

Unflustered by this debacle, the Opposition, contrary to parliamentary tradition, refused to grant pairs for absent and sick Labor members. Theodore responded in like manner, indicating that no chicanery would deflect Labor from its legislative path. In the words of the then Clerk of the House:

Thereupon (Theodore) sent his two heaviest weights downstairs and ordered them to bring up the sick Gledson - dead or alive. He would vote him breathing or breathless, for there was nothing in the Constitution Act to prevent a dead member from voting so long as he had not been actually buried and his seat declared vacant. It was a very sick and emaciated man who was carried in, swathed in blankets and removed from side to side of the House according as necessity arose from him voting 'Aye' or 'No'. And to make matters more spectacular, a member of the Government party constructed a large red cross and hung it over the head of the sick member.⁴⁷

This farce was only ended with the passage of the *Legislative Assembly Act Amendment Act*, 1922, which allowed the casting of proxy votes on behalf of sick members. Fed up with Opposition tactics, Theodore subjected the Legislative Council to a similarly final solution with the passage of the *Constitution Act Amendment Act*, 1922, abolishing it.⁴⁸

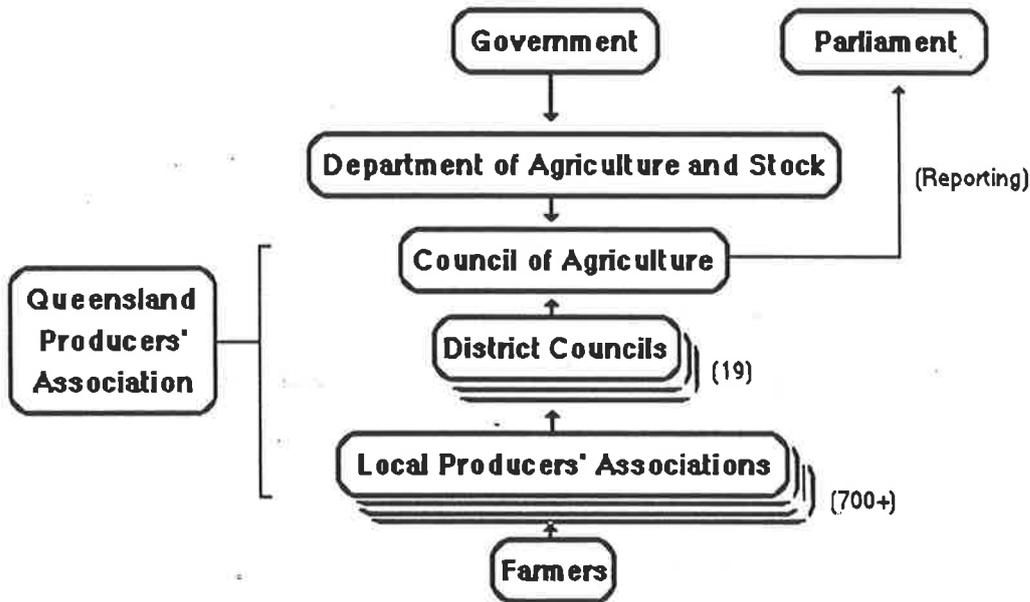
⁴⁵Bernalys, *Our Seventh Political Decade*, pp. 18-21.

⁴⁶Brennan's loyalty was later rewarded by elevation to the Supreme Court bench. One of the journalists involved, Sleeman, allegedly went on to become the editor of a pornographic magazine, a confidant of Jack Lang after the New South Wales split, and finally a Japanese spy: Communist Party of Australia (Queensland), *Judge Brennan Exposed* (Brisbane: *Queensland Guardian*, 1945).

⁴⁷Bernalys, *Our Seventh Political Decade*, p. 18.

⁴⁸Labor had achieved a majority of members of the Legislative Council through the stratagem of appointing a Labor Lieutenant Governor in the interregnum caused by the departure of the previous Governor, then appointing enough new MLCs to ensure an indefinite majority. These Labor MLCs were dubbed the 'suicide squad' on account of the Party's policy to abolish the chamber and they were indeed required to vote to abolish their own sinecures.

Table 3.2

Structure Under *Primary Producers' Organisation Act, 1922*

The main agricultural Bill passed in this session was proclaimed the *Primary Producers' Organisation Act, 1922*, which created the statutory Queensland Producers' Association and Council of Agriculture structures described earlier. The organisational structure and its relation to government is shown in Table 3.2. Before the year was out the Government appointed one L. Macgregor, at the highest salary then paid to a public servant, to the position of Director of the Association created under the Act.⁴⁹ The Council of Agriculture, consisting of one representative from each of the nineteen District councils and five government representatives, immediately set about developing a legislative program. So taken was the Council with the idea of corporatist structures that most of its early recommendations concerned the creation of further such bodies. Early legislation generated by Council recommendations included the *Primary Producers' Co-operative Associations Act, 1923*, and the *Fruit Marketing Organisation Act, 1923*.⁵⁰ The former gave additional statutory support to farmers' co-operative trading companies while the latter established complex electoral arrangements for the appointment of a Committee of Direction of

⁴⁹Shogren, p. 188.

⁵⁰D. Blackmur, *The Primary Industries of Queensland 1919-1929: A Study in Policy* (B. Econ. Thesis: University of Queensland, 1965), p. 31.

Fruit Marketing (C.O.D.) to take over the wholesale marketing of all fruit produced in Queensland. The C.O.D. was preferred to the more usual pooling system because of the diverse and complicated nature of fruit production.⁵¹

The Council of Agriculture's drive to organise farm product marketing was aided by the *Primary Products Pool Act, 1922*, which provided for the establishment of a pool for any farm commodity where seventy-five percent of the farmers engaged in its production approved of the move. An early convert to the pooling system was the cream dairy industry, which as Table 3.4 shows, enjoyed spectacular export success under the new regime. The isolation of some of the mixed farmers in the North was seen to preclude central market organisation, and to overcome this regional pools were convoked. Thus were born the Atherton Maize Pool and the Atherton Pig Pool. Table 3.3 shows the establishment of the various pools together with the plebiscite results behind their establishment and details of the various reconstitutions.

⁵¹Fruit standards for sale together with monitoring mechanisms had already been established under the previous year's *Fruit Cases Act Amendment Act, 1922*.

TABLE 3.3

ESTABLISHMENT OF RURAL MARKETING BOARDS 1920-1929

COMMODITY	YEAR OF ESTABLISHMENT	GROWERS IN FAVOUR AT PLEBISCITE (%)
ARROWROOT	.....1923.....	.....100
ATHERTON MAIZE	.....1923.....	.....100
ATHERTON PIGS	.....1923.....	.....100
	Reconstituted..... 1926.....	.....100
BROOM MILLET	.....1926.....	.....100
BUTTER	.....1925.....	.....100
	Reconstituted 1928 .....	.....100
CANARY SEED	.....1925.....	.....75
	Reconstituted 1928.....	.....100
CHEESE	.....1922.....	.....91
	Reconstituted 1925.....	.....100
	Reconstituted 1927.....	.....100
COTTON	.....1926.....	.....100
EGGS	.....1923.....	.....87
	Reconstituted 1925.....	.....73
	Reconstituted 1926.....	.....66.75
PEANUTS	.....1924.....	.....100
	Reconstituted 1925.....	.....100
	Reconstituted 1926.....	.....90
WHEAT	.....1921.....	.....97.5
	Reconstituted 1924.....	.....89
	Reconstituted 1928.....	.....99

[Source: QPD, vol. CLI (1928), p.646; also quoted in D. Blackmur, *The Primary Industries of Queensland 1919-1929: a Study in Policy* (B. Econ. Thesis: University of Queensland, 1965).]

Another prime concern of the Council was the provision and systematisation of rural credit. Credit had, as has been noted, already been extended through schemes of advances to farmers and to co-operative societies made available through Government Departments. The Council was keen to see a more flexible and general approach through the creation of agricultural banking institutions with State support. Existing banks, lamented the Council, were loath to lend to farmers:

The merchant's advance is, as a rule, short term business, and as his stock is turned over quickly the bank's funds are turned over, often a practice the banks lay themselves out for... Agriculture requires finance for longer periods than the other commercial affairs. Moreover, hazards attendant on agriculture and the disorganisation of marketing have accentuated the difficulties.⁵²

⁵²QPP, 1923, Vol. 2, p. 170.

The Council recommended the establishment of a central bank to be administered by Government and elected farmers, backed by a system of local "co-operative credit societies", to be supervised, audited and assisted by the central bank. Initially, the central bank would make loans direct to farmers and co-ops, but as the local credit unions got off the ground, they would take over all but the largest-scale finance.⁵³

In this instance, however, the Government balked at the Council's advice. The Government's preferred option was for a single central Agricultural Bank, the funds for which would be found by amalgamating all existing agricultural advance scheme funds. Gillies's speech to the *Agricultural Bank Bill*, 1923, indicates that the Government had two main reasons for rejecting decentralised rural corporatism on this occasion. First, the Theodore Government was chary of creating another fiscal monster in a time of tight finances. As has been seen, the State's fiscal concerns stemmed from high public debt service charges, ailing State enterprises and the unwillingness of lenders to subscribe to his Government's loans. So-called Rural Bank schemes, similar to that advocated by the Council, were already operating in New South Wales and overseas. Gillies claimed that they were loss-making, reliant on volunteer labour, and capable of bankrupting whole communities, although little evidence was adduced for this contention. Second, Gillies made it clear that in this instance the farmers' demands were inconsistent with Labor principles: private (even co-operative) control of banking and finance was to be discouraged. "In fact, my opinion is that the Commonwealth should nationalise all the banks in Australia", he said, to cries of "Hear, hear!" from the Government benches.⁵⁴ It seems there were after all ideological limits to the Government's enthusiasm for the worker-farmer alliance.

Although its recommendations had in this instance been rejected, the Council did not falter in its interventionist role, nor did it shirk political controversy. In 1923-24 the Council appeared in the Arbitration Court to oppose the AWU farm workers' award submission.⁵⁵ The Government's AWU backers cannot have been happy about a semi-government instrumentality

⁵³*QPP*, 1923, Vol. 2, p. 200.

⁵⁴*QPD*, Vol. CXLII (1923), pp. 2197-2204.

⁵⁵*QPP*, 1924, Vol. 2, p. 194.

being accepted by the Arbitration Court as representative of private employers. If Labor was aware of any contradictions generated by the worker-farmer alliance strategy, however, it made no public display of this awareness.

Director of the Queensland Producers' Association Macgregor expressed the Association's goals as follows:

...the watchwords of this Council may be said to be "Educate", "Organise", and "Co-operate". The principle of compulsory co-operative marketing on the commodity basis has been in the forefront of the Council's policy, standardisation and stabilisation being consequential thereto, while organisation for efficiency in production is not being neglected.⁵⁶

By the end of the decade the Council had secured a number of measures towards the fulfilment of these goals. Boards established under the *Primary Products Pool Act*, 1922 controlled the marketing of most farm produce in the State, with the important exceptions of wool and meat (see Table 3.3). The higher reaches of agricultural education were entrenched by the establishment of a Faculty of Agriculture at the University of Queensland in 1926 (see Chapter 5).

Wool and wheat were egregious omissions from the orderly marketing program which has been labelled rural corporatism in this Chapter. Wool and meat were, with sugar, the most valuable rural commodities, wool being the largest single export of the State.⁵⁷ As primarily an export industry with its own system of exchange through centralised auction, the wool industry was not susceptible to the total market control mechanisms imposed for other commodities. Moreover, graziers were perceived, in their comparative wealth, as being net contributors to revenue rather than as beneficiaries of Government action. Their opposition to land settlement schemes, discussed later in this Chapter, placed them outside the orbit of the worker-farmer alliance. Indeed, rather than establishing market override and safety-net mechanisms for the pastoral industry, Labor policy was to insist on the unfettered operation of free markets.

For example, graziers, unlike other primary producers or manufacturers, had an imposed limit of £1,000 for carrying forward Income Tax write-offs from one fiscal year to the

⁵⁶QPP, 1924, Vol. 2, p. 200.

⁵⁷Queensland Statistics, 1930-31, pp. 22K-23K. See also Table 3.4.

next.⁵⁸ Agricultural Bank lending, which by the mid-1920's extended to an average of 1,300 loans per year totalling £500,000, was not made available to graziers.⁵⁹ Electorally, Labor could afford to neglect graziers since the pro-Labor rural proletariat dominated the populations of grazing constituencies.⁶⁰ Some critics of Labor agricultural policy in this period have argued that neglect of the grazing industry precipitated the premature onset of the Depression in Queensland. In this view it is critical that the wool producers, among the largest employers in the State, did not share the buffering provided for other farmers against the disastrous decline in agricultural prices between 1924-25 and 1928-29.⁶¹ It is true that the overall decline in Queensland exports occurring over the second half of the decade and into the Depression is almost wholly attributable to the decline in the value of pastoral production (see Table 3.4) At the same time it must be remembered that any remedial market support schemes initiated at the State level would have been both prohibitively expensive and ineffective. Wool, unlike other farm products, had only a small domestic market and Queensland was by no means the largest producer State. The introduction of, for instance, a floor price buffer or pooling scheme would have necessitated the State Government's buying up the whole clip. Even then other States could undercut any artificial price imposed by Queensland alone.

While the Queensland Government could not have held up the price of Queensland wool, it may be that it could have helped Queensland graziers to improve the productivity of their operations. This sort of thing was done effectively in other States. It is demonstrable that investment declines in Queensland during the 1920's led to a reduced Queensland share of the national clip. Sheep numbers remained fairly stable everywhere, but in other States clip size went up, whereas in Queensland it remained constant.⁶² In the absence of climatic or other differential conditions applying in Queensland but not in other States, it may fairly be

⁵⁸Blackmur, p. 103. States collected Income Tax in Australia until they settled the power on the Commonwealth during the Second World War. Attempts by the Fraser Commonwealth Government in the late 1970's to pass back some of the income taxing powers to the States failed for lack of interest on the States' part.

⁵⁹Blackmur, p. 59.

⁶⁰Labor held all ten central western and north western seats in all State elections from 1915-1926. In 1926, Labor held four of the ten unopposed. See Appendix 2.

⁶¹Blackmur, pp. 15, 98, 121. Wool fell from 25.69d/lb in 1924-25 to 15.66d/lb in 1928-29.

⁶²*Commonwealth of Australia Year Book*, N^o 23, 1930 (Melbourne: Government Printer, 1930), pp. 459-463.

concluded that low investment levels were the cause of Queensland's productivity lag during the 1920's. It may be that a mix of Government incentives and special banking arrangements would have prevented Queensland's falling behind in productivity. But such a move would have run counter to Labor philosophy and electoral strategy, and would have diverted State expenditure away from the economic and social programs the Party was pushing elsewhere.

In summary, Queensland Labor agricultural policy in the first period of office, and especially after the near defeat of the 1920 election, was characterised by the development of a host of corporatist structures for wielding State authority in the planning, financing, control and marketing of farm production. The development of these structures was a logical result of Labor's electoral alliance strategy for establishing itself as the 'natural', legitimate Party of office. The centrepiece of Labor's electoral success in the bush was its system of market control mechanisms under corporatist State-farmer management which became officially known as the 'Queensland System'.⁶³ The adoption of these policies enabled Labor to gain the electoral allegiance of many small farmers and to defuse or to deflect the disruptive potential of farmers' political organisation. Queensland's most important generator of export income- pastoral production - was isolated from this schema.

Elsewhere in Australia, the agricultural vote was more of a bloc with the Country Party the beneficiary of rural solidarity. Country interests as a whole, as against city interests, were supposedly represented by the Country Party. But in Queensland, at least at the level of State politics, the Country Party was successfully portrayed by Labor as the creature of the big landed interests, especially the 'squattocracy', while the Labor Party passed itself off as the political representative of the rural 'battler'.⁶⁴ The failure of the Country Party in Queensland in the 1920's to capture the small farmer vote forced an amalgamation with urban conservatives in order to sustain a credible Opposition to the Labor Party. The amalgamation did little to counter Labor's presentation of what was now the Country Progressive National Party as the political front of the urban and rural rich.

⁶³*Queensland Year Book 1940*, p. 172.

⁶⁴See Graham, p. 158.

Adjustments to the Queensland System

1925-1929 : after Theodore

The agrarian road to socialism in Queensland was not without its potholes. The initial, regionally based, structure of the Queensland Producers' Association was found to be unwieldy. Some industries complained of underrepresentation, while others, because of fortuitous concentration of their membership, were clearly overrepresented. Rational organisation would, it was claimed, be better served by restructuring the Association on an industry-weighted basis, thus mirroring the parallel commodity board system.⁶⁵ The Labor Government, sensitive to such criticisms, responded with the omnibus *Primary Producers' Organisation and Marketing Act*, 1926.

The Act was introduced by the new Minister, William Forgan Smith, who, like Gillies, was to progress from the Agriculture and Stock portfolio to the leadership of the Party. The 1926 Act replaced all previous legislation, but the only significant changes were in the organisational structure of the Queensland Producers' Association. As suggested, producers were now grouped and represented on an industry basis. The District Councils were replaced by Industry Councils which had direct lines of communication with their respective commodity Boards and frequently shared membership with them. The indirect electoral structure of the original Association was preserved. Local producers' associations were replaced by industry-based regional bodies who elected the central Industry Council. These in turn elected members of a Council of Agriculture on a proportional basis in a structure curiously similar to that of the trades union movement. It had wide public endorsement and was supported by the parliamentary Opposition.

Labor's electoral alliance strategy for continuity in government in Queensland continued to bear fruit at the 1926 elections where the Party was comfortably returned to office.

⁶⁵*QPD*, Vol. CXLVIII (1926), pp. 1058-1063.

Signs of contradictory elements in the strategy began to emerge later in the decade, though, when the interests of workers and farmers which the strategy treated as complementary came into conflict. The South Johnstone strike of 1927 (see Chapter 1) embroiled Labor in a bitter conflict between the unions and sugar farmers. Premier McCormack decided to support the farmers with all the power at the State's disposal in this dispute and used methods anathema to the labour movement such as hiring strike-breaking labour, locking out strikers, and mass dismissals. The Brisbane-based Trades and Labor Council (TLC) and the Australian Railways Union (ARU) in particular found themselves in opposition to and isolated from the Labor Government almost for the remainder of Labor rule in Queensland. The AWU supported the Government even though the strike had originated with its members, and thus preserved the appearance of labour movement unity behind the Party leadership. The disruptive effects of this conflict within the labour movement were, however, reflected in the defeat of the McCormack Government in 1929.

The experience of the Gillies and McCormack leaderships showed that for the worker-farmer alliance strategy to work in the longer term, conflict between the two classes of Labor supporters needed to be carefully suppressed. The corporatist structures which were subsumed under the umbrella of the Queensland Producers' Association needed to be kept at a distance from the policy-making centres of the Party in government. Labor had since 1915, as was shown in Chapter 1, avoided compromising the conflict mediation role of the State administration in its industrial relations policies by putting distance between itself and the union movement. The experience of the 1920's suggested that the same could be true of Labor's relationship with the farmers' organisational structures it had created.

As will be shown later in this Chapter, there were other mistakes made by the Gillies-McCormack administrations in making policy on the run and giving ad hoc injudicious concessions to groups who owed no allegiance to Labor's alliance. The defections of some core supporters from the ranks of both workers and farmers in 1929 (see Appendix 2) amply demonstrated to the new generation of Labor leaders the value of preserving the alliance at all costs.

Recruiting Farmers for the Alliance:
Land Settlement Schemes

There were two pillars of the worker-farmer alliance. The preceding sections of this Chapter have shown how farmers' political and economic interests were incorporated with the State apparatus through the Queensland System of rural corporatist marketing schemes. The other side to the alliance structure was the array of mechanisms affording workers the opportunity of becoming farmers themselves: soldier settlement schemes, closer settlement programs, irrigation works, land selection schemes, and rural infrastructure programs were designed to encourage agrarian population growth and to intensify land use by converting wage workers into farmers.

There had already been a long tradition of encouraging rural population growth in Queensland through free selection schemes and Closer Settlement legislation. Such schemes had experienced the difficulties attendant on similar schemes in other States. These difficulties included inadequate agricultural education of selectors, inappropriate land use, and the use of ploys like 'dummying' by squatters to frustrate the objective of setting up viable smallholdings by securing the best land to their large holdings.⁶⁶ The decades leading up to 1915 had witnessed the catastrophic spread of introduced ('exotic') plant and animal species, in particular the 'prickly pear' cactus and rabbits, which thrived on the low-density scrub which was the norm on pastoral and marginal mixed farming leases. This degradation of the land was a major economic justification for continued efforts at closer settlement.

The nineteenth century land settlement schemes had left as a legacy the system of leasehold tenure. Liberal administrations had been aware of the minimal improvements made to land by the early pastoralists. The squatters' efforts in opening up the land and establishing the

⁶⁶W. Ross Johnston, *The Call of the Land*, pp. 51-55.

beginnings of pastoral industries were legitimated through leasehold title, which gave them possession of the land but did not alienate the land from the Crown. The unalienated status of this land promised to enable painless resumption by Labor for new agricultural settlement; the State as lessor had a ready-made source of revenue in the form of rent; desirable land use could be encouraged through the leverage of rent.

The system of land tenure operating in 1915 had last been reviewed in 1905, when graziers had successfully petitioned for rent ceilings, arguing that this would enable them to recover from the drought of 1898-1901. The argument advanced at that time had been that capital could not be secured for renewal of leases in the absence of statutory rent maxima. The *Land Act*, 1905, accordingly set a rent hike maximum of 50% of the starting rent for the previous lease period.⁶⁷ When the Ryan Government sought to remove this qualification, which by 1915 with good seasons and high wartime prices undervalued the leases to the advantage of the pastoralists, the Legislative Council blocked the enabling legislation. The Opposition accused the government of "repudiation" and there was outcry from the non-Labor press at Labor's intentions. It was claimed that the rent ceilings introduced in 1905 represented a quasi-contractual arrangement between the State and pastoralists. Further, there was outrage at Labor's intention to arrogate to the Governor in Council authority to raise rents by proclamation. In such cases the lessor's right of appeal to the Land Court would be withdrawn. Labor had to endure the campaign by pastoralists and conservatives in this instance without the satisfaction of getting the moves into the statute books. It was not until the Legislative Council had been stacked with Labor nominees in 1919 that Labor was able to unlock pastoral rents and proceed to launch its more ambitious land settlement schemes.

⁶⁷See Bernays, *Our Seventh Political Decade*, p. 180.

Soldier Settlement

In the meantime some new closer settlement was encouraged by a combination of broad interpretation of existing legislation, executive fiat, and measures passed by the Legislative Council. In this matter the Government was pushing its legal authority to the limit and some actions needed retrospective validation in 1922 after Labor had gained control of the Council. The most important of the schemes in the period 1915-20 period were those designed to make farmers out of returned soldiers. Soldier settlements were initially planned for Beerburrum, north of Brisbane, where 60,000 acres were set aside, Stanthorpe (17,000 acres), Innisfail (157,300 acres) and a suburban housing scheme at Sunnybank, Brisbane (318 acres).⁶⁸

The Beerburrum development, which was the original and model scheme, incorporated a State-run training farm on which aspiring soldier-settlers were trained in farming techniques and given a wage of £2 per week plus keep. When judged to be adequately trained, soldier settlers acquired plots by ballot, with the area (minimum 20 acres) dependent upon soil fertility, water availability, presence or otherwise of the dread prickly pear, and so forth. Loans up to £500 were made available to cover establishment capital requirements. A State Store and a State Butcher's Shop were provided at Beerburrum to cater for settlers' retail needs. A State Sawmill was set up near the Stanthorpe settlement (there being shops already in the township) so that there would be some jobs to diversify sources of income for settler families in the establishment period. Money to set up the State Cannery at Bulimba, Brisbane, was found out of the Lands Department appropriation on the basis that the cannery's main purpose was to provide a market for Beerburrum pineapples and Stanthorpe stone fruits.⁶⁹

Great hopes were expressed for these schemes but they yielded relatively small results. By 1920 the Beerburrum project had settled only 144 families, and Stanthorpe only 62.

⁶⁸*Socialism at Work*, p. 104.

⁶⁹Queensland [?], Parliament [?], *Pamphlet: Administrative Actions of the Labour Government with Certain Further Statistics and References, 1919-1920* (Brisbane [?]: Queensland Government [?], 1920 [?]), pp. 41-42 (hereafter *Administrative Actions 1919-1920*).

The planned Innisfail settlement failed to materialise. Others started at Cecil Plains, Mount Hutton, Rockhampton and Atherton were able to attract an average of less than 50 settlers.⁷⁰ The Government had envisioned settling many thousands of repatriated veterans and had made grandiose appropriations of land in this expectation. Judged in terms of its goals, soldier settlement was not a success.

Opinion was divided on the reasons for this failure to realise on the schemes' goals. Anti-Labor forces blamed the Government's refusal to give freehold tenure to settlers for the comparative unattractiveness of the Queensland program for veterans. According to the *Courier* leader writer:

the whole soldier settler scheme fell through because of the Queensland Government's refusal to grant freehold, insisting on its leasehold principle.⁷¹

Other States, however, did give their soldier settlers freehold tenure and nowhere were the schemes as successful as their grandiose objectives would have suggested. Some critics, including a few dissatisfied settlers, blamed the program's failure on the mediocre quality of the land on offer: "grass tree land" was one picturesque description of the Beerburrum area.⁷² Again, it was said that wages paid to settlers in training were too low - £2 10s 0d (by 1918) as against average male weekly earnings of £3 2s 4d and an average agricultural wage of £2 18s 4d.⁷³

The original goals for the program appear to have been grossly inflated, but this perception did not inform the debate in Queensland and most attention was devoted to the search for scapegoats. It is true there were planning inadequacies. Plots were too small relative to predictable yields per acre; land made available was inadequately assayed for soil quality, water availability and so on; over optimistic commodity price forecasts were made on the basis of inflated wartime prices. These miscalculations led to some settlers being forced off by indebtedness, but most of those few who actually settled stayed on.⁷⁴ On-the-job training for

⁷⁰*Administrative Actions 1919-1920*, pp. 41-42.

⁷¹*Courier*, 9 September 1919.

⁷²Letters to the editor, *Courier*, August 1917.

⁷³Ellis, p. 49.

⁷⁴See C. Hughes, "Land and Settlement" in *Labor in Power*, p. 228-229

settlers inexperienced in farming had been a unique feature of Queensland's soldier settlements which could well have yielded good results for the program in comparison with other States had it been better organised. There was not enough training and some of the trainers were allegedly incompetent. Planning based on export cash crops to take advantage of high wartime prices were shown to be inappropriate when world agricultural prices declined by over 30% during the 1920's.⁷⁵ The main fault with the soldier settlement program may be laid at the feet of the repatriated veterans themselves who in their contrariness showed a recalcitrant preference for urban life. For all the Government's, and indeed the Opposition's, determination to reward veterans' sacrifice with a healthy life on the land, most of the men who had survived Gallipoli and Flanders rejected their State's generosity.

Pastoral Rents and the Closer Settlement

Schemes of the 1920's

With the abolition of the conservative majority in the Legislative Council in 1919, Labor was at last able to move on the pastoral rent issue. The *Land Act Amendment Act No. 1*, 1919-1920 - the "Repudiation Act" as the *Courier* preferred to call it - was Labor's vehicle for raising pastoral rents at last. Hardline hostility from pastoral company bondholders and their friends was an instant reaction attended by pressure on the Queensland Government through such tactics as the 'stinking fish' affair mentioned earlier and the frustration of Theodore's 1920 loan raising attempts. Labor would already have been aware of the City of London's view of the pastoral rents issue, since in June 1918 London banks pastoral and finance companies had passed a resolution warning that:

legislation to remove the existing contractual limitation on rent for pastoral leases in Queensland would be a breach of Governmental undertaking, would render confiscation possible and would undermine the confidence of British investors.⁷⁶

⁷⁵ League of Nations Economic Committee, *The Agricultural Crisis*, Vol. I (Geneva: League of Nations, 1931), p. 9.

⁷⁶*Daily Standard*, 2 July 1918.

Yet Labor persisted with closer settlement financed by high pastoral rents despite the powerful opposition ranged against it. In 1923 McCormack, the new and ambitious⁷⁷ Secretary for Lands, floated a new program of land settlement schemes. The *Upper Burnett and Callide Land Settlement Act*, 1923, set aside some 2.4 million acres of the Burnett and Callide basins in central Queensland for a closer settlement program based on mixed farming and cropping. About half this area was resumed from pastoral lessees and grazing selectors, the remainder being crown land.⁷⁸ The scale of this venture in the terms of the Queensland of its day was enormous, bearing in mind that an annual Queensland budget of the mid-twenties was of the order of £10 million, some half of which went on debt repayments. The cost of the rail component alone of the infrastructure costs for the Burnett-Callide scheme amounted to over £2 million over six years.⁷⁹ A sizeable new town, Monto, was to be built from scratch. Farmers were to be assisted with establishment costs through advances from the Agricultural Bank.

There were accusations that major aspects of the scheme made electoral rather than economic sense. For example, the cost of the rail works ran so high because three separate rail links with the coast were provided from Gladstone, Rockhampton and Maryborough.⁸⁰ Economic arguments for the separate links can be found: Gladstone and Rockhampton were ports, equidistant from the scheme: the Maryborough link could tap into the trunk line to Brisbane. But the separate links certainly also had the effect of spreading benefits across some marginal electorates. Again, block size was intentionally kept low. Labor's land settlement was to create independent smallholders but certainly not to create a new wealthy landed class. While conservatives continued to call for large blocks with freehold title, Labor stuck to leasehold and, even against expert advice, kept blocks down to a size that proved on the whole to be uneconomic.⁸¹

⁷⁷McCormack was allegedly a disciple of Macchiavelli. Bernays, *Our Seventh Political Decade*, pp. 291-293.

⁷⁸Kennedy, "McCormack", pp. 353-355; Bernays, *Our Seventh Political Decade*, p. 182.

⁷⁹*QPP*, 1929, Vol. 2, p. 355.

⁸⁰See Blackmur, p. 82.

⁸¹*QPP*, 1929, Vol. 2, pp. 369 ff.

Another irrigation scheme on the nearby Dawson River was also prioritised by McCormack during his period as Minister for Agriculture and Stock and then as Premier. The Dawson scheme had already been planned when he took on the Ministry, but McCormack made it his own by securing significant new infusions of capital. Again, a new town was created - named Theodore after the former Premier.⁸² Massive irrigation works were planned to convert the area into cropping land. The planned population of the lands thus opened up was to be some 5,000, but funds for the huge projected dam could not be found. In the event the £600,000 expended on infrastructure and capital advances during the 1920's was reflected in a pilot settled population of only 100 farmers, or £6,000 per settler.⁸³

With such large sums being expended, Labor was concerned to avoid dummying and to ensure that the beneficiaries of these schemes were in fact the people for whom they were intended. The *Lands Act Amendment Act*, 1924 was brought forward to address this perceived problem, and gave the Minister authority to direct selectors as to what proportion of their land had to be cultivated and what crops should be grown. Where the Minister determined that dummying had occurred, the person deemed to be the beneficiary could be forced to forfeit all lands held whether by lease of freehold. Some of these provisions had already been put on the statute books by the *Upper Burnett and Callide Land Settlement Act*, 1923, but they were now extended to cover the whole State.

The capital shortage mentioned above frustrated some of the schemes canvassed by Labor under McCormack's leadership, however. Capital was the more indispensable given Labor's insistence on small block crop production. In some cases mixed farming might have been possible without irrigation, but the viability of cropping depended on servicing with costly irrigation works. Other factors frustrating Labor's 1920's closer settlement schemes included poor planning decisions such as the decision to emphasise cotton production just before the bottom fell

⁸²Cf. Fitzgerald, *1915 to the Early 1980's*, p. 63. This practice of naming public works after incumbent and controversial public figures remains a feature of Queensland political culture; examples include the Clem Jones Stand, Brisbane Cricket Ground (after a controversial Labor Mayor of Brisbane) and the Russ Hinze Stand, Ascot Racecourse (after the Present National Party Minister for Racing).

⁸³Bernays, *Our Seventh Political Decade*, p. 224.

out of the cotton market with the Depression.⁸⁴ These frustrations served to explain away and to distract Labor's attention from the continuing intractable problem of insufficient recruits for the schemes either to justify the level of public expenditure or bring to fruition the goal of closer settlement.

McCormack responded to the growing difficulties of the closer settlement program by appointing an expert committee to advise on remedial action. The Land Settlement Advisory Board came into being in February 1927, with an open brief to investigate and recommend changes to legislative and administrative structures in the whole area of land settlement. The Board was put under pressure to produce a report within months, and its recommendations were swiftly enacted in the *Lands Act Amendment Act, 1927*. The only Board recommendation the Government declined to adopt was the extension of pastoral lease terms, the Government arguing that an extension of pastoral leases would tie up land needed for land settlement.⁸⁵ The McCormack Government did, however, feel compelled to adopt a number of recommendations reversing its former land settlement policies and extending assistance to the pastoral industry.

The Board recommended and the Government accepted that a land settlement strategy based on pastoral production represented the most effective Queensland land use policy at that time.⁸⁶ Accordingly, the new Act extended various relief measures to grazing selectors, including greater security of tenure and the establishment of an independent Land Administration Board to determine rents, having regard to prevailing industry conditions.⁸⁷ By the end of the 1920's Labor's closer settlement policies had been transformed almost beyond recognition. Existing schemes battled on with scaled-down objectives but pastoral production had become the policy priority that its earning potential, if not its ideological soundness, dictated (see Table 3.4).

⁸⁴*QPP*, 1929, Vol. 2, pp. 349-412, especially pp. 369-373.

⁸⁵See Bernays, *Our Seventh Political Decade*, pp. 184-185; Blackmur, p. 107.

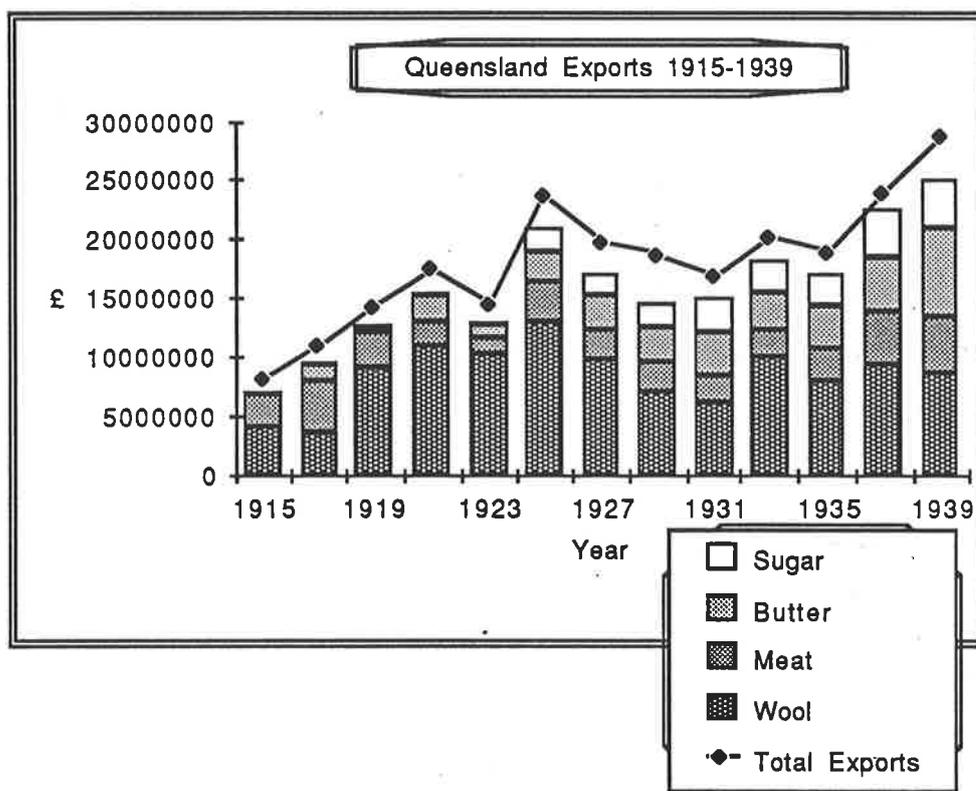
⁸⁶*QPP*, 1927, Vol. 2, pp. 121-200, especially pp. 369-373.

⁸⁷This body, now in the form of a Commission, still exists.

Table 3.4

Queensland Exports 1915-1939

(Showing Major Export Products)



[Source: *Queensland Statistics, 1938-39*, pp. 30H-31H]

The credibility of expert advisers on lands administration issues was also enhanced by the prickly pear experience of the 1920's. McCormack, while Secretary for Lands, had devoted considerable energy to the eradication of the noxious weed. By 1924, an area of Queensland equal to the size of England, Scotland and Wales put together was infested. Infestation was expanding at the rate of a million acres per year of otherwise arable land.⁸⁸ Prickly pear land was useless till cleared and even checking expansion or holding reinfestation at bay was a full-time job for a selector. In 1923 a Royal Commission was appointed to enquire into effective methods of combatting the weed.

⁸⁸*QPP*, 1925, Vol. 2, pp. 162, 191.

Simply cutting the plant down and grubbing out the roots in the traditional method of dealing with plant pests was quite useless with prickly pear. The felled plant responded to such treatment by putting down new roots from its trunk and sprouting suckers, generating many new plants from the one original. Needless to say, the same spines which made prickly pear land impenetrable to cattle made ordinary clearance techniques uncomfortable and dangerous to the farmer. The only proven chemical control was a ghastly mixture of sulphuric acid and arsenic. Efforts to bring prickly pear infested land into agricultural production through the granting of especially generous selections had likewise not been visited with success.

The *Prickly Pear Lands Act*, 1923 set up a Prickly Pear Land Commission, following the advice of the Royal Commission. This administrative curiosity straddled a number of functions, both judicial and administrative, in an effort to bring a unified approach to dealing with the scourge. The Commission had management powers over all prickly pear-infested lands including quasi-judicial powers to set rents and determine tenure. These powers were used to ginger farmers into making determined eradication efforts. As well as supervising the efforts of farmers, the Commission provided direct help using its own eradication gangs. And at the same time it was in charge of research directed to developing more effective eradication techniques. The researchers explored, among other things, the possibility of biological control (the introduction of some natural predator or parasite of the target exotic organism). After some false leads the researchers hit upon the *Cactoblastis* sp. moth, which along with myxomatosis is the great success story of biological control control in Australia. By 1932 when Labor regained power, the prickly pear menace was a thing of the past.

In summary, McCormack's period as Secretary for Lands and as Premier can be seen to mark a shift in the foundations of the electoral alliance built by Labor in the previous decades. McCormack presided over the establishment of some ambitious land settlement schemes and other programs designed to strengthen the alliance - such as the *Sugar Workers' Perpetual Lease Selections Act*, 1923, which granted cane cutters small farming selections to work in the off season. But McCormack also presided over a series of measures designed to improve the lot of the

grazier. Graziers did not belong to the Labor fold. They were not part of the worker-farmer alliance and they opposed cherished Labor agricultural policy goals such as closer settlement and leasehold tenure.

In 1924 McCormack persuaded Caucus, under pressure from the City of London, to accept *de facto* pastoral rent ceilings.⁸⁹ In 1927 rent levels and lease tenure conditions were removed from the arena of public political decision and given to an independent Land Administration Board, thereby depriving the Executive of many of the wide powers in such matters it had acquired with great difficulty only seven years earlier.

This *volte face* was a response to demands from overseas financiers and local capitalists that the Labor Government act as a 'responsible' economic manager. Healthy revenues were dependent upon taxation derived from the pastoral industry, including Income Tax levied on its employees and rail freight transporting charges on the product. Declining meat and wool prices had, together with the drought of the mid-1920's, reduced profitability in the industry (see Table 3.4). Labor taxation and industry assistance policies were regarded as anti-pastoralist and this was held to have scared off investors. In the period of economic slide towards the Depression there was considerable pressure applied to the Queensland Government to act according to the 'laws' of economics by adjusting policy in favour of profits. An internal Party struggle developed, with the Labor leadership attempting to suppress dissenting voices from the more militant union groups (see Chapter 1). McCormack was the outspoken initiator and defender of policy revision, declaiming in the *Daily Standard*:

Australia needed developing, and the Government must have money to do it, and the money should be secured at a rate their credit indicated. They could not borrow willy-nilly, simply to keep some public works going. He [McCormack] did not subscribe to that policy... Labor must also learn something about economics. Labor must learn that there is only 20 cwt. of potatoes in a ton; also that they can only have what they earn.⁹⁰

Labor policy goals would have to take a back seat to 'responsible' policies promoting the interests of capital. Labor was keen to avoid a confrontation with capital which

⁸⁹Kennedy, "McCormack", pp. 356-357.

⁹⁰*Daily Standard*, 24 February 1927.

could lead to an investment strike and concomitant threats to the State's borrowing ability. As seen in Chapter 1, McCormack's brutal handling of the South Johnstone strike later in 1927 followed close upon his return from loan-raising activities abroad.

As part of this effort to avoid a strike of capital, significant concessions were made to the pastoral industry. The rhetoric of closer settlement was continued, although the finance necessary to translate the rhetoric into reality was cut back. Reports emerged throughout the first half of 1927 telling of irrigation and settlement projects aborted for lack of funds.⁹¹ The Labor leaders' rhetorical attacks on militancy within the Party and the union movement were stepped up. According to McCormack:

We cannot allow our policy to be dictated to by people who, speaking in the name of Labor, attempt to create chaos that will give them the opportunity of putting their revolutionary ideas into practice. [Interjections] A voice: Communists! Another voice: No, Pomunists!⁹²

Meanwhile the Labor leadership stepped up its land settlement rhetoric at the same time as funds for land settlement programs were cut back. Attempts were made to compensate by attracting Federal funds. For example, Minister for Agriculture and Stock Forgan Smith announced to the Melbourne press during a trip to the southern States that:

Undoubtedly... some foreign countries are quietly and seriously concentrating on having a large population of their own in the North. For the first time Queensland is seriously considering migration. The Dawson Valley will be one of the biggest things it has ever tackled.⁹³

Although the level of funding available for infrastructure provision on the grand scale envisioned in closer settlement plans had fallen away, this did not mean that the continuing rhetoric of closer settlement was entirely empty. The land for these schemes had already been resumed and much infrastructure provided. The Agricultural Bank continued to offer concessionary terms to co-operative units of farmers and every encouragement was given to such groups to organise and raise their own capital. Plans for irrigation works may have been shelved, but prospective farmers were assured that when financial conditions improved the works would be

⁹¹For example, *Courier*, 23 April 1927.

⁹²*Daily Standard*, 24 February 1927. The last remark is a reference to the popular belief in Australia that union militants are primarily British immigrants.

⁹³*Herald* (Melbourne), 17 June 1927.

carried out. Settlers in the Burnett and Callide schemes were encouraged to grow cotton, a crop which the soil and climate would support.⁹⁴ They were, as noted earlier, to lose badly when the international textile trade collapsed a couple of years later.

The conciliatory turn Labor policy took toward pastoral capital had taken pleased no one. For all the McCormack Government's declarations of its own responsibility and competence, its failure to produce the goods in terms of Labor movement and alliance demands antagonised Labor's long-term electorate. At the same time, though the conservative press strongly supported the Government's change of tone, it did not go the lengths of giving Labor support against the conservative Parties at the 1929 elections. Labor's failure to continue delivering land settlement and rural support programs at the rate followed in the early years of the administration was the outcome of forces which it could not have been in a position to control. Such ideological shift as occurred arose not so much from personal backsliding among Labor's leaders as from the attempt to remain in Government as guarantor of what could be salvaged of the interests of the less privileged Queenslanders in a time of impending economic disaster. The kind of analysis offered by Fitzgerald among others, who stresses personal factors in Labor's 1920's policy changes (and so implies that it was open to a Labor Government in the situation of McCormack's to act on the basis of a more ideologically pure Labor stance), fails to take account of the fiscal crisis facing the McCormack administration and of the structural constraints acting on social democratic governments which are particularly severe during recessions (see Chapter 1).¹⁰²

The Queensland Treasury was seriously overstretched in the late 1920's. The failures of two key state enterprises discussed in Chapter 2 were certainly partly responsible for this state of affairs, but the main factor was the decline in markets for Queensland's principal products, both agricultural and mineral. These problems were compounded by the disastrous mid-1920's drought (See Table 3.4). In order to provide drought relief Labor had to suspend its entire reform program from 1927.⁹⁵ The suspension of the reform program brought the Queensland

⁹⁴See Fitzgerald, *1915 to the Early 1980's*, p. 65.

⁹⁵*QPD*, Vol. CXLIX (1927), pp. 135-141.

Government under attack from the pro-Labor press⁹⁶ which cost it much support among the Party faithful.

Some political ineptitude on the part of the McCormack-led Labor administration which aroused hostility from Queenslanders of all classes was avoidable. Such a decision was the announcement in 1927 of an open season on koalas - or native bears as they were then called. This appears to have been a misconceived attempt at revenue raising from the hunting licences and the levy on pelts and was a gross electoral blunder. The spectacle of thousands of koalas being blasted out of their bluegums robbed the Government of much of the credit it had built up among conservatives through its handling of the South Johnstone strike. The *Courier*, which had so recently been solidly behind the Government, ran a "Spare the Bear" campaign, accusing that same Government of murdering the cuddly little creatures.⁹⁷ At length the season was closed, but only after half a million had been slaughtered. Their ghosts were soon to haunt Labor on the Opposition benches.

To summarise, the land settlement projects set up in Labor's first period of Government were failures when considered in the light of their ambitious goals. They were undertaken both to assure farmers of Labor's commitment to the policy of the alliance and to steer Queensland's economic development in what was sincerely believed to be the most beneficial direction. The first phase (1919-1924) saw the tightening of the leasehold tenure system with the object of breaking the perceived stranglehold of pastoralists on land and opening up large areas to closer settlement. In the period that followed (1926-1929), under pressure from overseas bondholders and local squatters, a series of concessions were made to the pastoral industry, among them being the establishment of a Land Administration Board independent of direct political control. The stated goals of the land settlement schemes did not materialise. Soil and climate assays were inadequate; marketing studies were inadequate; block sizes determined by Labor political rather than economic considerations were too small; and people just did not want to go on the land in the numbers required. At no time, however, was the desirability of closer settlement as

⁹⁶For example, see *Daily Standard*, 24 September 1927.

⁹⁷For example, *Courier*, 12 October 1927.

an economic and cultural goal, *idee fixe* of Labor thinking, critically analysed or challenged within the Party.

The Moore Government and agriculture

The Moore Country Progressive National Party (CPNP) administration won office at the onset of the financial collapse which heralded global Depression. As a Government with supremely orthodox economic ideas⁹⁸ presiding over collapsing revenues as the economy slowed from a stagger to a crawl, the Moore Government felt itself unable to undertake much in the way of new expenditure or fiscal re-orientation. For instance, the CPNP Government fervently wished to give assistance to graziers through rent reductions and extension of freehold tenure. But, because of the Treasury's dependence on rent as a source of revenue, it was able only to offer a twenty-five percent reduction, a margin insufficient to cover deflation. Lease extensions were granted, but this was at the time a move free of financial implications.

In other areas as well the CPNP administration was constrained from doing anything dramatic in the way of altering the bases of Labor policy in Queensland. For instance, the corporatist marketing and planning structures created by Labor, though objectionable in principle to the conservatives of the amalgamated Party, were left intact. They were clearly popular with the country electorate the CPNP sought to recapture from Labor. Further, to tamper with functioning orderly marketing schemes at a time of general market failure was an obvious prescription for compounding the general economic disaster.

Deficit budgeting was at the time considered to be dangerous radicalism and was utterly rejected by the Moore Government. Public debt service charge payments were sacrosanct and no sacrifice was too great if it was made to honour bondholders' rightful demands. As a

⁹⁸See Brian Costar, "Arthur Edward Moore: Odd Man In", in *Queensland Political Portraits*, pp. 385-387.

vigorous proponent of the Premiers' Plan, Moore could do no other than take the path of strict budgetary rectitude. It follows from this conservative frame of thought that Moore was committed to a capitalist supply-led recovery strategy and was bound to eschew public sector borrowing in the belief that the state should stand aside and let capital get on with the job. On the other hand, it was clear to Moore that the pastoral industry, which for the CPNP more than for Labor was advanced as the key to Queensland's economic future, might founder if it did not get help. The drought which had bedevilled Labor's expenditure programs during the second half of the 1920's was at last broken by flood rains in 1930. This further disaster threatened the already indebted graziers with bankruptcy and the CPNP was moved to attempt relief measures. The Moore Government tried to reconcile the pastoralists' need with its ideological set against state expenditure by seeking to have the private banks and pastoral companies complement the Government's rent relief program by lowering interest rates for graziers. These overtures were rejected outright.

As shown in Chapter 2, Moore's sale of the State Butchers' Shops restored the *status quo ante* in relation to domestic meat marketing, a state of affairs more favourable to the pastoral companies than to the private graziers. Had the Moore Government had longer tenure of office, its policy of encouraging land alienation through the conversion of perpetual lease and prickly pear selection lands to freehold title might have had a more profound effect. The *Lands Act Amendment Act*, 1929, provided generous terms for selectors wishing to convert their title, purchase being stretched over thirty years of installment with provision for a revaluation of land on request from the selector. In those straightened times, though, not many could afford to respond. The rents had already been reduced across the board and it was all lessees could do to meet the reduced amounts. The figures on total alienation of land show a minor adjustment over the period of the Moore administration, with freehold land or land in process of conversion rising to only 6.5% of the total land area of Queensland. This only returned the land alienation figures to where they had been in 1915.⁹⁹

⁹⁹*Queensland Statistics*, 1933, p. 2H; Hughes, "Land and Settlement", p. 227.

Like other States, Queensland under Moore pursued the policy of forcing the unemployed to become itinerant. This was despite the fact that Queensland alone among the States had in existence a system of unemployment insurance, a legacy of Labor (see Chapter 5). The resulting glut of desperate casual rural labour may have afforded the almost as desperate farmer a welcome reduction in labour costs. It was, if so, a benefit for which the Moore Government received no thanks. All told, the CPNP during its brief period of rule in hard times left itself little room for manoeuvre and associated anti-Labor politics in the public mind with austerity and failure. Their efforts to help the pastoralists went largely unnoticed amid the general distress and were unrewarded at the 1932 elections.

The Restoration of Labor: Agricultural Policy
under Forgan Smith

When Premier Forgan Smith and the new Labor Government took office after the 1932 election they intended a less orthodox economic posture than that followed by the former CPNP administration, but room for political and economic manoeuvre remained limited. The Premiers' Plan was a *fait accompli* and continued to be rigidly enforced. Lyons, the Labor defector and founder of the United Australia Party was Prime Minister. Federal Labor had split and the avowedly radical Labor Premier Lang had been dismissed in New South Wales. Once more Queensland Labor in Government found itself isolated in a conservative Australia. Labor Oppositions elsewhere were weak and divided.

In these unpromising circumstances Queensland Labor under Forgan Smith set itself to revive agrarian socialism. Forgan Smith's own experience as Secretary for Agriculture and Stock in the 1920's stood him in good stead as he sought to proceed by means of administrative reforms rather than by floating expensive schemes for which funding was impossible under the Premiers' Plan. An important such provision was embodied in the *Primary Producers' Organisation and Marketing Act Amendment Act, 1932*, which enabled Commodity

Boards with the consent of growers to limit or set quotas for the production of a commodity. The model so established is followed to this day. Armed with this power Commodity Boards could act to prevent the glutting of markets and the consequent reduction of farmers' unit profit. Boards were also empowered and encouraged to seek new markets through export and through diversification of product lines.¹⁰⁰

To co-ordinate and inform the Commodity Boards in their new more aggressive role, as well as to give the Government advice on agricultural forward planning, a Bureau of Industry was established under the Directorship of the orthodox economist J.B. Brigden, who had formerly advised the Moore administration. Brigden had been Professor of Economics at the University of Tasmania and uncommonly for an economist (especially of his own day) was not in principle opposed to state market intervention.¹⁰¹ The Bureau of Industry was, despite its title, concerned almost entirely with economic research into agricultural production, this being Forgan Smith's stated economic priority for Queensland. It thus resembled more the modern Commonwealth Bureau of Agricultural Economics than a contemporary industrial development unit.

There were thirty-six planks to Labor's 1932 election platform. Sixteen planks concerned industrial development. Of these one plank was about mining, one about manufacturing and fourteen planks were about agriculture. The manufacturing plank concerned the extension of co-operative ownership of plant on the agricultural model to secondary industry.¹⁰² Agriculture was clearly the overwhelming priority. Forgan Smith saw primary production as "the natural occupation of mankind".¹⁰³ This was no radical departure for a Queensland Labor leader, but

¹⁰⁰The Queensland Butter Board, for example, was extraordinarily successful in winning export markets for Queensland butter (see Table 3.4). To this day the Queensland Butter Board remains a most imaginative developer of butter products and their packaging. It is the Australian market leader in the production of cultured, clarified and dehydrated butters and in the use of advanced packaging forms such as plastic and tubes. See also D. J. Murphy, "Agriculture 1932-57", in *Labor in Power*, p. 201.

¹⁰¹He even had a kind word or two *ex cathedra* for the State Enterprises: J. B. Brigden, "State Enterprises in Australia", in *International Labour Review*, Vol. XVI (July-September 1927), pp. 26-49.

¹⁰²W. Forgan Smith, *Summary of Labor's Policy: State Elections 1932* (Brisbane: Worker Newspaper, 1932).

¹⁰³*QPD*, Vol. CLXI (1932), p. 1731. Also cited by Murphy, "Agriculture 1932-57", p. 196.

marked Forgan Smith as an heir to the Queensland Labor thinking of the 1920s. And in the Depression context the agricultural road to economic growth appeared to look brighter than other directions for economic policy.

Queensland was less affected by the Depression than were other Australian States. Queensland's resistance was a direct result of the economic and demographic preponderance of smallholding. The low relative size of the Queensland wage labour force, for example, left it with the lowest unemployment of any State.¹⁰⁴ The debts of Queensland smallholding farmers were to Queensland State instrumentalities, not to the invisible hand of private finance capital, so the mass foreclosures suffered by the United States dust-bowl farmers had no counterpart in Queensland. The Queensland Government was in a position to buffer debilitating effects of servicing charges on debts that were already at concessionary rates originally set to satisfy the dictates of public policy rather than profit. Moreover, the farmers, though their cash income had plummeted, were not about to starve - indeed the worst years of the Depression (1929-1933) were years of bountiful rainfall. The Depression wrote large the message that industrial workers were exposed literally to the danger of starvation. Even if agricultural markets collapsed entirely, the Queensland smallholding farmer could fall back on the subsistence component of the operation, and could at the very worst consume game like rabbits ('underground mutton') or wallaby stew. For the industrial worker there was no such nutritional safety net.

Great stress was laid by the Forgan Smith Government on the development of scientific principles in agriculture. Frank Bulcock, the Secretary for Agriculture and Stock, himself held professional qualifications in agricultural and veterinary science. The education budgets over this period were skewed in favour of agricultural education (see Chapter 4). A Faculty of Veterinary Science was established at the University of Queensland and both it and the Faculty of Agricultural Science, established by Labor in the twenties, were invested with world

¹⁰⁴Queensland, Chief Secretary's Department, *The Story of a State's Revival: Three Years' Record Progress* (Brisbane: Government Printer, 1935), p. 6. Hereafter cited as *The Story of a State's Revival*.

standard staff and equipment. Closer to the grass roots, a network of decentralised agricultural colleges was developed and expanded throughout the State.

Promising graduates of the new schools were snapped up and supplementary expertise was imported from interstate and overseas to improve the standard of the personnel in both the Department of Agriculture and Stock and the Bureau of Industry. This program of training and intellectual infrastructure provision in agriculture made possible the realisation of assurances to farmers that Labor would upgrade bloodlines and plant strains. For example, as promised in the 1932 election platform,¹⁰⁵ much attention was devoted to the development of disease-resistant strains of tobacco plant and the propagation of these within the industry.¹⁰⁶ A no-nonsense approach was taken to ensuring that advantage was taken of the developments. The *Tobacco Industry Protection Act*, 1933, was deployed to equip the Department with coercive powers in eliminating inferior tobacco strains. The tobacco farmers of Mareeba were suitably grateful to Labor and indeed its actions on tobacco could be said to have given Labor a whole new electorate.¹⁰⁷ The Depression was not, under the Premiers' Plan, a time for ambitious spending programs, but Labor in Queensland channelled the funds it had for unemployment relief works, for example, into improving services to rural communities.¹⁰⁸

The general emphasis of Labor agricultural policy in the 1930's was on improving the profitability of the sector through crop development, stock improvement, upgrading of produce quality and more effective marketing. The bases of the systems built up in the 1920's were preserved, but the detail of policy formulation in the 'scientific' approach now favoured was devolved more and more on expert bureaucratic advisers. The 1920's success of this approach in the eradication of the prickly pear was followed in the 1930's with programs administered by the

¹⁰⁵Forgan Smith, promise 27.

¹⁰⁶See Murphy, "Agriculture 1932-57", pp. 199-200.

¹⁰⁷For this reason, still in 1984 the ALP State Primary Industries Policy eschewed taxes on tobacco products and offered incentives to increase tobacco production: Australian Labor Party, Queensland Branch, "Draft Policy on Primary Industry", State Convention, June 1984.

¹⁰⁸*The Story of a State's Revival.*

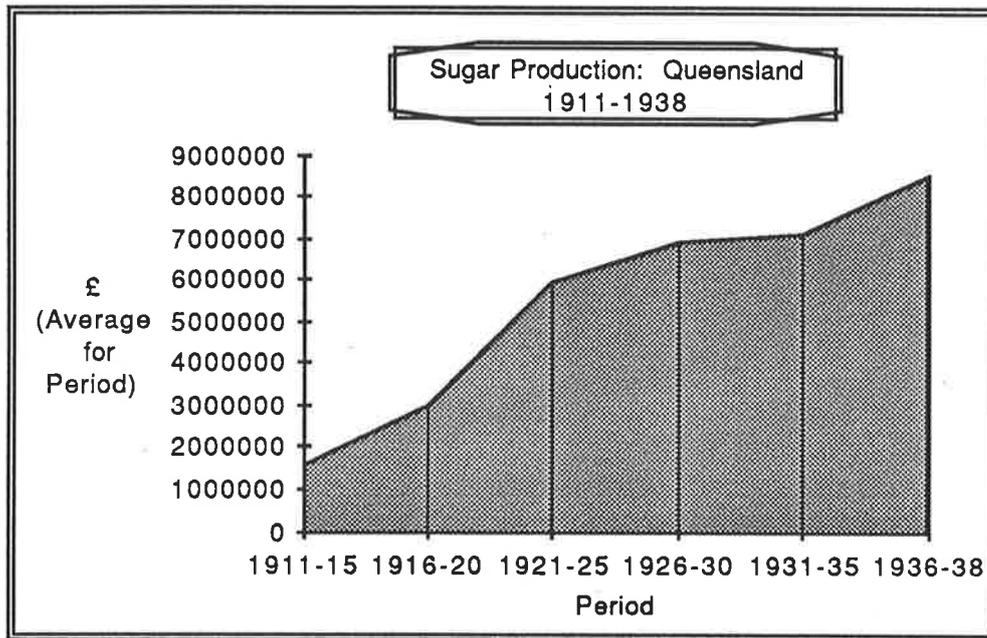
Department to eliminate diseases of pigs, improve the butterfat content of milk and increase the tonnage of sugar cane produced per acre. Success was claimed for all these ventures.¹⁰⁹

Great store was set by raising export levels, with considerable success as Table 3.4 shows. Although Labor was opposed in principle to subsidising exports by putting levies on local sales, exports were often supported *de facto* by domestic pricing, since world prices were lower for most items than those ruling the Australia.¹¹⁰ Labor supported the formation of international cartels to drive up world prices and stabilise commodity markets, but the Queensland Government's attempts made to facilitate such a development with sugar, for example, came to nought. Eventually, production quotas had to be imposed on some commodities, only to be discontinued with the advent of renewed military struggle in Europe.

The net effect of all this administrative activity under Forgan Smith was significantly to raise the productivity and the total value of production of the Queensland agricultural sector. The 1930's, apart from the drought years 1933-35, saw a steady recovery in farm production, peaking at the end of the decade at higher levels than in pre-Depression times. For instance, Queensland sugar production shows a strong recovery from 1935 onwards (see Table 3.5).

¹⁰⁹D. J. Murphy, "Agriculture 1932-57", pp. 203-207.

¹¹⁰Sugar, for example, fetched rather lower prices on the export market than domestically, which gave the Sugar Cane Prices Board official prices a rather unreal aspect. This situation had existed since the 1920's when exports of domestic surpluses had begun. The official price from 22 October 1923 to 31 August 1931 had been between £26 0s 0d and £26 10s 0d per ton of raw sugar at mill, while the actual price paid to growers had fluctuated between £19 10s 0d and £24 10s 0d: *Commonwealth of Australia Year Book*, 1930, p. 508.

Table 3.5**Queensland Sugar Production 1911-1938**

[Source: *Queensland Statistics*, 1938-39, p. 51B]

In a pamphlet produced at State expense for the 1935 election, Forgan Smith boasted that under his administration

every section of human endeavour shows an improvement and every department of commerce records healthy advances. The result is an ever-upward trend with a sweeping momentum of growing confidence, reflecting itself in better returns for capital and increased employment for labour.¹¹¹

At a time of over nine percent unemployment this may have sounded extravagant, but Queensland at the time, as the pamphlet went on to proclaim, had Australia's highest basic wage, lowest cost of living, lowest average working hours for those in fulltime employment and Australia's lowest unemployment. The pamphlet makes it clear that agriculture was the engine driving the Premier's spirit of confidence

In the Labor Government after 1932, then, there was a definitive shift in the administration of agriculture of a kind already presaged in the period when McCormack had been Premier and Forgan Smith Secretary of Agriculture and Stock. What happened was that an essay

¹¹¹*The Story of a State's Revival*, p. 2.

in agrarian socialism with State powers devolving upon farmers was transmuted into a system of bureaucratic management of farming activities. Alarmed by low relative farm productivity and chronic commodity gluts, Forgan Smith's Labor imposed production quotas, rationalised bookkeeping and statistical procedures, established breeding and disease eradication programs and developed its own plant variety experimental and propagating stations.

In all of this there was consultation with the agrarian corporatist peak bodies, but the initiative for new programs had passed over to the bureaucracy. Lang Labor in New South Wales was popularly perceived as adventurous and dangerous. Forgan Smith's administration was anxious to dissociate itself from Langism electorally, by projecting an image of competency in management. To this end some talented intellects were recruited into the expanding agriculture bureaucracy. Brigden was replaced as head of the Bureau of Industry in 1938 by an equally distinguished young Cambridge academic economist, Colin Clark. Having decided, not without reason at the time, to head Queensland down the rural road to economic growth, Labor in the 1930's set about modifying and systematising the agrarian socialist edifice so optimistically erected by the Theodore administration a decade earlier. In an Australian atmosphere of economic despair, caution replaced boldness and innovation in Queensland. Under Forgan Smith Labor ceased to confront the pastoralists. Avoidance of outright social conflict was the mainstay of Queensland Labor in the period and agricultural policy reflected this.

Conclusion: the Electoral Alliance
and Economic Development

The Labor Party in Queensland was for most of the period from Federation the most electorally successful of the Australian Labor organisations, State or Federal. Lacking a demographically preponderant industrial working class, Queensland Labor was forced into a strategy of alliance with the numerically strong smallholding farmers. It was a winning strategy.

The alliance had two broad policy outcomes. First, Labor redefined smallholding farmers in Party rhetoric as workers, and afforded them special treatment through a quasi-corporatist system of farmers' organisations with direct access to State market control powers. Second, mobility between the industrial working class and the class of smallholding farmers was facilitated by means of ambitious land settlement projects. Though electorally triumphant, these policies ran into powerful political and economic opposition from the excluded pastoral interests. This, together with the growing world economic malaise of the late 1920's brought into relief the contradictions inherent in the alliance strategy and helped defeat Labor in the 1929 election. The three year interruption of Labor rule was used by the Party to recast the alliance strategy in terms of an economic growth strategy, with the twin objectives of coping with the Depression and evolving a stance more appealing to the interests previously excluded.

Under the new-look alliance, the power of the farmers' organisations was in effect eroded by the mediation of the new powerful expert bureaucracy. The high quality of the advice emanating from the new bureaucracy, working with Depression conditions less harsh in Queensland than elsewhere, led to significant success for the rural program. This confirmed in the thinking of Queensland Labor the conviction that in Queensland prosperity depended on expanding agricultural production. Thus Queensland Labor saw its future in terms of a continuing worker-farmer alliance. For Queensland Labor this was the lesson learned from the Depression, while for Labor in the other States just the opposite lesson was drawn from the Depression trauma. In the other States the emphasis from the late 1930's on was to be on manufacturing development through import replacement.¹¹²

This divergence has been seen as a major factor retarding Queensland's manufacturing industry growth (see Appendix 3).¹¹³ The conventional analysis of Australia in the interwar period depicts State Governments as being chiefly responsible for manufacturing industry

¹¹²See, for example, *Full Employment in Australia*, White Paper presented to the Commonwealth Parliament, 30 May 1945 (Canberra: Government Printer, 1945).

¹¹³Gough et al., pp. 11-20, 34-67; although see M. Stutchbury, "The Playford Legend and the Industrialisation of South Australia, in *Australian Economic History Review*, Vol. 24, N^o 1 (1984), pp.1-19 for an alternative view..

growth, through urban development and capital works programs.¹¹⁴ Urban development and capital works programs such as the building of power stations, road and railway construction, sewerage works and so on, were consumers of manufactures. They provided the infrastructure necessary for manufacturing, developed the urban concentration and mobility of the workforce needed by manufacturers, and led to the availability of key inputs to manufacture such as power. In contrast, Queensland with its growth strategy of decentralisation and promotion of rural industries, gave little attention to metropolitan public facilities and consequently gave little stimulus to manufacturing. It is an indication of the low priority given to urban capital works that Brisbane was unsewered until the 1960's.

The rural growth strategy had paradoxical results from Queensland Labor's point of view. Electorally, smallholding farmers did not in the long term prove as reliable an electoral base as a large industrial working class might have been expected to do. Cut off from the mainstream of Australian capitalist development, Queensland escaped the worst trials of the Depression but it was also to miss out on the surge of prosperity brought by the postwar industrial boom to the rest of Australia. Yet Labor became more and more tied to its alliance strategy with the passage of time: the *Electoral Act*, 1949 enshrined a system of electoral malapportionment in favour of the rural electorate and minimising the impact of the metropolitan vote.

¹¹⁴For example, see Butlin, Barnard and Pincus, pp. 92-95.

Chapter 4

Citadel Of The People: State Health Care 1915-1957

The monumental buildings of the Royal Brisbane Hospital straddle the hills of Herston.¹ They are an indentifiable refuge and a locus of long-established public authority facing the city's sprawl across a moat made up of haphazard parkland and railway marshalling yards. As the largest concentration of health care institutions in Australia, the Herston site is home for the Royal Brisbane, the Royal Women's and Royal Children's Hospitals, the Medical School of the University of Queensland, the Radium Institute and sundry ancillary services, units and clinics. For many years the site of the only public hospital in Brisbane, the Herston complex stands also as a monument to Queensland Labor's period in office. Ned Hanlon's statue reminds visitors to the Royal Women's of his personal association with the growth of that institution.

Australian non-Labor parties and the main organisations representing medical practitioners have long agreed that care of the sick should be provided on a user-pays, fee-for-service market basis (mitigated by private health insurance and some stricly means-tested State help for the truly indigent). Yet non-Labor governments in Queensland since 1957 have made no attempt to

¹The name "Herston" is a contraction of the names Herbert and Bramston. Robert Herbert was the first Premier of Queensland and John Bramston was his Colonial Under-Secretary. The two had been associated at Oxford and shared accommodation in Queensland as well. "Herston" was their extensive property, a site now mostly taken up with the Royal Brisbane Hospital and associated institutions. See Bruce Knox, Introduction to *The Queensland Years of Robert Herbert, Premier: Letters and Papers*, ed. Bruce Knox (Brisbane: UQP, 1977). Coincidentally, the Colonial Secretary's Department was the administrative ancestor of the Health and Home Affairs Department, a major focus of this Chapter.

dismantle the free hospital system. Queenslanders too young to remember the long reign of Labor can at least always point to its most impressive legacy - the free hospital system. Many will also have been shocked by being asked for **payment** at an outpatients' clinic in a southern State. The very idea of having to insure against the possibility of serious illness requiring admission to a public hospital is alien to most Queenslanders. During the 1974 Federal election campaign Liberal publicists in Queensland branded the Federal Medibank scheme as a "stab in the back on the free hospitals". The rationale behind this indictment was that since Medibank was to be financed by a tax levy, Queenslanders would be forced into paying for a service they already received free.

Both as a social and political institution and as bricks and mortar physical presence, the State health care system in Queensland has been impressively durable. As a result of this and of a strong interest in health policy within the Labor Party, Queensland Labor's provision of free State hospital treatment for all looms as a significant proof in Labor mythology for the Party's progressive *bona fides*.² In this it joins in the Labor pantheon the State enterprises, Workers' Compensation, Unemployment Insurance and the abolition of the Legislative Council. This Chapter will show, however, that the Queensland free hospital system was a creation largely of the State bureaucracy, owing more to administrative rationality than to Labor reforming zeal. Labor ministers' role in the genesis of the system was one of passive support for the administrators rather than one of active policy generation.

Health Services in 1915

Labor adopted the nationalisation of (and free admission to) public hospitals as a plank of its platform from 1905 onwards.³ For the first period of Labor administration, indeed that

²The Hawke Federal Labor Government's provision of compulsory national health insurance under the Medicare program is similarly cited as proof of Labor's continued allegiance to reformist principles. Peter Wilenski and James Jupp, for instance, used the sole example of Medicare in the course of defending the Hawke Government's reformist record at the 1985 Australasian Political Studies Association Conference.

³*Official Record*, Fourth Labor-in-Politics Conference, 1905, p. 23.

period most associated with policies of rapid reform (1915-1929), health policy was not a priority. The main reform measures embraced by Labor at that time were, as we have seen, to do with increasing the standard of living of the Labor electorate through economic interventions in the labour and consumer goods markets (see Chapters 1 and 2). Given increased living standards, the working class and family farming sick would be better able to look after themselves. Labor had many such objectives in its platform (for example free secular higher education - see Chapter 5) which were not seen as constituting immediate priorities.

There was in Queensland, and for that matter Australia, no model for state intervention in health care provision - the private charitable institutions totally dominated the field. The system of health care inherited by the Labor government in 1915 had progressed little from the system adopted from Victorian Britain by the Colonial administration. Well-to-do citizens paid private medical practitioners to visit their sick in the home. Those less moneyed but not completely impoverished received care in private hospitals, as private patients in public hospitals, or at home where medically possible. The indigent were treated at public charitable hospitals by voluntary medical staff, called 'honoraries', who performed duties at public hospitals as a charitable service in addition to their remunerative private practice.⁴ Attempts to dismantle this part of the system, whereby private doctors serve as honoraries, have met with fierce opposition in other Australian States over recent years. In Queensland, as will be shown, this system was laid to rest rather earlier.

Such an ostensibly *laissez-faire* approach to treatment of the sick had several lamentable side-effects. Since doctors' selfless charity was necessary to run the hospitals, they were able to secure a predominant influence on hospital administration. Doctors' effective administrative control of public hospitals was endorsed by the Queensland Branch of the British Medical Association (BMA). The BMA's policy was to enhance the aura of professionalism surrounding its members, and so it insisted upon medical practitioners' monopoly of wisdom in any matters to do with health.⁵

⁴See Sir Raphael Cilento, *Medicine in Queensland: A Monograph* (Brisbane: Royal Historical Society of Queensland, 1963).

⁵See P. D. Robin, *The BMA - Queensland origins and development to 1946* (BA Thesis: University of Queensland, 1946), pp. 114 ff. *inter alia*.

Moreover, specialists were able to acquire the surgical and diagnostic skills necessary to build up a lucrative reputation through practising on the poor in the public hospitals.⁶ Thus honoraries exercised privileged administrative authority, acquired valuable professional experience and enjoyed the moral status of a secular priesthood among some members of the public.

The charity meted out to the poor in these public institutions was at least cool if not cold. Treatment by medical practitioners was available only when the honoraries had time to spare from their private patients.⁷ There is evidence that those receiving free treatment had to swallow such demeaning administrative medicine as having signs inscribed "pauper" hung over their beds.⁸ Nevertheless, many who could perhaps have afforded to pay for treatment elected to accept charity. The BMA constantly complained about this,⁹ and the complaints amounted to the claim that the art of the 'free-rider' had been a Queensland tradition since the foundation of the Moreton Bay settlement.¹⁰ For this reason it is not really a paradox that in the early years of Labor rule the BMA favoured some government involvement in administration of the hospitals, if only to the extent necessary to deploy legal authority to force compliance with means tests.¹¹

Those many citizens who were not poor enough or were too honest to qualify for admission to public hospitals as paupers had to provide for the cost of their own medical treatment through subscriptions to Friendly Societies.¹² The Friendly Societies negotiated capitation fees with the BMA, so that rather than receiving fee-for service (as pertains today) doctors received a flat yearly rate for all Friendly Society member patients in their practice, whether the patients actually received treatment or not. This arrangement had the result that doctors had a financial incentive to keep their patients healthy. The arrangement was, however, unpopular with the BMA, which has always

⁶Conversation with Emeritus Professor Doug Gordon, formerly Professor of Social and Preventive Medicine, University of Queensland, 1 August 1984.

⁷*QPD*, Vol. CLXX (1936), p. 1813.

⁸Comments by E. M. Hanlon, *Telegraph* (Brisbane), 1 August 1936.

⁹Robin, pp. 114, 120.

¹⁰D. Gordon, "An arranged Marriage: the story of an unusual teaching hospital", in *Medical Journal of Australia*, Vol. 1, N^o 14 (8 April 1967), p. 695.

¹¹Robin, p. 120.

¹²T. H. Kewly, *Social Security in Australia 1900-72*, 2nd ed. (Sydney: Sydney University Press, 1973), pp. 12-13.



Brisbane General Hospital, 1929

[Photograph courtesy John Oxley Library]

BRISBANE GENERAL HOSPITAL BUILDINGS, AND IN THE RIGHT TOP CORNER THE EXHIBITION GROUND

favoured a fee-for-service system as both compensating doctors for the actual work done and discouraging 'over-use' of the system (presumably by poor hypochondriacs).¹³

The elements of the system of medical treatment found in Queensland in 1915 were brought across from Britain to the Australian Colonies in the nineteenth century. Queensland's system was therefore not unique.¹⁴ Queensland was not well placed, however, to experiment with rationalisation of medical services. Lacking a medical school, Queensland had to rely on the southern States and the British Isles as sources of appropriately qualified medical practitioners. In the early period of Labor administration any attempt to implement a program of nationalisation would surely have set in train a prolonged and bitter struggle with the BMA. The BMA's reserve power to curtail the supply of qualified doctors could have given it the upper hand in such a confrontation at this time, though there is no evidence that fear of this outcome was a major consideration among Labor leaders. Nonetheless, full hospital nationalisation and abolition of the honorary system was able to proceed only with the attendant establishment of the University of Queensland Medical School in 1936.¹⁵

In 1915 the State had only a limited role in funding, regulating and providing medical, preventive health and ancillary health services. Public (voluntary) hospitals received erratic *ex gratia* payments to keep them running where voluntary subscriptions, bequests and other private funding lagged behind running costs. Many of the larger institutions were in financial straits and had been more or less in this condition since the depression of the 1890's.¹⁶ State supplementation of private contributions and issuing of loan guarantees to some of these institutions, notably the Brisbane General Hospital (BGH - now the Royal Brisbane Hospital), had by 1915 become automatic. For instance, in 1901 voluntary contributions at the BGH covered only 19 per cent of costs,¹⁷ and the Liberal Government of the day reluctantly passed the *Metropolitan Hospital Act*, 1905 to provide for

¹³Robin, p. 142.

¹⁴See B. Dickey, *No Charity There: A Short History of Social Welfare in Australia* (Melbourne: Nelson, 1980), pp. 38-40.

¹⁵See Malcolm J. Thomis, *A Place of Light and Learning: The University of Queensland's First Seventy-five Years* (Brisbane: UQP, 1985), pp. 138-140.

¹⁶Jaqueline Bell, "Queensland's Public Hospital System: Some Aspects of Finance and Control", in *Social Policy in Australia: Some Perspectives 1901-1975*, ed. Jill Roe (Sydney: Cassell, 1976), pp. 284-286.

¹⁷Bell, p. 285.

guaranteed proportions of running costs to be met by local authorities and the State.¹⁸ Non-Labor administrations of the first two decades of this century, wishing not to diminish 'incentive' for voluntary private funding, did not embarrass hospitals with excessive State funding. Real funding declined in the period and by the time of Labor's accession the BGH for one was in a desperate financial position. It was to go bankrupt in 1917.¹⁹

The State did, meanwhile, operate some institutions for the chronically sick - namely the mentally ill (including the intellectually disabled), lepers and sufferers from venereal disease, together with certain of the dying, particularly tuberculosis patients. State provision of institutional health care was thus limited to the 'deserving poor', that is those who were perennially destitute or made so through some 'act of God', and those whom it was deemed necessary to ostracise for epidemiological or public morality reasons. State-provided health care was also available for infants and children through the Infant and Child Welfare Service.²⁰ The administration of these various institutions, programs and services was haphazard in the sense that there was no single line of responsibility for control or budget. For instance, the Peel Island Lazaret²¹ in Moreton Bay was operated by the Health Department of the Home Secretary's Department, while each of the various Hospitals for the Insane had independent status, being directly answerable to the Home Secretary.²²

The Health Department was established in 1901 with the appointment of the inaugural Public Health Commissioner, and was chiefly concerned with preventive health programs such as sanitation and food handling supervision. Sanitation was a persistent problem in the Queensland tropical climate since there was no sewerage even in metropolitan areas (most of Brisbane

¹⁸*QPD*, Vol. XCV (1905), pp. 1007-1015.

¹⁹See C. A. C. Leggett, *The Organisation and Development of the Queensland Hospitals in the Twentieth Century* (MA Thesis: University of Queensland, 1976), pp. 9-12, 33-35.

²⁰See R. Patrick, "The Development of Health and Hospital Services 1901-1960", chapter 5 of forthcoming publication *History of Health and Medicine in Queensland*, pp. 13-14 (in unpublished manuscript).

²¹During the early 1970's I spent several weekends at the former Lazaret which had been taken over for use as accommodation for pupils at my school to use during littoral and marine biology excursions. The island is some five kilometres out in Moreton Bay and is surrounded, like the other Bay islands, by extensive mud flats and mangrove forests which are ideal breeding grounds for the many mosquitoes. The institution consists of many tiny weatherboard cabins for the inmates - each about two metres by three metres - grouped around a few central administrative buildings.

²²*QPP*, 1915-16, Vol.2, pp. 299-300.

was unsewered until the 1960's). The Department provided technical advice and set legislative standards in the sanitary disposal of nightsoil and the maintenance of an uncontaminated water supply.²³

Other preventive health programs administered by the Health Department were in the area of vermin and disease vector control. Diseases endemic to Queensland and spread by insect vectors included dengue and filariasis (mosquitoes), plague (fleas of rats), and typhus (mites, lice and fleas). Plague, because of its high mortality rate, was a matter of great concern with regular breakouts from 1900-1910 in Brisbane. An eminently preventable disease associated with poor sanitary standards and urban overcrowding, plague was successfully combatted by the Department through the employment of rat gangs. These gangs, armed with terriers, baits and traps, still roam the Brisbane waterfront and inner city today. The campaign to control mosquitoes was carried on by education of the public and local authorities about the breeding habits of the insects. Similarly, the Department strove to educate the public about hygienic practices in the preparation of food, especially infants' formulas.

Compulsory notification of infectious diseases introduced in the *Public Health Act*, 1900, enabled the Department to compile accurate statistics on the incidence of diseases and direct available resources to needy areas. Available resources were strictly limited, though, and by 1915 the Department's total staff, including the Lazaret and rat gang, was fewer than fifty personnel, while the total budget was less than £20,000.²⁴ Of necessity therefore, the Department's programs and administration were more in the nature of a contemporary workers' health centre than of a modern Department of Health.

The original Queensland Department of Health was, in a sense, more an organisation concerned with health than is its namesake of the 1980's, which has as its primary concern the treatment of the sick. The State's responsibility in the health portfolio was seen as being to keep the populace healthy, and hence productive. Affliction with disease or injury was a matter of individual

²³For an administrative history of the early years of the Health Department, see Patrick, pp. 1-14.

²⁴*QPP*, 1915, Vol. 2, pp. 299-300.

responsibility, to be guarded against as one might guard against the destruction of property by fire or flood. The chronically sick poor were deserving of Christian charity, but not of funding out of the public revenue. The intrusion of the State would, in the then ruling view, both discourage the righteously charitable from their public-spirited efforts and remove incentives for individual citizens to provide for themselves.²⁵ The State preferred, therefore, to subsidise buildings and services rather than to provide recurrent grants for hospitals. The system of granting pound-for-pound (or in the case of BGH, £2-for-£1) subsidies tended to encourage charity and reinforce dependence upon private funding - to deliver the desired outcome in fact.

The obverse of this funding system was that though the Government was the majority funding body, it had no direct administrative control over the hospitals. Health administration was therefore a blatant case of the private sequestration of public resources. Hospital patients, the majority of whom were in Labor's constituency, had then to bear the stigmata of charity bestowed by hospitals that were in reality a public resource. The *Hospitals Act, 1905* insisted on proportionate hospital funding from local authorities and was likewise designed to bolster the ethics of charity and individual responsibility. The rate payers, property owners, were thus made directly responsible for the standards of care meted out to the sick poor in their own communities, since they had to provide no less than a quarter of total grants. This institutional arrangement served further to substantiate the State's disclaimer of responsibility for treatment of the sick. Decentralisation of funding has more recently been used as a means of denying liability for welfare provisions; the Fraser Government's "new federalism" scheme which had as one objective the return of hospital funding responsibilities to the States is an example of this process.²⁶ The legitimate roles of the state were confined in Colonial Australia to maintaining public order and providing infrastructure for private capital accumulation, neither of which impelled the provision of hospital care from the public purse.²⁷

²⁵See Kewley, pp. 8-12, for an analysis of these attitudes in the Colony of New South Wales.

²⁶P. D. Groenewegen, "The political economy of federalism 1901-81", in *State and Economy in Australia*, ed. Brian W. Head (Melbourne: OUP, 1983), pp. 186-187; Catley and McFarlane, p.162.

²⁷Butlin, Barnard and Pincus, pp. 3-18; R. W. Connell and T. H. Irving, *Class Structure in Australian History: Documents, Narrative and Argument* (Melbourne: Longman Cheshire, 1980), pp. 110-113.

The Queensland state in 1915 was prepared to undertake the care only of those whose disabilities were so chronic, terminal or gross as to put them beyond the pale of civilised society. Lepers, the insane, the senile and the terminally consumptive had no place in polite society. They were not expected to recover, so their condition required more or less permanent isolation from that society, in like manner to the treatment of criminals. Since recovery from their illness was not regarded as likely, money was often not wasted on medical treatment for the afflicted. Such was the case, for example, at the Dunwich Benevolent Asylum on Stradbroke Island (like the Lazaret, in Moreton Bay), an institution designed to accommodate the chronically ill.²⁸

The treatment of venereal disease was a further public necessity to which the members of polite society could hardly be expected to make a charitable contribution. At that time even to raise for discussion the topic of VD was thought obscene as is clear from the reception of Ibsen's play, *Ghosts*, which itself promulgated certain popular errors about the medical effects of hereditary syphilis. Early attempts at treatment were faced of VD were based on the old British *Garrison Towns Act* through the *Contagious Diseases Act*, 1868, which provided for the inspection and registration of prostitutes in areas where troops were billeted. The operation of the Act had been curtailed at the request of the Department of Health in 1913 and a more realistic, less restrictive, regime instituted. This provided male and female walk-in clinics in Brisbane,²⁹ which regime recognised that prostitutes were not the sole source of venereal disease.

Essentially, then, in the early part of the century the State's operations in the field of health care were confined to the margins. Full State funding and control was offered only in those few areas where private funding was entirely absent, in particular the areas of chronic and unpleasant diseases. The preventive health regime run by the State had grown only as a grudging response to the inability or unwillingness of the market to cope with obvious social problems and in the recognition that rapid population and economic growth depended on the eradication of diseases linked with poor sanitation. Economic criteria rather than health needs as such stayed to the fore. Even in those areas where there was full State responsibility and control, parsimony was the watchword.

²⁸Dickey, pp. 50-51.

²⁹Patrick, p. 8.

Labor in 1915 was faced with a public health care system which lay on the fringes of State activity. State-provided care was confined to the hopelessly ill. Free hospital ward accommodation was available to the indigent by dint of charity and carried the stigma associated with dependence upon charity. Labor policy included nationalisation of the public hospitals, but made no mention of any free, universal system of hospital ward and outpatients' care. The Party's reform agenda focussed upon the economic wellbeing of workers through such devices as the State enterprises, workers' compensation and a restructured industrial arbitration system. Taking over a health system that was already at least partially provided by the wealthy would only divert scarce resources away from the other, in some cases very expensive, initiatives the State was undertaking. There were no international or local models of universal health care to fan Party enthusiasm for reform in the economically peripheral area. The 'wonder drugs' and other marvels of medical science were not to arrive for decades: there was less public concern about curative medicine when there were so many diseases not susceptible to treatment. Moreover, medical technology had yet to reach the level of expensive sophistication where political judgement had to be exercised over the purchase and placement of single items of equipment.

The Queensland health care system in 1915 was in no important respect different from those operating in other States.³⁰ The years 1900-1915 in Queensland had witnessed a gradual though strictly circumscribed expansion of the role of the State in recognition of the declining ability of private charities to offer acceptable standards of treatment for the sick poor. Labor in coalition and in opposition had played some part in this movement following on its 1905 hospital nationalisation policy. Similar trends toward expanded State intervention were, however, evident throughout Australia.³¹

Stasis: 1915-1922

³⁰See, for example, Kewley, pp. 7-13; Dickey, pp. 132-140.

³¹Cf. *Commonwealth of Australia Year Book*, 1901-1907, pp. 774-777; 1901-1915, pp. 853-855.

Reform of the health care system was not, then, a priority for the notoriously reformist early Labor governments. Although nationalisation of hospitals had been Labor policy for a decade, the proposal appeared on the 1915 fighting platform as the lowest priority on the social policy agenda after "[b]etter provision for Widows and Orphans and Indigent Persons" and abolition of capital punishment.³² The workplace and the market were the areas where workers felt themselves most disadvantaged and it was on these areas that attention was concentrated by Party debates. The Labor Party of 1915 still had more ambitious goals than simply ameliorating the lot of society's casualties.

The reasoning of the Labor leadership ran something like this: with higher wages through a revamped Arbitration system, lower prices through State competition, the elimination of unemployment and provision of pensions and unemployment insurance, workers would be able to provide for their own health care. They would in any case be less likely to become sick. Meanwhile, it was only just that the sick pay for their own treatment. And since the hospitals could be more cheaply operated on the voluntary system, the State exchequer could be all the more readily tapped for what were seen to be fundamental social reforms.

The commitment of the Party to nationalisation of hospitals had much the same force as the general Objective adopted by the Federal body in 1921. The plank was a statement of intent unencumbered by specific references or timetables for introduction. For example, the 1916 Labor-in-Politics Convention at Rockhampton carried **unanimously** a motion broadening the scope of the plank to cover the gamut of health services.

That plank 10 be altered to read "Nationalisation of hospitals and the chemical and medical professions and charitable institutions."³³

The motion, which if carried into immediate effect would have necessitated a major reallocation of the fiscal resources of the Queensland state, was carried without debate, indicating the low priority the Labor leadership attached to its implementation.

³²*Worker*, 1 April 1915.

³³*Official Record*, Eighth State Labor-in-Politics Convention, 1916, p.12.

By way of contrast, prolonged and bitter debate erupted over a motion directing the Government to reintroduce the *Contagious Diseases Act*, to widen its application to include men, and to provide twenty-four hour V.D. clinics. Amid a flurry of amendments calling for crackdowns on prostitution and for sex education of children, the Government was able to get its own diluted 'form of words' adopted, after an impassioned speech by Theodore:

That the Government take drastic action to eradicate the Red Plague [V.D.] from the community.³³³⁴

Clearly, the Labor leadership was loath to accept Party policy direction in the health field but was happy to reiterate statements of principle which were perceived as requiring no action in the foreseeable future.

Labor policy in health matters tended also to be circumscribed by electoral concerns more than by a perception that state action could improve the health of the Queensland public. Weil's Disease (leptospirosis) outbreaks, for example, with associated high mortality, affected workers in the canefields. The disease was contracted by eating food or drinking water contaminated with rats' urine or, more often, by matter containing rats' urine entering cuts and abrasions. The disease afflicted canecutters working in unburnt fields. Firing the cane prior to harvesting destroys the vermin and the disease but marginally lowers the cane's sugar content and renders the milling process slightly more complicated. Farmers and millers were accordingly reluctant to accede to workers' demands for crop firing and the Government was equally reluctant to make the practice compulsory. Despite the canecutters' demand for action their union (the AWU) in effect conspired with the employers on the issue.³⁵ Antagonism between the cutters on the one side and farmers and millers on the other over this issue led eventually to widespread strikes in 1934 and 1935, strikes which obtained only half-hearted backing from the AWU. This reluctance by the AWU to support the cutters on the occupational health issue of Weil's Disease was, reflected in an equal reluctance on the part of the PLP to intervene in support of the affected workforce and against the wishes of the farmers and millers.

³⁴*Official Record*, Eighth State Labor-in-Politics Convention, p.21.

³⁵Records of interviews with 'Bluey Bliss, Canecutter' and 'Stan [?], Farmers' Son' in Wendy Lowenstein, *Weevils in the Flour: An Oral Record of the 1930's Depression*, 2nd ed. (Melbourne: Hyland House, 1979), pp. 381-384.

In office, Labor at this time was amenable to the policy line advocated by the BMA, namely continuation and extension of private practice, with the sick poor receiving voluntary treatment by honoraries. As late as 1924, Home Secretary Stopford wrote to the BMA in response to complaints about non-indigent patients presenting themselves for free hospital treatment, saying

Public hospitals are established primarily for the treatment of persons whose circumstances are such that private medical treatment is beyond their means, and only such persons are eligible for admission to hospital. All other persons are subject to private practice.³⁶

The wartime conditions under which the Ryan Government assumed office stimulated public and Party debate on health administration. The Imperial Forces' personnel demands on the medical profession combined with the war effort's claims on charitable funds led to something of a crisis in the provision of medical treatment for the poor. Large private endowments had never been a rich source of hospital income in Queensland,³⁷ and now that such funds had completely dried up the inadequate subsidy system precipitated a marked deterioration in hospital care.

The Government responded with the *Hospitals Bill*, 1916. Since it entrenched voluntary and local government funding this legislation compromised Party policy, although the Government's critics of the left seemed to have ignored the matter. The Bill did, however, seek to establish a more stable and guaranteed funding basis for hospitals and included potential provision for nationalisation when circumstances were deemed opportune. The Bill was, however, thrown out by the Legislative Council with the MLC's led by members of the medical profession voting solidly against it.³⁸

The following year the BGH declared itself bankrupt. Lacking legislative authority and also any genuine desire to take over the Hospital, the Government bailed out the institution's finances and allowed its Board and administration to carry on. The twilight of the old voluntary system of management lingered until 1923. During this period the BMA showed itself to be more

³⁶*Medical Journal of Australia*, 1924, N^o 2, p. 658. Cited also by Robin, p. 658.

³⁷Leggett, p. 12.

³⁸*QPD*, Vol. CXXV (1916-17), pp. 3160-3167.

amenable to suggestions of administrative reform than it was in later years. The scale and success of medical services provided on a salaried basis in the military forces held lessons which the profession was prepared at least to debate. There was reason to expect that veterans who had grown used to high standards of free, state-provided medical treatment would agitate for their continuation on return to civilian life.³⁹ Nevertheless, such debate remained confined within the profession and was neither exploited by the government nor raised by medical members of Parliament. The BMA at no time advocated or accepted the principle of salaried medical practice even if it was prepared to canvass the issue in internal discussions.

The record then is that Labor governments from 1915-1922 acceded in practice to the BMA's claims to a monopoly of medical knowledge and its use. Moreover, Labor remained sympathetic to the profession's arguments in favour of continuing the subsidised voluntary hospital system which the profession itself dominated. Any moves for change from within the Party were restricted to vague statements of principle and occupied little time at Labor-in-Politics Conventions. In the event, the only major administrative reform in the Health portfolio from 1915-1922 was the assignation of Golden Casket (State lottery) profits to public hospitals. This move occurred in 1920 and remains in 1986. In short, radical change in health administration was neither a vital ideological goal of the Party nor was it perceived by the Labor leadership as offering potential electoral rewards.

State Intervention Mark II: 1923-1930

The *Hospitals Act*, 1923 was engendered more by a spirit of administrative efficiency than by reforming zeal. Government members speaking to the Bill were concerned to emphasise its absence of controversial content. Minister Stopford, for example, noted that "no sane Government are going to force any system of management upon any section of the community that is maintaining its hospitals in a proper and fair manner."⁴⁰ The Act contained no provision to coerce

³⁹Robin, p: 112.

⁴⁰*QPD*, Vol. CXLII (1923), p. 2074.

voluntary hospitals into accepting State control, although some commentators have gained this impression.⁴¹ The 1923 Act was not an instrument for nationalisation, but this divergence from Party policy attracted little internal criticism.⁴²

The 1923 Act was designed to streamline the administrative efficiency of those sections of the public hospital system which had become chronically dependent on State funding. The Act provided first, for the renovation of hospital administration at the BGH and second, reconfigured funding arrangements between State and local government in the provincial hospitals. The State had been forced to bail out the insolvent BGH in 1917 and had continued to fund it in the intervening six years. The 1923 Act did away with a 'voluntary' Board which no longer functioned except as a legal fiction and placed formal control where financial control already lay - in the hands of the State bureaucracy. The Act created a new agency called the Brisbane and South Coast Hospitals Board to which career public servant C.E. (Charlie) Chuter, who has been called "the father of the Queensland public hospital system"⁴³ was appointed chairman.

The 1923 Act fell far short of compulsory nationalisation in that provincial voluntary hospitals were allowed to opt for continuation of the existing system of State-subsidised voluntary management. Furthermore, those hospitals which chose full government funding were not by any means made into arms of the State bureaucracy. The State was prepared to accept only sixty percent of operating costs, the balance having to be raised by local authorities within the hospital's designated area. This legislated a rise in the local authorities' contributions from twenty-five percent of supplementation grants under the previous scheme to forty percent of total hospital running costs where voluntary boards opted for the new, more stable, arrangements.

⁴¹Bell, p. 288. Her error is exposed at length by Leggett, p. 62.

⁴²Patrick, p. 17, cites PLP Caucus Minutes, 5 September 1923 (when the legislation was approved) to demonstrate this point. While Caucus Minutes only detail motions and voting figures, rather than the content of debate, Patrick is no doubt correct to say that the measure excited little criticism within the Party or from its friends within the labour movement like the *Daily Standard* leader writers.

⁴³Conversations with Doug Gordon and Dr Ross Patrick, formerly Undersecretary of the Queensland Department of Health, 1 August 1984.

The most public political struggle over the hospitals in this period was accordingly that put up by those ratepayers who were now required to fund 40 percent of hospital expenses. In urban areas like Brisbane to which the scheme's operation was initially confined, the heaviest rate burdens were most likely to fall on those with the greatest ability to pay. Moreover, they were unlikely to be Labor voters and the government could view this as a progressive and electorally harmless taxation measure. But as provincial hospitals began to enter the State scheme (see Table 4.2), more and more rural shires found themselves having to raise revenues for hospitals. Many shires chose to express their opposition to this impost by raising separate hospital taxes, so that ratepayers would become aware of how much extra tax was payable on behalf of hospitals. Since most rural ratepayers were agricultural producers, the separate tax was potentially damaging to the worker-farmer Labor electoral alliance (see Chapter 3).

Accordingly, the McCormack Government amended the *Local Government Act* in 1928, outlawing the levying of special hospital taxes and providing for any hospital moneys to be defrayed by general rates.⁴⁴ Labor's farmer supporters would still have to pay, but would no longer be able to see how much they were having to pay for the treatment of the sick poor.

The 1923 Act laid down more elaborate administrative arrangements for Brisbane than for the provincial hospitals, and by so doing perhaps inadvertently laid the foundations for the 1930's battles between Labor governments and the BMA. The character of hospital treatment and organisation in Brisbane differed from that in provincial cities and country towns in several notable respects. The BGH was already in 1923 a huge institution by the standards of that time. It was Brisbane's only public hospital, although some other institutions, notably the (Roman Catholic) Mater Misericordiae Hospital in South Brisbane, provided a few charity beds. As a large and anonymous urban facility, the BGH attracted less support per capita from Brisbane's wealthy citizens than did small town hospitals from their local financial benefactors. Honoraries at the BGH had no personal or community involvement with the sick poor they were treating, whereas even in a provincial town the size of, say, Townsville or Rockhampton, doctors would be so known to most

⁴⁴See Bell, p. 288.

citizens of the town that a reputation for lax treatment of indigent patients could potentially rebound upon the practitioner. The relationship of honoraries to patients at the BGH was in the nature of things an impersonal one.⁴⁵ In all, the BMA-promoted image of the selfless community doctor in private practice looked a little threadbare at the BGH. Although the 1923 rearrangements paved the way for the abolition of the voluntary system, this was not a Macchiavellian move by Labor to undermine the BMA but rather a step toward administrative rationality which allowed the honorary system to collapse under its own weight.

Membership of hospital Boards in provincial hospitals opting for the maximum sixty percent State funding reflected the proportionate contributions of the two levels of government. The State Government appointed the majority of members in those cases, but this did not result in effective State control. The crucial role of honoraries remained essentially unchanged in these hospitals from the former voluntary system, and they continued to dominate hospital administration in the absence of developed lines of central control outside the metropolitan area. Honorary medical staff could ignore boards' administrative policy with impunity, since the boards could have no authority to discipline voluntary medical staff who might well be the only qualified doctors in the hospital's area.

The divergence between Labor's action in devolving responsibility for hospitals onto local authorities in the 1923 Act and Party policy seems odd in the context of resolutions passed by the March, 1923, Emu Park Labor-in-Politics Convention just months earlier. This Convention, like its predecessor, unanimously endorsed a health nationalisation policy plank. This resolution called for the ambitious "Nationalisation of hospitals, all medical and allied services."⁴⁶ Among those voting for this policy must have been PLP leader Theodore, his Cabinet and sundry other PLP members.⁴⁷ It is tempting therefore to regard the *Hospitals Act*, 1923, as a betrayal of Party principles by the Labor ministers and at least two writers have condemned it in these terms.⁴⁸ Available evidence

⁴⁵Although this contention is denied by Leggett (pp. 70-75, 82-83), my interpretation was supported by Doug Gordon in our conversation of 1 August 1984.

⁴⁶*Official Record*, Eleventh Queensland Labor-in-Politics Convention, 1923, p. 54.

⁴⁷17 out of the 74 delegates were PLP members. These included Theodore, Stopford, McCormack, Forgan Smith, and Jones.

⁴⁸P. K. Jordan, "Health and Social Welfare", in *Labor in Power*, p. 315; Leggett, pp. 30-32.

concerning the tenor of the Convention debate suggests, however, that delegates did not reaffirm the principle of hospital nationalisation with any great sense of urgency. For example, an amendment to the substantive motion which called for a special State tax to augment Casket funds for hospitals was easily defeated, yet such a commitment of funds would surely have been necessary to translate the principle into practice. A PLP-sponsored motion for continuation of the Casket on the existing basis was just as easily carried. All speakers clearly indicated their shared belief that nationalisation was a long way off yet. The adoption of the policy may therefore be regarded as having similar force to the adoption of the socialisation objective by the Federal ALP in Brisbane three years earlier: it was something which would be good to see, but was unlikely to be realised in the lifetime of anyone present at the vote.

The entire debate over hospitals occupies about two percent of the record of a Convention which ran for six days (see Chapter 1 for more details). Furthermore, the debate was held on the last day, after Education and before Prohibition (liquor) - both of which issues inspired longer and more animated debates.⁴⁹ The reaffirmation of the hospital nationalisation plank was nothing very much more than a recurring ritual for the majority of those present during the debate. The Act had the mundane purpose of establishing a mechanism to bail out ailing charitable institutions while containing costs. The plank in the Party platform was perceived as a distant, flickering 'light on the hill', a light that might with the greatest of ease be ignored in the face of immediate administrative exigencies.

The Administrative Model:

The Brisbane and South Coast Hospitals Board

The *Hospitals Act*, 1923, while clearly at variance with Labor's stated nationalisation objective, did introduce several administrative features which were to survive in the

⁴⁹Official Record, Eleventh Queensland Labor-in-Politics Convention, 1923, p. 54.

subsequent State (nationalised) public hospital system. Leggett is one who was led to interpret the 1923 Act as legislation expressly designed as the model for later legislation to ensure complete State control.⁵⁰ There is no evidence to substantiate such a thesis. As the above examination of the 1923 ALP policy debate indicated, the Theodore Government had no intention of nationalising hospitals in the then foreseeable future. Rather, the administrative continuity to which Leggett draws attention may be explained by examining the leading role of the State bureaucracy whose advice guided the Ministers responsible for both the 1923 and the 1936 Acts and who then proceeded to administer the legislation.

The most significant creation of the 1923 Act was the Brisbane and South Coast Hospitals Board (BSCHB). Administratively speaking, this body was distinguished from its predecessors in Queensland and analogous institutions in southern States by its two guiding principles of lay (non-medical) control and centralised authority. There were partial precedents for administration based on these principles in other peripheral States. Tasmania, under a Nationalist Government, had introduced lay control (though not centralised) in 1917. South Australia had asserted State financial control over key hospitals more than a decade earlier.⁵¹

In Queensland Labor thinking on this issue, expenditure and administration decisions should be made by people who possessed financial and administrative expertise and who were subject to political direction rather than by doctors, who were trained to minister to the sick rather than manage public institutions. The politically damaging fiascos which some of the State enterprises turned into had highlighted the dangers of allowing non-public servants to control areas of State expenditure. Rational allocation of resources was to be ensured by centralised area planning. Where necessary, expertise, both professional and administrative was provided by professionals recruited into the State public service. The new position of Medical Superintendent at the BGH as the salaried sole medical adviser to the Board was an example of the new style of administrative arrangement.

⁵⁰Leggett, pp. 36-37.

⁵¹Dickey, p. 149.

The establishment of the Brisbane and South Coast Hospitals Board represented an unwelcome diminution of authority for Brisbane medical specialists. The BMA's opposition to the move was somewhat muted, however, which may be explained by the existence of precedents in other states and the BMA's continued privileged access to and harmonious relations with Minister Stopford. For example, in 1927 the BMA complained to the Government of non-indigent patients allegedly seeking free treatment at hospitals and hence placing unnecessary burdens on the honoraries' charity. The Government promptly responded by introducing a means test.⁵² Thus at the behest of the BMA a Labor Government instituted a system whereby the sick and injured seeking admission to a public hospital were greeted not by medical or paramedical staff, but by clerks.⁵³ As was noted in the previous section, the administrative reforms effected in the BSCHB had the tendency to undermine the honorary medical officer system, but as a function of organisational imperative rather than conscious Party policy.

Attempts were made at the 1926⁵⁴ and 1928⁵⁵ Labor-in-Politics Conventions to loosen the Government's ties with the BMA by attempting to secure Government support for methods of treatment regarded by the profession as quack medicine. In both cases Government delegates led by Stopford reaffirmed the profession's monopoly of authority in determining approved treatments and accrediting qualifications. Government arguments on these issues proved to be persuasive. Both motions were lost.

The BMA had no major enemies within the Labor ranks in the 1920's, but acquired a number of bitter foes in the new State bureaucracy administering the BGH under the 1923 Act. Mr. Chuter, in particular, became over the decade vehemently opposed to the privileges afforded honoraries in public hospitals.⁵⁶ He was also critical of waste and privilege in delivery of hospital treatment and of the monopoly of wisdom in health administration arrogated by the medical profession.⁵⁷

⁵²Robin, p. 120.

⁵³Conversation with Doug Gordon, 1 August 1984.

⁵⁴*Official Record*, Twelfth Queensland Labor-in-Politics Convention, 1926, pp. 60-61.

⁵⁵*Official Record*, Thirteenth Queensland Labor-in-Politics Convention, 1928, pp. 56-57.

⁵⁶Supreme Court of Queensland Registry, Royal Commission on Public Hospitals, Shorthand Notes of Evidence, "Further Statement by Charles Edward Chuter 7 July 1930", pp. 1-7 (hereafter 'Chuter').

⁵⁷Chuter, p. 4. See also Bell, p. 289; Leggett, pp. 43-44.

Chuter engineered some administrative coups against the powers of honorary medical staff in the 1920's including the establishment of disciplinary (and appeal) mechanisms to deal with unsatisfactory honoraries, and further entrenchment of the salaried Medical Superintendents as sole professional medical advisers to the Board.

The main actors in the administrative drama generally preferred to keep their battles out of the public domain. Occasionally, however, these struggles within the Queensland hospital system bubbled to the political surface, as in 1928 when Chuter publicly declared the honorary medical officer system "untenable".⁵⁸ So, while the *Hospitals Act*, 1923 was hardly the radical initiative portrayed by some latterday commentators, the activists in the medical profession were becoming alerted to the deep antagonism to their privileges being nurtured in the State apparatus. The change of government in 1929 gave the BMA leadership an opportunity to push the sympathetic and inexperienced new administration to settle once and for all the issue of medical practitioners' status in favour of the BMA's view.

The administrative apparatus set up to oversee public hospitals which chose to place themselves under the aegis of the Act may well have set in train the process of increasing State intervention, but the BMA made a tactical blunder in supposing that the actions of the Moore government would have any permanence, as will be seen. It was fortuitous for the Labor governments of the 1930's that the anti-BMA officials recruited to the health administrative machinery in the 1920's, most notably Chairman of the BSCHB and Assistant Under-Secretary of the Health Department Charlie Chuter, were such vigorous and far-sighted public servants.⁵⁹ The support given by these officials in the Health portfolio under a restored Labor administration was to minimise the electoral danger of reform in the area.

The one public health area to get a boost from the State Labor Government in the 1920's was maternity and infant welfare. The *Maternity Act*, 1925, provided for free, State-run pre and post-natal clinics, together with maternity hospitalisation. Significant sums were pumped into

⁵⁸*Courier*, 23 November 1928. Cited also by Leggett, p. 42.

⁵⁹Conversations with Doug Gordon and Ross Patrick, 1 August 1984.

capital works to provide the facilities encompassed by the Act and this program represented the greatest part of new investment in health facilities for the period.⁶⁰

The Moore Government, the BMA and the 1930
Royal Commission on Hospitals

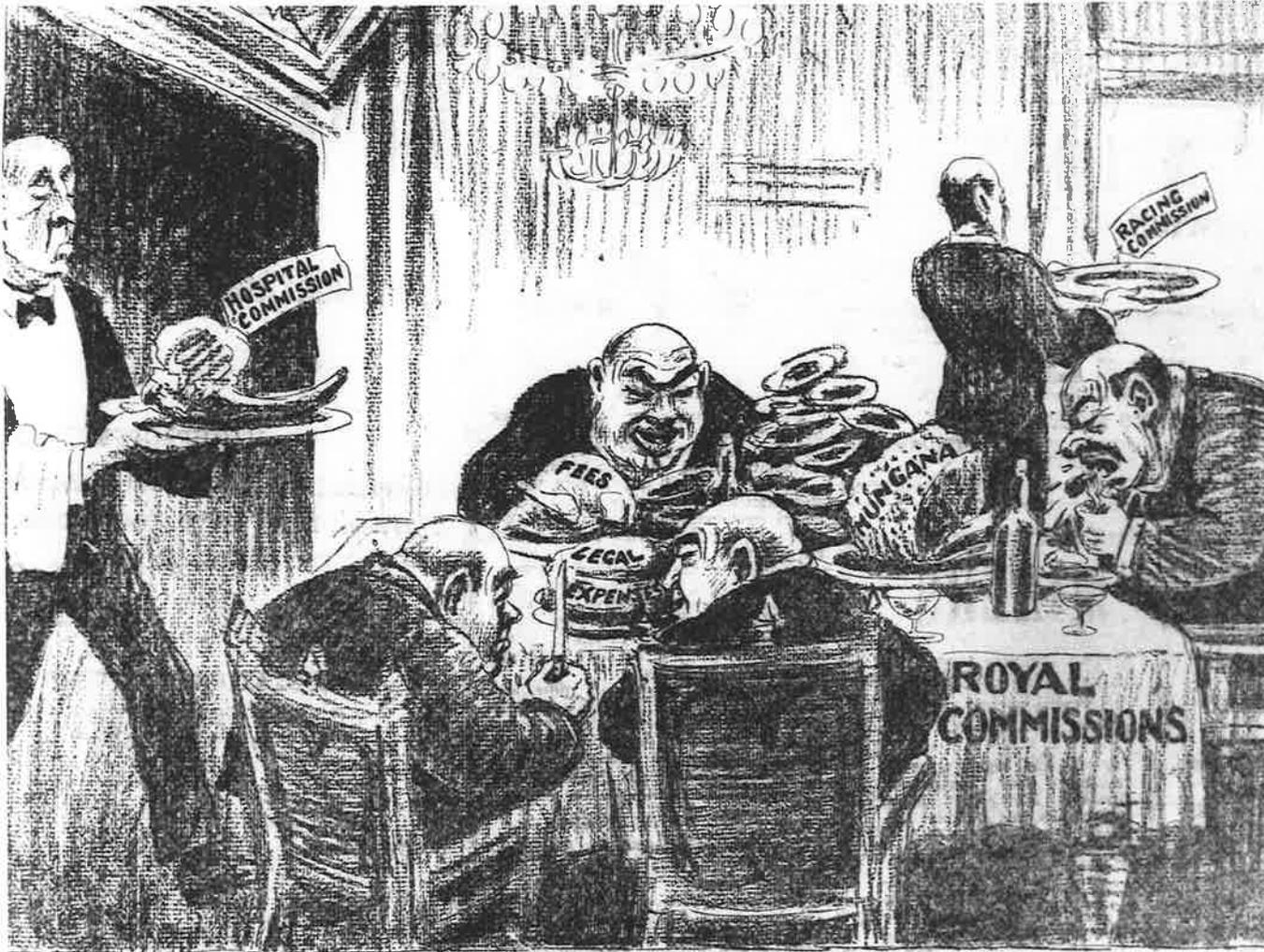
Although Labor governments had, as we have seen, generally upheld the prerogatives of the BMA, the Association saw a conservative administration as offering much more opportunity for consolidating and furthering the interests of the profession. Conservative parties had never been reluctant to adopt BMA policies as their own. The BMA's commitment to private medical practice echoed conservative economic wisdom and anti-Labor parties were able to declare unreserved support for this cornerstone of the Association's platform. By contrast, Labor's *de facto* support for private practice was necessarily hedged by a stated commitment to its eventual abolition.

Relations between honorary medical staff and the Brisbane and South Coast Hospitals Board headed by Chuter were inflamed from the outset and had had plenty of time to fester by 1930. The profession was irked that it no longer had any direct say in the administration of the State's largest and most prestigious hospitals. On the other side, Chuter, and through him the Board and the Department, had come firmly to the view that rational hospital administration would be possible only with the replacement of the honorary system by one with a salaried, full-time medical officers. Chuter's establishment of the salaried Medical Superintendent position was perceived by both himself and the honoraries as a significant step in the direction of a salaried medical staff in public hospital.⁵¹

The Moore Government, faced with a running administrative battle over hospital management, and finding itself beset by partisan public service advisors, opted to avoid direct

⁶⁰*QPP*, 1929, Vol. 2, pp. 1262, 1272.

⁶¹See also Bell, p. 289.



AND SO THE FINANCIAL ORGY CONTINUES

Cartoon, Worker, 28 May 1930

[Reproduced by kind permission John Oxley Library]

intrusion into policy formation in this dangerous field and instead appointed a Royal Commission. Three Commissioners were appointed, including one private medical practitioner. The three were W. Harris, Police Magistrate; S.A. Glassey, Deputy Auditor-General; and E. Sandford Jackson, surgeon. There were many terms of reference, concentrating on questions of finance, control, and government intervention in hospital administration.⁶²

The highlights of the Commission's hearing were the abusive exchanges between members of the medical profession on the one hand, particularly BMA Queensland President Dr. Meyers, and Chuter for the Brisbane and South Coast Hospital Board on the other. The BMA attacked some of the conditions prevailing at the BGH, notably the overcrowding which was responsible for housing V.D. and T.B. patients on hospital verandahs and for mixing psychiatric with detoxification patients in the one ward.⁶³ Chuter blamed the honoraries for the hospital's flaws and accused the BMA of having political and pecuniary interests in exaggerating the real state of affairs.⁶⁴ Chuter's remarks concerning the political ambitions of the BMA suggest also that he was dissatisfied with the Commission's makeup. The only member of the Commission to have first-hand experience of health administration was an honorary himself and who could sway his Commission colleagues in favour of the BMA.

The BMA's objectives were clear.⁶⁵ First, it wanted a State commitment to private practice as the foundation of Queensland's health care system. To this end it wanted coercion to return non-indigent patients to the private treatment market, and regulation of health insurance systems to make medical fee recovery more secure. Second, the BMA was keen to regain the unchallenged control of hospital administration the profession had enjoyed up until the mid-1920's. The mechanisms it favoured for achieving this second goal were the guaranteed appointment of honoraries to hospital boards and the greater intrusion of private (paid) practice into public hospitals via the creation of intermediate wards.

⁶²*QPP*, 1930, Vol. 1, p. 649.

⁶³*QPP*, 1930, Vol. 1, pp. 654-657 and elsewhere. See also Leggett, pp. 48-50.

⁶⁴Chuter, pp. 1-7.

⁶⁵See also Robin, pp. 110-128.

The Commission's findings were congruent with the main objectives of the BMA.

On the central question - that of hospital administration - the Commission recommended:

- (a) the appointment of honorary medical officers to all hospital boards;
- (b) the institution of signed agreements between medical staff and hospital boards;
- (c) the imposition of a compulsory statutory declaration of inability to pay before free treatment could be granted, otherwise fees would be imposed including fees for visitors in excess of two at any one time;
- (d) the establishment of a 3-member permanent Hospitals Commission independent of the Department and chaired by a medical professional;
- (e) State funding should be increased to 80% and local funding reduced to 20%. State funds to be provided from the Income Tax.⁶⁶

Other recommendations concerned insurance and included the imposition of compulsory third part motor vehicle insurance, and the extension of SGIO responsibility to include medical treatment of accident victims not otherwise covered. Having regard to the concessional capitation payment system existing between friendly societies and medicos, the Commission also recommended the imposition of means tests for friendly society membership. This last recommendation effectively embraced the then still controversial fee-for-service system of private practice, since friendly societies paid a flat patient capitation fee regardless of the number of consultations by each member.

Struggling with an economic catastrophe and lacking political resolve, the Moore Government procrastinated over the adoption and implementation of the Royal Commission's report. This hiatus in the decision-making process was further confused by some dissent among the Commissioners themselves, especially on the question of BMA representation on hospital boards. Harris, Police Magistrate and Chairman, took the view that the Crown as provider of the funds should make the administrative decisions.⁶⁷ Furthermore, Government supporters in Brisbane and the provincial cities were unenthusiastic about the Commission's recommendation that further hospital

⁶⁶*QPP*, 1930, Vol. 1, pp. 705-706.

⁶⁷*QPP*, 1930, Vol. 1, p. 696.

costs should be met from Income Tax,⁶⁸ although Moore's rural supporters would have welcomed the rate relief such a move could have given them.

Any reasonable Income Tax levy formula would in the Depression context have been more progressive in its tendency to effect income redistribution than would continued reliance on rates. Economic crises tend to accelerate regressive relative income redistribution as, in the words of a popular song of the Depression years, "the rich get richer and the poor get poorer".⁶⁹ Marginal property owners such as small farmers, shopkeepers and mortgagees who faced bankruptcy in the economic downturn were still liable for rates, while income taxes could only be levied on incomes above the subsistence level. The losers in any transfer of the tax burden from the property rate to an income tax levy would be those who had retained or improved their incomes during the crisis. This effect was not lost on farmers: the Council of Agriculture submitted to the Royal Commission that the local government hospital levy was "unfair and discriminatory".⁷⁰

Arguments in favour of lightening the taxes of the rich seem in poor taste at a time of general hardship, so those advocating such policies seek to clothe their arguments with assumptions about the necessary preconditions for a return to economic health. Even the *Courier*, which normally articulated Brisbane conservative opinion, counselled wholehearted endorsement of the Royal Commission's recommendations, despite the two dissenting opinions in the Report on the subject of income versus property taxes.⁷¹ The confusion caused by the internal dissent in the Commission Report was sufficient to allow the Moore government to shelve contentious issues.

The recommendations of the Royal Commission on Hospitals thus offered the Moore administration few political benefits and many probable increments to opposition. The only sure beneficiaries from adoption of the recommendations would have been the honorary medical officers, a numerically insignificant and geographically dispersed group whose allegiance to the non-

⁶⁸See Robin, p. 127, Bell, p. 291.

⁶⁹See, for example, Catley and McFarlane, pp. 50-53;

⁷⁰*Daily Mail*, 18 June 1940.

⁷¹*Courier*, 28 November 1930.

Labor parties was in any case more or less assured. Accordingly, the Report was shelved. The only impact made in the end by Royal Commission recommendations was the appointment of Dr Robertson, surgeon and University of Queensland Vice-Chancellor, to the Brisbane and South Coast Hospitals Board. His appointment was not renewed by Labor when it returned to office.

In the event, the most interesting outcome of the Royal Commission was the sundering of the hitherto harmonious relationship between the BMA and the Labor leadership. The BMA was widely perceived in the Party and the broad labour movement to have thrown in its lot with the conservative parties. The speed with which the Moore Government appointed the Royal Commission and the close correspondence between its findings and BMA policy was taken as indicating a sinister degree of collusion between Cabinet and the BMA.⁷² By the same token, Charlie Chuter emerged as the hero of the hour for defying the BMA/ Government/ Royal Commission axis.⁷³

The Moore Government thus accomplished little in the way of practical change to the health care system. Labor's 1932 election platform contained little indication of the scope of reforms which, as events proved, were to be undertaken in the ensuing years. The only commitment in the health area was to the "continuation and extension of baby clinics, maternity hospitals and pre-natal clinics."⁷⁴ An obvious priority in the 1932 platform was Government action to reduce unemployment and to review the less popular administrative policies of the conservatives. Health was a minor item on the agenda.

⁷²See *Daily Standard*, 29 November 1930; *Worker*, 28 May 1930.

⁷³*Daily Standard*, 12 December 1930. Cited also by Bell, p. 290.

⁷⁴W. Forgan Smith, *Summary of Labor's Policy - State Elections 1932*, plank 17.

Imposition of central control 1932-1939

Forgan Smith's Home Secretary was E.M. ("Ned") Hanlon, a competent and hard-working⁷⁵ Minister who was an outstanding member of the Cabinet and threw himself into the portfolio with enthusiasm. He found the *Courier's* and the BMA's calls for a separate Health portfolio immediately attractive. In spite of their source, these suggestions offered the chance of accelerating reform in line with Labor policy, represented a new and electorally visible action, and held out the prospect of achievement directly attributable to the Minister himself. The Health "Department", as was discussed earlier, had been an administrative ugly duckling and the new Minister had the ability to foresee how Labor could make a mark in what could be a developing field. Hanlon was to emerge as a leading figure in the Labor welfarism of the 1930's and 1940's, although his reputation does not seem to be as widely recognised south of the Tweed.⁷⁶

The BMA was thus pleasantly surprised that the new Minister was apparently receptive to the profession's policy advice. It was further delighted when in 1934 Hanlon appointed Dr Raphael Cilento to conduct an internal Departmental inquiry into the management structure of the Department and of the Queensland public hospital and public health systems. Cilento was an eminent member of the medical profession (a specialist in tropical medicine) and at the time of his cooption to the Queensland service a senior officer in the Commonwealth Health Department in Canberra.⁷⁷

From the BMA point of view, Cilento was both a distinguished member of the medical fraternity and a friendly outsider among the detested Queensland health bureaucracy. The BMA was yet more pleasantly surprised when Cilento made clear to his colleagues and to the press that following the inquiry it was the Government's intention to appoint himself as inaugural Head of

⁷⁵Kenneth W. Knight, "Edward Michael Hanlon: a City bushman" in *Queensland Political Portraits*, pp. 443, 441, 457; Patrick, p. 27.

⁷⁶No mention of Hanlon at all, for example, in Kewley, Dickey, or Richard Kennedy (ed.) *Australian Welfare History: Critical Essays* (Melbourne: MacMillan, 1982). Only publications specifically on Queensland credit Hanlon with having any kind of influence on the development of welfare policy in the ALP.

⁷⁷*Courier-Mail*, 1 January 1935. **Note:** the former *Brisbane Courier* and *Daily Mail* amalgamated at the end of 1934, and this was the first edition of the combined newspaper. See also Patrick, p. 19.

a new Health Department.⁷⁸ The logical internal appointment as Permanent Head of the new Department was Chuter, a possibility the BMA must have viewed with some trepidation given his well known antipathy towards the Association. In the light of projected appointment of Cilento, the BMA pronounced itself willing to go along with a major reform in the administration of Queensland's health care system.

An election on 11 May, 1935, saw the Forgan Smith Labor Government comfortably returned to office. Hanlon played a role in the campaign second only to that of Premier and Labor leader Forgan Smith. Hanlon issued at public expense a special pamphlet detailing the work of the Home Department and explaining, with a commendable clarity rarely seen in more recent welfare state publicity, the paternalistic ideology of State welfare provision in Queensland under Labor. Only in the areas of health administration and hospital management is Hanlon's pamphlet less than explicit about Labor ideology and policy objectives since they could have roused an apathetic BMA into anti-Government activity.⁷⁹

Between the election and the end of 1935, however, Hanlon's plans for the administrative change in the Health function changed dramatically. Instead of establishing a traditional Department of State structure presided over by a Permanent Head, Hanlon moved towards a Janus - like structure with both a professional and an administrative head. Cilento was to be the professional manager as the 'Director-General of Health and Medical Services'; the top man of the administrative structure, the 'Under-Secretary of the Department of Health and Home Affairs', was to be none other than Charlie Chuter.

Ross Patrick, himself a subsequent Director-General of Health and Medical Services, explains Hanlon's volte-face by reference to Cilento's political blunders during the year prior to the

⁷⁸Patrick discusses this point at length, pp. 19-22. He cites (a) oblique references to an 'offer' made by Hanlon to Cilento in 1934 - QSA A/32011 (b) press coverage of Cilento - *Courier*, 15 October 1934 (c) Cilento's own report on reorganisation (n.d.)QSA HHA/11 (d) Hanlon's speech to the enabling legislation creating the Director-General of Health position, in which he names Cilento as 'head' - QPD, vol CLXV (1935), p. 1583 (e) conversation between Patrick and *Courier-Mail* journalist Harry Summers (n.d.).

⁷⁹E. M. Hanlon, *The Work of the Home Department: A Survey of its Activities and Sub-Departments from 1932 to 1934* (Brisbane: Government Printer, 1935), pp. 7-14.

establishment of the new Department. First, Cilento is said to have offended both the unwritten Public Service code and Hanlon in particular by bypassing proper channels and dealing direct with Premier Forgan Smith, specifically on the Weil's Disease issue (the disease having aroused industrial strife in the Premier's electorate). Second, Cilento accepted a knighthood from the Commonwealth King's Birthday list, an honour not likely to habilitate him with his new employers.⁸⁰

Third, during the 1935 election campaign, Cilento publicly scoffed at treatment methods in the polio clinics conducted by Sister Elizabeth Kenny. Although she lacked the medical qualifications deemed necessary by the profession for treating the sick, Kenny had much success with her unconventional treatments for the endemic infantile paralysis disease poliomyelitis - treatments which eschewed the usual callipers and leg clamps. Both Hanlon and Forgan Smith had voiced some support for the Kenny treatments, but in any case the issue was a political hot potato, with pro-Kenny forces near fanatical in their demands for official license for the treatment. Cilento's intervention was thus politically untimely and inexpedient even if medically speaking unexceptional at the time. Kenny's methods have subsequently been vindicated and received international recognition, of course, but she was long officially regarded by the profession as a dangerous quack.

The political climate of the time made it tactically necessary for the Government to ensure that its senior appointments were people not ideologically opposed to the Labor Party. The retiring Under-Secretary of the Home Department was the conservative William Gall. Gall was closely associated with Queensland Club conservative identities⁸¹ and was in the habit of collecting scandalous tidbits of Government and Labor Party doings and passing them on to journalists from the anti-Labor press.⁸² The ALP leadership had in the 1920's been able to defeat Convention motions calling for the selection of socialists in senior government appointments. The Forgan Smith Government would nonetheless have been aware of Party disquiet when overt enemies were recruited to such positions.

⁸⁰Conversation with Ross Patrick, 1 August 1984; also Patrick, pp. 21-25.

⁸¹Conversation with Dennis Murphy, 21 July 1982.

⁸²William James Gall, collected miscellaneous papers, Fryer Library Collection. See especially MSS 43/D/234, 43/D/240(b), 43/D/222, 43/D/236.

Chuter had already demonstrated the soundness of his ideological credentials and the positive feelings of the Party towards him were reinforced by his solid grounding in hospital administration. As Assistant Under-Secretary, Chuter had assumed *de facto* supreme responsibility for hospitals since the passage of the 1923 Act.⁹¹ Cilento, on the other hand, outstanding intellect though he was, had neither experience nor interest in the nitty gritty of hospital administration, his expertise lying in the spheres of public health and tropical medicine.⁹² Cilento was allocated a permanent office adjoining the Minister's with a connecting door, hence confirming an arrangement made on a temporary basis when he had been the Permanent-Head-designate. Cilento's domain was the administration of professional services in the State's hospitals, but he retained direct access to the Minister. Chuter controlled the funding, in concert with government policy.

The new administrative arrangements bore fruit with the passage of the *Hospitals Act*, 1936, which gave authority over all expenditure for all public hospitals (including voluntary hospitals) to the Department of Health and Home Affairs. The Governor in Council was empowered to make the appointments to hospital boards, all of which were made vacant by another provision of the Act (S.13(2)). Boards were invested with wide discretionary powers but key appointment decisions such as those for Medical Superintendents were to be made by the Director-General (Cilento). (S.5) The Act provided for the abolition by proclamation of the honorary medical officer system (S.33) and foreshadowed its replacement by a salaried system. The honorary medical officer system was phased out by 1938, being replaced by a range of salaried full- and part-time positions. Hospital employees, among whom the medicos were now numbered, were ineligible for appointment to hospital boards, thereby ending the time-honoured relationship between the medical staff and the boards. (S.13(7))

Under the Act Hanlon ruled the hospital system through the Director-General to the Medical Superintendents and through the Under-Secretary to the Hospital Managers. The Superintendents and Managers constituted the sole sources of advice for each board and were effectively Department officers, being appointed by and owing allegiance to the Department.⁸³

⁸³Conversation with Doug Gordon, 1 August 1984. Also Bell, p. 291.

The Act was presented in parliament as a move to extend more independent authority to hospital Boards. Hanlon argued that

local control through boards will give more efficient, more economical and better service all round to the people of a community than would a series of hospitals throughout the State controlled entirely from Brisbane.⁸⁴

The Act was worded to conceal the main intention of the legislation, an indication that the Labor leadership was anxious to avoid political confrontation and accusations of radicalism. For instance, while the Act empowered boards to undertake works, engage consultant architects and the like, it also required budgets (S.22) and works programs (S.24) to receive the authority of the Governor in Council and the Co-ordinator-General of Public Works. Government policy required hospital works other than maternity wards to be financed by public borrowing.⁸⁵

The Queensland medical profession might have been more militantly opposed to this new hospitals regime had it not been for the establishment in 1935 of the Medical School of the University of Queensland at Herston, adjacent to the BGH. The BGH became henceforth the State's first and only teaching hospital (until 1957 and the opening of the Princess Alexandra Hospital). The cachet now attaching to the BGH as a teaching hospital made practice there attractive to medical staff who were otherwise antithetic to government control. The balance appears to have worked out in favour of better morale,⁸⁶ although Leggett has disputed this, claiming that teaching was relegated to a subordinate and inadequate status.⁸⁷ In any case, the BMA in Queensland was muted in its opposition to the Act when in theory it was implacably opposed. When the national association established a capitation levy of £10 in order to establish a fund to fight the legislation, the Queensland Branch was able to raise less than 50 percent of its share of the total and was the subject of attacks in the *Medical Journal of Australia*.⁸⁸

⁸⁴*QPD*, Vol. CLXX (1936), p. 1748.

⁸⁵Evident from the statements of Public Accounts and Auditor-Generals reports. See also Patrick, p. 32.

⁸⁶Conversation with Doug Gordon, 1 August 1984.

⁸⁷Leggett, p. 75.

⁸⁸Robin, pp. 131, 134.

Hanlon's agreement to BMA demands for the establishment of Intermediate Wards also helped mute the reaction of the Queensland medical profession to the 1936 Act. The BMA had argued that a range of diagnostic and treatment facilities were available only in public hospitals, and that the State was therefore depriving itself of funds by failing to provide slightly more prestigious accommodation, at cost, to the middle class.⁸⁹ The creation of a new ward level advantaged the BMA's constituency in that it legitimated a fee-for-service system within the public hospitals. From Labor's point of view, the introduction of Intermediate Wards dampened opposition to the effective abandonment of means testing in Public Ward admissions.⁹⁰ Ordinary workers thus achieved, with no particular fanfare or controversy, guaranteed relief from crippling hospital costs.

While the *Hospitals Act*, 1936 greatly increased central control over hospital administration it left the burden of 40% funding, as before, with local authorities. This arrangement conceded the arguments against income tax financing for hospitals which anti-Labor forces had raised in 1930. Local government electors in exchange were granted direct suffrage in choosing their minority of board members. The Act was modelled on the *Local Government Act*, 1936. The effect of both pieces of legislation was to give the public impression of decentralisation of authority while augmenting the actual financial and administrative control exercised by the State Government from Brisbane.

Labor compromised in other directions also in order to avoid controversy in the introduction of the reforms. The new arrangements were premised upon the general principle that medical staff ought to be paid State servants. This would grant hospital administrators the same managerial prerogatives afforded managers of other State agencies. A stronger view, associated with Chuter, was that administration would be put on a proper basis only if medical staff were ordinary Crown servants: that is, **full-time** salaried staff with negligible private practices. This more radical

⁸⁹ See *Medical Journal of Australia*, 1936, vol 2, N^o 23, 5 December 1936, pp. 791-792. In the course of praising the Hospitals Contribution Fund of New South Wales, the *MJA* leader writer notes that the system of private insurance "is advantageous from several points of view. In the first place the public hospitals have not had to find room for these persons in the public wards, and have therefore been able to provide a greater number of beds for the indigent - those for whom the hospitals were originally intended." (p. 792)

⁹⁰Patrick, p. 45.

option was discarded as in the run-up to abolition of the honorary system it became clear that there would be insufficient candidates for full-time positions,⁹¹ but the conflict-limitation tactics adopted by Hanlon and Forgan Smith suggest that such a move would have been shelved in the face of BMA opposition even if there had been no practical difficulties. The honoraries by and large became part-time medical officers. Chuter was moved in 1941 to head the new Department of Local Government, a transfer which purged the Government's policy advising ranks of the single greatest impediment to co-existence with the BMA.

The significance of the 1936 Act should not be understated simply because the Labor leadership chose to compromise on certain issues in the face of likely strong opposition from the prestigious BMA. At one stroke, the doctors had been forced to accept a salaried medical service in public hospitals, the administration of the hospitals had been lodged firmly with the State public service, the remaining voluntary hospitals had been put on notice for possible future State takeover and the private hospitals had been made subject to State regulation. The subsequent introduction and retention of the Free Hospital system would have been administratively improbable were it not for the assumption of State control under the *Hospitals Act, 1936*.

So inconspicuous was the Act by dint of the lack of public conflict surrounding its passage that it was not reported in the Labor press. The *Worker* carried no mention of the Act's passage in November-December, 1936. By comparison the simultaneous Racing and Pharmacy Bills received in-depth coverage. In the mass of Bills brought on at the end of the 1936 Session, a Bill which made administrative reforms to the health sector was not deemed to be of significance by Labor publicists. The move could have been announced as a major step in the achievement of Party objectives and so helped dampen internal criticism of the Labor Government's lack of reforming zeal, but the Labor leadership clearly felt more comfortable with internal opposition than with public charges of radicalism made by anti-Labor forces.

⁹¹See Leggett, p. 82.

The tactic worked, as the conservative press, like the Opposition and the BMA, was caught unawares by the subtlety of the major reforms wrought by the legislation. There was some concern that *private* hospitals were now to be regulated, but Hanlon's rhetoric about the enhancement of local control of public hospitals was accepted at face value. The *Courier-Mail*, for example, reported the Bill under the heading "Control of Private Hospital Boards" and gave little prominence to misgivings about the powers of Government to control Boards' decisions.⁹² When the Bill had been more carefully perused protest became more vociferous and it appeared that the conflict-avoidance tactics had failed. "State Dominates Hospital Boards - 'Nationalisation More Acceptable'" headed the *Courier-Mail* leader the next day.

Mr Daniel (Country Party-Keppel) was prominently reported as having described the "predominance of the Minister's representatives on hospital boards as 'Hitlerism of the worst kind'". The BMA was more upset about the Government's failure to consult it than by the detail of the Bill:

'We are still waiting for a copy of the Bill.' An omission from the Bill noted by a member of the British Medical Association is provision for medical representation on hospital boards. For years, they said, doctors had been refused what they regarded as a right.. The Association had made frequent and sincere efforts to place before the Government its expert advice and help in the framing of a health policy for the State, which would provide an efficient medical service for the people. These overtures had been consistently spurned...⁹³

The Government, no doubt hurt that its camouflage tactics had failed, scornfully attacked the premises of the BMA's argument. Forgan Smith, issued the following rejoinder:

No public body received Bills for discussion before they were printed, and there was no reason why the British Medical Association should be treated differently from any other union...⁹⁴

The Government need not have been so testy, since its tactics had mostly succeeded. The BMA, which as more recent Labor governments have found is capable of causing political mayhem, was only going through the motions of opposition. By the following week, as the King's abdication story began to break, the passage of the Bill had ceased to be of concern to the anti-Labor press.

⁹²*Courier-Mail*, 26 November 1936.

⁹³*Courier-Mail*, 26 and 27 November 1936.

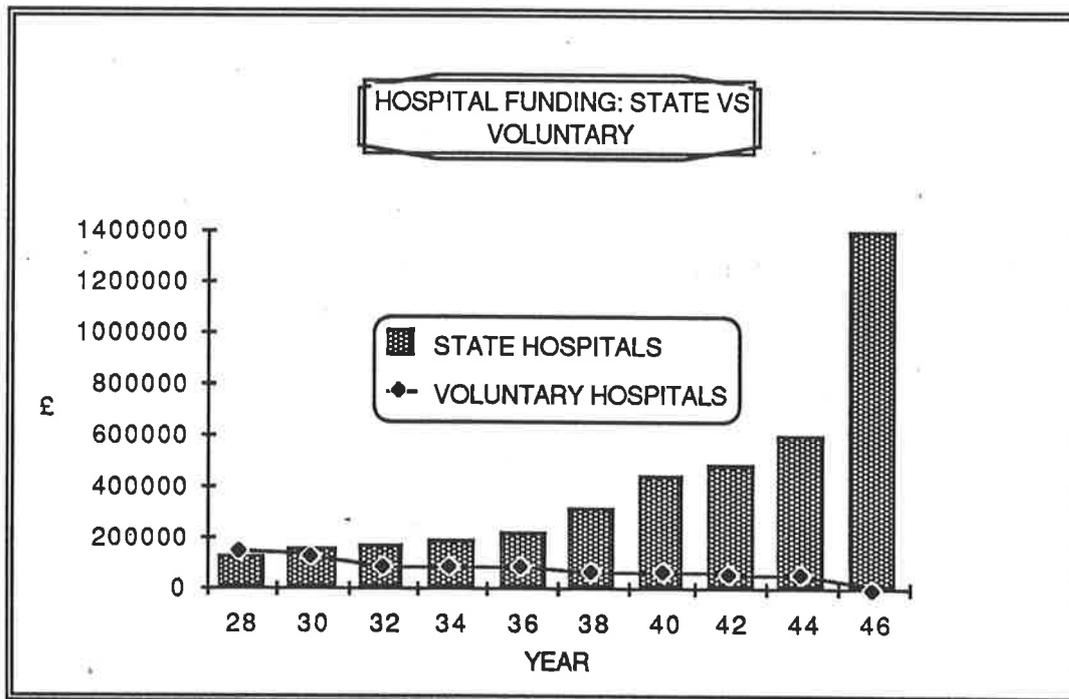
⁹⁴*Courier-Mail*, 26 November 1936.

Progress was being made also on fronts other than administration. The public hospitals had been major beneficiaries of the State's capital works program which had been expanded in response to the Depression. The Radium Institute (X-ray diagnosis and radiation therapy unit) received new accommodation at the BGH in 1936.⁹⁵ The new Women's Hospital was opened by Hanlon on the Herston site in 1938 for which achievement he was later honoured by having his bronze statue erected in the forecourt. Country and provincial city hospitals were similarly endowed with capital grants.

By the late 1930's then, Queensland's public hospital system was firmly consolidated under State control. In the year 1938/39, the proportion of the Queensland hospital budget going to the remaining few voluntary hospitals had declined to a tiny fraction of the total (see Table 4.1). Private hospital numbers had similarly declined from 215 in 1936/37 to 155 in the 1938/39 fiscal year.⁹⁶ The State had substantially nationalised its health care institutions, in that now the major institutions were all under direct State control and the remainder were subject to a high degree of regulation. Labor under Hanlon and Forgan Smith had accomplished this with minimal resort to coercive methods, and with a continuing rhetorical commitment to decentralised and democratic control. And the Labor Government had achieved this without provoking spirited public debate and with little stimulus from the Labor Party organisation.

⁹⁵Sir Raphael Cilento, *Medicine in Queensland: A Monograph* (Brisbane: Royal Historical Society of Queensland, 1963), p. 75.

⁹⁶*QPP*, 1939, Vol. 2, p. 1217.

Table 4.1

[Sources: *QPP*, 1928, vol. 1, pp. 282-283; 1930, vol. 1, pp. 248-249; 1932, vol. 1, pp. 354-355; 1934, vol. 1, pp. 366-377; 1936, vol. 1, pp. 396-397; 1938, vol. 1, pp. 470-471; 1940 [in one vol.], pp. 274-275; 1942-43 [in one vol.], p. 236; 1944-45 [in one vol.], p. 255; 1946, vol. 1, p. 229.]

Politically, the reorganisation of the 1930's was a masterstroke. The retention of the *forms* of the superceded autonomous voluntary hospital system meant that the Government could avoid responsibility for administrative scandal where it was expedient to do so. In assessing the structure, Leggett adopts the cynic's view that this 'dodge' was the whole rationale behind the exercise.⁹⁷ It is more likely, however, that Hanlon and company were not willing to fight the political battles that the abolition of vestigial forms of the voluntary system would have entailed. For example, take the situation in 1936 when the State became unwilling to assume total financial responsibility for the hospitals. While the local authorities were providing 40% of gap funds, it was reasonable that they should have some representation in return for their taxation. And, from Hanlon's perspective, confrontation with the local authorities over the issue would have been politically troublesome for the trivial objective of having to avoid consultation with community groups not beholden to the Government.

⁹⁷Leggett, pp. 86-87.

Impetus for the 1930's Queensland hospital restructuring had sprung from the State bureaucracy rather than from the rank-and-file or from the leadership of the Labor Party. The QCE Minutes are as silent on the subject of hospital administration in 1935-1936 as are the Records of the Labor-in-politics Conventions of 1935 and 1938. Hanlon and the Government were receptive to the Chuter/Cilento proposals because they made good administrative sense: more services for less inputs. Expressed political opposition came from sources - the BMA and the Parliamentary Opposition - which in the eyes of the Forgan Smith administration were motivated by self-interest. .

Hanlon, under the influence of Cilento, was magnanimous to the BMA in their defeat. The *Medical Act*, 1939, provided for 'the registration and standardised accreditation of medical practitioners in the gamut of specialities,' a provision the BMA had lobbied for. This is universally agreed to have been decades in advance of similar provisions elsewhere in Australia. The BMA has been credited with authorship of the legislation.⁹⁸ Yet the legislation also had the effect of enhancing bureaucratic rationality in the recruitment process for the State hospitals' medical staff,⁹⁹ an outcome to the advantage of State control. The 1936 Act gave Cilento as Director-General authority over all medical appointments in public hospitals, and now the *Medical Act*, 1939 stipulated that the Director-General be Chairman of the statutory Medical Board, the body which determined accreditation standards.

The changes in hospital administration wrought by the Forgan Smith-led Labor Governments of the 1930's were introduced in response to tight budgetary constraints and heavy demands on services, and were influenced by advice from administrators opposed to the policy prescriptions of the BMA. While these legislative and administrative changes did serious damage to the BMA's ideal of user-pays private practice, Labor was cautious in realising the potential of this victory. Key provisions were phased in over a number of years. Some logical corollaries of the changes, such as the recruitment of a full-time salaried medical staff, were supported by the bureaucracy but were jettisoned by the Government in order to placate opposition. Labor in the

⁹⁸Leggett, p. 88.

⁹⁹Jordan, p. 317.

1930's was more interested in avoiding controversy than in appearing to be working on the implementation of Labor objectives. The confluence of Labor objectives and the health reforms of the 1930's was only later realised and exploited as such by the Party leadership.

Move Toward Free Hospitals: 1939-1944

By 1940 Queensland had a system of *de facto* State-run hospitals which equipped the State with the administrative apparatus needed to realise the Labor goal of universal free health care. The unsung victory over private medicine won in the 1930's when the BMA was forced to accept salaried work in public hospitals left Queensland in a far better position than the other States to implement the national insurance and free health care programs developed by the Federal governments of the 1940's. The implied threat available to doctors in other States of refusing to treat public patients had been sacrificed by the Queensland BMA when it accepted salaried remuneration. Labor seems to have been slow to exploit this victory, but by 1940 the potential for major restructuring of health care provision was being explored.

The Menzies Federal administration of the late-1930's developed a National Insurance program¹⁰⁰ This scheme did not eventuate, an outcome owing much to the opposition of the BMA nationally which refused to have anything to do with a system not based on fee-for-service.¹⁰¹ A Royal Commission in 1938 into the proposal accepted extensive BMA argument in favour of fee-for-service.¹⁰²

Queensland responded by campaigning from experience for Federal support for the principle of salaried health care provision in public hospitals. The Queensland representative on the new National Health and Medical Research Council (NHMRC) was Sir Raphael Cilento. From this

¹⁰⁰Kewley, pp. 159-165; Dickey, pp. 163-166; G. I. Wood, "A Contemporary Advocate of National Insurance" in *Social Policy in Australia*, pp. 140-143.

¹⁰¹Thelma Hunter, "The Body Politic", N° 1, *The Body Program*, ABC Radio 2 and 3, broadcast 3-8 April 1983, transcript obtained from ABC.

¹⁰²L. F. Crisp, *Ben Chifley : A Political Biography* (Sydney: Angus & Robertson, 1977), p. 316.

position he was able to exert considerable influence on an NHMRC inquiry into funding of medical services.¹⁰³ Consequently, the 1942 NHMRC Report backed a free, salaried system. Cilento further antagonised the BMA by using the NHMRC report (which he had partly written) as the basis for an attack on the fee-for-service system in a paper he delivered to the BMA Queensland Branch.¹⁰⁴

Within the Party also the realisation was dawning that possibilities for real reform were now open in the health area, and the development of Labor health policy became charged with some vigour. The 1941 Queensland Labor-in-Politics Convention was the first major Party forum to debate health policy in more than a decade. A Mr T. Keane representing the Sandgate Branch moved from the floor:

That we heartily congratulate the Government on the progress made with hospitals, maternity hospitals, and dental clinics, and that an extension of same be kept in the forefront with a view to elimination of all competition in matters affecting the public health.¹⁰⁵

Hanlon amended the motion to delete the reference to "elimination of all competition..." and substitute "providing for the prevention as well as the treatment of disease as a community service." Making no reference to the substantive deletion, Hanlon and another pro-Government speaker proceeded to talk about the value to the working class of preventive health programs, citing the elimination of Weil's Disease after the 1935 Health Department reorganisation. The Labor leadership was concerned here to avoid conflict with the churches, which were the main sources of 'competition' for the State in the field of hospitals as with schools (see Chapter 5). The official position was that the State system was for all the people and was in any case without real peer, as the Chair's remarks indicate:

If the Government can be charged with any fault it is that they have not advised the public of the marvellous things that they have done in providing health and medical services for the people. I am sure that not 5 percent of the people are aware of the magnificent work that has been done by the Department of Health and Home Affairs.

(Mr W. Forgan Smith: Hear, hear!) (p. 25)

The Hanlon amendment was carried without delay, since it appeared that the mover of the original motion had not known he was contradicting government policy.

¹⁰³Conversation with G. R. Palmer, Head of the School of Health Administration, University of New South Wales 2 September, 1984..

¹⁰⁴See Robin, p. 46.

¹⁰⁵*Official Record*, Seventeenth Queensland Labor-in-Politics Convention, 1941, p. 23 (subsequent references in text).

In September 1942 Hanlon was promoted Deputy Premier to F.A. Cooper following Forgan Smith's retirement to head the Sugar Cane Prices board.¹⁰⁶ Hanlon continued to hold the Health and Home Affairs portfolio for the remaining years of the war with Cilento as his Director-General.

These were to be eventful years for State health administration in Queensland, with the influx in 1942-1944 of a million or so sexually active males in the persons of the Allied military forces, and the advent of Commonwealth hospital funding in 1944. Concerns about public health issues which had been encouraged by Labor over a decade of steady reform were to be reinforced by the trauma of war as the forward command post for the Allied forces in the Pacific. Labor made use of the national emergency to deploy a range of planning and control mechanisms in using the medical resources of the State to thwart threatened outbreaks of disease. While these measures did not derive from Labor's general move to extend State control in the health care 'market', part of their effect was to accustom the electorate to State provision of medical services.

The V.D. scare: State coercion and public morals

For a time, from 1942 to 1944, Brisbane became a locus of national authority which more than matched the Southern capitals. MacArthur, the American generalissimo, set up his headquarters at Lennon's Hotel in Queen Street, while Australian military leader Blamey headquartered himself five kilometres away in the new University buildings at St. Lucia. The ensuing arrival of hundreds of thousands of military personnel in the Brisbane area aroused some hysterical reactions from moral guardians and stimulated Queensland public health policymakers to take action against the spread of venereal diseases among the public and hence among the troops. There were several interwoven strands to the general alarm, including racist alarm over the presence of black American

¹⁰⁶Knight, "Hanlon", p. 443.

troops, and jealousy generated by the comparative affluence (and therefore sexual attractiveness, it was thought) of the U.S. soldiery as compared to the Australians.¹⁰⁷

As has been noted earlier in this Chapter, Queensland had pursued a relatively enlightened venereal disease program since 1913 when walk-in clinics were established. Prostitutes were less humanely treated, being liable for detention in the lock hospital at Boggo Road gaol. The *Health Act*, 1936, permitted the forced hospitalisation of prostitutes, and incarceration for the length of the treatment regime where venereal disease was diagnosed and where such action was deemed necessary by the competent authorities. The argument advanced for this punitive provision was that by dint of their low morals and inability to resist temptation certain women constituted a threat to society and themselves. Harsh measures were deemed to be realistic, a tough-minded and serious attempt to deal with the problem. The Queensland Government zealously enforced the *National Security (Venereal Diseases and Contraceptives) Regulations*, 1942, which further authorised the detention of amateur women "behaving as prostitutes".¹⁰⁸ The assumptions underpinning such punitive legislation aimed at women are an indication of the Labor leadership's views on 'moral' issues, but were widely held at the time.

This provision was apparently used typically against working class girls and women who were informed against for socialising with soldiers.¹⁰⁹ Since the instruments of commitment to incarceration were signed by doctors, these measures involved medical professionals directly in the enforcement of State social policy. In such circumstances, the BMA-promoted image of the private family practice and the inviolable doctor-patient relationship was difficult to sustain. Appeals to public trust in the family doctor were less likely to succeed when the same family doctor had been actively involved in policing public morals.

¹⁰⁷Kay Saunders and Helen Taylor, "'To Combat the Plague': The Construction of Moral Alarm and the Role of State Intervention in Queensland during World War Two", in *Papers of the Fourth Women and Labour Conference, Brisbane 1984* (Brisbane: Organising Committee of the Fourth Women and Labour Conference, 1984), pp. 515-525.

¹⁰⁸*QPD*, Vol. CLXXXIX (1942-43), p. 841.

¹⁰⁹Saunders and Taylor, pp. 496-497.

Free Hospitals: 1944-1952

Federal government policy, with the ascension to office in 1941 of the Curtin Labor Government, now envisioned a range of free and universal health benefits. Under Federal Minister Senator J.M. Fraser, the Curtin and Chifley administrations pursued a vigorous program in the area, producing a number of legislative proposals. A referendum was held, empowering the Commonwealth to make laws for the provision of "pharmaceutical, sickness and hospital benefits, medical services"¹¹⁰ among other welfare areas.

Unlike the contemporaneous successes with establishing pensions and benefits, Fraser's attempts to introduce pharmaceutical and medical benefits proved to be unfruitful. The BMA was primarily responsible for this failure, aided by High Court judgements which struck out key clauses in the legislation. The NHMRC report of 1942 (mentioned earlier) had made the BMA extremely suspicious of government intentions, and the Association took the Fraser legislation to be the first step in the planned wholesale nationalisation of medical practice. The BMA campaign federally included a politico-industrial campaign of non-cooperation with the Federal Government. Doctors, on the instructions of the BMA, refused, for instance, to use the official prescription forms provided under the *Pharmaceutical Benefits Acts*, 1944 and 1947.¹¹¹ High Court eventually dismissed the legislation as unconstitutional and the establishment of a subsidised medicines scheme had to await the 'Menzies millenium'.

Federal Labor's main reform in the health portfolio was the establishment of free public ward treatment under the *Hospital Benefits Act*, 1945. The move had been recommended by the Joint Parliamentary Committee on Social Security in February 1944 and had been agreed upon at a meeting with all the relevant State Ministers in August of that year. The Commonwealth agreed under the legislation to pay a bed subsidy of 6s per day for each occupied bed in public hospitals, an amount reckoned to equal average fees. In order to qualify for this subsidy, hospitals would in return

¹¹⁰Constitution Alteration (Social Services) 1946. See Australia, Attorney-General's Department, *The Australian Constitution Annotated* (Canberra: AGPS, 1980), pp. 102-103.

¹¹¹See Kewley, pp. 344-345.

have to offer free beds in public wards and beds in other wards at a charge now reduced by the 6s subsidy rate.

Queensland passed complementary legislation in the *Hospitals Act*, 1944. Owing to the policy of lax enforcement of public ward hospital fees in Queensland, the contribution from Canberra was something of a bonanza which enabled Queensland Labor to abolish the local government hospital contribution which disadvantaged Labor's rural constituency. Under the Act the Queensland Government took full responsibility for hospital funding. Local authorities retained a vestige of their former ties with public hospitals in the retention of one place on each hospital board for a local authority representative. The remaining members were now government nominees.

The Labor Party's supporters were not the only farmers who benefited by the altered funding arrangements, and so the legislation received Country Party support. The Act also formally abolished what remained of the voluntary hospital system. This was lamented by some conservatives, but they acknowledged that the voluntary hospital system had long been tottering toward extinction.¹¹² Labor under Hanlon's guidance had effectively isolated the BMA in its opposition to a free, State-provided public hospital system.

The Commonwealth's bed subsidy came into effect on 1 January, 1946 and in all States charges for public ward treatment ceased. Queensland alone among the States extended the free service to include outpatient services, although the Commonwealth did not agree to fund outpatients apart from tuberculosis eradication campaign chest X-ray services.¹¹³ This inclusion of outpatients was a logical extension of the policy line followed since Hanlon's arrival in the Home Secretary position back in 1932 and reflects the reordering of priorities he was able to achieve new as the head of the Government. Hanlon moved at the 1944 Party Convention a motion congratulating his Government for its "magnificent work" in the health area and committing it, when practicable, to

¹¹²*QPD*, Vol. CLXXXIII (1944-45), pp. 1863-1867.

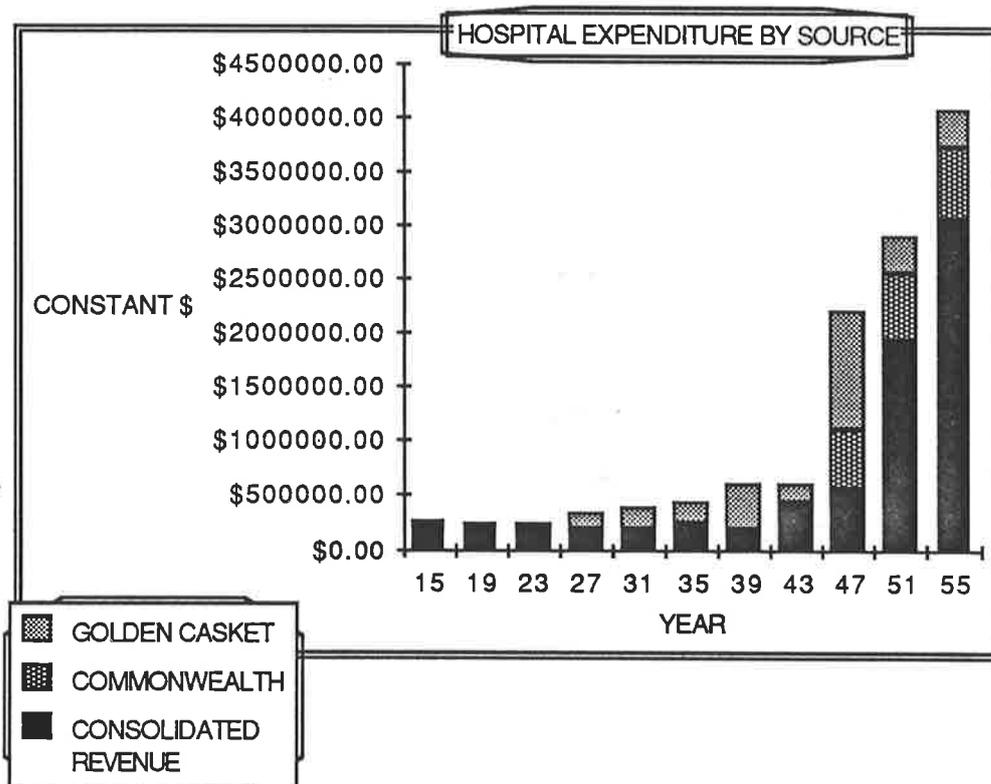
¹¹³T. A. Foley, Minister for Health, in *Official Record*, Eighteenth Queensland Labor-in-Politics Convention, 1944, p. 48.

further extend free services by including optometry and dental services. An amendment congratulating Hanlon himself was accepted with elaborate humility on Hanlon's part and amid applause.¹¹⁴

Queensland's addition of outpatient services to the Commonwealth's free hospital scheme also had the effect of establishing the State in competition with private medical services. There is something of an echo of the State Enterprise ideology in this. The BMA's campaign against Federal legislation had exposed the private doctor-patient relationship backed by fee-for-service in the Labor view as serving doctors' financial interests rather than social needs. BMA resistance to the pharmaceutical benefit schemes served to stiffen Labor resolve to offer services where the Queensland public could make use of the Commonwealth's largesse. The administrative reforms of the 1930's had bequeathed to the Hanlon Government of the 1940's a ready-made basis for widespread provision of general medicine by the State.

Government financial commitment to the State's public hospitals rose rapidly over the years of Hanlon's Premiership (see Table 4.2). The Commonwealth bed subsidy rose to 8s a day in 1948, but as the table shows this did not represent a significant increase in the Commonwealth's share of costs. The Menzies administration offered to accept a larger share of hospital funding for the Commonwealth, but under conditions that were not acceptable to Queensland's ALP leadership.

¹¹⁴*Official Record*, Nineteenth Queensland Labor-in-Politics Convention, 1947,, pp. 27-28.

Table 4.2

[Sources: *QPP*, 1915-16, vol. 1, p. 422; 1919-20, vol. 1, p. 1050; 1923, vol. 1, p. 234; 1927, vol. 1, pp. 278-279; 1931, vol. 1, pp. 323-324; 1935, vol. 1, pp. 388-389; 1939, vol. 1, pp. 376-377; 1943 [in 1 vol.], p. 236; 1947-48, vol. 1, p. 325; 1951, vol. 1, p. 322; 1955, vol. 1, p. 333; calculated on the basis of Consumer Price Index numbers from Australian Bureau of Statistics, *Labour Report*, N^o 58, 1973, p. 40.]

The *Federal Hospital Benefits Act*, 1951, ended the arrangement which had provided Queenslanders with free public ward services after 1946. Instead, the Commonwealth offered more money, the catch being that this had to be collected in the form of fees from the patients: the Federal bed subsidy was now to be channelled through registered private hospital benefits funds. Taking into account 12s of Commonwealth subsidy and 6s contribution from the patient's benefits fund, the offer of 18s a day was calculated to be the full average cost of hospital care.¹¹⁵ Prolonged negotiations with the Commonwealth followed, with the State fighting to retain Commonwealth subsidies while preserving Queensland's free treatment system. Hanlon died in office, in January 1952, with the negotiations incomplete, but the ensuing Gair administration continued with the policy line developed by its predecessor. The agreement which was finally hammered out gave Queensland the full

¹¹⁵Kewley, p. 355, Patrick, p. 46, Bell, p. 293.

Commonwealth 12s direct, with additional amounts payable for pensioners and chronic patients, in return for Queensland's agreement to provide more intermediate and private ward facilities at public hospitals. The arrangement still left the Queensland hospital system worse off than other public hospital systems to the tune of six shillings per public bed per day, a deficit which worsened as the amount of the private insurance contributions increased over time. This amounted to a significant continuing drain on the Queensland Treasury when compared to other States.

Queensland public hospitals: policy outcomes

Anticipating the introduction of the free hospital system, Hanlon boasted to Parliament that "if there is one thing Queensland people have to be proud of it is the magnificent hospital service they are getting."¹¹⁶ Queensland hospitals emphasised the maintenance of uniform minimum standards and efficient use of available funds. Economies of scale and central administration meant that maximum use was made of expensive equipment and facilities. There was no indulgence of doctors' pet projects: equipment purchases were confined to proven machinery, centrally located if possible, and at the lowest obtainable price. Explaining the equipment purchase budget control procedures he introduced to the BGH, Chuter outlined the ideology which pervaded the State hospital administration and which was used to support Labor's defeat of the BMA:

... the Community does require something more than medical control to protect its funds. I make no apology for having induced the [Brisbane and South Coast Hospitals] Board to adopt the practice which the British Medical Association so seems to resent.¹¹⁷

This argument backed State control over the provision of medical services. The case mounted in support of the private market as the sole legitimate provider of medical services rested on the assumption that only the patient's private doctor was competent to give medical advice. In this view, supported by the BMA, public hospitals whether voluntary or State were public facilities like roads: infrastructure to assist an economy of private transactions. By extension, only private doctors

¹¹⁶*QPD*, Vol. CLXIII (1944-45), p. 1575.

¹¹⁷Chuter, p. 16.

could make decisions about purchase of diagnostic equipment, allocation of nursing staff to wards, indeed all the major administrative decisions in hospitals. As the public funding requirements of the hospital system grew, however, these decisions became identified as properly political decisions. Labor in government, while initially sympathetic to the BMA's arguments was in the end not prepared to support the operation of private medical practice within the hospital system.

Labor was not actively hostile to the BMA and as State control was extended through the 1920's and 1930's by legislation and administrative action Labor governments in Queensland were ready to compromise and refrain from precipitate action. Although the reforms of the 1930's finally eliminated private practice from public wards, doctors were given the bonus of intermediate wards where private practice could still flourish and were given part-time conditions of service which abetted the maintenance of private practice. Doctors had a high status in the electorate, and the Labor Party was generally friendly toward the kind of family business operation that private medical practice was represented as being.

The Depression put pressure on Queensland Labor to extend State welfare programs and so during the Hanlon incumbency as minister admission was given priority over payment. This policy necessarily brought the Queensland State into competition with private practice in hospitals but the BMA was not in a strong position to argue against the provision of welfare measures at a time of widespread suffering. By the time Labor returned to office Federally in 1941, the Queensland BMA had already lost on the key issue of private monopoly in medicine. The introduction of free universal public ward treatment was accepted by the Queensland system without significant controversy.¹¹⁸ Queensland Labor was then emboldened to exploit its victory over the BMA to introduce free community medicine through outpatient services.

An issue which had not been central to Labor reform ideology, health care thus emerged as one of the true enduring areas of achievement in Labor's forty years in office. At no time had the Party specifically adopted the provision of free universal salaried medicine as a priority reform

¹¹⁸The 1984 specialists' strikes in New South Wales and the Australian Capital Territory were to do with the erosion of privileges done away with in Queensland in 1938.

area; instead the policy shows every sign of having been regarded by the Party leadership as a dim and distant 'light on the hill'. Only with the realisation that the objective was immediately achievable did the Party proclaim its enthusiasm for reform. The government's concerns earlier had been with efficiencies in the delivery of service rather than with the creation of a universal community health program. Essentially administrative reform had provided the conditions for the smooth and uncontroversial introduction of a major social increase in the 'social wage.' No other Australian State was able to offer the kind of State medical services provided by Queensland after 1946.

The success of the Labor governments in the 1940's in introducing free community medicine was effective in retaining Party unity behind the leadership during a time of major discontent in the broad labour movement (see Chapter 1). Hanlon could point to the free hospitals as proof of his government's socialist *bona fides* when criticised in the Party over punitive actions against militant unions. At the 1950 Labor-in-Politics Convention Hanlon used the record on hospitals to support a motion to add three qualifying paragraphs under the 'Socialist Objective' in the Queensland Party rule book. The motion was worded so as to dissociate the Party from suspicions that it was insufficiently anti-communist or was opposed to profit. It would thus have been strongly opposed by the militants in the Party, but was carried on the voices after Hanlon's invocation of the free hospital system:

What we have to do is lead [the people] along the path of socialism, show them how they can benefit from it, and how they are better off with that service. The Queensland medical service gives them an illustration of how we can implement the socialism that is in the hearts of the people.¹¹⁹

The Queensland hospital system was far from the most lavish in the world. Insistence on centralisation and economies of scale meant that Brisbane had but one public hospital for almost all the forty years Labor was in office. The Princess Alexandra teaching hospital was finally opened in 1957 to give the large working class population south of the Brisbane River easier access to hospital services. Another failing of the Queensland hospital system was that, with the important exception of the Kenny polio treatment, the political administration which allowed administrative efficiencies also tended to inhibit non-standard medical practices and innovations, and

¹¹⁹*Official Record*, Twentieth Queensland Labor-in-Politics Convention, 1950, p.56.

left some parts of the system underequipped.¹²⁰ Labor's pride in the system nonetheless echoed the sentiments held in much of the electorate, where a high value was put on the availability of the free service. That the free hospital system never came under serious threat from subsequent Country (later National) Party administrations (among whose natural allies were to be found the bitterest opponents of the system) shows clearly enough how dear the Free Hospitals had become to the hearts of the Queensland public.

From 1905 when the nationalisation plank joined the platform to 1935 after nearly twenty years of Labor government, the State moved into hospital administration only to take over failing State-subsidised voluntary hospitals when this was requested by those hospitals. For a further decade the public hospitals were asked to take on increased services without appreciable extra funds (see Table 4.2). The Labor record in health policy did not become something to boast about until the prospect of a Federally subsidised hospital scheme gave Queensland Labor the opportunity it needed to introduce the free hospital program. Labor's eviction of the BMA from the State political stage had been undertaken to avoid controversy while getting better value from hospital funding but left Queensland with the only free health service in Australia. Popular with the electorate, within the Party the free hospitals were produced as an exercise in ALP socialism and were used to fortify the already dominant forces behind the Parliamentary leadership. The free hospital system was the greatest policy success of the Labor leadership in the 1940's and 1950's.

¹²⁰Conversation with Doug Gordon, 1 August 1984; Leggett, p. 80; Jordan, p. 326.

Chapter 5

Instructing the Public:

State Education in Queensland 1915-1957

Education in Queensland History

William Forgan Smith received the degree of Doctor of Laws *honoris causa* in 1935 as part of the celebrations surrounding the University of Queensland's twenty-fifth anniversary. The present Premier's recent controversial receipt of the same degree simply continued that proud tradition. As this Chapter will show, educational institutions in Queensland have needed to retain relatively harmonious liaison between themselves and the State's political leaders. The State's leaders have protected themselves against the destabilising potential influence of intellectual radicalism with an arsenal of legal and administrative constraints upon the relative autonomy of the institutions.

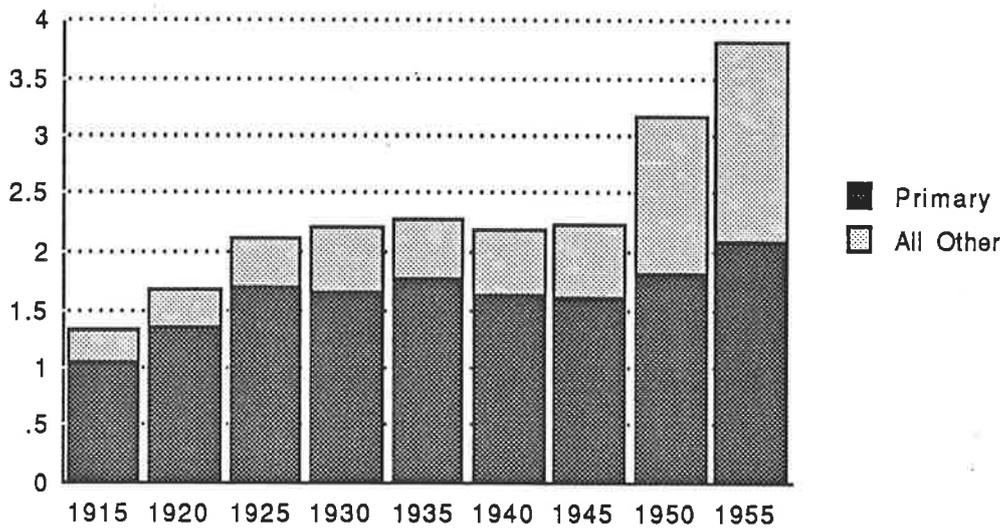
Education beyond the level of basic literacy and numeracy was never a high priority in the majority faction of Governments from either side of politics. As with other low priority State functions in the perennially fiscally strained Queensland executive, like care of the chronically invalid (see Chapter 4), official parsimony was forever overseen by a rigid bureaucracy. While Health was saved for the Labor hall of fame by a happy coalition of able administrators and ambitious Ministers of the Crown, Education languished for many years under the twin burdens of mediocre administration and ungenerous government.

This Chapter argues in part that the performance of Queensland education policy has varied little with the complexion of the government of the day, although a case can be made for awarding non-Labor governments higher marks for education beneficence. With periodic and illustrative exceptions such as the endowment of the University of Queensland, the construction of its new buildings, and the funding of the Workers' Educational Association, Queensland policymakers have shown themselves to be content with lagging behind the levels of public services available to citizens of the southern States (see Tables 5.2, 5.7, also Appendix 3). Only the advent of expanded Commonwealth funding from the late 1950's onwards rescued Queensland State education from being denounced as a national disgrace.

Yet Queensland Ministers with responsibility for Education from the nineteenth century to the present day have continued to assure a generally uncomplaining electorate that its State provided education was the equal of any in the world. Table 5.1 shows that State education expenditure increased during Labor rule to a rather lesser degree than that implied by the world-beating pronouncements of Queensland political leaders. For thirty years of Labor administration, real expenditure stagnated after an early increase. The boasts of Queensland administrators before 1945 about the standards of the State's education can only refer to primary schooling and not to raising the skills of the Queensland workforce beyond that basic level. The postwar real increase in expenditure results almost entirely from payments outside the primary school area, and, as will be shown, compares unfavourably with the growth in the appropriations made by other States.

Table 5.1

Real Per Capita Expenditure: Constant 1911 Dollars - Education



[Sources: *QPP*, 1916-17, vol. 2, p. 11; 1921, vol. 1, p. 631; 1926, vol. 1, p. 732; 1931, vol. 1, p. 679; 1936, vol. 1, p. 870; 1941 [only vol.], p. 553; 1946, vol. 1, p. 528; 1951, vol. 1, pp. 631-632; 1956, vol. 1, pp. 656-659; calculated on the basis of Consumer Price Index numbers from Australian Bureau of Statistics, *Labour Report*, N° 58, 1973, p. 40, and population figures from Australian Bureau of Statistics, *Demography 1971*, Bulletin N° 87, 1974.]

This Chapter will also argue that the consensus of opinion on education among Queensland policymakers has stemmed from convergent views on the subject in the dominant factions of either political camp. Although originating from opposing political value systems, both Labor and non-Labor education policies have been informed by deep mistrust of the supposed personal, economic and cultural benefits to be gained from investment in education or from curricular experimentation.

As this thesis is concerned with policy formation under Labor, post-1957 developments will not be canvassed, though a growing body of literature on the subject is becoming available¹, much of which emphasises the influence on Queensland education of

¹Ann Gowers and Roger Scott, *Fundamentals and Fundamentalists: A Case Study of Education and Policy-Making in Queensland*, APSA Monograph N° 22 (Adelaide: APSA, 1979); Ann Scott and Roger Scott, *Reform and Reaction in the Deep North: Education and Policy-Making in Queensland*, from the series "The Education Policy Process at State Level: an Australian-United States Comparative Study, Monograph N° 1 (Melbourne: Centre for the Study of Higher Education, University of Melbourne, 1980); R. K. Browne and P. Botsman, *Community Attitudes to Education in Queensland* (Melbourne: ACER, 1978); John Freeland, "Class Struggle in Schooling: MACOS and SEMP in Queensland", in *Intervention*, N° 12 (April 1979), pp. 29-62; "Report of the Select Committee on Education in Queensland", *QPP*, 1979-1980, Vol. 1, pp 21-170.

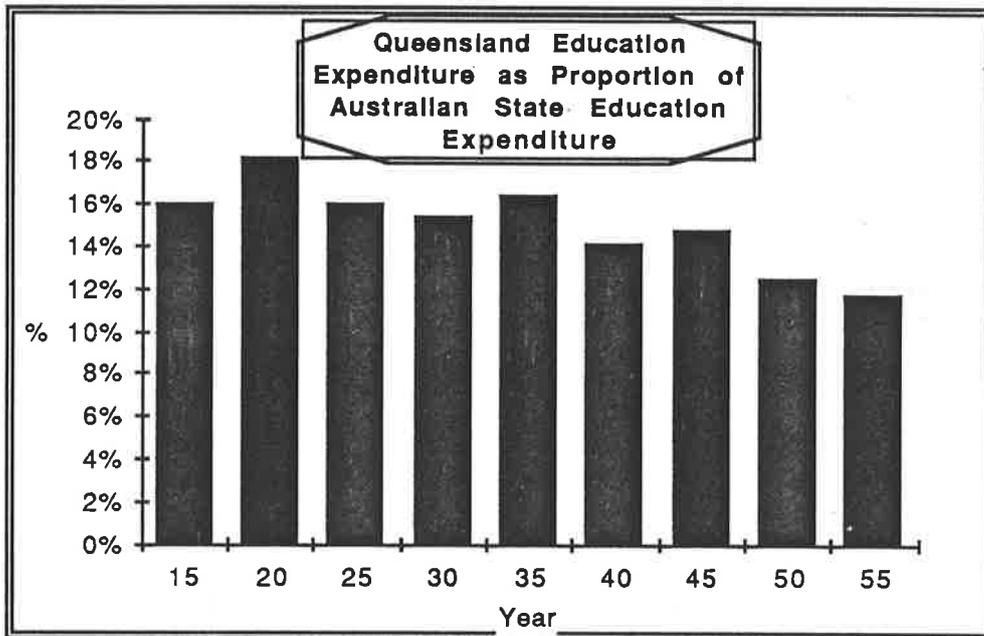
attitudes and policy lines which, I hope to demonstrate, date from the period of Labor rule. A survey of the period before 1915 will be undertaken since many of the basic policy orientations were established with Labor complicity during this time. There follows a theoretical analysis of education in the light of imputed Labor goals and orientations. An attempt will be made to construct a theoretical yardstick against which actual policy implementation can be measured, and to show that the political consensus which has coloured education policy in Queensland during most of this century stems from a convergence between the educational thinking of conservative and Labor political leaders in this fundamentally rural State. It will be seen that neither side of Queensland politics provided fertile ground for the growth of educational expenditure as public investment. The argument that the convergence between Labor and conservative educational attitudes may be traced to Queensland economic development (or the lack of it) will be explored in some detail, and with reference to the economic/political argument laid out in Chapter 3.

Since it is argued that the prime concrete contribution of minority Labor education activists was realised in the thirty-two year operation of the WEA and associated institutions, a deal of attention will be devoted to the functioning and demise of these bodies. Some normative argument concerning dominant and competing minority Labor positions as against actual performance will be entertained, following the theoretical discussion, during discussion of the WEA experiment. It will be shown that the main reason for their failure was the unreconciled conflict between liberal and radical-socialist political and educational philosophies.

The focus of this Chapter will also be on the Party and government policy process and on the actual implementation or non-implementation of Labor policy goals. The history of education under Labor, as will have been gathered by now, is largely one of *non-*decision making on the parts of both Party and government. This non-interventionist model will be seen to imply at best passive acceptance, and at worst active endorsement, of uninspired and authoritarian bureaucratic modes of educational administration.

In conclusion, therefore, some attention will be devoted to the effects of these negative processes upon the Queensland economy, polity, and culture. To the extent that cultural reproduction theories of education hold good (and this question will be canvassed later) Labor administrations must bear some direct responsibility for the continuing authoritarianism of Queensland political culture. In this sense, perhaps, Labor inertia on education policy may be listed as among Labor governments' most enduring legacies.

Table 5.2



[Sources: *Official Year Book of the Commonwealth of Australia*, 1901-1916, p.844; 1922, p.764; 1926, p. 447; N^o 24, 1931, p.324; N^o 30, 1937, p. 215; N^o 35, 1942-43, p.178; N^o 37, 1946 and 1947, p.265; N^o 40, 1954, p.461; N^o 46, 1958, p.486.]

Education in Queensland Before 1915:

Free, compulsory, cheap

It is historically curious that Queensland was almost the first jurisdiction in the world to make statutory provision for free, compulsory and secular primary education. The provisions of the *Education Act*, 1875 were, however, not fully enforced for some time after its pioneering entry on the statute books. The clauses of the legislation which provided for compulsory school attendance, for example, had to wait twenty-five years for proclamation.

Nonetheless, this Colonial Act, passed well over a decade before the birth of the Labor Party, laid down the institutional structures and attitudes which were to endure with little amendment throughout the many years of Labor rule. Consensus on State education in Queensland was, in essence, reached well in advance of Labor political hegemony.

The terms of the education agenda were in fact set in the first few years after the establishment of a Civil (as opposed to Penal) settlement at Moreton Bay in 1824². The first two decades of the infant Colony after separation from New South Wales in 1859 witnessed the hottest education debate seen until modern times, as I will briefly describe.

The school system with which the young sovereign Colony was encumbered consisted in the main of private schools which provided places for those children whose parents could afford the fees. Matriculation and university standard education was not to be had in Queensland, so Queenslanders requiring advanced education had to take ship for Sydney. For the less well off, there were a number of denominational parish schools which provided basic literacy and numeracy training interlarded with religious instruction. State education consisted of just three 'National' (i.e. State) schools, of which only one was in operation. Wyeth notes, not without humour, that

[t]hese three National schools, the unfinished, the decrepit, the untenanted, each unlovely in its own way, were the foundation upon which Queensland was to build its system of State education.³

These National schools, such as they were, owed their existence to the Sydney educational debates of the 1840's and 1850's which had succeeded, against vigorous church opposition, in shifting government opinion in favour of free and secular education.⁴ This debate

²See E.R. Wyeth, *Education in Queensland: A history of Education in Queensland and in the Moreton Bay District of New South Wales*, ACER Research Series N^o 67 (Melbourne: ACER, n.d. [1955]), pp. 3-75; Hector Holthouse, *Looking Back: the First 150 Years of Queensland Schools* (Brisbane: Department of Education, 1975), pp. 1-14; Alan Barcan, *A History of Australian Education* (Melbourne: OUP, 1980), pp. 56-57.

³Wyeth, p. 79.

⁴Barcan, pp. 50-54.

set the terms also of the early Queensland education policy discussions, which occurred at both the levels of ideology and fiscal prudence. Indeed, there are parallels here between the nineteenth century education debates and the health care debates of the twentieth century. The demands made by churches for state aid for their parish schools tended to sway bureaucratic policy advisers in favour of State institutions over which some control could be exercised. Moreover, the tendency of religious denominations to use their schools in the competition for converts could be wasteful of resources: localities where competition was fierce would be over-serviced while other areas went without facilities altogether.⁵ Such planning inefficiency did not sit well with statist colonial administrators.⁶

Also pushing administrators toward secular education were the Australian Whig-liberals who agitated for the disestablishment of the churches. Although this agitation had also contributed to the emancipation of the Catholics, and so to free market sectarian competition in the first place, liberal ideologues were quick to exploit the irrationalities of the denominational education system. The leaders of the secular education push in the new Queensland legislature were Sir Charles Nicholson, Sir Samuel Griffith, and Sir Charles Lilley. Led by these men, the Queensland legislature passed as one of its first Acts the *State Aid Act*, 1860, which prohibited the public funding of any religion.

Under the threat of funding withdrawal, the churches soon forgot their sectarian struggles in a united effort to oppose any reduction in the flow of funds to their schools. They were aided in this fight by the upgrading of Brisbane to an Anglican diocese and the subsequent appointment of Bishop Tufnell, who became the *de facto* leader of the State aid movement.⁷

⁵The tendency of the denominational schools to anarchy in the allocation of resources was criticised by the N.S.W. Lowe Committee of 1844 which led to the setting up of the National schools in the first place. See Barcan, pp. 50-52.

⁶Such as, for example, inaugural Premier and subsequent British Colonial Office permanent head Robert Herbert: see *QPD*, Vol.II, 1865, pp.434-438; also *The Queensland Years of Robert Herbert, Premier: Letters and Papers*, ed. Bruce Knox (Brisbane: UQP, 1977)

⁷Wyeth, p. 84; E.D.Daw, "Church and State in Queensland: Aspects of Anglicanism in the 1860's", in *Queensland Heritage*, vol 3, N^o 2 (May 1975), pp. 360-372; H.J. Richards, "Brisbane's First Bishop: the Right Reverend Edward Wyndham Tufnell, M.A., D.D.", in *Queensland Heritage*, vol 3, N^o 5 (November 1976), pp. 17-25.

Despite this heavyweight mobilisation to retain funding, the years 1860-1875 appeared to witness the total victory of the secularists. A succession of Parliamentary Committees and inquiries (including a Royal Commission) led to the *Education Act*, 1875, which appeared to scotch once and for all the churches' funding demands.⁸ Only the chronic inability of the Queensland Treasury to finance such luxury items as capital works for education saved the day for the churches. There simply weren't the facilities to give effect to the intention of the Act: free, compulsory and secular education. As what was seen at the time to be an interim measure, the church schools were allowed to continue and the compulsion clauses were not proclaimed with the rest of the Act.⁹

It would appear that Lilley, Nicholson, and Griffith brought on the 1875 Act in good faith, in that there is no evidence to suggest intentions other than those spelt out in the legislation. Of the three, however, only Lilley had a vision of State-provided free education from kindergarten to university, and Lilley departed for the Supreme Court bench before he had the opportunity to administer the legislation he had fought to bring into being.¹⁰

Instead, the administration reflected Griffith's somewhat less ambitious goals, and in particular his belief that the State should

merely give that rudimentary education which would enable the child to become a good member of society.¹¹

Lilley made another major contribution to the debate when he was appointed Royal Commissioner in 1874, but his recommendations for the establishment of a free university and other such schemes fell on deaf ears. In defence of Griffith, it should be observed that no such grandiose expenditure proposals would have attracted Legislative Council support, considering that body's record on fiscal profligacy.

⁸J.R.Lawry, *Some Aspects of Education in Queensland* (Ph.D. thesis: Monash University, 1968), pp. 92-230 *passim*.

⁹*QPD*, Vol. XVIII (1875), pp. 529-530 and elsewhere.

¹⁰Lawry, pp. 289-290.

¹¹*QPD*, Vol. XVI (1874), p. 395.

The 1875 Act

The *State Education Act, 1875* established the Department of Public Instruction (s.3), and Griffith was the first Minister in this portfolio. The Department was organised on a two-tiered basis with an Under Secretary in overall command, but with a Chief Inspector in charge of the teaching and inspectoral staff. This arrangement owed something to the superseded Board of Education apparatus¹², and survived throughout the period of Labor Government.

The officers appointed to administer the Department survived in office, as a group, for some decades and left an indelible mark on the Department's administrative style. The parsimony of this administration may be seen in two examples of its operation. First, teacher training was on-the-job, the career path beginning at the level of 'pupil-teacher'. These unfortunates began as primary school graduates aged twelve or thirteen, on minimal pay. Beginning with elementary teaching duties, pupil-teachers progressed to full teacher status by passing a series of examinations. As an incentive for teachers to take on what amounted to apprentices, the supervisory teacher was eligible for a £5 bonus upon the pupil-teacher passing an examination. No such bonus was payable to the trainee.¹³ The wives of male teachers were also expected to conduct needlework classes without remuneration.¹⁴

A second illustration of official parsimony toward education in the formative years of the Department of Public Instruction is the requirement for local communities to put up twenty percent of the capital cost of a new school in order to qualify for official assistance.¹⁵ Although both these practices had lapsed by the time Labor began its long rule, they were recent memories: the pupil-teacher system was only abandoned with the opening of the Brisbane Teacher Training College (in temporary premises) in 1914.¹⁶ The administrative philosophy which gave

¹²Lawry, pp. 310-312.

¹³Wyeth, p. 132; Greg Logan and Eddie Clark, *State Education in Queensland: A Brief History*, Monographs on the History of Education in Queensland, N^o 2, (Brisbane: Department of Education, 1984), p. 2.

¹⁴Lawry, p. 318.

¹⁵*QPD*, Vol.XVIII (1875), pp. 522-533; Wyeth, p. 133.

¹⁶Logan and Clark, p. 2.

rise to such expedients was not to be overcome with the tidying up of these two outstanding instances of niggardly thinking.

The 1888 Royal Commission on the Civil Service already found much to criticise in the administration of the new Department. The Commission's report noted a number of petty abuses, such as the humiliating practice of inspecting teachers' houses, the secrecy in which Inspectors' reports were kept, and abuses in the promotional and transfer system. Commenting on the top structure of the Department, the Commission noted that

[a]lthough the administration of the Department is vested in the Minister for Public Instruction, it seems practically to be in the hands of the Under Secretary and the General Inspector, as their recommendations are almost invariably followed.¹⁷

Yet the officers named as responsible for the abuses detailed in the report were able to continue in their management of the Department in much the same manner as previously. The economic disaster of the 1890's meant that such matters as administrative reform in the Public Instruction portfolio were relegated to a low priority.¹⁸

In the heightened atmosphere of public debate aroused by the Civil Service inquiry, however, Lilley was seconded from the bench to head a Royal Commission into the idea of establishing a university in Queensland. As could have been anticipated, he strongly recommended that a university be founded on the model he had long favoured.¹⁹ The inaction here may again be attributed to the economic downturn of the ensuing years. Lilley's minority recommendation - that tuition at the new institution be free - found little support in government circles either at that time or subsequently. The minority report did, however, add to Lilley's already considerable reputation among Labor people, and his views came to be reflected in the education policy of minority Labor activists.²⁰

¹⁷*Votes and Proceedings*, 1887, Vol. 1, p. 280.

¹⁸See Wyeth, p. 142.

¹⁹*Votes and Proceedings*, 1891, Vol.3, pp. 822-833, 828.

²⁰See Martin G. Sullivan, *Education and the Labour Movement in Queensland 1890-1910* (University of Queensland: M.A. thesis, 1971), pp. 61-77.

No system of State secondary schools existed at this time, it must be remembered, so the Lilley vision of educational utopia may have been a little premature. Instead, a system of State-subsidised 'grammar' schools had grown up from the foundation of the old pre-separation private schools mentioned above. These were fee-charging institutions. The policymakers, like Nicholson, who presided over the administration of the new Act thought it only proper that the working class was not burdened with what for them would be useless or even dangerous levels of education.²¹ In these views the politicians were supported by the senior bureaucrats of the Department. Under Secretary Anderson responded to public demands for State secondary education with the comment that

[i]t would be lamentable if the New South Wales system of public and university education, admirable as it is, conducted to the formation of a class mentally disqualified to earn a living under the the conditions of the time and brought on the State the dangers of an educated proletariat.²²

The chief State subsidy to the grammar schools took the form of scholarships awarded to students on the basis of competitive examinations. This system actually predated the 1875 Act, and was to remain the basis of Queensland secondary education until the 1960's. The Scholarship was also to become the main, indirect, form of State aid to the churches as denominational secondary schools sprang up in the thirty years between the passage of the Act and the commissioning of the Ryan Government.

The one highlight on the education scene during the 1890's depression, compounded as it was in Queensland by record natural disasters, was the opening of the Gatton Agricultural College near Brisbane in 1897. This event is in itself symptomatic of Queensland education priorities: education resources had to be seen to yield direct economic benefits within the preferred, rural, economic development model in order to attract funding priority.

The new century saw at last the proclamation of the compulsory education clauses of the 1875 Act. Yet even now, twenty-five years after the passage of the enabling

²¹*QPD*, Vol. XIX (1875), pp. 756-757.

²²*Votes and Proceedings*, 1896, Vol. 3, p. 145; cited also in Rupert Goodman, *Secondary Education in Queensland, 1860-1960* (Canberra: ANU Press, 1968), p.183.

legislation, the 1900 proclamation was unable to cover children living more than two miles from a State school.²³ In 1901, some attempt was made to reach the many isolated children through the introduction of an itinerant teacher scheme. Itinerant teachers were given a dray, horses, camping equipment, and a boy servant and loosed into the outback to combat illiteracy among the children of the poorer isolated families.²⁴ This system, for all its colour and goodwill, was no more than a palliative for a problem which has occupied the minds of Queensland education policymakers ever since, of which more later.

The years 1900-1915 saw expansion in other areas. The technical colleges which had sprung from the School of Arts movements in the nineteenth century were taken over by the State in 1907.²⁵ The University of Queensland was finally inaugurated, as recommended by Lilley twenty years earlier, on the old Government House site adjacent to Parliament in 1910.²⁶ Lilley's dissenting recommendations regarding free university education were not adopted in Act establishing the new institution.

The Department of Public Instruction underwent something of a renaissance in the years up to 1915 under the leadership of Under Secretary J.D. Story, who rose to this position in 1906 and remained there until he assumed the mantle of University of Queensland Vice-Chancellor in 1922.²⁷ Story was an adherent of the 'modern' educational philosophies which had found favour in the southern States, and was vigorous in purging the Department of some of the more outlandish ('education is dangerous for the working class') views which had taken root there. In 1911 a Medical Branch was established within the Department of Public Instruction. The Branch was designed to administer public health measures such as medical examination of children

²³QGG, Vol. LXXIII, 1900, p. 1083; *State Education Act*, 1875, s.28.

²⁴See Wyeth, pp. 154-155.

²⁵Wyeth, p. 161.

²⁶Harrison Bryan, "The Establishment of the University of Queensland", in *Historical Society of Queensland Journal*, Vol. 4, N^o 5, pp. 637-661; this site is now occupied by the Queensland Institute of Technology.

²⁷See Ian Tyrrell, *The Reform of State Education in Queensland 1900-1914* (University of Queensland: B.A. thesis, 1968), pp. 77-124; Ian Tyrrell, "The Failure of State Secondary Education Reform 1900-1914", in *Queensland Historical Review*, Vol. 3, 1970, pp. 4-13; Wyeth, pp. 174-183.

and providing public health and sanitation advice to schools.²⁸ The Branch's work was formalised in the *State Education Act Amendment Act*, 1912, which also extended the compulsory attendance requirement, and abolished the local contribution requirement for new schools.

The 1912 amendment also finally allowed the establishment of State High (secondary) schools, although this was something of a retrospective validation, since six State High schools had in fact opened at the beginning of 1912.²⁹ Story's greatest legacy, however, was to bring Queensland education to a position approaching self-sufficiency in the supply of qualified staff.

Story's policy in this regard bore fruit with the opening in 1914 of the Teachers' Training College: Queensland could at last boast an education system which could supply both itself with qualified staff and the State's economy with most of its requirements for literate and trained professional workers. Few white children could escape at least basic schooling, and in theory gifted working class children could now progress right to university without ever leaving the State's education system.

Yet although this period appears to some like a golden age of Queensland education,³⁰ it must be borne in mind that these developments represent little more than catching up with the other Australian States. The openings of State High schools, the University, and the Teachers' Training College in the years 1900-1914 were significant advances certainly. They do not stand up so well when it is recalled that New South Wales had a university by 1852 and State secondary schools by the 1880's. South Australia's University of Adelaide was opened in 1874. Even Tasmania had a two decade head start on Queensland in the tertiary education field.

It must also be remembered when assessing the 'golden age' view of Story's administration that his leadership continued the authoritarian tradition of Queensland education

²⁸Logan and Clark, p. 3; see also Chapter 4.

²⁹See Goodman, pp. 213-221.

³⁰For example, Goodman, pp. 208-209; Wyeth, p. 175; Barcan, pp. 216-217.

administration. For example, the proscription of party-political comment in the public arena by teachers (introduced in 1902 and modified in 1903³¹) found its way during Story's administration into the terms and conditions of appointment of the University's academic staff.³² Again, while the University gained the right to set Junior and Senior examinations in 1911,³³ the Department continued to hold control of curricula.³⁴ In any case, University autonomy was to become a sore point with Departmental administrators and their Ministers, as will be seen.

One of the prime policy goals of the nineteenth century reformers was also overturned when a 1910 Referendum forced the teaching of the Bible in State schools. This move, initially seen as a triumph by the churches, soon led to a reinvigoration of sectarian strife, for although the legislation provided for a non-denominational approach to Bible study, the Catholic clergy saw the curriculum as Protestantism by stealth. Sadly, the attitude of some Protestant opinion leaders served to reinforce Catholic fears.³⁵ The result of this religious argument was a renewed and more determined attempt on the part of the Catholic leadership to set up their own system of primary schools in competition with the State system. Labor education debate was also deflected from the issues of quality and access in the State education system since the Catholic population could no longer be relied upon to accept any kind of universal free and secular State schools.

In summary, State education in Queensland had by 1915 assumed the basic character it was to retain for the next forty years and more. It was not an important item on the political agenda and received funding priority in accordance with this low status. Tables 5.1 and 5.7 show comparative expenditures on education for Queensland and the other Australian States. Queensland had a marginally higher than average expenditure in the first decade of Labor rule, but this denotes catchup expenditure and natural disadvantage from decentralisation of population rather than a high priority for the portfolio.

³¹Lawry, pp. 457-459.

³²University of Queensland, Senate Minutes, 18 May 1910.

³³Goodman, pp. 254-257; prior to 1911 examinations had been set by the University of Sydney.

³⁴Wyeth, p. 181.

³⁵Wyeth, pp. 169-170.

As the next section will show, there was a large degree of consensus among Labor and non-Labor political leaders about the desirable role of education and hence the policy prescriptions advocated by both sides. In the light of this consensus, it is apparent why education administrators were encouraged to continue in their resistance to any theories of curricular reform or an expanded social role for education, although there was no lack of such theories. In the 1960's, by way of anecdotal illustration, my Brisbane suburban State primary school still enforced, on Departmental instructions, the use of slates and dip-and-scratch pens for schoolwork. As much political concern was devoted to keeping at bay the supposed dangers of education as was allocated to enlarging upon its supposed benefits.

Labor Education Policy To 1915

The early Labor education policy thinkers benefitted greatly from the ideas of Sir Charles Lilley, who was happy to be associated with Labor people and willing to expose his thoughts. These attributes were hardly typical of the Supreme Court then or now. This early association gave rise to the often mistaken belief that Labor education proposals were inspired by Lilley, and that the Party was the inheritor of Lilley's vision.³⁶ The policies adopted by Labor both before and during the party's term of office, however, owed little to the fabian-liberal model which Lilley seems to have foreseen.

Fortunately, the statements of Labor publicists and political leaders on education issues have been exhaustively documented by Martin Sullivan of the University of Queensland. Sullivan's conclusion is that the Party simply was not interested in education. The public posture of the Party leadership was anti-intellectual, in Sullivan's view, and further, he argues, this public posture was an accurate reflection of the views of Party membership. Opposing views were

³⁶M. Sullivan, p. 65.

represented in tiny minorities of Party members. Sullivan mitigates his own charges of obscurantism directed at the Party, however, by recourse to (political) cultural relativism:

[p]olitically, socially and economically, wide gaps existed between the professional classes and the Labour movement; yet it was the professional classes who were demanding an improvement in the system of education, with the result, that Labour saw these attempts as a tactic by the privileged class to increase the power, privilege and wealth of the professional and propertied classes. (p. 297)

There are problems with this analysis. The assumed identity between educated and professional groups on the one hand and enemies of the labour movement on the other does not hold up to examination. For example, much is made of the supposedly negligible number of preselected Labor candidates from professional groups who stood for election in the years prior to 1910 (pp. 297-299): teachers (four), lawyers (eight), and doctors (one). Yet of these, two, namely Peter Airey (teacher)³⁷ and Tom Ryan (lawyer and former teacher), were Labor leaders. If the count of endorsed Labor candidates is extended to 1915, the numbers of 'educated' candidates increase significantly. Clerks, clergymen, engineers and booksellers must join the list, along with the many journalists excluded from Sullivan's original count. Moreover, some of the candidates who are left out of the count by virtue of their occupational background had acquired a fair level of self-education. Theodore, for instance, has been described by his biographer as being, among members of the Queensland Parliament, a paragon of erudition.³⁸ Sullivan produces no data to show that professional people were more numerous on the non-Labor benches. Even if this can be assumed, there is little evidence to suggest that the education lobby exerted great influence on either side of Queensland politics through the agency of the professionals among the politicians.

So Labor education policy cannot be attributed to any native antipathy for intellectuals. Yet from the outset the views of education publicists like Lilley could achieve only partial endorsement from Labor. Specifically, the notion that access to education above primary school should be open and free gained only a precarious toehold in the Labor platform. The 1891 ALF Election Platform called for "COMPULSORY EDUCATION absolutely free in State

³⁷Airey was a Minister in the Kidston coalition Government until the 1907 split.

³⁸Irwin Young, *Theodore: His Life and Times* (Sydney: Alpha Books, 1971), *passim*.

Schools".³⁹ There is no reference in this platform even to secondary education, despite Lilley's far-reaching recommendations published only that year. Labor goals from the outset were limited to basic State education only.

What, then, underlay Labor thinking if it was not simply anti-intellectualism?

One factor was doubt over the value of higher education for Labor's constituency. At a time when the Masters and Servants laws were still in effect, and the industrial arbitration system had yet to be constructed (see Chapter 5), it was hard to conceive of access to higher education as a priority. The following passage from the *Worker*, which Sullivan takes to be illustrative of Labor anti-intellectualism, is a case in point:

[a]nd, by the way, hast ever noticed, brothers, how very few great men had [a university education] ? Painters, poets, musicians, inventors, scientists, discoverers, founders of religion, rulers of men - the mightiest names among them are not those of the college bred..... Cheapen the universities as you will, the poor cannot attend them. The poor must take their children from the schools as soon as possible and pack them off to work.⁴⁰

The economic and social circumstances of the working class were thus seen to be a more effective barrier to their participation in higher education than was the exclusivity of the institutions as enhanced by the fee requirement. This view has recently had a revival in Labor circles in the context of the the Hawke Government's debate on reintroduction of university fees. At the same time, the *Worker's* remarks about the many 'great men' who lacked university education shows more that Labor was concerned its supporters should not feel their lowly formal education to be shameful, than it shows anti-intellectualism. *Worker* readers need never feel intimidated by the self-proclaimed intelligentsia, the writer is saying.

This argument says at bottom that public funds ought not to be squandered on institutions which can only benefit the already privileged. Labor policy thus favoured the extension of State primary and, to a lesser extent, State secondary education, over the creation of new tertiary institutions. To counter this approach, the non-Labor leaders who finally established

³⁹*Worker*, 7 March 1891.

⁴⁰*Worker*, 15 June 1907; quoted in Sullivan, pp. 291-292.

the University of Queensland stressed the practical economic benefits which were said to flow from university education. Such a stress naturally promoted technical, as opposed to general liberal-arts education. It has been argued that this inaugural bias has skewed the University of Queensland away from the 'pure' sciences and the humanities and toward applied science disciplines, making the University into a "factory for the professions".⁴¹

Faced with the unwelcome fact of the University, Labor policy changed to one demanding access for working class matriculants. The Fighting Platform in use at the 1915 elections called for tertiary education to be "[s]ecular and free, to all those qualifying by examination".⁴²

This change represented a more radical shift than at first appears, since the Labor education paradigm was altered from one embracing 'egalitarianism' to one proclaiming 'equality of opportunity'. The implications of these two positions will be examined in greater detail in the next section. The ambiguity of the "qualifying by examination" clause meanwhile, as will be seen, allowed the PLP to adopt a rather less liberal interpretation than the policy's framers might have wished.

Labor thinking prior to 1915 also concentrated on opposition to the grammar schools in that they were held to be bastions of State-subsidised privilege. In this there is some evidence to suggest that Labor had some tacit support from sections of the Department of Public Instruction.⁴³ The trouble with the grammar schools from both the Party's and the Department's point of view was that public funds were being used, with little in the way of public accountability, to support the wealthy. The Department's view was eventually tempered by the appointment of former Brisbane Grammar School principal R. H. Roe to the position of Inspector-General in 1909.⁴⁴ By 1915, the Department had swung around to support for the

⁴¹Harrison Bryan, "The establishment of the University of Queensland", unpublished paper, Fryer Library collection, University of Queensland, pp. 3-5.

⁴²*Worker*, 1 April 1915.

⁴³Sullivan, p. 173.

⁴⁴Goodman, pp. 208-209; Sullivan, pp. 264-266.

grammar schools. The time for a radical realignment of the education system had passed. The Labor Party assumed office with the dispute having been resolved to the satisfaction of most people involved in the issue. The Department had its State High schools and the grammar schools had the Scholarship.

The University had been established, the basic Labor goal of free and compulsory basic State education had been achieved, and the public debate had cooled. The question of access had been partly resolved with the establishment of the State High schools,⁴⁵ satisfied the basic requirements of the Labor nationalisation program (see Chapter 2). The gradual extension of these services appeared a more politically attractive program than did further nationalisation.

Between 1875 and 1915, Labor Party education policy development was hampered by inadequate debate within the Party on the role of education under a Labor government. Party consensus extended to the State provision of primary schooling on a free and secular basis. Arguments for the expansion of State education beyond that level failed to achieve support in a Party overwhelmingly concerned with market reforms and electoral survival. Thus Labor opposed the founding of the University, and was lukewarm about the State High schools. There was greater enthusiasm for technical education,⁴⁶ since this area appealed to all sections of the Party. Technical education could be seen to yield direct economic benefits, its clientele was essentially working class, and, for the supporters of higher education, it offered the chance to demonstrate the worth of an expanded State education sector.

The internal Party debate was also hamstrung by the lack of well articulated theoretical positions. Party demand in the areas of State enterprises, industrial relations and taxation, for example, were central to the Party's ideological *raison d'être*, and had been thoroughly aired. Agricultural policy was at least a matter of vital electoral concern. Education, by contrast, was neither electorally significant nor ideologically central in Labor's strategic considerations.

⁴⁵Sullivan, p. 266.

⁴⁶The 1913 Platform called for "Technical Education Reform", but this may be taken to read 'expansion', in the light of subsequent developments - *Worker*, 1 April 1915.

Theory of education: competing claims on Labor

It has been noted that the two main competing positions on education in the Labor Party before 1915 were "egalitarianism" and "equality of opportunity". These have widely divergent ideological and political implications in the education context, being derived from discrete schools of thought. Other positions were also tenable within the Labor ambit, and some came to have influence on policy performance. For example, the idea that education could be a vehicle for the emancipation of the working class through the inculcation of socialist values had adherents within the labour movement and some effect on State policy in the operation of the WEA.

Neither 'egalitarianism' nor 'equal opportunity' embraces any sophisticated understanding of the functions of education in the capitalist state, a subject which has been investigated more thoroughly in recent years.⁴⁷ There is no evidence to suggest that such sophistication was apparent in Queensland Labor thinking. The more radical elements in the Party had some concerns that higher education represented a redistribution of wealth from the poor to the rich, or were keen to see some extra and ideologically sound elements in curricula.⁴⁸

The distinction between egalitarian and equal opportunity perspectives, meanwhile, seems often to be subtle enough to elude education writers. Partridge for one notes that

⁴⁷For example, Roger Dale, "Education and the capitalist State: contribution and contradictions", in M. W. Apple (ed), *Cultural and Economic Reproduction in Education* (London: Routledge, 1982), pp. 127-161; Jim Hyde, "The Development of Australian Tertiary Education to 1939", in *Melbourne Studies in Education 1982*, ed. Stephen Murray-Smith (Melbourne: MUP, 1983), pp. 105-140; Stuart Hall, *Unit 32: A Review of the Course [Schooling and Society]* (Hull: Open University Press, 1981), pp. 5-63;

⁴⁸See, for instance, debates on curricula in *Official Record*, Eighth State Labor-in-Politics Convention, 1916, pp.33-34: a motion of the Buderim WPO passed which read "[t]hat Peace be taught in State schools and that it be a definite instruction to the Minister of Public Instruction to include in each issue of the school papers at least one article dealing with the causes of war and written with a view to train the mind of the child in the ideals of peace".

[u]nquestionably, one of the most powerful, if usually inarticulate, popular sentiments or assumptions supporting the growth and operation of the government systems [of education], has been the sentiment of equality. One ruling assumption has been that it is the duty of governments which will provide all children with a certain basic foundation, and, in addition, provide for all who want it the further educational opportunities that will enable them to enter the higher level of professional occupations.⁴⁹ (emphasis added)

This definition of 'equality' begins as egalitarian in its reference to primary education for "all children", with higher education for "all who want it". The ground then shifts into equal opportunity language with the explicit assumption that the goal of higher education is to provide passage into elite social groups for those who last the distance.

It is true that egalitarianism has its logical pitfalls, and these have been the subject of recent examination in the context of the gender debate.⁵⁰ These deficiencies become apparent even when considering a restricted dictionary definition of egalitarianism like Scruton's in *A Dictionary of Political Thought* :

[a] somewhat vague term, best taken to denote the belief that people are or ought to be equal in at least some, possibly every, respect relevant to political decision-making.⁵¹

What is meant by the claim that people are 'equal'? In education, this might perhaps be taken to mean that there should be no differentiation in the allocation of educational services to people for any reason. Further, differentials in educational achievement ought to make no difference in the acquisition and use of political power, which ought to be equally shared among all people. There is no necessary correlation between egalitarian thinking and education funding increases since any quality of a particular service can be equally shared.

Such a theory immediately runs up against a range of inequalities among individuals which are difficult to counter. In education, variations in individual ability and motivation will lead to differential demands on available resources. The egalitarian may counter that many of these differentials are induced by pre-existing social inequalities, which political

⁴⁹P. H. Partridge, *Society, Schools and Progress in Australia* (Oxford: Pergamon Press, 1968), pp. 80-81.

⁵⁰See Merle Thornton, "Is sex equality good enough for feminism?", in *Feminist Challenges*, ed. Carole Pateman (Melbourne: George Allen and Unwin, forthcoming [1986]).

⁵¹Roger Scruton, *A Dictionary of Political Thought* (London: Pan/MacMillan, 1983), p. 141.

egalitarianism will in any case eliminate over time. As a prescription for public policy formation, however, egalitarianism may be expected to develop a range of un-egalitarian interim measures to shorten the period between the inequitable present and the equal future. Such measures might include the channelling of funds away from institutions and programs which are held to produce elites and toward those programs which serve to redress social inequality. In education, this may produce the immediate effect of appearing to exaggerate the existing imbalances between elites and less favoured social groups in access to educational institutions, as those programs which allow a select few from the less favoured groups access to the prestige institutions must also suffer cuts.

An alternative egalitarian stance is to prioritise education spending as a vehicle for removing the monopoly on learning which can be held to be one of the main discriminating features of elite privilege. Egalitarians of this stamp may be expected to promote the establishment of new institutions which are designed specifically for the enlightenment of the downtrodden. At the same time, they would agree with their anti-education co-believers that as much as possible should be done to reduce the amount of privilege available to professional elites. All Labor egalitarians would thus have agreed with the 1930's Hanlon policy of forcing the medical profession to accept wage labour (see Chapter 4).

Further complications emerge when the debate is informed by realisation of the economic necessity for qualified professionals in the modern scheme of production. These last contradictions of egalitarianism in education policy formation are well illustrated by Labor attitudes to the establishment of the University of Queensland. The view that the University would be merely a factory for the reproduction of elites⁵² sat uneasily alongside the recognition that the State's economy required a supply of trained lawyers, economists, scientists, and educators.⁵³

⁵²*QPD*, Vol. CIV (1909), pp. 111-113, 198: E. G. Theodore noted that "University students [are] generally inspired by an overbearing, domineering arrogance".

⁵³For example, *QPD*, Vol. CIV (1909), pp. 348-349.

The equal opportunity perspective has essentially different implications. Scruton's definition again is useful in showing both the distinguishing features and the weaknesses of the equal opportunity position :

[i]t is often supposed that both the state and social conditions exert control, either positively or negatively, over access to institutions which confer social or political power, and over the distribution of legal rights. The advocates of 'equal opportunity' hold that all citizens should be equally well placed to obtain such social or political benefits.⁵⁴ (emphasis added)

Equal opportunity, then, embraces or at least assumes the unequal privileges and political power bestowed upon elites by educational institutions. Whereas egalitarianism takes a broad view of existing and desirable social and political institutions, equal opportunity focuses on the recruitment of new members for existing elite structures. Equal opportunity does not, however, concentrate on any particular point in the career chain to the exclusion of others. For example, equal opportunity would not be content with open, equal entry to law school if it could be shown that admission to the bar was dependant on social class, or that private secondary education conferred a special advantage in passing law school entry examinations.

Equal opportunity has internal contradictions which are more immediately obvious than are those of the egalitarian school, and these have, again, been the subject of some critical exposure in recent times with the widespread adoption of policies which are explicitly drawn from this approach.⁵⁵ First, equal opportunity has its roots in liberal-democratic rather than socialist ideology, as the widespread adoption of equal opportunity programs in the United States witnesses. This point seems to have been but rarely acknowledged by equal opportunity publicists

⁵⁴Scruton, p. 150.

⁵⁵See Peter Wilenski, "Dilemmas of Democratic Socialism", and Gareth Evans, "Reshaping the Socialist Objective", in *The Socialist Objective: Labor and Socialism*, ed. Bruce O'Meagher (Sydney: Hale & Iremonger, 1983), pp.49-57; 73-74; Peter Wilenski, "Reform and its Implementation: the Whitlam Years in Retrospect", in *Labor Essays 1980*, eds Gareth Evans and John Reeves (Melbourne: ALP/Drummond, 1980), pp.40-63 *passim*; and, from an empirical viewpoint, L. Broom, F. Jones, P. McDonnell and T. Williams, *The Inheritance of Inequality* (London: Routledge, 1980).

within the ALP.⁵⁶ Second, the equal opportunity position begs questions about why concentrations of economic and social power exist at all : instead the focus is on the less acceptable outward manifestations of inequality at the points where social background is supposed to be irrelevant. Nepotism, racism, sexism, and snobbery are held to be irrelevant considerations in the conferral of entry rights to social elites. Third, equal opportunity's overriding concern with the relevance of various criteria to recruitment contains implicit meritocratic ideology. Fourth, equal opportunity sidesteps questions about where inequality first becomes evident : is it at the point of employment, at entry to university, entry to secondary school, or earlier? The idea that working class children might be handicapped at birth is avoided. Last, the unequal privilege, power, and benefits available to individuals at their points of career destination are not a focus of critical attention: equal opportunity is compatible with elitism.

Nonetheless, equal opportunity rhetoric featured prominently in many public statements of education policy intent made by Labor leaders. For example, the 1915 fighting platform, as noted earlier, called for the institution of a scholarship system at university entrance, the scholarship eligibility to be determined by universal examination. This is a clear case of equal opportunity thinking, since it posits as the sole 'relevant' criterion a supposedly objectively verifiable assessment for which all are equally liable and by which all are equally measured. There was some subsequent concern that the academics would attempt to thwart working class scholars from matriculating by demanding passes in 'irrelevant' subjects (presumably Classics) and so Labor policy was changed in 1923 to confine tertiary scholarship examinations to "the subjects necessary in pursuing the course proposed by the student".⁵⁷

Equal opportunity is an attractive rhetorical line for the very reason that it does not challenge, indeed makes active use of, liberal-democratic ideology. Since it concentrates on

⁵⁶For example, see Albert Métin, *Socialism without Doctrine*, trans. Russel Ward (Sydney: Alternative Publishing Co-operative, 1977), pp.158, 188-191; debate on motions calling for free university education and establishment of medical school - "it would cost in the region of £50,000. They must first see to the children in the backblocks" - *Official Record*, Tenth Queensland Labor-in-Politics Convention, 1920, pp.30-31; Policy Speech by E. G. Whitlam, Blacktown, 13 November 1972.

⁵⁷*Official Record*, Eleventh Queensland Labor-in-Politics Conference, 1923, p.53.

the points at which liberal-democratic theory departs from actual social practice, equal opportunity also has enough critical content to appeal to Labor reformists. The strain of Labor thinking which saw the State enterprises as functional for tidying up the unacceptable face of monopoly profiteering capitalism (see Chapter 2) was particularly receptive to equal opportunity ideas. As this Labor grouping saw the prime benefit of the enterprises to be lower prices, so it could portray equal opportunity in education as offering social mobility to the working class.

Labor's performance in government, however, was based on an equal opportunity-egalitarian consensus which was content to allow Queensland education to remain a low priority political agenda item. The basis of this consensus was a compromise between egalitarian demands for prioritisation of other policy areas - such as land settlement, unemployment relief and public hospitals, and equal opportunity resistance to exclusivism in institutional arrangements. Minimal public funds would be made available for education above primary level, and the available funding and support would be equally distributed among students on the basis of academic ability alone. The Scholarship and Senior external examinations were to be the points of academic assessment for entry into secondary school and University respectively. The political difficulty of assaulting the denominational schools was to be avoided, although Labor principles were to be assuaged by denying direct state aid.

Education for the workers: the WEA

That strand of Queensland Labor thinking which saw virtue in the general notion of education while objecting to elitist institutional arrangements was able to secure some government backing in the early years of Labor power. The idea of worker education had been given impetus in Queensland as in the rest of Australia by the 1913 tour of British worker education activist Albert Mansbridge, who had been largely instrumental in setting up the British WEA in 1903.⁵⁸ The concept was not new, indeed the Sydney-based University Extension

⁵⁸See A. Mansbridge, *University Tutorial Classes* (London: Longman's, 1913); see also Derek Whitelock, *The Great Tradition: A History of Adult Education in Australia* (Brisbane: UQP, 1974), pp.38-43..

Movement had been trying for decades to popularise extramural university classes with little support from the labour movement.⁵⁹ Nor was Mansbridge's visit initially greeted by labour publicists with marked enthusiasm.⁶⁰ The University of Queensland was moved to support Mansbridge's visit only after external pressure from Oxford academics and internally from such local luminaries as Elton Mayo (at that time on the University of Queensland staff).⁶¹

Nonetheless, such was the power of Mansbridge's talk, or perhaps of the sudden enthusiasm which had been whipped up for the occasion, that a meeting at Trades Hall the night after his lecture agreed to establish the Workers Educational Association of Queensland under the inaugural presidency of CPE Secretary McDonald.⁶² The University was induced to provide a room for WEA classes, and indeed to fund a lecturer to work part-time on the program, although the Denham Government refused special funding for the position.⁶³

The new Labor administration had no specific platform commitment to the WEA, but was receptive to representations from Association activists given its criticism of the previous government's parsimony.⁶⁴ Minister Hardacre was able to offer the WEA two lectureships funded expressly for WEA courses, one in Economics and one in Industrial History, in line with Association thinking on appropriate subjects for worker education.⁶⁵ State funding for the program was not the panacea the activists might have imagined, however, and enrollments apparently declined in the years immediately following the funding decision.

⁵⁹See E. Williams, *The Foundation of University Adult Education in Australia* (B.A. Thesis: University of Adelaide, 1966).

⁶⁰For example, *Worker*, 21 September 1913.

⁶¹Mary Murnane, *The Workers Educational Association of Queensland 1903-1939* (B.A. Thesis: University of Queensland, 1969), pp. 3-7.

⁶²*Worker*, 28 September 1913.

⁶³Minister Blair was at least in theory warmly disposed to the goals of the worker education movement, as he stated on his return from a trip to the southern States in April 1914 where he met Mr Meredith Atkinson, new Director of Tutorial Classes for New South Wales- *Daily Standard*, 27 April 1914; see also Murnane, pp. 20-22.

⁶⁴*QPP*, 1915-1916, Vol. 2, p. 199: the University's public attitude was that the positions had been victims of wartime austerity - "... the Staff has cheerfully undertaken to make the best arrangements possible for carrying out the whole of the [WEA] teaching work by the present members".

⁶⁵Murnane, p. 32.

Declining enrollments, combined with the influence of professional staff, the university administration and civil servants led to a change in the basis for WEA educational thinking. The 1917 WEA conference adopted an executive structure giving equal representation to University nominees and WEA elected members.⁶⁶ Although the Association continued to press spasmodically for classes in such subjects as the 'realisation of socialism', it found itself unable to press for special courses beyond those sanctioned by the professional academics. The appointment of WEA lecturer Melbourne as Commonwealth Censor for Queensland in 1917, while attracting some criticism from WEA radical elements, is an indication of the political safety of WEA curricula.⁶⁷

And so, despite an attempt at re-radicalisation under the influence of V.G.Childe (tutor) and N.P.Freeburg (WEA Council member) in the years following the Great War, the tutorial classes soon came to focus on traditional academic disciplines and cater to a mainly sub-professional clientele. This consisted, according to WEA historian Murnane, mainly of teachers, clerks and married women on 'home duties' who were interested more in literature than in the initial WEA-preferred social science subjects.⁶⁸ The original target clientele of working class activists rapidly fell by the wayside. Murnane cites as evidence for this change both the occupations of course enrollees and the accessions of the WEA library. The accessions showed an increase in fiction accessions from 20 percent in 1921 to 38 percent in 1939, while social science accessions declined from 22 percent to 19 percent over the same period.⁶⁹ Indeed the fiction collection of the WEA library was, according to Brisbane expatriate writer David Malouf, the best collection of literature available in late-1940's Brisbane.⁷⁰

By 1919 the WEA had so far departed from what the more radical worker educationalists took to be its natural function that a rival body, the Workers School of Social Sciences (WSSS), was set up to cater for the traditional working class clientele which the WEA

⁶⁶Murnane, pp. 40-41.

⁶⁷Murnane, pp. 44-45.

⁶⁸Murnane, pp. 76-88.

⁶⁹Murnane, pp. 88, 93.

⁷⁰*National Times*, 7-13 June 1985.

was taken to have abandoned. The WSSS, however, posed a number of uncomfortable questions for the union leaders who were expected to fund the new body. For one thing, education finances would either have to be withdrawn from the WEA, or the unions would need to find additional funds for the new body. Given the unions' already lukewarm attitude to worker education noted above, the latter course was guaranteed unpopularity. The second sticking point, Murnane argues, was doubt over the desirability of an independent force for radicalism, a body which might lead rank and file to question the socialist *bona fides* of existing labour movement leaders.⁷¹ So, despite the calls made by Ernie Lane (alias Jack Cade) in the *Daily Standard* for greater efforts at workers' education and socialist propaganda,⁷² the WSSS was to fold for lack of union support only one year after its foundation.

This failure did not, however, permanently discourage those who saw worker education as offering a real prospect for heightened socialist consciousness among workers. The ARU (see Chapter 1) was sufficiently disenchanted with the WEA to disaffiliate at the close of 1926.⁷³ The immediate rationale for this move was the demotion in the WEA of one Gordon Crane, formerly the tutor for the Northern region, for allegedly assisting the ARU in organising the 1925 strike (see Chapter 1). Crane was a regular *Advocate* columnist, and the union saw the Government's hand in the disciplinary action. Crane subsequently accepted an appointment as an ARU organiser⁷⁴, and continued his educational work in this new role. In the 1930's he established the Workers Art Theatre in Townsville⁷⁵, summer schools for ARU rank and file members at Mt Tamborine in 1931 and Brisbane in 1932,⁷⁶ and classes in Marxism throughout the State under union auspices.⁷⁷ In this way the radical-egalitarian spirit of the early WEA survived, albeit in straitened circumstances.

⁷¹Murnane, pp. 59-61.

⁷²E. H. Lane, pp.287-290.

⁷³See *Advocate*, 15 November 1926.

⁷⁴Frank Nolan, *You Pass This Way Only Once: Reflections of a Trade Union Leader*, ed. D. J. Murphy (Brisbane: Frank Nolan/Colonial Press, 1974), pp.40, 82-83.

⁷⁵*Advocate*, 15 December 1932.

⁷⁶Nolan, p.82.

⁷⁷*Advocate*, 15 February 1934.

The dialectical clash between the radicals and the educational consensus came at the end of the 1930's. N. M. Richmond, former New Zealand Rhodes scholar, academic and socialist, was appointed Director of tutorial classes at the WEA and soon set about restoring the lost radical curricula of the Association's classes. Coincidentally, the Queensland branch of the Left Book Club was established amid much initial enthusiasm at about the same time.⁷⁸

Richmond did not dismantle in any way the considerable 'traditional' curriculum, but expanded the Association's activities in the areas of political education and worker consciousness-raising. Of particular concern to the government as it later emerged were the political activities encouraged by Richmond through non-curricular areas of Association operation. The *WEA Bulletin* under Richmond published a wide variety of political comment from positions to the left of the government line. Murnane alleges that communists Ted Bacon and Max Julius had de facto editorial control over the journal in the Richmond incumbency⁷⁹, a suggestion disputed by Bacon⁸⁰, although he concedes close cooperation with Richmond. In any event, the articles published exceeded the margin of dissent tolerable in a State-funded institution.

Moreover, Richmond, like Crane before him, stepped so far beyond the pale as to address a strike meeting of Ipswich miners in October 1938, at a time when the Premier had just commenced an attack on the Communists by 'revealing' a secret communist plot to sabotage Labor's new rural relief work scheme.⁸¹ Forgan Smith took it upon himself to announce an enquiry into the WEA and the university tutorial classes soon after this event, making his motives perfectly clear:

[t]he WEA should, on principle, be a strictly neutral organisation in connection with the working class movement.⁸²

A magistrate and a school inspector were appointed to the enquiry, a selection which hints strongly at the desired outcome. On receiving the report in August, Forgan Smith declared himself vindicated by its findings:

⁷⁸Interview with Ted Bacon, 14 February 1985;Murnane, p. 117.

⁷⁹Murnane, pp. 129-130.

⁸⁰Interview with Ted Bacon, 14 February,1985.

⁸¹*Courier-Mail*, 14 September 1938.

⁸²*Telegraph*, 21 March 1939.

[the WEA] is more a propaganda organisation than an organisation for the dissemination of knowledge.⁸³

The government accordingly cut off State funding for both the WEA and the university tutorial classes from the end of 1939. Deprived of funds, the WEA collapsed as a teaching body and offered no classes in 1940. Richmond in a parting shot declared that the government's action bespoke growing fascism⁸⁴, but the Labor leadership remained unmoved. Forgan Smith declared to the 1941 Labor-in-Politics Convention that

[t]here is no reason why the State should provide funds to educate certain people to become Communists.⁸⁵

The State continued, however, to provide funds to educate people to become Catholics, and no traditional educational institutions or individual teachers were ever isolated in this manner. The Communists were clearly perceived as a more serious threat than were other enemies of Labor, and the notion of worker education was stamped as illegitimate by the Party which had championed it two decades earlier.

And so ended the experiment with worker education outside the formal apparatus of the Department of Public Instruction institutions. While the Ryan Labor administration had endorsed the initial concept of publicly funded worker education through the WEA, it must be borne in mind that the £100 granted in 1915 was given in the context of minimal educational opportunities for adults. The WEA of 1939 was in most respects unrecognisable from the small group of zealots who attended the inaugural classes twenty-four years earlier. The £100 original grant had grown to a £2600 annual commitment⁸⁶ and the student body had grown into the thousands - a declining proportion of them, as we have seen, belonging to those strata of Queensland society from which Labor had traditionally drawn its support.

Against this background, and in the context of increasing government resort to rigorous control over State-funded institutions (see also Chapter 4), the decision to withdraw

⁸³*Telegraph*, 2 August 1939.

⁸⁴*WEA Bulletin*, Vol. 1, N^o 7, September 1939; Derek Whitelock echoes this charge, describing the move as being in "the dismal and endemic Sunshine State tradition of reactionary politicking" - Whitelock, p.201.

⁸⁵*Official Record*, Seventeenth State Labor-in-Politics Convention, 1941, p.31.

⁸⁶*Journals*, 1939, p.71: £988 direct to the WEA as a grant and £1650 tied to Workers' Tutorial Classes.

funding for the WEA is hardly surprising. The subsequent decision to legislate for a majority of government appointees on the University Senate (1941) is convincingly linked by Murnane to University criticism of the WEA move (pp.133-134). Politically, the dominant government Labor faction of the late 1930's could afford to antagonise the generally quiescent militants (see Chapter 1), knowing that anger was unlikely to translate into damaging forms of political or industrial action at that time. The subsequent prominence of WEA activists like Mick Healy and Ted Bacon in the industrial turmoil of the 1940's, however, suggests that Forgan Smith could have been better advised to keep the left occupied in educational, rather than industrial, political activity. Moreover, the closure of the WEA helped to focus public attention on the general lack of educational opportunities in Queensland. For one thing, access to the WEA Library was confined after 1940 to that declining number of Brisbane residents who knew of its existence in the unlikely surroundings of Trades Hall.

Secondary education 1915 - 1957

Other claimants on the education budget were also kept on a tight financial rein, although less clearly for ideological reasons. The incoming Labor administration of 1915, as has been noted, found itself with a new and as yet tiny State secondary school system. Labor had no policy commitment to an expanded, yet alone universal, State secondary education program. The Platform called only for

[c]ompulsory [education] up to 14 years of age, higher optional,
both Secular and Free in State Schools.⁸⁷

While this commitment may at first glance suggest some commitment to expanded secondary education, such an interpretation was at no time applied by Labor in government. State education was indeed expanded to cover pupils to 14 years of age, but this was to be within the existing State primary school structure. Grades 1 to 8 were covered by the primary system, an arrangement that required the one teacher to administer two thirds of the entire school curriculum in the State's

⁸⁷*Worker*, 1 April 1915.

many one-teacher schools⁸⁸. Fee charging schools had to provide the bulk of Queensland's post-primary education, and the Labor commitment to free education was to be fulfilled through the Scholarship system.

The scholarship system was made more flexible in 1915 through automatic extensions, provided the appropriate examinations were passed, up to and including university⁸⁹. Previously, pupils had to reapply for scholarships on a competitive basis at various stages in the system. The two tiered stipend based on parents' income was retained.

The main new expenditure commitments were in the realm of teachers' pay and conditions. As mentioned in Chapter 5, teachers' pay was significantly upgraded in the first five years of Labor rule. Following a meeting between Minister Hardacre, Department of Public Instruction senior officials and Queensland Teachers Union leaders in May 1917, teachers awards were made subject to the *Industrial Arbitration Act*, 1916. Awards made by the Industrial Court increased pay levels substantially in rapid succession. Classification I teachers, for instance, had their salary increased from £110-£150 per annum in the beginning of 1917 to £230-£270 in 1920. Classification III teachers went from £140-£260 to £330-£380⁹⁰. Increases to base increments thus averaged over 100 percent.

Labor also claimed credit for doubling enrollments in State secondary schools between 1914 and 1919⁹¹. While true,⁹² this claim rests on dubious foundations since several of the schools built in the pre-war period had not opened before the beginning of the 1914 scholastic year⁹³. Table 5.3 below shows enrollments for State secondary schools in Queensland under Labor. The comparatively rapid expansion of the early years, arguably under the planning of the former regime, ground to a halt to the extent that the official figures had to be inflated by adding

⁸⁸I can claim personal experience of this system. In practice, it required older pupils to supervise younger ones in practising arithmetical tables, basic reading and the like.

⁸⁹See Wyeth, p. 177.

⁹⁰*Administrative Actions 1919-1920*, p. 17.

⁹¹*Administrative Actions 1919-1920*, p. 15.

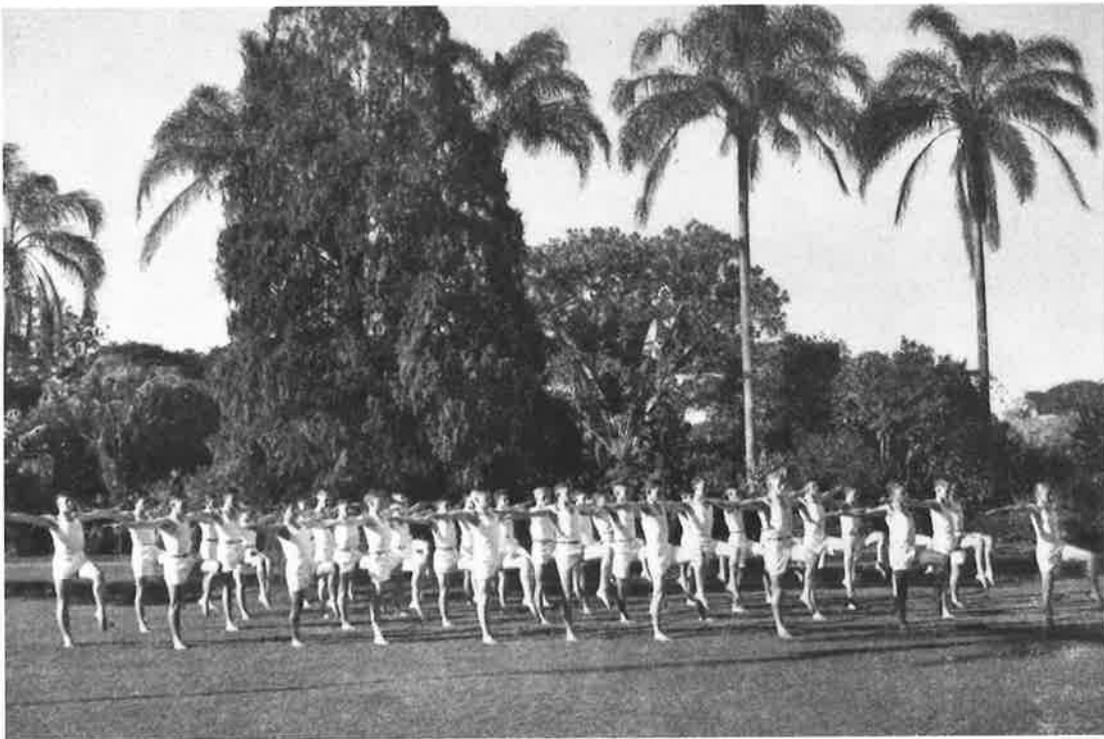
⁹²*QPP*, 1916-17, vol 2, p.15; *QPP*, 1921, Vol.1, p.637.

⁹³*QPP*, 1916-17, Vol. 2, p.5: 6 were open in 1915 and 9 by 1920.



School polo team, 1915

[Photograph from State Education in Queensland,
1915[?], p.57]



Fitness Class, Teachers Training College, 1937

[Photograph from State Education in Queensland,
1937-38[?] p.68]

technical student numbers to the total in the late 1930's to give the illusion of growth. The negative egalitarianism dominant in Labor education thinking did not favour spending on such academic pursuits as State secondary education.

From 1924 to 1939, no new State secondary schools were built in Queensland.⁹⁴ A number of theories exist to explain this remarkable stasis. McQueen ascribes the immobility to a covert alliance between the Labor governments and the Roman Catholic clergy to leave the Catholic secondary schools as the predominant secondary educators in Queensland⁹⁵. McQueen's analysis does not hold up for any of the Labor administrations, however attractive its simplicity may be. McQueen's view is that Labor in effect bought Catholic support by guaranteeing pupil supply and thereafter jobs for Catholic school graduates in the State public service. Yet only the post-1945 governments maintained cosy relations with the Catholic clergy, and even then the anglophile conservative primate Archbishop Sir James Duhig had a quite different relationship with the ALP from that enjoyed by other Australian Catholic Bishops (see Chapter 5). And the post-1945 governments actually lifted the long drought in State secondary school construction, presiding over a massive growth in both schools and pupil numbers, as will be seen.

An alternative view is that of Goodman, who maintains that Labor administrations were essentially philistine, and that they opposed secondary education in principle. Neglect, in Goodman's analysis, was a predictable symptom of Labor dislike for educated elites. This is a more difficult accusation to counter. Labor policy outcomes in education do indeed seem to be counter to contemporary educational thought. Successive publications of the Department of Public Instruction in the Labor period give glowing descriptions of Queensland educational facilities, despite relative inadequacies when compared with facilities available in other States. While it can only be expected that the Department would put the best light on matters, the glowing prose put out by both official and political publicists bespeaks an unfortunate complacency.

⁹⁴Goodman (among others), p. 279.

⁹⁵H. McQueen, *Gone Tomorrow: Australia in the 1980's* (Sydney: Angus & Robertson, 1982), p.113.

Goodman assumes, however, that the advances in educational practice and funding made in other States over the years of Labor rule in Queensland represent the sole legitimate point of comparison by which to judge the Queensland outcomes. High numbers of matriculants and tertiary graduates are equated by Goodman with 'modernity', which is synonymous with goodness in policy-making. In assessing the retention of the Scholarship system until the 1950's, for example, Goodman remarks

[t]his was an outmoded principle in modern states and on that score alone Queensland, in the early 1950's, was a most backward state in secondary education, and without doubt the most backward Australian state in the field.⁹⁶

Goodman's views on modernity are of course themselves dated, although this does not by itself constitute fallacy in argument. He is on thinner ground when he goes on to lavish praise on the subsequent administration of the portfolio under Pizzey since Commonwealth funding for State secondary education only commenced during the life of the Coalition Government,⁹⁷ but again this is no necessary criticism of his remarks about the Labor period. His main failings stem from his over-eagerness to heap opprobrium on the Labor administrators and to derive an implicit critique of Labor ideology from that base.

However it is not correct to maintain, as Goodman does, that the continuity of Queensland education policy under Labor indicates an underlying consensus of education ideology within the Party. As has been noted above, Labor education thinking was by no means clear and unambiguous: widely divergent policy lines co-existed in the Party, the PLP and even the Government. The peripheral status afforded education policy in internal Party debate throughout the Labor period would appear to bear out Goodman's ideological critique to some degree, but to follow this line is to ignore the sites and terms of Labor policy formation processes and ideological struggles. Goodman ascribes some of the Labor education ministers' failings to their lowly working class origins (they were, he notes, "poorly educated politicians, stalwarts of the Labor Party, with a background of success and faithful service in trade union affairs"⁹⁸). He is

⁹⁶Goodman, p. 337.

⁹⁷See Don Smart, *Federal Aid to Australian Schools* (Brisbane: UQP, 1978), pp.33-74.

⁹⁸Goodman, p. 338.

quite categorical in his insistence that neglect of education was Labor dogma and essential to advancement within the Party. Goodman is prepared to concede that the Opposition had a hand in supporting the governments' educational immobility through its own silence on the issue and even that there was a coalition of 'vested interests', including Labor policy, church interests, grammar school Trustees, social class groups, political parties' conniving at the retention of the Queensland educational status quo.⁹⁹ In such a climate, and in the absence of an effectively organised intelligentsia or professional class (see for example Chapter 4 on the inability of the medical profession to fight the proletarianisation of the public hospital medical staff), it is not difficult to understand why Labor in government was reluctant to disturb the educational policy equilibrium.

Goodman is remiss chiefly in refusing to recognise the strength of alternative policy canvassing among groups on the left of the Labor party and of the broad labour movement. His depiction of a united obscurantism among Labor figures is, as has been shown, inaccurate. His total omission of reference to the WEA is illustrative of his dismissive attitude to this history. Again, he gives insufficient weight to the effects of the 1929-1932 Moore Government's administration of the portfolio in terms of cementing the consensus behind Labor's scholarship system of secondary education provision. He suggests, without convincing evidence, that Moore's fifty percent cut in scholarship places was the result of faulty advice from public servants.¹⁰⁰ Whatever the advice, and the scholarship budget was not of such a size that alternative areas for cuts could not have been found, Moore's decision to hold the line on the scholarship cuts against a storm of public protest handed Labor a gift vote-winning issue and thereby helped to tie Labor fortunes to the system for many years thereafter.

The scholarship system under the first period of Labor rule had expanded and been liberalised appreciably. Labor continued the non-competitive qualifying scholarship examination system introduced in 1914, and by 1927 the number of students receiving scholarship support had risen to 1,886 from a base of 515 in 1914.¹⁰¹ In 1923 a new system of free entry to State

⁹⁹Goodman, pp. 275-279.

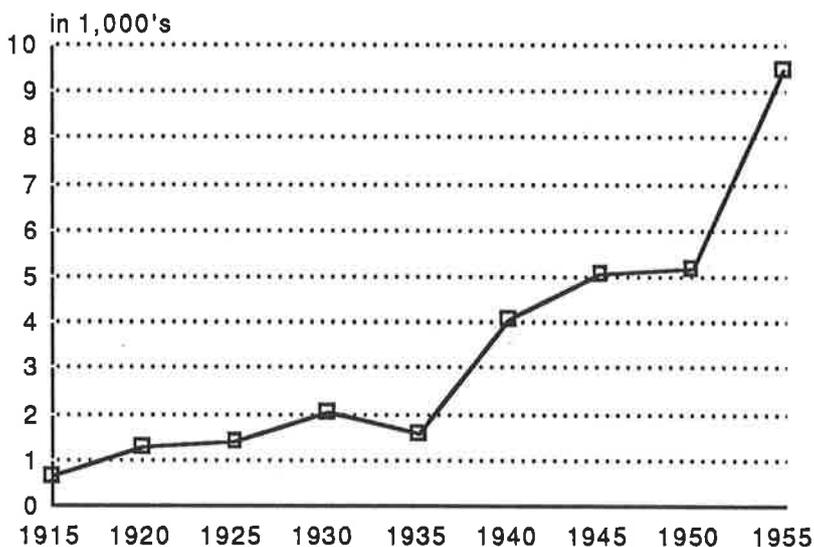
¹⁰⁰See Goodman, pp. 275-276.

¹⁰¹Department of Public Instruction, *State Education in Queensland* (Brisbane: Government Printer, 1928 [?]), p. 37 (hereafter *State Education in Queensland 1928*).

secondary schools, but without stipend, was added for students who failed to qualify for the scholarship but who passed in three subjects in the 'State High School' entrance examination'. Also in 1923 the age limitation on both secondary entrance examinations was removed, allowing repeating and older students to qualify, and special textbook and living-away-from-home allowances were introduced for scholarship winners from lower income families. Average attendances at State secondary schools increased from 548 in 1916 to 1,947 in 1927.¹⁰² Table 5.3 shows the attendances at Queensland State High Schools for the entire period of Labor government.

Table 5.3

Average Attendance: Queensland State High Schools



Note: Figures for 1940 and 1945 include attendances at State Commercial, Industrial and Domestic Science High Schools in Brisbane. These Schools became full State High Schools after 1945.

[Sources: OPP, 1916-17, vol. 2, p. 15; 1921, vol. 1, p. 637; 1926, vol. 1, p. 710; 1931, vol. 1, p. 666; 1936, vol. 1, p. 1590; 1941 [only vol.], p. 551; 1946, vol. 1, p. 523; 1951, vol. 1, p. 629; 1956, vol. 1, p. 652.]

Clearly, the main increases in student numbers at State secondary schools occurred in the postwar boom. The apparent increases in the latter half of the 1930's shown in Table 5.3 are due not so much to genuine increases as to a sleight of hand in the measurement: the numbers attending the State's three technical 'high schools' were added to fill out the total. These technical high schools were converted to full secondary status in the early years of the postwar boom, which makes the increase after 1945 all the more remarkable. There were very low and

¹⁰²State Education in Queensland 1928, p. 37.

sluggishly increasing attendances at secondary schools for the first two decades of Labor government.

The improvements made by Labor in the 1920's were hardly earth-shattering, but they did represent a gradual and continuing commitment to change along the lines pioneered by the last pre-Labor administrations under the influence of the redoubtable J. D. Story. The Moore Government, with its minister King, scrapped the qualifying principle for the scholarship and brought back a competitive examination. The number of scholarships available was also reduced to a maximum of 1,000. At the same time, the age limit was reimposed and the separate State secondary entrance examination abandoned.¹⁰³ At the 1930 scholarship examination, 5692 students sat, 1865 qualified and only 1003 were awarded scholarships.¹⁰⁴ Opposition to these moves came from all sides of the education debate. Denominational and grammar schools saw a major source of funds disappearing. The labour movement saw a major component of the social wage being taken away. Farmers saw their children's prospects being reduced. The Labor Party saw the issue as being another opportunity to reforge the electoral alliance which had looked so delapidated in 1929.

The diverse political forces thus harnessed were directed, it is important to note, at the simple restoration of the old scholarship system. The education debate had changed from an agenda concerned with the extension and expansion of educational opportunities and the prospects of using the State power to enhance working class organisational skills, to one concerned merely with the restoration of the old system. Having been once so badly frightened, the various educational lobbies would be content for many years with the creaky systems of the 1920's.

The non-competitive scholarship was reintroduced at the first examination held after the return of Labor in 1932. By 1937 the Secretary for Public Instruction could boast of 4,012 scholarship winners for the previous year.¹⁰⁵ So long as each year the government could

¹⁰³*QPD*, Vol. CLVII (1930), p. 2025.

¹⁰⁴*QPD*, Vol. CLIX (1931), pp. 313-314.

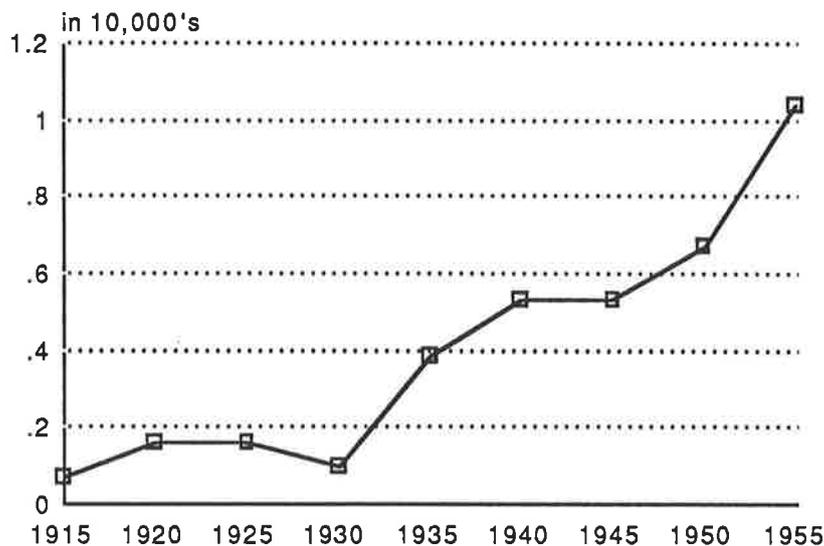
¹⁰⁵Department of Public Instruction, *State Education in Queensland* (Brisbane: Government Printer, 1938 [?]), p. 55 (hereafter *State Education in Queensland 1938*).

demonstrate an increased number of scholarship winners, the polity could be kept content with the existing arrangements. The events of 1929-1932 had demonstrated the apparent dangers of tampering with a politically sacred system.

Table 5.4 shows scholarship numbers over the period of Labor government, clearly indicating the level of indirect State aid to denominational and grammar schools Labor was prepared to commit over the years. By 1955, the State was funding 10,421 new scholarships per year: a better than tenfold increase over the numbers financed in 1915. Increasing Commonwealth aid to non-government schools under the Menzies Government,¹⁰⁶ however, created the conditions for the abolition of the Queensland scholarship scheme under the Nicklin administration. The constituency so assiduously built up by Labor simply transferred its allegiance to a Federal conservative government.

Table 5.4

Scholarships Awarded: Queensland Secondary Scholarships



[Sources: OPP, 1916-17, vol. 2, p. 13; 1921, vol. 1, p. 634; 1926, vol. 1, p. 723; 1931, vol. 1, p. 670; 1936, vol. 1, p. 864; 1941 [only vol.], p. 551; 1946, vol. 1, p. 524; 1951, vol. 1, p. 619; 1956, vol. 1, p. 643.]

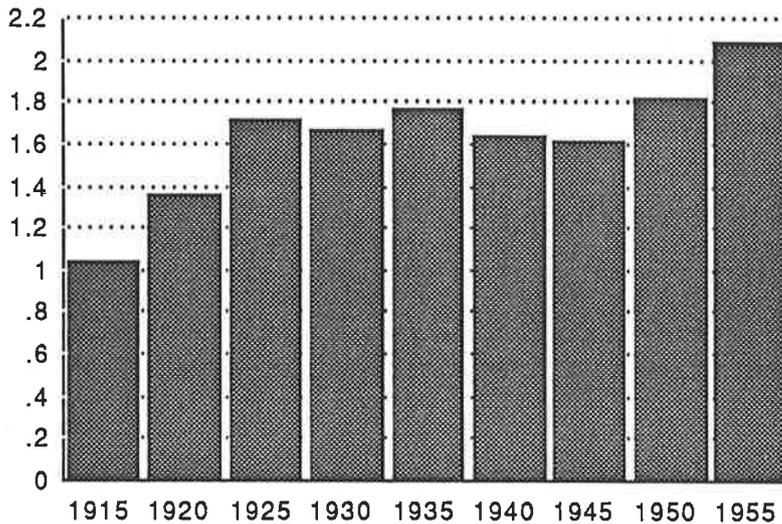
After 1945 the Commonwealth came to have an increasing role in education funding. The Commonwealth Reconstruction Training Scheme and Services Education Scheme injected substantial numbers of mature age students into the secondary education system in the immediate postwar years. So massive indeed was the influx that a separate stream of institutions

¹⁰⁶See Smart, pp.27-30, 69-72.

had to be set up to cope with the numbers: the so-called Reconstruction Training Schools. In 1947 the Queensland technical education system was handling 26,000 ex-service personnel per year, of whom over 8000 were full-time.¹⁰⁷ These numbers were more than double the enrollments in the State's high schools.

Real expenditure on secondary education did nevertheless rise in the postwar years. Table 5.5 shows expenditure per head of population on secondary education. It can be seen that the postwar recovery brought expenditure to new heights, but that it was hardly an exponential movement. Indeed, it was not until 1950 that expenditure recovered, in real per capita terms, to the dizzy heights of the 1935 levels. The stasis in State secondary education can be seen to have led to real declines in availability of funds for the 'free, secular education' of Queensland youth, at the same time, as shown by Table 5.4, that scholarships to non-government schools were rapidly increasing. Even at the height of expenditure, State high schools accounted for a little over a pound per year per head of population in Queensland in terms of the values prevailing at the time Labor attained government. Moreover, the period of the Forgan Smith Government emerges as one of real decline in expenditure, and this at the same time as Labor was proud to trumpet scholarship increases as evidence of its educational munificence.

¹⁰⁷*QPP*, 1948-1949, p.608; the Commonwealth Reconstruction Training Scheme "brought about the establishment of the Brisbane Technical Correspondence School", according to the Department - p.609.

Table 5.5**Real Per Capita Expenditure: Secondary Education - Constant 1911 Dollars**

[Sources: *QPP*, 1916-17, vol. 2, p. 11; 1921, vol. 1, p. 631; 1926, vol. 1, p. 732; 1931, vol. 1, p. 679; 1936, vol. 1, p. 870; 1941 [only vol.], p. 553; 1946, vol. 1, p. 528; 1951, vol. 1, pp. 631-632; 1956, vol. 1, pp. 656-659; calculated on the basis of Consumer Price Index numbers from Australian Bureau of Statistics, *Labour Report*, N° 58, 1973, p. 40, and population figures from Australian Bureau of Statistics, *Demography 1971*, Bulletin N° 87, 1974.]

A report of the Department of Public Instruction in 1957 showed the results of this parsimony to be a high rate of 'wastage' of gifted children, that is of children who achieved very high results in the scholarship examinations but who did not then progress to matriculation or tertiary levels.¹⁰⁸ 'Wastage' among girls from working class families was found to be particularly severe. So Goodman's description of the generation of children undergoing schooling under Labor as a 'lost generation'¹⁰⁹ has some basis in fact.

Labor secondary education policy must be seen, therefore, in the contexts both of internal party manoeuvring and ideological conflict and of the electoral strategy which was shored up by the experience of conservative government from 1929-1932. So long as the State continues minimal levels of direct and indirect secondary education funding with an egalitarian basis of distribution, the education issue could be safely dealt with by the administrative apparatus and political damage kept to a conscionable level.

¹⁰⁸'Reducing Wastage Among the Gifted', in *Research and Guidance Branch Bulletin*, Department of Public Instruction, N° 13, 1957, cited also by Goodman, pp. 343-344.

¹⁰⁹Goodman, title of Chapter 9, p. 268.

Whereas McQueen posits an almost conspiratorial relationship between the Catholic Church and the Labor educational administration, Goodman assumes a natural Labor anti-intellectualism as the prime culprit for policy immobility. Both versions approach the actual. The support of the churches for the scholarship system was an important ingredient in ensuring its survival. The dominant factional position in the Labor Party allocated education above primary level a low priority on both ideological and pragmatic grounds. Minority left positions would have allocated increased funds to education, but would have upset the fine balance of interests arrayed behind the existing policy by withdrawing all State indirect funding for denominational and grammar schools. The channelling of funds into worker education advocated by this view would certainly have excited massive opposition from precisely those groups which benefited from the tried and true system.

Labor and the University of Queensland

The Labor governments started off well in their relations with the University of Queensland with the welcome injection of funds from the founding of the WEA in 1915 discussed earlier. The Labor leaders were not, however, unanimous in their support even of the concept of the university. As was noted above, Labor leaders including Theodore were reluctant supporters of the *University Bill*, 1909. The concerns of Labor governments with university education related less, though, to the class concerns articulated by Theodore and more to the embarrassment caused by the opinions and lifestyles of the intellectuals of the left.

The incoming administration did nothing to alter the existing administrative arrangements for many years. The University continued to be governed by the Senate appointed originally by the former administration and, as envisaged by the legislation, gradually replaced by alumni ('convocation') elected members. The government under the legislation continued to enjoy the right to appoint ten of the twenty Senate members (*University of Queensland Act*, 1909,

s.12). The Labor administration did not take long, however, to discover reasons for seeking to abridge academic freedom as it concerned academics who involved themselves in political comment.

As discussed earlier in the section on the WEA, there were a number of academics concerned with the establishment of that institution who publicly advocated views to the political left of the dominant Labor line. V. G. Childe, for instance, during his term as tutor at the university wrote for the *Daily Standard* under various pseudonyms as well as in his own name regular articles attacking the government for various breaches of socialist principles in fulfilling its platform.¹¹⁰ He also supported the more radical Freeburg line in the WEA debates of the late 1910's. Childe's appointment as lecturer in Classics, a subject for which he was extraordinarily well qualified as his subsequent chair at Cambridge attests, was disallowed by the Senate under alleged government pressure.¹¹¹

The university in the subsequent two decades gave little concern as any kind of political hotbed. Extra funds were forthcoming for new medical and law faculties, and a new chair in veterinary science in 1935.¹¹² As discussed earlier (Chapters 3 and 4), these moves were integral to the Labor political program of the period, rather than any indication of a newfound interest in academic pursuits. The Department of Public Instruction, which had been using the St Lucia site for a farm school, was persuaded to move out only on condition that the university gave the school some land out at Moggill for the same purpose. The City Council was given the Victoria Park land formerly identified as a new campus site.¹¹³

¹¹⁰See, for example, *Daily Standard*, 4 April 1919: Childe in a letter to the editor argues that the State enterprises were liable to official sabotage and that therefore it should be a plank of the platform to "give to the State employees a substantial share in the control of the industries, which they work." See also Chapter 2.

¹¹¹Childe's opposition to Government action in the Townsville meat strike was particularly galling - see V. G. Childe, "A Labour Premier Meets His Masters", in *The Labour Monthly: A Magazine of International Labour*, Vol. 6, N^o 5 (May 1924), pp. 282-285 *passim*; also Murnane, p. 51.

¹¹²*QPD*, Vol. CLXXI (1937), p. 5.

¹¹³*The University of Queensland: Its Development and Future Expansion* (Brisbane: UQP, 1949), pp36-37.

The university administration, however, was pleased to exhibit naturally conservative inclinations which from the governments' point of view made it more or less politically self-regulating. Vice-Chancellor Story observed that **foremost** among the University's duties to the people was the duty to "co-operate with Rulers and Leaders in the advancement of the spiritual and cultural welfare of the people..."¹¹⁴ Even the students were reluctant to allow political debate to intrude onto the campus: the first political club (the Radical Club) was not approved by the University of Queensland Union until 1937.¹¹⁵ This was in some ways surprising: the university's site until 1949 was adjacent to the Parliament House and the political environment of these years was at various times exciting and at least intellectually stimulating. Student unrest was, however, an unfamiliar phenomenon on Australian campuses before the 1939-1945 war¹¹⁶ and the University of Queensland was no exception to the general rule. Suggestions that State governments favoured the George Street campus site in order to keep an eye on the students¹¹⁷ would thus seem a little wide of the mark.

The greatest single contribution made by Labor to university education was the construction of the new campus at St Lucia some eight kilometres from the Brisbane city centre on the banks of the Brisbane river. The money for the site itself was donated, along with a substantial portfolio of other investments, in a private bequest.¹¹⁸ Funds for the works were provided by the Forgan Smith Government in 1935 (a good year for University expansion) under its second phase relief works program (see Chapter 1). Sections of the University administration were not initially keen on a move so far away from the central business district¹¹⁹, but the prospect of access to the extra funds overcame reservations about the isolation of the St Lucia site. Attractions of the site for the Government lay not only in its potential as a prestigious public work, but also in its unique ability to combine the traditional disciplines with agricultural and

¹¹⁴*The University of Queensland: Its Development and Future Expansion*, p.11.

¹¹⁵W. Ross Johnston, "The University of Hard Knocks", in *Semper*, April 15 1985, p. 8.

¹¹⁶Or, perhaps, at most times; see Hyde, p. 131; Partridge, pp.127-133.

¹¹⁷Johnston, "The University of Hard Knocks", p. 7.

¹¹⁸The donation was made by the Mayne family of Toowong in 1926; see Malcolm J. Thomis, *A Place of Light and Learning: The University of Queensland's First Seventy-five Years* (Brisbane: UQP, 1985), pp. 157-158; another site under consideration had been Victoria Park, in between the Roma Street railway marshalling yards and the Brisbane General Hospital, which had been set aside for the University by the Brisbane City Council in 1914 - *Daily Standard*, 8 April 1914.

¹¹⁹Thomis, pp.158-161.

pastoral disciplines on the one campus. The expenditure of £500,000¹²⁰ in public funds on university education was a sweeter pill to swallow when it could be linked to Labor policy on rural development.

Labor in government was reluctant to uphold the myths of liberal education and university autonomy, having always been suspicious of the class and ideological location of universities at the outset. The PLP was home to numbers of men who delighted in asserting their superiority over the supposed 'eggheads' of the university. Any overt signs of university insubordination were to be met with administrative and legislative measures to restore government authority. The principle was clear and indeed bipartisan: those providing the money had the right to control what went on in the institution.¹²¹ This meant in practice that the university could be autonomous provided it did nothing to offend the State executive. When, as in the instance of the WEA's demise, the university attempted to thwart the wishes of the government by publicly opposing a decision, Labor governments reacted swiftly and radically. The threat of such action was normally sufficient to ensure self-regulation on the university's part and to keep alive the officially approved image of harmony and goodwill.

The effects of actual interventions by Labor governments in university affairs were less radical than this analysis might suggest. The 1941 amending Act gave the government a bare majority of 14 Senate seats out of 25 for its nominees. This advantage was not, however, exploited through the appointment of large numbers of Labor stalwarts. Instead, the same pool of judicial, professional and public figures as supplied university councillors the world over was tapped for the post-1941 appointments.¹²² Moreover, there was no provision for recall for government nominees should their voting behaviour not be to the liking of Cabinet. The mere knowledge that the government was prepared to act legislatively and that it owed no ideological allegiance to liberal tertiary education appears to have ensured that no embryonic anti-government

¹²⁰*QPD*, Vol. CLXXXVI, 1940, p. 698; the limit of cost was approved on 28 July 1938.

¹²¹This principle is prominent, for example, in Kidston's speech to the *University of Queensland Bill*, 1909, in *QPD*, Vol. CIV (1909), pp. 106-107; Forgan Smith's speech to the *National Education Co-ordination and University of Queensland Acts Amendment Bill*, 1941, in *QPD*, Vol. CLXXXVII (1941), pp. 737, 800-804; Walsh's speech to the *University of Queensland Acts Amendment Bill*, 1956, *QPD*, Vol. CCXVI (1956-1957), p. 1636.

¹²²See *QPP*, 1948-49, Vol. 1, p. 610.

actions by the university reached full term. Thus the University of Queensland produced few political, economic or technical commentators whom the press could approach for controversial comment on State policy or actions.

The timidity of University of Queensland academics in criticising the government went unrewarded in terms of State appointments. Queensland administrations preferred to seek expert advisers from outside the State. Professor Brigden, appointed to head the Bureau of Industry in 1934 (see Chapter 1) came from the University of Tasmania. His successor, Colin Clark, was a Cambridge economist at the time of his appointment. Raphael Cilento was a London graduate and in the Commonwealth service at the time of his appointment as Director-General of Health. Few Royal Commissioners appointed by Labor administrations were University of Queensland academics. The university was unable for many years to secure even a few appointments to the Brisbane and South Coast Hospitals Board when the effective operation of the Medical School depended upon Board policy (see Chapter 5). University of Queensland academics were passed over both for general appointments within the gift of individual ministers and for expert appointments decided by Cabinet.

Whether this exclusion stemmed from academic mediocrity at Queensland's only university, from a regional cultural cringe, or from dislike on the part of Labor for the conservatism its policies encouraged at the University is difficult to assess. The last can probably be eliminated at least as a concern in prominent appointments: all three appointments cited above were of conservative academics. Minor appointments, such as the hospitals boards, were a fertile ground for rewarding party and factional loyalties. As the Brisbane and South Coast Hospitals Board example has shown (Chapter 4), the appointment of party stalwarts with little knowledge of the area had the further advantage of enhancing effective direct control over supposedly quasi-autonomous institutions.

Labor certainly held no ideological brief for professionalism, and the containment of the university's role to a purely educational one suited the consensus Labor egalitarian position.

The ever-present implicit threat of direct intervention in university affairs served to mute public objections to this exclusion from the university side. Junior examination entry to the State public service and the absence of a graduate recruitment scheme kept the bureaucracy free of any university connections.¹²³ The whole system worked provided the university could make a claim of autonomy to its members and clientele, and the government could claim to party members that it was in control.

The Gair government's 1956 legislative attack on the university thus upset a delicate balance. Gair's moves were all the more surprising considering the absence of any obvious provocation on the part of the university and so were in terms of political tactics entirely avoidable. There was, moreover, no clear political purpose to be served by intervention in the university's administration at the time; there had been no discussion of the issue at the 1956 Labor-in-Politics Convention, and the QCE had not discussed the matter before legislation was presented to Parliament.¹²⁴ The Opposition was as mystified as was the University of Queensland Staff Association when Secretary for Public Instruction Diplock introduced the *University of Queensland Acts Amendment Bill, 1956* into the house without prior notice. The first reading of the Bill passed with little fuss because the Opposition had little inkling of its contents¹²⁵: the Minister gave no clues in his speech about the major provisions of the legislation, but talked instead about the alleged generosity of his administration toward tertiary education.¹²⁶ Much was made, for instance, of the increase in State contribution from £10,000 in 1910 to £662,000 in 1956.¹²⁷ Premier Gair noted that the State's commitment to higher learning was such as to have raised the State secondary school enrollments above those for denominational and grammar schools

¹²³The Queensland public service was not alone in its dislike of privileged graduate recruitment. See Elain Thompson, 'Reform in the [Commonwealth] Public Service: Egalitarianism to the SES', paper delivered to the 1985 Australasian Political Studies Association conference, Adelaide, August 1985.

¹²⁴*Official Record*, Twenty-second Queensland State Labor-in-Politics Convention; Minutes of the Queensland Central Executive, 1956.

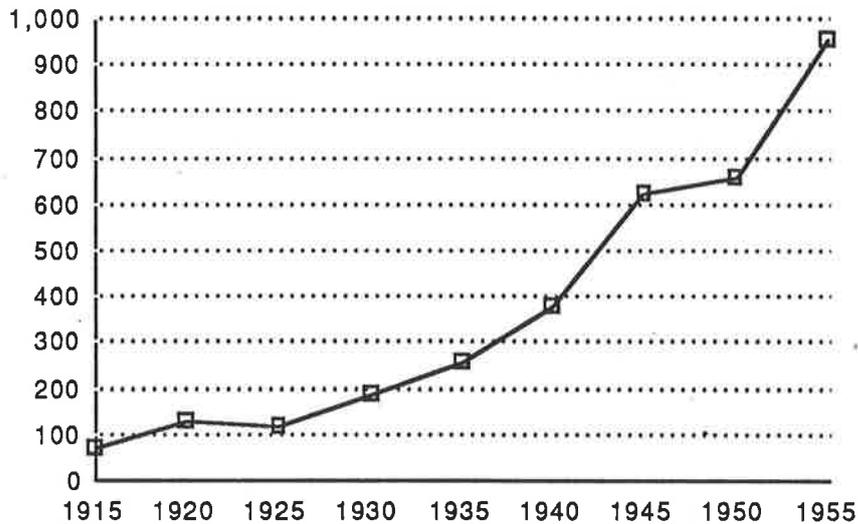
¹²⁵Letter from Sir Gordon Chalk, 25 March 1985.

¹²⁶*QPD*, Vol. CCXVI (1956-1957), pp. 1572-1575; Sir Gordon Chalk, at that time leader of the Liberal Party in the Opposition, claims that such tactics were typical of Gair, and caused some of the disaffection between him and the Labor Party administration - letter from Sir Gordon Chalk, 25 March 1985.

¹²⁷*QPD*, Vol. CCXVI (1956-57), p. 1573.

for the first time in Queensland history in 1956.¹²⁸ As Table 5.6 shows, however, University of Queensland matriculation increases in the post (Pacific) war years were clearly the result of Commonwealth rather than State munificence, with first the Services Matriculation Scheme and then as these numbers declined the Commonwealth Scholarship Scheme.¹²⁹

Table 5.6
Matriculants to University of Queensland



[Sources: *QPP*, 1916-17, vol. 2, p. 315; 1921, vol. 1, p. 839; 1926, vol. 1, p. 931; 1931, vol. 1, p. 762; 1936, vol. 1, p. 945; 1941 [only vol.], p. 559; 1946, vol. 1, p. 620; 1951, vol. 1, p. 655; 1956, vol. 1, p. 683.]

By the Second Reading of the Bill the Opposition had been briefed by University Staff Association President (also University Librarian) Harrison Bryan on the substantive provisions of the legislation. In a letter quoted by D. Herbert (Lib., Sherwood), Bryan argued against the Bill's provision for a new public service-style Appointments and Promotions Appeal Board (s. 25, 31) noting that such a proposal was

- (a) an attack on the self-government of the University
- (b) required a breach of the confidentiality required by academic applicants, in that their applications could be made known to colleagues.¹³⁰

The worth of these objections was not debated specifically by the government party, other than to commend the fairness of any move to institute an appeals provision. The slight increase in the

¹²⁸*QPD*, Vol. CCXVI (1956-57), p. 1577.

¹²⁹1651 out of a total 3820 students at the University of Queensland in 1947 were Services Matriculation Scheme-sponsored: *QPP*, 1948-1949, Vol.1, p.608.

¹³⁰*QPD*, vol CCXVI (1956-57), pp. 1612-1613.

government-appointed majority in the Senate also provided in the Bill aroused no interest on either side of the House.¹³¹

Why then was the government proceeding with the legislation, given that the moves were opposed by those who would be affected by it and were supported by no particular interest group? Certainly some sections of the labour movement were delighted by any moves which seemed to upset academics. Tom Aikens the Labor renegade and self-styled leader of the 'North Queensland Labor Party' observed

You can tell the difference between a lecturer and a professor in that a lecturer is clean-shaven and the professor has a beard. That is the only distinction.¹³²

By the Committee stages of the Bill, an explanation for the move had emerged. The Opposition now claimed that the Bill was brought on by the disaffection of a certain Labor supporter who was overlooked for an appointment to the chair in mathematics in the months preceding the drafting of the legislation.¹³³ Gair implicitly admitted the charge, but rather than entertain argument over the ethics of legislation to protect friends of the administration, continued to justify the principle of appeals.¹³⁴ Gair's personal leadership of the debate, and his refusal to countenance amendments requiring expert membership of appeal boards¹³⁵ or Staff Association representatives on boards¹³⁶ indicated a deep personal interest in the legislation which went beyond the norms of Labor government practice in pushing business through the Parliament. Although the Act was not given the Royal Assent until April the following year, Gair's personal fiat in ordering a politically damaging piece of legislation and his arrogant refusal to distance the government from the allegations of improper influence were remembered by the QCE when it cited the *University of Queensland Acts Amendment Bill, 1956* as a ground for expulsion of the

¹³¹The new composition was the Director-General of Education, the Vice-Chancellor (now salaried) and the President of the Professorial Board (*ex officio*), 14 members appointed by the Governor-in-Council, 9 elected by Council (graduates), and one elected by academic staff, giving an effective government majority of 15:12 - *University of Queensland Acts Amendment Act, 1957*, s. 6.

¹³²*QPD*, Vol. CCXVI (1956-57), p. 1618.

¹³³*QPD*, Vol. CCXVI (1956-57), pp. 1628-1629.

¹³⁴*QPD*, Vol. CCXVI (1956-57), pp. 1658-1659.

¹³⁵*QPD*, Vol. CCXVI (1956-57), p.1666.

¹³⁶*QPD*, Vol. CCXVI (1956-57), p.1688.

Premier from the Australian Labor Party (see Chapter 1). The principles raised by Harrison Bryan represented merely another objection to State control over the institutions it funded, and tight executive control had been a tenet of Labor administrative philosophy at least since the public hospitals experience two decades earlier (see Chapter 5).

It is thus wide of the mark both to depict Gair's university bill as a natural outgrowth of Labor policy or to dismiss the legislation as simply a piece of Gair idiosyncrasy, as do Fitzgerald and Thomis, for example.¹³⁷ Gair's mistake was to upset the cosy consensus of earlier golden years of Labor hegemony where the University of Queensland was permitted to proclaim its independence so long as it did not *exercise* any right of dissent. Queensland could enjoy the luxury of a university fashioned in the style of the liberal European and American institutions so long as neither the university nor the State government questioned the prerogatives of the other.

Still, Gair could most likely have escaped from the imbroglio unscathed were it not for the unfortunate coincident legion of destabilising political factors he managed to bring on his administration in 1956-1957. Gair's insistence in taking on his numerous enemies (many of them enemies of his own making) all at once formed some unusual alliances in 1957, and not least of these was that between the university academics and the anti-Gair faction on the QCE.

Conclusion

The record of the Labor Party in administering the education portfolio would most favourably be described as stable. The various radical and dissenting education policies advanced by individuals in and on the fringes of the labour movement and, less fervently, by minority factions and groupings within the Labor Party itself, failed to influence State education policy as it affected the mass of Queenslanders. The one significant concession to the educational road to socialism - the WEA - was reduced in implementation to the kind of adult education

¹³⁷Fitzgerald, *From 1915 to the Early 1980's*, p. 147.

program familiar in Australian States led by conservative administrations. Occasional forays into the kind of activity envisioned by the founding radicals were treated with unremitting harshness.

Education was for Queensland Labor administrators a potential source of dangerous destabilisation. The safest course was to leave untouched the *status quo ante*. The task of dismantling the denominational and grammar school systems could be seen to yield few political and dubious social benefits, while courting certain political disaster. The prospect of every pulpit and most school speech nights turning into anti-Labor propaganda organs was too frightening for the Labor leadership to contemplate. On the other side, radical intellectuals enjoying State salaries forging links with militants in the unions and the Labor Party were a risk to be avoided. As with the public health system, so with education: government control of its own servants and institutions was a lynchpin of Labor administrative philosophy.

Labor egalitarian and equal opportunity ideologies served strange ends in education policy. Egalitarian thinking gave a low priority to expenditure on the training of intellectual elites. Equal opportunity ensured the survival of the scholarship system in Queensland long after the demise of similar programs elsewhere to compensate the intellectually gifted for the relative lack of free, secular, State education beyond the school leaving age. The electoral side-benefits of the scholarship system in keeping the denominational and grammar school lobbies at least quiescent. The experience of the Moore Country Party Government with arousing these lobbies by cutting scholarship numbers was not lost on Labor leaders.

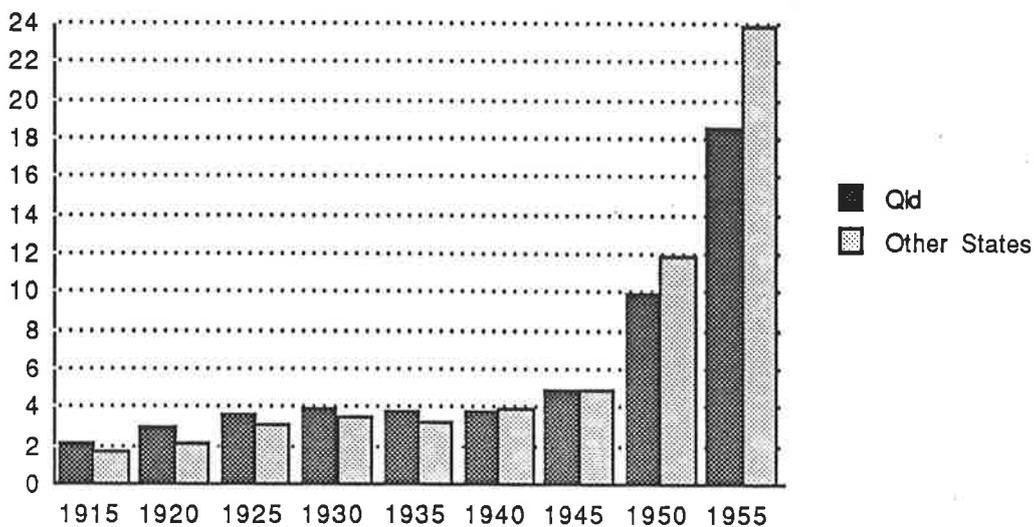
The long-term results of Labor education policy in Queensland are readily apparent. Table 5.6 shows numbers of Queensland matriculants in comparison with national averages over the period of Labor government. The comparatively low skills of the Queensland labour force have been cited by Gough, Hughes, McFarlane and Palmer¹³⁸ as being a significant factor in the structural imbalances of the Queensland economy which were reflected in laggard postwar growth and anomalous dependence on a narrow range of primary products.

¹³⁸Gough et al., p.107.

The strides of pioneering Queensland educators in extending literacy to the dispersed population were continued and firmly established under Labor. State primary education in Queensland was the equal of other State primary education systems in Australia in terms of population coverage, a significant achievement in decentralised Queensland and one reflected in disproportionately large appropriations compared to the poverty-stricken secondary and tertiary sectors. The political consensus that Queensland had an education system the equal of any in the world was not, however, reflected in reality. Table 5.7 below shows that Queensland's comparative education spending growth lagged increasingly behind the other States in education expenditure over the period of Labor rule after an early head start. When Queensland's natural disadvantages such as population dispersal are borne in mind, one would expect a higher expenditure in order to maintain comparable standards of service.

Table 5.7

Nominal Per Capita Expenditure: Education, Science & Art



[Sources: *Official Year Book of the Commonwealth of Australia*, 1901-1916, p.844; 1920, p.764; 1926, p. 447; N^o 24, 1931, p.324; N^o 30, 1937, p. 215; N^o 35, 1942-43, p.116; N^o 37, 1946 and 1947, p.265; N^o 40, 1954, p.461; N^o 46, 1958, p.486; calculated on the basis of population figures from Australian Bureau of Statistics, *Demography 1971*, Bulletin N^o 87, 1974.]

Labor in Queensland effectively reversed the trend of the decade before 1915 when much was done to catch up to other Australian States. The dominance of the Country Party

among the non-Labor parties after 1915, the performance of the Moore Government, and the rhetoric of the Opposition suggest that Queensland would have seen little better in education policy under the alternative governments. The Opposition only expressed concern over education policy at times when government legislative moves threatened certain institutions or interest groups (and only then after lobbying by those groups), as is evidenced by acquiescence over First Reading debates of subsequently controversial bills.

There was little perceived electoral advantage in any overall program of education investment, as distinct from judicious local expenditures on new school buildings announced at election time in appropriate seats.¹³⁹ Those like Goodman who advocated increased expenditure on secondary and higher education were in the main no friends of Labor. The WEA experiment had shown that the education policy prescriptions of the left were politically dangerous for the dominant axis in the ALP. Were it not for the rapid drop behind other States in comparative education spending after 1945, leaving education off the political agenda could have continued as a winning formula.

¹³⁹See Hugh Lunn, *Joh: the Life and Political Adventures of Johannes Bjelke-Petersen* (Brisbane: UQP, 1978), pp.43-56 *passim*.

Conclusion

This thesis has followed the role of the Labor Party in Queensland from its formation to the 1957 split when it passed from office to become a party of seemingly permanent opposition. The key to understanding this development has been shown to be Queensland Labor's electoralism, its redefinition of Party goals and ideology to fit in with the central strategic objective of obtaining and maintaining parliamentary majorities. While electoral success was presented at the outset as merely a necessary precondition for manipulating the capitalist state to advance the interests of labour, it became the *sine qua non* of Labor ideological debate. Almost any progressive policy goal or objective could then be jettisoned in the pursuit of electoral success.

In the arguments set out, electoralism is seen as requiring quite a sophisticated and detailed analysis because of the inseparable organisational links between the Labor Party and the union movement reflecting the Party's origins as the 'political' arm of the unions. The Queensland Labor experience until 1957 was an outstanding example of electoral success but at the same time featured dialectical collisions between the Party in office and the union movement which spawned it. This experience throws some light on various theoretical explanations for the behaviour of social democratic parties. For instance, the willingness and capacity the parliamentary wing allied with sympathetic union leaders to act ruthlessly against militant sections of the union movement, including on occasion members of their own unions, is consistent with elitist analysis. Again, the constant inability of Queensland unions, of whatever shade of militancy, to press goals beyond immediate instrumental demands supports those theorists like Crouch and Miliband who argue that unions are structurally prevented from exercising any greater role.

B

Labor electoralism and the worker-farmer alliance

Labor's electoral base in Queensland lay in the rural working class and among sections of small family farmers. Queensland's economy was largely dependent on rural industries which employed a large itinerant and highly unionised workforce. The most economically significant were pastoral industries, the products of which were processed by transnational capital. Other agricultural industries, such as sugar and mixed farming, while less remunerative in terms of the State's export income, were founded on numerous small family farm units. These agricultural sectors also employed itinerant labour, particularly in the harvesting of crops and were a rich and vital source of votes for any workers' party seeking office in Queensland.

Queensland Labor's electoral strategy required this family farming vote to be won and retained, and to do this the Party propounded the view that the interests of workers and family farmers were identical. The propagation of this ideology was a considerable feat given that many of these farmers were simultaneously employers of many members of Queensland's largest union - the AWU. The AWU was also the most influential bloc determining policy and preselections within the Labor Party itself. The AWU's position as an organisation of agrarian, as opposed to industrial, labour, divided it from the other main Queensland unions in structure as well as ideology. The success of the worker-farmer electoral alliance owed much to the internal dynamics of the AWU, which purged itself of residual militant elements and constitutionally insulated the leadership from further challenges during the crucial 1915-1920 period. The union's leaders from this time forth eschewed direct industrial action, at times openly collaborating with employers to break 'wildcat' strikes mounted by disaffected AWU members.

The class-collaborationist ideological thrust of the worker-farmer electoral alliance assisted the AWU leaders in maintaining hegemony within the union. Bushworkers were also suitably enticed by being offered the prospect of social mobility - of joining the ranks of the

family farmers - an objective which helped confuse any militant class consciousness these workers might otherwise have developed.

The family farmers, meanwhile, were brought into the alliance through the erection of 'agrarian socialist' structures which afforded them co-operative control over the production, processing and distribution of rural commodities. And even though the Labor Party organisation was bound up with the union movement to allow direct representation of workers in internal policy making, some headway was made in recruiting farmers into Party branches and as Labor candidates.¹ Constructing the apparatus of agrarian socialism in support of Labor's worker-farmer alliance was a shrewd electoral move from another aspect also: a main policy plank of the Country Party was neatly subsumed under the Labor platform. This proved to be a near-fatal blow to anti-Labor rural party elements in Queensland, forcing them for many years into amalgamation with the urban non-Labor party and fomenting an electoral division between the wealthier pastoralists and the family farmers.

Uniquely among the mainland Australian State Labor branches, the Queensland ALP derived the majority of its support from areas outside the metropolitan capital city zone. While the core of this support remained the bush and provincial city workers, Labor was able to attract a significant fraction of the family farmers' votes. These farming votes, while they never provided the bulk of the Labor electorate, underpinned Labor parliamentary majorities for three decades. Regionally, the farmers of the northern coastal belt - sugar cane and mixed farmers by and large - provided Labor with the biggest electoral dividends on the agrarian socialist policy investment. Labor regularly won all the northern seats, providing it with a solid parliamentary bloc even before the returns from other areas were counted.

¹See Appendix E to *Labor in Power* for a list of endorsed Labor candidates and their occupations 1915-1957.

Labor in office and the Queensland political environment

Securing a critical proportion of the Queensland rural vote was not a cost-free process for Labor. The 1915 platform made demands - backed by radical rhetoric - for state intervention in a range of economic activities. Labour market regulation and the establishment of State trading enterprises in particular were central to the program. But radical reforms in these areas designed to secure real gains for workers would conflict with farmers' interests by driving up labour costs and depressing commodity prices. Hence a series of retreats, discussed above, became inevitable and were undertaken.

The socialist rhetoric of the State enterprises was subsequently, in its practical application, refashioned in terms of an attack on profiteering 'middle men' or merchants through imposition of indirect state controls on the consumption sector, and the major productive enterprises were tailored to benefit petty bourgeois Labor supporters. The labour market interventions were (with the important exceptions of workers' compensation and unemployment insurance) through the 'arms length' quasi-judicial mechanism of industrial arbitration. Despite these reorientations of its traditional policy, Labor was in deep electoral trouble by 1920. Electoral distress was simultaneously compounded by fiscal embarrassment as loan funds dried up under the political pressure exercised by local and international capitalists on financial markets.

Labor's executive had a response to these setbacks which was twofold in nature. First, the parliamentary opposition was muzzled through the abolition of the Legislative Council and amendments to Legislative Assembly procedures that removed sources of potential parliamentary embarrassment. Outrage at the Westminster traditions dispensed with in this process was muted by the earlier abuses of the system perpetrated by the non-Labor parties (such as the very refusal to grant 'pairs' for absent members). Second, the electorally unpalatable components of the Labor platform and objectives were relegated to the political background. The initial objectives of 1915 had been achieved and the primary consideration should now be the

E

longer term survival of Labor in office to consolidate the important reforms already made. Successive Labor-in-Politics Conventions defeated motions designed to reinvigorate the Party's reforming zeal and substituted motions in harmony with the Party leaders' perceptions of the farming electorate's wishes.

The one issue on which the Party leaders were defeated was the basic wage cuts, made under circumstances of fiscal crisis, which were overturned after two years' campaigning by a broad coalition sponsored by militant unions. Yet this defeat, rather than presaging any return to radical traditions, spurred the Labor leadership into purging militants from the Party. The return to non-Labor government in Queensland for the darkest years of the Depression underscored the notion that Labor had to be kept in office in order to guarantee past reforms and safeguard the Queensland working class from the characteristic excesses of anti-Labor administrations at the State and Federal levels.

The Queensland radical tradition, which had contributed significantly to the formation and rise to office of the Labor Party, thus found itself marginalised and excluded from the legitimate political process in the name of Labor's electoral strategy and the worker-farmer electoral alliance. Nevertheless, although marginalised, the radical tradition within the Queensland labour movement kept returning in various guises to haunt the cosy hegemony of the Labor leadership. Through industrial action and through political agitation outside the restricted arena of legitimate political debate (such as in worker education programs) attempts were made to resurrect a radical political and economic agenda. The heavy-handed responses to this agitation by Labor in office led to declining electoral stocks in the post-1945 period. This in turn generated the imposition of electoral malapportionment to buttress Labor parliamentary majorities. Gerrymandering was employed to purge the Legislative Assembly of its lone Communist member, thus entombing the exclusion of those opposing the social system as such from legitimate political debate in Queensland.

Labor in office and the Queensland economy

The Labor platform of 1915 envisaged a series of measures to make use of state power in transforming the Queensland economic landscape. The pre-1915 Queensland economy was afflicted with the same structural deficiencies as the general Australian economy only more so. Manufacturing was scanty, being in the main confined to the processing of rural produce for export. Less urban development made for less development in the industries attendant on urbanisation - building materials, steel manufacture and the like. The 1915 platform envisaged the establishment of new manufacturing industries as State enterprises, beginning with steel.

In the heady rush to establish State enterprises after 1915 priority was given to assertion of a measure of public control over the existing Queensland economy. Enterprises were set up along the commanding heights of the existing economy - State stations and State mines - and in the retail trading sector. The establishment of new industries was clearly a matter requiring considerable planning and capital. Planning proceeded, but by the time the preliminary stages were complete, the capital was lacking and the political will to reorder public priorities in favour of heavy manufacturing capitalisation had vanished. Heavy industry had little significance for the worker-farmer alliance.

Considerable public funds (some of which could well have been used for industrial development) had been dedicated under the alliance to rural finance and infrastructure provision. Much of this capital was expended on failed decentralisation schemes such as the soldier-settler program, and on refinancing existing rural debt at concessional interest rates. The evaporation of the prickly pear scourge with the introduction of the *Cactoblastis* moth in the late 1920's freed large tracts of previously unproductive land for further rural settlement schemes and justified further infrastructure capitalisation on schemes such as the Burnett and Callide irrigation projects.

G

The extent to which policies which had originated in political expediency had become ingrained into Labor economic thinking was revealed after Labor's return to office in 1932 when the new industrial development planning mechanism turned out to be devoted solely to the expansion of rural production. The rurally-based economic development policy was given an intellectual gloss with the appointment of Cambridge academic economist Colin Clark to administer the planning agency. Clark's acknowledged influence on economic planning under Labor and his subsequent rise to head the Queensland Treasury reflected the confluence of his preferred policy options with Labor's worker-farmer electoral alliance. Clark's views were also influential with the (Catholic) Movement ideologues of the 1940's and 1950's, who sought economic justification for their preferred unit of social organisation - the family farm. The results of the political proximity of the Queensland Labor leadership to the Movement and the mass defection of the Gair Cabinet in the 1957 split can thus be seen as arising in some measure out of an attempt by the Labor leadership to persevere with an increasingly outmoded worker-farmer electoral strategy.

The heavy priority given to rural production had perverse effects for Queensland in the 1930's Depression and the subsequent postwar boom. The political fallout was also considerable and put Labor under pressure to postpone welfare gains and other improvements demanded by unions. Inelastic domestic demand for rural produce, particularly food, helped insulate the rural-based Queensland economy from the worst effects of the Depression. The same inelastic demand also saw the Queensland economy lag behind the other States in the postwar expansion of manufacturing industry which they were achieving through import replacement, urban growth and assisted immigration. This lag showed up particularly in declining wages relative to other States in the 1950's. The Queensland Labor Government's difficulty in presiding over relative wage and conditions reductions while workers in non-Labor States pushed ahead was highlighted by the upsurge in industrial disputation from previously non-militant pro-government unions in the last years of Labor in office.

H

Implementation of Labor 'goals'

The Labor Party arose amid the fierce industrial struggles of the last years of the nineteenth century. These struggles had demonstrated to the satisfaction of many labour movement leaders and supportive liberals that the union movement was not strong enough by itself to tackle employers backed by state coercive power. The key to working class advancement was seen to lie in the ability to use the superior numbers of the workers, assisted by the disciplined organisation of the union movement, to overwhelm the representatives of the employing classes at the polls. Victory seemed to be assured by the mathematical superiority and organisation of the workers.

Opinion differed as to exactly how, once Labor achieved office, working class advances were to be secured. Nonetheless, there was general agreement that a Labor government would use the state apparatus to secure a range of concrete reforms. In the early discussions about the Labor program and strategy there were those who held that in order for Labor to attain its objectives it would be sufficient simply for workers' representatives to gain office. Still, a blueprint for office had to be drawn up, and the Queensland experience with coalition government leading to the Kidston split gave Queensland's Labor pioneers an early lesson in the need for Labor parliamentarians to be responsible to the Party organisation.

At an early stage the Labor Party in Queensland had adopted hardline socialist rhetoric: the goal of the Party was nothing less than the overthrow of capitalism in Queensland. The Kidston split had purged the Party of most backsliders who might have wished for less ambitious goals. Yet the details of the socialist policy package were somewhat hazy. In contrast with the detailed implementation plans to be found in most political policy statements of modern times, the 1915 platform was a brief statement of general goals. There was certainly to be intervention in the labour market to eliminate the more horrific symptoms of market instability such as wage cuts and unemployment. The state would intervene in many markets which had previously been totally within the private sector. A range of basic welfare and law reform

measures was canvassed. But there were no detailed proposals to transfer economic or political power direct to the workers.

In this context it is arguable that the Labor party never had any genuine commitment to a socialist program, that the 'goals' of the labour movement either never existed for Labor Governments to betray, or that such goals as existed were indeed fulfilled by 1920. The socialist rhetoric beloved of the Party's leaders and forums during the period leading up to 1915 and indeed during the first years in office suggests that such analyses are *post facto* apologia. The vigour and political courage attending the early years, when the opposition was in the best position to roll back and thwart the reforms and the electoral position was the most shaky for the duration of Labor's tenure of office, attest an attachment to more ambitious 'goals' than were subsequently avowed. The Party debates of the period display differences over strategy, over definition of achievable objectives, rather than over longterm goals.

Even though the constraints imposed by electoral strategy foreclosed policy options, the Party leadership was nevertheless required to produce some reforms in line with the original militant goals to legitimate their continued hegemony and retain the loyalty of the working class electorate. The reform of the public hospital system leading to Queensland's unique free hospital program was the most important of these legitimating reforms. Although the initial steps leading to the free hospitals were undertaken for reasons of administrative efficiency, the zeal with which Labor prosecuted its cause against the medical profession's privileges owed much to traditional labour concerns for the welfare of the underprivileged as well as the movement's distaste for the professional petty bourgeoisie.

Labor education policy lacked any such reforming zeal. The role of education in reproducing and legitimating existing social and moral relations made it a hotly contested battleground with the main antagonists being the established churches. Here the relations built up between Labor leaders like Theodore and the Catholic prelates of the 1920's set a precedent. Risk of sparking sectarian strife militated against expending the political and capital cost of reform in

the area. Experimentation with worker education was the farthest Labor was prepared to go, and even this was curtailed when militants began to make use of the State-provided facilities.

The Queensland Labor experience

Queensland Labor's tenure in office at first sight lends support for the view put forward by V.I. Lenin (and more recently Humphrey McQueen among others) that the ALP is not now and never has been a socialist party. That is, the Party's 'socialist objective' was never more than rhetorical posturing. In this view, the Party's militants and its political opponents are barking up the wrong tree if they appeal to or conjure up a tradition of radical reformism within the Australian Labor Party, a basic commitment to fundamental change in social and economic relations. At most a range of palliative, welfare-type measures to shield the working class from the worst ravages of the capitalist economy was seriously canvassed as a realistic agenda. The Party, it is claimed, failed to rise above a petty bourgeois ('liberal-democratic pluralist') or trade union ('instrumentalist') consciousness to become a vanguard socialist party.

The choice of the parliamentary road is at once inauspicious for a party seeking the overthrow of a social system in that it requires the participants to recognise the legitimacy of bourgeois institutions: the participation of workers' representatives further legitimates the institutions, and consigns them to the status of yet another pressure group within the plurality of liberal democracy. But in the case of the Queensland Labor Party the reformist zeal of the early years following 1915 and the creation of the state enterprises bespeaks the central presence in the Party of those with an optimistic vision for moving towards control of the state in the interests of the working class. The later redefinition of Party objectives, during the first decade in office, to fit in with the perceived Queensland electoral environment was a setback for radical reformist elements in the Party. This reorientation was achieved by resort to internal purges and by invoking state coercive power against militants in the industrial arena. Moreover the purges were a sign of concern at the militants' strength rather than a symptom of their weakness. The new

K

Communist Party had not yet been marginalised within the labour movement and there were many from the syndicalist tendency in the Labor Party who looked to amalgamation of the Labor and Communist Parties. The instigation of purges and the marginalising of militants carried obvious electoral risks for it betrayed open divisions within the Party. Defeat of the McCormack Government in 1929 was largely an unintended consequence of this process of exclusion.

The period of unchallenged hegemony of the AWU/PLP grouping, roughly 1932-1945, to be sure saw little in the way of serious ideological debate within the Queensland Party. This was also a time of severely restricted scope for discretionary policy making by States under the Premiers' Plan and the exigencies of wartime production and postwar reconstruction. Much of the activity of Labor governments over this period was confined to areas where discretionary activity was still possible: administrative change in the delivery of welfare programs which attracted little interest from the Party machine and policy-making forums.

The two periods 1915-30 and 1945-57 were, by contrast, periods where the States had greater room for fiscal manoeuvre. They were also times of intense debate within the forums and assemblies of the Queensland Labor Party over goals and ideology. In the first period the victors were those who favoured sublimation of ideological considerations in an effort to secure electoral support and in the second the ideologues overcame the PLP leadership. In both instances the debate was carried out with sufficient force to weaken Labor's 'electoralist' strategies and alliances and to see Labor out of office at the subsequent election. But whereas in the first case the purged elements continued to vote for Labor (or not at all), after the 1957 split the defeated rump of the Party used its residual electoral support to keep Labor off the Treasury benches. Much of this initial support for the Gair faction resided in that part of the petty bourgeois electorate that the PLP leadership had for so long courted, and which subsequently settled with the Bjelke-Petersen led Country (National) Party.

Labor's intermittently progressive role and its function as an occasional forum for significant ideological debate should never, however, be overstated. The Queensland Labor leaders

L

were not (with few exceptions) men of ideas, let alone socialist ideas. As early as 1917 the leadership signalled that in any confrontation between militant workers and employers in which workers set aside 'legitimate' procedures for negotiation, a Labor executive would see such workers crushed with all the state power available. Reforms which stand as enduring achievements to the vision of the early Labor militants include such welfare measures as free hospitals, unemployment benefits and workers' compensation, such institutions as Suncorp and the unicameral Parliament, and such improvements as the forty-hour week. But militants were never able to see their goals implemented in the important ideological battleground of education structure and curriculum, despite the Party platform and numerous motions passed at Labor-in-Politics Conventions. After Labor's forty years in office in Queensland, strikingly successful as it had been in certain areas, the goal of transforming the Australian tropics into any sort of workers' paradise was still a dream.

Appendix 1

Queensland Governments 1899 - 1963

Dawson Ministry (Labor)

1 December 1899 to 7 December 1899

Premier, Chief Secretary, Vice-President of Executive Council

Attorney-General

Home Secretary

Treasurer, Postmaster-General

Secretary for Mines, Secretary for Public Instruction

Secretary for Public Lands, Secretary for Agriculture

Secretary for Railways, Secretary for Public Works

Dawson, Anderson

Fitzgerald, Charles Borromeo

Turley, Henry

Kidston, William

Browne, William Henry

Hardacre, Herbert Freemont

Fisher, Andrew

Philp Ministry

7 December 1899 to 17 September 1903

Premier, Secretary for Mines

Treasurer

(until 1 February 1901)

(from 1 February 1901)

Chief Secretary

(until 10 January 1901)

(from 1 February 1901)

Vice-President of Executive Council

(until 10 January 1901)

(1 February 1901 to 12 August 1902)

(from 12 August 1902)

Attorney-General

Home Secretary

(until 8 April 1903)

(from 8 April 1903)

Secretary for Agriculture

(until 12 April 1901)

(from 1 May 1901)

Secretary for Railways, Secretary for Public Works

(until 1 February 1901)

(from 1 February 1901)

Postmaster-General

(until 1 February 1901)

(1 February 1901 to 1 March 1901)

Secretary for Public Lands

(until 4 March 1903)

(from 8 April 1903)

Secretary for Public Instruction

(until 1 February 1901)

(1 February 1901 to 12 August 1902)

(from 12 August 1902)

Minister without Portfolio

(until 1 May 1901)

Philp, Robert

Philp, Robert

Cribb, Thomas Bridson

Dickson, James Robert

Philp, Robert

Dickson, James Robert

Philp, Robert

Murray, John *

Rutledge, Arthur

Foxton, Justin Fox Greenlaw

Philp, Robert

Chataway, James Vincent

Dalrymple, David Hay

Murray, John *

Leahy, John

Drake, James George*

Murray, John *

O'Connell, William Bligh Henry

Foxton, Justin Fox Greenlaw

Drake, James George*

Murray, John*

Dalrymple, David Hay

Gray, George Wilkie*

Dalrymple, David Hay

*Member of the Legislative Council

(from 12 August 1902)

Morgan-Browne Ministry

17 September 1903 to 19 January 1906

Premier, Chief Secretary, Secretary for Railways

Vice-President of Executive Council

Secretary for Public Instruction

Secretary for Mines

(until 12 April 1904)

(19 April to 27 April 1904)

(from 27 April 1904)

Treasurer

Secretary for Public Lands

Attorney-General

Secretary for Agriculture

Home Secretary

(until 27 April 1904)

(from 27 April 1904)

Secretary for Public Works

(until 12 April 1904)

(19 April to 27 April 1904)

(from 27 April 1904)

Minister without Portfolio

(from 24 September 1903)

Kidston Ministry

19 January 1906 to 19 November 1907

Premier, Chief Secretary, Treasurer, Vice-President of

Executive Council

Secretary for Public Instruction

Attorney-General, Secretary for Mines

Secretary for Public Lands

Secretary for Agriculture

(until 4 February 1907)

(from 6 February 1907)

Home Secretary

(until 3 July 1907)

(from 3 July 1907)

Clarence

Secretary for Public Works

Secretary for Railways

(until 4 February 1907)

(6 February to 3 July 1907)

(from 3 July 1907)

Minister without Portfolio

(from 3 July 1907)

Philp Ministry

19 November 1907 to 18 February 1908

Premier, Chief Secretary, Treasurer, Vice-President of

Executive Council

Home Secretary

Secretary for Public Lands

Secretary for Railways

Secretary for Public Works, Secretary for Mines

Minister of Justice

Secretary for Agriculture, Secretary for

Public Instruction

Minister without Portfolio

Murray, John*

Morgan, Arthur

Barlow, Andrew Henry*

Browne, William Henry

Airey, Peter

Blair, James William

Kidston, William

Bell, Joshua Thomas

Blair, James William

Denham, Digby Frank

Denham, Digby Frank

Airey, Peter

Browne, William Henry

Airey, Peter

Denham, Digby Frank

O'Sullivan, Thomas*

Kidston, William

Barlow, Andrew Henry*

Blair, James William

Bell, Joshua Thomas Bell

Denham, Digby Frank

O'Sullivan, Thomas*

Airey, Peter

Hawthorn, Arthur George

O'Sullivan, Thomas*

Denham, Digby Frank

Bell, Joshua Thomas

Kerr, George

Airey, Peter

Philp, Robert

Denham, Digby Frank

Barnes, Walter Henry

Campbell, John Dunmore

Leahy, Patrick James

Power, Francis Isidore*

Stephens, William

Brown, William Villiers*

Kidston Ministry

18 February 1908 to 7 February 1911

Premier, Chief Secretary, Vice-President of Executive Council

Secretary for Public Instruction

(until 29 June 1909)

(from 29 June 1909)

Attorney-General

(until 29 October 1908)

(from 29 October 1908)

Secretary for Public Lands

(until 29 October 1908)

(from 29 October 1908)

Treasurer

(until 29 October 1908)

(from 29 October 1908)

Clarence

Secretary for Agriculture

(until 29 October 1908)

(from 29 October 1908)

Home Secretary

(until 29 October 1908)

Clarence

(29 October 1908 to 29 June 1909)

(from 29 June 1909)

Secretary for Public Works

(until 29 October 1908)

(29 October 1908 to 29 June 1909)

(29 June 1909 to 22 October 1909)

(from 22 October 1909)

Secretary for Railways

(until 29 October 1908)

(from 29 October 1908)

Secretary for Mines

(until 29 October 1908)

(29 October 1908 to 29 June 1909)

(29 June 1909 to 22 October 1909)

(from 22 October 1909)

Minister without Portfolio

(from 29 June 1909)

Denham Ministry

7 February 1911 to 1 June 1915

Premier, Chief Secretary, Vice President of Executive Council

Attorney-General

Treasurer, Secretary for Public Works

Home Secretary, Secretary for Mines

(until 26 February 1915)

(from 27 February 1915)

Secretary for Railways

(until 6 April 1915)

(from 6 April 1915)

Secretary for Public Instruction

(until 3 September 1912)

(from 3 September 1912)

Secretary for Public Lands

(until 11 December 1912)

(from 11 December 1912)

Secretary for Agriculture and Stock

Kidston, William**Barlow, Andrew Henry*****Barnes, Walter Henry****Blair, James William****O'Sullivan, Thomas*****Bell, Joshua Thomas****Denham, Digby Frank****Airey, Peter****Hawthorn, Arthur George****O'Sullivan, Thomas*****Paget, Walter Trueman****Hawthorn, Arthur George****Bell, Joshua Thomas****Appel, John George****Kerr, George****Appel, John George****Jackson, George****Barnes, Walter Henry****Kerr, George****Paget, Walter Trueman****Blair, James William****Appel, John George****Jackson, George****Appel, John George****Barlow, Andrew Henry*****Denham, Digby Frank****O'Sullivan, Thomas*****Barnes, Walter Henry****Appel, John George****Grant, Kenneth McDonald****Paget, Walter Trueman****Rankin, Colin Dunlop Wilson****Grant, Kenneth McDonald****Blair, James William****Macartney, Edward Henry****Tolmie, James**

	(until 11 December 1912) (from 11 December 1912)	Tolmie, James White, John
Minister without Portfolio	(until 29 March 1915) (from 6 April 1915)	Barlow, Andrew Henry* Douglas, Henry Alexander Cecil
Ryan Ministry (Labor) 1 June 1915 to 22 October 1919		
Premier, Chief Secretary, Attorney-General, Vice President of Executive Council	(until 30 April 1918) (from 30 April 1918)	Ryan, Thomas Joseph
Treasurer, Secretary for Public Works		Ryan, Thomas Joseph Hunter, John McEwan Theodore, Edward Granville
Home Secretary	(until 25 February 1916) (10 March to 23 March 1916) (23 March 1916 to 9 September 1919) (from 9 September 1919)	Bowman, David Ryan, Thomas Joseph Huxham, John McCormack, William
Secretary for Agriculture and Stock	(until 9 September 1919) (from 9 September 1919)	Lennon, William Gillies, William Neal
Secretary for Public Lands	(until 30 April 1918) (from 30 April 1918)	Hunter, John McEwan Coyne, John Harry
Secretary for Railways	(until 2 October 1916) (2 October 1916 to 13 October 1916) (13 October 1916 to 30 April 1918) (from 30 April 1918)	Adamson, John Ryan, Thomas Joseph Coyne, John Harry Fihelly, John Arthur
Secretary for Public Instruction	(until 9 September 1919) (from 9 September 1919)	Hardacre, Herbert Freemont Huxham, John
Secretary for Mines	(until 10 July 1915) (10 July 1915 to 15 February 1917) (from 15 February 1917)	Ryan, Thomas Joseph Hamilton, William * Jones, Alfred James*
Minister without Portfolio	(8 June 1915 to 10 July 1915) (10 July 1915 to 23 March 1916) (10 July 1915 to 30 April 1918) (26 April 1918 to 9 September 1919) (from 9 September 1919)	Hamilton, William* Huxham, John Fihelly, John Arthur Gillies, William Neal Larcombe, James
Theodore Ministry 22 October 1919 to 26 February 1925		
Premier, Chief Secretary, Vice-President of Executive Council		Theodore, Edward Granville
Treasurer	(until 9 March 1920) (9 March 1920 to 8 February 1922) (from 8 February 1922)	Theodore, Edward Granville Fihelly, John Arthur Theodore, Edward Granville
Minister of Justice (until 7 April 1920) then Attorney-General	(until 12 November 1920) (from 12 November 1920)	Fihelly, John Arthur Mullan, John
Secretary for Railways	(until 7 April 1920) (from 7 April 1920)	Fihelly, John Arthur Larcombe, James Jones, Alfred James* Gillies, William Neal
Secretary for Mines		
Secretary for Agriculture and Stock		
Home Secretary		

(until 2 July 1923)
(from 2 July 1923)
Secretary for Public Lands
(until 12 November 1920)
(12 November to 16 December 1920)
(16 December 1920 to 2 July 1923)
(from 2 July 1923)
Secretary for Public Instruction
(until 14 July 1924)
(from 14 July 1924)
Secretary for Public Works
(until 7 April 1920)
(7 April 1920 to 8 February 1922)
(8 February 1922 to 6 October 1922)
(from 6 October 1922)
Minister without Portfolio
(until 12 November 1920)
(12 November to 16 December 1920)
(16 December 1920 to 6 October 1922)
(6 October 1922 to 2 July 1923)
(2 July 1923 to 14 July 1924)
(from 14 July 1924)

Gillies Ministry (Labor)

26 February 1925 to 22 October 1925

Premier, Chief Secretary, Treasurer, Vice-President of
Executive Council
Secretary for Public Lands
Secretary for Mines
Attorney-General
Secretary for Railways
Secretary for Agriculture and Stock
Home Secretary
Secretary for Public Works
Secretary for Public Instruction
Minister without Portfolio

McCormack Ministry (Labor)

22 October 1925 to 21 May 1929

Premier, Chief Secretary, Treasurer, Vice-President of
Executive Council
Secretary for Agriculture and Stock
Secretary for Mines
Attorney-General
Secretary for Railways
Home Secretary
Secretary for Public Works
Secretary for Public Instruction
Secretary for Public Lands
Secretary for Labour and Industry (from 6 September 1926)
Minister without Portfolio (until 6 September 1926)

Moore Ministry (Country National Progressive)

21 May 1929 to 17 June 1932

Premier, Chief Secretary, Vice-President of Executive
Council
Secretary for Public Instruction, Secretary for
Public Works
Treasurer
Home Secretary

McCormack, William
Stopford, James

Coyne, John Harry
Theodore, Edward Granville
Coyne, John Harry
McCormack, William

Huxham, John
Brennan, Frank Tenison

Larcombe, James
Fihelly, John Arthur
Theodore, Edward Granville
Forgan Smith, William

Mullan, John
Coyne, John Harry
Forgan Smith, William
Stopford, James
Brennan, Frank Tenison
Kirwan, Michael Joseph

Gillies, William Neal

McCormack, William
Jones, Alfred James
Mullan, John
Larcombe, James
Forgan Smith, William
Stopford, James
Kirwan, Michael Joseph
Wilson, Thomas
Dunstan, Thomas

McCormack, William

Forgan Smith, William
Jones, Alfred James
Mullan, John
Larcombe, James
Stopford, James
Kirwan, Michael Joseph
Wilson, Thomas
Dunstan, Thomas
Gledson, David Alexander
Gledson, David Alexander

Moore, Arthur Edward**King, Reginald MacDonnell**

Barnes, Walter Henry
Peterson, James Christian

Attorney-General
 Secretary for Public Lands
 Secretary for Agriculture and Stock
 Secretary for Railways (until 28 January 1932) then
 Minister for Transport
 Secretary for Labour and Industry
 Secretary for Mines

Forgan Smith Ministry (Labor)
 17 June 1932 to 16 September 1942

Premier, Chief Secretary, Vice-President of
 Executive Council
 Treasurer

(until 12 April 1938)
 (from 12 April 1938)

Secretary for Public Lands
 (until 17 September 1940)
 (from 24 September 1940)

Attorney-General
 (until 14 November 1940
 (14 November 1940 to 8 December 1941)
 (from 8 December 1941)

Home Secretary (until 5 December 1935) then Secretary
 for Health and Home Affairs
 Secretary for Labour and Industry
 (until 27 March 1939)
 (from 12 April 1939)

Minister for Transport
 (until 4 August 1939)
 (from 4 August 1939)

Assistant Minister for Transport
 (16 February to 4 August 1939)

Secretary for Mines
 (until 30 November 1936)
 (17 December 1936 to 12 April 1939)
 (12 April 1939 to 4 August 1939)
 (4 August 1939 to 8 December 1941)
 (8 December 1941 to 27 January 1942)
 (from 9 February 1942)

Secretary for Public Instruction
 (until 12 April 1938)
 (12 April 1938 to 8 December 1941)
 (8 December 1941 to 9 February 1942)
 (from 9 February 1942)

Secretary for Agriculture and Stock
 Assistant Secretary for Agriculture and Stock
 (16 February to 31 July 1939)

Secretary for Public Works
 Additional Member of the Executive Council
 (16 February to 31 July 1939)
 (20 May to 24 September 1940)
 (20 May to 14 November 1940)

Cooper Ministry (Labor)
 16 September 1942 to 7 March 1946

Premier, Chief Secretary, Vice-President of
 Executive Council
 Treasurer

(until 27 April 1944)
 (from 27 April 1944)

Secretary for Health and Home Affairs

Macgroarty, Neil Francis
Deacon, William Arthur
Walker, Harry Frederick
Morgan, Godfrey

Sizer, Hubert Ebenezer
Atherton, Ernest Albert

Forgan Smith, William

Forgan Smith, William
Cooper, Frank Arthur

Pease, Percy
Walsh, Edward Joseph

Mullan, John
O'Keefe, John
Gledson, David Alexander

Hanlon, Edward Michael

Hynes, Maurice Patrick
Foley, Thomas Andrew

Dash, John
Larcombe, James

Larcombe, James

Stopford, John
Foley, Thomas Andrew
Larcombe, James
Gledson, David Alexander
O'Keefe, John
Jones, Arthur

Cooper, Frank Arthur
Bruce, Henry Adam
Forgan Smith, William
Jones, Arthur
Bulcock, Frank William

Gledson, David Alexander
Bruce, Henry Adam

Gledson, David Alexander
Walsh, Edward Joseph
O'Keefe, John

Cooper, Frank Arthur

Cooper, Frank Arthur
Hanlon, Edward Michael

(until 27 April 1944)	Hanlon, Edward Michael
(from 27 April 1944)	Foley, Thomas Andrew
Secretary for Agriculture and Stock	
(until 15 December 1942)	Bulcock, Frank William
(from 17 December 1942)	Williams, Thomas Lewis
Secretary for Public Works	Bruce, Henry Adam
Secretary for Labour and Industry (until 1 October 1942)	
then for Labour and Employment	
(until 27 April 1944)	Foley, Thomas Andrew
(from 27 April 1944)	Gair, Vincent Clair
Minister for Transport	
(until 27 April 1944)	Larcombe, James
(from 27 April 1944)	Walsh, Edward Joseph
Attorney-General	Gledson, David Alexander
Secretary for Public Lands	
(until 27 April 1944)	Walsh, Edward Joseph
(from 27 April 1944)	Jones, Arthur
Secretary (then Minister) for Public Instruction	
(until 27 April 1944)	Jones, Arthur
(from 27 April 1944)	Larcombe, James
Secretary for Mines	Gair, Vincent Clair
Minister without Portfolio assisting the Chief Secretary in the	Forgan Smith, William
administration of Works Co-ordination and Sugar Matters	
Hanlon Ministry (Labor)	
7 March 1946 to 17 January 1952	
Premier, Chief Secretary, Vice President of	Hanlon, Edward Michael
Executive Council (until 15 January 1952)	
Minister for Transport	
(until 15 May 1947)	Walsh, Edward Joseph
(from 15 May 1947)	Duggan, John Edward
Secretary for Health and Home Affairs	
(until 15 May 1947)	Foley, Thomas Andrew
(15 May 1947 to 10 May 1950)	Jones, Arthur
(from 10 May 1950)	Moore, William Mathew
Secretary for Public Works (until 15 May 1947)	Bruce, Henry Adam
Secretary for Public Works, Housing and Local Government	
(15 May 1947 to 10 May 1950)	Power, William
(from 10 May 1950)	Hilton, Paul Jerome Remigiuss
Secretary for Public Lands (until 17 March 1949) then for	
Public Lands and Irrigation	
(until 15 May 1947)	Jones, Arthur
(from 15 May 1947)	Foley, Thomas Andrew
Attorney-General	
(until 14 May 1949)	Gledson, David Alexander
(9 June 1949 to 10 May 1950)	Devries, George Henry
(from 10 May 1950)	Larcombe, James
Treasurer	
(until 10 May 1950)	Larcombe, James
(from 10 May 1950)	Gair, Vincent Clair
Secretary for Labour and Employment (until 28 February 1947)	
then Labour and Industry	
(until 10 May 1950)	Gair, Vincent Clair
(from 10 May 1950)	Jones, Arthur
Secretary for Public Instruction	
(until 15 May 1947)	Williams, Thomas Lewis
(15 May 1947 to 10 May 1950)	Bruce, Henry Adam
(from 10 May 1950)	Devries, George Henry
Secretary for Agriculture and Stock	Collins, Harold Henry
Secretary for Mines (until 17 March 1949) then for Mines	
and Immigration	
(until 15 May 1947)	Gair, Vincent Clair

(15 May 1947 to 17 March 1949)
(17 March 1949 to 10 May 1950)
(from 10 May 1950)

Gair Ministry (Labor)

17 January 1952 to 12 August 1957

Premier, Chief Secretary, Vice-President of
Executive Council

Secretary for Public Lands and Irrigation
(until 28 May 1956)
(from 28 May 1956)

Secretary for Agriculture and Stock
Attorney-General

(until 10 March 1952)
(from 10 March 1952)

Secretary for Labour and Industry
Minister for Transport

(until 29 April 1957)
(from 7 May 1957)

Secretary for Mines and Immigration
until 10 March 1952
(10 March 1952 to 9 December 1954)
(22 December to 28 May 1956)

Secretary for Mines
(28 May 1956 to 14 June 1956)
(22 June 1956 to 13 July 1957)

Secretary for Public Instruction
(until 22 June 1956)
(from 22 June 1956)

Secretary for Health and Home Affairs
Secretary for Public Works, Housing and Local Government
(until 1 May 1952) then for Public Works and
Housing (until 28 May 1956)

Secretary for Public Works, Housing and Immigration
(from 28 May 1956)

Treasurer

Nicklin Ministry (Country-Liberal Coalition)

12 August 1957 to 26 September 1963

Premier, Chief Secretary, Vice-President of
Executive Council

Minister for Labour and Industry
(until 28 December 1962)
(from 10 January 1963)

Minister for Education
Attorney-General (until 14 November 1957) then
Minister for Justice and Attorney-General

Treasurer, Minister for Housing
Minister for Development, Mines and Main Roads
Minister for Public Lands and Irrigation

(until 9 June 1960)
(9 June to 16 June 1960)
(from 16 June 1960)

Minister for Health and Home Affairs
Minister for Agriculture and Stock (until 9 June 1960) then
for Agriculture and Forestry

(until 14 June 1963)
(from 14 June 1963)

Minister for Public Works and Local Government

Foley, Thomas Andrew
Moore, William Matthew
Power, William

Gair, Vincent Clair

Foley, Thomas Andrew
Hilton, Paul Jerome Remigius
Collins, Harold Henry

Larcombe, James
Power, William
Jones, Arthur

Duggan, John Edmund
Moore, Thomas

Power, William
Riordan, Ernest Joseph
McCathie, Colin George

Foley, Thomas Andrew
Devries, George Henry

Devries, George Henry
Diplock, Leslie Frank
Moore, William Matthew
Hilton, Paul Jerome Remigius

McCathie, Colin George
Walsh, Edward Joseph

Nicklin, George Francis Reuben

Morris, Kenneth James†
Dewar, Alexander Tattenhall†
Pizzey, Jack Charles Allan
Munro, Alan Whiteside†

Hiley, Thomas Alfred†
Evans, Ernest

Müller, Adolf Gustav
Madsen, Otto Ottosen
Fletcher, Alan Roy
Noble, Henry Winston†

Madsen, Otto Ottosen
Row, John Alfred

†Liberal Party

(until 9 June 1960)
(9 June 1960 to 11 April 1961)
(from 4 May 1961)

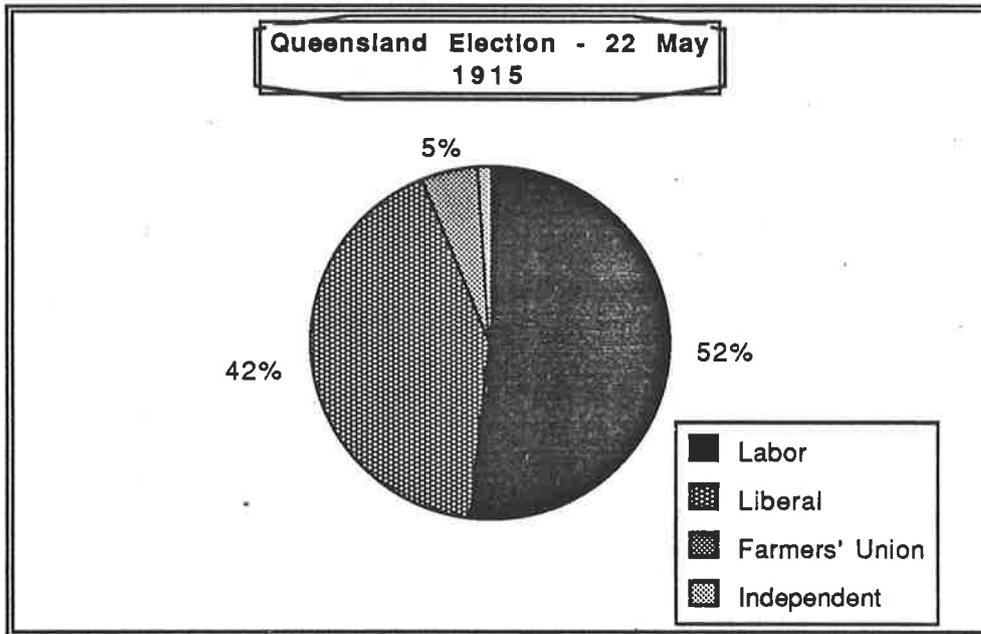
Minister for Transport
Minister for Migration (from 9 June 1960)
Minister for Electricity (from 9 June 1960)

Heading, James Alfred
Roberts, Lloyd Henry Scurfield
Richter, Harold
Chalk, Gordon William Wesley†
Pizzey, Jack Charles Allan
Evans, Ernest

Appendix 2

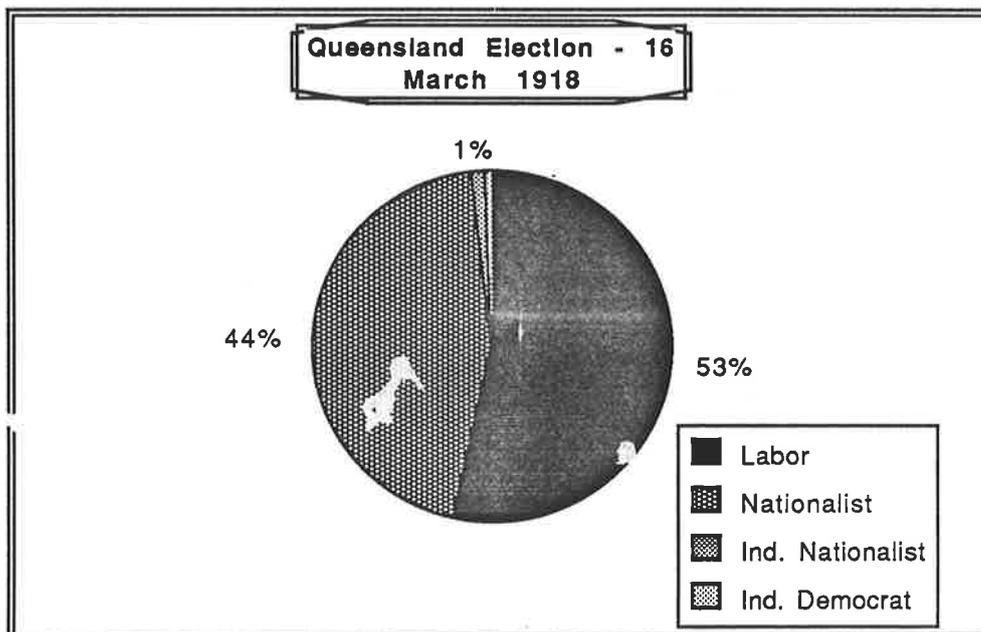
Queensland Elections 1915-1957

Table A2.1



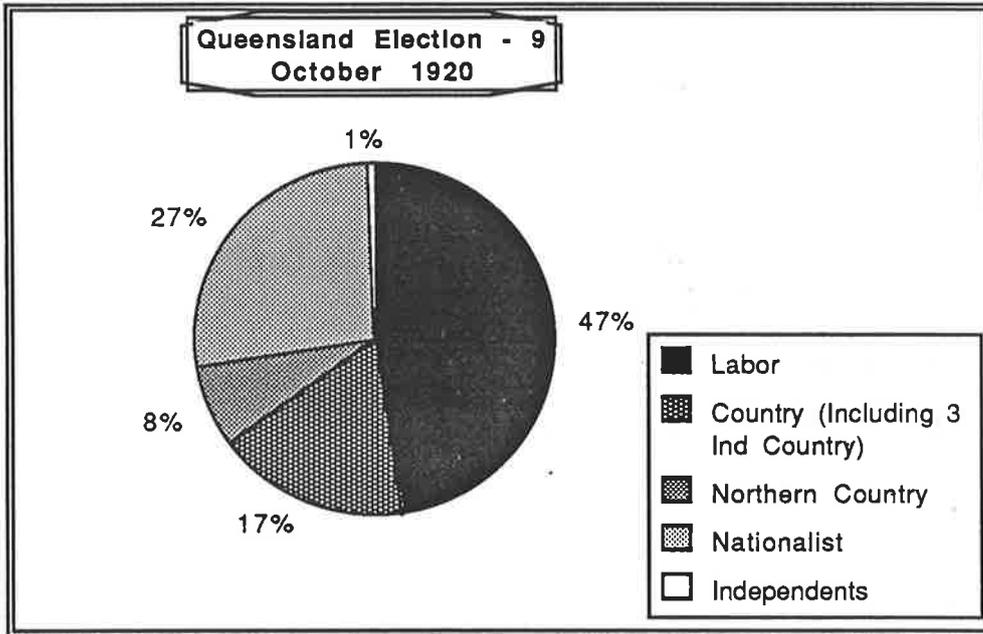
[Source: Colin A. Hughes and B.D. Graham, *A Handbook of Australian Government and Politics* (Canberra: ANU Press, 1968), pp. 515-516]

Table A2.2



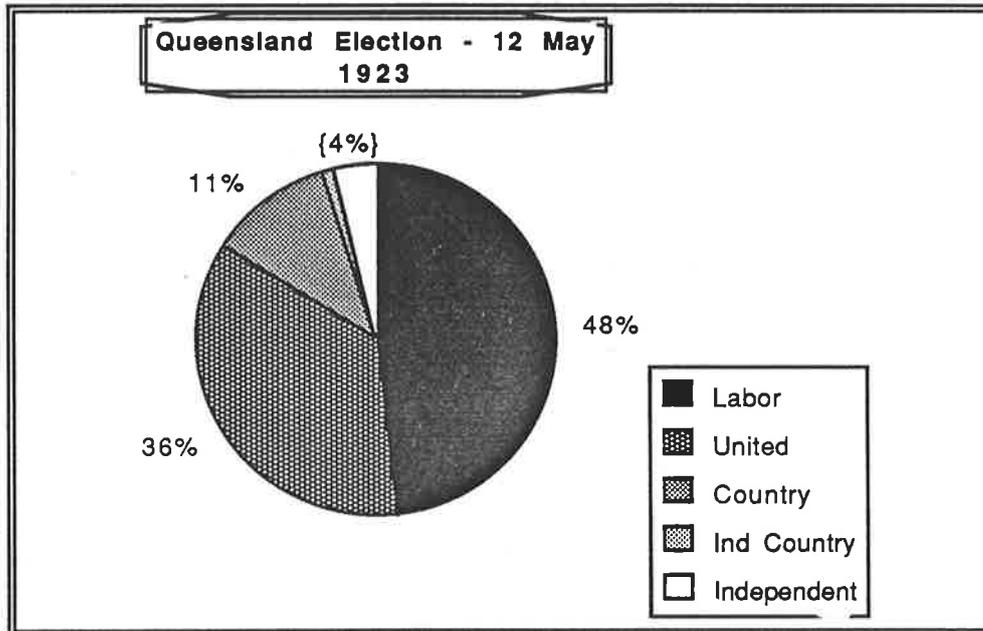
[Source: Colin A. Hughes and B.D. Graham, *A Handbook of Australian Government and Politics* (Canberra: ANU Press, 1968), pp. 516-517]

Table A2.3



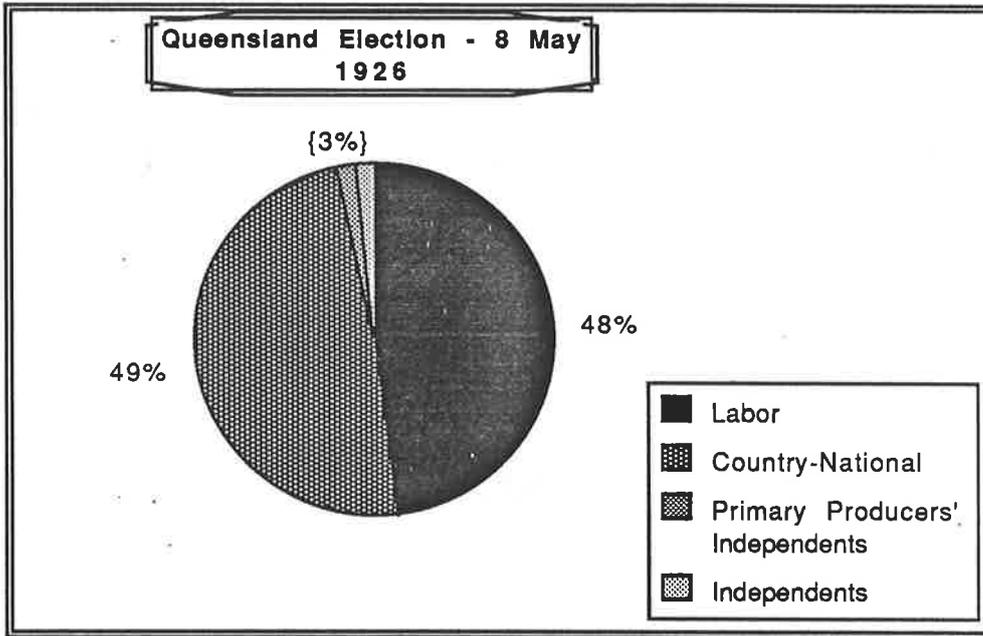
[Source: Colin A. Hughes and B.D. Graham, *A Handbook of Australian Government and Politics* (Canberra: ANU Press, 1968), pp. 517-518]

Table A2.4



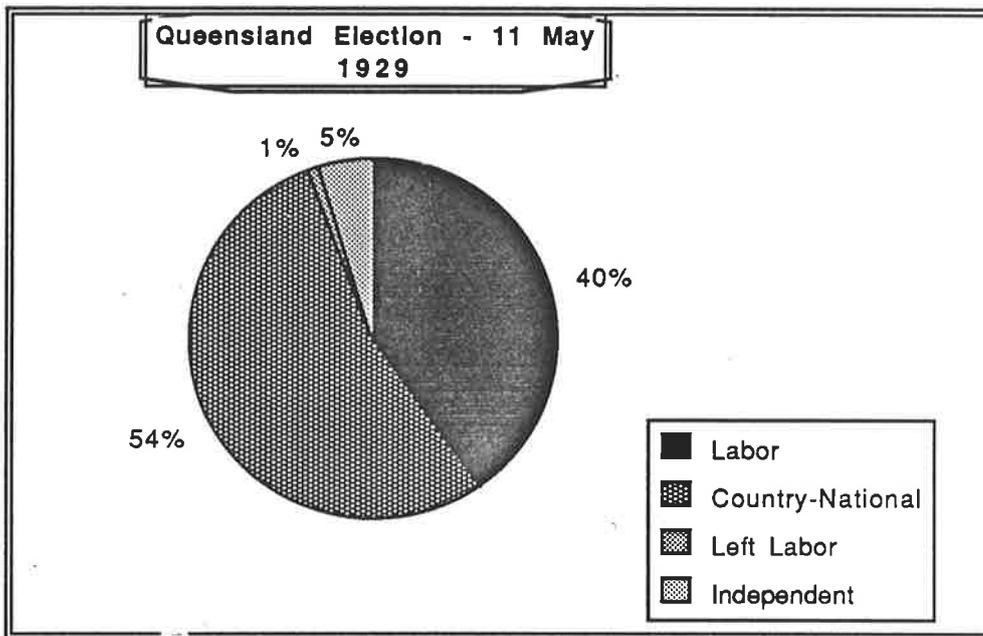
[Source: Colin A. Hughes and B.D. Graham, *A Handbook of Australian Government and Politics* (Canberra: ANU Press, 1968), p519]

Table A2.5



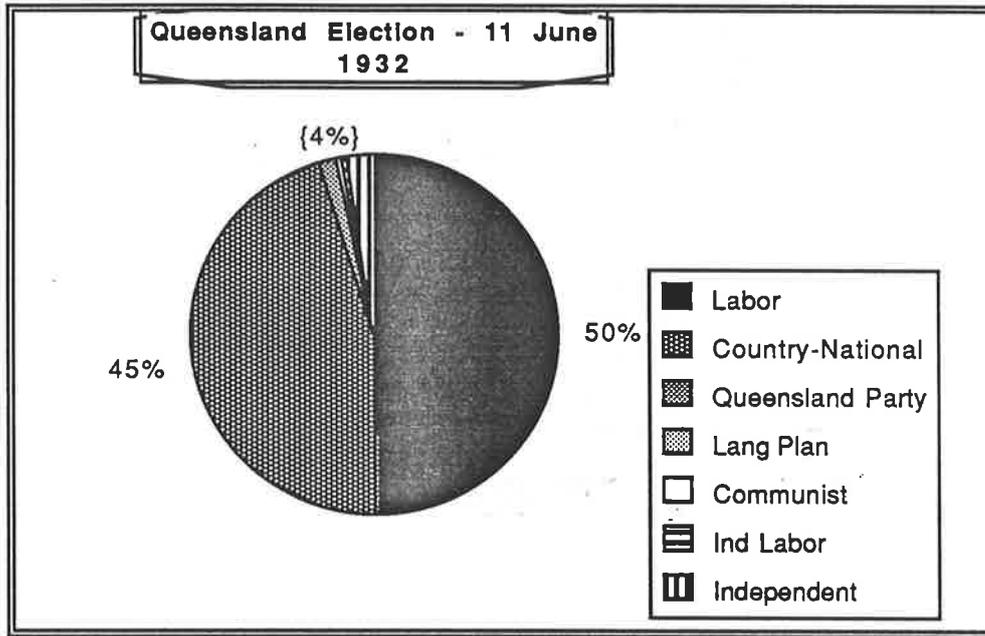
[Source: Colin A. Hughes and B.D. Graham, *A Handbook of Australian Government and Politics* (Canberra: ANU Press, 1968), p. 520]

Table A2.6



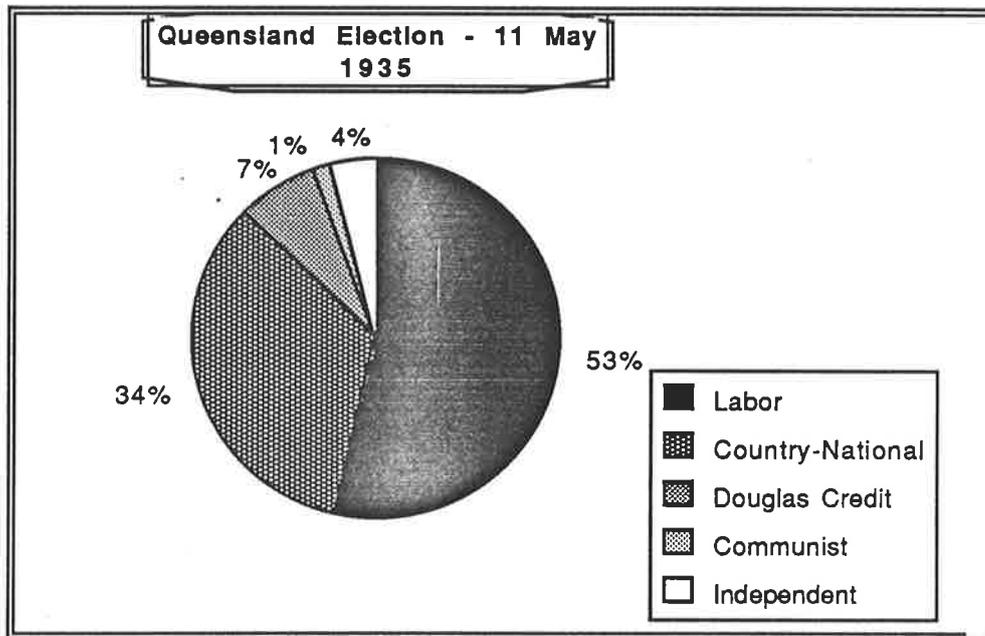
[Source: Colin A. Hughes and B.D. Graham, *A Handbook of Australian Government and Politics* (Canberra: ANU Press, 1968), p521]

Table A2.7



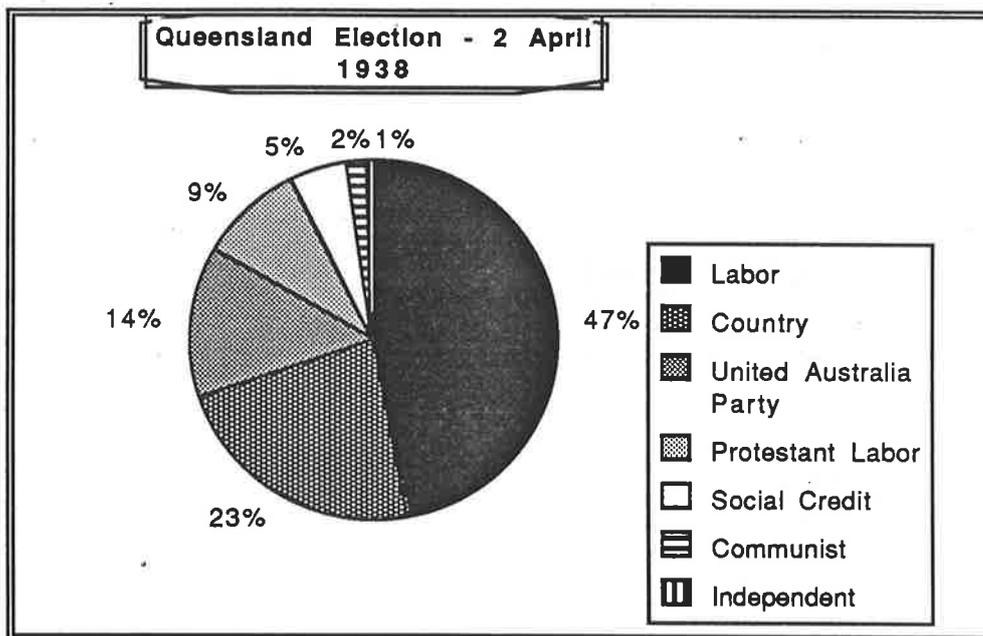
[Source: Colin A. Hughes and B.D. Graham, *A Handbook of Australian Government and Politics* (Canberra: ANU Press, 1968), pp. 521-522]

Table A2.8



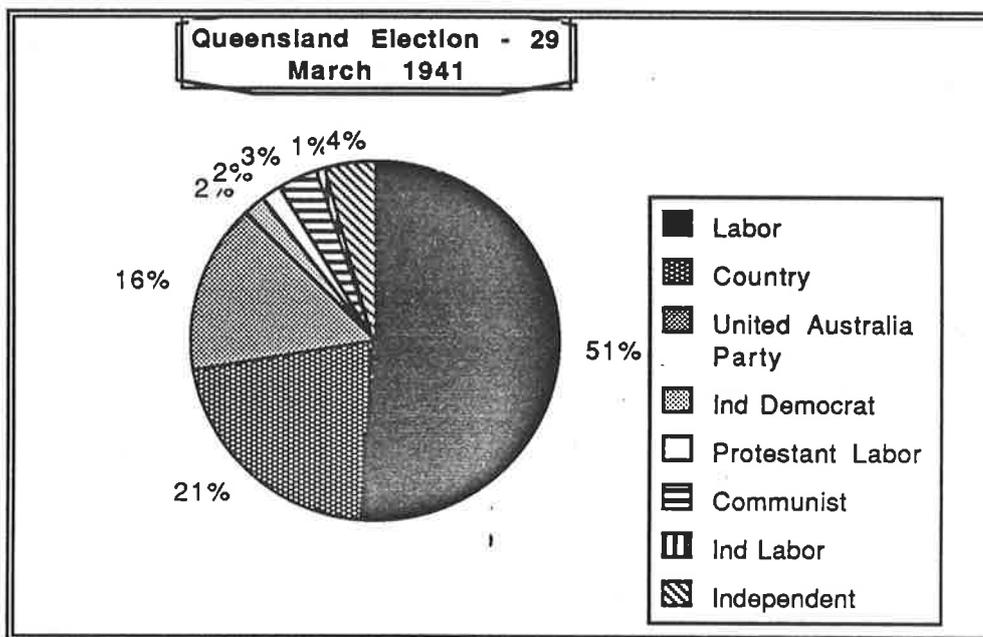
[Source: Colin A. Hughes and B.D. Graham, *A Handbook of Australian Government and Politics* (Canberra: ANU Press, 1968), pp. 522-523]

Table A2.9



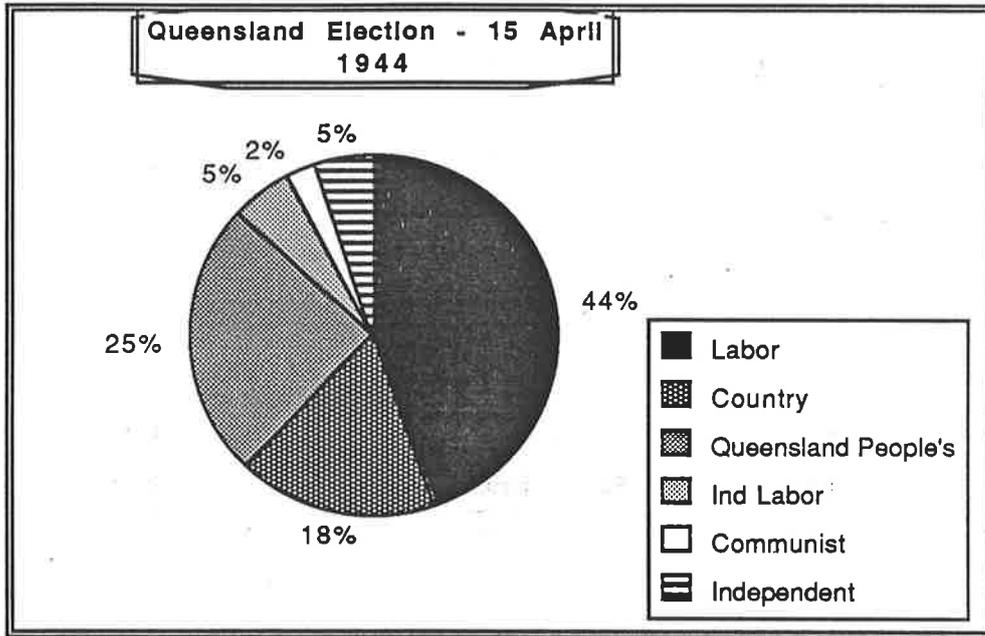
[Source: Colin A. Hughes and B.D. Graham, *A Handbook of Australian Government and Politics* (Canberra: ANU Press, 1968), pp. 523-524]

Table A2.10



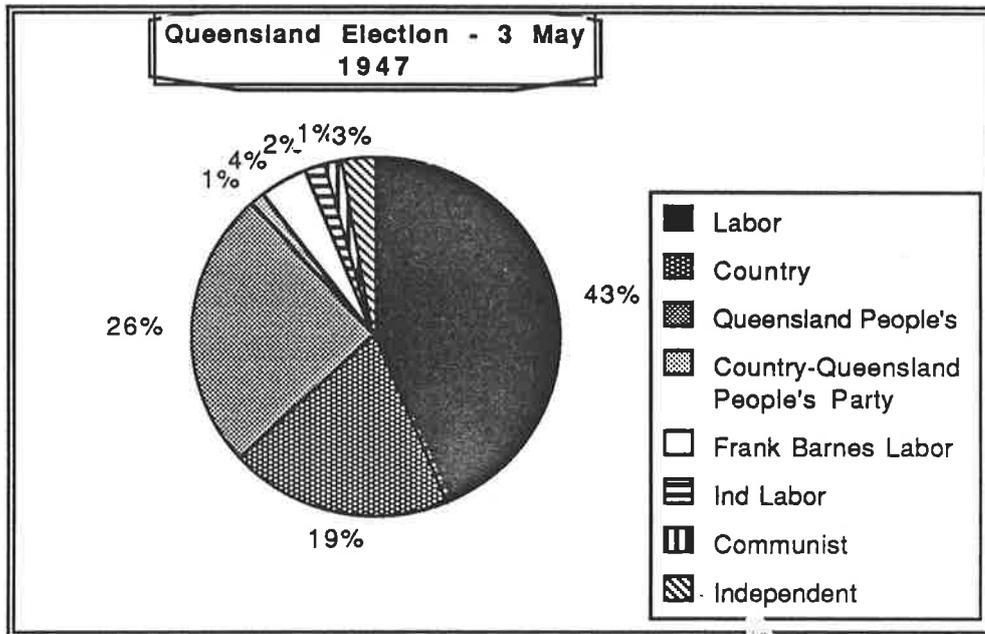
[Source: Colin A. Hughes and B.D. Graham, *A Handbook of Australian Government and Politics* (Canberra: ANU Press, 1968), pp. 524-525]

Table A2.11



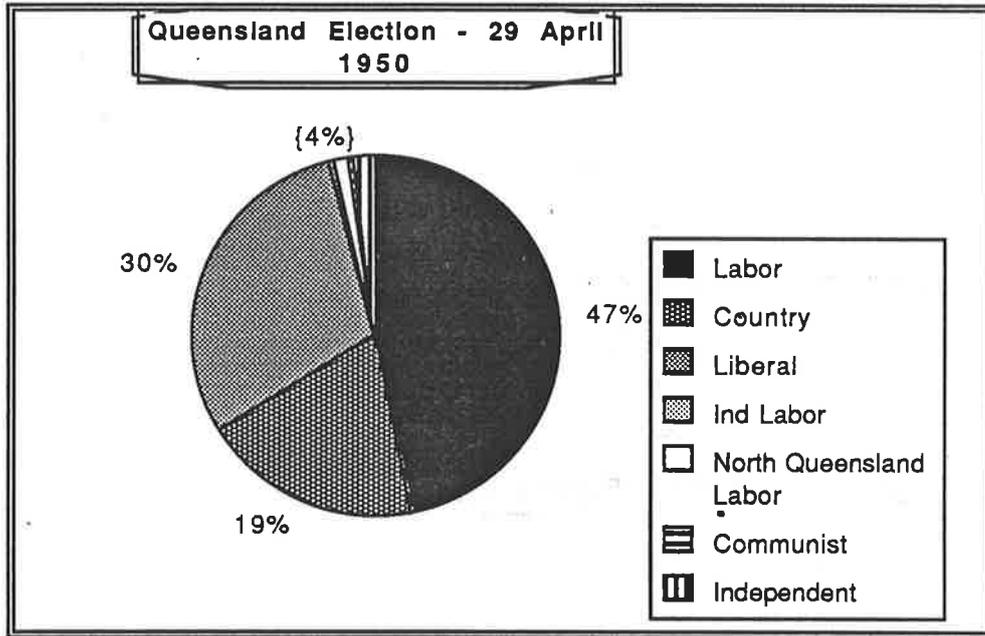
[Source: Colin A. Hughes and B.D. Graham, *A Handbook of Australian Government and Politics* (Canberra: ANU Press, 1968), pp. 525-526]

Table A2.12



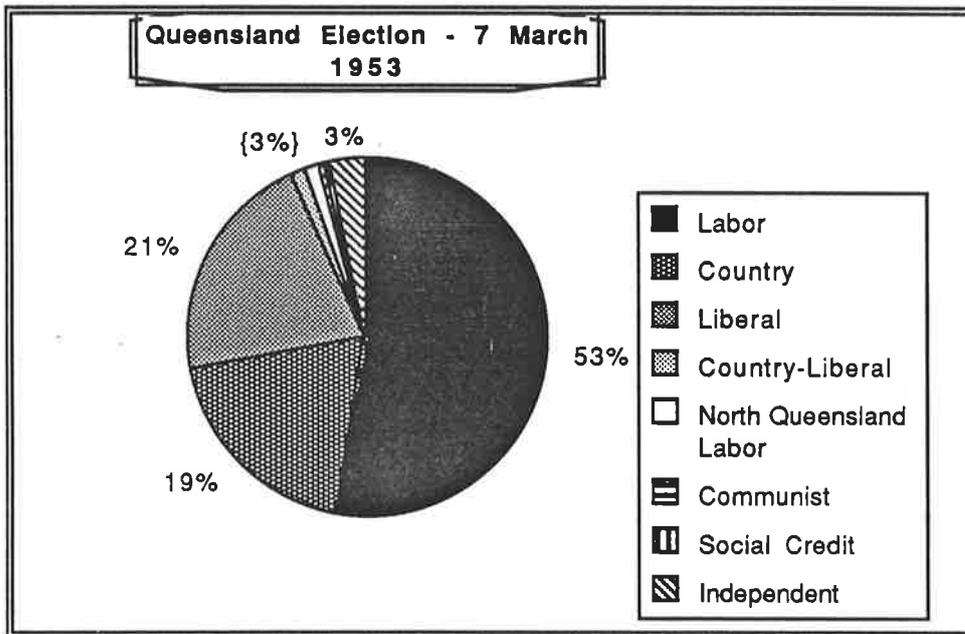
[Source: Colin A. Hughes and B.D. Graham, *A Handbook of Australian Government and Politics* (Canberra: ANU Press, 1968), pp. 526-527]

Table A2.13



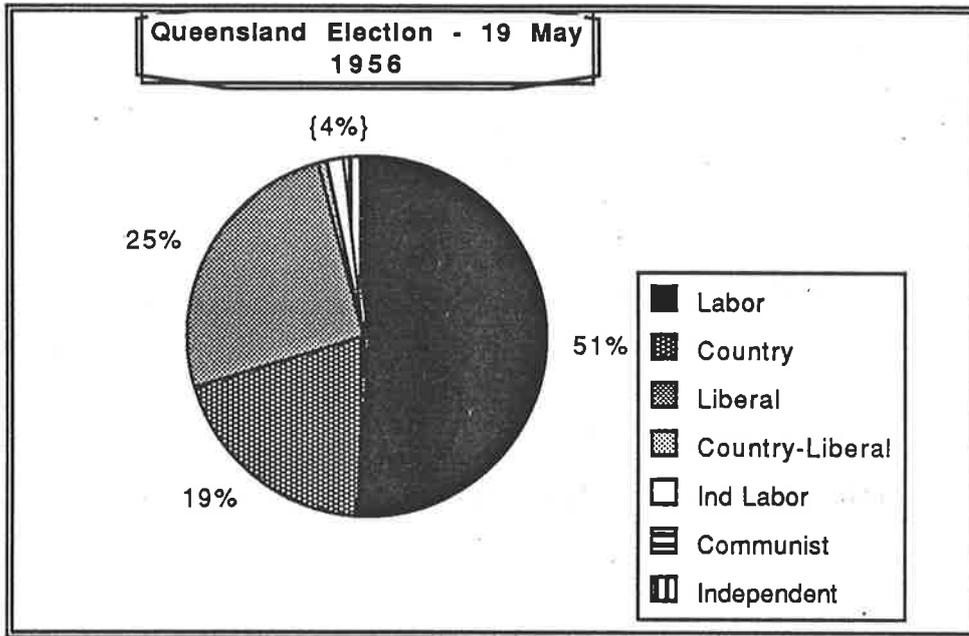
[Source: Colin A. Hughes and B.D. Graham, *A Handbook of Australian Government and Politics* (Canberra: ANU Press, 1968), pp. 527-528]

Table A2.14



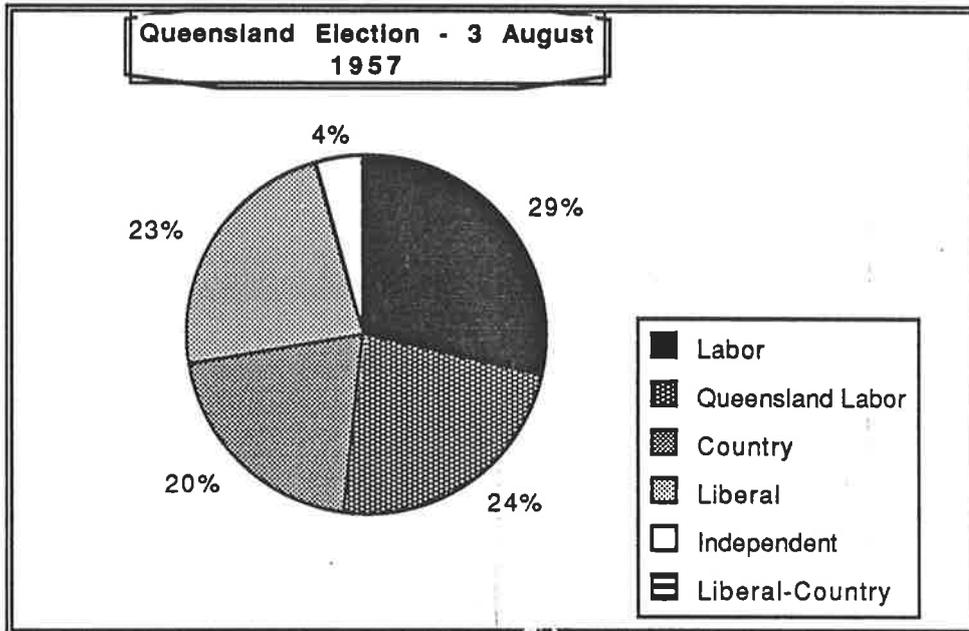
[Source: Colin A. Hughes and B.D. Graham, *A Handbook of Australian Government and Politics* (Canberra: ANU Press, 1968), pp. 528-529]

Table A2.15



[Source: Colin A. Hughes and B.D. Graham, *A Handbook of Australian Government and Politics* (Canberra: ANU Press, 1968), p529]

Table A2.16

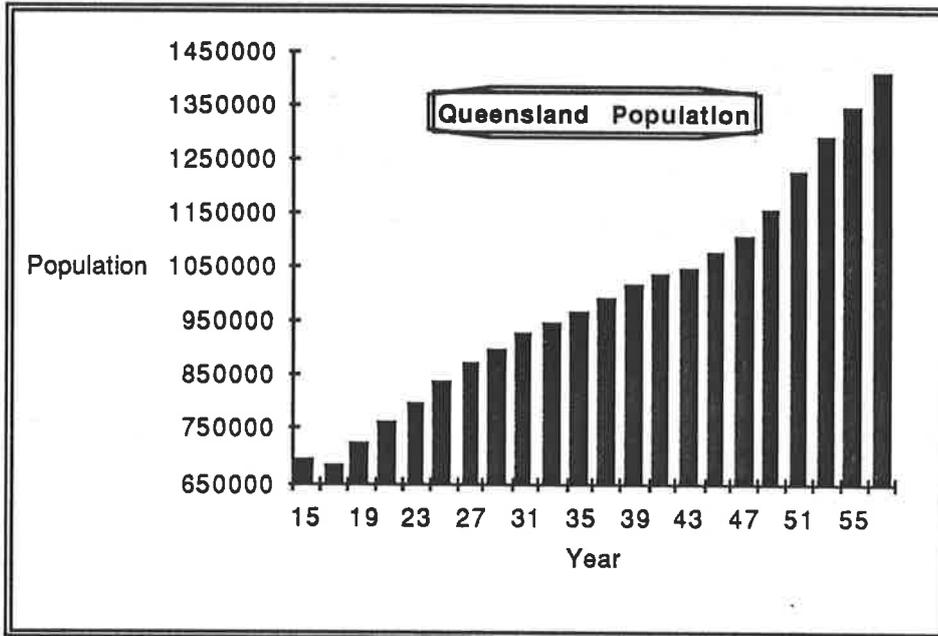


[Source: Colin A. Hughes and B.D. Graham, *A Handbook of Australian Government and Politics* (Canberra: ANU Press, 1968), pp. 529-530]

Appendix 3

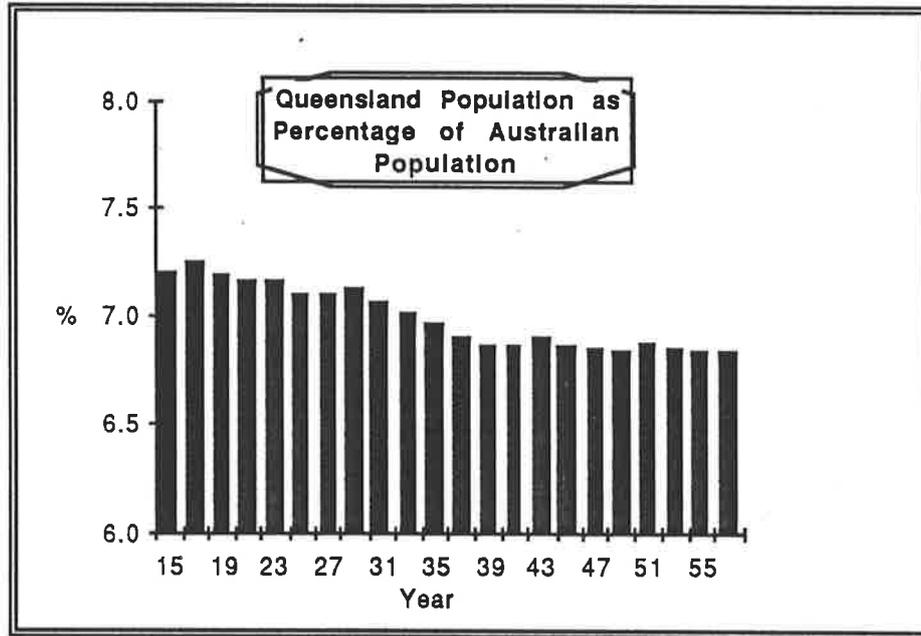
Selected Statistical Tables

Table A3.1



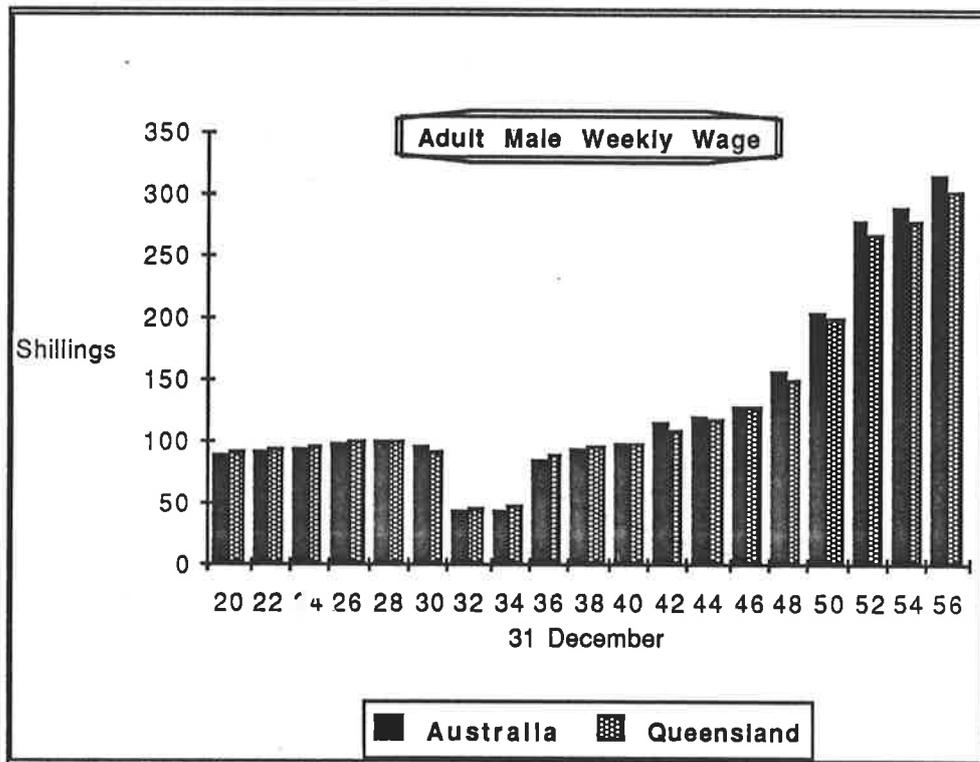
[Source: Australian Bureau of Statistics, *Demography 1971*, p. 182]

Table A3.2



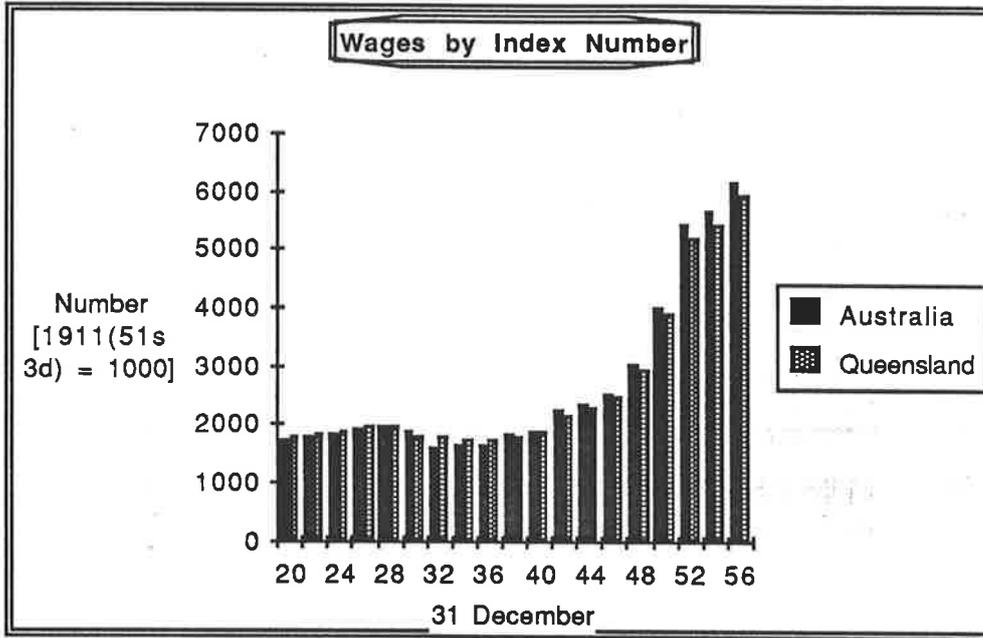
[Source: Australian Bureau of Statistics, *Demography 1971*, p. 182]

Table A3.3



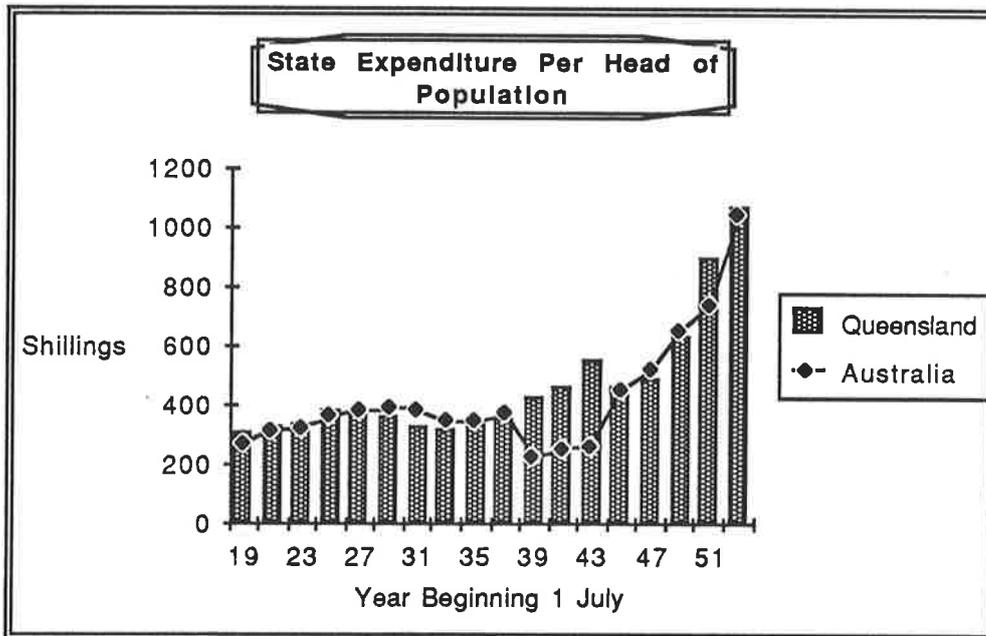
[Sources: *Commonwealth of Australia Year Books*: 1925, p. 570; 1931, p. 378; 1936, p. 537; 1939, p. 427; 1946-1947, p. 466; 1953, p.400; 1957, p. 159]

Table A3.4



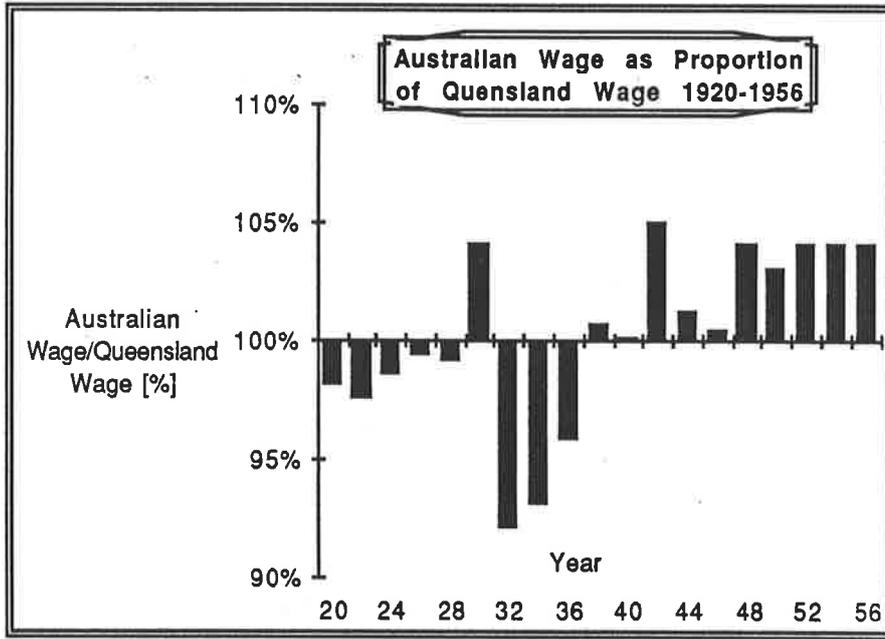
[Sources: Commonwealth of Australia Year Books: 1925, p. 570; 1931, p. 378; 1936, p. 537; 1939, p. 427; 1946-1947, p. 466; 1953, p.400; 1957, p. 159]

Table A3.5



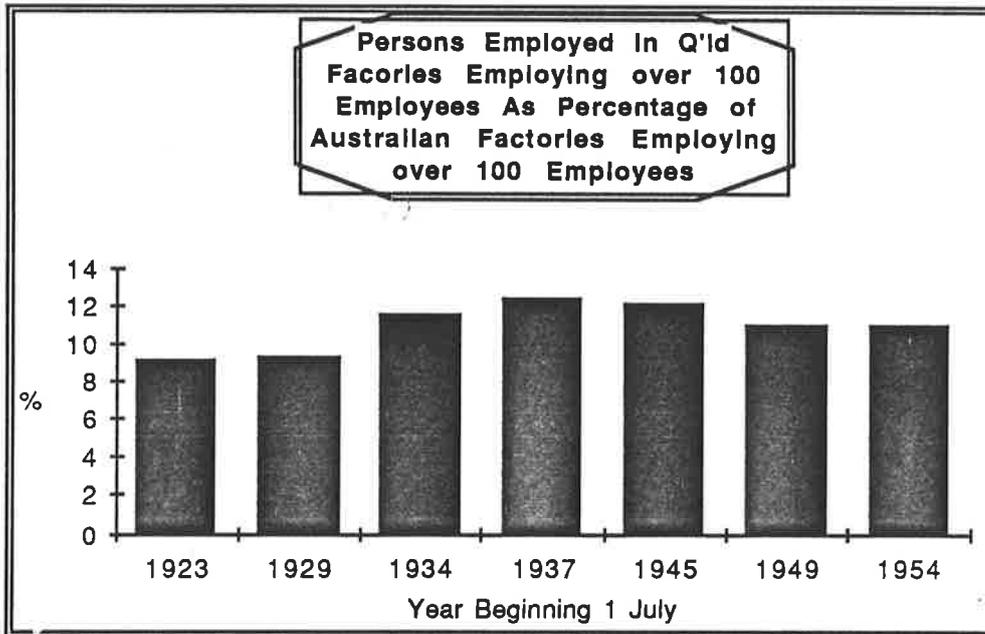
[Sources: Commonwealth of Australia Year Books: 1920; , . 400; 1931, p. 274; 1936, p. 895; 1939, p. 891; 1946-47, p. 665; 1953, p. 810; 1957, p. 78]

Table A3.6



[Sources: *Commonwealth of Australia Year Books*: 1925, p. 570; 1931, p. 378; 1936, p. 537; 1939, p. 427; 1946-47, p. 466; 1953, p. 400; 1957, p. 159]

Table A3.7



[Sources: *Commonwealth of Australia Year Books*: 1925, p. 814; 1931, p. 601; 1936, p. 746; 1939, p. 706; 1946-47, p. 1041; 1953p. 1091; 1957, p. 208]

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CCCLIV

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