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In this issue

The articles in this issue focus on major controversies within and beyond the Australian left.

Few issues have challenged the Australian left as much as the Howard Government's 1999 military intervention in East Timor. Contrary to the common view that the intervention was a humanitarian action forced on a reluctant government by popular pressure, Sam Pietsch analyses it as an imperialist use of military power to secure longstanding strategic interests of the Australian state. The intervention also enabled the Howard Government to increase military spending and act more aggressively to assert imperial power in the Southwest Pacific.

Marxist strategies for change often centre on the potential of organised labour struggles. Yet labour is divided in many ways, including between leaders and the rank and file. The tradition to which Marxist Interventions belongs has long argued that the union rank and file has different interests to those of the labour bureaucracy. Robert Bollard's essay on the Great Strike of 1917 is a defence of our position, in response to critics such as conservative historian Jonathan Zeitlin.

There is now an exhaustive literature about the global financial crisis. Australia's peculiar position remains a matter for somewhat puzzled debate. Ben Hillier looks closely at the effects of the crisis on the Australian economy. He considers how the relative stability of Chinese demand, the buoyancy of the housing market and the circumstances of the financial sector have so far insulated Australia from the carnage witnessed in Europe, Japan and the US. Since the article was completed, upheavals in Greece have showed how fragile the situation is.

In March and April 2010, a major debate broke out in the Australian media over Anzac Day, featuring such issues as militarism, race and gender. Class differences in society have received relatively little attention. Kyla Cassells presents a comparative study of Anzac Day and Labor Day in Victoria between the World Wars, which explores how these days were used by Trades Hall, the Australian Labor Party, and the RSL to perpetuate political agendas. She also considers the contestation of these agendas by such groups as the Communist Party, women, and the unemployed.

During 2008 and 2009, Muslims at RMIT University in Melbourne ran a successful and important campaign for the return of dedicated Muslim Prayer Rooms on campus. Because the campaign's central demand was for a religious space, much of the left dismissed the movement outright or even supported University management. This raises serious questions concerning the Australia left's clarity about racism. Katie Wood and Liam Ward consider the campaign and its lessons.

Australian imperialism and East Timor

Sam Pietsch

The Howard Government's military intervention in East Timor in 1999 was an act of imperialism. It was not forced on a reluctant government by popular pressure, nor were its aims humanitarian. Rather, the intervention used military power to secure longstanding strategic interests of the Australian state. From 1974, successive Australian governments supported Indonesia's occupation of East Timor in order to foreclose the possibility of rival powers gaining influence in the Indonesian archipelago, which might allow them to threaten Australian interests. But, by September 1999, the Indonesian occupation had become untenable. Australia inserted military forces into East Timor to ensure that the transition to independence would be relatively orderly, avoiding a destabilising power vacuum. The intervention also boosted Australia's ability to defend its economic and strategic interests in the new nation. The success and domestic popularity of the intervention allowed the Howard Government to increase military spending and act more aggressively to defend Australia's imperial interests in the Southwest Pacific.

During the Indonesian occupation, East Timor assumed almost totemic significance in debates over Australian foreign policy.¹ Australia's support for the occupation attracted sharp criticism, not only from the far left but also from unions, churches and even the mainstream media. But for the foreign policy establishment, anything less than absolute pragmatism in relations with Indonesia was denounced as woolly-brained, bleeding heart leftism.

1 The question of East Timor is explored in much greater depth in Sam Pietsch 'Australia's military intervention in East Timor, 1999', PhD thesis, Australian National University, 2010, <http://thesis.anu.edu.au/public/adt-ANU20091214.122004>, accessed on 24 May 2010.

This rancor was punctured by Australia's military intervention in East Timor in September 1999, after a referendum there had chosen full independence. Australian troops intervened after widespread violence and destruction at the hands of the Indonesian military, and seemingly secured the new nation's independence. There is a near total consensus that the military deployment was a positive development, and a fundamental break from previous Australian policy. Most former critics of that policy joined in this narrative of national redemption, including many on the far left.

If the intervention was indeed driven by substantially different interests to Canberra's usual international *realpolitik*, then it would suggest a model for the more general reform of Australian foreign policy. This article argues that in reality the intervention was an act of Australian imperialism, a continuation of previous Australian policy by other means.² It was designed not to aid the East Timorese, but to secure the strategic objectives of the Australian state. The Howard Government engineered a remarkable political victory, pursuing its own preferred policy while drawing support from those who were normally its critics. This in turn fostered acquiescence to a more aggressive policy of Australian intervention in the South Pacific region generally.

The left-populist justification for intervention

The mainstream view holds that Australia's intervention in East Timor was driven by obvious humanitarian concerns. This was held to be 'self-evident' by then Foreign Minister Alexander Downer.³ This article will not deal explicitly with that position, which is simply not credible. The Indonesian invasion and occupation cost as many as 200,000

- 2 At the time, such criticism was mounted by politically insignificant radical leftwing organisations; for examples, see *After the ballot: imperialism at work in East Timor*, <http://www.anu.edu.au/polsci/marx/archive/timor/menu2.htm>, accessed 29 February 2008; ISO National Committee 'Socialists and the East Timor Crisis' *Socialist Worker Review* 3, November 1999; Jeff Sparrow 'Timor and the Left' *Socialist Alternative* October 1999, p. 5. No academic works have been written from this perspective, although Nevins makes a similar argument regarding US involvement in East Timor in 1999; Joseph Nevins *A not-so-distant horror: mass violence in East Timor* Cornell University Press, Ithaca 2005, pp. 133-134, 195-200. Some of the key strategic issues have also been touched on from a realist perspective, including an account by Hugh White of his experience as Deputy Secretary in the Department of Defence at the time, 'The road to INTERFET: reflections on Australian strategic decisions concerning East Timor, December 1998-September 1999' *Security Challenges* 4 (1) 2008, especially pp. 73-76. See also Alan Dupont, 'The strategic implications of an independent East Timor' in James Fox and Dionisio Babo Soares (eds) *Out of the ashes: destruction and reconstruction of East Timor* ANU E Press, Canberra 2003, pp. 179-188; Alan Ryan "'Primary responsibilities and primary risks": Australian Defence Force participation in the International Force East Timor' *Study Paper* 304, Land Warfare Studies Centre, 2005, pp. 31-33.
- 3 Alexander Downer 'East Timor: looking back on 1999' *Australian Journal of International Affairs* 54 (1) 2000, p. 8. A much more subtle version of this argument can be found in James Cotton *East Timor, Australia and regional order: intervention and its aftermath in Southeast Asia* Routledge Curzon, London 2004.

East Timorese lives, or one third of the population,⁴ yet it was supported by both Australia and the United States. It is not 'self-evident' why humanitarian concerns triumphed in 1999, but not earlier.

Of greater interest is the argument that the intervention came about because of a mass protest movement, which forced the Australian Government to act against its own desires. The leading proponent of this position is Clinton Fernandes.⁵ Fernandes maintains that from 1975 through to September 1999 Australia consistently aimed to prevent Timorese independence and placate Indonesia, and did not want to deploy Australian troops in East Timor. What changed this situation was 'a tidal wave of public outrage',⁶ which forced the Government to act against its own wishes.

Fernandes employs a left-populist critique of Australian politics, in which elite policy makers and intellectuals control the state in ways which are conducive to the interests of Australian capitalism, but not necessarily in the interests of, or supported by, the 'Australian public' in general. Policy towards Indonesia was long dominated by the 'Jakarta lobby' which supported the Suharto dictatorship because it was useful to the Australian state and capital.⁷ The result was that from the Whitlam Government onwards, Australia prioritised good relations with Indonesia over any other aspect of the East Timor issue. In pursuing this policy, Australian governments 'neutralised' negative public opinion about Indonesia in Australia, and aided Indonesia in the diplomatic sphere.⁸

Even after Indonesia had agreed to a referendum in East Timor, Australia continued to do all it could to prevent independence. Here, Fernandes goes beyond the widespread view that Australia prioritised good relations with Indonesia over an insistence on adequate security arrangements for the ballot. Instead, he suggests that the Australian Government deliberately gave diplomatic cover to Indonesia's campaign of terror, which was designed to prevent a vote for independence.⁹ Although the ballot clearly favoured independence, Fernandes argues, Indonesia thought that the result could be reversed by creating 'new demographic facts on the ground' through 'ethnic cleansing'.¹⁰ Howard and Downer were complicit in these actions because they withdrew foreign observers and then refused to intervene militarily. Fernandes effectively says, then, that the Australian Government aided attempted genocide so that Indonesia could retain control over East Timor. Claims

4 James Dunn *East Timor: a rough passage to independence* Longueville Books, Double Bay, 3rd edition, 2003, pp. 277-278.

5 Clinton Fernandes *Reluctant saviour: Australia, Indonesia and the independence of East Timor* Scribe Publications, Melbourne 2004. See also Clinton Fernandes 'The road to INTERFET: bringing the politics back in' *Security Challenges* 4 (3) 2008, pp. 83-98.

6 Fernandes *Reluctant saviour* p. 3.

7 Fernandes *Reluctant saviour* p. 23.

8 Fernandes *Reluctant saviour* pp. 12-18.

9 Fernandes *Reluctant saviour* pp. 47-48.

10 Fernandes *Reluctant saviour* pp. 77-79, 83-85, 114.

that the Indonesians were committing genocide or ethnic cleansing were likewise used by leftwing activist groups at the time to build support for military intervention as a moral imperative.¹¹

Fortunately, according to Fernandes, the Howard Government's plans were thwarted by Australian supporters of East Timorese independence.¹² Leftwing activist and human rights groups, trade unions, and churches organised a series of street rallies, and trade unions imposed bans. The protests sought to reverse Australian support for Indonesia, and called for military intervention. It was not only the immediate impact of this campaign which affected government policy, but also the 'forward trajectory of protests', which threatened to increase rapidly in size.¹³ Ultimately, the Government had to give way to the mass movement:

[The troops] were not sent in because of the goodwill of the Australian Government, but because of massive protests that increased rapidly in both size and fury. Protests such as these, which threaten even more serious action, are significant to politicians, because they signal deep and wide support within the broader community that has been created over many years.¹⁴

Fernandes's thesis is, not surprisingly, popular with activists engaged with the East Timor question, as it stresses the effectiveness of their efforts not only immediately after the ballot, but also during the entire period of the Indonesian occupation.¹⁵ It also legitimates the unusual actions of broadly leftwing activists actively seeking a more aggressive Australian foreign and military policy.

Although Fernandes puts the most strident argument that the intervention was driven by popular pressure, a range of authors have adopted aspects of this position, combining it with variations on the 'moral imperative' theme. This accords with liberal political perspectives which want the Australian state to take strong international action, but action that is more in accord with moral principles. This results in a more or less critical

11 Joao Carrascalao 'Indonesia's ethnic cleansing target: kill 344,580 East Timorese' media release, National Council for Timorese Resistance, 8 September 1999, <http://www.labournet.de/internationales/crnt.html> accessed 29 May 2006; Pip Hinman 'Why Howard refuses to send troops to stop genocide' *Green Left Weekly*, 15 September 1999, p. 3.

12 Fernandes *Reluctant saviour* pp. 88-95.

13 Fernandes *Reluctant saviour* p. 94.

14 Fernandes *Reluctant saviour* pp. 113-114.

15 Vanessa Hearman 'Timor: Australia's real role' *Green Left Weekly*, 20 October 2004, <http://www.greenleft.org.au/2004/603/31537>, accessed 15 April 2010; Terry Townsend *The left and UN military intervention in East Timor* Democratic Socialist Party, 2000, <http://www.dsp.org.au/links>, accessed 29 May 2007. Support for Fernandes's position has also been expressed to the author by a number of East Timor solidarity activists.

nationalist position, according to which popular pressure forced the Government to act in accordance with what the Australian nation always stood for at heart.¹⁶

Such analyses point to some common ground between the ‘humanitarian imperative’ and ‘popular pressure arguments, in that the intervention is seen as occurring outside the normal workings of Australian foreign policy, and representing a fundamental disjuncture with earlier policy. None of these analyses is fully integrated with an analysis of Australia’s overall foreign policy goals in Southeast Asia, or with the wider political changes occurring within Indonesia. Instead, Government policy is seen as a response to the immediate humanitarian crisis in September 1999. The Australian intervention only becomes understandable by reference to a force outside of the normal processes of international politics. Be it public pressure or morality, this force arrives *deus ex machina*, resulting in a previously inconceivable course of action from the Australian Government.

Fernandes does provide some historical context for the relation between capitalism, the Australian state and support for Suharto. But his formulations lack clarity. A ‘stable investment climate’ and ‘access to human and material resources’ are certainly general concerns for the capitalist state,¹⁷ but Indonesia is not particularly important to Australia in this respect. Nor can it be said that Australia has ‘political and economic control’ of the Indonesian archipelago,¹⁸ and in the post Cold War world, Fernandes’ argument that Australia desires ‘an Indonesia that is non-communist and integrated into the Western sphere of influence’¹⁹ is outdated. Ultimately, Fernandes fetishises specific aspects of Australia’s foreign policy, such as anti-communism or the relationship with Indonesia, and hence he views the Timor intervention as an extraordinary break with these policies. At one level, obviously, this is correct, and needs to be explained. But if only the novel aspects of the immediate intervention are considered, deeper continuities with the pattern of Australia’s historical policy are obscured.

The abiding interests of Australian imperialism

The 1999 intervention needs to be seen in the context of Australia’s position as a middle ranking power within the system of world imperialism. Australian policy makers promote the interests of Australian capital internationally, in the context of ongoing economic,

16 For examples, see Scott Burchill ‘East Timor, Australia and Indonesia’ in Damien Kingsbury (ed.) *Guns and ballot boxes: East Timor’s vote for independence* Monash Asia Institute, Victoria 2000, p. 181; Noam Chomsky *A new generation draws the line: Kosovo, East Timor and the standards of the West* Pluto Press, London 2000, p. 23; Balthasar Kehi ‘Australia’s relations with East Timor: people’s loyalty, government’s betrayal’ *Borderlands* 3 (3) 2004, http://www.borderlands.net.au/vol3no3_2004/kehi_timor.htm, accessed 15 April 2010; John Martinkus *A dirty little war* Random House Australia, Sydney 2001, p. 348.

17 Fernandes *Reluctant saviour* p. 22.

18 Fernandes *Reluctant saviour* p. 23.

19 Fernandes *Reluctant saviour* p. 5.

diplomatic and military competition between the major powers.²⁰ These interests are to some extent economic, including securing opportunities for investment abroad and markets for exports. Primarily, however, Australian imperialism is concerned with strategic objectives in Southeast Asia and the Southwest Pacific. Any incursion into the country's immediate surrounds by a major power is seen as a potential threat to Australia's own territory, or to trade routes vital to Australia's economy. By extension, Canberra fears any political instability in this region, which might allow a hostile power to gain influence. At times of relative calm in the region, these strategic concerns can seem paranoid. But the policy makers simply cannot dismiss the possibility that Australia will be drawn into a re-eruption of conflict in Asia between major powers.

The Indonesian archipelago is important, simply because of geography. Indonesia itself is no threat. But any great power threat to Australia must come through this region. This has resulted in longstanding concerns for 'stability' in and 'good relations' with Indonesia, leading Canberra to support the moderate leaders of the young Indonesian republic, as well as the murderously anti-Communist Suharto dictatorship. Australia's interest in East Timor flows from these wider strategic concerns. During World War II Australia invaded then Portuguese Timor to forestall what it assumed was an inevitable Japanese invasion, resulting in the deaths of 40,000 East Timorese. In fact Japan had no intention of violating Portuguese sovereignty until Australia did so.²¹

Similar strategic concerns led the Whitlam Government to encourage Indonesia's incorporation of East Timor from late 1974.²² Whitlam valued Suharto's anti-Communism and friendly attitude towards Australia, which he was not prepared to risk over East Timor.²³ But the prospect of an independent East Timor was also unattractive in its own right. As Whitlam told Suharto in September 1974;

... Portuguese Timor was too small to be independent. It was economically unviable. Independence would be unwelcome to Indonesia, to Australia and to

20 For an outline of how a classical Marxist understanding of imperialism can be applied to Australia, see Tom O'Lincoln 'The neighbour from hell: Australian imperialism' in Rick Kuhn (ed.) *Class and struggle in Australia* Pearson Education Australia, Melbourne 2005, pp. 178-194.

21 James Dunn *A people betrayed* Jacaranda Press, Milton 1983, pp. 19-23; Henry Frei 'Japan's reluctant decision to incorporate Portuguese Timor, 1 January 1942-20 February 1942' *Australian Historical Studies* 107 1996, pp. 299-301.

22 Good accounts can be found in Desmond Ball and Hamish McDonald *Death in Balibo lies in Canberra* Allen & Unwin, St Leonards, 2000; Dunn *East Timor: a rough passage to independence*.

23 See David Goldsworthy et al 'Reorientation' in Peter Edwards and David Goldsworthy (eds) *Facing north: a century of Australian engagement with Asia, volume 2: 1970s to 2000* Melbourne University Press, Carlton 2003, pp. 360-362; Nancy Viviani 'Australians and the East Timor issue-the policy of the Whitlam government' in James Cotton (ed.) *East Timor and Australia: AIIA contributions to the policy debate* Australian Defence Studies Centre, Canberra 2000, pp. 83-85.

other countries in the region, because an independent Portuguese Timor would inevitably become the focus of attention of others outside the region.²⁴

Examples of such strategic concerns could be multiplied several times over. In contrast, the documentary record does not reveal oil and gas resources in the Timor Sea to be a major consideration, although they were noted from time to time.²⁵ However, 'the relationship' with Indonesia is a specific tactic in a wider strategy, not an end in itself. Australia could modify its position when Suharto ceased to be a reliable ally.

Events prior to the Australian intervention

Economic crisis and mass popular upheavals brought down the Suharto dictatorship in May 1998. This unleashed a resurgence of secessionist movements in a number of Indonesian provinces, most notably East Timor, but also Kalimantan, Ambon, Aceh and West Papua.²⁶ In East Timor, there was an increase in offensive military operations by Falintil, the independence guerilla force.²⁷ More importantly, there was an upsurge of civil political struggle. Major demonstrations in Dili in June and July 1998 called for a referendum on independence. In September, the protests grew into a general strike, with the civil service shut down and pro-independence youths maintaining roadblocks in and out of urban centres. Similar events occurred in December.²⁸ Indonesian military leaders did not simply crush this opposition, because the popular democratic movement had battered their self-confidence, making them less willing to use direct repression.²⁹

- 24 'Document 26, Record of meeting between Whitlam and Soeharto, 6 September 1974' in Wendy Way (ed.) *Documents on Australian Foreign Policy: Australia and the Incorporation of Portuguese Timor, 1974-1976* Melbourne University Press, Carlton South 2000, pp. 95-98.
- 25 For example, 'Document 3, Policy planning paper, 3 May 1974' in Wendy Way (ed.) *Documents on Australian Foreign Policy: Australia and the Incorporation of Portuguese Timor, 1974-1976* Melbourne University Press, Carlton South 2000, p. 52.
- 26 Damien Kingsbury *The politics of Indonesia* Oxford University Press, South Melbourne 2002, pp. 145-165.
- 27 Muhammad Hikam 'Democracy in Indonesia and East Timor' *Pacifica Review* 12 (1) 2000, p. 81; Martinkus *A dirty little war* pp. 83-85; Lansell Taudevin *East Timor: too little too late* Duffy & Snellgrove Potts Point, 1999, p. 141.
- 28 'Aksi demo, pegawai tidak masuk kantor' *Suara Timor Timur*, 19 December 1998, p. 6; 'Demonstran batal duduki kantor Gubernur Timtim' *Suara Timor Timur*, 13 October 1998, p. 1; 'E. Timorese mark anniversary of 'invasion' with protests' *Jakarta Post*, 8 December 1998, p. 2; 'E. Timorese take break after two days of protests' *Jakarta Post*, 15 June 1998, p. 1; 'Mario Carrascalao: 'Saya berdoa ikut kerekayasa integrasi'' *Suara Timor Timur*, 16 December 1998, p. 6; Taudevin *East Timor: Too little too late* pp. 150-151, 194; 'Third day of protests in Dili' *Jakarta Post*, 14 October 1998, p. 2.
- 29 Hilmar Farid, Indonesian political activist and NGO worker in East Timor, interview conducted in Jakarta, 8 February 2007; Joaquim Fonseca, former student activist and NGO worker in East Timor, interview conducted in Dili, 22 November 2007; Nuno Rodriguez, East Timorese political activist and NGO worker with the Sahe Institute, interview conducted in Dili, 10 November 2007; Wilson, Indonesian political activist and former member of the PRD, interview conducted in Jakarta, 13 February 2007.

Independence groups were largely able to operate above ground and Dili's newspaper carried open discussion of the aims of the independence movement.³⁰

A series of pressures forced the Indonesian president Habibie to seek a rapid resolution of the conflict. The occupation of East Timor cost perhaps US\$1 million per day in 1998.³¹ Poverty ridden East Timor hardly seemed worth such expense at a time when the Indonesian budget was dependent on foreign economic aid. The continuation of this aid also partly depended on Habibie implementing political reforms, because of the link made both by foreign governments and international bodies, such as the IMF, between neo-liberal economic reform, democratisation and human rights. East Timor came to be seen internationally as a 'litmus test' for Habibie's reform credentials, with both houses of the US Congress calling for a self-determination vote in 1998.³² At the same time, support for East Timorese self-determination was gaining ground in the Indonesian democracy movement and among NGOs, although it remained a minority position.³³ There was also increasing support for a change of policy among the middle and governing classes, a process which had begun several years earlier.³⁴ The Indonesian press began to openly discuss the need for a rational solution to the situation in East Timor, with the influential *Tempo* magazine referring to the province as 'Indonesia's Vietnam'.³⁵ Suharto had been forced from power by mass popular mobilisations. Pressure for reforms simply could not be totally ignored. A change in policy on East Timor would help alleviate this pressure. In late January 1999 Habibie announced that he had decided to allow an act of self-

30 For examples, see 'Referendum untuk Timtim positif' *Suara Timor Timur*, 16 July 1998, p. 1; 'Wakil Komandan Falantil Taur Matan Ruak: 'Kami berjuang untuk hentikan perang'' *Suara Timor Timur*, 4 September 1998, p. 1; 'Wawancara eksklusif dengan Xanana Gusmao: Menolak otonomi sebagai solusi final' *Suara Timor Timur*, 30 July 1998, p. 1.

31 John Taylor *East Timor: The price of freedom* Zed books, London 1999, p. 16.

32 Thomas Ambrosio 'East Timor independence: the changing nature of international pressure' in Robert Compton (ed.) *Transforming East Asian Domestic and International Politics* Ashgate, Aldershot 2002, pp. 124-130; Kees van Dijk *A country in despair: Indonesia between 1997 and 2000* KITLV Press, Leiden 2001, p. 296; David Webster 'Non-state diplomacy: East Timor 1975-99,' *Portuguese Studies Review* 11 (1) 2003, pp. 22-23.

33 Faried Cahyono, Indonesian journalist and member of the Independent Journalists' Alliance, interview conducted in Jogjakarta, 21 February 2007; Dhyta Caturani and Reiner, Indonesian student activists and former members of the PRD, interview conducted in Jakarta, 14 February 2007; Interview with Hilmar Farid; Agung Putri, Indonesian NGO worker and human rights activist, interview conducted in Jakarta, 14 February 2007; Nur Widi, Indonesian political activist and PRD member, interview conducted in Jogjakarta, 21 February 2007; Interview with Wilson.

34 Harold Crouch 'The TNI and East Timor policy' in James Fox and Dionisio Babo Soares (eds) *Out of the ashes: destruction and reconstruction of East Timor* ANU E Press, Canberra 2003, pp. 142-144; Don Greenlees and Robert Garran *Deliverance: the inside story of East Timor's fight for freedom* Allen & Unwin, Crows Nest 2002, p. 37; Richard Tanter 'Indonesian politics after Suharto' *Arena* 11 1998, pp. 15-16.

35 'Vietnamnya Indonesia' *Tempo*, 11 January 1999, p. 42.

determination for East Timor, and that he wanted the whole situation settled by the year 2000.

The Indonesian military did not initially accept the change in policy. Because it was unable to engage as openly in violent repression of the independence movement, the military from mid-1998 organised pro-integration militia which could act as proxies. Several hundred people were killed before the ballot, with around 60,000 people forcibly displaced.³⁶ The purpose of the violence was not to prevent the ballot taking place or even, eventually, to orchestrate a victory for autonomy which the military must have known was impossible. Instead, by making the margin in favour of independence as narrow as possible and by creating violent unrest, the military aimed to discredit Habibie's policy and underline their own continued political importance.³⁷

Despite the violence, 98 per cent of people registered to vote did so, and over 78 per cent of votes cast were in favour of breaking all ties with Indonesia. The announcement of the result triggered a campaign of violence and destruction of far greater intensity than before the ballot. There were three main aspects to this violence. First, around 900 people, and possibly up to 1,200, were killed.³⁸ This included some mass killings of displaced persons or whole villages which were thought to have supported independence. In addition, thousands were physically or sexually assaulted. Second, perhaps 400,000 people, or half the East Timorese population, were displaced from their homes. Up to 250,000 were transported across the border into West Timor, most against their will.³⁹ Third, the military destroyed as much of East Timor's physical infrastructure as possible, with towns razed in every region. The overall damage was estimated at around 70 per cent of buildings destroyed or rendered unusable. In Dili the destruction was virtually total.⁴⁰

Although the violence was appalling, it did not amount to genocide or an attempt to retain control of East Timor. There is no evidence of the substantial infrastructure and planning required for that. There were no mass killings of refugees in West Timor, although

36 Geoffrey Robinson *East Timor 1999: crimes against humanity* United Nations Office of the High Commissioner for Human Rights, 2003, pp. 44-46. This is the most authoritative account of violence in East Timor both before and after the ballot.

37 Dunn *East Timor: a rough passage to independence* pp. 341-350; Damien Kingsbury 'The TNI and the militias' in Damien Kingsbury (ed.) *Guns and ballot boxes: East Timor's vote for independence* Monash Asia Institute, Victoria 2000, p. 73.

38 Robinson *East Timor 1999: crimes against Humanity* pp. 40, 44, 221-244.

39 Amnesty International *As violence descended: testimonies from East Timorese refugees* ASA 21/190/99 1999; Amnesty International *No end to the crisis for East Timorese refugees* ASA 21/208/99 1999; Robinson *East Timor 1999: crimes against Humanity*, pp. 42-44. Crouch casts doubt on the number of forced deportations by unconvincingly arguing that over 200,000 people could have left voluntarily, if every person who voted for autonomy fled with their children. Crouch 'The TNI and East Timor policy' p. 160.

40 Bob Breen *Mission accomplished, East Timor: Australian Defence Force participation in the International Forces East Timor (INTERFET)* Allen & Unwin, Crows Nest 2000, pp. 18-19, 56-58; Robinson *East Timor 1999: crimes against Humanity* p. 44.

individual independence supporters were targeted. Moreover, the Indonesian forces made no attempt to seek out Falintil, instead devoting massive resources to the forced population transfer. They began evacuating their own personnel as early as 5 September⁴¹ and had completely left many areas before Interfet arrived. They even destroyed their own bases and communications infrastructure, undermining their ability to undertake future military campaigns. As Nevins argues, 'The scorched-earth nature of the [Indonesian] rampage made it clear that the Indonesian military had no intention of staying in the territory.'⁴²

An attempt to reverse the ballot would also have posed serious political problems for the military. They remained constrained by the considerations that led to the ballot in the first place, which were only reinforced by its outcome. Although the humiliation of Australia's intervention sealed Habibie's political downfall in late October, none of his rivals initiated a campaign to maintain the Indonesian occupation of East Timor.

The principle aim of the Indonesian military's scorched earth policy was to prevent the further break-up of Indonesia or the erosion of the military's power. It was, in Nevin's words,

... a message sent to restless regions within Indonesia's sprawling archipelago and to that country's dynamic pro-democracy, workers' rights, and human rights movements that challenging the authority of the military would exact a very high cost.⁴³

Most importantly, it let other restive provinces, especially Aceh and West Papua, know that the military was still capable of intense repression.⁴⁴ Nonetheless, the military eventually accepted the loss of East Timor, hence its failure to seriously attempt to overturn the result of the act of self-determination.

There was nothing inevitable about East Timor gaining its independence. Either Indonesia's political or military elites might have decided to dig in their heels and try to maintain control of the territory. But multiple internal and external pressures increasingly meant it was not worth the cost of doing so. This has important ramifications for understanding the Australian intervention. First, the Indonesian Government and military were not compelled to leave East Timor by the arrival of Australian forces, they had already decided to leave. Second, whether or not East Timor became independent was a question largely beyond Australia's control. One way or another Indonesian rule in East

41 Department of Foreign Affairs and Trade *East Timor in Transition 1998-2000: an Australian policy challenge* Canberra 2001, p. 127.

42 Nevins *A not-so-distant horror* p. 6.

43 Nevins *A not-so-distant horror* p. 5. See also Cotton *East Timor, Australia and regional order* pp. 62-64; Kingsbury 'The TNI and the militias' pp. 77-78.

44 For Indonesian fears that secessionism would spread, see John Bolton 'Indonesia: Asia's Yugoslavia?' *Far eastern economic review*, 1 April 1999, p. 31; Dellar Noer 'Mengatasi kerusuhan' *Republika*, 30 January 1999, p. 6; 'Separatism on the rise?' *Jakarta Post*, 16 March 1999, p. 4.

Timor was coming to an end. This was the objective reality to which the Howard Government was forced to respond.

Shifts in Australian policy

An opinion poll published on 12 September 1999 recorded that 77 per cent of respondents were in favour of Australian troops forming part of an international force in East Timor.⁴⁵ More importantly, thousands of people took part in street demonstrations and workplace actions demanding intervention. Fernandes cites demonstrations in Sydney on 6, 8 and 11 September the last of which he estimates involved between 20,000 to 30,000 people.⁴⁶ There were numerous other protests around the country, the largest was a rally of 25,000 people in Melbourne.⁴⁷ Other examples included a picket of the Indonesian embassy in Canberra involving up to 500 people; a crowd which threw stones at the Indonesian consulate in Darwin; and a protest involving hundreds in Brisbane.⁴⁸ Trade union bans lent added political weight.⁴⁹ But the industrial pressure was primarily directed against Indonesian, not Australian interests, limiting the pressure on the Howard Government.

Undoubtedly there would have been a political price if the Government had simply allowed events in East Timor to run their course. By mid-September, the intervention was Howard's easiest option, in terms of domestic politics. Fernandes, however, argues that popular pressure was the decisive factor which *forced* Howard to adopt a policy to which he would otherwise have opposed.⁵⁰ There are two main problems with this position.

First, the protest movement was not strong enough to have such an impact in such a short time. A comparison with two other recent protest movements illustrates the point. In both these later cases Howard showed himself to be a determined politician who was not afraid to defy both public opinion and sizeable social mobilisations. First, the 2003 campaign against an invasion of Iraq brought hundreds of thousands of people onto the streets in cities around Australia. The biggest street marches were estimated at 150,000 people in Melbourne and 200,000 in Sydney, at that time the largest protests ever seen in Australia.⁵¹

45 Newspan Market Research *Opinion polling on East Timor* 10-12 September 1999, http://www.newspan.com.au/image_uploads/cgi-lib.25638.1.0902timor.pdf, accessed 18 April 2007.

46 Fernandes *Reluctant saviour* pp. 88-94.

47 'The tide of protest swells' *Australian*, 11 September 1999, p. 5.

48 Andrea Carson and Richard Baker 'Bans and boycotts: a nation acts' *Age*, 9 September 1999, p. 7; Lachlan Heywood 'Arrests in violent city marches' *Courier-mail*, 11 September 1999, p. 6; Kirsten Lawson 'Unions beef up protest' *Canberra times*, 8 September 1999, p. 2.

49 For examples see 'Boycott call as hunger strike starts' *Australian*, 10 September 1999, p. 2; Fernandes *Reluctant saviour* pp. 90-93; Nina Field 'Unions ban Indonesian goods, services' *Australian financial review*, 8 September 1999, p. 9; Brad Norrington 'Patchy response to industrial offensive' *Sydney morning herald*, 9 September 1999, p. 12; Brad Norrington 'Protests start with ships' *Sydney morning herald*, 8 September 1999, p. 11; 'Violence met with embargo' *Australian*, 7 September 1999, p. 2.

50 See Fernandes *Reluctant saviour* p. 114.

51 Valerie Lawson 'With one voice, the world says no' *Age*, 17 February 2003, p. 1.

There was support from many groups, notably the union movement and churches. On the eve of the war, an opinion poll indicated that 68 per cent of respondents were against Australian involvement in an invasion of Iraq which did not have UN approval.⁵²

Second, the union movement's campaign against the 'WorkChoices' industrial relations legislation. This movement mobilised hundreds of thousands of people over a period of more than two years. While there was no consistent, nation-wide industrial action against WorkChoices, even the effect of workers attending rallies during work-time had a bigger impact on Australian economic interests than the Timor campaign. It is estimated that workers attending a rally on 15 November 2005 cost employers in Victoria alone \$30 million.⁵³

The second problem with Fernandes's argument is that of timing. Downer gave the first indication that Australia would be prepared to send troops to East Timor on 4 September.⁵⁴ On 6 and 7 September, the National Security Committee (a sub-committee of Cabinet) met to consider the situation, and decided to commit Australian forces.⁵⁵ On 7 September then, at the very latest, the Government had decided to intervene in East Timor.

According to Fernandes, however, the *first* 'serious protest action' in favour of intervention only took place on 6 September, mobilising 'several hundred' people. The largest protest Fernandes cites, and on which he bases much of his argument, took place on 11 September, several days *after* the decision to intervene was made.⁵⁶

Moreover, the decision to intervene was not a panicked reaction which came out of the blue, as Fernandes suggests. Rather it was the logical conclusion of a series of policy changes which began in late 1998. This is not to argue that the Howard Government desired East Timor's independence, or that the intervention had been planned for months before it took place. On the contrary, Australia's preferred option was always to see East Timor remain part of Indonesia. But from a relatively early stage, the Howard Government realised that the *status quo* in East Timor was no longer tenable and, in the first half of 1999, came to accept, however reluctantly, that this would probably mean independence. Given this reality, the Government's attention shifted to securing Australia's interests in East Timor directly. But Canberra also sought to maintain good relations with Indonesia, including with the military. The Howard Government therefore found itself balancing two conflicting priorities.

52 Newspoll Market Research *Opinion polling on military action against Iraq* 14-16 March 2003, http://www.newspoll.com.au/image_uploads/cgi-lib.26256.1.0303war.pdf, accessed 18 April 2007.

53 Paul Robinson 'Not happy, Mr Howard! Record crowds rally against work laws' *Age*, 16 November 2005, p. 1.

54 Fia Cumming 'Force ready and waiting' *Sydney morning herald*, 5 September 1999, p. 7.

55 See Greenlees and Garran *Deliverance* pp. 236-239; White 'The road to INTERFET' p. 82.

56 Fernandes *Reluctant saviour* pp. 88-89.

By June 1998 Australia's position on East Timor had started to shift, with a diplomatic cable arguing that while it would be best if the issue was settled internally, this could only be achieved through genuine negotiation with the independence movement.⁵⁷ Accordingly, the Howard Government began to reach out to leading independence figures, including the imprisoned Xanana Gusmão. Such discussions convinced the Government that support for independence was overwhelming, and that a genuine act of self-determination would be necessary. East Timorese views on post-independence regional relations and arrangements to secure Australian investments in the resources sector were also canvassed.⁵⁸

In December, Howard wrote to Habibie outlining a new Australian policy on East Timor, which encouraged Indonesia to offer the East Timorese a period of autonomy lasting many years, before an eventual ballot on independence.⁵⁹ But Australia's cautious move was overtaken by Habibie's decision to resolve the situation quickly. In May details of the ballot, under a UN brokered agreement between Indonesia and Portugal, were announced. Australia provided funding and logistical support for the self-determination process, as well as contributing to the UN police presence.⁶⁰

While support for self-determination for the East Timorese was a major departure from Australia's previous policy, other elements in the approach to East Timor's status remained in place. First, Australia continued to recognise Indonesian sovereignty over East Timor. This forestalled the possibility of any outside force assuming control of the territory without Indonesia's agreement.

Second, Australia reaffirmed its position that an autonomous East Timor should remain an integral part of Indonesia, because full independence would lead to regional instability.⁶¹ This remained Australia's official position until the ballot. As early as February, however, Downer publicly admitted that the East Timorese would probably choose full independence.⁶² In early March, he did not even express Australian support for autonomy

57 David Goldsworthy 'East Timor' in \ Edwards and Goldsworthy *Facing north* p. 225.

58 Department of Foreign Affairs *East Timor in transition 1998-2000* pp. 177-179; Australian Parliament *East Timor: final report of the Senate Foreign Affairs, Defence and Trade References Committee*, 2000, p. 176; Goldsworthy 'East Timor' p. 226; Lindsay Murdoch 'Australia in secret E Timor peace role' *Age*, 18 July 1998, p. 1; Taudevin *East Timor: too little too late* p. 155; José Teixeira, Member of the East Timorese parliament and former minister in the Alkatiri Government, interview conducted in Dili, 21 November 2007.

59 Department of Foreign Affairs *East Timor in Transition 1998-2000* pp. 29-32, 181.

60 Cotton *East Timor, Australia and regional order* pp. 91-94.

61 Alexander Downer *Transcript of interview with Alexander Downer on ABC TV*, Department of Foreign Affairs and Trade, 31 August 1999, http://www.dfat.gov.au/media/transcripts/1999/990831abc_various_et.html, accessed 28 March 2007; John Howard *Transcript of interview with John Howard on ABC TV* Department of Prime Minister and Cabinet, 9 February 1999, <http://www.pm.gov.au/media/Interview/1999/730rep0902.cfm>, accessed 21 March 2007.

62 Geoff Kitney 'Downer in East Timor force talks' *Age*, 6 February 1999, p. 7.

as a final solution, stressing instead the need for a peaceful transition, whatever the Timorese decided.⁶³ Eventually, the issue was simply dropped.⁶⁴

Although Australia preferred the continuation of East Timor's incorporation into Indonesia, the new policy recognised that East Timorese independence might now be inevitable.⁶⁵ Continuing to push strongly the idea that the East Timorese should choose to remain within Indonesia could only be an embarrassment after the ballot. By supporting self-determination, Australia at least ensured that it could influence rapidly changing events.

This change in policy was widely endorsed by commentators. The general support is best illustrated by comments in *The Australian*, home to Australia's leading rightwing foreign affairs commentators, and previously a bastion of support for the Indonesian occupation of East Timor. In January 1999, the paper not only editorialised that a change in East Timor's situation was inevitable, but that the Australian Government must accept a vote on self-determination which 'might well favour independence'.⁶⁶ By the time of the ballot, Greg Sheridan went so far as to say that independence in East Timor was preferable to the current instability.⁶⁷ On 4 September, even before the announcement of the ballot results, both Paul Kelly and Sheridan threw their support behind an Australian intervention.⁶⁸ The newspaper even published a 'protest diary' listing events the public could attend, an extraordinary move for a newspaper which had criticised public protests against Indonesian policy in the past.⁶⁹ Precisely the ideological forces Fernandes correctly identifies as previously promoting support for the Indonesian occupation, had now come to support intervention.

Australia's response to violence in East Timor

While trying to shape developments in East Timor, Australia still needed to manage the wider relationship with Indonesia. Most importantly, Australia did not seriously pressure Habibie to allow international forces into East Timor before the ballot.⁷⁰ To support this position, the Howard Government consistently played down the violence in East Timor or

63 Alexander Downer 'Address by Alexander Downer in the Australia-Asia Institute's Australia in Asia Lecture Series' Department of Foreign Affairs and Trade, 1 March 1999, http://www.dfat.gov.au/media/speeches/foreign/1999/990301_indon_trans.html, accessed 21 March 2007.

64 Lindsay Murdoch 'Australia neutral on East Timor: Downer' *Age*, 1 August 1999, p. 1.

65 See White 'The road to INTERFET' pp. 74-76.

66 'Timor policy hesitant but inevitable' *Australian* editorial, 13 January 1999, p. 10.

67 Greg Sheridan 'Why US forces won't get the nod' *Australian*, 1 September 1999, p. 9.

68 Paul Kelly 'We can help if Jakarta lets us' *Australian*, 4 September 1999, p. 13; Greg Sheridan 'Time for us to send in peacekeepers' *Australian*, 4 September 1999, p. 13.

69 'Protest diary' *Australian*, 11 September 1999, p. 3.

70 William Maley 'Australia and the East Timor crisis: some critical comments' *Australian Journal of International Affairs* 54 (2) 2000, pp. 157-158.

attempted to shift blame away from the Indonesian military, even though intelligence sources kept Canberra well informed about the real situation.⁷¹ The effect of Australia's rhetoric was to support Indonesia's strategy of pretending the violence in East Timor was purely a result of tensions between rival groups of East Timorese, in which the Indonesian military was neutral.⁷²

Government sources of intelligence meant the Australian Government almost certainly anticipated the general post-ballot strategy of the Indonesian military. Consequently, Australian military planners started considering their options in East Timor early in 1999.⁷³ Planning was kept highly secret, because to openly prepare for an intervention would have been to effectively renounce support for Indonesian sovereignty in East Timor. In May, detailed planning began for 'Operation Spitfire', an evacuation of Australian and other foreign nationals in the event of post-ballot violence. From the beginning, Spitfire planned for two contingencies. The first called for the use of only small numbers of armed Australian personnel if, as eventuated, Indonesian forces co-operated with evacuations by air. This version of Spitfire was put into action on 6 September.⁷⁴ But contingency plans were also made for a far stronger Australian force to be inserted into East Timor if necessary, in order to secure key areas such as Dili's airport and harbour. This spearhead could then wait for more substantial international forces to arrive.

This second plan, including the numbers and types of troops used, was adapted to form the basis for 'Operation Warden', as Australia's full-scale deployment in late September became known.⁷⁵ As Bob Breen writes in his detailed account, 'In simple terms, *Operation Warden* was *Operation Spitfire* with more combat power and a larger logistic tail.'⁷⁶ This possibility was recognised even as Spitfire was being implemented, with command of the evacuation operation given to Major General Peter Cosgrove, who would also have to be in control of any larger operation, in his role as commander of the Deployable Joint Force Headquarters. Planning the evacuation was therefore, in effect, used as a political cover for planning the later intervention.

Logistical planning for Operation Warden began as early as July. But logistics officers were explicitly forbidden, for example, from purchasing additional stores or pre-positioning supplies and personnel in northern Australia, in case Indonesia learnt of the

71 Desmond Ball 'Silent witness: Australian intelligence and East Timor' *The Pacific review* 14 (1) 2001, p. 41; Department of Foreign Affairs *East Timor in transition 1998-2000* pp. 57-61; John Lyons 'The secret Timor dossier' *Bulletin*, 12 October 1999, pp. 24-29.

72 Fernandes *Reluctant saviour* pp. 47-58.

73 Breen *Mission accomplished* pp. 2-4; Robert Garran 'Downer's secret plan for E Timor's future' *Australian*, 22 February 1999, p. 1.

74 Breen *Mission accomplished* pp. 7-14.

75 See Breen *Mission accomplished* pp. 23-24, 33-43.

76 Breen *Mission accomplished* p. 21.

preparations.⁷⁷ Some officers did, however, begin to learn Timorese dialects.⁷⁸ There are reports that Australian special forces made landings in East Timor from April 1999, in order to reconnoitre potential landing sites and to observe the Indonesian military.⁷⁹ The Government also put an army battalion on a heightened state of readiness from March, so that the unit was ready to deploy within 28 days, and in April leased a high speed catamaran, which was used in the first deployment of Australian troops from Darwin. All of these decisions indicate that the Government was planning for a period of heightened military operations.

This does not mean that there was advanced planning for the full-scale military intervention that eventually occurred. But there *was* substantial preparation for the Australian military's immediate task of securing Dili and surrounding areas as Indonesian forces were withdrawn. The result was that within two weeks of the decision to intervene Australian troops were operating on the ground in East Timor.

What did this military operation achieve? Almost all commentators believe that the intervention was necessary because of the violence perpetrated by the Indonesian military and its proxies. This justification is placed in question by the fact that the Indonesian military was departing the territory, not attempting to maintain its occupation of East Timor. The humanitarian achievements of the intervention were also far less than generally assumed.

The mass murder of independence supporters was the most compelling reason given for intervention in East Timor. But the timing of the killings has not been much remarked upon, because it is axiomatic to both sides of the debate on Australia's policy that a military intervention in East Timor was necessary to stop militia violence.⁸⁰ The death toll would indeed have risen somewhat if the intervention had not taken place. Some killings did continue after Interfet (International Force for East Timor) landed on 20 September. The arrival of international troops also set a definite deadline for Indonesia's withdrawal, without which such murders would have continued, although probably with decreasing frequency. The sort of mass killings used to justify the intervention had, however, already largely stopped by the time Habibie announced an international force would be allowed into East Timor. There are three exceptions to this, in which a total of around 40 people were killed. But in none of these cases was Interfet in a position to intervene to stop the violence, because it did not yet have a presence in the areas concerned.⁸¹

77 Breen *Mission accomplished* p. 123.

78 Brendan Nicholson 'Diggers learn a new language' *Age*, 17 April 1999, p. 21.

79 Ian Hunter 'Elite forces scouted island from April' *Sydney morning herald*, 11 October 1999, p. 11; Mark Dodd 'Militias: Australia points finger' *Sydney morning herald*, 10 June 1999, p. 8.

80 For example see Cotton *East Timor, Australia and regional order* pp. 96-97; Fernandes *Reluctant saviour* p. 114.

81 Robinson *East Timor 1999: crimes against humanity* pp. 236-247.

The murders did not abate because Indonesian forces had managed to eliminate all those they wanted dead. It was because around half the East Timorese population was already being deported, or else were hiding in remote regions of the territory.⁸² The bigger towns, where militia could more easily target large numbers of civilians, were largely abandoned. Rather than attempt to hunt down the civilian population who had gone into hiding, the Indonesian forces concentrated on systemically destroying the territory's physical assets, in preparation for their departure. Nor were there mass killings of refugees in West Timor, although individuals continued to be targeted.

Interfet did not force the TNI or the militias to leave East Timor through military operations.⁸³ In Dili, Interfet allowed Indonesian forces to leave in their own time. In most other towns and regions, Interfet arrived to find that both the civilian population and Indonesian forces had already departed. It was only in one or two towns on the western border that Interfet actually dislodged the militias using force. Even here the civilian population had already fled, so it is doubtful if many lives were saved by Interfet's arrival.

By the end of September, there were over 4,200 Interfet soldiers in East Timor. Yet they had no presence in the bulk of the territory. Rather than establishing an immediate but smaller scale presence in multiple locations throughout the territory, overwhelming force was built up in centralised locations. Only then did troops gradually spread into the surrounding areas or begin to build up in another location.⁸⁴ Falintil became frustrated at the slow pace of this deployment, because Interfet did not seem to appreciate that the militia threat was rapidly abating.⁸⁵ In mid-October it was announced that the three eastern districts of East Timor were considered safe for travel by civilians, not because Interfet had any presence there, but because Falintil had made assurances that the militias were no longer a problem.⁸⁶

Once Indonesia began leaving East Timor, the chief risk to human life was mass starvation and illness. But humanitarian aid seems almost to have been an afterthought in Interfet planning and, operationally, the delivery of aid always took second place to military considerations. Relief flights were cancelled for several days at the beginning of the deployment, because priority was given to troops and military equipment (and journalists).⁸⁷ What food was available in Dili was not distributed quickly enough,

82 See Robinson *East Timor 1999: crimes against humanity* pp. 42-44.

83 The following account is based primarily on Breen *Mission accomplished*; Ryan 'Primary responsibilities and primary risks'.

84 See David Dickens 'The United Nations in East Timor: intervention at the military operational level' *Contemporary Southeast Asia* 23 (2) 2001. For criticisms of this strategy, see Irena Cristalis *Bitter dawn: East Timor, a people's story* Zed Books, London 2002, pp. 253-259.

85 'Peace force too slow, says rebel chief' *Australian*, 5 October 1999, p. 10.

86 Paul Toohey 'Safety declared as UN bows to Falintil advice' *Australian*, 18 October 1999, p. 10.

87 Bernard Lagan and Mark Dodd 'Aid drops suffer amid rapid military build-up' *Sydney morning herald*, 22 September 1999, p. 11; Janine Macdonald 'Delays frustrate aid staff' *Age*, 21 September 1999, p. 13; Max Blenkin 'Troops go into bandit country' *Courier-mail*, 28 September 1999, p. 4.

resulting in hungry refugees looting aid warehouses twice in the first week of the deployment.⁸⁸ International aid agencies were critical because Interfet did not rapidly extend its operations beyond Dili in the first two weeks of the operation.⁸⁹ A semi-official review of the deployment is critical of NGOs for their lack of organisation, but acknowledges that Interfet was largely reliant on them for the provision of aid.⁹⁰

If Interfet arrived too late to prevent mass killings, it acted too slowly to bring a halt to deportations of the East Timorese population or physical destruction in the territory, which continued well after its arrival. The border region did not come under Interfet's control until nearly three weeks into the deployment. As Indonesian forces were allowed to retreat at their own pace to West Timor, or other Indonesian islands, they continued to take civilians with them.⁹¹ Even in Dili, civilians were ushered onto boats from docks under the dual control of Indonesian and Australian troops.⁹² No effort was made by Interfet to stop the deportations.

Finally, the prevention of physical destruction was certainly not a priority for Interfet. For days after Interfet arrived in Dili, Indonesian forces continued acts of arson. Australian forces were not authorised to stop this, merely challenging those caught in the act.⁹³ This is despite Interfet being mandated by the UN to use force if necessary to restore order. Indonesian forces were also allowed to take looted possessions with them and shipped out stocks of food aid.⁹⁴ Outside Dili, there was no interference in looting and arson at all. Again, the slow pace of Interfet's advance to the western border was a crucial factor, and the western regions suffered the most thorough destruction.⁹⁵

Interfet failed to deliver on its humanitarian promise because its overriding priority was to maintain the Australian-Indonesian relationship. Open combat between Interfet and the Indonesian military had to be avoided, and clashes with the militia kept to a minimum. It was no accident that Australian troops entered territory from which their Indonesian counterparts had already departed, because their movements were in general coordinated. As Dickens writes,

88 Mark Dodd 'Rice stolen in midnight raid on warehouse' *Sydney morning herald*, 30 September 1999, p. 8.

89 Mark Dodd 'Critics talking rubbish, says Cosgrove' *Sydney morning herald*, 8 October 1999, p. 10.

90 Ryan 'Primary responsibilities and primary risks' p. 109.

91 Breen *Mission accomplished* p. 56; Taudevin *East Timor: too little too late* pp. 281-282.

92 Breen *Mission accomplished*.

93 Breen *Mission accomplished* pp. 56-58.

94 Breen *Mission accomplished* pp. 48-50.

95 Nevins *A not-so-distant horror* p. 102.

TNI commanders responsible for East Timor were kept fully briefed on INTERFET's intentions and were given the space to retire gracefully from East Timor.⁹⁶

Maintaining relations with Indonesia nevertheless had to be balanced against the need to establish stability. Confrontations with Indonesian regular forces, even those clearly acting in concert with militia elements, were studiously avoided. Militia were also allowed to retreat along with their Indonesian sponsors. But this initial accommodating attitude quickly hardened once Interfet had taken control of an area, because militia acting on their own posed a potential threat to this control. The clearest example is the operation to secure the border with West Timor. Although it took two weeks before it was launched, once underway it involved the airborne and amphibious deployment of hundreds of combat troops supported by armoured vehicles. Australian troops actively sought to flush out any militia remaining in the region, resulting in a number of clashes.⁹⁷

Australia abhors a power vacuum

By September 1999 Australia could no longer rely on Indonesia to secure its interests in East Timor. The spectre of the 'Balkanisation' of the Indonesian archipelago haunted Australian policy makers. East Timor became the focal point for fears about an 'arc of instability', because it was seen as a potential trigger for a domino effect in which Aceh, West Papua or other 'restive provinces' would follow its example. As always, the ultimate concern was the possibility of major powers hostile to Australia, especially China, gaining influence in the region.⁹⁸ Australia therefore moved to avoid a destabilising power vacuum, which if left unchecked might ultimately have undermined its position of military primacy in the region. As White recollects,

it was recognised that if a major [intervention] was required, it would be in Australia's interests to play a major role. We knew that Australia would have much at stake directly in the stability and viability of an independent East Timor.⁹⁹

Indonesia's withdrawal from the territory was all but inevitable after the ballot, but it was far less clear how the transition to independence would unfold. Australia was initially excluded from negotiations over the territory's future. Portugal was the key third party in UN negotiations between Indonesia and the pro-independence CNRT (National Council

96 Dickens 'The United Nations in East Timor: intervention at the military operational level' p. 214.

97 Damien Kingsbury 'East Timor border security' in Damien Kingsbury (ed.) *Violence in between: conflict and security in archipelagic Southeast Asia* Monash University Press, Victoria 2005, pp. 277-278.

98 For explicit examples, see Geoffrey Barker 'Defence plan in no man's land' *Australian financial review*, 17 May 1999, p. 20; Paul Dibb 'Indonesia: the key to South-East Asia's security' *International affairs* 77 (4) 2001, pp. 830-834; Dupont 'The strategic implications of an independent East Timor' pp. 187-188; Greg Sheridan 'We can't risk losing our security edge' *Australian*, 14 August 1998, p. 25.

99 White 'The road to INTERFET' p. 4.

for Timorese Resistance), and might have achieved a stronger role in East Timor had the transition to independence been peaceful.

The Indonesian military's scorched earth policy dramatically changed this balance of power. In one sense, the destruction was not in Australia's interests, as a more chaotic transition could hardly be imagined. But the violence also provided an excuse for Australian intervention. The worst possible outcome for Australia would have been an East Timor in which there was no clear state power. For example, although Falintil might have secured most of the country, without Interfet's firepower the militias could have operated in the western border regions indefinitely. The instability feared by Australia would have been deepened and prolonged. Instead, the Australian military provided the hard foundation of armed force upon which the UN's transitional state in East Timor was constructed.

Moreover, the new nation was cast in the mould of Western liberal democracy; no 'failed state' or 'Southeast Asian Cuba' ensued. A CNRT regime established by its own efforts would have been in a far stronger position to determine East Timor's direction during the transitional period. The intervention allowed Australia, in the words of one East Timorese activist, to 'come as angels, to come as gods'.¹⁰⁰ Prior to this, as the most prominent international supporter of the Indonesian occupation, Australia's public image in East Timor could hardly have been worse. Popular gratitude for the Australian intervention meant its subsequent involvement in the territory was more politically acceptable.

Australian diplomacy was underwritten by financial aid. Spending on East Timor totalled around \$3.9 billion in the financial years 1999-2004. But the major component, nearly \$3.5 billion, was on Australia's military and police deployment. In comparison, spending on humanitarian aid over the period was a mere \$150 million, declining from a peak of \$75 million in 1999-2000 to \$35 million in 2003-04.¹⁰¹ The focus of aid spending was, moreover, on strengthening the East Timorese state, particularly the military and police force. Poverty reduction, health and education were lower priorities. In 2002 A\$30 million was spent on 'governance' projects and \$40 million on police and justice, but only \$19 million on health and clean water, and \$15 million on education.¹⁰² The Australian military was largely responsible for training East Timorese troops, at a cost of \$26 million, and

100 Cited in Damian Grenfell 'Nation-building and the politics of oil in East Timor' *Arena* 22 2004, p. 50.

101 Cotton *East Timor, Australia and regional order* pp. 135-136. See also Tim Anderson 'Aid, trade and oil: Australia's second betrayal of East Timor' *Journal of Australian Political Economy* 52 2003, p. 118.

102 AusAID *Aid activities in East Timor* 2006, <http://www.ausaid.gov.au/country/country.cfm?CountryID=911&Region=EastAsia>, accessed 2 June 2006.

Australia has also provided arms.¹⁰³ In 2003, \$40 million was allocated to police force training over four years.¹⁰⁴

Australia expected to gain direct political influence from its aid expenditure. In 2004, a number of East Timor NGOs signed a statement criticising Canberra's policy on negotiating oil and gas rights. In retaliation, Australia cut its funding to one of the NGOs. Other organisations have had funding cut for similar reasons.¹⁰⁵ More subtly, NGO workers express concern that to obtain funding they are forced to accept the priorities of donor countries, but are unable to address more controversial issues such as national self-determination, political awareness or popular education.¹⁰⁶

Despite the primacy of strategic concerns, Australian policy makers have also sought to maximise the economic benefits of the intervention. Australia has been a strong promoter of orthodox neo-liberal economic policies in East Timor, including the need for fiscal restraint, open trade and investment regimes and minimal state involvement in the economy.¹⁰⁷ These policies have often been promoted under the guise of 'good governance', which means prioritising private markets.¹⁰⁸ Canberra provided financial advisors to help draw up the 2000-2001 and 2001-2002 East Timor budgets and develop its taxation system.¹⁰⁹ Australia has also supported agricultural development based on cash crops, and opposed government controlled infrastructure development.¹¹⁰ By 2007, Australia was the largest foreign investor in East Timor, along with Singapore.¹¹¹

103 Cotton *East Timor, Australia and regional order* pp. 135-138; Mark Dodd 'Australia to lend new army 300 rifles' *Sydney morning herald*, 31 January 2001.

104 Cotton *East Timor, Australia and Regional Order* pp. 137-138.

105 Ellis, Peter 'Lying for your country' *New Matilda*, 30 May 2007, <http://newmatilda.com/2007/05/30/lying-your-country>, accessed 15 April 2010; La'o Hamutuk 'Australia [sic] aid should support Timor-Leste, not Australia's political interests' press release, 6 October 2005, <http://www.laohamutuk.org/reports/AusAID/FTM.html>, accessed 12 July 2007.

106 Anonymous NGO worker in East Timor, interview conducted Dili, 8 November 2007; Setyo Budi, Indonesian social activist working in East Timor, interview conducted in Dili, 8 November 2007; José Luis de Oliveira, East Timorese NGO worker with Yayasan Hak, interview conducted in Dili, 23 November 2007; Interview with Nuno Rodriguez.

107 See Anderson 'Aid, trade and oil: Australia's second betrayal of East Timor' pp. 116-117; Tim Anderson 'Independent development in Timor-Leste?' *Development bulletin* 68 2005, p. 71-72.

108 For examples see *Good governance: guiding principles for implementation* AusAID, 2000, p. 7; Paul Simons, Gayle Hart, and Cliff Walsh *One clear objective: poverty reduction through sustainable development* AusAID, 1997, pp. 4, 6.

109 Department of Foreign Affairs *East Timor in transition* pp. 162-163.

110 Tim Anderson 'Food security and agriculture in the Australia-East Timor relationship' in Damien Kingsbury and Michael Leach (eds) *East Timor: beyond independence* Monash University Press, Clayton 2007, pp. 186-189.

111 George Junus Aditjondro, 'From colony to global prize: Timor Loro Sa'e under a wave of economic transformation' *Arena magazine* 47 2000, pp. 22-23, 35-36; George Junus Aditjondro *Timor Loro Sa'e on the crossroad* Center for Democracy and Social Justice Study, Jakarta 2001, pp. 32-33; Department

The most prominent economic issue between Australia and the independent East Timor has been negotiations over the boundary line between the two countries, and hence the division of royalties from the exploitation of oil and gas deposits in the Timor Sea.¹¹² Space does not permit a full discussion. What is important here are the tactics used by Australia, which adopted a self-declared position of prioritising Australia's 'national interest',¹¹³ and by refusing to allow the matter to be legally adjudicated shifted the field of negotiations decisively in its favour. Australia's position of economic strength was openly exploited by Foreign Minister Downer during negotiations, who at one point told Prime Minister Mari Alkatiri that 'We are very tough... Let me give you a tutorial in politics...'¹¹⁴ During negotiations Australia also repeatedly referred to the 1999 intervention, a not so subtle reminder of East Timor's strategic weakness at a time when a bilateral defense agreement covering the Timor Sea was also under discussion.

A new agreement was signed in February 2006. Although gaining some concessions, East Timor still lost several billion US dollars in revenues to which it had laid claim, a sum greater than Australian aid to East Timor during the early years of independence.¹¹⁵ The chief benefit of this arrangement for Australia is that it maintains the territorial status quo: no permanent border will be set with East Timor for a further 50 years, by which time oil and gas deposits in the region will have been exhausted.

Conclusion: a success story for Australian imperialism

Although popular support did not force the Howard Government to intervene in East Timor, it was perfectly happy to exploit public sentiment to advance the cause of Australian imperialism. The intervention became the centrepiece of an increasingly militarised nationalism, in which Australia's armed might was celebrated as the

of Foreign Affairs and Trade *East Timor—country brief* http://www.dfat.gov.au/geo/east_timor/east_timor_brief.html, accessed 16 July 2007.

112 The following account is based on Anderson 'Aid, trade and oil: Australia's second betrayal of East Timor' pp. 119-124; Tim Anderson 'Timor Leste: the second Australian intervention' *Journal of Australian Political Economy* 58 2006, pp. 63-67; Paul Cleary *Shakedown: Australia's grab for Timor oil* Allen & Unwin, Crows Nest 2007; Cotton *East Timor, Australia and regional order* pp. 102-109; Alexander Munton *A study of the offshore petroleum negotiations between Australia, the U.N. and East Timor* PhD Thesis, Australian National University, 2006; Clive Schofield 'A 'fair go' for East Timor? Sharing the resources of the Timor Sea' *Contemporary Southeast Asia* 27 (2) 2005, pp. 262-277; Schofield, Clive, and I Made Andi Arsana. 'The delimitation of maritime boundaries: a matter of 'life and death' for East Timor?' in Kingsbury and Leach *East Timor: beyond independence* pp. 67-85; Interview with José Teixeira.

113 Holmes, Jonathon 'Rich man, poor man', transcript, *Four Corners*, ABC Television, 10 May 2004, <http://www.abc.net.au/4corners/content/2004/s1142836.htm>, accessed 17 July 2007.

114 Cited in Tim Colebatch 'How they fooled us on East Timor' *Age*, 11 March 2003, p. 13.

115 Anderson 'Aid, trade and oil: Australia's second betrayal of East Timor' p. 123; Grenfell 'Nation-building and the politics of oil in East Timor' p. 48.

embodiment of shared national values and interests.¹¹⁶ Soon after the intervention began, one newspaper gushed:

The arrival in East Timor of Australia's peacekeeping troops is as much a defining moment of our national identity as Gallipoli. It was on Gallipoli's unassailable slopes in World War I that Australia's ethos of mateship and loyalty were forged forever in a hail of murderous bullets. Now, 84 years later, Australia faces another onerous call to duty.¹¹⁷

General Cosgrove was feted as the personification of Australian martial prowess.¹¹⁸ He was promoted to Chief of the Army and then Chief of the Defence Force, and was named Australian of the Year in 2001. Cosgrove's popularity was used to rehabilitate the image of the Vietnam War, as the media emphasised his distinguished service in that conflict.¹¹⁹ He featured in a beer commercial and received a standing ovation at a television awards ceremony.¹²⁰

The political hay-making was aided by the uncritical support it received from previous long-term critics of the Howard Government. This included all the mainstream political parties, including the Greens.¹²¹ A number of commentators and academics generally known for their critiques of the Howard Government also praised the East Timor intervention, including many who had condemned the Government's policy on East Timor up to the intervention.¹²² Reverend Tim Costello commented that 'If conscription is

116 Despite his ambivalent attitude to the phenomenon, Birmingham sums up these developments well. John Birmingham 'A time for war: Australia as military power' *Quarterly essay* 20 2005, pp. 47-55.

117 'A nation salutes its brave' *Daily telegraph* editorial, 20 September 1999, p. 10.

118 For examples, see Mike Carlton 'General Peter for President' *Sydney morning herald*, 19 February 2000, p. 38; D.D. McNicol 'A champion emerges from East Timor's nightmare' *Australian* 3 January 2000, p. 6; Simon Pristel 'Soldier's soldier' *Courier-mail*, 2 October 1999, p. 24.

119 I owe this point to Tom O'Lincoln.

120 Peter Hartcher 'Australia's acid test at the bottom of the sea' *Australian financial review*, 14 October 2000, p. 9.

121 For example of the cross party support, see Peter Cole-Adams 'Look after your mates, Howard urges troops' *Sydney morning herald*, 20 September 1999, p. 14; Aban Contractor 'MPs join forces to support peacekeepers' *Canberra times*, 22 September 1999, p. 11.

122 For examples, see Burchill 'East Timor, Australia and Indonesia' p. 180; Anthony Burke *In fear of security: Australia's invasion anxiety* Pluto Press Australia, Annandale 2001, pp. 212-220; Robert Garran *True believer: John Howard, George Bush and the American alliance* Allen & Unwin, Crows Nest 2004, pp. 55-58; Ann Kent 'Australia and the international human rights regime' in James Cotton and John Ravenhill (eds) *The national interest in a global era: Australia in world affairs 1996-2000* Oxford University Press, South Melbourne 2001, pp. 256, 276; Damien Kingsbury 'Conclusion' in Damien Kingsbury (ed.) *Guns and ballot boxes: East Timor's vote for independence* Monash Asia Institute, Victoria 2000, p. 185; Maley 'Australia and the East Timor crisis: some critical comments' p. 159; Robert Manne 'The Howard years: a political interpretation' in Robert Manne (ed.) *The Howard years* Black Inc, Melbourne 2004, p. 46.

necessary, it is now socially and politically acceptable,¹²³ while liberal commentator Phillip Adams argued for increased military might because

in the next century our region will be unstable and... a nation of 20 million people, predominantly white and preposterously wealthy, needs to have first-class armed services.¹²⁴

Having secured popular support over East Timor, the Government was emboldened to pursue a more aggressive policy of military intervention in the South West Pacific. Just days after Australian forces landed in East Timor, *The Bulletin* magazine interviewed John Howard and declared a watershed in Australian defence and foreign policy:

The Howard Doctrine—the PM himself embraces the term—sees Australia acting in a sort of ‘deputy’ peacekeeping capacity in our region to the global policeman role of the US. East Timor shows Australia as a medium-sized economically strong, regional power...¹²⁵

Howard subsequently claimed not to have used the word ‘deputy’, but the article accurately reflected his position that Australian armed forces must play a more overt role as the region’s policeman.

The new policy found its first official expression in the 2000 Defence White Paper, which argued that the very existence of Pacific island countries was in question:

The stability, cohesion and viability of some of these nations will remain under significant pressure over the years ahead. Their resulting vulnerability will continue to be a strategic concern for Australia.¹²⁶

Australia’s diplomatic, economic and military strength, it argued, must be deployed to remove sources of instability. Military intervention would be central to this project. Citing the East Timor deployment among other examples, the White Paper predicted an increase in Australia’s involvement in ‘military operations other than war’. Australia needed to be able to play the largest role in any international coalitions conducting these operations in the region, and to be able to conduct several such operations at once. The line between such deployments and more conventional confrontations with regional competitors could easily become blurred. Ultimately, expanded armed forces would be needed to secure Australia’s position as the key power-broker in the Southwest Pacific.

Spending on defence rose (in real terms) from \$13.5 billion in 1997-1998 to \$19.6 billion in 2006-2007, halting a long term decline.¹²⁷ The popularity of the East Timor deployment

123 Cited in Richard Baker ‘National service gains support’ *Age*, 25 September 1999, p. 22. Bill Hayden, former Governor-General and Minister for Foreign Affairs in the Hawke government, was also supportive. Bill Hayden ‘Don’t forget we’re on our own’ *Australian*, 14 September 1999, p. 15.

124 Phillip Adams ‘Day of the lap-dog is over’ *Australian*, 25 September 1999.

125 Fred Brenchley ‘The Howard defence doctrine’ *Bulletin*, September 28 1999, pp. 22-24.

126 Department of Defence *Defence 2000: our future defence force 2000*.

made increased military spending palatable in the electorate. One poll reported 57 per cent approval for a new 'East Timor levy' imposed by the Government to fund the intervention itself, in contrast to the majority who opposed the GST.¹²⁸ Even before the intervention began, an editorial in *The Australian financial review* realised the potential:

The calls for action in Timor are ironic because many of those who fostered the political climate in which the army was run down were the loudest in demanding Australia intervene there. This call to arms has, for the first time in decades, given broad legitimacy to the proposition that Australia should be able to intervene militarily outside its territory. This raises the possibility of building a domestic consensus, not just in favour of increased defence spending, but of changing the structure of the defence force.¹²⁹

The new military capabilities were soon put to use. Between 2000 and 2007 Australia dispatched military or policing forces to the Solomon Islands, Papua New Guinea, Vanuatu and Tonga. Australian officials also assumed government administrative roles in many of these countries, as well as in Nauru. Finally, in May 2006, Australian troops returned to East Timor, where they shored up the Ramos-Horta Government, which had replaced the elected Alkatiri Government after a military revolt. The 1999 intervention into East Timor heralded a new phase of a stronger, more self-confident Australian imperialism.

127 2004-2005 dollars. Raspal Khosa *Australian Defence Almanac 2006-2007* Australian Strategic Policy Institute, Barton 2006, p. 88.

128 Tony Wright 'Voters back Timor tax' *Age*, 7 December 1999, p. 1.

129 'Spending more makes sense' *Australian financial review* editorial, 15 September 1999, p. 18.

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'Rank and fileism' revisited: trade union bureaucracy and Australia's Great Strike

Robert Bollard

In the early 1990s a debate was initiated by conservative historian Jonathan Zeitlin, who attacked a number of (mainly) British Marxist historians for 'rank and fileism'—alleged exaggeration of what (Zeitlin argued) were arbitrary distinctions between the rank and file of trade unions and their bureaucracy. A key element of Zeitlin's criticism was his allegation that such historians were obsessed with periods of radical insurgency. This article uses the Great Strike of 1917 in eastern Australia to argue that such episodes of revolt are valuable because they illustrate in a stark and unequivocal way the inherently conservative nature of the trade union bureaucracy.

I am seeking to rescue the poor stockinger, the Luddite cropper, the 'obsolete' hand-loom weaver, the 'utopian' artisan, and even the deluded follower of Joanna Southcott, from the enormous condescension of posterity.¹

When E.P. Thompson penned these famous lines he launched a movement, 'history from below', which appeared, for three decades at least, to sweep all before it. Implicit in focussing upon the actual working class rather than the institutions of the labour movement were notions of working class agency derived from classical Marxism. Nevertheless, the idea was acceptable at a superficial level to more liberal historiography—it is not necessary to see the working class as the agent of history to agree that the stories of ordinary workers need to be told. It was perhaps inevitable, after decades in which British

1 E.P. Thompson *The making of the English working class* London, Gollancz, 1980, p. 12.

historiography was dominated by Marxist historians, that an attack on ‘history from below’ was launched. It is also not surprising that the attack was oblique—not challenging the focus on the working class but rather the supposed historiographic sin of ‘rank and fileism’.

The debate

The ‘rank and filist’ debate began in the late 1980s and early 1990s and was conducted initially in the *International Review of Social History*. It was initiated by the historian Jonathan Zeitlin, who claimed to have identified a new orthodoxy in British labour historiography (specifically amongst the practitioners of ‘history from below’) based upon what he considered an artificial division between the ‘rank and file’ and ‘bureaucracy’ of the labour movement.² In his polemic against ‘rank and filism’, Zeitlin singled out James Hinton, Bob Holton and Richard Price.³ He also included Richard Hyman, whose studies of contemporary workplace relations in Britain in the early 1970s had celebrated the achievements of shop floor organisation.⁴

Zeitlin was conclusively rebutted, particularly by Hyman.⁵ The rebuttal mainly focussed, however, on demonstrating that Zeitlin oversimplified his opponents, and that he conflated and caricatured their positions. This is particularly relevant to Zeitlin’s criticism of the validity of the terms ‘rank and file’ and ‘bureaucracy’. His arguments in this regard are reminiscent of earlier criticisms of Marxist categories such as class, bourgeoisie and proletariat. They have in common an identification of intermediate layers such as the new middle class, or in Zeitlin’s case, shop stewards, and the example of the ‘Convenor’: a senior shop steward in a large enterprise who is employed by the company but engaged full-time in union work. As Hyman points out, such criticism is predicated on a reductionist caricature. Just as Marxist scholars have a long history of using Marxist categories of class to analyse the complexities and subtleties of the real world, so have many of the scholars Zeitlin attacked directed their attention to the ‘grey areas’ between the ‘rank and file’ and ‘bureaucracy’ in trade unions.

But Zeitlin also criticised the fact that, with their various ‘intellectual and political preoccupations, historians of a ‘rank-and-filist’ bent were naturally attracted to the more

2 Jonathan Zeitlin, “‘Rank and filism’ in British labor history: a critique’ *International Review of Social History* 34, 1989, pp. 36-47.

3 James Hinton *The first shop stewards’ movement* London, Allen and Unwin, 1973; Bob Holton *British syndicalism, 1900-1914: myths and realities* London, Pluto Press, 1976; Richard Price *Masters, unions and men: work control and the rise of labour in building 1830-1914* Cambridge, Cambridge University Press, 1980.

4 See Richard Hyman *Marxism and the sociology of trade unionism* London, Pluto Press, 1971; Richard Hyman *Industrial relations: a Marxist introduction* London, Macmillan, 1975.

5 Richard Hyman, ‘The sound of one hand clapping: a comment on the “rank and filist” debate’ *International Review of Social History* 34, 1989, p. 321.

turbulent periods of British labour history'.⁶ The implication is that their approach has involved a distortion of reality: labour history looked at through a prism that magnifies conflict.

Zeitlin's point highlights the fundamental difference between the approach of Marxist historiography and that of mainstream historians. Marxist historiography is informed by the implications of history for revolutionary practice. It has, therefore, an in-built bias towards periods in which revolutionary possibilities are evident. The point of doing so is not to pretend that such conflict is normal or natural, that the proletariat is forever straining at the leash, or that trade union officials spend most of their time restraining or betraying a militant rank and file. There is a place for analysis which attempts to establish what is normally the case—the patterns of everyday life. There is also clearly a place for a historiography that focuses on moments of conflict, war and revolutions, strikes and civil unrest. In such moments of conflict it is possible to discern aspects of society normally hidden from view. One such aspect is the inherent tendency towards conservatism of the trade union bureaucracy. It is no less valid to focus on extreme historical conjunctures than it is for scientists to examine the behaviour of chemicals at unusually high temperatures. If a bureaucracy exists which is incapable of leading a struggle that goes beyond the bounds of normal trade unionism, then, only in conflict which breaks those bounds, can this incapacity be discerned. Concentrating on understanding the highpoints of class conflict is not a manifestation of historical thrill seeking, or a focus on episodes in history predetermined to justify a hypothesis. It is instead the only legitimate way in which such a hypothesis can be tested.

The Great Strike

In Australia, there is a clear candidate for such a concentration of effort, the Great Strike of 1917. Triggered by the introduction of the 'card system', a form of Taylorist speed-up, into the railway workshops in Sydney, this strike spread through an explosion of rank-and-file solidarity into a mass strike encompassing up to 100,000 workers in a range of industries, mostly in NSW and Victoria; the core of the strikers were out for five weeks before they were defeated. Only the maritime strikes of the 1890s bear comparison in terms of the scale of the strike, the viciousness with which it was repressed, and the radicalisation which engendered and accompanied it. In fact, as Turner has cogently argued, the mass strike of 1917 was in almost all respects, a larger-scale confrontation than the strikes of the 1890s.⁷

The defeat of the strike was sealed on 9 September when its official leadership, the Defence Committee, capitulated and called the strike in the NSW railways off without any concession from the Government or the Railway Commissioners. Regardless of whether

6 Zeitlin, "'Rank and fileism' in British labor history", p. 43.

7 Ian Turner *Industrial labour and politics: the dynamics of the labour movement in eastern Australia, 1900-1921* Canberra, ANU, 1979.

defeat was inevitable (as many historians have assumed) it is clear the union leadership was unprepared for a struggle of this scale. Most did not want to strike, but their attempts to prevent it failed. All they achieved was some limitation of the strike's extent and some retardation of its spread. None of this assuaged the anger of governments, state and federal, or mollified the severity with which they responded. The unfortunate E.J. Kavanagh, secretary of the Sydney Trades and Labour Council and head of the Defence Committee, was arrested and charged three weeks into the conflict with inciting a strike he had attempted to prevent. The main impact of their ambivalence on the strike was to limit its effect, to constrain the energy of the rank and file, and to prepare for eventual capitulation.

The number of unions, and, consequently, of officials involved made this strike something of a litmus test for the politics and mettle of the leadership of Australian labour. The unanimity of reactions by officials as diverse as Willis of the Coal Miners and Cooper of the Seamen, one a Marxist, the other a right-winger, is telling. There were differences in their behaviour. Cooper made little attempt to hide his hostility to the strike, and was even, at one point, willing to organise scabbing. Once his members had forced his hand, Willis, in contrast, worked tirelessly to make the strike effective, and when, as the time came to end it, he was faced with a similar rebellion by the miners in the Maitland District, he responded with argument rather than bureaucratic manoeuvres. Yet both were forced to endorse the strike by their members against their better judgement. Both were unwilling to spread the strike beyond New South Wales. Both, whatever their politics, were *industrially* to the right of the bulk of their members. We may reasonably ask: was there a systematic sociological basis to their common industrial conservatism?

Marxist tradition

The analysis of a trade union bureaucracy, distinct from and yet connected to the working class, has a long history, not confined to the classical Marxist tradition. A similar analysis has been made by figures as diverse as C. Wright Mills and Robert Michels.⁸ The Marxist tradition has remained, however, the most influential on labour historiography.

There are a number of different strands to this analysis. One begins with the apparently straightforward observation that full time union officials are not workers. The bourgeoisie does not employ them and they are not exploited. As a result, their relationship to the means of production is different from that of the workers they represent. This has a number of obvious ramifications. Viewed exclusively from the point of view of their material interests, the difference between officials and their members is clear. They do not

8 C. Wright Mills and Helen Schneider *The new men of power, America's labor leaders* New York, Harcourt, Brace, 1948; Robert Michels *Political parties: a sociological study of the oligarchical tendencies of modern democracy* (Trans. By Eden and Ceder Paul) New York, Hearst's International Library, 1915. Michels, unlike Mills, who saw the restraining influence of officials on the rank and file as salutary, did not view his famous 'iron law of oligarchy' as positive. Nevertheless his pessimistic and a-historical concept helped pave the way for other non-Marxist sociological analyses of bureaucracy (such as Mills').

experience the working conditions of their members, for example; they are not in danger of dying from industrial accidents; they do not have to go down a mine every working day nor endure the tedium of an assembly line. Nor will they suffer if their members' wages are cut, except inasmuch as this affects the revenue of the union. All these things matter to the officials, but they matter at an inevitable remove. That which affects the rank and file affects officials to the extent it affects the union machine upon which those officials depend.

This strand of analysis has obvious relevance for the giant unions in the U.S. and extreme examples can be found there: John L. Lewis of the Coalminers swigging champagne and smoking cigars at elite parties, gangster officials of the Teamsters playing fast and loose with the millions of their members' pensions funds. A press report from Atlantic City in 1910 relates:

Engaged in a game of baseball in his bathing suit with President Sam Gompers, Secretary Frank Morrison and other leaders of the A.F.L. on the beach this morning, John Mitchell, former head of the mine workers' union, lost a \$1000 diamond ring presented him by admirers after the settlement of the big Pennsylvania coal strike. Capt. George Berke, a veteran life guard, found the ring, whereupon Mitchell peeled a hundred dollar bill from a roll he carried in his pocket and handed it to the captain as a reward for his find.⁹

In Britain, where there is generally less wealth available to leading national officials, the existence of the Labour Party has created a career path that is rewarding in a way that involves prestige and social incorporation more than wealth.¹⁰

Australia's relatively tiny trade union movement offers still fewer rewards: however union amalgamations in the 1980s and 1990s created larger and more powerful bureaucracies even as the percentage of the workforce in trade unions declined. Accompanying this trend has been a tendency for officials to be recruited, not, as they traditionally were, from amongst the ranks of the members, but from outside. A substantial proportion has been trained in law and/or industrial relations and proceeded straight from graduation to employment as officials.¹¹ But this was not, of course, the case in 1917 when many unions were too small to afford full-time officials. Even with the larger unions at this time, many

9 Cited in Howard Zinn *A people's history of the United States* New York, Longmans, 1980, pp. 321-2.

10 A recent obituary illustrated this process. The obituary was for a Trotskyist Ross Pritchard, one of the leaders of a strike by apprentices at the Glasgow shipyards in 1961. Pritchard was one of the few members of the apprentice strike committee who failed to end up (via trade union officialdom and/or parliament) in the House of Lords. The other major exception was the comedian, Billy Connolly. See: *The Guardian* online, <http://www.guardian.co.uk/obituaries/story/0,,423250,00.html>.

11 See Tom Bramble *Trade unionism in Australia: a history from flood to ebb tide* Port Melbourne, Cambridge University Press, 2008, for a discussion of these more recent developments.

officials at lower levels remained in the workforce and received only nominal payments for the extra time devoted to their duties.¹²

That does not make this strand of analysis irrelevant to Australia in 1917. The existence of a layer of officials with at least reasonable salaries is alluded to by two completely divergent contemporary sources. The first source is George Crossman, the federal secretary of the Locomotive Engine Drivers, Firemen and Cleaners' Association, who wrote a report in early 1918, which can be summed up as a lengthy 'I told you so' to members for joining the strike against his advice. The report complained that 'the greater portion of the Strike Executive was composed of the paid officials of unions'.¹³ He was making a populist point for his more conservative members that officials who have no wages to lose could find it easy to remain on strike. It is a point that bears little resemblance to the reality of the 1917 strike, which was so clearly driven from below, more often than not against the wishes of officials. However, it does indicate the existence of a layer of salaried officials. The second source is the private notebooks of Ted Moyle, a leading activist in the IWW. Moyle applauded the fact that the strikes were started by 'the workers themselves, in opposition to the union officials', but regretted that 'high salaried officials' were in charge of the strike, and that they appeared to be 'hanging back' and 'afraid to move'.¹⁴

The highest ranks of the full-time officials in 1917 in the larger unions (who were the most likely to be full-time paid officials) were generally less responsive to the militant impulse of the rank and file than the lower ranks. This can clearly be seen in the case of large unions like the Seamen and the Waterside Workers, where the federal officials (who were more likely to be full-time and to be paid reasonable salaries) were more conservative than the state-level leadership. In the case of the Seamen's Union, the initial agitation that began the strike in Sydney was led by the vice-president of the NSW branch, William Daly, a working seaman.¹⁵ The federal officials opposed the initial walkout in Sydney where Daly, at the head of a group of around 200 militants, virtually kidnapped the federal secretary, Cooper, and forced him to witness a meeting which voted to strike.¹⁶ After a subsequent (and far more representative) mass meeting of the Sydney membership endorsed the strike call, Cooper and his fellow federal officials had no choice but to acquiesce.¹⁷ This, then explains the lack of communication between the federal officials

12 University of Melbourne Archives, Sugar Works Employees' Union of Australia (SWEUA) Papers, Melbourne Branch Minutes, 4 September 1917.

13 University of Melbourne Archives, Australian Federated Union of Railway and Locomotive Engineers papers, 10/1/1/2 *The Locomotive Journal of Australasia: The Official Organ of the Federal Railway Locomotive Engineers' Association* 'Federal Executive's report', January 1918, p. 2.

14 Cited in Verity Burgmann *Revolutionary industrial unionism: the Industrial Workers of the World in Australia* Melbourne, Cambridge University Press, 1995, p. 175.

15 *Daily Telegraph*, 14 August 1917, p. 5. Daly is described (in a report of his trial) as a working seaman, also as 'a native of Wales and a freethinker'.

16 *Sun* (Sydney) 24 August 1917, p. 5.

17 *Sun* 13 August 1917, p. 5.

and the state branches complained about by the Victorians. The federal officials were hardly likely to want to inform interstate branches of the reasons why Sydney had struck when they were opposed to the strike.¹⁸ Later the Victorian Branch leaders, who had initially opposed the militants within their ranks moved to the left with their membership and into bitter opposition to the federal leadership. In the case of the wharfies, the federal secretary, Joe Morris, was inactive for the first three weeks of the strike. Meanwhile the NSW secretary of the union, Timothy McCristal, was being gaoled for sedition after making a speech in the Domain about the need to shoot 'parasites'.¹⁹ After 23 August, Morris moved to end the strike but was thwarted at a Melbourne mass meeting where the Victorian state officials, Ernest Jones and J. Williams, regaled the audience with a portrait of the solidity of the strike in Sydney.²⁰

One apparent exception to this was the leaders of the NSW railways union, the ARTSA. Despite being confined to NSW, this was one of the largest unions in the country. Its officials (at the highest level at least) were salaried and full-time. These officials, led by the secretary, Claude Thompson, after some initial reluctance to spread the dispute beyond the workshops at Eveleigh and Randwick, called its members out throughout the state and worked hard to make the strike stick throughout the scattered ranks of its members in the rural areas. The leaders of the ARTSA also pushed the Defence Committee to call the Tramways Union out. This was the one occasion where a union was called out by the peak committee rather than being held in.

This exception, however, makes sense within a framework that sees the interests of union officials as being primarily concerned with the maintenance of the union machine. The railway workshops in NSW were the biggest workplaces in Australia. They were well organised and militant. To all the unions who had members there they were important, but to the ARTSA they were central. The rest of its members were scattered in tiny pockets throughout the state, often immersed in a conservative rural milieu. The card system was an attack directed at the heart of unionism on the railways. For this group of officials, therefore, it had to be fought till the end. It is explicable that this would prove to be the one case where the rank and file (at least outside Sydney) was found to be significantly to the right of their officials, as around half of the non-metropolitan membership 'scabbed'. This is an important point as it rests on an understanding that the officials had a *different* rather than necessarily more privileged class position to their members. Their economic existence depended on the maintenance of the union machine and this would make them generally more mindful of preserving that machine rather than risking it in overly aggressive industrial action. However, when the machine *itself* was threatened sufficiently to demand action, the officials might show more enthusiasm for action than the rank and file, for whom preservation of a union machine might appear less important.

18 The complaint can be found both in the *Age* reports of the time (see for instance *The Age* 15 August 1917, p. 9) and in a report cited in Fitzpatrick and Cahill *The Seamen's Union of Australia* p. 44.

19 *Sydney Morning Herald* 1 September 1917, p. 12.

20 *Sydney Morning Herald* 8 August 1917, p. 9.

Another strand to the classical Marxist analysis of the trade union officials relates to their relationship with the two main classes, the working class and the bourgeoisie. This is more a sociological than an economic analysis, relying as it does upon the routine of union bureaucracy—a routine that in a fundamental sense determines their relationship to the class struggle. Gramsci summed it up in lines written during the revolutionary upsurge in Turin of 1919-20:

The specialisation of professional activity as trade-union leaders, as well as the naturally restricted horizon which is bound up with disconnected economic struggles in a peaceful period, leads only too easily, amongst trade-union officials, to bureaucratism and a certain narrowness of outlook...From this also comes that openly admitted need for peace which shrinks from great risks and presumed dangers to the stability of the trade-unions...²¹

Rosa Luxemburg had made a similar point in 1906:

The rapid growth of the trade union movement in Germany in the course of the last fifteen years, especially in the period of great economic prosperity from 1895 to 1900, has naturally brought with it a great independence of the trade unions, a specialisation of their methods of struggle...and finally the introduction of a regular trade-union officialdom. All these phenomena are quite understandable...They are...an historically necessary evil. But...these necessary means of promoting trade union growth become, on the contrary, obstacles to further growth...²²

The emphasis here is on the role of the trade union bureaucracy as a specialised group with possession of skills based on an arcane knowledge of legal procedure and an ability to negotiate. The officials are—as Tony Cliff was to argue more explicitly in the 1950s—brokers between the two main classes.²³ This means that the role of officials is to ameliorate and resolve class conflict as much as, or even more than, to initiate it. This role is manifested concretely in the everyday reality of trade unionism: a reality not so much of ceaseless struggle as of routine and mundane activities. The endless round of meetings and motions, the collection of dues, representations to individual employers regarding petty grievances, and appearances before industrial courts, all foster a mindset which views industrial conflict as, at best, another problem to be resolved by the officials' arcane knowledge and skills. At worst, conflict threatens to tear apart the delicate infrastructure of 'the industrial relations club'. The position of the officials is threatened from both directions: from an insurgent rank and file which begins to act as if it no longer needs the

21 Original in *L'Ordine Nuovo*, reprinted in Gramsci *Soviets in Italy* pp. 9-11.

22 Rosa Luxemburg *The mass strike*, in Rosa Luxemburg *Selected political writings* (edited and translated by Dick Howard), New York and London, Monthly Review Press, 1971 pp. 261-2.

23 Tony Cliff, 'Economic Roots of Reformism' in Tony Cliff *Neither Washington nor Moscow, essays in revolutionary socialism* London, Bookmarks, 1982.

officials, and from the state and the employers who manifest a frenzy of reaction which threatens the unions' very existence. When conflict goes beyond the point where brokerage is possible, the brokers are out of business. Or as E.J. Kavanagh mournfully reflected, unionism had reached its 'highest pinnacle' after 27 years of hard work, largely through arbitration, but it had been 'knocked down in 27 days by direct action in 1917'.²⁴

Arbitration

While the economic differentiation between the rank and file and the officials was less developed in Australia than in larger countries, arbitration had added a bureaucratic twist to the development of trade unionism. The movement, decimated in the strikes and the depression of the 1890s, had been reconstructed in the first decade of the twentieth century. Arbitration began in NSW in the 1890s; it was extended to the federal sphere by the Harvester Decision in 1907.²⁵ In that judgement, Justice Higgins ruled that every unskilled, adult, male Australian worker should be paid a wage 'appropriate to the normal needs of the average employee regarded as a human being living in a civilised community'.²⁶ His judgement was an advance for working people, establishing that the living standard of unskilled workers should be based, not on what the market could bear, but on criteria of social justice.

Higgins possessed a genuine concern for the social justice, but this was always allied with a concern for social peace. 'Essentially a pragmatist, he believed social relationships should be ordered so as to minimise group conflict and exorcise poverty from Australia.'²⁷ Arbitration reflected this duality. On the one hand, it gave the unions a role in determining and safeguarding the wages and conditions of workers and provided a safety net for the unskilled worker whose bargaining power is always limited. On the other, it aimed to direct the union movement away from industrial action. It was both a reform and a method of incorporation.

The Harvester Decision was greeted with anger by the right and Higgins remained a reviled figure in conservative politics.²⁸ This hostility even resurfaced recently, as the Howard Government rode the fashionable tide of neo-liberalism and at last sought to undo

24 Labor Council of NSW *Report and balance sheet for the half-year ending December 31st 1917* p. 9.

25 The Harvester Award was, in fact, nullified by a successful appeal to the High Court against the Excise Act on which it was based. Higgins, however, used it as a template for a range of further awards, which became in effect the basis of the Federal Arbitration system. See John Rickard *H.B. Higgins: the rebel as judge* Sydney, Allen and Unwin, 1984, p. 174.

26 P.G. Macarthy, 'Justice Higgins and the Harvester Judgement', in Jill Roe (ed.) *Social policy in Australia: some perspectives 1901-1975* Sydney, Cassell, 1976, pp. 41-55.

27 *Ibid.*, p. 42.

28 *Ibid.*, p. 45 (citing reports in the *Worker* 1918-21).

the arbitration system established by the Harvester Case.²⁹ In the furore from the right, then and now, one aspect of the decision has tended to be ignored. Higgins found himself, during the hearings that preceded the decision, more in conflict with the unions than with management. The basis for the decision was the Excise Tariff Act, which demanded that businesses receiving tariff protection prove they paid decent wages. The union's interpretation was that the workers should receive a share of the profits which would increase when the company reaped the benefits of its tariff-based monopoly. Higgins rejected this:

It would be ridiculous to make a manufacturer pay high wages when there are big profits, unless I allowed other manufacturers to pay low wages when there are small profits.³⁰

Higgins thereby set a limit on unions. Their role was defensive rather than offensive; it was acceptable to defend their members against abuses, but it was not acceptable to challenge the right of employers to make windfall profits. A frugal existence was all unskilled workers were entitled to, no matter how much wealth their labour created. In 1907, a labour movement recovering from the depths of recession and defeat had reason to applaud Higgins's assistance. The time would come, however, when the movement had grown in power and confidence so that it could assert more than a purely defensive, ameliorative role. The constraints that Higgins imposed would then become a barrier.

While official statistics for trade union membership began to be compiled only in 1912 (when 31 percent of the workforce was in unions³¹) there is little doubt that there was a significant revival in membership around the time of the Harvester Decision. A telling indicator is the date of foundation (or re-foundation or reorganisation) of major unions. The national leadership of the Seamen's Union in 1917 had come to power in a major reorganisation in 1906.³² The Waterside Workers' Federation was founded by amalgamating of local unions in 1905. The wharfies famously chose a group of Labor parliamentarians (headed by William Morris Hughes) to head their Federation. They were expelled in 1916, but one member of the 1905 team remained—the only wharfie on the original executive, Joe Morris.³³

29 See, for instance: <http://www.ipa.org.au/files/58-3%2013%20mistakes.pdf>, (accessed 16 October 2006) for a report by the neo-liberal think-tank, The Institute of Public Affairs *Australia's 13 biggest mistakes*, which lists the Harvester Judgement at number two.

30 Macarthy, 'Justice Higgins and the Harvester Judgement', p. 51.

31 Commonwealth Bureau of Census and Statistics *Labour and industrial branch report 2*, 1912, p. 90.

32 Brian Fitzgerald, and Rowan J. Cahill *The Seamen's Union of Australia* Melbourne, Seamen's Union of Australia, 1981, p. 39.

33 Peter Gahan 'Did arbitration make for dependent unionism? Evidence from historical case studies' *Journal of International Relations* 38 (4), September 1996, pp. 648-98, in an article devoted to deconstructing the myth that Australian unions were completely dependent on Arbitration—the 'Dependency Hypothesis', nevertheless provides evidence in two of his four case studies of the impetus provided to federal union organisation by arbitration. The Federated Clothing Trades Union emerged in

The assumption that arbitration was responsible for the pre-war growth in union membership has been challenged by recent scholarship. Sheldon and Markey have demonstrated that the pre-war growth in union membership had more to do with traditional forms of organising allied with favourable economic circumstances.

That does not mean that arbitration had no impact. What Sheldon and Markey's revelations indicate is that arbitration can be better understood as a *response* to union growth than as a cause of it. It was a response which sought to tame and incorporate trade unions. It was not totally successful, and it was always likely to have more influence on officials, who were given a central role in arbitration, than upon the rank and file, for whom grievances were more immediate and direct action a more obvious response. Sandra Cockfield shows that the moulders at Metters achieved many of their industrial successes by defying union officials who preferred arbitration to direct action.³⁴ Moreover, there is little doubt that the establishment of national union structures was accelerated by the Harvester Award. To achieve a federal award, unions needed to have a federal structure. Markey notes this development, whilst downplaying its significance:

National unions developed quite quickly, to total 72 in 1912, and 95 in 1919, accounting for over 80 percent of unionists, partly to take advantage of favourable decisions in the Commonwealth Court under the head of Justice Higgins, notably his 1907 Harvester Judgement...However, most of these organisations were really federations of State-based unions which conducted most union business and have remained the primary locus of union power ever since then.³⁵

We have seen, however, particularly in the case of the Waterside Workers and the Seamen, that the establishment of this new federal bureaucracy did create a force for conservatism. It was a force that was not always successful in subduing the militancy of the state and local branches, but a force nonetheless.

If the Australian labour movement had been totally dependent on arbitration, an explosion of struggle such as occurred in 1917 would be unthinkable. Arbitration, however, was not the only option available to workers and their unions; in practice they resorted to direct action as well. Arbitration had failed the Broken Hill miners in 1908 when their employers ignored the ruling of the Commission with impunity.³⁶ It was a *bête noir* of the IWW and

1907 as a federal union 'with the express intention of gaining federal registration' (p. 661), although, due to internal union politics it did not achieve a federal award till 1919. The NSW branch resisted this move as it already had a generous award granted through the pre-existing NSW system. The Municipal Officers Federation was formed, albeit in 1920, from scratch 'in direct response to federal arbitration'.

34 Ibid, pp. 52-53.

35 Ray Markey, 'Explaining union mobilisation in the 1880s and the early 1990s' *Labour History* 83, November 2002, p. 24.

36 Turner *Industrial labour and politics* p. 42: 'The unions appealed to the Arbitration Court, seeking an award and an injunction restraining the Broken Hill Proprietary from closing its mines. Mr. Justice Higgins granted the injunction but warned the unions that it probably could not be enforced.'

the wider syndicalist current that emerged before the war. However, the fact that the movement had rebuilt itself largely without the help of arbitration does not mean that union officials did not believe it important—or even that it was not the central strategy for union building. The only serious challenge to arbitration by any union before the war was the 1909 coal strike led by the socialist Peter Bowling, and this had been defeated.³⁷

The idea of using arbitration remained, therefore, hegemonic within the official circles of the movement, and was especially important to the federal level officials of national unions who, mostly, owed their existence to arbitration. Its influence can be seen in the refusal of the federal officials of the Amalgamated Engineers to allow their Victorian Branch to hold a strike ballot in August 1917. According to *The Age*, a key motivation for this bureaucratic fiat was the belief that a strike in more than one state would lead to cancellation of the union's federal award.³⁸ It can be seen starkly in Morris's abject response to being dressed down by Justice Higgins on 23 August 1917. Higgins demanded Morris explain the unruly behaviour of his members in Melbourne who had joined the strike. Morris, who had indeed been quiescent (the federal executive of the union had not even met) abjured all responsibility arguing that 'it is the men who are to blame and not the Federation'.³⁹ Higgins, as well as demanding that Morris engineer a return to work, required him to amend union rules so that individual branches were not allowed to strike without the consent of the federal executive. Morris complied and the branches—even while they remained on strike—passed the rules.⁴⁰

Higgins embodied all that was good, from the conventional union point of view, about arbitration. He was an enlightened liberal who believed in intervention by the state to ensure a civilised standard of living for the working classes. More importantly, he had placed unions, and union officials, at the centre of the system of industrial awards. Higgins came to resemble Trotsky's classic description of a liberal as possessing two symmetrical bumps on the left and right hand sides of his head. The left bump was provided by the coal miners' strike of 1916, an outrage to Higgins' notions of orderly procedure, which had ended with (according to Higgins) a secret instruction from Billy Hughes to Higgins to end the strike on the miners' terms. Higgins refused and a more compliant judge was chosen.⁴¹ Hughes was also involved in the provision of the right hand bump when, during the Great Strike, he pressured Higgins' to deregister the Waterside Workers' Federation. Higgins characteristically preferred to use the threat of deregistration

37 Ibid, p. 36. Bowling's personal hostility to arbitration was well known, but even his opposition, in this case, was only to the NSW system as modified by the conservative Wade government.

38 *The Age* 24 August 1917, p. 5.

39 *The Age* 24 August 1917, p. 6.

40 NBA, WWF papers, T62//1/1, COM minutes, 24 August—11 October 1917, T62/28/4, telegram from Albany Branch WWF to COM (Undated), telegram from Morris to Melb., Bairnsdale and Port Phillip Branches of WWF, 24 September 1917.

41 NLA, W.M. Hughes Papers, MS1538, Series 18, 'Statement by Justice Higgins'.

to put pressure on Morris.⁴² The times, however, had bypassed Higgins—judicial master of brokerage. It was no longer sufficient from the point of the view of the employers and the state to tame the unions; they had to be broken.

The politics of the officials

The final element in understanding the behaviour of the union officials in 1917 was their politics. Since the 1890s the Australian labour movement had been dominated by labourism, a pragmatic and ideologically under-developed variant of social democracy.⁴³ From the 1880s onwards, some of the more sophisticated ideas of continental socialism had begun to infiltrate the antipodes. Peter Bowling, failed opponent of arbitration, had been a member of the International Socialists.⁴⁴ The young William Holman, by 1917 the conservative Premier of NSW, had made his name in 1893 arguing for the superiority of Marx over Henry George.⁴⁵ British socialist, Tom Mann, after helping to found the Victorian Socialist Party (VSP) had led a strike in Broken Hill.⁴⁶ The young secretary of the Timberworkers Union in Victoria, John Curtin, was also a member of the VSP. He had moved to Perth in early 1917.⁴⁷ His old union, however, was one of the key constituents in the strike movement in Melbourne, and, perhaps significantly, held its mass meetings during the strike in the VSP's Socialist Hall.⁴⁸ The defeats of the strikes of the 1890s had, however, encouraged a defensive mentality within the labour movement and a reliance on a form of parliamentary politics which marginalised revolutionary ideas and even the more left-wing social democratic currents.⁴⁹

The leadership of the Miners' Union is in this regard, both more difficult to pin down and more revealing. It represented a recent amalgamation of the most militant workers in the country, the coal miners and the metal miners of Broken Hill. Both had suffered defeats in 1908. Both had begun to recover under new leadership in the years immediately preceding the war. Willis and Badderley were the architects of amalgamation in an era where union amalgamation in and of itself carried the radical aura of the 'one big union'. Willis in

42 Rickard *H.B. Higgins* p. 236.

43 See Raymond Markey *The making of the Labor Party in New South Wales, 1880-1900* Sydney, UNSW Press, 1988.

44 Turner *Industrial labour and politics* p. 36.

45 H.V. Evatt *Australian labour leader: the story of W.A. Holman and the labour movement* Sydney, Angus and Robertson, 1956, p. 30.

46 Verity Burgmann *In our time: socialism and the rise of Labor, 1885-1905* Sydney, Allen and Unwin, 1985, pp. 40-41; Robin Gollan *The coalminers of New South Wales* Melbourne, Melbourne University Press, 1963, p. 127.

47 Lloyd Ross *John Curtin: a biography* Melbourne, Melbourne University Press, 1996.

48 See Burgmann *In our time* and Geoffrey Charles Hewitt, 'A History of the Victorian Socialist Party, 1906-1932', MA Thesis, Latrobe University, 1974.

49 Markey *The making of the Labor Party in New South Wales* describes this process particularly well.

particular had a reputation for intellectual radicalism.⁵⁰ The successful miners' strike of 1916 cemented their reputation. It was the 1916 strike that Vere Gordon Childe was referring to when he condemned the 1917 strike in comparison for 'lacking unitary control'.⁵¹ For Childe it was the model of how a strike should be run—militant but centrally controlled by a strategically aware leadership.

But the victory of 1916 was more complex. According to Gollan, Willis and Baddeley were only goaded into calling the strike by a series of walkouts at lodge level. Later Hughes attempted to get the miners to return without any concessions except that their demands would be considered by an inquiry. He printed thousands of ballots asking for the miners to vote including a written statement that the union executive supported a return to work. The statement was clearly correct, as the leadership of Willis and Baddeley agreed to distribute the ballots with the recommendation intact. The recommendation was not accepted. Furious aggregate meetings in the Northern and Southern Districts refused to co-operate with the ballot, and Hughes was forced to capitulate. The strike was won but it was not a victory for 'unitary control'.⁵²

One way to look at the politics of trade union officials is to see how individual officials change over time—how the experience of being a trade union official affects the political ideas they hold. People do not normally become trade union officials because they desire to restrain the insurgent spirit of the working class. Officials tended in this period to be recruited from amongst the ranks of its more politically engaged and activist sections. Much of the time trade union officials, therefore, tended to be to the left of their members politically. In Australia this phenomenon has a long history, as there has been a traditional willingness for workers to elect officials despite, or even because, those officials hold to 'ratbag' revolutionary ideas that the workers themselves reject. The historical strength of the Communist Party in the trade unions can partly be explained by this tradition.

There are countervailing tendencies. The first is inherent to the nature of trade unions. Because unions, unlike revolutionary parties, need to embrace the whole of the class (or of the trade they represent within the class) to be effective, their leadership has to relate to the consciousness of the most conservative of their members as well as to the activists. Neither trade unions, nor their officials can ever be a 'vanguard' in the Leninist sense. The experience of John Curtin is instructive. Curtin was a young clerical worker who had become an activist and street orator in the VSP under the influence of Tom Mann. His best friend, Frank Hyett, also a VSP member, had obtained a position with the Victorian

50 *Daily Telegraph* 20 August 1917, p. 5.

51 Vere Gordon Childe *How labour governs: a study of workers' representation in Australia* Melbourne, Melbourne University Press, 1964, p. 153: '...the uselessness of a strike, however widespread and popular, when the forces of labour lack organisation and unitary control—was cruelly demonstrated... In the Great Strike of 1917 there was as much solidarity as in the Coal Strike. The craft unionists and the unskilled fought side by side. But there was no directing plan animating the whole, and the solidarity was misapplied.'

52 Gollan *The coalminers of New South Wales* p. 146.

Railways Union and Curtin followed his example, winning an appointment to the Timberworkers' Union.⁵³ Curtin's main qualifications were his oratorical and journalistic ability, honed in the VSP. He had never worked in the timber industry, but worked tirelessly, travelling to mills and logging camps, making speeches and attending to the tiresome work of handling the compensation cases that dogged this most dangerous of industries.⁵⁴

Curtin's socialist principles remained strong during his tenure as an official, and his *Timberworker* carried courageous anti-war articles from 1914 onwards.⁵⁵ It was Curtin who moved the motion at the anti-conscription conference in October 1916 for a stop work/strike meeting against conscription⁵⁶; yet, in six years as secretary of the union, this was the only strike he led. The point is not that Curtin was responsible for this industrial quiescence, his biographer actually asserts that Curtin was disappointed in the lack of action. That, in a way, is the point—that even a socialist with militant aspirations found himself unable to do avoid being sunk into the mundane routine of officialdom. In his defence, it is tempting to draw a connection between Curtin's tireless socialistic propaganda in the union journal and the fact that in 1917, after he had resigned his position and moved to Western Australia, the timber workers in Melbourne played a prominent part in the strike movement. It is significant that, in the columns of the *Westralian Worker*, Curtin wrote approvingly of the strike, even after it was defeated.⁵⁷

Yet it is also significant that his friend, Frank Hyett, still a member of the VSP, as secretary of the Victorian Railways Union (VRU), made sure his union did not join the strike, ignoring those militants in his union who wanted to show solidarity with their comrades in NSW.⁵⁸ Hyett's transition from a socialist who envisaged using the union movement to promote socialism to an official determined to keep the Victorian Railways

53 David Day *John Curtin: a life* Sydney, HarperCollins, 1999, p. 134. Hyett was initially appointed as organiser in 1910, but quickly rose to be secretary of the union.

54 Ibid, pp. 142-3: 'Much of the attraction of the union for its members came from the disability and death insurance that it offered in an accident prone industry...he [Curtin] would be bemoaning the administrative burden of the accident and death fund until his departure from the union in 1915.'

55 See, for instance, the *Timberworker* 17 September 1914.

56 NLA, Lloyd Ross Papers, MS3939, Box 46, Australian Trades Union Anti-Conscription Congress: Manifesto, No.7. The Manifesto is signed 'J Curtin, 26 September 1917'.

57 *Westralian Worker* November 1917, cited in Ross *John Curtin* p. 60: 'The truth is that the only thing the plutocracy really fear is the well-organised army of Labor. Political campaigns come and go.'

58 *The Age* 23 August 1917, p. 8, reported that: 'There is a turbulent section of the railway service which is badly disappointed over the result of the recent strike ballot and which is now advocating sympathetic action in respect of the New South Wales railway men. These men are in the minority, and not the least militant among them are to be found among the shunters.' *The Age* 24 August 1917, p. 5, reported that the shunters at Spencer Street station voted to ban goods from NSW; *The Age*, 25 August 1917, p. 11, then reported that the response of the officials to this decision was not to act on it: 'It is significant that although the Council [of the Victorian Railways Union] met on [the following] Thursday night it did not decide one way or the other.'

out of the Great Strike, is a powerful demonstration of how, in Gramsci's phrase, the 'specialisation of professional activity...leads only too easily, amongst trade-union officials, to bureaucratism and a certain narrowness of outlook'. Hyett was a great success as secretary of the VRU. He built it up from 2,000 to 12,000 members.⁵⁹ The means by which he achieved these ends—primarily negotiating the peaceful absorption of smaller unions—were not likely to encourage a militant mentality. By 1915, in a debate within the VSP about which model of One Big Union to support, Hyett fought against future Communist, W.P. Earsman. Earsman wanted the union to be modelled on syndicalist principles whereas Hyett preferred a bureaucratic approach modelled on his experience with the VRU.⁶⁰ Hyett had spent years patiently building the VRU into a powerful machine. He had begun by seeing the union as a weapon in the fight for socialism. By 1917, that weapon had become too precious to be endangered by use.

Outflanked by the rank and file

The second, and probably the most important, countervailing tendency to the 'vanguard' identity of left-wing officials, has to do with the way that workers' political consciousness develops. It can be seen in the way that the different life experience of officials can separate them from the pressures that radicalise their members. The radicalisation of the working class has never proceeded on the basis of orderly and patient propaganda by an enlightened few. In periods such as the First World War (and later the Great Depression), economic and political crises inspire outbursts of mass political activity, strikes and protests. These lead to a shift to the left in which propaganda and agitation play a role. However it is the experience of the crisis by workers that creates the audience for the previously isolated activist minority. The economic crisis and the threat of conscription combined in such a way in 1917.

How does the distinction between officials and rank and file workers relate to this? The differences in their life experience—different class locations—mean that they experience the crisis differently. For example, the strike wave during the First World War was largely fuelled by an explosion in the cost of living. For the mass of workers the equation was simple: they could no longer make ends meet and arbitration was too slow to resolve the problem, so they resorted to strike action. The success of the Broken Hill miners in 1915/16, followed by the coal miners in late 1916, provided inspiration. In this atmosphere, the tiny bands of syndicalists and socialists who had been arguing against arbitration and in favour of direct action for years suddenly found a mass audience. The IWW, in particular, grew in influence.

The crisis had a less direct impact on full-time officials. They experienced it more in terms of the increasing restiveness of their members. In many cases this resulted in officials being overtaken by a rank and file, once passive, apathetic and inarticulate, suddenly

59 Day *John Curtin*, p. 135.

60 Hewitt, 'A History of the Victorian Socialist Party', p. 191.

bursting into militancy and shifting dramatically to the left. The officials may once have been workers who became officials because they were the most active and committed. But that point of time had passed, and they became, as it were, a layer reflecting the politics that prevailed in their youth, but modified by years spent in the far-from-radicalising milieu of officialdom. The Melbourne Branch of the Seamen's Union is a classic example. One of the weakest branches of the union became, during the strike, its most militant. The confusion and exasperation are evident in the complaint of the unidentified Sydney official of the union who, in the *Sydney Morning Herald*, bemoaned the Melbourne Branch's newfound militancy.

One prominent official [of the Seamen's Union] said that the actions of the Victorians was [sic] rather humorous, as they were never looked upon as staunch unionists. Now they objected to work alongside loyalists, and no doubt the trouble was being prolonged by many of the malcontents in the Sydney branch who had gone over to Victoria. It had been stated on good authority that the Victorian strikers were being supplied daily with hot meals, and their boots repaired free of charge. The official added if this were true he did not know where the funds were coming from. No doubt, as long as these things were provided free of charge, many of the men who did not like work at any time would be only too pleased to see the trouble prolonged.⁶¹

It was a militancy that he could only explain as the product of external force, whether that was the arrival of militants from Sydney or a mysterious and sinister agency providing them with meals and boots.

Press reports of mass meetings in 1917 consistently stress that younger workers were more militant. This makes sense. They would be less constrained by family responsibilities or mortgages (the latter less common than today but mentioned in some contemporary reports as a concern, especially for skilled workers). They would less likely be worried about pension funds, which were often controlled by the employer and subject to penalties for strike action.⁶² Many of the skilled railworkers, especially the engine drivers who continued at work, are reported to have been motivated by concern for their pensions. Additionally, younger workers would only have experienced a labour movement on the offensive. Older workers would remember times when the going was tougher. If they were old enough, they would have experienced the defeats of the 1890s. In contrast, the youngest layers of the working class were schooled in victory rather than defeat, and a super confidence bordering on hubris is a consistent feature of the very young in any period of insurgence.

61 *Sydney Morning Herald* 18 October 1917, p. 7.

62 CSR in Victoria provides an example of this: NBA, CSR papers, 142/204, Letter from Frank Tudor MP to W.M. Hughes, 19 September 1917: 'Every employee concerned with the strike has to either withdraw his money paid into the Provident Fund *without interest* and be re-employed or else retire and take a reduced pension.' (Emphasis in original.)

In this context, it becomes relevant that the lower ranks of the officials would normally tend to be younger. William Daly of the Seamen was in his early 30s and Timothy McCristal of the wharfies was 35, which made them a generation younger than the federal officials of their respective unions. McCristal was a returned serviceman who had had some experience in the labour movement and a reputation as a public speaker—enough at least to encourage the Defence Minister Pearce to intervene to encourage his repatriation after receiving a comparatively light wound as he might be some help with recruiting. His experience as an official was, however, confined to the period immediately preceding the Great Strike when the movement was experiencing an unprecedented wave of militancy. His recent return from the carnage in Gallipoli was unlikely to have encouraged a conservative outlook, something underlined by his refusal, once safely returned, to take any part in recruiting.⁶³

The identification of a trade union bureaucracy with a conservative tendency is not, therefore, made untenable by subtleties and distinctions such as the left wing politics of some officials, the existence of intermediary layers, of a ‘grey area’ between the higher pinnacles of the bureaucracy and the rank and file, or the fact that workers are not always champing at the bit. A bureaucracy is not an edifice with a locked gate within which no one ever dreams or misbehaves. Nor need it be reduced to a strictly defined group of ‘bureaucrats’, labelled with the distinction and certainty associated with comparative zoology. Individual officials will be influenced by factors other than their interests *as officials*. They may enter into their positions with radical, or even revolutionary politics. They may have partners or children who are still working, perhaps who are rank and file members of their union. In 1917 they may well themselves have remained within the workforce. Most importantly, their behaviour will be modified and constrained by the attitudes and activities of their members.⁶⁴ How much they are so modified and constrained will be in turn be determined by the extent to which the union itself is democratic and to which the members are active and organised. All these countervailing factors, however, have individual relevance. They will vary from official to official and from union to union, whereas the factors that tend to generate bureaucracy and conservatism are universal. The greater the number one looks at, therefore, the more the general tendencies of type prevail over individual idiosyncrasy.

63 McCristal’s service record can be accessed online at the National Archives of Australia (NAA B2455/1) The record includes copies of the relevant letters from Pearce and the recruiting authorities (complaining of his refusal to assist them).. He had served briefly with the Mounted Rifles in the Boer War as a teenager and served in Gallipoli with the First Lighthorse.

64 For a discussion of this point see: Tom Bramble, ‘Trade union organisation and workplace industrial relations in the vehicle industry 1963-1991’ *Journal of Industrial Relations* 35 (1), March 1993, pp. 39-61.

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Australia's resilience during the global crisis, 2007-2009

Ben Hillier

There is now an exhaustive literature detailing the causes and consequences of the global financial crisis. The point of this intervention is to look at the effects of the crisis on the Australian economy. Australia cannot be understood without regard to the international situation. The contribution therefore begins by briefly commenting on the nature of the global crisis. It then considers how the relative stability of Chinese demand, the buoyancy of the housing market and the circumstances of the financial sector have so far insulated Australia from the carnage witnessed in Europe, Japan and the US. The final sections comment on the current state of the Australian economy.

Over the last 15 years debt levels in most advanced economies have grown rapidly and financial speculation has been rampant. While these two developments led directly to the biggest financial crisis since the great depression, they were underpinned by low profitability in the advanced industrial economies. The rate of profit in the productive sectors of an economy provides the most meaningful gauge of the whole economy's health. The reason is simple—investment decisions are made on the basis of expected returns, while only the productive sector creates the new value that is realised as profits across the economy. Other things being equal, higher expected returns, i.e. a higher rate of profit, will lead to higher levels of investment.

The rate of profit declined from the mid 1960s to the early 1980s and subsequently did not fully recover in key Western economies.¹ Illustrative of the situation was the US economy.

1 For different explanations of this trend, see Chris Harman, *Zombie capitalism*, Bookmarks, London, 2009; Robert Brenner, *The economics of global turbulence*, Verso, New York, 2006 (1997); Simon Mohun, 'Distributive shares in the US economy, 1964–2001', *Cambridge journal of economics*, 30 (3), 2006; Andrew Kliman, 'The persistent fall in profitability underlying the current crisis: new temporalist

The major result of lower profitability was that capital moved into speculative areas. Mergers, acquisitions and leveraged buyouts became much more frequent. Financial services outgrew manufacturing to become the largest sector of the economy.² At the same time, the ruling class waged a relentless war on working class living standards in an attempt to lift the rate of profit. Real wages stagnated from the 1970s. The world's biggest industrial economy saw a trend decline in growth rates decade after decade.³

Ruling classes across the world have attempted to stave off dramatic economic contraction whenever it has threatened. The concentration and centralisation of capital has proceeded to such an extent that the threat of one or a few massive corporations going bust and dragging the rest of the economy into the abyss has been a repeated concern. The Federal Reserve Bank in the US consistently ensured cheap credit at perilous moments to promote borrowing, investing and spending to keep the economy ticking over. Government and corporate bailouts have become more frequent, from Chrysler in 1980 to the string of financial institutions today.

Yet the prerequisite for a return to high rates of profit was not loose monetary policy, but a general clear-out of inefficient firms and the devaluation of their capital. With labour being the only source of value in an economy, an increase in the capital-labour ratio generally means that the value created per unit of investment declines. So the ratio of outlays on capital as opposed to labour needed to be driven down and excess capacity eliminated. While some inroads were made in this direction in the 1980s and 1990s, economic expansion was primarily maintained by attacking the working class and piling up debt.

From the mid-1990s, financial speculation created the illusion that the whole economy had a new dynamism. The problems in the productive core of the world economy were smoothed over by artificially increasing consumption. As asset prices soared, many made great gains on paper. It was, however, a house of cards. Staving off economic downturn in this way only exacerbated the problems. The crisis was merely postponed. When it eventually came, it almost tore the system apart.

As the US housing bubble began to deflate in 2006, mortgage default rates rose significantly.⁴ The great gains were turned into great losses as nearly 8.8 million home owners owed more than the value of their homes on their mortgages.⁵ The bad loans which

evidence', 2nd (incomplete) draft, October 17, 2009, <http://akliman.squarespace.com/storage/Persistent%20Fall%20whole%20primo%2010.17.09.pdf>, accessed 12 December 2009.

2 Kevin Phillips, *Bad money*, Viking, New York, 2008, p. viii.

3 Brenner, *The economics of global turbulence*, Table 3.1, p. 240.

4 Federal Reserve Bank of New York, *Synopses of selected research on housing, mortgages, and foreclosures*, Homeownership and Mortgage Initiatives Research Subcommittee, 1 September, 2008, Figure 3: Mortgage delinquency rates rise with cooling of house prices, p. 66, <http://www.newyorkfed.org/regional/Synopses.pdf>, accessed 4 September 2009.

5 Edmund L. Andrews and Louis Uchitelle, 'Rescues for homeowners in debt weighed', *New York times*, 22 February 2008, <http://www.nytimes.com/2008/02/22/business/22homes.html>, accessed 4 September 2009.

triggered the crisis were relatively small compared to the losses elsewhere during the crisis. But the problem spread through the global financial sector because an entire system of betting on loans had developed among financial institutions. Institutions were financing their bets through debt while borrowing to purchase assets worth up to thirty times their actual capital base.⁶ The positions of the speculators were, in the jargon of finance, 'highly leveraged'. Losses were compounded as a series of major institutions bet the wrong way without having the financial position to pay out. Ripples from the mortgage defaults turned into thumping waves across the financial sector.

The problems in the financial sector had their origins in the real economy. Now, however, the financial sector created a negative feedback loop which choked industrial production. With bank lending frozen the real economy was starved of credit. The pattern was repeated across the developed world.

Collapsing US and European consumer spending and industrial output saw the 'multiplier effect' (where an initial boost in spending stimulates others to spend so that total expenditure rises by a larger amount) move into reverse. Global trade shrank even faster than production. Cross-border capital flows declined by 82 per cent in 2008.⁷ Key exporting economies and countries with seemingly little exposure to the actual financial crisis were hit hard as a result of the fallout.

The mechanisms that had previously allowed the economy to pull itself up were, through the course of late 2008 and early 2009, unable to stem the decline. Only extraordinary action was able to stabilise the system. The actions of governments in bailing out banks, flooding the system with money and undertaking unprecedented stimulus measures have not, however, resolved the underlying problem of profitability. New problems for the world system have emerged.

Australian resilience

Amidst the carnage in the global economy in 2008-09 there were some economies that held up better than others. Australia was one. Technically, there has not even been a recession in Australia. Three key factors, discussed below, contributed to this resilience: Chinese demand for Australian exports, a relatively robust housing market and the stability of Australian financial institutions.

6 Robin Blackburn, 'The subprime crisis', *New left review*, 50, p. 68, <http://www.newleftreview.org/?getpdf=NLR28403&pdflang=en>, accessed 30 June 2009.

7 Charles Roxburgh et al. *Global capital markets: entering a new era*, McKinsey Global Institute, September 2009, p. 11, http://www.mckinsey.com/mgi/reports/pdfs/gcm_sixth_annual_report/gcm_sixth_annual_report_full_report.pdf accessed 27 September 2009.

East Asian recovery

The first factor was the role of Asian—especially Chinese—demand in offsetting the impact of declining global trade on the Australian economy. There were precipitous export declines across the developed world in 2008-09. Germany and Japan saw their exports plummet 20 per cent and 46 percent respectively, in the year to March 2009.⁸ In the US, exports declined over 22 per cent in the year to June 2009.⁹ In volume terms world trade fell 7.1 per cent in the last quarter of 2008 and a further 11.2 per cent in the first quarter of 2009.¹⁰ In Australia, however, exports declined only 1.9 per cent in the September quarter 2008 and a further 1.1 per cent in the December quarter, before growing again.¹¹

Over the medium term, trade with East Asian economies has become more important to the fortunes of the Australian economy as it has integrated further into the world market. As total trade more than quadrupled over the 20 years before 2009, to reach 47 per cent of GDP, Asia became even more economically important to Australia.¹²

Australia's four biggest trading partners are now in Asia. Taken together, China, Japan, India and South Korea take 45 per cent of total Australian exports representing over 10 per cent of GDP.¹³ Coal, iron ore, gold, other minerals and petroleum make up the vast bulk of exports to these economies. The prices of these commodities soared over the six years to 2009 because of demand pressure. Export income became an even more important driver of investment.¹⁴ Billions of dollars accumulated in government coffers.

With the collapse in demand in the US and Europe as the crisis set in, Chinese exports fell over 25 per cent.¹⁵ In the first months of 2009, 20 million Chinese were put out of work. The Chinese government responded to domestic difficulties with a massive stimulus

- 8 Nelson Schwartz, 'Rapid declines in manufacturing spread global anxiety', *New York times*, 19 March 2009, <http://www.nytimes.com/2009/03/20/business/worldbusiness/20shrink.html>, accessed 4 September 2009.
- 9 US Census Bureau, *FT900: U.S. international trade in goods and services*, p. i, <http://www.census.gov/foreign-trade/Press-Release/2009pr/06/ft900.pdf>, accessed 4 September 2009.
- 10 Wim Suyker and Gerard van Welzenis, 'CPB memo', CPB Netherlands Bureau for Economic Policy Analysis, 'Table 1: world trade monitor, percentage changes', 26 August 2009, <http://www.cpb.nl/eng/research/sector2/data/trademonitor.pdf>, accessed 1 September 2009.
- 11 Australian Bureau of Statistics, *Australian national accounts: national income, expenditure and product*, catalogue 5206, September quarter 2009.
- 12 Department of Foreign Affairs and Trade, *Composition of trade Australia 2008-09*, November 2009, p. 1.
- 13 Australian Bureau of Statistics, *International trade in goods and services*, catalogue 5368, November 2009; Department of Foreign Affairs and Trade, *Composition of Trade*, pp. 1 and 7.
- 14 Reserve Bank of Australia, 'Indicators of business investment', *Bulletin*, December 2009, <http://www.rba.gov.au/publications/bulletin/2009/dec/3.html>, accessed 12 December 2009.
- 15 Yu Yongding, 'China's stimulus shows the problem of success', *Financial times*, 26 August 2009, <http://blogs.ft.com/economistsforum/2009/08/china's-stimulus-shows-the-problem-of-success>, accessed 29 December 2009.

program, pushing up investment to compensate for falling exports. Chinese banks were directed to lend and state-owned corporations in turn directed to borrow and spend. New loans totalled over \$AU1 trillion in the first half of 2009, more than three times the total in 2008. These measures accounted for roughly 75 per cent of growth in the economy,¹⁶ which quickly regained momentum.

In the 12 months to August 2009, while credit markets collapsed and industrial production plummeted in the US, Europe and Japan, China's industrial output expanded 12.3 per cent and fixed asset investment by 33 per cent.¹⁷ China was by far the most important of the Asian economies, but it wasn't the only one growing. South Korea grew at an annualised rate of 10 per cent in the second quarter of 2009. The Indian economy continued its expansion.

Diving commodity prices briefly threatened to blow the bottom out of Australia's resources sector. The exports of other advanced economies dropped over 10 per cent (30 per cent in Japan's case), but in the year to September, Australia's exports slipped only 0.2 per cent.¹⁸ In the five months to November 2009 exports to China *rose* by over 10 per cent on the corresponding period in 2008.¹⁹ Commodities prices stabilised and began rising again, with some posting the biggest gains in 40 years.

Clearly Chinese growth was important for Australia. However, the Chinese economy faces problems that should temper predictions of endless surging growth. Over the last decade the ruling Communist Party maintained dramatic growth rates by increasing the rate of investment faster than the rate of consumption. The share of consumption in GDP dropped from 46 to 35 per cent, while the share of investment increased 8 per cent, contributing 50 per cent to total GDP growth over the period.²⁰

There is an argument that these measures, in a closed, less developed economy, can sustain accumulation rates over an extended period and allow it to dodge cyclical downturns. Crises of overproduction can be avoided so long as the mass of surplus value is continually ploughed back into the production of capital goods which expand production of means of production. The limit to extending capital accumulation by staving off such crises will only be reached at the point of development parity with the advanced economies.²¹

16 Satyjit Das, 'Dragon's easy credit inflates bubble', *Age*, 29 December 2009, p. 11.

17 Martin Wolf, 'Wheel of fortune turns as China outdoes west', *Financial times*, 15 September 2009, <http://www.ftchinese.com/story/001028725/en/?print=y>, accessed 29 December 2009.

18 Australian Bureau of Statistics, *Australian national accounts: national income, expenditure and product*.

19 Australian Bureau of Statistics, *International trade in goods and services*.

20 Eswar Prasad, 'Rebalancing growth in Asia', *Finance and development*, International Monetary Fund, December 2009, pp.18-19, <http://www.imf.org/external/pubs/ft/fandd/2009/12/pdf/prasad.pdf>, accessed 14 January 2010.

21 The argument is Tony Cliff's. See Tony Cliff, *Selected writings, volume 3*, Bookmarks, London, 2003, pp. 101-110.

In China there is a contradiction in this growth model. China is not a closed economy to the extent that the former Soviet Union was, for example. It has an expanding private sector and exports are almost 40 per cent of GDP in price terms. China can be regarded as having two economies. One is heavily exposed to competition on the international market and earns huge revenues.²² The other is relatively insulated.

There is tension between these ‘two economies’. With growth coming primarily from investment, and investment heavily dependent on imports (not just of resources, but of capital equipment and high end technology), wasteful internal investment decisions create a greater reliance on the export sector for revenues.²³ Yet the export sector has problems of its own. Global integration has added Chinese industrial output to the world market. The world market is already suffering from overcapacity. By increasing investment to offset falling demand for exports, the Chinese Government is only worsening the problem.

If demand doesn’t recover significantly in the west, more stimuli will be needed, expanding capacity further while draining the accumulated reserves of surplus value. By adding to international overcapacity, the government actually undermines western industrial recovery. A concrete expression of the problem is the position of the Chinese currency. On the one hand the government keeps the value of the currency artificially low to maintain export competitiveness and to undermine the real wage of the working class. On the other, this undermines the position of western industry and therefore western consumption. If the Renminbi appreciated, exports and capital accumulation would decline. Chinese policy makers are caught in a bind.

Another way out of the reliance on exports might be to expand the domestic Chinese market by raising consumer demand. Yet the government faces more dilemmas here. This would require a total reversal of the very basis of Chinese growth to date—the decade long decrease in consumption as a share of GDP. Increasing the purchasing power of the working class would involve currency appreciation or directly raising wages, making export industries less competitive, resulting in job losses and thus reduced consumption. At any rate, as Chinese consumer spending is less than one sixth of that of the US, the domestic market is unlikely to be able to absorb the output of Chinese industry.

A second and possibly more immediate problem is that of asset price bubbles. Analysts at the Royal Bank of Scotland estimate that 50 per cent of new Chinese loans in the first half

22 Guangdong province alone, for example, accounts for nearly a third of China’s exports (Keith Bradsher, ‘China’s Unemployment Swells as Exports Falter’, *New York Times*, 5 February 2009, <http://www.nytimes.com/2009/02/06/business/worldbusiness/06yuan.html>, accessed 5 January 2010). This situation makes it difficult to assess concretely what the limits to accumulation are.

23 Yongding for example, notes that ‘[d]ue to the hasty and under-supervised implementation, waste in infrastructure construction is ubiquitous, and the prospective returns of this big push into infrastructure are less than promising’. See Yongding, ‘China’s stimulus’. While similar things are being said of all government stimulus programs, in China the problems existed prior to the stimulus measures.

of 2009 may have flowed into the stock and property markets.²⁴ This is a consequence of both corruption within the bureaucracy and the extent to which a large private sector somewhat immune to state economic directives has emerged over the last decades.

The problem is not specific to China. The United Nations Development Program recently called for capital controls, in view of 'big risks' stemming from asset price inflation across Asia.²⁵ This means that East Asian recovery, now lauded, could become the trigger for another wave of financial shocks.

China has not decoupled from the western economies, even if it has avoided crisis in the short term. In fact, Chinese reliance on current account surpluses means that the world rate of profit may have a more decisive impact on the prospects for rapid, continued expansion in the medium to long term than anything happening within China itself. With China's continuing reliance on the West, the rate of profit in the advanced economies is still the key determinant of Australian economic prospects in the medium term.

Buoyancy in the housing market

The impact of the resource sector in propping up Australian growth is overstated. Western Australia and Queensland, which account for 74 per cent of total mining sector output, grew 0.7 per cent and 0.3 per cent respectively in 2008-09 (in terms of growth per person both *declined* by over 2 per cent)—lower than the national average.²⁶ It was the Northern Territory, Tasmania, South Australia and the ACT that grew faster than the national average. After them came Victoria.

The second basis of Australian stability lies in the residential property sector. Across the developed world, the total value of residential property is estimated to have risen more than \$30 trillion in the five years to 2005—an increase equivalent to 100 per cent of those countries' combined GDPs'.²⁷ At the time, the Organisation for Economic Cooperation and Development (OECD) cautioned that 'the current house price boom... is strikingly out of

24 Jamil Anderlini, 'Rule of the iron rooster', *Financial times*, 24 August 2009, <http://www.ft.com/cms/s/0/ae083ef2-90de-11de-bc99-00144feabdc0.html>, accessed 29 August 2009.

25 James Lamont, 'UNDP calls for capital controls in Asia', *Financial times*, 13 December 2009, www.ft.com/cms/s/0/6216fbda-e7c5-11de-8a02-00144feab49a.html, accessed 15 December 2009.

26 Australian Bureau of Statistics, *Australian national accounts: state accounts*, catalogue 5220, 2008-09 (reissue). In fact, Queensland growth was driven primarily not by mining but by retail and wholesale trade, public administration and the agricultural sector, while growth in the West was driven equally by agriculture and mining.

27 *The Economist*, 'The global housing boom', 16 June 2005, http://www.economist.com/opinion/displaystory.cfm?story_id=4079027, accessed 26 June 2009.

step with the business cycle'.²⁸ *The Economist* concluded that 'the global housing boom is the biggest financial bubble in history'.²⁹

There were clear signs that the Australian market was caught up in this frenzy. Australia had the highest house prices compared to rent and the third highest prices compared to income in the OECD. Over-valuation was estimated at 51.8 per cent.³⁰ Like other developed countries, Australia saw a massive build up of household debt as asset prices sky rocketed. From having one of the lowest household debt-to-income ratios in the 1980s, Australia had, by 2008, become one of the most indebted countries. Household debt peaked in early 2008 at 159 per cent of disposable income (138 per cent being housing debt), up from 80 per cent (67 per cent) a decade earlier and 45 per cent (31 per cent) a decade before that.³¹ Yet, defying many predictions, the Australian property market has weathered the global storm. Residential property was the epicentre of the global financial crisis. Housing prices crashed in the US, Britain, Ireland, Spain and France. In Australia prices only dropped moderately in 2007-08 before rebounding strongly in 2009.

A number of factors contributed. The first was the federal government's stimulus program, which contained incentives of \$14,000 and \$21,000 for new home buyers and builders. While it was said to be a helping hand to those wishing to own a home of their own, in reality it mainly boosted house prices. The Government feared that falling house prices would lead to more mortgage defaults and negative equity, which would have dragged down consumption. Combined with a precipitous drop in interest rates, the stimulus instead led to a significant increase in the growth of lending.³²

The second factor that kept house prices up was that demand outstripped supply in the housing market. A popular explanation has been that immigration and population growth are responsible. The figures do not seem to support this. The National Housing Supply Council reported how over the years 2001 to 2006, annual growth in household numbers averaged 105,000, while annual growth in the number of dwellings was 127,000—a net growth of 22,000 dwellings.³³ In the longer term, from 1985 to 2009, an average of one residential dwelling was built for every 1.75 new inhabitants. That rate of building is far greater than the current average of 2.56 persons per dwelling.³⁴ A decisive factor pushing

28 Organisation for Economic Co-operation and Development (OECD), 'December 2005: recent house price development: the role of fundamentals', in *OECD Economic Outlook No. 78*, 2005 [2], p. 125, <http://www.oecd.org/dataoecd/41/56/35756053.pdf>, accessed 4 September 2009.

29 *Economist*, 'The global housing boom'.

30 OECD, 'December 2005: Recent house price development', pp. 124-154 (in particular see Table III.2 p. 136).

31 Reserve Bank of Australia, 'Household finances—selected ratios—B21', *Statistical tables*, http://www.rba.gov.au/statistics/tables/index.html#assets_liabilities, accessed 12 November 2009.

32 Reserve Bank of Australia, *Financial stability review*, September 2009, p.31; Australian Bureau of Statistics, *Housing finance: Australia*, catalogue 5609.

33 National Housing Supply Council, *State of supply report 2008*, February 2009, pp. 12 & 34.

34 Ross Garnaut, *The great crash of 2008*, Melbourne University Press, Carlton, 2009, p. 17.

up demand appears to have been a trend to lower occupancy rates by the existing population. That is, while the total number of houses was rising, the number of people living in each house was falling. In the five years to 2003, the occupancy rate has dropped from 2.63 to 2.56 people per dwelling. That sounds modest, but one economist estimated that this increased demand by 40,000 dwellings a year.³⁵

Another factor may have been that the Government relaxed rules for foreign investment in residential property in March 2009. This may have added to speculation.

Whatever the reasons for the buoyancy of the housing market during the global crisis, it played a vital role in stabilising the Australian economy. Over the course of 2009 median prices rose a massive 17 per cent in Melbourne and 11.6 per cent in Sydney. This growth has underpinned continued consumer spending³⁶ and ensured bank balance sheets remain secure.

It is hard to say whether this situation can continue. There are contradictory pressures. The National Housing Supply Council estimates that by 2013 the housing shortfall will be 203,000.³⁷ Yet in the UK there has been a perennial housing shortage that did not prevent prices falling dramatically there.

There are high and unsustainable levels of debt supporting the housing market. The Reserve Bank has reported that personal debt levels are up 71 per cent compared with five years ago and, at over 100 per cent of GDP, have overtaken per person levels in the USA.³⁸ This cannot go on forever. If the economic situation deteriorates, supply may increase as people are forced to sell. The size of households could also begin to increase as more young people stay at or return to their parents' home, thereby diminishing demand.

The muted effect of financial contagion

The third factor that explains the robustness of the Australian economy was the absence of a collapse of any major Australian financial institution. Profits of the major banks were down 14 per cent in the six months to June 2009 compared with the same period in 2008, but together they still made \$8.6 billion.³⁹ Whereas 'non-performing loans' approached 6 per cent in the US, in Australia they represented only 0.62 per cent of loans in the housing

35 Brendan Crotty, 'What's driving housing prices and demand', presentation delivered to the Australian Business Economists seminar *Australian residential property—a bubble ready to burst?*, 13 August 2003, www.abe.org.au/papers/Crotty.ppt, accessed 10 December 2009.

36 Australian Bureau of Statistics, *Retail trade: Australia*, catalogue 8501, November 2009.

37 National Housing Supply Council, *State of supply report 2008*, p. 64.

38 Nick Gardner, 'Credit binge sets new debt level', *Sunday telegraph*, 27 December 2009, <http://www.dailytelegraph.com.au/news/sunday-telegraph/credit-binge-sets-new-debt-record/story-e6frewt0-1225813804691>, accessed 6 January 2010.

39 Reserve Bank of Australia, *Financial stability review*, p. 17.

market by June 2009.⁴⁰ Without a precipitous decline in property values, the percentage of impaired assets (an asset that has a market value less than the paper value listed on the bank's balance sheet) rose to only 1.5 per cent in June—far below the 6 per cent high of the early 1990s recession.

The toxic assets that polluted the rest of the world financial system were largely absent from Australia's financial system. From the mid 1990s, securitisation of mortgages—selling claims to mortgage payments as assets—increased dramatically from less than 5 per cent of total outstanding housing loans to nearly 25 per cent.⁴¹ These securities had not become part of the global 'time bomb'. This was in part because 'sub-prime' loans to high risk borrowers were much less common in Australia.

The situation was hailed as a triumph of good management and strong regulation.⁴² But the Australian financial sector was not quite as healthy as it appeared. Despite the arguments about the efficacy of financial regulation, in Australia the local mortgage market was moving in the same direction as its overseas counterparts. Ross Garnaut noted that

a transformation to US-style shadow banking was under way... Ian Rogers, editor of *The Sheet*, the Australian bank newsletter, says that 'the major difference between Australia and the US is that we were four years behind'. Nonetheless, the metamorphosis was advanced enough that when the crisis began in late 2007, the Australian shadow bank sector was faced with insolvency.⁴³

The Australian financial system had two immediate problems. One was that faced by the major banks. As the property boom proceeded, an increasingly large gap appeared between what the banks had saved (customers deposits) and what they were lending. Their ratio of deposits to total liabilities had dropped from 59 per cent to 43 per cent between 1994 and 2007. This gap was filled by foreign borrowings, which rose from \$30 billion in 1990 to \$357 billion in 2008. The key difficulty that the banks faced was the credit crunch. In the United States, falling asset values had torn holes in bank balance sheets and led to insolvency. In Australia, the problem was that banks had become reliant on foreign borrowing. The funds now dried up. Their survival threatened, Australian banks—like their US and European counterparts—went cap in hand to government. Several

40 Ibid., pp. 20-21. Non-performing business loans and for commercial property were rising faster to 2.9 per cent and 4.5 per cent respectively.

41 Michael Davies, 'Household debt in Australia' in *Household debt: implications for monetary policy and financial stability*, Bank for International Settlements Papers, 46, May 2009, p. 26, <http://www.bis.org/publ/bppdf/bispap46.htm>, accessed 12 November 2009.

42 Stephen Bartholomeusz, 'A crisis with capital', *Business spectator*, 24 September 2009, <http://www.businessspectator.com.au/bs.nsf/Article/A-crisis-with-capital-pd20090924-W78BA?OpenDocument>, accessed 24 September 2009.

43 The following two paragraphs draw on Garnaut, *The Great Crash*, pp. 63-64.

communicated to the Prime Minister that without government a guarantee on their foreign debt, they would face insolvency.

The other problem was experienced by non-bank lenders (corporations that don't receive deposits but do provide loans). These companies were far more tied up in the securitisation business. Along with medium sized banks, non-bank lenders had captured 30 per cent of the mortgage market by 2006, compared with 60 per cent for the big four banks—Commonwealth, ANZ, NAB and Westpac. But the widespread panic over mortgage backed securities led funding for these companies to dry up. No one wanted to invest in the very things that had seemed to cause the crisis. So again, it was the government to the rescue, initially throwing in \$8 billion to secure the sector and purchasing around 80 per cent of residential-mortgage backed securities issued over the next eight months.⁴⁴ The major banks' share of new mortgage lending increased to 81 per cent, while the share of non-mortgage lenders and medium sized banks collapsed.⁴⁵ A series of takeovers by the big banks occurred as small lenders went under.

The financial sector's reliance on foreign borrowing ensured that the global credit crisis flowed through to the rest of the Australian economy. With the Australian banks quietly enduring their own problems, new credit approvals to business declined by more than 25 per cent between March 2008 and June 2009.⁴⁶ From the heights of almost 30 per cent annualised business credit growth at the end of 2007 to an annualised contraction of over 5 per cent,⁴⁷ businesses were put under pressure. Yet companies were still able to finance most of their activities by cutting dividends and retaining earnings. For the remainder, where credit walked out capital markets stepped in (i.e. companies issued more shares) to raise funds. Listed companies raised three times the amount of equity in 2009 than the average of the three previous years.⁴⁸

So despite triumphalism about Australia's financial resilience, the sector did suffer. The tsunami that swamped the rest of the globe sucked necessary funds away from Australian shores rather than dumping toxic assets. It was not strong regulation that saved the sector (nor could it have) but government intervention in the face of international collapse. Nevertheless timing, as they say, is everything. The sector didn't implode and the guarantee stabilised it. Yet the sector's dependence on the rest of the world financial

44 Reuters, 'Govt RMBS plan in doubt as funds dwindle', *Business spectator*, 10 June 2009, <https://www.businessspectator.com.au/bs.nsf/Article/Australia-govt-RMBS-plan-in-doubt-as-funds-dwindle-SU973?OpenDocument>, accessed 10 June 2009.

45 Reserve Bank of Australia, *Financial stability review*, Graph 53, p. 31.

46 Reserve Bank of Australia, 'Bank lending to business—new credit approvals by size and by purpose—D7', *Statistical Tables*, <http://www.rba.gov.au/Statistics/Bulletin/index.html>, accessed 16 November 2009.

47 Reserve Bank of Australia, *Financial stability review*, p. 29.

48 John Broadbent, 'Reconnecting corporate Australia with frozen credit markets', address to Corporate Finance World Australia 2009, 10 November 2009, Sydney, p.3, <http://www.rba.gov.au/Speeches/2009/sp-so-101109.pdf>, accessed 21 November 2009.

system means that further shocks will flow through. It is also possible that national property markets will negatively affect balance sheets and consumer spending in the future.

Current state of the Australian economy

The rate of profit in Australia has followed a similar trajectory to the rate of profit in the other advanced economies for decades—dropping from the 1960s to a trough in the early 1980s before partially recovering by the end of the century.⁴⁹ Australia has, however, since 2002 consistently had a higher rate of investment than other developed economies. Over the last four years it was 30 to 40 per cent higher.⁵⁰ Business investment has grown by almost 50 per cent as a share of GDP since 2001, with 50 per cent of that growth in the mining industry.⁵¹ This reflects strength in the economy and indicates that there is an expectation of returns on investment.

But the rate of investment also masks a contradiction. The fundamental problem in the world economy over the last decades has been the inability of ruling classes to allow the mass of inefficient firms to go bankrupt. To do so would provoke an economic depression. Yet the devaluing of the mass of constant capital is a prerequisite for restoring health to the real economy, as only this will lay the basis for a substantial recovery in the world rate of profit. Throughout the crisis, company write-downs in Australia reached \$47 billion and aggregate business sector profits fell 6.5 per cent. This was significant, but the last recession was worse.⁵² Gross fixed capital formation fell 4 per cent over the year to September 2009, with private sector outlays on machinery and equipment down over 11 percent.⁵³ So far, the world crisis has not led to a significant process of restructuring in Australia. With industrial production registering a decline that was insignificant compared with the rest of the OECD, there has been no process of clearing out the inefficient firms. Such a process has been avoided because of appreciating asset prices and soaring commodity prices—but this may be exacerbating, rather than overcoming, future problems.

By the end of the 2008-09 financial year there was talk again of Australia's miracle economy. While the major OECD countries saw year on year (to June) contractions of an average of 2.9 per cent, Australia posted growth of 1 per cent. This picture overstates

49 Simon Mohun, 'The Australian Rate of Profit 1965-2001', *Journal of Australian political economy*, No. 52, 2003. For comparisons with other advanced economies see Brenner, *The economics of global turbulence*.

50 Reserve Bank of Australia, *Statement on monetary policy*, graph 87, p.75, August 2009, <http://www.rba.gov.au/publications/smp/2009/aug/pdf/0809.pdf>, accessed 27 December 2009.

51 Reserve Bank of Australia, 'Indicators of business investment', *Bulletin*, December 2009, <http://www.rba.gov.au/publications/bulletin/2009/dec/3.html>, accessed 10 January 2010.

52 Reserve Bank of Australia, *Financial stability review*, p. 49.

53 Australian Bureau of Statistics, *Australian national accounts: national income, expenditure and product*.

economic growth by ignoring population growth, which tends to increase the total cost of reproducing labour power while adding to value produced. At 2.1 per cent per year, Australia's population grew at the fastest rate since quarterly data collection began in June 1981.⁵⁴ This compares with the average growth of 1.2 per cent per year from 1991 to 2000 and 1.4 per cent per year from 2001 to 2007.⁵⁵ When looked at in terms of GDP per capita (growth per person), from the time of the international financial collapse Australia saw a year on year (to September) *decline* of 1.7 per cent.⁵⁶

Population growth in the US was estimated to be 0.9 per cent for the year to July 2009,⁵⁷ which roughly translated into an annual GDP per capita contraction of somewhere over 3 per cent (to the second quarter of 2009). Nominal figures put a gap of around 3.4 per cent between Australian and US growth rates. On a per capita basis, however, that shrinks to around 2 per cent. Further, Australian growth was higher firstly because imports were declining and secondly because government and households were increasing consumption.

Unemployment quickly increased after the onset of the financial crisis, but the rise was not as dramatic as elsewhere. By late 2009 unemployment was 5.8 per cent, which was 2.7 per cent below the average for the major OECD economies. Comparing Australia with the United States is instructive.

54 Australian Bureau of Statistics, *Australian demographic statistics*, catalogue 3010, March quarter 2009.

55 Garnaut, *The Great Crash*, p. 16.

56 Australian Bureau of Statistics, *Australian national accounts: national income, expenditure and product*.

57 US Census Bureau, 'Monthly population estimates for the United States: April 1, 2000 to October 1, 2009', <http://www.census.gov/popest/national/NA-EST2008-01.html>, accessed 16 November 2009.

United States and Australia (September 2008–September 2009)

	2008	2009	Change
Official unemployment	%	%	%
USA	6.2	9.8	58
Australia	4.3	5.7	33
Labour underutilisation			
USA	11.2	17.0	52
Australia	9.0	12.6	40
Average monthly hours			
USA	145.6	143.4	-1.5
Australia	143.8	140.5	-2.3

Sources: US Bureau of Labor Statistics, *Employment situation*, December 12 2009; Australian Bureau of Statistics, *Labour Force, Australia*, Cat. No. 6202.0, December 2009; Centre of Full Employment and Equity, *Quarterly underutilisation and underemployment indicators*, August 2009. Note that Australian underutilisation figures are August to August.

Clearly the US was shedding jobs much faster than the Australian economy, while there was a greater cut in average hours worked in Australia. This reflected the much faster decline in labour utilisation than growth of unemployment. When this is taken into account, the picture is quite different to that painted by the general unemployment figures. Overall, Australian bosses sacked workers at a fast rate until March 2009, at which point the unemployment rate stabilised. The underutilisation rate continued to rise and the number of hours worked continued to fall, due to leave taking, part time job creation and workers being forced to reduce their hours.⁵⁸

It is difficult to judge exactly how the economic situation has affected the working class as a whole. Because profits held up (relatively speaking) there has been no generalised ruling class offensive to drive down wages. In fact, average full-time wages have continued to grow, up 5.2 per cent from August 2008 to August 2009.⁵⁹ Those who retained their jobs came out of the crisis better off, one report finding that:

The proportion of people finding it ‘very difficult’ or ‘difficult’ to get by on their current household income has dropped from 20 per cent in 2008

58 Brigid van Wanrooy et al. *Australia at work: in a changing world*, Workplace Research Centre, Sydney, November 2009, p. 42.

59 Australian bureau of Statistics, *Average weekly earnings: Australia*, catalogue 6302.

to 16 per cent in 2009 ... [T]hose 'living comfortably' or 'doing really well' has increased from 41 to 45 per cent in the same period.⁶⁰

This has been due to a peculiar situation in Australia. In the midst of the greatest global crisis in generations net national disposable income fell by 4.8 per cent⁶¹ and household wealth declined by 36 per cent.⁶² Yet through a combination of stimulus cash handouts, falling interest rates and lower petrol prices, different calculations showed household disposable income rising by 5 to 9 per cent.⁶³

Those with existing mortgages who retained their jobs benefited most. With the Reserve Bank dropping interest rates down to 3 per cent by April 2009, the ratio of interest payments to disposable income dropped from 15.4 per cent to 10.3 per cent in the year to June 2009.⁶⁴ Low interest rates have not entirely offset the impact of high house prices. As an illustration, during 1989-90 interest rates were hovering around 17 per cent yet the interest payment to disposable income ratio was only 9 per cent.

For those who lost their jobs, worked fewer hours or were renting properties things were very different. Agency reports suggest that there was a significant rise in homelessness, to more than 100,000 over the last part of 2008 and through 2009, as unskilled workers became unemployed.⁶⁵ This was when, across the country, more than 800,000 homes were vacant.⁶⁶ Tenants saw rents increase faster than incomes with 65 per cent of low income private renters experiencing housing stress.⁶⁷

Many older workers, whose superannuation was depleted by the crash in equity markets, were forced back into the labour market: the number of retirees contracted by 65,000, while the number aged over 45 saying they would never retire rose from 379,000 to 575,000 over the year.⁶⁸ The level of aggregate hours worked, however, increased at the

60 Brigid van Wanrooy et al, *Australia at work*, p. i.

61 Australian Bureau of Statistics, *Australian national accounts: national income, expenditure and product*.

62 Peter Martin, '36 per cent tumble in household wealth', *Age*, June 27 2009, <http://www.theage.com.au/national/36-tumble-in-household-wealth-20090626-czx8.html>, accessed 27 June 2009.

63 IBISWorld macro-economic briefing, *Winners and losers of the Global Financial Crisis*, August 2009, p. 4; Steve Keen, 'Have we dodged the iceberg', *Steve Keen's debtwatch*, 40, 2 November 2009, <http://www.debtdeflation.com/blogs/2009/11/02/debtwatch-no-40-november-2009-have-we-dodged-the-iceberg/>, accessed 02 November 2009.

64 Reserve Bank of Australia, 'Household finances—selected ratios—B21'.

65 Matthew Denholm, 'Rudd losing the fight on homeless', *Australian*, 2-3 January 2010, p. 1.

66 National Housing Supply Council, *State of Supply Report 2008*, p. 69.

67 Toby Archer, 'Rental housing hits crisis point', *Tenant news*, 21, Summer 2008/09, http://www.tuv.org.au/pdf/tenant_news/tn_21_Summer_2009.pdf, accessed 9 January 2010.

68 Tim Colebatch, 'More people plan to work till they drop', *Age*, 18 December 2009, <http://www.theage.com.au/national/more-people-plan-to-work-till-they-drop-20091217-kzxc.html>, accessed 18 December 2009.

end of 2009. On the other hand, while older workers moved back into employment, young workers were pushed out. Youth unemployment rose from 17.9 per cent in November 2008 to 25.4 per cent in the middle of 2009 before declining slightly to 25 per cent at the end of the year.⁶⁹ The unemployment rate for women did not rise nearly as steeply as that for men. Underemployment for both sexes increased at a similar rate, although female underemployment was higher to start with.

Overall, for many workers times will be tougher during the ‘recovery’ phase than in the midst of the crisis. With government debt increasing by \$33 billion alone in the first half of 2009 there will be budget cuts, rather than cash handouts, in the future.

Conclusion

A mixture of domestic and international influences has contributed to the resilience of the Australian economy. Government intervention to stabilise financial markets secured the position of Australian banks. Continued growth in China and other parts of East Asia, and the appreciation of residential home asset prices also sustained economic stability. Some sections of the working class have come out of the crisis in a better position than they went in, while others have not been so fortunate. The ‘recovery’ phase, however, will probably see higher levels of financial stress and government austerity. Even if the economy revives as forecast, life will generally get harder for workers.

There is no guarantee that the recovery will continue. Nationally, the finance sector is dependent on global markets for funding; household debt is at dangerous levels; there still seems to be a housing price bubble and manufacturing continues its long decline, exacerbated by the high value of the Australian dollar. While Chinese electricity production has for three years (until recently) been an index for the Australian dollar, the rate of profit in Australia has tracked the general trend of the rate of profit in the other advanced economies for decades. If it has ‘decoupled’ recently, this is likely to be short lived.

Internationally, asset price bubbles appear to have reformed as a consequence of loose monetary policy; write-downs in the financial sector are not over;⁷⁰ many advanced economies face fiscal crises; overcapacity in the manufacturing sector is endemic and China faces many challenges. This will lead to instability in the world system and uncertainty in the developing economies. Australia’s current economic performance rests on unstable ground that could quickly give way.

The old certainties which underpinned optimism in the global economy—that markets are efficient, that bubbles would not, could not form, that house prices would not drop, that economic actors pursuing their own self interest in the market would lead to the greatest

69 Australian Bureau of Statistics, *Labour force, Australia*, catalogue 6202, November 2009.

70 International Monetary Fund, *Global Financial Stability Report*, IMF, Washington DC, October 2009, p. 9.

welfare for society as a whole—have been shattered. New certainties—that the Australian financial sector is a rock, that Chinese economy has decoupled or that it can power on into the distant future, that Australian house prices cannot fall and that debt levels are sustainable—are open to serious questioning.

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Politics and meaning: Melbourne's Eight Hours Day and Anzac Day, 1928-1935

Kyla Cassells

The public commemoration of particular days can have an impact on public consciousness. This article considers the commemoration of Anzac Day and the Eight Hours Day during the Great Depression. It explores how these days were used by Trades Hall, the Australian Labor Party, and the Returned Soldiers' and Sailors' Imperial League of Australia to perpetuate political agendas. It also considers the contestation of these days by various groups, including the Communist Party; women; the unemployed, and the Movement Against War and Fascism; and how the commemoration of the days responded to, and was shaped by, this contestation.

You people in Australia haven't grown up yet. You think the Melbourne Cup is the most important thing in the world.

When Rudyard Kipling said this to Banjo Paterson, he was commenting on the fact that Australia prior to the First World War was yet to celebrate a public holiday of any national significance.¹ The Melbourne Cup holiday was, arguably, the most important public holiday on the calendar. Perhaps the closest to a national day was Empire Day, the celebration of which was inconsistent and wracked with divisions.² Wattle Days were important symbols of nationalism celebrated in schools, but far less significant in the

1 Cited in Ken Inglis, 'Australia Day' *Historical Studies* 13 (49) October 1967, p. 21.

2 Stewart Firth and Jeanette Hoorn, 'From Empire Day to cracker night' in P. Spearritt and D. Walker (eds) *Australian popular culture* George Allen and Unwin, North Sydney, 1979, pp. 17-38.

broader community.³ For Kipling this was a sign of the fact that Australia had not yet come of age; it had no day around which it could rally its people.⁴

Rudyard Kipling was, of course, an ardent imperialist, and for him the celebration of public days was naturally tied up in the framework nation and empire. But he raises a point worth considering. Public holidays do tell us something about the society in which they are commemorated. Some days are privileged on the calendar, and some aren't. The days that are commemorated, and how they are commemorated, can change over the course of time. Indeed, the Melbourne Cup holiday is not celebrated today the way it was in pre-war Australia. It has shifted in national importance. One could say it has been demoted, while others—such as Anzac Day and Australia Day—have risen in significance. So what is it we can learn from the commemoration of public holidays?

This study examines public holidays commemorated during a time of deep economic crisis. I have chosen two days with different historical and political origins: the Eight Hours Day—today known as Labour Day⁵—strongly tied to the labour movement; and Anzac Day, the day that commemorates Australian involvement in the First World War and Gallipoli in particular. One, a festival of labour; the other, the most important nationalist day on the calendar. I will look at how these days were influenced and shaped by political agendas during the Great Depression.

Public holidays can play an important role in shaping people's views and perceptions about the past and the present.⁶ The privileging of certain days on the calendar as a state-sanctioned day of rest celebrated every year, in and of itself privileges certain ideas and values in society. The placing of a holiday on the calendar creates something for us to remember, and the lack of such a day helps us forget. It is no accident that Anzac Day is celebrated on 25 April, but 23 August passes unnoticed. The latter date marks the beginning of the Gurindji Strike in 1966, also known as the Wave Hill Walk-Off, and is a date of seminal importance in the struggle for Aboriginal rights. But while we are encouraged to remember the symbolic birth of a nation through blood sacrifice at Gallipoli on 25 April, we are encouraged to forget the on-going dispossession, marginalisation and oppression of Aboriginal people in Australia, and especially the struggles they have waged.

Much work on public memory in Australia has focussed on how it represents a response to people's needs, especially their grief and mourning, and has been shaped by vehicles such

3 Libby Robin, 'Nationalising nature: wattle days in Australia' *Journal of Australian Studies* 72, 2002, pp. 13-25.

4 Inglis, 'Australia Day', p. 21.

5 For most of the period in this study, the official title was the Eight Hours Day; this was changed to Labour Day in 1935.

6 Matthew Dennis *Red, white, and blue letter days: an American calendar* Cornell University Press, New York, 2002, p. 1.

as monuments, museums and commemorative days.⁷ Ken Inglis has explored how the construction of monuments and memorials was informed by grieving communities and how it shaped the Anzac tradition,⁸ and Joy Damousi has explored how relatives of deceased soldiers and returned soldiers themselves negotiated grief and mourning through a variety outlets including commemoration.⁹ However, with this study I put forward a different way of approaching the question of public memory. I examine how public memory was contested by contemporary politics; how it was subjected to and its commemoration shaped by political conflicts and clashes. Public memory does not exist in a social, political and historical vacuum; how and what is retained or left out of public memory depends on the social forces at play. The construction and maintenance of these things requires the conscious intervention of people and groups, who bring with them agendas of their own.

This study will focus on how the shifting social and political terrain of Melbourne during the Great Depression impacted on the organisation of commemorative days. Anzac Day included quasi-religious ceremonies that marked it out as particularly sacred and important. Similarly, the historic Eight Hours Day rituals carried with them a certain weight: the regular march of thousands of unionists through Melbourne, and in particular through the business section of the city, was an important show of strength for the labour movement. The nature of the rituals contained specific messages about the past and present that were intended to have an impact on the people participating as well watching.

These rituals gave people the opportunity to participate in history.¹⁰ A march of five thousand unionists on the Eight Hours Day in 1929 provided an opportunity for people to think about and support an important industrial conflict. The timber strike of 1929 was seen as a battle for the whole working class. It began in response to an award that cut wages and conditions in the industry, and was thought of by working people as the start of a more generalised attack on their living conditions. The rituals were thus not only for the unionists who marched, but for spectators as well: the *Sun* reported 'large crowds' of people lined crowded streets to watch the procession.¹¹ Even in years when the political situation was not so tumultuous, the nature of the event as a festival of labour could imbue marchers and spectators with a sense of pride in their identity as working class people with a long history of struggle. These events gave the participants a sense of having a stake in

7 For example, see Marilyn Lake, (ed) *Memory, monuments and museums: the past in the present* Melbourne University Press, Carlton, 2006.

8 Ken Inglis *Sacred places: war memorial in the Australian landscape* Miegunyah Press, Carlton, 1998.

9 Joy Damousi *Labour of loss: memory, mourning and wartime bereavement in Australia* Cambridge University Press, Melbourne, 1999.

10 Dennis *Red, white, and blue letter days*, p. 1.

11 '4,000 march in the eight hours procession' *Sun* 19 March 1929, p. 1.

history, or at least in a particular version of history, as they played a role in the creation or perpetuation of events and ideas.¹²

The sense of having a stake in ‘history’ is important, but exactly what constitutes that history is neither automatic nor constant and involves the intervention of powerful forces. The perpetuation of these public holidays depended on a high level of organised support. Anzac Day was a day that featured many varied and elaborate rituals, perhaps the most significant of which was the march through the city to the Exhibition Building, which attracted no less than 20 000 people in any given year between 1928 and 1935. It required a high level of forethought and prior organising. Even the much smaller Eight Hours Day included events that needed significant organisation and it was through this process that the days came to be vehicles for particular political agendas.

As I will demonstrate below, the Eight Hours Day was not simply a celebration of the working class movement. Rather, by the 1920s it was a vehicle of the Australian Labor Party (ALP) and the Victorian Trades Hall. These organisations used the Eight Hours Day to promote a particular vision for the trade union movement that centred around parliamentary reform. How the day was organised—and indeed whether it was held at all—was highly dependant on the interests of these organisations. Between the years 1930 and 1932 the Eight Hours Day march was suspended in Melbourne, the procession replaced with a picnic. Such decisions were based on their political convenience for Trades Hall and the ALP. Anzac Day went through a similar process, with its conservative messages woven into the fabric of the celebrations by the preparation and organisation of the Returned Sailors’ and Soldiers’ Imperial League of Australia (RSSILA).

Labour, ritual and ideology in Melbourne’s Eight Hours Day

On 18 March 1929, on the eve of the Great Depression, around five thousand unionists marched through the streets of Melbourne. It was a year of battle for Victoria’s working class: the timber strike had been going on since January; the mood was combative, and throngs of spectators lined the streets. The timber workers’ banners carried defiant slogans, challenging the arbitration court and demanding, ‘Not a minute on the day, not a penny off the pay’, and warning other unionists ‘If we lose you are next’. Unionists sang along to tunes played by marching bands, including ‘Solidarity forever’ and ‘We’ll hang Judge Lukin on a sour apple tree.’ It took the procession over forty minutes to pass. This Eight Hours Day was one filled with anger, defiance and a sense of working class solidarity.¹³

The Eight Hours Day was the only day celebrated on the Victorian calendar that recognised the labour movement. It was a day in which the labour movement was recognised by the state, and thus could be mobilised as a site of protest in times of industrial unrest. But it was always fraught with contradictions: state recognition brought

12 Dennis *Red, white, and blue letter days*, p. 1.

13 ‘Strike slogans feature of Labor Day march’ *Sun* 19 March 1929, p. 12.

with it for the organisers concerns about respectability and proper behaviour, and involved a constant negotiation between the forces of moderation and the desire to protest.

The Eight Hours Day, as its name suggests, was won as part of the struggle for the eight hours working day in Victoria. On 21 April 1856, the Victorian Operative Stone Masons' Society succeeded in winning the eight hours objective, making Victoria the first place in the world where a whole trade won the right to restrict their working day to eight hours. The first march took place in Melbourne on 15 May 1856. Every year thereafter it became a tradition to march in celebration of the eight hour day, until it was enshrined in law as a public holiday in 1879.¹⁴ The workers' officially sanctioned day soon became 'the most characteristic and important of all Australian working class festivals.'¹⁵

The Eight Hours Day had its zenith in the period before the First World War. In the 1890s, when May Day became significant on the international calendar, it did not have the same impact in Victoria, where labour already had its own day enshrined in law.¹⁶ Prior to the First World War, the Eight Hours Day in Victoria (and around Australia, although celebrated on different days) could mobilise thousands of workers. In the years preceding the outbreak of war, numbers in excess of ten thousand marchers were common. Thousands more lined the street to watch.¹⁷

The celebrations involved important ceremonies and rituals. These began with a march from Trades Hall through the city. The route was altered repeatedly throughout the years, depending in particular on where the procession aimed to conclude, but it always involved a march through the central business district. This was an important display of labour's strength to the business owners of the city. However, after the conclusion of the march, the day moved on to a community picnic. Over time, this picnic turned into an elaborate carnival. Thus the day began with a show of strength and ended with leisure and recreation.

From the end of the First World War, there was a notable decline in the celebration of the Eight Hours Day. In the early 1920s, the Eight Hours Anniversary and Labor Day Committee—which organised the rally—conducted a survey that found the bulk of unions had experienced a decline in participation since the First World War. In 1922, less than five and a half thousand unionists marched, and the decline continued throughout the 1920s.¹⁸ Partially as a result of this decline, in 1925 the organisation of the day was taken

14 'How labour day holiday was won' *National Transport Worker* 7 (1) March 1988, pp. 5-7.

15 Robin Gollan *Radical working class politics: a study of Eastern Australia 1850-1910* Melbourne University Press, Melbourne, 1976, p. 72.

16 Philip S. Foner, *May Day: a short history of the international workers' holiday 1886-1986*, International Publishers, New York, 1986, p. 64.

17 Andrew Reeves and Ann Stevens *Badges of labour, banners of pride: aspects of working class celebration* Museum of Applied Arts and Sciences and Allen and Unwin, Sydney, 1985.

18 Eight Hours Day documents and correspondence 1921-1930, undated circular from Eight Hours Anniversary and Labor Day Committee, Australian Tramways and Motor Omnibus Employees' Association Papers, University of Melbourne Archives.

over by the Victorian Trades Hall Council (VTHC), through its new Eight Hours Committee (EHC).¹⁹

Union leaders tended to blame rank and file unionists. However, as Barbara Webster has pointed out with regard to the Rockhampton celebrations, this was an excuse for the fact that unions did less to mobilise people for the day, largely because of tensions in the labour movement.²⁰ A similar dynamic can be seen in Melbourne. For example, in 1927 the Australian Railways' Union (ARU) included in their newspaper an article condemning their membership for not attending the procession in large numbers, even though it appears they did little to mobilise for the march. The article criticises the organisation of the day by arguing that business interests dominated the procession, which indicates that the union was dubious about its purpose.²¹ Furthermore, the Eight Hours Committee minutes suggest they had not marched the year before, and did not seem to take particular interest in mobilising for the procession in 1927.²² Thus, even though union leaders were quick to blame their membership, it appears as though less and less effort was put into convincing them to attend because of disagreements about the nature of the day.

Hence the context for this study is one of longer term decline, which would eventually culminate in the Eight Hours Day being subsumed into the Moomba festivities in the mid-1950s. The period in this study provides a snapshot of that longer term decline. On the one hand, the procession attendance was much smaller than at the height of the pre-war period, yet at the same time the day continued to mobilise thousands of unionists to march, as well as attracting many spectators.

Compromising the Eight Hours Day

Officially-ordained labour days arise from complex negotiations. In Australia and abroad, such occasions were legally recognized by the state, yet at the same time this recognition was only won through ongoing working class struggle. Their position was thus always somewhat precarious, having to balance the fact that they were celebrating protest and struggle, while needing to observe their official status and the responsibility imposed by legal recognition.²³

19 Eight Hour Committee Minutes 1917-1925, 19 August 1925, p. 377, Victorian Trades Hall Papers, University of Melbourne Archives.

20 Barbara Webster, 'Celebrating the "great boon": eight hour day and early labour day in Rockhampton, 1909-1929' in Julie Kimber and Peter Love (eds) *The time of their lives: the eight hour day and working life* Australian Society for the Study of Labour History, Melbourne, 2007, pp. 48-60.

21 '8 Hours Day.—make May 1 better' *Railways' Union Gazette* 11 April 1927, p. 5. This is the only article that appears in the ARU paper about the Eight Hours Day in 1927, and it appears after the event.

22 Eight Hours Committee Minutes 1926-1930, 5 January 1927, p.72, Victorian Trades Hall Papers, University of Melbourne Archives. The ARU agreed to participate, but would not guarantee ticket sales.

23 Michael Kazin and Steven J. Ross, 'America's Labor Day: the dilemma of a workers' celebration' *Journal of American History* 78 (4) No. 4, March 1992, pp.1294-1299.

This was played out in Victoria in the negotiations over the date of the celebration itself. The need for official support meant keeping parliament and business on side. At the same time, the mere existence of a day which held as its core values those of working class struggle was suspect to this same group. Clearly the celebration of the Eight Hours Day was considered less important to government and business than other special days. Traditionally celebrated on or near 21 April, during the 1920s and 1930s the Eight Hours Day found itself demoted in importance compared to Anzac Day on 25 April.²⁴ Even a change in horse racing laws meant that in 1930 the organisers had to negotiate with the Moonee Valley Racing Club around the preferred dates for its racing festivals. The interests of racing proved more powerful, so the organisers decided to move the Eight Hours celebration.²⁵

The mere existence of the day was often enough to elicit outrage from the conservative press. Even in the period of its decline, the day was often denounced in attempts to undermine its significance as the day on which working class struggle was honoured. In 1929, while the more working class-oriented *Sun* newspaper had glowing reports of the day, the *Age* reported it as ‘not very impressive,’ and lacking in ‘splendor and enthusiasm.’²⁶ The *Argus*, however, could not contain its outrage:

Someone made an attempt to impersonate Judge Lukin on the bench [of the Arbitration Court]. The figure, lifted on a lorry, was perusing what appeared to be a copy of ‘The Argus’ and beneath it were written the words, ‘£70 a week, hours 10 to 4, family nil.’ The exhibit was statistically inaccurate and in gross bad taste. The promoters did not stop at the one exhibit...Anything further removed from the well-known slogan of former days—‘Defence, not defiance’—it would be hard to imagine. Six mounted troopers led the way and cleared the path for this incitement to disorder.²⁷

At the same time as stressing the small turnout, as it did in 1934, the *Argus* emphasised the ‘offensive’ slogans carried by radical elements.²⁸ The open denunciations of the *Argus*, as well as the subtle down-playing of the day by the *Age*, indicate how unsettling the mere existence of a day that celebrated the labour movement could be to business interests.

As Dennis and other historians have demonstrated with regard to the United States, the balancing act between status and protest proved difficult for the union leaders who organised the day’s celebrations.²⁹ Inevitably the precarious balance tended to tip towards

24 For example, see Eight Hour Committee Minutes 1917-1925, 6 April 1921, p.144.

25 Eight Hour Committee 1926-1930, 27 November 1929, p.110.

26 ‘Eight Hours celebrations’ *The Age* 19 March 1929, p. 9.

27 ‘Eight Hours Day: procession through city’ *Argus* 19 March 1929, p. 7.

28 ‘Labour Day march: procession unimpressive’ *Argus* 20 March 1934, p. 7.

29 Dennis *Red, white, and blue letter days* pp. 240-255; Kazin and Ross, ‘America’s Labor Day’, pp. 1296-1323.

respectability, as the union leaders considered their career prospects. These concerns played out in the celebration of Labor Day through the muting of class-based sentiments of hostility, the promotion of patriotism, and a depoliticized carnival atmosphere. In Melbourne, many of the same dynamics essentially underpinned the celebrations of the Eight Hours Day.³⁰

The Eight Hours Day celebrations became a factor in the development of permanent peak union bodies. As these bodies, in turn, tended to dominate the organisation of the Eight Hours Day, the festivities reflected the interests of the leaders in the labour movement and of the peak union bodies. Moreover, from the 1890s, these interests—and hence the Eight Hours Day—became increasingly tied to the emergent Australian Labor Party.³¹ The ALP was established in 1891 and by 1910 had formed a majority government in the Federal Parliament. The Hogan Labor Government was in power for most of the period from 1927 until 1932. The ALP had its base in the union bureaucracy, and for most of the period since the ALP's inception, the labour movement has been tied to its program of parliamentary reformism.

This growing relationship with the ALP was demonstrated by the attitude of the organisers of the Eight Hours Day. Even prior to 1926, there were clear allegiances to the ALP within the organising committee, but these became especially pronounced after organisation was taken over by VTHC. Its elected members during the period of this study included such ALP personalities as Jean Daley. In 1927, the ALP was openly called upon to use the day as part of their State election campaign.³² The parliamentary ALP was toasted at the Eight Hours Banquet, which occurred the Saturday before the Eight Hours Day, and on occasion parliamentary leaders were invited to make toasts to be broadcast on Melbourne's 3LO.³³ Indeed, increasingly the day was viewed as *Labor's* day as much as it was labour's day. More radical workers, such as socialists, syndicalists and anarchists, tended to celebrate May Day rather than the Eight Hours Day.³⁴

From 1928 until 1935, definite concessions were made in response to the pressure of maintaining good relations with the ruling elite. From 1926 onwards, trade displays by private companies were allowed to participate in the parade, and private donations were also accepted, notably from the *Herald* newspaper.³⁵ The presence of trade displays with

30 There were important differences, however. The classless nature of the parade was not so strong in Australia. Although concessions were made to business—such as the allowance of company stalls and floats—there was still a strong element of class hostility embodied in the Day. The patriotism that dominated the US celebrations had nowhere near as much influence in Australia.

31 Webster, 'Celebrating the "great boon"', pp. 45-47.

32 Eight Hours Committee Minutes 1926-1930, 21 January 1927, p. 56.

33 In 1929, a federal election year, ALP leader Scullin was invited to do the premiere toast of the evening, to 'The Day We Celebrate,' with special arrangements to have the speech broadcast. Eight Hours Committee Minutes 1926-1930, 7 February 1929, p.104.

34 Foner *May Day*, p. 64.

35 Eight Hours Committee Minutes 1926-1930, 2 March 1926, p. 31.

advertising for private companies did incite some controversy. A 1928 survey of trade unions found a minority of unions explicitly opposed the presence of company trade displays.³⁶ These competed with workers' displays, which were seen as expressions of pride in one's trade, especially in highly skilled industries. Workers' displays were a real marker of working class culture. The presence of trade displays that explicitly advertised private firms was seen to undermine the working class nature of the celebration.³⁷ The organisers of Melbourne's event not only *allowed* the presence of these company trade displays and floats from 1926, but also *encouraged* displays that promoted Australian-made products.³⁸ Although protests from unions did result in the banning of company displays in 1934, this decision was overturned in 1935.³⁹ Thus one aim of the day became to persuade spectators and participants to buy Australian companies' goods, which encouraged nationalist identifications rather than class ones.

During this period the celebrations themselves reflected the compromised nature of the day. In the morning, the march represented workers' power and the historic gains resulting from working class mobilisations. This was followed in the afternoon by a carnival or picnic where leisure pursuits were the focus. Any political protests that may have been part of the march were thus subsumed and contained. The 1929 march and the presence of the timber workers demonstrated this.

The timber strike had brought about a massive cleavage in society and was broadly seen by working people as a battle for the whole working class.⁴⁰ The Eight Hours Day came after almost two months of the strike, and the march was an opportunity for the timber workers to bring their struggle to the streets of Melbourne, and for others to show support by their physical presence as observers or marchers. It was this procession that sparked the *Argus*' charges of 'incitement to disorder.' But after this demonstration of working class strength, the marchers were ushered off to the Eight Hours Day carnival, in which the main items of interest were sports competitions and callisthenics displays.

These compromises, as well as the day's ties with the ALP, brought heavy criticisms from more radical sections of the labour movement. The experience of ALP governments at both federal and State levels raised questions as to whether the Eight Hours Day—which celebrated the historic achievements of the working class—should really be tied to parliamentary parties which, when in government, often mounted attacks on working class living standards. This was particularly the case in the Great Depression, when ALP governments at State and federal level attacked the minimum wage, provided only meagre assistance for the ever-growing levels of unemployed and cut public spending. These

36 Eight Hours Committee Minutes 1926-1930, 9 January 1929, p. 97.

37 Webster, 'Celebrating the "great boon"', pp. 45-47.

38 Eight Hours Committee Minutes 1926-1930, 2 March 1926, p. 31.

39 'Labour Day march: procession unimpressive' *Argus* 20 March 1934, p. 7.

40 L.J. Louis *Trade unions and the depression: a study of Victoria 1930-1932* Canberra, Australian National University Press, 1968, pp. 12-13.

attacks were epitomised by the 1931 Premiers' Plan. Given that the Eight Hours Day was supposed to celebrate the improvement of wages, hours and conditions for workers, it was confusing to celebrate the same governments which were attacking these gains.

The Australian Railways' Union (ARU) and the Billposters' Union both periodically refused to be part of the Eight Hours Day proceedings. The Eight Hours Committee minute books also alluded to a growing number of unions that were unwilling to participate in the march throughout the late 1920s.⁴¹ The ARU in particular had a history of opposing ALP policy, and, at times, the ALP itself. Its affiliation to the ALP was suspended on a number of occasions for defying ALP policy. Other radical organisations were also highly critical of the Eight Hours Day's promotion of the ALP. The Communist Party, established in 1920, made a point of routinely denouncing Eight Hours Day celebrations in its newspaper, the *Workers' Weekly*. The Communist Party remained a small organisation throughout the 1920s. During the Depression, it experienced a surge of growth, having around 3000 members by 1935. However, even this growth understates its influence, gained through its work in organising the unemployed and its intervention into the trade union movement.⁴² In 1928, it reported:

Preceded by the usual guzzle and gorge [the Eight Hours banquet], last week's 8-hour celebration developed into a 'jolly good fellows' outfit for high dignitaries, in whose plans, of course, no provision was made for the unemployed... There is a strong resentment against the sabotage of the heads [VTHC organisers], and disgust at the way the manufacturers have been allowed to thieve the day that should celebrate a working class victory.⁴³

Contesting the Eight Hours Day

The compromised nature of the celebrations did not seem to endear it to prospective participants. From the 1920s, there was a noticeable slide in participation in the march—historically the main event of the day—although there was a small rise in 1929 on the occasion of the timber strike, and again in 1935, the centenary of Australian trade unionism.

In 1930, the organisers of the Eight Hours Day events decided to cancel the procession through the city. Instead, a carnival and sports show was held at the Flemington Showgrounds, which ran from the morning into the early evening and proved a reasonable profit-maker for the Eight Hours Committee. For the next three years, there would be no procession on the Eight Hours Day and the carnival was extended to compensate for this. Neither the EHC nor Trades Hall minutes record why the procession was abandoned,

41 Eight Hours Committee Minutes 1926-1930, 15 February 1928, p. 84.

42 Robin Gollan, 'Some consequences of the depression' *Labour History* No.17, 1970, pp. 185-6.

43 'Melbourne 8 Hour Day—a hollow mockery' *Workers' Weekly* 6 April 1928, p. 3.

although VTHC indicated that it wanted the day to be more of a fundraiser.⁴⁴ Undoubtedly, declining numbers were a consideration, but given that there had been a sharp spike in participation around the timber strike in 1929, it suggests there might have been worries that the Day could have been used to protest against growing unemployment.

The cancellation of the procession represented a radical change. The procession through the city had always represented workers' strength and power, as well as a certain pride in working class skills and culture. To completely remove the march had an important impact on how the day was perceived. Its coverage almost disappeared from the major newspapers. As the political content was lost, so the *Argus*, which in 1929 had been almost hysterical in its denunciations, was more than happy to support the carnival. In 1930, the *Argus* provided the following pleasant description:

The assemblage certainly lost nothing in brightness by the translation ...
It was an ideal day for the out-of-doors, and the sunshine and pleasant
autumn breezes had more free play at Flemington...⁴⁵

Without the procession, it could be forgotten that the day signified workers' struggle.

The carnival also allowed for the papering over of growing divisions. The Depression opened up huge fractures within the labour movement, as unions struggled—and largely failed—to deal with the new questions the economic crisis threw up. By 1932, roughly one in three workers were unemployed in Victoria. At both State and federal levels the ALP attacked working class living standards, and disillusionment with Labor grew. Unemployed workers' movements, housewives' associations, and other forms of non-trade union political organisation began to spring to life, as the ALP governments, under pressure from banks and business, attacked the basic wage and working class living standards. The Communist Party grew significantly, wielding influence much larger than its formal membership, particularly in the unemployed movement and trade unions. Within the ALP, a polarisation occurred and led to significant splits. On the left this polarisation manifested itself around J.T. Lang, the populist Premier of New South Wales, who expressed a biting rhetorical hostility to the banks and big business to mobilise support around him.

When labour demonstrations occurred, the increasing divisions came to the fore, as in the 1932 May Day celebrations in Melbourne, where Communists and others, enraged by the VTHC and ALP speakers, physically attacked them and dragged them from the platform. Reeves and Stephens have argued that it was this occurrence that led to the winding back of Eight Hours Day celebrations.⁴⁶ But this ignores the fact that the celebrations were wound back *before* May Day 1932. Indeed, it was after this event that the VTHC ceased to

44 Trades Hall Council minute books, 10 March 1930, p. 561, Trades Hall Council records, State Library of Victoria.

45 'Eight Hours Day: how holiday was spent' *Argus* 25 March 1930, p. 12.

46 Reeves and Stephens *Badges of labour*, p. 12.

participate in May Day celebrations and *restored* their own Eight Hours procession, over which they felt they could exercise control.

This conflict helps to explain why the picnics, carnivals and sports dominated Eight Hours' celebrations between 1930 and 1932. Such depoliticized events were a response to the differences that emerged in the labour movement. Even though ALP politicians did speak, the focus of the day was leisure. With consistently large crowds, there was an element of keeping up appearances, as the carnival allowed the EHC and its ALP friends to present an image of being able to mobilise thousands of people. The following statement from the *Labor Call* is revealing:

Lamentably... petty differences have frequently marred... the attainment of this laudible desideratum [unity]... Processions have now been almost completely displaced by devious degrees of 'stunting' as vehicles of propaganda, especially by Labor's opponents.⁴⁷

The removal of the procession allowed the ALP to deal with opposition and conceal political divisions.

In response to the cancellation of the procession, alternative labour days started to gain more significance. May Day in particular grew significantly in popularity throughout the Great Depression. Although it had always been celebrated by radicals, several unions began organising and promoting this day specifically because of the abandonment of the Eight Hours procession.⁴⁸ Until 1933 May Day was organised independently but supported by the VTHC, and the celebration tended to be more openly political and less tied to Labor Party politics than was the Eight Hours procession. Even at its height, the May Day march never mobilised the same numbers as the Eight Hours Day had before the First World War. Nonetheless because of the cancellation of the Eight Hours celebrations, May Day became more prominent than previously, able now to mobilise several thousand marchers.

After the 1932 altercations between the ALP and the Communists, the balance of this arrangement began to change. The ALP and VTHC withdrew their support from May Day and in 1933 the VTHC resumed its own Eight Hours procession. However, the Eight Hours Day was not immune to the tumult of the Great Depression and the fractures it created in the labour movement, and from 1933 onwards it was greatly altered. The 1933 resumption of the Eight Hours Day march revealed changes in the labour movement. Still organised by the Eight Hours Committee, the day nonetheless ceased to be a simple celebration for the benefit of the ALP. The procession between 1933 and 1935 held large contingents of Communists and their sympathisers, who challenged the respectability and conformity of the march.

After its three year pause, the Eight Hours Day procession resumed with a splash in 1933. Over 4000 unionists paraded through the streets in organised contingents, returning to the

47 'The day we celebrate—Eight Hours anniversary' *Labor Call* 10 March 1932, p. 6.

48 'May Day demonstration' *Argus* 31 March 1930, p. 17.

old tradition of the march representing a display of the strength and power of the labour movement. In fact, however, what the day really showed was the relative strength of the radical left. In 1929, only 20 Communists had marched.⁴⁹ In 1933, the *Argus* denounced their 'intrusion' into the march as being against the spirit of the Eight Hours Day. Some 1500 people marched under the banners of the Communist Party, the Militant Minority, and the unemployed, comprising more than a third of the procession. The day could no longer be a celebration of Labor, as it was only the participation of the more radical left that made the day a success—had they not been there, the march would have been far less successful, with only around 2500 non-Communists marching in union contingents.⁵⁰

After the relaxed reporting of the picnics in 1930-1932, the *Argus* was not quite so distressed as it had been in the late-1920s. The smaller numbers meant the day was no longer a threat, but more importantly the paper could side with the organisers against the Communists. The reporter spoke of 'the conflict of ideals' in the procession, and noted the conflict between the march officials, police and Communists:

An attempt was made by some of the Trades Hall officials to prevent the intrusion, but the police refrained from intervening... Trouble appeared to be likely when the procession was returning to Trades Hall. The Communists dropped out... with the object of holding a meeting in the gardens. Many of the men followed the leaders into the gardens, but [sic] the police were in the act of dispersing the assemblage when a heavy hailstorm occurred.

As the *Argus* noted, the large Communists had altered the procession 'markedly.'⁵¹ The Eight Hours Day was no longer a vehicle' of ALP dominance.

The same pattern was repeated in 1934 and 1935, with large unemployed and Communist contingents participating. But the VTHC was not content to allow the Communists to impose themselves on a march that had historically been its own. Increasingly it moved to impose its control and authority. This was done at first by changing the emphasis of the march. Rather than a march of unions, the correspondence files of the Labour Day Committee indicate that the day was increasingly to be dominated by elaborate floats *supported by* marching unionists.⁵² Still, as late as 1935, the *Argus* continued complaining about the 'offensive' slogans of the unemployed marchers.⁵³ Eventually all groups not affiliated to VTHC were banned from the march in 1939.⁵⁴

49 'Eight Hours Day: procession through city' *Argus* 19 March 1929, pp. 7-8.

50 'Eight Hours Day: procession revived: Communist intrusion' *Argus* 21 March 1933, p. 7.

51 *ibid.*

52 Labour Day Committee Correspondence, 1935, undated circular, Victorian Trades Hall Papers, University of Melbourne Archives.

53 'Labour Day march' *Argus* 2 April 1935, p. 6.

54 'NO OUTSIDE GROUPS—Labour march' *Argus* 17 March 1939, p. 3.

The moves made by the VTHC to exclude the Communists had tended to make the march less political. The floats—although decorative—were only political in the most liberal use of the word. They took up few contemporary political issues, but rather focussed on the history of the trade union movement. The Communists, by contrast, appropriated the distinctive class sentiment of previous years, seeing the day as a celebration of and site for working class struggle. This can be seen in the kinds of floats displayed in the procession.

In 1935 the newly-renamed Labour Day was proclaimed to be occurring in the hundredth year of Australian trade unionism, and great effort was invested to ensure it was the largest procession in years, attracting 6000 people. Yet outside the ranks of the Communists, the unemployed, and unions with Communist sympathies, there was little political content in the procession. The *Sun* described the march as consisting of, '[f]loral and pictorial floats of peace and social movements, historical tableaux of the soldiery, chain gangs, and political oppression of the days of the Todpuddle martyrs,' making reference to the long-passed convict days.⁵⁵ The Trades Hall Council float was a 'tastefully decorated floral float, carrying little girls fresh and lovely in their delicate gossamer dresses.'⁵⁶ The relatively small mobilisation of the trade unions needs to be seen in this context. Although higher than previous years, the number of unionists was only 3075, and newspaper reports suggest that the increase in numbers came primarily from the Communist-aligned unions.⁵⁷ Most of the unions only mobilised officials, rather than the rank and file membership.⁵⁸ Even when the overall procession was larger, it was increasingly the case that those attracted by radical politics drew the largest contingents. After 1935, the march declined until in 1939, after the banning of the Communists and other organisations not affiliated to VTHC, the march could muster only 3000 people.⁵⁹ As the VTHC moved to sideline the Communist 'intrusion,' it also succeeded in hastening the decline of the Eight Hours Day march.

Women and the Eight Hours Day

It is worth some consideration of the role that women played in the Eight Hours Day, bearing in mind that during the Great Depression women rose substantially as a proportion of the work force. Yet in spite of this women were often assigned by the organisers a passive or objectified, rather than a role as an important section of the labour movement. This could often be contradictory, and did not go unchallenged.

55 'Pageantry and propaganda in march of 6000' *Sun* 2 April 1935, p. 10.

56 'Labour Day march "best for twenty years"' *The Age* 2 April 1935, p. 10.

57 *ibid.* Unions with larger rank and file contingents were the ARU and coal miners, both influenced by the Communists.

58 'Labour Day march—many trade displays' *Argus* 2 April 1935, p. 6.

59 'Labour Day march—dove as emblem' *Argus* 21 March 1939, p. 2.

During the early 1920s, prior to proceedings being run by Trades Hall, special considerations were made to ensure women workers played a prominent role in proceedings. Unions in industries employing large numbers of women were deliberately given prominent roles in procession, and on occasion special arrangements were made to ensure such unions could march—for example, in 1921, the organisers gave special financial assistance to the Ammunitions and Cordite Workers' Union specifically because of the large number of women members in that union.⁶⁰ Once the organisation was taken over by the VTHC, however, such special considerations ceased, and the role women played in the Eight Hours Day became more contradictory. On the one hand, the EHC was the only Trades Hall body that women were elected to during this period, and a number of significant ALP women organisers, such as Jean Daley, played crucial roles in these positions.

In spite of this, the official VTHC organisers seemed to show little interest in involving women as organised labour in the day's proceedings. As well as ending special considerations for women-dominated unions, the organisers seemed to treat women primarily as caterers or entertainment. The ALP's Central Women's Organising Committee's only contribution was to provide catering for the Eight Hour Banquet. As well, women unionists were often objectified in the day's proceedings. In 1927, the EHC introduced a new competition for women, the 'Popular Girl' competition,⁶¹ and in 1929 this was superseded by a 'Finest Business Girls' competition, which was judged in part on the basis of appearance.⁶² Outside of this, the only consideration of women in the EHC's minute books is in their capacity as entertainment at the Eight Hours Carnival. The passivity and objectification assigned to them by the EHC was undoubtedly exacerbated during the abandonment of the march, as this removed even the possibility of women playing a role in union contingents.

However, women could and did play an important role in the Eight Hours Day, and challenged the passive position assigned to them by the official leadership. In 1929, a group of 'female sympathisers' marched behind the timber strikers, although they were not counted as a separate contingent from the striking workers in the official statistics and were largely left out of reports of the day's events.⁶³ This is one of the few times that women are mentioned at all in the press regarding their participation in the Eight Hours

60 Eight Hours Committee Minute Books, 1917-1925, Executive Meeting, 2 March 1921, p. 175.

61 Eight Hours Committee Minutes 1926-1930, 26 January 1927, pp. 53-55.

62 'Eight Hours Day: holiday attractions' *Argus* 24 March 1930, p. 8.

63 'EIGHT HOURS DAY: procession through city,' *Argus* 19 March 1929, p. 7, Part of the difficulty in finding when and where women participated in the march is that the nature of the day meant contingents were identified by industry not gender, with the only notable exception being the Female Confectioners' Union. With the inclusion of explicitly political organisations—such as the Communists and Unemployed Workers' Movement—it becomes even more difficult, as these contingents were organised around political demands rather than industry of employment, meaning one can not draw even the distinction between male-dominated industries and female-dominated industries.

Day, and indicates women did not simply assume the passive role allocated to them. Rather, they were active participants as part of the working class movement.

It is likely as well that women were part of the contestation of the Eight Hours Day during the Great Depression. Working class women suffered under the strain of the Depression. Domestic burdens increased as soaring unemployment and falling wages made it increasingly impossible to make ends meet. As well, due to the unevenness in unemployment patterns, women often became sole income earners as industries employing mostly women tended to be less hard hit. The paltry wages—less than half the male wage—were often needed to support whole families. Single unemployed women in Victoria could not, moreover, access sustenance. This situation had a radicalising affect on large sections of working class women, and many were attracted to the organising work being done by Communists and others in housewives' associations and the unemployed movement. As one woman writing to the Communist *Working Woman* put it, working class women were attracted to such forces because they felt they could 'show ... workers how to stop the boss from putting it over them.'⁶⁴

Because of the lack of commentary on it—either in the press or in official documents—it is unclear exactly to what extent this overflowed into the Eight Hours Day events. Resumption of the march in 1933 provided women with more opportunities to play an active role, as they were once again able to be part of union and other political contingents. It is difficult to gauge the extent to which they did participate, although it is clear that unions with large female memberships did join in: for example, unions in the clothing and food industries had reasonably large contingents in 1934.⁶⁵ As well, women were undoubtedly part of the more political contingents such as those of the Unemployed Workers' Movement and the Communists. Daisy McWilliams, a working class woman around the radical left, wrote in her memoirs about the experience of marching, with her small children, with the unemployed contingent in Sydney's Eight Hours Day during the early 1930s when Jack Lang was Premier. McWilliams describes how many who marched with the unemployed movement were those who could not qualify to march with union contingents, including 'youths who had never had work... and many... housewives.'⁶⁶ Indeed, it is notable in the *Argus* that reports of the 1933 march comment on the presence of both sexes in the large sections of unemployed and Communists.⁶⁷ Similarly, in 1934 reports of the scuffle between the unemployed and police that followed the march included specific mention of the presence of women.⁶⁸

64 'To hell with piecework' *Working Woman* 1 August 1930, p. 4.

65 'LABOUR DAY MARCH: procession unimpressive' *Argus* 20 March 1934, p. 7

66 Daisy McWilliams, 'Unemployed,' in Len Fox (ed) *Depression down under*, Southwood Press, Marrickville, 1977, p. 39

67 'EIGHT HOURS DAY: procession revived' *Argus* 21 March 1933, p. 7

68 'TROUBLE AFTER PROCESSION: police and communists' *Argus* 20 March 1934, p. 7

This indicates that although the organisers mainly provided for women's participation in the realms of catering and entertainment, working class women were not merely restricted to that role. Instead this passivity was challenged by their presence in union and especially in the political contingents, where they could participate as part of the organised working class movement.

The Eight Hours Day: a summary

We have surveyed a history fraught with contradictions. On the one hand, this day was born out of the struggle for better working class living standards, and represented the historical achievements of working class mobilisation. On the other, its position as an officially sanctioned event subjected the celebrations to pressures of moderation and respectability. These tensions pushed the organisers into compromises.

As Victoria sank into the Great Depression, the organisers of the march were faced with further difficulties. As the economic crisis radicalised sections of the labour movement, the organisers cancelled the most political part of the day, the procession, in order to play down political divisions and unrest. By replacing the procession with a carnival, the organisers assured that the political ruptures could, for a time, be obscured. With the emergence of May Day as an alternative to the Eight Hours Day, and the playing out of tensions between the ALP and militants on that day, the VTHC decided to resume the Eight Hours Day procession as an event that they could control. But the balance of forces in the labour movement had changed, and the VTHC began to exclude the more radical elements from the Eight Hours Day march.

Ultimately, in so doing, the VTHC contributed to the decline of the Eight Hours Day, by removing the politics—and thus the purpose—of the day's celebrations. The perennial juggling act played by the VTHC fell apart under the pressure of the changing political situation created by the Great Depression. Although the commemoration limped along until the early 1950s, it did so with little spirit. Its eventual subsumption into the corporate-friendly 'Moomba festival' seems an ironic, yet fitting, end to 'labour's day.' But what of that day supposedly dedicated to the interests of veterans?

'Remember Gallipoli': mourning and meaning

Sir John Monash mounted the dais at the Exhibition Anzac Day ceremony in 1928. He said that the time had long passed since he needed to explain the importance of Anzac Day to the Australian public. For soldiers who had served, it was one of sacred remembrance and mourning for those who had died in the First World War. Their duty in post-war Australia was to uphold the Anzac values of patriotism, loyalty and comradeship—'a comradeship which must never be allowed to fade out.'⁶⁹

69 'ANZAC DAY COMMEMORATION: magnificent muster of ex-soldiers' *The Age* 26 April 1928, pp. 9-10.

In the period of tumult surrounding the Great Depression, Anzac Day played a major role in mobilising tens of thousands around socially and politically conservative values. Yet the commemoration of Anzac Day was more complicated than the simple nationalist celebration of, for example, Australia Day. Anzac Day in Melbourne gathered force in the mid to late 1920s as an event to celebrate the ‘birth of a nation’ through the exploits of the Australian Imperial Force (AIF) during the First World War, at Gallipoli in particular. But it did so through a complex negotiation of sentiment around mourning and pacifism that were widespread in the inter-war period. Indeed one of the messages in the 1920s and 1930s was that Anzac Day was a sacred and pacifist event that recognised the sanctity of sacrifice of those who had fought and died in the First World War, which was used as cover for militaristic nationalism and other conservative values embodied in the day’s celebrations.

The rise of Anzac Day in the inter-war period has tended to be presented by nationalist historians as a natural progression from the First World War.⁷⁰ John Robertson, for example, maps the rise of Anzac Day from 1916 onwards as though there was an unbroken continuity. 25 April, the argument goes, was always a day of great importance to Australia; it marked the first blood sacrifice of the nation on the shores of Gallipoli and was celebrated from the first anniversary of the event in 1916, as an expression of national pride and community mourning. In the post-war era, the only questions around Anzac Day were those regarding whether to celebrate it on 25 April or the nearest Sunday.⁷¹

However, if one looks in closer detail at the commemoration of Anzac Day in Melbourne from the end of the First World War, the picture is more complex. As Mary Wilson has argued, Anzac Day in Melbourne during the interwar period was not a simple story of up, up and away. Although there had been events during the war and a large march in 1921, Anzac Day did not receive any significant public recognition until the mid-1920s. In 1925, there was a march of around 7,000, which was the first since 1921 and was significantly smaller.⁷² In late 1925 Anzac Day was gazetted as a public holiday and from 1926 onwards the day was remarkably more successful. Thus it is not the case that Anzac Day emerged

70 For example, see Michael Blagg, ‘Anzac Day’ *Sabretache* 47 (1) March 2006, pp. 9-11; Chris Ashton, ‘Anzac Day as a Fashion Barometer’ *Quadrant* 151 (4) April 2007, pp. 43-7; J.G. Pavils *Anzac Day: the undying debt* Lythrum Press, Adelaide, 2007.

71 John Robertson *Anzac and empire: the tragedy and glory of Gallipoli* Hamlyn, Melbourne, 1990, pp. 245-258.

72 March figures for the Anzac Day events were much larger than the Eight Hours Day during this period, yet were still considered a failure. The Eight Hours Day march in Melbourne never appears to have mobilised the same numbers as the Anzac Day march in the late-1920s and into the 1930s, although it could mobilise in excess of 10 000 prior to the First World War. I suggest this was especially due to the extraordinary level of patronage Anzac Day received, from all levels of society (including sections of the labour movement).

naturally from the First World War and went from success to success; rather there were ebbs and flows.⁷³

The rise of Anzac Day from the mid 1920s can be attributed to a number of factors. Although the Returned Soldiers and Sailors' Imperial League of Australia (RSSILA)⁷⁴ received considerable government patronage in the immediate post-war period, it was marked by splits and political rivalry throughout the 1920s, often a response to the RSSILA's middle class and conservative politics.⁷⁵ In Victoria, the RSSILA's membership plummeted from 39 000 in 1919 to less than 6000 in 1924, and did not significantly recover until 1929.⁷⁶ In the period between 1920 and the late 1920s, the Anzac legend itself was still highly contested and hence so was the potential meaning of Anzac Day. As the RSSILA moved to stop its haemorrhaging membership and regain its authority over the Anzac tradition, the commemoration of Anzac Day appears to have fallen by the wayside.⁷⁷

The revival of Anzac Day followed its proclamation as a national holiday and the concurrent ascendancy of the RSSILA. Proceedings were organised by a subsidiary of the RSSILA, the Anzac Day Commemoration Council. There were, however, other forces at play. The revival of Anzac Day coincided with rising unemployment and the discontent of the Depression years. In 1926, amid furore over the dire situation of soldier settlers, the self-proclaimed 'diggers' advocate, *Smith's Weekly*, spent a considerable sum of money paying for the transportation of returned soldiers to Melbourne in order to ensure Anzac Day was a success. The following year, when unemployment began to rise significantly, the presence of the Duke and Duchess of York at Melbourne's Anzac Day ensured participation in the march reached 27 000.⁷⁸ From this point onwards, much effort was made to ensure success—for almost a month in advance, major newspapers ran almost daily updates on preparations; and the major political parties—conservative and Labor alike—fell over themselves in an attempt to prove that they were the most committed to the day. From 1934, the government provided free train fares for returned servicemen to

73 Mary Wilson, 'The making of Melbourne's Anzac Day' *Australian Journal of Politics and History* 20 (2) 1974, pp. 197-209.

74 This body today known as the Returned Services League (RSL) has undergone numerous name changes. During the period in question, it was officially the Returned Soldiers' and Sailors' Imperial League of Australia. It was also known as the Returned Soldiers' League, the Returned Soldiers' Association, the Returned Soldiers' and Sailors' League, or simply the League.

75 Marilyn Lake, 'The power of Anzac' in M. McKernan and M. Browne (eds) *Australia, two centuries of war and peace* Australian War Memorial and Allen and Unwin, Canberra, 1988, pp. 194-222.

76 G. L. Kristianson, *The politics of patriotism: the pressure group activities of the Returned Servicemen's League* Australian National University Press, Canberra, 1966, pp. 234-5.

77 However the RSSILA regained ownership of the Anzac tradition earlier than its growth in membership suggests. Anzac Day in 1926, 1927 and 1928 was attended by greater numbers than the RSSILA could claim as members, even though the day was dominated by its politics.

78 Wilson, 'The making of Melbourne's Anzac Day', pp. 197-209.

attend the Dawn Service and city procession.⁷⁹ During the period 1928 to 1935, attendance at the Anzac Day march never dipped below 20 000 and in 1935 it reached 35 000.

This increased emphasis and patronage can be linked to the meanings and messages contained in Anzac Day, discussed below, which fashioned servicemen's 'comradeship and egalitarianism' into 'an ideology of labour relations, consisting of 'corporate responsibility', national co-operation and industrial peace.'⁸⁰ Given the rising class and political antagonisms of the Great Depression, it was not surprising that the day that promoted exactly these values became the most sacred non-religious day on the calendar.

Indeed, Anzac Day transmitted its conservative agenda more effectively specifically because it did not promote an overtly pro-war nationalism, but surrounded itself instead in an aura of sacred mourning. In a period in which the memories of the casualties and distress of the First World War were still fresh in people's recollection, it would have been unfitting for the day to be seen as a celebration of war. Anzac Day accommodated itself to this bereavement and discontent, yet in so doing promoted a politically conservative agenda.

Quite elaborate activities contributed to this sentiment of sanctity and mourning. The official ceremonies were the march through Melbourne, including a brief ceremony at the temporary Cenotaph on Parliament House steps; this was followed by the non-denominational service at the Exhibition Building. From 1933 the proceedings also included a Dawn Service: returned soldiers and their fathers met at the newly-erected Shrine of Remembrance to observe two minutes silence and hear the Last Post. These were large events, involving thousands of returned soldiers. Smaller ceremonies were also organised by sub-branches of the RSSILA in the suburbs. In addition, there were numerous Church services on the Day, as well as special services on the nearest Sunday. Legacy, with the cooperation of the RSSILA and the Education Department, organised a school ceremony on the day before Anzac Day (or on the Friday before if Anzac Day fell on a Monday) from 1930 onwards.

The commemoration of Anzac Day was posed specifically in terms of mourning and sacred remembrance. There was a ban on almost all trading and industry on the day with the exception of certain essential services, and companies who defied the ban faced hefty fines. Its sanctity was often compared to Good Friday. In no other State was observance so strictly enforced; Victoria was the only State that shut down industry and trading for the entire day. The gears of Victorian capitalism ground to a halt: almost every shop was closed, almost every industry brought to a standstill, in the name of the exploits of the AIF in the First World War.

Any potential transgression of the day's sacred nature was denounced as anti-Australian and unpatriotic by the RSSILA. In 1931 the Day fell on a Saturday and certain picture

79 'Musings of the month' *Duckboard* 1 May 1935, p. 6.

80 Lake, 'The power of Anzac', p. 222.

theatres indicated an intention to exploit a legal loophole that would have allowed them to open. The response from the RSSILA, politicians and media was outraged. The Blackburn branch of the RSSILA stated:

[T]his branch views with profound disgust and loathing the threat of the picture theatres to desecrate Anzac day [sic] by opening their theatres, and pledges itself to do everything possible to defeat the anti-Australian sentiment evident amongst picture interests, of which the latest decision forms the most odious and detestable example, violating, as it does, all decency, and showing a callous and cynical disregard of the feelings of those whose fathers, sons, brothers and relatives gave their lives in the service of their country...⁸¹

Picture theatres were threatened with pickets by returned soldiers, until they ‘voluntarily’ agreed to remain closed.⁸² Clearly, it was every Australian’s *duty* to observe Anzac Day, and those who did not choose to were effectively forced to do so.

All of the statements around controversies such as this one focussed on the experience of mourning. Hence the concern of the Blackburn branch of the RSSILA with ‘the feelings of those whose... relatives gave their lives in service.’ This was in response to the recent experience of war, and the related experience of loss and mourning. The sanctity of the day aimed to relate experiences to legitimise its broader messages. As well, the fact that this sanctity was enshrined in law and sanctioned by the state lent the messages within Anzac Day ideological weight.

As the 1930s progressed, the nature of Anzac Day commemoration began to change. As the economic and political situation began to stabilise, the nature of Anzac Day began to be discussed. In 1934 an open debate began in the RSSILA’s journal, the *Duckboard*, as to whether Anzac Day should continue to be commemorated with extensive trading and industry bans. Increasingly a voice was given in the *Duckboard* to those who advocated only a part-day trading ban in line with other States, which would have allowed businesses to open in the late afternoon and evening without penalty. This was in spite of the fact the RSSILA leadership was for a total ban. 1935 in some ways marked a turning point: on the twentieth anniversary of the Gallipoli landing, the spirit of the day was less of mourning and more of nationalist celebration. This reflected the growing distance between the Gallipoli landing and the present day: as the hardships of the war began to fade from memory, the day could become an open nationalist event.

It also reflected the changing political situation. The Australian economy was beginning to strengthen by 1936, although it had not yet made a full recovery. With economic stability came a level of political stability, and this meant Anzac Day did not need to maintain the

81 ‘Anzac Day appeal by Sir J. Monash’ *The Age* 17 April 1931, p. 11.

82 *ibid.* p. 10.

same level of sanctity. For the last half of the 1930s, it was not so mournful as it had been during its early commemoration.

Challenges and contestations

Comradeship was often praised in Anzac Day ceremonies. The RSSILA Victorian Branch president, E. Turnbull, in 1928 described being in the AIF where ‘comradeship was a real thing... true comradeship [is] only [found] amongst those [for] whom mutual service has created an everlasting bond.’⁸³ This sentiment was explicitly trans-class and, arguably, anti-class. In particular, the march that took place on Anzac Day saw soldiers of varying class backgrounds and experience marching together in their old war time units. The Naval Staff Office recognised the implications:

The Anzac Day procession is essentially a parade of returned Soldiers and Sailors and one of its greatest claims to distinction is a levelling of all present ranks, occupations and class distinctions. The units are led by their old Officers and, in the ranks, ‘capital’ and ‘labour’ for once march side by side.⁸⁴

Implicit—and sometimes explicit—in the organisation of events were calls for cross-class friendship and industrial peace. In 1929, against the backdrop of the timber strike, Brigadier-General B.E. Elliott used his Anzac Day message in the *Duckboard* to call on returned soldiers to ensure ‘peace in industry and the prevalence of law and order in the settlement of [industrial] disputes.’⁸⁵

As the Great Depression wore on and Australia did not make a quick recovery from economic crisis, Anzac Day was used to mobilise sentiments that encouraged people to make sacrifices in the name of the national interest. This was most succinctly put by the *Age* editorial in 1932:

The Anzac tradition acquires a special meaning in these days of reconstruction demanded by unparalleled depression... At the thought of those who bled and sickened and died, how sordid appear the shifts and pleas of those who to-day seek to evade the small measure of sacrifice demanded of them by the fallen economic fortunes of their country.⁸⁶

Thus, the editorial continued, it was up to all to share the sacrifice needed to pull out of the Depression, labour and capital alike. No recognition was given to the fact that working class living standards had plummeted in the Great Depression, and unemployment in

83 ‘Anzac greetings’ *Duckboard* 2 April 1928, p. 6.

84 National Archives of Australia, Department of Defence, Naval Staff Office, MP150/1, Assemblies, march and service on Anzac Day [1931-1936], 462/201/902, Department of Defence Minute Paper, 25 February 1931.

85 ‘Anzac greetings’ *Duckboard* 1 April 1929, pp. 9-10.

86 ‘The call of Anzac’ *The Age* 24 April 1932, p. 6.

Victoria was reaching thirty per cent.⁸⁷ The Anzacs, the logic went, did not suffer and die so that the ingrates of the current generation could refuse to accept sacrifice in the name of the nation.

This message did not go unchallenged, however. The depression brought into sharp focus questions of class as unemployment wreaked havoc on working class soldiers. As one returned soldier bitterly described to Alistair Thomson, being a returned soldier often made finding employment during the Depression harder, as soldiers were seen by employers to be physically and mentally scarred, and thus far from ideal workers.⁸⁸ The experiences of grinding poverty experienced by such returned soldiers was a patently different to that of the likes of Sir John Monash or other officers they marched alongside.

In 1932 publicity was given to a suggestion that unemployed returned soldiers should march as a separate bloc in the Anzac Parade, rather than the usual tradition of marching with their wartime unit. The inclusion of such a contingent would have undermined the classless message of the day, as it recognised that different and counter-posed class interests existed within returned soldiers. It is unclear with whom the suggestion originated, but it was quickly denounced by the RSSILA as being Communist interference. The letters page of the *Sun*, however, suggests that there existed amongst some returned soldiers support for such a proposal. 'One of them' wrote, 'unemployed diggers who are taking part in the procession should march at the head of the procession with a banner showing them as such.'⁸⁹

Others wrote to denounce the suggestion, and, in any case, it was never adopted by the RSSILA. Nor, for that matter, did any organised unemployed group attempt to impose such a contingent on the march. Nonetheless, the publicity received by the suggestion, as well as the polarised debate that ensued, indicate the official message of classless camaraderie and sacrifice were not universally accepted nor completely unchallenged.

Left and right

The Anzac Day commemorations also had to respond to the overwhelming anti-war sentiment that existed in the inter-war period, when the First World War was largely seen as a discredited venture. The large death toll of Australian troops; the maimed soldiers who returned, and the difficult experience on the domestic front, marked by high inflation and shortages, raised strong doubts about the worthiness of the First World War. Moreover, the difficult process of repatriation and the mourning of those who had lost loved ones in the war meant that there was a certain pacifist scepticism.

87 Wendy Lowenstein *Weevils in the flour: an oral record of the 1930s depression in Australia* Melbourne, Scribe, 1981, p. 14.

88 Alistair Thomson, 'The return of the soldier' in Richard White and Penny Russell (eds) *Memories and dreams: reflections on twentieth century Australia* Allen and Unwin, Sydney, 1997, p. 62.

89 'Workless diggers' *Sun* 11 April 1932, p. 6.

This affected the way Anzac Day was commemorated. Speakers, from pulpit and platform alike, stressed the horrors of war and urged people to oppose it. In 1929, Major-General Sir John Talbot said it was:

the bounden duty of those who have experienced [war's] horrors, to instil into the hearts and minds of the present and future generations, its uselessness, folly, and the appalling suffering and loss entailed together with the aftermath of unemployment, misery and discontent, even to the victors... I think peace at home and abroad is the thing we most desire and require...⁹⁰

This sentiment was particularly echoed in the churches, where in remembrance services it was often cast as a Christian duty to oppose the horrors of war. In 1928, St. Patrick's Church urged its congregation, 'to save our young country from those terrors...the very memory of which renders hideous the thought of war', while the Scots Church encouraged Australians to 'do everything in their power to reach out and make greater effort to understand other nations, so as to bring us nearer to the ideals of the Prince of Peace.'⁹¹

These speeches gave Anzac Day a certain pacifist veneer. However, as Alistair Thomson has pointed out, the reality of the Anzac experience was always more complicated.⁹² Anzac speeches constantly cloaked themselves in a cover of opposition to war, yet at the same time promoted the veneration of militarism and an understanding of Australian history that saw national greatness achieved through the exploits of war. Thus, in 1932, Henry Chauvel stated that Anzac Day was not 'a display of militarism,' while the whole ceremony was geared towards a celebration of the exploits of Australians in war.⁹³ According to RSSILA Federal President, G.J. Dyett: 'Anzac Day is Australia's National Day, because it was in consequence of the patriotism, valor and heroism of her citizen soldiers... that Australia was elevated to nationhood.'⁹⁴

There were always sections of society that rejected this approach to Anzac Day, particularly the labour movement. *Labor Call*, the organ of Trades Hall Council and the ALP in Victoria, for example, argued in 1931:

The lesson of Anzac Day is the betrayal. It was said to be the war to end war. The world has betrayed us... A casual walk down Bourke-street on Saturday afternoon [Anzac Day] is convincing that all these marchers and spectators are of the working class, who do the nation's real work, and its fighting... This is the great army of workers, who go out on some

90 'Anzac greetings' *Duckboard* 1 April 1929, p. 8.

91 'Church services' *The Age* 26 April 1928, p. 10.

92 Alistair Thomson, 'The return of the soldier', pp. 73-76.

93 'Personal message from Sir Henry Chauvel' *The Age* 23 April 1932, p. 16.

94 'Anzac Day message from the Federal President of the R.S.S.I.L.A.' *Duckboard* 1 April 1931, p. 5.

pretext to slay or be slain by another army of workers, said to be in the cause of patriotism.⁹⁵

The Communist *Workers' Weekly* argued for workers to oppose the commemoration by attending May Day and other workers' celebrations instead. Letters from returned soldiers were prominent, with one from 'Class-Conscious Digger,' in 1928, being fairly typical:

April 25 has become a day of imperial boasting and military boosting... On Anzac Day, capitalists, politicians and priests will don their silk hats and decorations and come out and chant about Anzac in order to build up a new military tradition in Australia, to get ready new Anzacs for recruiting, to prepare young Australia for another bloody massacre.⁹⁶

As time wore on, the crisis in global capitalism started to throw up more starkly questions of war, especially with the rise of fascism. In Australia, anti-war sentiment began to move leftwards, especially evident in the rise of the Movement Against War and Fascism (MAWF), which, although a Communist front group, also involved other people.⁹⁷ The radical left grew in popularity with the growth of the Communist Party and the rise of Socialisation Propaganda Units (commonly known as Socialisation Units) within the ALP. Based in NSW, the Socialisation Units involved many thousands of working class people around questions of how to implement socialism, and were indicative of a sharp radicalisation occurring around the left of the Labor Party.⁹⁸ Although sharpest in NSW, across the country debates raged in the ALP about socialism and related questions such as what attitude to take to populist NSW Premier Jack Lang.

As the anti-war movement became more radical, the MAWF started to utilise Anzac Day itself as a site for anti-war protest. In 1933 and 1934, anti-war conferences were held in Melbourne in the immediate lead up to Anzac Day. From 1934 onwards, the Victorian Council Against Fascism and War (the local arm of MAWF) began laying wreaths on the Cenotaph containing anti-war messages. The MAWF increasingly advanced an anti-war agenda in resistance to the 'imperial boasting and military boosting' of Anzac Day.⁹⁹

The RSSILA responded with an increasingly anti-Communist stance. It had always been openly hostile to leftwing organisations such as the Communist Party. In 1928, when people labelled 'Communists' by the RSSILA and press distributed anti-militarist propaganda at the Anzac Day march, the RSSILA responded by denouncing the action as 'a gross abuse of the liberties people in Australia enjoy,' and called on the Federal

95 'The lesson of Anzac Day' *Labor Call* 30 April 1931, p. 4.

96 Class-Conscious Digger, 'Bloody Anzac—once bitten, twice shy' *Workers' Weekly* 27 April 1928, p. 2.

97 Stuart McIntyre *The Reds: The Communist Party of Australia from origins to illegality* Allen and Unwin, Sydney, 1998, pp. 270-274.

98 Terry Symonds, "'Socialism in our time": Communists and the New South Wales Labor Party during the great depression' *Socialist Worker Review* No 3, November 1999.

99 Class Conscious Digger, 'Bloody Anzac'.

Government to do something about the present situation regarding the Communists.¹⁰⁰ By 1932, this hostility was more open, as demonstrated by the annual State school ceremony at the Cenotaph, at which the Lord Mayor of Melbourne, H.G. Smith, stated:

Unfortunately there were in our midst agents of a foreign country whose mission was to sap our loyalty. It devolved upon every Australian to resist such enemies to our nationhood.¹⁰¹

The State President of the RSSILA, G.W. Holland, contended the Communists would be defeated in the future, and that ‘the boys and girls of to-day... should dedicate their lives to national service.’¹⁰² Implicitly, fighting Communism was part of that national service.

Indeed, Anzac Day in 1932 seemed to be built up as a specifically an anti-Communist event. As part of the debate around unemployed returned soldiers marching as a separate contingent, virulently anti-Communist letters were published by the mainstream press, most particularly the *Sun*. Some encouraged Anzac Day to be used as a show of strength for anti-Communist forces. ‘Two Diggers’ urged the Communists to march as they felt ‘sure that the reception they would receive would remove any doubt as to whether the returned man was being influence by such propoganda.’¹⁰³ Anti-Communism had become part of the Anzac Day outlook.

By this time, the RSSILA showed open hostility to any anti-war message. The MAWF wreaths were pointedly removed from the Cenotaph because they ‘struck a discord in the proceedings.’ MAWF members at Anzac Day events, including returned soldiers, had their leaflets confiscated by police.¹⁰⁴ At the same time, to maintain a pacifist veneer, the RSSILA more explicitly claimed Anzac Day was not ‘a display of militarism.’¹⁰⁵ This enabled them to relate to the prevailing anti-war and pacifist sentiment while still promoting conservative nationalism.

Exclusion

The Anzac tradition always demanded special rights for returned soldiers. It comprised an exclusive and discriminatory foundation myth. As time went on, the RSSILA began to exclude more groups from the Anzac Day ceremonies. Women, in particular, were subject to ever-growing exclusion.

The nature of women’s role in the Anzac tradition was always linked to the political needs of the government at any given time. Thus, in wartime, when they were needed to encourage men to enlist, the role of women was given a special place. However, once the

100 ‘Branch reports: Melbourne’ *Duckboard* 1 June 1928, p. 37.

101 ‘Youth’s tribute: school children at Cenotaph’ *The Age* 23 April 1932, p. 16.

102 *ibid.*

103 Two diggers, ‘Diggers would explain’ *Sun* 19 April 1932, p. 6.

104 ‘Police remove wreath: inscription deemed offensive’ *The Age* 26 April 1934, p. 7.

105 ‘Personal message from Sir Henry Chauvel’ *The Age* 23 April 1932, p. 16.

war was over, they began to pose problems; as former dependants they demanded increased pensions and other recognition.¹⁰⁶ Moreover, they began to be blamed by the RSSILA for the problems of repatriation, especially the lack of jobs for returned soldiers.

This led to their exclusion from Anzac Day ceremonies. Women's roles had been secondary, but still important. Nurses could participate in the march, although they had to travel in cars; and mothers and widows were afforded a special place on the steps of Parliament during the ceremony at the temporary Cenotaph. In 1926, the *Argus* report makes clear that women were part of the Exhibition ceremonies, and could be heard 'sobbing' during the two minutes' silence.¹⁰⁷

However, by the 1930s, women were increasingly excluded from the formal ceremonies of the day. In 1928, only women who were invited representatives were able to attend the ceremony at the Exhibition Building. Even that right was revoked in 1932, supposedly to avoid a fire hazard, even though soldiers' fathers were allowed to take their place.¹⁰⁸ In 1933, when the Dawn Service became part of the Melbourne ceremonies, women were explicitly banned. The Dawn Service was far more stringently restricted in Victoria than in other States; the only people allowed to attend the Service were returned servicemen and their fathers. As Joy Damousi has shown, by the late 1930s, this exclusion became a point of contest, with women (unsuccessfully) trying to assert their right to attend.¹⁰⁹ In 1938, for example, several hundred women intruded on the Dawn Service, which was treated as somewhat of a sacred service for returned men. Later the same day, a group of around 100 women joined the tail of the Anzac Day march through the city. It is difficult to ascertain who these women were, but the public defence of such actions came from a conservative view point of objecting to the lack of recognition of their sacrifice for the nation. A letter from Margaret Groom in the *Argus*, writing in defence of her presence in the ceremony, pointed to her loss of a brother in the war, and asked, 'Why should I be "not wanted" [at the ceremony]?'¹¹⁰ The main issue appeared to be the lack of recognition for their sacrifices during wartime.

This lack of recognition did have an important political role. The increasing exclusion of women from the ceremonies meant that their suffering through the war was not deemed equal, making them easier targets for discrimination. In 1931, the RSSILA agreed to a twenty two per cent cut in the pension rate for dependants, which included wives and widowed mothers, as well as a reduction in other concessions and services for this group,

106 Damousi *The labour of loss*, pp. 26-84.

107 'Anzac Day' *Argus* 26 April 1926, p. 11.

108 'Anzac Day ceremonies' *The Age* 20 April 1932, p. 6. The RSSILA claimed that the presence of women would have caused a calamity in the case of a fire, whereas the presence of fathers would not have the same result.

109 Damousi *The labour of loss* pp. 35-38.

110 Cited in *ibid.* p. 37

in return for an agreement that soldiers' pensions would be maintained at the same rate. The *Argus* reported the RSSILA's justification:

[T]he State secretary of the Returned Soldiers' League (Mr. C. W. Joyce) said on Saturday that this practice was in conformity with that observed throughout the world. The principle involved was that soldiers' pensions were not adjustable, but that pensions paid to their dependants could be adjusted if the occasion demanded.¹¹¹

The special status given to returned soldiers meant that they escaped many of the attacks on social security that came during the Depression. The purpose of this exclusion was to set Australian returned soldiers as a group separate from the rest of society; it reinforced their claim to special rewards. And the RSSILA did demand reward—not just in the form of pensions and other repatriation privileges, but also in more political terms, such as preference in employment for returned soldiers, which undermined the trade union demand for *union* preference. In this sense, the inclusion or exclusion from the Anzac Day ceremonies played an important role in determining who could be given special consideration. Being given a special place in ceremony helped ensure one's place in the national mythology; this, in turn, helped those who were included escape some of the attacks on living standards that came with the Great Depression. Those who were excluded—such as women—were not so fortunate.

Anzac Day and the Eight Hours Day were opportunities to shape public opinion, because both were events that could mobilise significant numbers in public displays of strength. This was capitalised on during the Great Depression, by Trades Hall and the ALP as well as the RSSILA, to put forward their particular messages about society. These messages were shaped by, and responded to, social and political terrain in society, including interventions by Communists and women seeking to contest the terms of the days. These contestations were seldom successful because key institutions designed them to contain public sentiment within well-defined bounds. Still, these symbolic days remained battlegrounds. Public opinion was never as simple as conservative institutions wished.

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'Right the wrong': the RMIT University Muslim Prayer Room Campaign 2008-2009

Liam Ward and Katie Wood

During 2008 and 2009, Muslims at RMIT University in Melbourne ran a successful and important campaign for the return of dedicated Muslim Prayer Rooms on campus. Because the campaign's central demand was for a religious space, much of the left dismissed the movement outright or even supported University management. This raises serious questions concerning the Australia left's clarity about racism.

On Friday 18th September 2009, the RMIT Islamic Society (RMITIS) announced victory in its 18-month campaign for the reinstatement of dedicated Muslim prayer rooms on the University's Melbourne city campus. In a statement to members and supporters, the RMITIS leadership explained that:

our campaign against RMIT to 'Right the Wrong and return the Muslim prayer rooms' has achieved its purpose and our protest has come to an end.

The unassuming tone of the statement concealed the bitterly fought nature of the campaign, although it concluded: 'if the need arises to, "Right the wrong and return the prayer rooms" in the future we will always stand up for our right'.¹

This student campaign was the longest for decades and ended with an all-too-rare victory. Those standing up to demand their rights were from one of the most vilified and oppressed groups in contemporary Australia, and were essentially fighting for the very right to *be*

1 RMIT Islamic Society *Muslim prayer room update* RMITIS Forums, <http://forums.rmitis.org.au/index.php?topic=1732.0>, 19 September 2009, accessed 15 December 2009.

Muslims, to be allowed to fulfil their religious obligations on campus. The campaign's significance was certainly not lost on the participants, who in private conversation often expressed sentiment along the lines of 'we are the first Muslims to stand up for ourselves in years'.

In the context both of a persistent decline in student activism over several years, and the anti-Muslim bigotry of the 'war on terror', this was a significant victory against one of the country's most hard-headed University managements. The campaign's success showed the importance of activism, of mass disobedience, of pushing a campaign outwards, rather than focusing on negotiations and lobbying behind closed doors. It was also a timely victory for Muslims beyond RMIT University, and provided an example of the close working relationships that socialists can forge with oppressed and marginalised groups.

The campaign also highlighted dangerous weaknesses in much of the left's understanding of anti-Muslim racism. Despite the racist and even violent nature of those lined up against RMITIS, such weaknesses led some to dismiss the campaign and others to come down altogether on the wrong side. Given that Islamophobia justifies Western imperialism and creates domestic scapegoats for capitalism's problems, clarity about it and commitment to defend Muslims' religious and democratic rights are important. As recent events in France show, a failure to understand Islamophobia can turn even self-identified Marxists into apologists for the anti-Muslim vitriol that is today a mainstay of Western ruling class propaganda.²

The authors of this article participated in the Prayer Room campaign from its earliest days as members of Socialist Alternative and accepted an RMITIS invitation to speak at the 'Return the Prayer Room' rally on 23 March 2009. At the Eid feast in September 2009, RMITIS presented them with certificates of appreciation for their support in the campaign.

The campaign

In late 2007, RMIT University's dedicated Muslim prayer facility that had stood for almost fifteen years was demolished to make way for new offices. As promised, RMIT built replacement men's and women's prayer rooms inside the campus Spiritual Centre. The two new rooms each had ablution facilities and a kitchenette. Scripture from the Qur'an adorned the walls. The whole facility was purpose-built. Indeed, the architect provided RMITIS with extensive documentation including 'instructions from RMIT entitled: "Relocation of the Muslim Prayer Facilities from Building 9 Level 4 to Building 11"; and "subsequent documents, drawings, emails, etc headed 'Dedicated Islamic Prayer Facility'"

2 For an insightful summary of Islamophobia on the French left, see the discussion between Middle Eastern socialist Dalal and French socialist John Mullen: *Anti-capitalism, elections and the Muslim headscarf*, <http://www.sa.org.au/international/2580-anti-capitalism-elections-and-the-muslim-headscarf>, 12 February 2010, accessed 17 February 2010.

which included, from the outset, specification of Qur'anic Fan of Verses and Calligraphic panels'.³

But shortly before the rooms were to open, RMIT suddenly declared that they were now multifaith rooms, like the other multifaith rooms in the Spritual Centre. Muslims would not have exclusive use of them or afterhours access. With no way to guarantee that the kitchenettes would remain halal, that Muslims could perform their five daily prayers in the required manner, or that Muslim women would have any place on campus in which they could freely remove their headscarves, the RMIT Islamic Society immediately began to protest.⁴

From the beginning of first semester 2008, the RMITIS maintained a mass boycott of the new facilities. This boycott was central to the campaign, but was accompanied by other actions. For example, leading figures in RMITIS staffed information stalls several times a week near the main campus cafeteria. Within one week, they had collected approximately 1100 signatures on a petition and handed out hundreds of leaflets explaining the situation.⁵ RMITIS posters appeared in small numbers around campus, urging people to write to the Vice Chancellor and call on her to reinstate the Muslim prayer rooms. They also invited people to attend the Friday lunchtime prayers, not as participants but as a show of public support for the campus's Muslims.

The most important action taken by RMITIS was their defiant decision to turn the Friday lunchtime prayers into a form of protest. Every Friday from February 2008 until September 2009, hundreds of Muslim men crammed into Bowen Street to pray together in the busiest thoroughfare of the campus, often under hand-written placards reading 'Give us back our prayer room' and 'RMIT: no longer Muslim-friendly'. Through winter hailstorms and summer heatwaves, they made a public show of defiance. Muslim women also took part in the campaign, joining the boycott and praying in isolated corridors or in the cramped Womyn's Room.

The Islamic Society won support from significant organisations, including: the Mufti of Australia (Fehmi Naji el-Imam), Australian National Imams Council, Islamic Society of Victoria, Muslim Student Association of Victoria, Federation of Muslim Students and Youth, and the Islamic Council of Victoria (ICV). The ICV's Chief Executive Officer wrote directly to RMIT Vice Chancellor Margaret Gardner on 19 March 2008, expressing his shock at RMIT's decision. He explained that RMIT was isolated in its stance; exclusive Muslim prayer rooms were commonplace at universities across Australia, the USA and the UK.⁶

3 RMIT Islamic Society *Briefing on RMIT prayer room* prepared 30 June 2008 for meeting with NTEU.

4 For RMIT Islamic Society statements detailing Islamic requirements and explaining why Muslims at RMIT were aggrieved, see the RMITIS *News* archive at <http://rmitis.org.au/index.php?module=news>

5 RMIT Islamic Society *Briefing on the Muslim prayer rooms crisis: prepared for the Student Union Council meeting* 09 April 2008, electronic copy in the possession of the authors.

6 A scanned copy of this letter is in the possession of the authors..

Support from on-campus organisations came from the Australian Union of Jewish Students, the Christian Student Union, and Socialist Alternative. The contribution made by socialists was mainly focused on broadening the campaign's support base and forcing the University to respond. We collected thousands of signatures on petitions that were submitted to University management. In the process we countered fallacious arguments about secularism as well as the more garden-variety anti-Islamic prejudice. Socialists pursued and won endorsement of the campaign by the National Union of Students (NUS) and the RMIT branch of the National Tertiary Education Union (NTEU). These endorsements however only came a year into the campaign and were not followed by serious or material support for the campaign by NUS or NTEU. Having these organisation's logos on the petition did prove helpful in legitimising the campaign in the eyes of some who then signed their support. Socialists also managed to have the NTEU RMIT branch office circulate the petition to all union delegates at RMIT, despite hesitations that it might be controversial.

Management's response

RMIT University's response to the campaign was consistently dishonest. For example, under pressure from the RMITIS campaign the University sought legal advice, the outcome of which was a document noting RMIT's secular status and citing precedent at the University of Western Sydney (UWS). The author of that document claimed UWS had chosen not to provide dedicated Muslim prayer rooms despite having a large Muslim population:

UWS is a secular university and decided that separate prayer/worship areas would be divisive, so they basically drew some clear lines in the sand, which also dealt with issues such as medical students treating opposite genders.⁷

In fact, as RMITIS quickly pointed out, UWS did provide dedicated Muslim prayer rooms. RMITIS even acquired an official response from UWS, in which a spokesperson for the University wrote:

The University of Western Sydney does provide Muslim prayer rooms as listed on the website. I am not sure where information to the contrary may be coming from but I do hope that you are able to correct these misconceptions amongst students who may be interested in studying at UWS.⁸

Through most of 2008, RMIT management continued to advertise their non-existent 'new' Muslim prayer rooms as a draw-card for full-fee paying international students from Muslim countries. Then, when RMITIS held a successful rally of several hundred people

7 Austrolabe *The RMIT Muslim prayer room issue*, 1 November 2008, <http://austrolabe.com/2008/11/01/the-rmit-muslim-prayer-room-issue/>, accessed 26 April 2010.

8 Austrolabe *The RMIT Muslim prayer room issue*.

on 23 March 2009 around the slogan 'Right the Wrong, Return the Prayer Room', the University released a media statement describing the protest as 'unnecessary' and arguing that the Muslims were unreasonable:

with space at a premium on our City campus, we have bent over backwards to find an amicable solution... Our offers to the Islamic student society have gone more than half-way. RMIT has eight Muslim prayer rooms... Gestures of good faith from the University have been rejected.

The media release also emphasised that the University's Chaplaincy staff includes the Imam of the West Heidelberg Mosque, Riad Galil, implying that he supported the University's stance.⁹

The brazen dishonesty of this media release spurred the RMITIS to call a public forum on 28 April 2009, to rebut the claims. At this forum, RMITIS President Mohamed Elrafihi explained that there were not eight but just *three* Muslim prayer rooms across all RMIT campuses. Two of these rooms were at the far-flung Bundoora campus, while the claimed 'two rooms' at the Tivoli campus were in fact one room, partitioned into two and only returned to the Muslims in an attempt to head-off the March 23 rally. The Tivoli campus was, moreover, due to be decommissioned by 2012. The two rooms supposedly located at the Brunswick campus had *never* been Muslim prayer rooms, but were in fact the campus' sole multi-faith rooms. The room at RMIT Training in Swanston Street was a classroom offered to RMITIS as a concession after a year of protest, which RMITIS understandably rejected given it was again in a building scheduled for demolition and was clearly inferior to the facilities the Muslims had been promised.

As for the suggestion that Riad Galil supported the University, Elrafihi explained this was certainly not the case. In fact, at the campaign's outset Galil had gone on the record as opposing the removal of dedicated Muslim prayer rooms. The Islamic Council of Victoria explicitly noted this fact in their letter to the Vice Chancellor in March 2008.

Recognising racism

When the campaign's demands were debated in online forums such as *Leftwrites*¹⁰ and the *The Religious Write*,¹¹ the catch-cry of 'secularism' was raised with such vigour that you

9 David Glanz *Islamic students' rally unnecessary* RMIT Media Release, 23 March 2009, <http://www.rmit.edu.au/browse/News%20and%20Events%2FNewsroom%2FNews%2F;ID=19gbd61taf0k>, accessed 20 September 2009.

10 See the debate at 'Prayers and protests at RMIT' *Leftwrites* <http://pandora.nla.gov.au/pan/63319/20091009-0215/www.leftwrites.net/indexd59f.html?p=1257#more-1257>, accessed 26 April 2010.

11 Barney Zwartz 'Room wanted' *The Age blogs: the religious write* 25 March 2009, http://blogs.theage.com.au/thereligiouswrite/archives/2009/03/room_wanted.html, accessed 15 December 2009.

would be forgiven for thinking the RMIT Islamic Society was campaigning for the outright fusion of mosque and state.

Typical of comments on the liberal blog *The Religious Write* were statements such as these:

A university such as RMIT is a secular institution and as such should not be obliged to provide any religious facilities at all. For anyone.

... If moslems [sic] wish to pray 5 times a day then they should do it in their heads, in the privacy of their own home or in facilities the group has provided for itself. It is not necessary for them to flaunt their piety and be humbly ostentatious about it.¹²

No one is being physically assaulted, there is no systematic campaign against islamic [sic] students at RMIT, but the students (and allied parasites) have made a loud and focussed demand to get their way from a secular institution... the students too are being bloody unreasonable [sic]. Maybe thaey [sic] should simply shove off to some other institution!!¹³

Why should a secular society give in to such intolerant and shrill demands?¹⁴

By contrast, the discussion on the leftwing blog *Leftwriters* was less hostile, save for a few comments by rightwing stirrers. However, even in this context a number of contributors took as their starting point the conviction that religion itself is the problem, often leading to reactionary conclusions and implicit calls for forced assimilation:

Interfaith rooms have the potential to cut across prejudices that arise from exclusion and socialists should be looking towards inclusion rather than separation. Socialists that pander towards religious organisations that promote exclusion in the spiritual process are socialists that indirectly pander to all degrees of discrimination.

12 Ross (username) forum comment, 'Room wanted' *The Age blogs: the religious write* 26 March 2009, http://blogs.theage.com.au/thereligiouswrite/archives/2009/03/room_wanted.html?page=fullpage#comments, accessed 26 April 2010.

13 journeyman (username) forum comment, 'Room wanted' *The Age blogs: the religious write* 2 April 2009, http://blogs.theage.com.au/thereligiouswrite/archives/2009/03/room_wanted.html?page=fullpage#comments, accessed 26 April 2010.

14 journeyman (username) forum comment, 'Room wanted' *The Age blogs: the religious write* 16 April 2009, http://blogs.theage.com.au/thereligiouswrite/archives/2009/03/room_wanted.html?page=fullpage#comments, accessed 26 April 2010.

It's true that Muslims cop more racism, sexism and discrimination than any other domination [sic] in this country. The best way to counteract this is by ensuring that Muslims are included rather than excluded within in [sic] the confines of the mainstream of society.¹⁵

In fact, the demand and the politics of the issue were clear-cut.

RMIT sells itself as a multicultural educational hub with strong links to South East Asia. But this high-profile and extremely profitable company (in 2008, RMIT reported a consolidated surplus of \$70.9 million),¹⁶ decided in the midst of the 'war-on-terror' and its attendant anti-Muslim hysteria, that the University could get away with removing facilities that Muslim students and staff had enjoyed for some 15 years.

When Muslims at RMIT overcame initial hesitations and uncertainty, and took the courageous decision to stand up for themselves, they were subjected to relentless abuse, encouraged by innuendo and accusations from RMIT management. During the campaign Muslim women were verbally abused, racially and sexually,¹⁷ and Muslims were stubbornly harassed by at least one known fascist—RMIT at one point 'thanked' him for his opinion.¹⁸

The political question was stark: are you on the side of Muslims defending the right to practice their faith in the face of hostility and hysteria, or are you on the side of University management?

The issue of racial oppression should not be a matter of confusion for people who regard oppression as a feature of class society, defend freedom of religion as a basic democratic demand, and understand the central role of anti-Muslim racism for contemporary US and Australian imperialism. But even the state-sponsored Human Rights and Equal Opportunity Commission (HREOC) opposed RMIT's actions more consistently than did some of the left. In a 2008 report to the United Nations High Commission on Human Rights (UNHCHR), HREOC called for a 'rejection of racism in its widest forms' and singled out RMIT for special condemnation:

Structural discrimination can continue to appear at unlikely times and in vehement ways as, for example, was recently illustrated at Melbourne's

15 andrew calleja (username) 'Prayers and protests at RMIT' *Leftwrites* 16 March 2009, <http://pandora.nla.gov.au/pan/63319/20091009-0215/www.leftwrites.net/indexd59f.html?p=1257#more-1257>, accessed 26 April 2010.

16 RMIT University *shaping the future: annual report 2008* <http://mams.rmit.edu.au/jmhi5vx7z1hu.pdf>, accessed 15 Dec 2009.

17 Reports of sexual harassment of Muslim women praying in corridors was a catalyst for the rally on 23 March 2009, as indicated in the RMIT's announcement on 9 March 2009. <http://rmitis.org.au/index.php?module=news&id=87>, accessed 15 December 2009.

18 Barney Zwartz 'Muslims 'mised' on prayer room' *Age* 25 April 2009, <http://www.theage.com.au/national/muslims-mised-on-prayer-room-20090424-ai4r.html> accessed 15 December 2009.

RMIT University, which refused to provide the appropriate prayer facilities that were promoted in its literature to overseas fee-paying students.¹⁹

While some like HREOC recognised the racist aspect of the issue, one of the problems highlighted by the campaign was the pervasive idea that Islamophobia cannot be regarded as racism, since Islam is a religion not a 'race'. For example, in his blog coverage of the rally, *The Age* journalist Barney Zwartz (who gave generally positive coverage to the campaign) attacked socialists for even raising the issue of racism:

Then there's the Socialist Alternative who charged that the university was indulging in a cynical and opportunistic racist attack. It seems to me that this itself is a racist claim, because it assumes that Muslims are all dark-skinned 'others' identifiable on ethnic grounds. It was a lazy, stupid and outrageous claim.²⁰

Zwartz's comment belies a worrying misconception about the nature of racism. Leaving aside for a moment the simple fact that the overwhelming majority of Muslims at RMIT are indeed international students and decidedly 'non-white', the fact is that racism has *always* involved vague categories. Racism is discrimination against a group allegedly defined by qualities that are held to be inherent. A comparison can be made with the anti-Irish racism fostered by the English and Australian ruling classes to uphold the imperialist domination of Ireland and foster sectarian divisions in the working classes of these countries. This often took the form of hostility to Catholicism. Racism justified by bogus biology is largely discredited and viewed as unacceptable today. Racist discourse now often invokes 'incompatible cultures' and the like, but still functions the same way, with the same oppressive consequences. Today's anti-Muslim racism involves laws and state repression that target Muslims, it involves propaganda that ascribes inherently hostile characteristics to Muslims *as a group*, and has its roots in the material interests of Western imperialism.

The cynical and opportunist nature of RMIT's actions are best highlighted by posing the question: why didn't they tried to remove the prayer rooms before 2008? Their actions came in the same year as the racist campaigns in Camden and the Gold Coast, where non-Muslim residents riled up by local politicians and radio shock-jocks, mobilised in opposition to Islamic Schools. The campaign in Camden was particularly vicious. Local Muslims one morning found the site defiled by two severed pigheads on stakes draped in

19 Human Rights and Equal Opportunity Commission *Combating the defamation of religions: a report of the Australian Human Rights and Equal Opportunity Commission to the United Nations High Commissioner for Human Rights* 4 July 2008, <http://www.humanrights.gov.au/partnerships/religiousdefamation/index.html>, accessed 15 December 2009.

20 Barney Zwartz 'Room wanted'.

the Australian flag.²¹ RMIT's move also came just two years after the anti-Arab, anti-Muslim riot that terrorised Cronulla in December 2005 and just one year after a gunman opened fire into the crowded Mirabooka Mosque in Western Australia during Ramadan Prayers.

The weight of anti-Muslim racism in RMIT's actions is starkly demonstrated by comments contained in an email that RMITIS obtained under the Freedom of Information Act. In this email, a senior RMIT employee closely associated with the University's senior management, claimed to have taken offence to the Arabic script on the prayer room walls, describing it as 'Muslims sending messages to each other'.²² The script in question was in fact a selection of quotes from the Prophet extolling the virtues of education.

So RMIT's behaviour was clearly racist and cynical. But more important was the response of the organised left. On the *Leftwrites* blog, around the RMIT Student Union (RMITSU) and the RMIT branch of the National Tertiary Education Union, both dominated by the left, many responded to the issue by echoing the anti-Muslim propaganda of our ruling class. As members of these organisations, we participated in many arguments about the prayer room issue. When we challenged the President of RMITSU to explain why he never attended the Friday prayers despite claiming to support the campaign, he claimed to feel 'uncomfortable' there due to the gender segregation. When we pushed for the NTEU to support the campaign, the Branch President attempted to argue that it was a non-issue, and 'just a Sunni versus Shia thing'. Declaring themselves for 'secularism' many proceeded to imply that Muslims were particularly backward and, of course, sexist.

In fact, the dispute had a particularly hard impact on Muslim women. Many reported feeling unwelcome in the Student Union Womyn's Room, despite the support given by the Womyn's Officer to the campaign. As Zwartz pointed out in his blog, some Muslim women even ceased praying there because non-Muslim women harassed them for wearing the hijab.²³ In an online forum, one Muslim RMIT student explained why she left the Womyn's Room:

The Women's Room is exclusionary towards hijabis (as are most second-wave Western feminists). I don't want to be patronised as a brain-washed victim of a patriarchal religion (as they believe I am) everytime I need somewhere to relax, unwind and pray.²⁴

21 Alicia Bowie 'Pigs heads staked at Islamic school site' *Camden advertiser* 28 November 2007, <http://camden.yourguide.com.au/news/local/news/general/pigs-heads-staked-at-islamic-school-site/509903.aspx>, accessed 10 August 2008.

22 Recounted verbally by RMITIS President, Mohamed Elrafihi, at a public forum, Kaleide Theatre RMIT University, 28 April 2009.

23 Barney Zwartz 'Room wanted'

24 Umm Yasmin forum comment *On the RMIT prayer room issue* Austrolabe, 19 May 2008, <http://austrolabe.com/2008/05/18/on-the-rmit-prayer-room-issue/#comment-88455>, accessed 15 December 2009.

After RMIT's actions and the hostility in the Womyn's Room forced Muslim women to pray in isolated corridors, reports of sexual abuse started emerging. As the RMITIS Women's Vice President Fardowsa Mohamed explained, at least one Muslim woman was so traumatised by her experience that she dropped out of her course and left the country.²⁵

Marxism and religion

Marxists have a long tradition of engaging with the struggles of oppressed religious groups. Engels and Lenin in particular argued that struggles by oppressed minorities can open up a challenge to the state. More generally, Marxists want to win religious workers and students to the fight for socialism. This cannot be done by berating them to be atheists and certainly does not involve demanding they accept attacks on rights or facilities they previously enjoyed. Lenin quoted Engels' argument that 'only the class struggle of the working masses could, by comprehensively drawing the widest strata of the proletariat into conscious and revolutionary social *practice*, really free the oppressed masses from the yoke of religion, whereas to proclaim that war on religion was a political task of the workers' party was just anarchistic phrase-mongering.'²⁶ The Bolsheviks supported religious minorities struggling for rights under the Tsar.²⁷

Defending Muslims from racist attacks is likely to involve defending religious rights within a secular state or institution. We should not hesitate to do so. While secularism is important for Marxists, it must be seen in context. The RMIT Muslim Prayer Room campaign was inspiring. We hope it is only the beginning of a more generalised resistance by Muslims in Australia.

25 Barney Zwartz 'Muslim students accuse RMIT of "bad faith" over prayer centre' *Age* 14 March 2009, <http://www.theage.com.au/national/muslim-students-accuse-rmit-of-bad-faith-over-prayer-centre-20090313-8xy8.html>, accessed 15 December 2009.

26 Vladimir Lenin 'The Attitude of the Workers' Party to Religion', <http://www.marxists.org/archive/lenin/works/1909/may/13.htm>.

27 Dave Crouch 'The Bolsheviks and Islam' *International Socialist Review* issue 280, December 2003, <http://pubs.socialistreviewindex.org.uk/sr280/crouch.htm>, accessed 15 December 2009.

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