"With every century, society is making good riddance of the manifold hallucinations of its minority; and so too, for many centuries to come, the spirit of its progress will have to forget for truth's sake, even more perhaps than it will have to learn notwithstanding all the 'wisdom of our ancestors,' and our own in addition."

Charles Harpur lived for his country. He fought for it in the most profound way, but, tragically, his life ended with an unrealized dream. Despite this deep disappointment, he never relinquished his hope that one day, his vision of having a "Nobler Manhood in this Southern Land of ours," would be realized. He wrote:

"At this moment I am a wanderer and a vagabond upon the face of my native Land—after having written upon its evergreen beauty strains of feeling and imagination which, I believe, 'men will not willingly let die.' But my countrymen, and the world, will yet know me better. I doubt not, indeed, but that I shall yet be held in honour both by them and by it."

These heroic and determined individuals from the 1850s not only did a great service for their fellow countrymen of their time, but they indisputably laid the foundation for our comparable fight today. Without their courage and just plain hard work; without the benefit of their noble orations and art; without their vision of something higher and better and more noble for their fellow man, beyond what they would see in their own lifetimes; we would be a poorer and more intellectually impoverished band of patriots.

We must take up their struggle, and this time, we must win.

The 1880s and 1890s

A republican labor movement awakens

by Robert Barwick

After the partial defeat of John Dunmore Lang, through the establishment of the fraud of so-called "responsible government" in 1856, the next great opportunity to profoundly change Australia's form of government, came as a result of the rise of the labor movement during the 1880s and 1890s. For it was during these years, that the issue of what form the coming Federation of the Commonwealth of Australia would take, was fought out.

W.G. Spence, union organizer

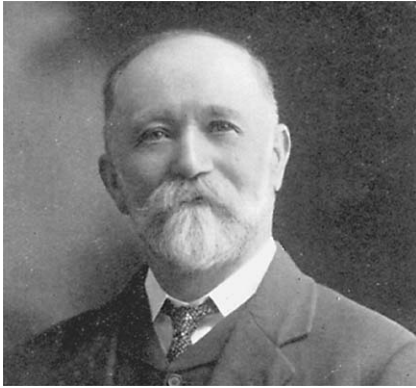The towering figure in Australian unionism during this time, was William Guthrie Spence, the driving force behind the two great "bush unions," the Amalgamated Miners Association and the Amalgamated Shearers' Union, the latter soon to become known as the Australian Workers Union, the AWU, the most influential union in Australian history.

The young W.G. Spence was a founder of the Amalgamated Miners' Association, which was first established in Bendigo in 1874. Spence became the head of the AMA in a Victorian town named Creswick, where the future Prime Minister John Curtin would be born and raised. The Creswick branch of the AMA was by far the union's most dynamic. By 1882 Spence had become general secretary of the AMA, and he directed an explosion in its organizing. Within a few years, the AMA had 23,500 members across all the Australian colonies and in both islands of New Zealand, to become the first truly federal, even intercolonial union, which had been Spence's concept from the outset.

Many miners were also part-time sheep shearers, since both were rural occupations. In 1886, as the pastoralists moved to cut back the shearers' wages drastically, a young member of Spence's AMA, who also did shearing, came to him, and asked him to organize a union for shearers. Many earlier attempts had been made to organize shearers, but all had failed, in part due to the structure of the industry, where small groups of shearers were constantly on the move. Their lives were miserable, both because of their horrid living conditions, their low pay rates, and also because of the practice called "raddling," whereby a pastoralist would not pay for an entire pen of shorn sheep, if there were only one not shorn to his satisfaction.

The atomized shearers faced the all-powerful pastoralists, who were in fact just the same squattocracy against whom John Dunmore Lang had fought 30 and 40 years earlier. And wool was Australia's most important export item, by far, making what happened in this sector of the economy of importance beyond all proportion to its small number of workers. Upon being asked in 1886 to organize the shearers, Spence took up the challenge. Within one year, he and only three organizers working with him had enrolled over 9,000 shearers in the union, to total 44,000 by the turn of the century. Spence would travel over 15,000 miles a year, and his organizers would go through eight or nine horses, so quickly would the animals wear out at the pace the organizers were doing their recruiting rounds. As Spence described their work in his book, it was long hours, little sleep, and a lot of travel.

By 1889, Spence and the AWU had won an extraordinary series of victories, in terms of working conditions, pay rates, hours of labor, etc. But, that same year, the City of London began to pull its capital out of Australia, and, at the same time, the price of wool began to fall sharply. In 1890, the mighty Barings Bank, the backbone of the Empire, which had financed the purchase of the Suez Canal, among many other things, had gone bankrupt, though it was later bailed out. Squeezed by falling prices for wool, the pastoralists decided to unite and form the Pastoralists Union, while other employ-

W.G. Spence, founder of the Amalgamated Miners' Association.

ers formed the Employers Federation, both bodies pushing the sanctity of "freedom of contract," i.e., union-busting. These were the direct ancestors of the H.R. Nicholls Society of today: The founder of the Society, Ian Maclachlan, who was Defense Minister and hired soldiers as scabs to break the Maritime Union of Australia in 1998, is a member of the largest landowning family in Australia, and a founder of the National Farmers Federation—the "squattocracy."

The maritime strike of 1890

The year 1890 saw the outbreak of the maritime strike, the most devastating strike in Australian history. It was that year, said Spence, which marked "the turning point in Australian Labor history." The Employers Union, which included the shipowners, provoked a strike by refusing to recognize the marine officers as a union. Very rapidly, coal miners, shearers, and many other unions went out in sympathy with the marine officers. One incident gives a sense of how the various state governments backed the attempts to crush the unions. Though it was a nationwide strike, mainly centered in New South Wales, the following incident occurred in Melbourne, and shows the heavy-handedness of the law that the unionists were up against. When the union leadership decided to call a mass meeting in Flinders Park on Aug. 31, the state government called out 1,000 troops.

The great maritime and shearers' strikes of 1890 ended in a rout for the unions, which simply did not have the resources to hold out. They went back to work with heavy pay cuts, worse working conditions, etc. For the next several years, unions were persecuted all over the country, with authorities reading the Riot Act and using "Unlawful Assembly" laws at a moment's notice. Unionists were given jail sentences of from 3 to 15 years.

The shearers union organizers would often be put in solitary confinement for years at a time, and some of them went insane.

The 'new unionism'

Spence and his fellow union leaders drew some conclusions from their bitter defeats of 1890—that the unions would

have to change the methods by which they fought. They would have to replace what they called the "old unionism" of pre-1890, with the "new unionism." Come with me to the winter night of June 12, 1892, to the Leigh House in Sydney, where hundreds of people gathered to hear Spence speak on "The Ethics of the New Unionism."

Spence called for an end to the "old unionism," in which unions confined their attention to improving their working conditions and pay; instead, he called for "a revolution . . . a quiet one." The core of this concept is a change toward organizing for the Common Good—or, what the U.S. Constitution calls the General Welfare.

Spence traced the roots of the "new unionism" to Christianity—not Christianity as in a Calvinist doctrine, that man is born a miserable sinner, except, of course, for those predestined to be saved, i.e., to get rich—but a Christianity whose moving spirit is to change the lives of human beings in the real world, profoundly for the better. At the same time, Spence cautions, one cannot measure one's efforts simply according to the results of any short period of time, but one must see one's efforts in the span of many generations—what we today would call Temporal Eternity.

"I take it that the human family is inherently good. I go against that old idea of always crediting our human frailties to original sin. I say that humanity is inherently good if we only let it have a chance to exercise its goodness. . . .

"The aim of new unionism is a grand one, a noble one. The principle underlying and guiding it is simply the principle laid down by Him who long ago laid the foundation of a great reform—I mean the principle of love for one's fellows. . . . We all believe in justice, in truth, in honesty. The world today believes in them. The world could not get on at all unless there were reasonable men practising those great principles."

Spence repeatedly polemicized, that the so-called "masses" must take personal responsibility to change the existing political order, instead of just whining about it.

"Our hope is in the masses, in government by self, and by every self consciously taking an active part in the ruling of the collective life. Within the minds of the units who form the mass of working men there are high ideals. They are not realised now because they are crushed by the miserable struggle for material things necessary to sustain life. Applied science and modern machinery, when utilised for the good of all instead of profit for the few, will banish fear of poverty and give a chance to moral, intellectual and spiritual advance. Then in a generation we shall see a leap to such a higher plane of life which can only now be conceived of in thought. The desire has ever been present in all ages, but the time had not come. It is with us now. Let us not miss the opportunity. The work lies in our hands. Let us Agitate, Educate, Organise. We have the power if we have the will. . . .

"If any body of persons in Australia is to blame for the evils of our social system, it is the working classes. We have the intelligence and the power to change the conditions of life

Unionists clash with police in Sydney during a strike in the 1890s.

for the better, and have only to put forth our energy, and by unity of effort we can gain all that is required. . . . The masses must not only take a deeper interest in political questions, but they must make the politics of the country. The welfare of the people must be raised to the first place—must be the uppermost and foremost consideration. How best to secure the good of all without injury to any should be the aim—not commercial supremacy, not cheap production regardless of the human misery following, but rather the broadest justice, the widest extension of human happiness, and the attainment of the highest intellectual and moral standard of civilised nations should be our aim. . . .

"Let each remember that man had failed before because each carelessly left to some other the work of the Common Good. We must reverse that. Each must take his or her share. With unity above all as our watchword, the Common Good our aim, we will soon find common ground of agreement as to the way in which the goal should be reached. The best start we can give to our children is the certainty of better conditions; the sweetest memory of us to them the fact that we did so."

In pursuit of these noble goals, the AWU set up daily newspapers in Brisbane, Sydney and Melbourne, to counteract the Anglophile major press which dominated the country, and the union became famous for its constant efforts to educate and inform its members. As Spence put it, "Our members are notoriously the best informed of Australian unionists." There are pictures of the shearers strike camp at Barcaldine in Queensland, when the Labor Party was founded, which show the strike camp library, and the striking unionists reading to stay informed and educate themselves. Spence himself came under heavy attack, both through the "legal system,"

and through slanders and libel in the major press, falsely charging that he was stealing money from the union, and sitting fat and happy, while his members faced hard times.

1891: The birth of the Labor Party

The first visible results of the new unionism came in the New South Wales Parliamentary elections in 1891, when Labor sought to take government power in its own name. In that year, Labor achieved an astounding success, electing 37 members in a Parliament of 87, where before it had had zero. This was a shot heard across Australia, and, indeed, around the world.

An account of that 1891 campaign was given in a book written the next year, called *The Labour Party of New South Wales: A History of Its Formation and Legislative Career*. It relates how the Labor Party, which did not exist before 1891, came into being.

"The year 1891 undoubtedly saw the awakening of the giant Labour in Australasia. . . .

"The Trades Unionists had suffered heavily by the great strike, and had become thoroughly imbued with the idea . . . that they would never secure justice until they secured strong and direct representation in Parliament. . . . Having determined to be thoroughly represented in Parliament, arrangements were very quickly carried out. A Platform was drawn up by the Trades Hall Council, and then in the various electorates in Sydney and in a number in the country, Labour Electoral Leagues were formed. These Leagues afterwards selected the candidates who were to contest the different seats which it was desired to obtain. . . . Candidates were required to approve of every plank in the Labour League platform before they were acceptable to the Electoral League. Among these sixteen planks, were included No. 9, which called for 'Establishment of a Department of Labour, a national bank, and a national system of water conservation and irrigation,' and No. 12: 'The federation of the Australasian colonies upon a national as opposed to an Imperialistic basis. . . .'

"Although not thoroughly prepared, the Labour Leagues plunged vigorously into the contest of the general election which took place in June 1891. They had not the means to do much in the engaging of venues in which to address the electors, or of advertising; but they spoke at street corners and from carts—from any available vantage-point, in fact—and did the major portion of their advertising by word of mouth, which was inexpensive, and, as it proved, sufficiently effective. . . . At West Sydney and Balmain there was probably the most excitement, for at those places 'bunches' of four prominent Labour men were contesting the seats. . . .

"When the polls at the two places mentioned were announced, there were tremendous outbursts of excited approval, for it was found that the complete Labour bunches were returned in each instances, all other candidates, of course, being rejected. . . . The Labour party scored heavily in Sydney generally. They nominated 27 candidates and se-

The Bulletin *newspaper shows Britain milking her colonies, May 7, 1897.*

cured 18 seats out of the 52. . . . Other seats were obtained in the country elections which followed, and when the contest was finally over, it was announced that Labour had in Parliament a party of 37 members."

Among those elected, were the number-one and number-two vote-getters for West Sydney, the close friends and trade unionists, John D. Fitzgerald and George Black. It is important to look back to some three years before the great electoral victories of 1891, to what some of these labor leaders, including Black and Fitzgerald, were doing.

George Black and republicanism

The year 1888 was a jubilee year, the occasion of an immense celebration of the landing of the first ships at Botany Bay years 100 earlier. However, in part because there was still a sense of shame felt, at least in so-called "polite company," about Australia's allegedly "convict" origins, the celebrations were mainly organized around Australia's connection to the British Crown and Empire.

From a global standpoint, these were ominous times. British imperialism was on the move worldwide, grabbing colonies throughout the world, and beginning to arrange the great alliances, known as the Triple Entente and the Triple Alliance, as the vehicles through which England would soon plunge the world into the hell of its first world war.

Though the aging Queen Victoria sat on the throne, the real ruler of England was her degenerate son, the Prince of Wales, later Edward VII, the "boss of all bosses" of the European oligarchy.

One of the chief instruments for Britain's imperial drives was the Oxford-educated Cecil John Rhodes, whom the British would soon back in the 1899-1902 Anglo-Boer War to seize the vast mineral wealth of southern Africa. Rhodes and his associates, including Lord Esher, the leading policy adviser to the Prince of Wales, founded a secret society, the Round Table, one of whose top officials was the British Governor of South Africa, Lord Alfred Milner.

Rhodes died shortly after the Anglo-Boer War; some years later, Milner and the Crown used his vast fortune in gold and diamonds to establish the various institutes for international affairs around the world, such as the Royal Institute for International Affairs in London, the New York Council on Foreign Relations, the Australian Institute for International Affairs, and so forth.

The purpose of all this was outlined by Rhodes in his will: to extend the British Empire over the entire world, including the ultimate reconquest of the United States of America. In a credo of his own beliefs written shortly before his death in the 1920s, the master of Rhodes's fortune, Lord Milner, outlined the racist beliefs which had animated both himself and Rhodes:

"I am a British (indeed primarily an English) nationalist. If I am also an Imperialist, it is because the destiny of the English race . . . has been to strike fresh roots in distant parts. . . . My patriotism knows no geographical but only racial limits. I am an Imperialist and not a Little Englander, because I am a British Race Patriot. . . . It is not for the soil of England, dear as it is to me, which is essential to arouse my patriotism,

George Black wrote that he was a Republican "because I see in that system possibilities of improvement, while under Monarchy I can see none; because I believe that all men are born free, and equal, entitled by the mere fact of their existence to certain rights which are inalienable, no matter what their capabilities, nor how menial their occupation."

but the speech, the tradition, the principles, the aspirations of the British race. . . . This brings us to our first great principle. . . . The British state must follow the race, must comprehend it wherever it settles in appreciable numbers as an independent community."

It was the "racial imperialism" of Rhodes which was being celebrated in New South Wales and in Her Majesty's other Australian colonies in 1888.

However, there was another spirit rapidly growing in the land as well, one which the 1888 centennial celebration was clearly organized to combat—a revival of John Dunmore Lang's dreams for Australia as a separate, sovereign republic. On July 4, 1887, on the anniversary of the American Declaration of Independence against Britain in 1776, members of the New South Wales Parliament celebrated that world-shaking occasion with the sizeable community of Americans living in Sydney. The same day, trade union leader George Black, and Louisa Lawson and her son Henry Lawson, the poet, founded a newspaper in Sydney called *The Republican*. This was only one of several republican newspapers and republican organizations founded in that year and the next.

Black's friend, the trade union leader John D. Fitzgerald, in 1887 founded the Republican Union, which was dedicated to creating an Australian Republic, and so avoiding the likelihood of Australia's becoming involved in an imperial war. At its second meeting, with over 200 in attendance, speakers constantly hearkened to the example of the American Republic and the Declaration of Independence.

Meanwhile, throughout 1887, George Black was giving speeches to large and enthusiastic audiences in Sydney's Domain, on the necessity to establish a republic. In early 1888, before a crowd estimated at 1-2,000, he announced the formation of the Australian Republican League, whose key plank

was "Federation of the colonies under republican rule." By mid-1888, Black had published his ringing manifesto, *Why I Am a Republican: Nationalist Versus Imperial Federation*. The degree of republican fervor in New South Wales at that time, can be estimated by the circulation of Black's booklet, which sold an astounding 63,000 copies in two editions—this, at a time when there were probably not more than 1 million people in all of New South Wales.

That same year, the Sydney nationalist Robert Thomson published his book, *Australian Nationalism*, which was modelled directly on John Dunmore Lang's *Freedom and Independence for the Golden Lands of Australia*. And, in May 1888, the National Party, led by Thomas McIlwraith, scored a remarkable victory in the Queensland elections, standing on a platform which included the goal of a federated independent republic for Australia.

Naturally, the British Empire could not allow this mass organizing for a republic to go unchallenged. In the next year, 1889, Sir Henry Parkes, the Premier of New South Wales, and the old arch-enemy of John Dunmore Lang, who was the most powerful politician in Australia at the time, and a raving Anglophile, announced that he would lead a drive for "Federation under the Crown"—that is, an Imperial Federation.

The key architect of all this, as the surviving records, including Parkes's own diaries, show, was Her Majesty's Governor-General in New South Wales, Lord Charles Robert Carrington, one of the most intimate associates of the Prince of Wales. Among other things, the British Crown clearly wanted Australia as a manpower and logistical base for the coming world conflagration, which the Prince had already done much to organize.

To understand what the ideas were which so terrified Carrington and his puppet Sir Henry Parkes, suffice it to read what George Black wrote, in the 1891 edition of *Why I Am a Republican*:

"We Australians do not intend to dabble in any scheme for Federation that is not solidly founded on the bed-rock of Democratic institutions. . . . In fact, we are willing to delay Federation until the style of Federation that we desire is made possible; till then we will endeavour to ensure the chafing of those 'silken ties'—knowing that when complete independence becomes necessary, we will, in that case, have the power as well as the will to obtain it."

Black outlines why he is a republican, and how republican institutions differ from those of Great Britain:

"It may be confidently stated that none of the existing Republics are in perfect accord with the spirit of the age, and that the government of the people, by the people, for the people, can never be fully attained in countries where Republicanism is merely 'Monarchy parading under a mask,' in societies where the sources for creating wealth are monopolized by the few, thus afforded the power to fix what share the toiler shall receive of the wealth created by his own exertions and the price he pays for commodities. . . .

British racist imperialists Cecil Rhodes (left) and Lord Alfred Milner (right).

horde of physical and intellectual slaves, doomed to struggle all their weary days for the support of an army of lazy, debauched loafers, and kept in subjection by the red-coated mercenaries recruited from their own ranks. How long will this last? Is Wrong to be for ever triumphant? Will those who suffer, always remain in apathy, heeding no warnings, deaf to all the prayers and entreaties of those who would fain emancipate them? Surely the day of Freedom, intellectual first, and then physical, is dawning.

"Some may be dense enough to ask—What has all this got to do with Australians? I answer, Everything! If the Imperialistic people here, and at home, have their way, Australians ere long will have to pay a quota of these expenses. The toadies here are eager to trade away our liberties in return for ti-

"I am a Republican because I see in that system possibilities of improvement, while under Monarchy I can see none; because I believe that all men are born free, and equal, entitled by the mere fact of their existence to certain rights which are inalienable, no matter what their capabilities, nor how menial their occupation. It is monstrous that animal succession, the mere accident of birth, should entitle anyone to lord it over his fellows. . . . Those who cannot submit to absolute rule, must, if consistent, embrace Republicanism; any half-way house is but a refuge for fools, knaves, and cowards. . . . I disbelieve in monarchical rule, because it is an immoral system that has always been productive of immorality in the ruler, from whom the disease has invariably spread to the subject. . . .

"It has already been argued that standing armies and navies would scarcely be required in a world of Republics, and certainly the British naval and military services is the chief prop of the throne and nobility, as it is almost wholly officered by aristocratic nincompoops—in fact, a very great part of our war expenses is drawn as salaries by those locusts of office.

"A State Church, for its part, is an absolute essential to the existence of monarchy, in any country. The priest-ridden peasant and mechanic is told from the altar every Sunday morning that monarchy is a divine institution, he hears also long prayers so sedulously offered up on behalf of the Queen and every member of the Royal Family, that the poor, overworked, ill-fed halfwit is induced to accept the monarch as a member of the Holy Trinity."

Like Spence, Black had some well-aimed polemics for the apathy and sluggish mental habits of the masses:

"In America, The Republic is rearing an intelligent race by her system of education, while the older country is fostering a

tles. The Tories in Britain are equally eager to buy with that which costs nothing, the right to levy blackmail on a continent now worth much and likely, ere long, to be worth more.

"Imperial Federation, any, and also Federation of the Griffith-Parkes' brand, means for us a share in England's quarrels, a share in her blood-thirstiness, a share of the enmity that she has worked so hard to earn for herself in every corner of the globe. It means that Australia will be governed, not in her own halls of legislation, but from Downing-Street. . . . However: An Independent, federated Australian Republic would have absolutely no enemies, and it would be a weighty part of the duty of her leaders to see that she made none. . . .

"There is but one door of escape from those dangers and complications—*complete separation and federation under republican rule*. I have been told we are not strong enough. Humbug! We have about four millions against the three millions that constituted the United States of America when she so nobly won her Independence, and having better means of communication, being more distant from the dangerous powers, we are better able to defend ourselves than she was, while our trade and revenue are infinitely superior to hers at that date. . . . Yet we are told that we are poor and defenceless, dependent for safety on the old country. These are the whining subterfuges of crawling cowards and numbskulls. . . . 'Thrice armed is he who hath his quarrel just.' I say again our ultimate safety is in *separation!*"

John D. Fitzgerald and the Labor Party

One of Black's closest friends, was his fellow Member of Parliament in 1891, and fellow republican, John D. Fitzgerald. Though he has been largely written out of history books because of his republicanism, Fitzgerald was a key early

John Fitzgerald, a key early leader of the Labor Party.

leader of the Labor Party. He was a top labor organizer during the maritime strike of 1890, and went to England at his own expense on behalf of the Labor Defence Council, to publicize the cause of the striking unionists. He returned to Sydney in March 1891, just in time to help organize the Labor Electoral League of the Trades and Labor Council. Later, he was a member of the Australian Labor Party's (ALP) executive from 1911 to 1916. He was vice president of the party in 1912, and president in 1915-16. Writing in a pamphlet, *The Rise of the Australian Labor Party,* prepared while he was on the ALP executive just on the outbreak of World War I, Fitzgerald sums up the breathtaking accomplishments of labor since 1891:

"The attainment by the Labor Party of supreme political power in the Commonwealth of Australia, and also in all but one of the component States thereof, is one of the signs and portents of the world's intellectual development today. While to some the fact of Labor's rise is hailed as the dawn of an era of human regeneration, to others it appears as the successful revolt of Spartacus and the Roman slaves must have appeared to a conservative Roman. I have used the words 'world's intellectual development' advisedly, because the success of the Labor Party has followed an intellectual upward movement of the masses in Australia. The advent of an 'educated proletariat' was the dread of the older conservatives, before Disraeli and the Tory Dames discovered that the English urban and rural workers were alike susceptible to the blandishments of titled condescension, and that in England the swish and frou frou of a Duchess's silks and satins and the scent of her furs could counter-balance the persuasions of an educated leader of an 'uneducated proletariat' after the agricultural laborer had been enfranchised. The Australian movement is a portent, because the educated proletariat leader has disappointed the prophets, and proved himself capable and responsible and yet insusceptible to blandishments which proved to be the undoing of so many men in England in the past. J.F.

Archibald of the *Bulletin* used to have a saying that 'It was a poor sort of Democracy that couldn't stand the test of Government House.' Our leaders have since then stood the test of palaces, cabinets, and chancelleries."

It was the emergence of the Australian Labor Party in the wake of the 1890 maritime strike, Fitzgerald emphasized, which entirely redefined the politics of the country:

"It is now agreed that the second great maritime strike of 1890 gave the final impulse to the idea which had long been revolving in the minds of the leaders of the workers—direct Labor representation in Parliament. . . . The great strike of 1890 changed the face of the political world. . . . In New South Wales, where the more dramatic phases of the movement occurred, the old Unions had—before the great strike—invariably eschewed politics. After the strike they were transformed into political bodies. The Political Labor movement was born of the strike. Thousands of sympathisers outside the Union ranks gave their adhesion to the Labor Political Movement. . . .

"Those who wish to read of the tribulations of the first Labor Party in New South Wales Parliament must consult Mr. Black's brochure. The first men who blazed the track were a band of amateurs. . . . Meanwhile, as these changes were taking place, the older parties were being hustled by Labor, and were compelled to coalesce. Impoverished of ideas themselves, they begged, borrowed, or stole from the Labor Platform. In due course, coalitions against Labor in all the States, and in the end, in the Federal parliament, another turn of the wheel, and the Labor Oppositions were transformed into Labor Governments. And so we stand to-day the dominant party in the Commonwealth, and in control of power in the States of New South Wales, Queensland, Tasmania, South Australia, and Westralia. . . ."

A tragic and fatal flaw

The Australian labor movement had achieved a great deal, as we have seen—to the extent that the party took the spelling of its very name "L-a-b-o-r," from the American, rather than the British spelling, to signify its aspirations to free itself from British rule, as the Americans had done. This question arises: What went wrong? Because, a huge amount did go wrong: Among other things, Australia lost 600 men fighting for the British in the Anglo-Boer War; it received a constitution in which the Crown was, in fact, still all-powerful; and it then lost 60,000 men in World War I, fighting for that same Crown.

First of all, the British Round Table crowd had a scheme to "tame" Australian nationalism in the 1880s-90s, just as they had tamed an earlier upsurge of republicanism, that of the 1850s, with the "responsible government" hoax which was used to stop the work of John Dunmore Lang. This idea of taming republicanism was the theme of an entire book by a Round Table agent named Richard Jebb, called *Colonial Nationalism.*

Jebb travelled to Australia in the late 1890s, as well as to Canada and to South Africa, to profile the very strong

nationalism in each of these countries, in order to figure out how to block it. Jebb's formula was: "Don't antagonize the colonies, or they will do what America did. Give them almost all they want, even tariff protection, strong trade unions, etc.—all 'with the aim of keeping them onside' for what really matters—the connection under the Crown."
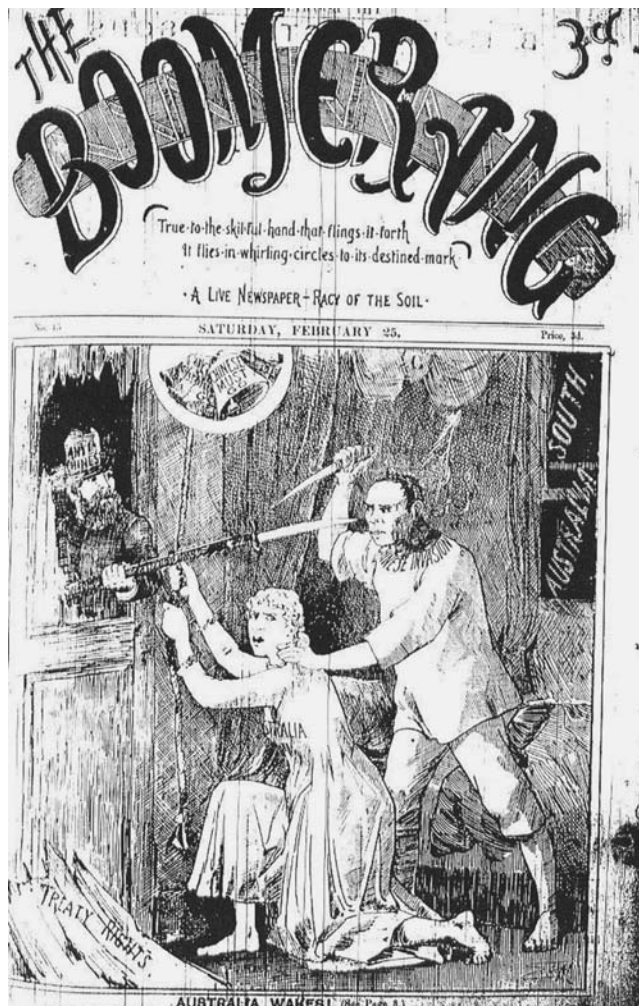
Alfred Deakin, Australia's second Prime Minister, was a very close friend and correspondent of Jebb. And, when he wasn't talking to ghosts at seances, Deakin was typical of this bastardized form of Australian nationalism, which demanded much from its British Mum, but was terrified to really cut the apron strings. Deakin helped found and lead the Australian Natives Association, which demanded much autonomy under the Crown, but insisted on maintaining the Imperial connection.

However, as the American Rev. Dr. Martin Luther King emphasized, in a situation where people are oppressed, the real problems are not so much with the oppressors, as in the oppressed themselves, which makes them willingly submit to oppression. The following words from William G. Spence, from his book *Australia's Awakening,* provide a reflection of the problem: the way the British, in their inimitable "divide and rule" fashion, had manipulated some Australian republicans, including him, in the direction of despicable racism against people of darker skin.

"The Labor Movement in Australia is a political as well as a propagandist movement. Its leaders realise that before we can have social reform the people must be educated to demand and carry out such reform. The platforms, Federal and State, indicate the practical proposals for which public opinion is considered ripe. The objective and the general platform give an idea of the propagandist side. The first part of the Federal objective declares for 'The cultivation of an Australian sentiment based upon the maintenance of racial purity and the development in Australia of an enlightened self-reliant community.' The party stands for racial purity and racial efficiency—industrially, mentally, morally, and intellectually. It asks the people to set up a high ideal of national character, and hence it stands strongly against any admixture with the white race. True patriotism should be racial."

This brings to mind the words of the Round Table leader and Anglo-Boer War organizer Lord Alfred Milner, cited above. Considering Spence's further thoughts on this racial issue, makes clear the devastating impact it had against Labor's own aspirations for a republic:

"The discussion of constitutional questions evoked by the submission of the Australian Constitution brought us into closer acquaintance with the defects in the American Constitution, and at the same time increased our friendship towards that great people. The practical independence of government granted under the Australian Constitution, with the manifest advantages of being part of a big Empire and under its protection of need arose, together with the growth of a 'White Australia' and the broad humanitarianism taught by the Labor Party, have developed a feeling of loyalty to race rather than

A Labor newspaper, the Queensland Boomerang, *promotes racism against Chinese immigrants.*

to government, but have abolished any talk of either republicanism or independence."

This was by no means Spence's private viewpoint, but also that propagated by the most important working-class newspaper in all of Australia in the 1880s and 1890s, the Sydney-based *Bulletin*. While arguing fiercely against the British, for republicanism, and for independence, the *Bulletin* also fiercely campaigned for a White Australia.

There were strong reasons, of course, why the unions would advocate a "White Australia," namely, that British and British-tied squatters were always trying to bring in Chinese or South Pacific Islanders as virtual slave-labor, in an attempt to undercut a decent, union standard of living. On the other hand, the "White Australia" outlook, enshrined as official Labor Party policy, represented a collapse in conception of the noble ideas of John Dunmore Lang. The point is not to denounce the ALP for this racist stance, as has become so fashionable and so effortless today, but to solve the paradox: What did the Australian labor movement lack, which led it to

adopt a policy which defeated its own republican aspirations, and finally, to leave it a hair's breadth away from obliteration?

King O'Malley and the fight for a National Bank

Due to this tragic flaw of racism and populism, the Australian labor movement in 1901 lost the battle to create a republic. Nonetheless, labor, particularly some of its key leaders, continued their struggle for national sovereignty, in a fight against what labor newspapers called "The Money Power." After all, the British Colonial Office had demanded that all legal cases in Australia must ultimately be settled by appeal to Her Majesty's Privy Council, "in order to guard substantial British investments in Australia," and the City of London had controlled almost all of Australia's credit from 1788 on. The *Brisbane Worker* of Jan. 5, 1907, one of the papers owned by W.G. Spence's AWU, defined the enemy as follows:
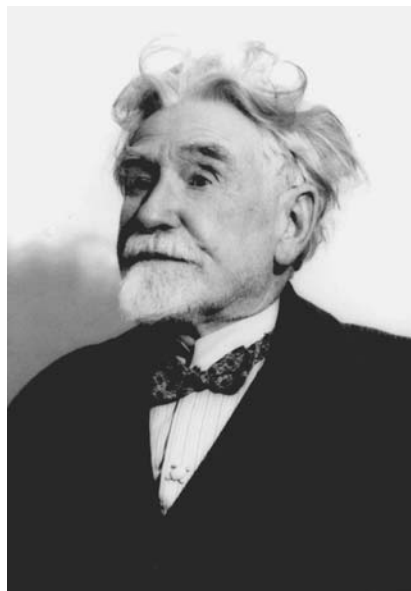
"The Money Power! It is the greatest power on Earth; and it is arrayed against Labor. No other power that is or ever was can be named with it. . . . It attacks us through the press—a monster with a thousand lying tongues, a beast surpassing in foulness any conceived by the mythology that invented dragons, werewolves, harpies, ghouls and vampires. It thunders against us from innumerable platforms and pulpits. The mystic machinery of the churches it turns into an engine of wrath for our destruction.

"Yes, so far as we are concerned, the headquarters of the money power is Britain. But the money power is not a British institution; it is cosmopolitan. It is of no nationality, but of all nationalities. It dominates the world. The money power has corrupted the faculties of the human soul, and tampered with the sanity of the human intellect. . . .

"And that is why Labor men and women should stand religiously to their principles, and refuse the baits of compromise and expediency. The Labor Party represents the one Movement able to cope successfully with the Money Power; the one moral force not vitiated by it; the regenerative agency destined to pull down the crime-stained walls of the Old Order and build up an enduring City of Righteousness."

And the crucial figure in the pre-World War I battle against the Money Power, was the flamboyant American immigrant to Australia, King O'Malley, the founder of Australia's national bank, the Commonwealth Bank. From the time of his arrival in Australia in the late 1880s, O'Malley campaigned non-stop, first in the South Australian state Parliament and then in the federal Parliament after 1902, for the establishment of a national bank modelled on that of Alexander Hamilton, the first U.S. Secretary of the Treasury.

After several years of travelling around Australia to address crowds of thousands at a time on the necessity of such a bank, O'Malley's detailed banking proposal was accepted as part of the Labor Party's "Fighting Platform"—its non-negotiable principles—at the party's Brisbane conference in

King O'Malley, the founder of Australia's national bank, the Commonwealth Bank.

1908. On Sept. 30, 1909, King O'Malley rose to address the federal Parliament during a crucial debate on how the finances of the new federal Commonwealth, as well as those of the individual states, should be organized. Instead of the disastrous Finance Council proposed by some, which would have crippled the federal government, O'Malley proposed instead the creation of a national bank, in a five-hour address to Parliament:

"We are legislating for the countless multitudes of future generations, who may either bless or curse us. . . . We are in favor of protecting, not only the manufacturer, but also the man who works for him. We wish to protect the oppressed and down-trodden of the earth. . . . In my opinion, the financial policies of some of the States for the past fifty years has been either dishonest or incompetent. I prefer to call what has been done bungling incompetence. The methods have paralyzed the public conscience of Australia to such an extent, that if you talk any system of financial reform, or advocate the adoption of a better method of running the country, people reply 'we are too poor,' and yet Australia is the wealthiest country on the face of the earth in proportion to its population. . . .

"I propose the institution of a Government national bank for managing the finances of the Commonwealth and the States. . . . Cannot honorable members see how important it is that we should have a national banking system . . . a system that will put us beyond the possibility of going as beggars to the shareholders of private banking corporations?

"The movement of the money volume is the vital monetary problem—the master-key to the financial situation. Through the control of this movement prices may be made to rise or fall or remain substantially steady. This means control of justice or injustice, prosperity or panic, wealth diffusion or

wealth congestion. Power to dominate the operation of the money volume is power to do justice or injustice between debtors and creditors, employee and employers, purchasers and sellers, landlords and tenants, money-lenders and borrowers; power to increase the weight and value of every debt—public or private—in the Commonwealth, to regulate industry and determine the distribution of wealth. Such power is an attribute of sovereignty, the prerogative of the King, and ought to belong to none but the sovereign people exercised through His Majesty's Parliament and Government in the interests of the whole people. At present the vicissitudes of mining speculations, management of private banking corporations and the blind chance of monopoly determine the movements of money. The private banking system of the Commonwealth is only a legalized monopoly for the gathering of wealth from the many, and its concentration in the hands of the privileged few. . . .

"However great the natural resources of a nation, however genial its climate, fertile its soil, ingenious and enterprising its citizens, or free its institutions, if its money volume is manipulated by private capitalists for selfish ends, its credit shrinks and prices fall. Its producers and business people must be overwhelmed with bankruptcy, its industries will be paralyzed, and destitution and poverty prevail. . . ."

However, if Australia implements a national bank, King O'Malley said, a glorious future will open up for it:

"In the Commonwealth, the National Banking System will so greatly reduce interest rates that useful productions will increase by leaps and bounds. Wealth, instead of accumulating in the hands of the few, will be distributed among producers. A large proportion employed on relief works, building up cities, will be expanded in cultivating and beautifying the country. National improvements will be made to an extent, and in a perfection unexampled in the history of the world. Agriculture, manufactures, inventions, science, and the arts will flourish in every part of the nation. Those who are now non-producers will naturally become producers. Products will be owned by those who perform the labour, because the standard of distribution will neatly conform to the natural rights of humanity. . . ."

And finally, O'Malley named the man whose works inspired him to this great project, Alexander Hamilton:

"I am the Hamilton of Australia. He was the greatest financial man who ever walked the earth, and his plans have never been improved upon. . . . The American experience should determine us to establish a national banking system which cannot be attacked. . . ."

King O'Malley's own party leadership, including Prime Minster Andrew Fisher and his Anglophile Attorney General, had made a secret deal with the Melbourne banking establishment *not* to establish a national bank, which had been a plank of the Labor Party platform ever since the New South Wales election of 1891. Therefore, O'Malley took the lead and organized a secret caucus in the Labor Party which he called the "torpedo brigade," in order to push through a national bank.

Members of his torpedo brigade included the old AWU stalwarts, W.G. Spence and Arthur Rae; James Scullin, who would become Prime Minister in late 1929; and a newly elected parliamentarian from Brunswick, Frank Anstey.
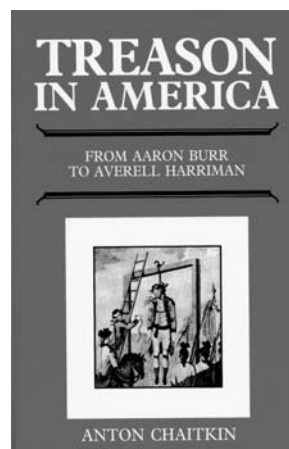
After 15 months of secret organizing, O'Malley defeated Prime Minister Fisher and Attorney General Billy Hughes in a vote in caucus, and finally established Australia's national bank in 1911.

Though more limited than the bank of "issue, reserve, exchange and deposit" which he had fought for, because it would be several years before it got the right to issue the national currency or to maintain the private banks' reserves, the new Commonwealth Bank accomplished several crucial things: It stopped a banking crash on the eve of World War I; it financed much of Australia's participation in the war, and at much lower interest rates than the country would have otherwise had to pay in London; and it provided capital for infrastructure and other projects in the physical economy, including for Australia's transcontinental railroad, whose construction O'Malley personally directed as Home Minister in Andrew Fisher's cabinet (1910-13).

However, despite Australia's finally having an American System-style national bank, the British oligarchy—the Money Power—was by no means defeated, and would hit back furiously, in an attempt to crush the bank, crush the Labor Party, and crush the Australian nation-state.