

CHAPTER XXV

HOME FRONT, 1917-18

THE breaking up of three battalions was of course due to the fall in recruiting in Australia.

Throughout the First World War recruiting was the paramount issue in Australian home affairs. A previous chapter has recorded how the great losses at Pozières led to the first serious proposal for conscription for the A.I.F., put by Mr W. M. Hughes to the people by referendum in October 1916, and rejected by a majority of 72,476 out of 2,308,603 votes. The Nationalist government, afterwards formed, accepted that result; and when in May 1917 that government faced the normal three-yearly election, Mr Hughes gave his pledge that a vote for his government would not mean conscription; if that was felt necessary, the question would again be put to the people by referendum.

The election was fought on the issue of support for the war effort; and, though the entire sincerity of Mr Tudor and many of his Labour colleagues in their promise to promote victory was unquestionable, the Nationalist government swept the polls. They captured all the 18 seats that were voted for in the Senate, and came back with a majority of 12 in that house and 33 in the House of Representatives.

But despite vigorous changes in the recruiting system—in particular the appointment of Mr Donald Mackinnon, a Victorian barrister high in the public esteem, as Director-General of Recruiting, and the establishment of hard-working State Recruiting Committees—enlistment flagged. The old methods were tried anew; for example,

appeals for a "sportsman's thousand" were supported by returned soldiers (including one lately returned after wounds, Captain S. M. Bruce). It was now estimated that only 7000 recruits were required monthly. But, from 4000 in July 1917, enlistments dropped to 3274 in August and 2460 in September. It was estimated that 140,000 fit single men of military age had not enlisted. Mr Hughes repeated a promise given by Mr Fisher, that preference in employment in the Federal public service would be given to returned soldiers. It was also proposed that, if enough men were forthcoming, the original "Anzacs" in the A.I.F. should be given furlough to Australia; but the figure still fell. As a climax came news of the failure of Russia, of Italy's defeat at Caporetto, and of the special steps that had to be taken with the five Australian divisions after their 38,000 casualties at Third Ypres. The voting at the elections had caused many people to think that conscription would be carried, if put to the people again. On 7th November 1917 Mr Hughes announced that a referendum would be held: the people would be asked to vote for a limited scheme of compulsion.

The second Conscription Referendum campaign was as bitter as the first. Minor riots occurred in several towns, including Warwick (where Mr Hughes was hit by an egg—as the Queensland State police would not take action the Commonwealth government was ultimately led to appoint a few policemen of its own). The fiery Irish patriot, Dr Mannix, was foremost in the fight, though future students of this episode may wonder whether his concern was really with Australian interests. Alfred Deakin, then very ill, made, in writing, his last public appeal. On 20th December 1917 the vote was taken. It showed an increase of 94,112 in the "No" majority—and the State of Victoria also had swung to "No". The soldier vote again favoured conscription, but by a slightly reduced majority.

Mr Hughes had publicly stated that, unless the

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government was given the power for which it asked in the referendum, he would decline responsibility for the conduct of public affairs. He now, therefore, tendered to the Governor-General his resignation. But as there was no chance of Mr Tudor's being able to carry on the government, and as the only likely and willing Nationalist candidate, Sir John Forrest,¹ was unacceptable to his colleagues, the Governor-General, Sir Ronald Munro-Ferguson, again commissioned Mr Hughes as Prime Minister.

The second referendum had placed conscription outside the pale in any event short of a supreme crisis. Actually, perhaps without many people outside the British government being aware of it, the most dangerous crisis of the war had occurred in April 1917 when the Germans were sinking Allied shipping so fast that the throttling of Britain's war effort within a year seemed possible. The vigorous British counter-measures—convoying, quicker turn-round of shipping, and anti-submarine devices—had overcome that danger. Nevertheless a very perilous position was suddenly presented when, in March and April 1918, Ludendorff almost separated the French Army from the British, and when Haig issued his famous appeal to his men—fighting “with our backs to the wall”. No one, on the Western Front or elsewhere, knew what the next weeks or months would bring. While the Allies made their chief appeal to the United States, the British Prime Minister had on 1st April 1918 cabled to each Dominion referring to the extreme steps being taken in Great Britain, including the raising of the military age to 50. He strongly appealed to the Dominions to help by strengthening their forces.

It happened that an investigation by the Chief Justice of Australia, Sir Samuel Griffith, as royal commissioner,

¹ This fine old Australian explorer and politician was soon afterwards—flatly against the wish and tradition of Australians—raised to the peerage; he died on his way to England.

had just indicated that the A.I.F. overseas—then estimated at 110,517 in France, 16,908 in the Middle East, and 321 in Mesopotamia—could be maintained by recruiting 5400 men each month. The Governor-General now invited representatives of all sections of the Australian nation to meet at Government House, Melbourne, in conference over the British government's appeal.

The conference, which sat from 12th to 19th April 1918, was profoundly disappointing. It turned into a discussion of grievances, largely arising out of the referendum campaigns and recent industrial disturbances, and ended with a bare vague resolution to unite in securing the necessary volunteers. Recruiting figures rose from 1518 in March to 2781 in April and 4888 in May—doubtless a reflex of the war news, and then steadied at about half the minimum required.

Undoubtedly there was beginning to grow in Australia a section which, believing that the war could not be decisively won, and that in any case Australia was not as intimately concerned as Britain in the issue, favoured an early peace by negotiation. This section was strengthened by the reluctance of governments and economists alike to agree that the draft on private wealth should be made at least as painful as that upon manpower. The demand for "conscription of wealth" was, for once, treated a little seriously when Mr W. G. Higgs, the Federal Treasurer during the first conscription campaign, proposed to finance "Repatriation" by a "levy on wealth" of 1½ per cent on all estates of £500 or more. But the Nationalist government in 1917 dropped the proposal; and in general the argument for "conscribing wealth" was treated by the propertied classes as impracticable or even nonsensical (some contended that it was being achieved by the existing taxation) whereas at least half the public felt it to be well grounded.

The tendency to class war led the Sydney Labour Council in May 1918 to resolve that the greatest service

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to be rendered to soldiers and their families was to stop the war. As Mr Tudor, Mr Ryan, Premier of Queensland, and a number of other Labour leaders were helping the war effort, a further split in the Labour party now clearly threatened. To stave off this rupture there was held in June at Perth a conference, which tried to arrange a compromise to stave off this breach. (Among the Tasmanian delegates was the editor of the *Westralian Worker*, Mr John Curtin, then aged thirty-three.) The compromise, calling for a move towards peace, was to be voted on by the Labour party by November 1st. As will be seen later, long before that time arrived deep disagreement as to the proposed method had shown itself.

Internally, except for the bitter campaigns over conscription and for occasional turbulence in industry, Australia had come smoothly, indeed almost prosperously, through the war. The clean and able administration of Senator Pearce and the professional advisers brought the Service departments through with general credit. It is true that muddle and some dishonesty in Egypt during 1915 had to be remedied by sending a business man, Mr (later Brig.-General) R. M. McC. Anderson to reorganise part of the base there; and in Australia a case of grave defalcation in the Army Pay Department led to inquiry by Royal Commission, and to the appointment of an excellent Board of Business Administration under Mr George Swinburne; but no other major or even minor scandal of Army administration was revealed. The record of the naval staff and department was equally clear, but criticisms of financial transactions by politicians in the sale of a wireless station and the purchase of small ships forced the resignation of the Minister (Mr Jensen).²

In the stress of war the Australian Constitution had proved admirably elastic. The power of the Federal Parliament to control "defence" had for the time being

² See Vol. XI, pp. 277-85.

transferred to it supreme power in almost every sphere. By 1917 in all the most important activities of government and of the main industries, the war-time machinery was working in its finally developed form. The boards, commissions and other authorities were for the most part running smoothly; the real problems had largely been solved during the earlier stage by the committees and other makeshift organisations which had to face, explore, and grapple with them, generally without any precedent whatever to guide. Since Britain's purchase of the wool clip, the wool industry had, by War Precaution regulations, been working under the Central Wool Committee (Chairman, Sir John Higgins), which handled over 7 million bales, worth £160 million. By an admirable arrangement the wool-broking firms, with their great stores and many experts, handled the whole business of sale for the governments instead of for their clients—valuing, instead of selling, the purchase money from England was distributed according to their appraisements. The surplus of this wool, belonging to the British government when the contract expired in 1920, was sold by "Bawra" (the British-Australian Wool Realisation Association) by 1924; the profit (over and above the 15½d. per lb. already paid by Britain) was nearly £70 million which the British government justly but generously divided between itself and the growers.

In the wheat trade, when it became clear that, without shipping, a tragic deadlock would follow the huge harvest of 1915-16, the dilemma facing the States drove their governments to take action. They first proposed to the Federal government the setting up of a chartering organisation. Next, when it was seen that ships could not be obtained, they pressed for some authority to purchase the wheat. The Federal government agreed, and Federal and State Wheat Boards were set up. The Federal Board (Manager, Mr H. A. Pitt, of the Victorian Treasury), fixed the rate of advances, made all oversea sales, settled

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the prices to the millers, chartered ships and allotted them. The State Boards provided storages, paid growers and railway freights, sold to Australian millers, and made shipping arrangements. The sale of the 1916-17 crop to the British government, already mentioned, disposed of 3 million tons at 4s. 9d. a bushel f.o.b. Mr Hughes's subsequent efforts to sell to the British Wheat Commission the 1917-18 crop ended, in July 1919, with the sale to it of another 1½ million tons. The Australian wheat pool continued until after the marketing of the 1920-1 crop, and was followed by voluntary State pools organised by the growers on a co-operative basis.

The export of metals was controlled by the Federal government through the establishment, in September 1915, of the Australian Metal Exchange (Chairman, Mr W. L. Raws); shipping through the Commonwealth Shipping Board (Chairman, Mr H. B. G. Larkin); in the latter part of the war price-fixing was carried out (as explained in Chapter XVII) by a Necessary Commodities Commission under a Minister for Price-fixing.

The problem of rehabilitation of servicemen on return from overseas began during the Gallipoli Campaign. The first intention had been that, as after the South African War, invalids, after discharge from hospital, should be cared for by means of patriotic funds, voluntarily subscribed by the public. The Federal Parliament's War Committee first watched over the need for assisting soldiers in their rehabilitation, "War Councils" also being formed in every State to provide artificial limbs and vocational training, find work for those who could take it, help them to start or resume their occupations, and see that dependants were cared for. The former Labour Prime Minister, Mr J. C. Watson, was appointed organiser of this work with Mr D. J. Gilbert as secretary. As there were then at least twenty funds for the benefit of Australian soldiers, and much confusion as to the object of these funds, a special one was started for

"repatriation" (a term that was generally and wrongly used in Australia for "rehabilitation"—a circumstance which led to some confusion and delay). To cap some very large private gifts, the Federal government contributed £250,000. It was understood that settlement of ex-soldiers on the land should remain the business of the States, the Federal government, however, contributing to the cost.

By the beginning of 1917 it was evident that the task of rehabilitation would be far too big to be left to private effort. Accordingly in April 1917 the Fund was closed and a Repatriation Commission established under one of the ablest ministers, Senator E. D. Millen, as Minister for Repatriation. Sir Nicholas Lockyer, one of the finest of Australian administrators, became Comptroller of "Repatriation". But, here as elsewhere, by the time the ultimate Commission was established the task was a fairly settled one. The State War Councils had grappled with many of the principal difficulties when they provided ex-soldiers or their dependants with the first "£80,085 for furniture and fittings, £15,802 for tools etc., £52,603 for establishing small businesses, £68,187 for general farming purposes, and £43,856 for the provision of homes".³

³ See Vol. XI, p. 823. For the vagueness of the term "repatriation" see p. 834.