

CHAPTER XVII

THE HOME FRONT, 1916-17

POZIÈRES had many results beside the direct one of shaking the Germans from a key position in the First Battle of the Somme. It brought the main Australian forces into the whitest heat of modern war. All the Australian divisions in France were afterwards classed by the British command there as among those tried British and Dominion divisions on which any responsibility could be placed; Sir Douglas Haig surprised Queen Victoria's son, the old Duke of Connaught, by telling him that the Australians were among the best disciplined troops in France: "When they are ordered to attack they always do so," he said.

But it was also a result of Pozières that afterwards, possibly, shook Haig's opinion. Hitherto the supreme punishment in the A.I.F. had been to be discharged from the force in disgrace. After the dreadful, long drawn out bombardments of Pozières that punishment had, for some types of men in the force, very little effect. Return to Australia—to which, till September 1918, there was no return on leave—was no longer any deterrent for the persistent deserter. Absence without leave increased. At times of strain, or before a great battle—the very time when the average Australian refused to go sick or, not infrequently, broke away from convalescence to get back to his mates in the line—a certain section persistently "went absent". In almost every other army such desertion could be punished by death. But by the Australian Defence Act this punishment was restricted to cases of mutiny and of desertion to the enemy. The restriction

was fully supported, both in Australia and in the services; the general feeling was steadily against the infliction of a death penalty on men who had volunteered to fight in a cause not primarily their own (or at least not realised as being such). Consequently the A.I.F. had to rely increasingly on the leadership and example of its officers and N.C.O.'s, the tone and *esprit de corps* of its men, and the substitution of other penalties—including, ultimately, the publication of lists of offenders in the Australian newspapers.

Another result of the immense casualties of Pozières was that the Australian reinforcement depots in Europe had not troops sufficient to replace them. The camps at Salisbury Plain were quickly drained dry. The British Army Council decided that the 3rd Australian Division, then training under General Monash at Salisbury Plain, should either be broken up to reinforce the other divisions, or, at least, lend enough troops to bring them up to strength. Without consulting Birdwood, Colonel R. McC. Anderson, who was in charge of A.I.F. Headquarters in London and in touch with the War Office, cabled this decision to the Australian government.

Birdwood and White were strongly against this course; rightly or wrongly, they suspected that the Army Council was really using this decision as pressure to induce Australia to adopt conscription for its army. Great Britain had introduced conscription seven months before, on 24th January 1916, and New Zealand in August. Canada did so a year later. Birdwood and White felt that, instead of the use of something bordering on a threat, Australia should have been given the opportunity to supply the men desired. They therefore drew up their estimate of the numbers required and urged that the Australian government should be asked if it could supply them.

The experience of full-dress modern offensives on the Western Front was then very new, and Birdwood and

White, like the War Office, based their calculations on the assumption that operations such as those on the Somme would be an almost constant factor. The numbers estimated by them to be necessary were, first, in addition to the monthly reinforcement (11,790), a special draft of 20,000 to bring all five divisions to strength; and then, for each of the three next monthly reinforcement drafts, an increase to 16,500.

These numbers—over 80,000 in four months—would certainly refill the units and the depots against future heavy fighting. But, for the Australian government, the demand was staggering. It is true that Australian recruiting in June-September 1915 enlisted over 90,000 men, and in the first three months of 1916 rose to numbers not much lower. But the reservoir of enthusiastic or willing men had by then been largely spent; and the government, whose efforts were now bringing in not much more than half the normal monthly reinforcement, was suddenly required to raise this great excess.

A considerable part of the Australian people felt that their nation was "falling down" in its due share of the Allied war effort, and this feeling was intensified by the realisation that, in spite of the misleading optimism and evasions of the Allies' communiqués and newspaper reports, the war was not going altogether well for the Allies; at least signs of victory for the Allies seemed no clearer than those for the Central Powers. In 1915 the Russians had been driven back with tremendous blows. They seriously lacked transport and munitions, and their counter-blows in 1916, though cheering, were far from decisive. The Allies had failed at Gallipoli; and on the Western Front and at Salonica, despite their losses, had made little progress. But it was the reverses on the Russian front in 1915 that had first generated in many thinking people in Australia an urgent desire to see their nation's shoulder bent more closely to the wheel. Whether voluntary enlistment would give enough recruits had long

been doubted by some leaders—as early as 16th April and 9th June 1915 the question of compulsion had been raised in the Senate, on the latter occasion by a Labour senator from Western Australia, P. J. Lynch. Mr W. A. Holman, Labour Premier of New South Wales, and the Roman Catholic Archbishop of Sydney, Dr Kelly, were among those who supported the idea. Trades union leaders, however, generally were against it, and on 24th September 1915 the then Prime Minister, Andrew Fisher, told them that he was “irrevocably opposed to it”. Senator Pearce, Minister for Defence, had pointed out that obviously such a step was not yet necessary in Australia—a truth then not open to dispute.

But Mr W. M. Hughes, who on 26th October 1915 succeeded Mr Fisher as Prime Minister, had in pre-war years been one of the most influential among those who established compulsion for home service in Australia; and in the first year of his prime ministership conditions of recruiting entirely changed. The voluntary system underwent its first heavy strain when, after the consideration of the “War Census” figures¹ in November 1915, an additional force of 50,000 (over and above reinforcements) had been decided on. A systematic campaign by “War Councils” in each State, with local recruiting committees to help them, was begun. Local authorities co-operated. Special methods aided the appeal—particularly the marches of recruits from country towns to the capitals, gathering more men as they went—the first being that of the “Cooees” from Gilgandra, starting with 30 men and ending in Sydney, 320 miles away, with 263. The large enlistments from January to March 1916—totalling 56,206—were the result.

But this time in trades union circles there was some active opposition to the methods employed, especially to an appeal asking every man whether he was prepared to

¹ See p. 186.

enlist and, if not, why. Trades union circles themselves were divided, but feeling rose fairly high when an official of the Clerks' Union who led the opposition to this inquiry was tarred and feathered by returned soldiers. This kind of division quickly led to a general taking of sides, and the arousing of bitterness. Even the sentiment "Australia has done enough" began to be heard. In the middle of 1916 the monthly enlistment dropped to 6170, lower than ever before. To those whose sons, fathers and brothers were at that moment bearing the terrible brunt at Pozières, the system by which the willing were killed and maimed, and the unwilling remained at home enjoying high wages and comfortable living, seemed intolerably unfair.

A very strong movement for compulsion had thus been growing before the huge demands consequent on Pozières reached Australia. Mr Hughes had been away from Australia, the British government having at the end of 1915 invited Dominion Prime Ministers to England for the purpose of informing them more confidentially on the war situation. This visit developed rather as a personal triumph for Mr Hughes. His intense concentration upon ensuring vigorous action—especially upon fighting Germany in the economic and commercial as well as the military field—led to his sweeping through the Mother Country on a fiery crusade, in which a large part of the British press and people vehemently supported him. At times this popular approval tended to carry the British Prime Minister, Mr Asquith, and his Cabinet off their feet. Mr Hughes was invited many times, though not regularly, to take part in British Cabinet meetings, and popular insistence forced the government to send him to the Economic Conference of the Allies in Paris. In Cabinet he was shocked by the apparent lack of set policy and the rather fortuitous manner in which war issues were determined; and this led to his decision to act for himself in some important matters—as will be seen

later. He visited the Australian troops then still in the "nursery" sector, and obtained from Haig a promise—afterwards faithfully observed—to keep them together as far as possible.

On 31st July 1916 Mr Hughes returned to Australia. During his stay in England conscription for the Army had been adopted there; and a considerable part of the Australian people were hanging on his return, believing that he had only to say the word and it would be adopted in Australia also. But for a month he made no decisive statement. His difficulty was that he knew the issue would split his Labour party; and though, by the Opposition's help, conscription would be carried in the House of Representatives, the Labour vote would certainly reject it in the Senate.² For a month he tried to convert the Labour objectors in Cabinet and caucus. During this time he received the colossal demand of the Army Council for making good the losses of Pozières and replenishing the depots. Obviously this could not be met from volunteers. The only practicable way remaining for him was to refer the question from Parliament to the Australian people, for decision by referendum.

Even this method was opposed by some of his party in both houses, but in September the bill for holding a referendum was passed; and with this began the most violent struggle in Australian political history. Its bitterness was natural. A great part of one side—men and women—felt that its dearest friends were being sacrificed through the lack of courage and patriotism of their opponents; a great part of the other side felt that the advocates of conscription were largely ineligible people—too old, or possibly "indispensable" at home—who were trying to force sons from mothers without themselves offering even the sacrifice of their own wealth. The details

² If he obtained a dissolution of Parliament, only half the Senate would be sent to the electors; the other half—entirely Labour—would remain, necessitating further delay and a "double dissolution".

of that campaign—in some ways perhaps as tragic as those of Flanders—have been vividly described in Sir Ernest Scott's volume (XI) of the Australian official history. It must suffice here to say that undoubtedly the Celtic fire and vehemence of Mr Hughes on the one hand, and of the Roman Catholic coadjutor-archbishop of Melbourne, Dr Mannix, on the other, accentuated the bitterness. Mr Hughes at this juncture made a great tactical mistake by using the government's powers under the Defence Act to call up *for home service* all men between twenty-one and thirty-five. His object was that they should be in camp ready for entry to the A.I.F. when, and if, conscription for oversea service was enacted. But the many difficulties, appeals, interruption of work and so forth, probably lost more votes in the referendum—and recruits for the A.I.F.—than they gained.³

Actually—though it is hard even now to realise it—there was no issue of principle between most of the protagonists of the two sides. A high-minded leader who was the heart and soul of the fight against compulsion, Mr H. E. Boote, editor of *The Worker*, told the present writer long afterwards: "If Australia had really been in danger of invasion, there would have been no need to conscript me—I would have fought there myself!" The true issue was whether Australia was in imminent danger, and the vote really hung upon whether the majority of her people in their hearts felt the nation's existence or liberty to be immediately endangered or did not feel it.

Inevitably many side issues swayed the people. A vital

³ The medical historian, however, notes that this call-up furnished one valuable source of information about the general fitness of Australians. 191,610 reported, 180,715 were examined, 114,322 found fit, 49,138 found unfit, 36,923 went into training, and 4810 joined the A.I.F. He also notes that, whereas under the voluntary recruiting system medical officers had to keep constant watch for unfit men trying to pass into the army, in this call-up that experience was suddenly reversed—the watch then was to prevent fit men from getting themselves classed as unfit; 46 per cent lodged applications for exemption. See *Official History of the Aust. Med. Services, Vol. III, pp. 888-9.*

one was a reflection of the strife between Great Britain and Southern Ireland which had flared out in Easter 1916; citizens of Irish birth or descent in Australia had always been highly sensitive to these divisions. Irish allegiance was the mainspring of Archbishop Mannix's opposition, and with him went a great part—though by no means the whole—of the Irish Roman Catholic vote. In the poll taken on Saturday, 28th October 1916, conscription was defeated by 72,476 out of 2,247,590 formal votes. The States—from which a majority vote was also needed if "yes" was to be carried—were equally divided, Victoria, Tasmania and Western Australia being for conscription and the others against. The soldiers' vote, which, in France, was taken when the divisions were returning in autumn to the Somme, gave 72,399 for and 58,894 against: after Pozières many were not inclined to force a man into the service against his will.

The result was a staggering blow to many supporters of conscription, who felt that it meant a determination not to put Australia's full effort into the support of her own troops or of the Allied cause. Actually it meant something very different—that, in a conflict so remote, and in danger that seemed to many hypothetical, the average citizen would not impose on himself the degree of sacrifice that he would be inclined to make if he felt himself faced by the immediate loss of his country or of its liberty. Twenty-five years later, in the Second World War, it was proved again and again that, with danger of national extinction undoubtedly impending, nation after nation was incapable of supreme effort until directly and physically attacked or in imminent danger of it.

In the First World War Australia unquestionably stood in danger; defeat of the Allies meant the certain extinction of the British Navy—and that the Australian nation could have survived the post-war years without that Navy's protection is almost unbelievable. But this

danger was too remote to have the driving force of a threat of immediate invasion. Most people did not believe their danger sufficient to make conscription necessary, and no argument as to its fairness would compel them. Mr F. G. Tudor, Minister for Trade and Customs—a man whose devotion to the Allied cause was never in doubt—resigned from the Hughes government in this crisis, as did several other ministers. In London Mr Andrew Fisher, whose devotion to the war effort was equally marked, said to a friend: “I am not blind to the fact that conscription is logical. It is economical and saves lots of waste—of putting the wrong men in the wrong places. . . . But men are not logical, and you cannot rule them by logic. I never believed that, if conscription were carried in Australia, you could enforce it. I think you would have had terrible trouble. . . . I don’t believe it was worth it, to get the few men extra who might have been raised by conscription.” Actually, this internal campaign gravely hindered recruiting which soon fell to 4000, 3000, and even 2000 enlistments monthly.

In this struggle the Labour party, since 1914 most powerful in Australia, was utterly split. Mr Hughes had now only three of his nine original ministers left with him; and on 14th November 1916, seeing defeat in caucus inevitable, he and Senator Pearce walked out of the party room at Parliament House, Melbourne, twenty-two other members following and forty-two remaining. He found sufficient ability among his followers (known as the “National Labour Party”) to form a new government, and for three months carried on with the support of the Liberals under Mr Joseph Cook, the Australian Labour party led by Mr Tudor becoming the opposition. In January 1917 the Hughes party and Liberals formed a joint “Nationalist” (or “Win the War”) party, which on February 17th took office with Mr Hughes as Prime Minister, Mr Cook as Minister for the Navy, Senator

Pearce as Minister for Defence, and Sir John Forrest as Treasurer.

But despite the continuance of stable government, and the sincere support given by Mr Tudor and some other Opposition leaders to the war effort, the bitterness engendered by the conscription struggle now underlay almost every activity in Australia. It had exalted the issue to one not merely of principle—which, for most people, it was not—but almost of a fundamental religious belief. In extreme cases, as such quarrels will do, it had driven men and women, who at first were merely anti-compulsion, to become anti-British, and finally to oppose the continuation of the war. The divisions thus unfortunately raised were far from healed a generation later, and were one of the conditions by which leaders of all Australian parties—including Mr Hughes himself—had to guide their action in the Second World War.

In other respects life in Australia differed comparatively little from that of peace-time. The raising of voluntary funds was probably the chief war activity on the home front. The voluntary giving in Australia was immense. From one collection day in New South Wales alone—"Australia Day", held on 30th July 1915, after "Belgian Day" and several similar efforts—no less than £839,550 accrued. Throughout the war the work of all classes and ages, including children, in making comforts and raising money was enthusiastic and devoted—that of the women above all. The Junior Red Cross—afterwards a world organisation—started its existence in Australia. When the sick and wounded from Gallipoli flooded the Egyptian hospitals, it was found necessary to send thither special commissioners representing the Australian Red Cross and the combined comforts funds, and to distinguish between the Red Cross effort—protected by international law and confined to sick, wounded and prisoners of war—and the effort to provide "comforts" for the

fighting troops. Henceforth each organisation maintained a staff overseas.⁴

Another war activity on the home front was the raising of loans to finance the war effort and public works. The war expenditure of Australia (stated in millions of pounds) rose from 15 in 1914-15 to 41 in 1915-16, 62 (1916-17), 67 (1917-18), and 81 (1918-19) then declining to 68 (1919-20) and 57 (1920-1). The aggregate total for the crucial years 1914-20, including £43 million advanced by the British government in the form of pay, goods and services for Australian troops, was £376 million. Of this, £70 million was paid from Federal revenue, now including succession duty, income tax, entertainment tax and a war-time profit tax,⁵ and the rest (including the British advance just mentioned) from loan. As already stated, the British government agreed to the States' borrowing in London only to complete works already begun or to renew existing loans when they fell due, but the restrictions did not remotely approach those of the Second World War. The total "national" debt of the six States (as distinct from the Federation) before the war was £318 million. In these years 1914-20 they increased it by £100 million, partly lent by the Federal government from its notes fund.

The Federal government found that in 1915 the British government could lend it only £6½ million. It was therefore forced, late in that year, to raise its first Australian loan. It appealed for £5 million at 4½ per cent interest. The response exceeded £13 million. In all, seven loans were thus raised during the war—generally two in each year, each of about £20 million—and four in the five years after the war; and loan money was increased by the sale of war savings certificates and stamps. The Commonwealth Bank greatly helped to reduce costs.

⁴ For an account of the patriotic funds see *Vol. XI, pp. 697-738*.

⁵ This tax was on the amount by which the profit in the war years (from 1915) exceeded the average profits of certain years, or exceeded 10 per cent. For 1915-16 the tax was 50 per cent, for the later years 75 per cent.

Although, in consonance with British practice in that war, the rates of interest were attractive, eventually reaching 5 per cent,* and although pageantry and propaganda were freely used in floating loans, the amounts raised were considered extreme for Australia, and, in October 1918, on the launching of the last war-time loan for £40 million, the Nationalist Treasurer, Mr Watt, brought in a bill by which, if necessary, subscription could be compelled. The ending of the war caused the bill to be dropped, and the loan was over-subscribed. In all, £274,378,624 of loan money was raised by the Federal government in 1915-24. The note issue also increased from £9,573,738 in 1914 to £56,949,030 in 1920; £23,658,092 of gold reserve was held against this; but gold, hitherto common coin in Australia, disappeared from the people's pockets. From a variety of causes, by 1920 the price index had risen from 100 to 247.

Australian industry was flourishing. In the early part of the war this was due to the daughter nation's serving—as expected and intended in any such crisis—as a source of raw material for the mother nation, and, so far as British requests permitted, for allies and neutrals also. Australian meat and wool were always wanted; fearing to be at the mercy of Argentine companies the British government early in 1915 arranged to buy all surplus meat from Queensland and other exporting Australian States, and soon afterwards met the Argentine threat by securing the insulated (i.e. refrigerated) space in practically all steamers in the South American meat trade.

In the wool trade, at the British government's request, sales to other countries were from time to time banned. But in October 1916, when it was found that South Africa would not so ban them, Australian woolgrowers became very dissatisfied. Mr Hughes during his visit to England had discussed the possible purchase of the whole Australian wool-clip by the British government—which was then buying the whole British clip. Now, in November

* Two years after the war a loan was floated at 6 per cent.

1916, Britain offered to buy the Australian and New Zealand clip during the rest of the war at 55 per cent above pre-war values. The wool and meat industries were thus maintained in full activity at a price fair to both Britain and Australia.

In wheat, the Australian crop of 1914-15 failed and for a time wheat had actually to be imported. But the next year's crop, of 1915-16, was a record one and, if it could be exported to Britain, the whole of it would certainly be sold at prices advantageous for both nations. But here, in mid-1915, there began to appear the difficulty which henceforth controlled this trade. By that time British and Allied shipping was becoming extremely scarce. This was due less to sinkings by enemy submarines and raiders, heavy though these sometimes were, than to the need for ships to transport and supply the British expeditionary forces, in France, Gallipoli, Mesopotamia, Salonica and Egypt—as well as to supply Britain's allies. With so immense a demand for ships, freights had risen prodigiously. In Australia the Federal and State governments conferred, and, to avoid competing against each other, entrusted to two leading firms—Elder Smith and Antony Gibbs—the task of chartering the 2 million tons of shipping necessary to carry the Australian grain. But by December 1915, barely half the necessary shipping had been secured. Mr Hughes pleaded with the British government to requisition for him fifty ships.

But the British government was itself in such need that it was forced to economise by using its food ships on the short runs to North and South America, on which each could make two or three voyages in the time required for one voyage to Australia. In January 1916 the British people's outcry over profiteering in freights also compelled the British government to establish a central Shipping Control to requisition, buy and build ships. And a main and necessary part of the Control's policy—though this was not realised in Australia—was to transfer

every obtainable ship from the long Antipodean route to the much shorter American journeys.

Mr Hughes on his visit to England petitioned Admiralty, Shipping Control, and Mr Asquith for ships, without making any headway—Asquith merely sympathised and then referred him to the other two, who shook their heads. The Australian government had necessarily promised its farmers to make advances on all wheat delivered at railway stations. In despair Mr Hughes now played his last card. Drawing on a credit of £3½ million already given to him by his government for the purchase, if necessary, of twenty-five ships, he quietly bought fifteen—tramp steamers mostly of 4400 tons, all that the agents could obtain. The Shipping Control protested in Cabinet, but here Mr Asquith at last stepped in—Mr Hughes agreed to buy no more ships if allowed to keep these.⁶ He sailed for Australia, but while at sea learnt that Mr Runciman (the Shipping Controller) had threatened to commandeer his ships as soon as they reached a British port. Mr Hughes, in retort, threatened to return to England at once. Mr Runciman chose the lesser evil.

So was founded the Australian Commonwealth Line; but these few ships could have done little to meet the wheat difficulty.⁷ Actually it was solved by a mere chance. Mr Hughes had returned to Australia when, in August 1916, the British government was suddenly informed by its advisers that a serious shortage would occur in the wheat harvest of North America. It was therefore suddenly decided to buy 3½ million tons from Australia, and send shipping to carry it. The British Admiralty and Shipping Control persuaded their government to use this offer as a lever to induce Australia to refrain from

⁶ For details of this episode see *Vol. XI*, pp. 614-18.

⁷ As to the unjustified criticism of this Line by Mr Fayle in his generally admirable work, *Seaborne Trade* (British Official History), see *Vol. XI*, pp. 626-7.

chartering British ships even for troop transports, as it had consistently done hitherto. Henceforth the British authorities would provide transports.

So the wheat crop was bought; but this had no sooner been done than the estimate of American shortage was reversed. The British ships turned again to America, and the Australian wheat purchased by Britain accumulated in immense stacks at Australian railway sidings, where it eventually was attacked and largely spoiled by a great plague of mice and weevils. It was ultimately disposed of, satisfactorily in Victoria but amid angry accusations between local politicians in South Australia and New South Wales.

Australian butter and cheese were carried to Great Britain largely in the military transports so long as these were available. The War Office doubted the quality of Australian leather for British boot-soles and saddlery, but the reputation of the Australian soldier's boot eventually led to large exports of leather and boots to India; 120,000 horses also were supplied to India and to the A.I.F.

From the beginning of 1917 the acute shortage of shipping was quickly made worse by the German decision to instruct submarine commanders to sink, without examination, all ships found in the sea approaches of the Allies. All real danger from the German surface navy had ended with the Battle of Jutland (30th June 1916), which caused the German Admiralty to keep its main fleet in port for the rest of the war. An "unrestricted" submarine campaign had already been launched by the Germans early in 1916, but it necessarily involved the sinking of neutrals and had been quickly abandoned on the United States' protesting. It was now resumed with the knowledge that it would bring the United States into the war, but in reliance on the advice of the German naval and military leaders, that it would, by starvation, force Great Britain to make peace before American help could come into the scales.

And indeed the attack made immense inroads on British and other shipping. In April 1917 alone, 881,027 tons were sunk, and it seemed possible that, after allowing for new building, at the end of the year there would be barely enough ships left to carry food sufficient for the British people and the necessary troops and munitions. The British government met this threat not only by, ultimately, grouping ships in escorted convoys, and improving naval devices and weapons against submarines, but by every possible economy in shipping. By special loading and storing, ships were unloaded at single ports and returned much quicker than before. Since nearly all trade to Australia and India had to go by the long Cape or Panama routes, every possible ship was transferred to the short American run. The Australian trade was at the same time, most usefully, directed to the supply of India and Egypt.

In this crisis in 1917 shortage of butter in Great Britain caused the British government to buy the surplus of Australian butter and cheese; wheat went partly to America to replace the supply sent from there to England.⁸ Britain was now forced to ban imported fruit as a luxury, but this blow to Australian orchardists was compensated for by the increased export of tinned fruit and jam. This trade again received a blow when tinplate from Britain was denied priority—later special arrangements were made. In August a repeated appeal from the British government led to the eventual withdrawal of some fifty Australian coastal liners and other ships from local Australian trade, to serve as transports and freighters in the Atlantic, Mediterranean and elsewhere. A well-known Australian coastal liner was the first transport to enter the Black Sea; another was sunk as a hospital ship in the English Channel.⁹

⁸ The British government bought 1½ million tons in 1919.

⁹ Many of the Australian merchant ships of that time, with particulars of their war service, are listed in *Vol. IX, pp. 478-501.*

The shortage of shipping of course, gave an unprecedented opportunity for local manufacture of many civilian goods. Of munitions only rifles and small-arm ammunition were made in quantity. The manufacture of shells for Great Britain was attempted in 1915-16, chiefly in the State railway workshops, but at such distance it was found impossible to keep pace with the constant changes in design. Only 15,000 shells had been produced when the immense expansion of the British industry rendered the effort futile. In munitions the main success was in the manufacture of steel in the new Broken Hill works at Newcastle, which produced 17,900 tons of munition steel to the satisfaction of the British authorities. Even more practical help was the sending to Britain of 6000 volunteer munition workers, including some prominent experts.

In civil manufacture at least 400 articles, never before normally made in Australia, now had to be manufactured there, including electrical batteries, dynamos and radiators, sheep dips, dyes, ether, weights and balances, typewriter ribbons, gas engines and even aeroplane engines. Many common articles were now scarce in Australia—not till then did most people realise that such things as braid, wadding, chalk, canvas and the like, were all imported. Linoleums, carpets, curtains, were eventually unprocurable, as, for a time, were wire netting and galvanised iron.

Mr Hughes eagerly fostered shipbuilding in Australia, but only after he had obtained trades union guarantees as to dilution of labour, continuity of work, and the adoption of piecework under certain conditions. The main difficulty was shortage of skilled labour. Except for the cruiser *Brisbane*, and destroyers *Swan*, *Huon* and *Torrens*, finished in 1916, big-ship building came late in the war. Twenty steel steamers of 5500 tons were undertaken and a number of smaller wooden freighters, intended to be unsinkable—the contracts for these were

partly let in America and were afterwards largely cancelled or modified, partly owing to the unearthing of serious corruption. The plates for the steel ships built in Australia were imported, but not the frames, which were made at the B.H.P. works at less than the oversea cost. Some of the steel steamers, when completed, and three much larger ones built in England, together with eighteen of the twenty-seven German steamers seized in Australian waters, and Mr Hughes's purchased steamers, composed the Commonwealth Government Line. The line much more than paid for itself during the war, but afterwards lost heavily, and was sold in 1928 to the White Star Line for £1,900,000.

For economy and to help industry "daylight saving" was introduced for three months on 1st January 1917, but, through protests from the country industries, was not repeated. Further to help commerce and industry an Institute of Science and Industry and a Bureau of Commerce and Industry were established; the latter was only short lived, but the former developed into one of the most valuable institutions of Australia, the Council for Scientific and Industrial Research. Another step, to be of incalculable benefit in the Second World War—was the establishment, by advice of Dr J. H. L. Cumpston, of the Commonwealth Serum Laboratories.

In the First World War the prices of many goods in Australia eventually doubled themselves, while the average wage (for a man, £2 15s. a week in 1914) increased only by, roughly, a third. By 1919 metals, coal, textiles, and leather had about doubled in price, agricultural produce increased by five-eighths, dairy produce by a third, meat and groceries by nearly a half; and building material and chemicals rose to more than two and a half times the 1914 value. In Great Britain, as already noted, there was at times very strong feeling that shipowners, and some classes of manufacturers, distributors and financiers, were making great profits from the nation's need, and the old

term "profiteer" came into frequent use. In Australia the Interstate Commission, charged in 1917 with investigating the cause of increases, found no sign of any deliberate organising to increase prices of butter, cheese, boots, or bread; but it reported that in New South Wales such organisation did exist in the wholesale meat industry and probably in the vegetable and fruit industry also. Rents had risen only slightly.

By 1916 the Federal government was forced to regulate prices—various attempts made by the States had generally failed. The action of New South Wales in buying wheat at a fixed price caused great controversy, farmers being eager to realise a higher price by consigning to Victoria. The High Court, however, upheld the State government's right.¹⁰ In 1916 the Federal government, after first appointing a political Board, changed its mind and transferred the task to a Necessary Commodities Commission, with a Prices Commissioner in each State, the Victorian Commissioner, Mr W. H. Clarke, acting as chief. They were empowered to fix prices of food-stuffs, necessary commodities, and services. In practice the Commission is said to have aimed chiefly at seeing that *profits* were not unduly high. Sugar was exempted from its jurisdiction, the Federal government taking control of that industry in order to prevent sugar from leaving Australia to take advantage of the soaring prices abroad. The whole industry and its prices were regulated, from canefields to consumer, and, as sugar-growing was of great political importance in populating part of the north, the system continued after the war.

In the First World War, as in the Second, the industry most disturbed by disputes was that of coal mining. Most of the mines were in New South Wales, and there were many more industrial disputes in that State than in all

¹⁰ In the case of *Farey v Bursett*. Incidentally this judgment overruled a decision of—and eventually destroyed—the Interstate Commission, the High Court deciding that the Commission had not the powers of a court.

the rest of Australia. The coal-strike of 1916—in which the miners aimed at securing certain conditions, among them shorter hours—and the great railway strike of 1917, which began in protest against the introduction of the “time-card” system, were very serious disturbances. The railway strike quickly spread to coalminers, wharf-labourers and others. Even the Coaling Battalion, formed by the Sydney Coal Lumpers’ Union early in 1916, joined in. Each strike happened at a time when the Australian government had great commitments for shipping—in 1916 for getting away the wheat crop, and in 1917 for its own line of steamers. But after the 1916 strike the government had built up big stocks of coal, and in the 1917 strike the New South Wales government took possession of all mines in that State, and the Victorian government, whose factories urgently needed coal, actually provided labour and police protection at two New South Wales mines. In the coal strike of 1916 the Commonwealth Arbitration Court under Mr Justice Higgins—great maker of Australian industrial precedent—refused to arbitrate while the men were not working, and Mr Hughes accordingly established a special tribunal under Mr Justice Edmunds for the coal industry. The tribunal raised wages, and improved conditions; and the price of coal was increased. The railway strike of 1917 failed.¹¹ Distribution of coal was now controlled by a board. A special tribunal was established in the shipbuilding industry also.

In the First World War, as in the Second, there were some strong interests that bound the Australian workers to the fighting services, and some that divided them. A great proportion of the A.I.F. were trades unionists—64 per cent were “tradesmen” or “labourers”. The miners of Australia—from the coalfields, as well as the goldfields—provided some of the best soldiers of the A.I.F. But the

¹¹ The shipping strike of 1919 which followed the war may be considered outside the scope of this book.

men from country callings, also, were outstanding, and it was noticeable that the great Australian Workers' Union—which was always largely connected with country industries—was particularly free from disputes during the war.

The degree of unrest in 1916-17 was probably influenced by the acute controversies over conscription. Another factor, though probably it was credited with much more trouble than it actually created, was the Industrial Workers of the World, generally known as "the I.W.W." This body originated in the United States; its aim was revolution and its avowed policy to destroy capitalism, partly by sabotage. In New South Wales in 1916 it was connected with a series of murders, bank-note forgery, and fires in stores. Most of the men concerned were natives of other countries. Of twelve convicted in connection with the fires, ten were released in 1920 after several years of protest by the editor of *The Worker*, Mr H. E. Boote. In Western Australia nine men were found guilty, but only of distributing sabotage propaganda, and were allowed to go free. The I.W.W. was finally stamped out by an amended Unlawful Associations Act of 1917.