

5. Ming's Men

A feature of the return to power of Menzies in 1949 was the number of returned servicemen who came into the Parliament at that election on the Government side. Before 1949 there were quite a number of MPs who had served in both the Boer War and World War I. Among the 1949 contingent of ex-servicemen were some outstanding military figures. Charles Anderson, a lieutenant colonel who represented the seat of Hume in southern New South Wales for the Country Party, was awarded both the VC and an MC. He served in both wars and was a prisoner-of-war (POW) in Malaya. Then there was Bill Bostock, air vice marshal, who served in both wars and rose to the rank of chief of the air staff, who represented Indi (Vic.) for the Liberal Party. Alexander Downer senior—father of a future Foreign Affairs Minister—was a POW in Changi, Singapore, and represented the SA seat of Angas for the Liberals.

Henry Baynton Somer (Joe) Gullett, Military Cross, wounded twice, represented the seat of Henty (Vic.) for the Liberal Party; he had served in the Middle East, France and New Guinea. Reg Swartz, the Liberal member for the seat of Darling Downs (Qld), served in Burma and then spent 3.5 years as a POW of the Japanese, including some time on the notorious Burma–Thailand Railway. David Fairbairn, representing the seat of Farrer (NSW) for the Liberals, had served in the RAAF and was awarded the DFC. Gordon Freeth was also ex-air force and represented the Liberal seat of Forrest in Western Australia. John Gorton was a flight lieutenant in the RAAF and served in the United Kingdom, Singapore and at Milne Bay, where he was severely wounded; he rose to become Prime Minister.

Another with an outstanding war record was Sir Wilfred Kent Hughes, who represented the seat of Chisholm in Victoria for the Liberals and came into the Federal Parliament in 1949 after serving in the Victorian Parliament. Kent Hughes enlisted in the AIF in 1914, served with the Australian Light Horse Brigade and was awarded the Military Cross in 1916, mentioned in dispatches four times. He enlisted in the Second AIF in July 1940, rose to the rank of lieutenant colonel, served with the Eighth Division in Malaya and, following the fall of Singapore, was a POW. Charles William Davidson, who was elected for the Country Party to the Queensland seat of Capricornia in 1946, was wounded as a lieutenant in World War I and, in World War II, served in New Guinea and rose to the rank of lieutenant colonel. In 1958, he was Deputy Leader of the Country Party.

Menzies avoided appointing ex-servicemen as ministers of their former service, so Davidson became Minister for the Navy. Menzies believed an ex-army man would give undue deference to the Army brass. John Cramer, a real estate agent

and an influential figure in the NSW Liberal Party, won the seat of Bennelong for the Liberals in 1949, and, although not an ex-serviceman, he was appointed Minister for the Army in 1956. In the official *Parliamentary Handbook*, it somewhat lamely states he 'inspected Australian troop installations and conditions of service in Malaya, June 1959'. The men who had distinguished themselves in active service were certainly not rushed into the ministry; Kent Hughes, Gorton, Fairbairn and Swartz did not make the ministry until 1958. Only four prime ministers had active service in either World War: Stanley Melbourne Bruce, Earle Christmas Page, John Grey Gorton and Edward Gough Whitlam. When Whitlam became Prime Minister in 1972, he told Eric Walsh the ranks of Labor politicians contained more veterans of the Boer War than of World War II.

This was one of Whitlam's exaggerations. In the mid-1950s only two in the Labor Caucus—Senator Don Cameron and George Lawson—had served in the Boer War. Many had served in World Wars I and II. Senator Stan Amour, Senator John Harris and Reg Pollard (the last rose to become a minister in the Chifley Government) were wounded in World War I. Others such as Whitlam had served in the RAAF during World War II, including Justin O'Byrne, President of the Senate in the Whitlam Government, who was shot down over France and spent 3.5 years as a German POW.

Lance Barnard, Whitlam's deputy leader, and Jim Cairns, who unsuccessfully challenged Whitlam for the ALP leadership, were among many who enlisted in the AIF, and most saw service in the Middle East and/or New Guinea. Robert Joshua (Ballarat, Vic.) entered Parliament as an ALP MHR, and in the great Labor split became Leader in the House of the ALP (anti-communist). He was a captain in the AIF in 1940, was promoted to lieutenant colonel and was wounded three times in action in the Middle East and New Guinea. Many on both sides of Parliament had high regard for Joshua and Labor MPs regretted losing him in the split.

Tom Uren, tall and rangy, with a face showing the effects of his brief career as a professional boxer, won the western Sydney seat of Reid for Labor at the 1959 election and was a political warrior of the left faction, which he led after Jim Cairns retired in disgrace in 1977. Uren was responsible for the Albury–Wodonga decentralisation project as Minister for Urban and Regional Development in the Whitlam Government. In the war against the Japanese, Uren was captured in Timor and, as a POW, suffered cruelly on the Burma–Thailand Railway construction. In Parliament, his great passions were proper recognition for ex-servicemen and women (particularly POWs) and advancing the cause of world peace (which in the eyes of many Liberals meant he was a communist). He also energetically derided the Liberals and their policies at every opportunity.

John Carrick, prior to entering the Senate in 1971, was General Secretary of the NSW Liberal Party and in that role he mentored John Howard, spotting him as having considerable political potential. Carrick, like Uren, was captured during fighting in Timor and spent his time as a POW in the notorious Changi Prison in Singapore. At one stage, the WA Labor Senator Peter Walsh, a senior minister in the Hawke and Keating Governments, said during a senate sitting that Carrick was 'the fattest man ever to leave Changi'. It is hard to imagine a more disgraceful and ill-deserved insult to a notable and decent Australian who had suffered so much in fighting for Australia.

When Tom Uren heard of this, he confronted Walsh and threatened to do considerable damage to his person if he ever vilified Carrick again. Uren was the enemy of the Liberal Party and therefore its representatives in Parliament, but the bond of mateship between Australian POWs could not be sundered by mere politics.

The Menzies' ministry, when I arrived in 1951, had some formidable performers apart from the Prime Minister himself. There were Artie Fadden, Eric Harrison, who was a renowned brawler on the floor of the Parliament, Phil McBride, Harold Holt, John McEwen, Percy Spender, Richard Casey, and the redoubtable Earle Page, one of the founders of the Country Party who was first elected to the seat of Cowper in 1919 and was not defeated until 1961. Treasurer, Arthur Fadden, an accountant, entered Parliament in 1937 and represented the Queensland seat of McPherson. After Menzies' wartime government collapsed in 1941, Fadden became Prime Minister from 29 August to 7 October 1941, his government collapsing when two independents withdrew their support and Labor under John Curtin came to power. In government, Menzies and Fadden formed a coalition after the defeat of Labor in 1949; Fadden was Deputy Prime Minister and Treasurer. He and Menzies were not at all close.

'Artie' Fadden was one of the most likeable characters in Parliament House. Despite suffering from time to time at the hands of the newspaper proprietors—particularly Frank Packer—he was on good terms with gallery journalists. Artie took the bad times on the chin and had an endearing quality—found rarely in current politicians: he never resorted to the cover-up of claiming that damaging statements, from his own mouth, were 'taken out of context'. Artie would say he had never been misquoted, but often wished he had not been quoted. During the Korean War wool boom, Fadden imposed a 'double tax' on wool in his 'horror' budget of 1951. Unsurprisingly, this was greeted with rage in the bush—the power base of the Country Party. Packer launched an all-out attack against Fadden in *The Daily Telegraph* but Fadden was not to be shifted.

He displayed much courage under tremendous pressure and was not sheltered at all by Menzies. When Menzies was overseas and Fadden was Acting Prime

Minister, should some unexpected disaster strike—either a flood or some other mishap—Artie would call a press conference to discuss how he intended to deal with the problem. These conferences were held in Menzies' office, with Fadden sitting in Menzies' chair behind Menzies' desk. On one occasion, he complained, half-joking, half-serious, about the work 'the big bastard' left him. He pulled open a desk drawer and it was stuffed, not with official papers, but poems Menzies had penned at his desk.

Some government MPs stayed at the Hotel Canberra—a convenient stroll from Parliament House. They included Fadden, Richard Casey and Liberal backbenchers such as Joe Gullett, Bill Falkinder and Bruce Graham. After the house rose for the night, there would be some serious drinking in the Hotel Canberra lounge and I occasionally joined in with Don Whittington, with whom I had then teamed up. Graham had a wooden leg as a result of a war injury and sometimes, when he had passed out, Gullett and co. unscrewed the leg to fill the top with bottle tops, creating a mysterious rattle when Graham walked. It was said (probably unkindly) that the popular manager of the hotel, Thornley Thorpe, received an Imperial Award for putting Artie to bed on many occasions.

Yet despite these late-night drinking bouts, Artie Fadden would turn up at Parliament House about 8 am, often puffing on a big cigar, as he climbed the stairs into King's Hall. A small group of afternoon-paper journalists, including E. H. (Harold) Cox of the Melbourne *Herald*, would gather at the top of the stairs to waylay Artie. The Treasurer often used these encounters near budget time to drop some hints about what might be in the budget, no doubt flying a kite to test public reaction to a proposal he had in mind. Sometimes it appeared that Fadden was giving a policy issue an airing to send a signal to Menzies of what he and the Country Party might expect from the Prime Minister down the track. Cox, being the senior journalist, would do most of the talking to Artie. One morning, Ian Fitchett from *The Age* unexpectedly appeared at this little gathering and joined in the conversation with Fadden. When Fadden had departed along the government lobby, Cox chided Fitchett for horning in on the talk with Fadden. Fitchett flared up: 'How dare you—standing there in your piss-stained trousers.' This hurt all the more because the man from the Melbourne *Herald* did indeed wear piss-stained trousers.

When Chifley died in mid-1951, leaving Evatt as leader, Labor tragically lost the services of John Dedman, the most obvious successor to Chifley and founder of the successful postwar reconstruction scheme. Dedman was defeated in his seat of Corio in 1949 by renowned champion cyclist Hubert Opperman, who later became a senior minister in Menzies governments.

Neil (later Sir Neil) O'Sullivan was regarded as the token Catholic in Menzies' 1949 Cabinet. Even though Labor rat and Catholic Joe Lyons led the non-Labor

parties as Prime Minister from 1932 to 1939, since Federation, Catholics had been somewhat rare in the solidly Protestant non-Labor parties. Sectarianism was found in all facets of Australian society—in politics, the Public Service and business. It was believed that Country Party leader, Sir Earle Page, and Joe Lyons had come to an agreement regarding departments to be dominated by Protestants and Catholics. True or not, post war, Catholics were over-represented in the Tax Office and the group of departments dealing with trade, commerce, agriculture and customs.

Menzies emphasised from 1951 on at least the value of the Australia, New Zealand and United States alliance (ANZUS). Labor MPs during the Menzies' era and after correctly claimed Curtin was responsible for establishing the basis for this alliance when he turned to Roosevelt to save Australia from the Japanese. Curtin was asked by the Melbourne *Herald* to provide a New Year message for the Australian people and it was published on 27 December 1941. In the message, he made a historic declaration: 'Without any inhibitions of any kind, I make it quite clear that Australia looks to America, free of any pangs as to our traditional links, or kinship with the United Kingdom.'¹

The Indonesian adventure in the 1960s of 'confrontation' with Malaysia raised the question of the value of the ANZUS alliance to Australia. Menzies decided Australia had to support Malaysia. Established on 16 September 1963, Malaysia was a union of the states of Malaya, Singapore (later kicked out) and the North Borneo states of Sabah and Sarawak. Indonesian President Sukarno saw this as an attempt to strengthen 'Nekolim' (neo-colonialism, colonialism and imperialism) to erode the Indonesian revolution against the Dutch (the prewar colonial rulers of the Dutch East Indies). Malaya's Western-aligned Prime Minister, Tenpaku Abdul Rahman, had agreed to allow permanent basing of British and Commonwealth forces in the country. Sukarno remembered that Malaya had given assistance to the rebels of the Revolutionary Government of the Indonesian Republic (PRRI) in 1958. In that year, when Sukarno was abroad, a group of Sumatran military officers and Masyumi politicians had proclaimed the PRRI, which Sukarno would return to only in the figurehead role of president. Soon after the proclamation of Malaysia, Sukarno announced Indonesia must 'gobble Malaysia raw'.

Menzies decided Australia would give Malaysia every assistance it required, military or otherwise, to turn back the challenge of Indonesia. Malaysia was pressing the United States to intervene, but neither President Kennedy nor Secretary of State, Dean Rusk, responded. Washington made clear that the problem was one entirely for Britain, Australia and interested members of

1 Day, David P. 1999, *John Curtin: A life*, Harper Collins, Sydney, p. 438.

the Commonwealth. Later, Kennedy agreed that if Malaysia were attacked the United States would come to its assistance with air and naval forces, but he ruled out ground troops.

In April 1964, RAAF engineers were sent to Borneo, in addition to minesweepers and helicopters already dispatched to aid Malaysia. Foreign Affairs Minister, Garfield Barwick, then declared that if Australian forces were attacked, the United States would come to our aid under ANZUS. He conveniently forgot about the declaration by Washington that no troops would be involved. Sukarno protested at Malaysia being elected as a non-permanent member of the UN Security Council by taking Indonesia out of the United Nations. All this came to an end in 1966 when confrontation ended, and Indonesia rejoined the United Nations in 1967—a good outcome for Menzies, Australia and the United Nations.

Another Menzies appearance on the world stage was not successful. On 26 July 1956, Gamel Abdul Nasser, President of Egypt and a hero of the Arab world, having headed a *coup d'état* to overthrow the corpulent and hated King Farouk in 1952, announced Egypt would nationalise the Suez Canal Company. The company built and owned the canal and, from 1869, had the right to operate it for 99 years. The company was headquartered in Paris and the British had acquired a major share in 1875. By an international convention, the canal was supposed to be open to ships of all nations. The British had troops stationed in Egypt essentially to guard the canal. Following anti-British pressure in Egypt, the British withdrew their troops from Egypt—the last departing in 1956. Soon after, Nasser announced nationalisation.

The British, French and Israelis were appalled and so was Menzies. The author reported the parliamentary debate about the Nasser nationalisation and recalls how passionate Menzies was about the danger to Australia's traditional trade with the mother country, which passed through the canal. (This was not all that distant from mid-1961 when the UK Macmillan Government attempted to join what was then called the European Common Market and to hell with trade ties with the Commonwealth.)

The US Secretary of State, John Foster Dulles, devised a plan, agreed to by most Western countries, for an international body, under the aegis of the United Nations, to run the canal. Yet Dulles would not lead the delegation to Cairo to put the proposition to Nasser, and Menzies, at the urging of Macmillan, agreed to lead it. Despite Menzies' best efforts, the talks broke down in early September 1956 and nothing was achieved. Unbeknown to Menzies and the United States, Britain, France and Israel had entered into a secret deal to take over the canal by force. Israel attacked Egypt on 29 October 1956, entered the Sinai and dropped paratroopers within 50 km of the canal. Then British and French forces entered

the Canal Zone, it was claimed, to keep the warring parties of Egypt and Israel apart. US President, Dwight Eisenhower, would have none of this and pulled the rug from under the conspirators. Within a week, the British–French action had come to a halt in the face of pressure from Washington. A majority of the gallery believed Menzies' conceit had got the better of him and he was foolish to believe he could act as an honest broker between Britain, the Europeans and Nasser.

The Suez crisis was not a complete loss for Menzies as he managed to rid himself of a potential challenger: Richard Gardiner Casey, the Minister for External Affairs (and later Governor-General). Canberra writer John Nethercote,² on the fiftieth anniversary of the Anglo–French invasion of Egypt, recalled that Casey was opposed to the use of force in the canal. Casey warned that world opinion would be overwhelmingly against the United Kingdom if it used force and, inferentially, against Australia if it supported the use of force.

Casey had made an injudicious remark to a reporter—later used against UK Prime Minister, Sir Anthony Eden, in the Commons debate by the British Labour leader, Hugh Gaitskell. Menzies was in the Commons at the time, listening to the debate, and was furious—his anger being conveyed to Casey by departmental officials. On his return to Australia after the abortive Cairo visit, Menzies brought on a vote for the deputy leadership of the Liberal Party—a vacancy having occurred with the appointment of Eric Harrison as High Commissioner in London. Casey was eliminated on the first ballot and the final vote went to Harold Holt over the ponderous Senator Bill Spooner. (How things would have worked out had Spooner won puzzled the gallery at the time. The concept of the second-most important man in the Liberal Party sitting in the Senate was indeed novel.) Menzies' friend A. P. Herbert penned a piece of doggerel and sent it to Menzies. It reflected British colonial arrogance and overt racism:

Expect no gratitude from any man
 From India, say, or Pakistan:
 Under the wing of Nasser and the Russ
 I hope they prosper as they did with us
 Though Allah knows why they suppose a pal
 The man who stole, and stoppered, the canal.
 Forget, forgive; but then a mighty hand
 To two who did not doubt the Motherland!
 In all the turbulence, the fools, the frenzies,
 One rock of sanity was Robert Menzies.

² *The Canberra Times*, 4 November 2006.

As usual, Australia was there—New Zealand, too—God bless the faithful. A blot on the reputation of the Menzies Government (which could have brought it down had it not been for the Labor split) was its failure in trade. Despite wool prices soaring because of the Korean War, and having come to power by promising to disband petrol rationing, the Government faced a serious balance-of-payments crisis from the beginning of the 1950s.

Import licensing was introduced from March 1952 and was not lifted until 1960. In short, importers had to get a licence from the Government to import. To deal with the administrative burden, the Central Import Licensing Branch was established, operating from 52 William Street, Sydney. Laurie Stroud, a former senior official in the Trade Department, worked in the branch as a young man. In a conversation with the author, he explained the donkey work of processing applications was conducted by a hastily assembled group from all walks of life: returned servicemen with intermediate certificates, many carpenters, taxi drivers, but few graduates.

With so much power in the hands of bureaucrats—which often had serious impacts on many businesses—there were lots of complaints. Stroud remembers when an importer came to the inquiry counter and demanded to talk to someone about why he could not get a licence for an imported magazine:

Nobody else was around and I was asked to talk to him, which I did and to the best of my ability and explained what the policy was. It didn't satisfy him. In the *Daily Mirror* next day *on the front page* was the story thundering that a callow youth was deciding what could be read by the Australian community.

It cost Stroud money. He was in a more senior job than one paid the base rate at that stage, and this meant that even though he was a junior, he was paid as an adult. He explains:

When the Public Service inspector in Sydney saw this criticism of the bureaucracy in the media, he immediately contacted the head of the import licensing branch and said: 'What's all this about' and it came out that I was acting in a more senior job. The Public Service inspector delivered an ultimatum: either that guy's acting in a job that is not worth the classification, or he's not doing the full duties of the job, so I was summarily dropped back to the base grade.

The more influential businesspeople did not turn up at the front counter in William Street; they went to Canberra to see the Minister for Agriculture and Commerce, McEwen. What they did not know was that McEwen would have made up his mind in advance of seeing any delegation whether he could revise a licensing decision or not. If he could help and if those seeking his

assistance were important to him and the Government, he would see a visiting delegation. If not, the task of breaking the bad news fell to his undersecretary, Reginald Swartz. A rotund, pleasant man, quite bald with a round face and a neat moustache (he was known throughout Parliament as 'Curley'), Swartz had a polite manner that belied his heroic background.

He enlisted in the AIF in November 1940 with the rank of captain, served with the 2/26 Infantry Battalion in the Malaysian campaign and spent 3.5 years as a POW, some of it on the ghastly Burma–Thailand Railway. He won the Queensland seat of Darling Downs in 1949 for the Liberals. Swartz would see the delegations pleading for an import licence, hear them attentively and then say 'no'. In the gallery and among importers, he became known as the 'Abominable "No" Man'. Swartz went on to become a senior and successful Cabinet minister.

Nothing the Fairfax press had done to Menzies could be compared with the attempt by Warwick Fairfax to engineer the defeat of the Coalition at the 1961 election. Graham Freudenberg³ was Arthur Calwell's press secretary and speechwriter in the lead-up to the 1961 election and had an insider's knowledge of what Fairfax was up to. For Fairfax to work for the election of a Labor government shook the Sydney establishment to its foundations. Yet we must go back a few steps to understand the background to the 1961 drama.

Despite Menzies' claim to be a master of economic management, as explained previously, a balance-of-payments crisis led to the imposition of import licensing in 1952. In 1960, Treasury persuaded the Treasurer, Harold Holt, to press Cabinet for the abolition of import licensing. Jack McEwen resisted, warning this could cause a rush of imports and again threaten the balance of payments. Many believed McEwen's attitude was motivated partly by the protection it gave to Australian manufacturers. In any case, McEwen proved to be right and imports flooded in, leading to Holt slamming the brakes on the economy, with a credit squeeze through the Reserve Bank. Interest rates went up and heavy sales taxes were applied. This in particular hurt the car industry and led to lay-offs. When unemployment reached 2.7 per cent, this was widely regarded as a scandal. In later years governments were immensely proud if unemployment dropped below 5 per cent. About this time a Tasmanian economist, Professor Torleiv Hytten, stated the economy would be much healthier if there was a 'pool' of 5 per cent unemployed. This led Labor wit Les Haylen to observe that '[t]hings are mighty cool in Professor Hytten's pool'.

In 1957, Maxwell Newton, a former Treasury official, was appointed political correspondent for the *Sydney Morning Herald*. He had a considerable impact on political journalism and played a major role in events that almost led to the

3 Freudenberg, *A Figure of Speech*.

shortening of Menzies' reign. Many in the gallery regarded him as a blow-in, not even a journalist. Most of his early writings for the *Sydney Morning Herald* were confined to economic matters and the business of political writing was left to the more experienced bureau head, George Kerr. Max soon won most of us over. Raucous, witty, gap-toothed and a heavy drinker, Max was a dynamic personality, hugely talented and a first-class economist.

Later, as editor, Newton was responsible for the *Australian Financial Review* going from a weekly to an outstanding daily paper. The *Australian Financial Review* was originally designed as a paper to appeal to those interested in the stock exchange and equity investments. It still is, yet Newton realised that to broaden its appeal the paper needed to get more into broad economics and the connection between politics, government and economics. He left the stock-exchange side to specialists and dismissed this area of the paper as 'the Chinese section'—inscrutable except to keen investors. Newton was largely responsible for the gallery coming to grips with economics. The strength of the *Australian Financial Review* was, and is, its Canberra staff, with such talents as David Love (no relation to Les), Max Walsh, Robert Haupt and Brian Toohey. Newton got Rupert Murdoch's *The Australian* off the ground when it first began publishing in Canberra.

The 1961 election was late in the year (9 December). In the run-up to the election, the credit squeeze began to bite hard, hurting many businesses, including John Fairfax's river of gold: its domination of the classified ads in Sydney. Long a critic of Menzies, the Fairfax press took the unprecedented step of supporting the election of a Labor government. Unbeknown to the gallery, Calwell had given R. A. G. (Rags) Henderson, Managing Director of Fairfax, an undertaking not to have any form of nationalisation in the first term of a Labor government. This alone illustrated the desperation of Calwell—an old-fashioned socialist all his life—for victory.

Yet it was a meaningless promise. The High Court had made it clear that virtually any form of nationalisation breached Section 92 of the Constitution. Graham Freudenberg, then Calwell's press secretary/speechwriter, knew of the deal and explains⁴ how Newton, at the direction of Fairfax management, supplied speech notes for Calwell. Newton was able to work on the solid economic material given to Calwell by two Australian National University economists, Dr Horrie Brown and Professor Alan Hall—both Labor supporters. Newton devised a Keynesian economic policy for Calwell—summed up in a sentence: 'To restore full employment, a Labor government will budget for a deficit of £100 million' (then 3 per cent of the budget). A lot more was to be heard about Newton in

4 Ibid.

later years. Menzies went into the election supremely confident and came out shaken to his core. Had it not been for Jim Killen's narrow victory in Moreton, Menzies would have lacked a majority.

A highlight of the year in the 1950s was the winter meeting in Canberra of the Premiers' Conference and Loan Council—the six States and the Commonwealth. Officials had already carried out most of the bargaining and the meetings rarely went for more than a day. What each State got by way of taxation reimbursements was in accord with a strict formula presided over by the Commonwealth Grants Commission. In the broad, the two wealthy and more populous States of New South Wales and Victoria would have some of the taxation raised from their State passed over to the other four States—described officially as the 'mendicant States'. The premiers used the meetings mainly to complain bitterly about the stinginess of the Menzies Government in providing essential (they were always 'essential') funds over and above what they were entitled to under the Grants Commission formula.

Before they arrived in Canberra, they all pumped out propaganda about how they were determined to stand up to Menzies this time around. The premiers and their entourages usually stayed at the Hotel Canberra on the night before the premiers' meeting and would caucus there (Liberal and Labor) on tactics for the coming meeting. Although they did not necessarily come from the same side of politics, there was an affinity between the premiers of New South Wales and Victoria. They complained (and to this day still do) that the two biggest States were unfairly treated and too much of the taxes paid by their citizens was being directed to the other four States. The Parliament did not meet normally in the middle of winter and the Premiers' Conference and Loan Council meetings were held in the House of Representatives chamber, with the Premiers' Conference the first event. This meeting decided what each State should get by way of direct-purpose grants over and above the taxation reimbursements.

The gallery reporters were allowed into the opening session of the Premiers' Conference when each premier, in order of seniority (New South Wales first, Tasmania last), would deliver a generalised speech pleading for the maximum benefit for his State. The Federal Treasurer would follow, with a summing up by Menzies. The press would then depart and the bargaining began. Menzies and the Treasurer, Artie Fadden (and when Fadden retired, Harold Holt), were up against some tough nuts, including the redoubtable Victorian Liberal Premier, Henry Bolte, NSW Labor Premier, Joe Cahill, and the wily SA Liberal Tom Playford, who was Premier, Treasurer and Minister for Immigration for that State from 1938 to 1965.

The most fervent and dogged critic was undoubtedly Bolte, who attacked Menzies before, during and after the conference. Bolte often demanded a

return to income-taxing rights for the States, but never pushed it to the point where it might become a reality. Like all the premiers, he was happy to have the Commonwealth collecting tax for him. They took no responsibility for the level of tax, yet had the agreeable task of handing out the money to their citizens in various forms.

The Loan Council met in private to discuss the borrowing requirements of each State. State political correspondents, whom the premiers knew well, accompanied the State ministers and officials to Canberra. This neat arrangement ensured that after the meetings newspapers throughout Australia would invariably be dominated by premiers warning of the setback to their State because of the mean treatment handed out by Menzies and Fadden. Until the era of instant TV communications across the nation, the comments of premiers about the outcome of the conference could not be transmitted to the various capitals for replay on TV news that evening. Hence, TV crews from local stations met the premiers on their arrival back at the airport of their city.

Ken Begg⁵ recalled an incident after one conference involving one of the gallery's notable characters, Les Love. Les, when sober (as he was on this occasion), was polite, correct and deferential to those in authority. He was then in the ABC bureau in the gallery and as he left for the bar someone said to him if he ran into the Victorian Premier, Sir Henry Bolte, ask him what flight he was on for the trip back to Melbourne. ABC Melbourne wanted a crew at Tullamarine Airport to meet the Premier. As Love walked down a flight of stairs from the gallery into the opposition lobby, he encountered Bolte and the Deputy Premier, (Sir) Arthur Rylah. According to Begg, Les said: 'Excuse me, Sir Henry, could you tell me what flight you're on, please?' Bolte responded: 'Ah, get fucked.' Les instantly returned fire: 'Get fucked yourself.'

The gallery was treated well by Menzies on these occasions. The premiers and officials had drinks in the government party room during the lunch break and at the end of the meetings. The gallery joined in these two sessions, making contact at a social level with the most senior politicians in the land outside Canberra. The senior journalists in the gallery were mindful of the need to keep up with current political developments in the States as they were reminded of it almost every day in phone conferences with their news editors. Later, Prime Minister, John Gorton, aroused great anger in the gallery by barring journalists from these drinks sessions.

Menzies had a high regard for the Public Service and, unlike recent prime ministers, he did not seek advice from his own staff on matters of government policy. He had his own suite of policy principles, of course, known to his public

⁵ Interview with former members of the gallery and the author, Old Parliament House, Canberra, 18 December 2004.

service advisers. He greatly valued the advice of people such as Allen Brown (Secretary of the Prime Minister's department), Roland Wilson (Secretary of Treasury), Fred Wheeler (Chair of the Public Service Board) and H. C. 'Nugget' Coombs (Governor of the Reserve Bank, who had been an influential adviser to Labor governments).

Unlike John Howard, who got rid of many departmental heads on coming to power in 1996, Menzies firmly believed in the integrity and independence of the departments of state and did not question whether they would serve his government loyally, as they had served Labor governments. If a minister brought a novel or risky submission to Cabinet, Menzies wanted to know what the minister's department thought about the submission. New policies of considerable importance were normally scrutinised by an interdepartmental committee of representatives of departments with interest, or expertise, in the policy.

Menzies, like many prime ministers before and after him, saw himself as a world statesman. In fact, Menzies' foreign policy excursions were, for the most part, badly judged and based on prewar conceptions of the way the world should be. His eyes were on the northern hemisphere and the great powers, rather than on our region. It is not generally recognised his achievements were more in the field of domestic rather than foreign policy.

First and foremost, he benefited from the solid economic foundations left him by the Chifley Government. When Curtin came to power in 1941, after the collapse of the Fadden Government, Chifley was both Treasurer and Minister for Post-War Reconstruction. Labor was already planning for peace. In that government, the capable John Dedman was Minister for War Organisation of Industry and Minister in Charge of the Council for Scientific and Industrial Research (the forerunner of the CSIRO). Dedman, in the 1945 Chifley Government, was Minister for Post-War Reconstruction and gave the drive to the remarkably successful postwar reconstruction policies he largely conceived. With the economy spinning along nicely, Menzies realised it was best left alone.

Today the byword of every government is 'reform'. Few institutions or policies these days are seen to not require reform. Menzies was of the 'if it ain't broke, don't fix it' school of thought. His simple policy towards industrial relations was based on the Commonwealth Conciliation and Arbitration Commission (CCAC). If there was a serious strike running, or threatened, his answer was to tell the combatants to go to the CCAC—the independent umpire—and obey its decisions (which the unions often ignored). His abiding gifts to Australia can be seen in universities and in the national capital. Menzies appointed a committee headed by Sir Keith Murray, a noted scholar and Chair of the British University Grants Commission, to recommend measures to deal with the increasingly

parlous state of Australian universities. On 28 November 1957, Menzies tabled Murray's report and announced acceptance of its recommendations, involving very large expenditures. This was to have profound long-term consequences for tertiary education, with the Commonwealth, rather than the States, looked to to solve the ever-recurring problem of university funding.

A similar policy initiative—state aid to private schools—was seen at the time, rightly, as a piece of populist politics designed to get a desperate prime minister over the line. Menzies had almost lost the 1961 election, but was saved by Jim Killen's narrow win in the electorate of Morton—a win resulting from the distribution of communist preferences to one of the Parliament's most theatrical bangers of the anti-communist drum. The communist vote actually came about from the 'donkey' vote—a term applied to uninterested voters who simply number their ballot paper in order from the top down. Menzies had given some aid to Catholic schools in the Australian Capital Territory (for which the Commonwealth had responsibility). He took the approach that a wider application of such aid was a matter for the States. Yet in his policy speech for the 1963 election he promised state aid to private and public schools for construction of buildings and facilities for the teaching of science and was returned with a comfortable majority.

The gallery believed that it was Neil O'Sullivan who gave Menzies the idea of offering state aid. DLP senators Jack Kane and Vince Gair told gallery journalist Eric Walsh that Tasmanian Senator George Cole had sold the idea of state aid to Menzies. Cole was elected as a Labor Senator in 1950 and left the party in the great Labor split. As a DLP Senator, it is more than likely Cole was acting on behalf of Bob Santamaria. Fiercely anti-communist, Santamaria founded a new organisation, the National Civic Council (NCC), and edited its newspaper, *News Weekly*, for many years. His followers, known as 'Groupers', continued to control a number of important unions.

Those expelled from the Labor Party formed a new party, the Democratic Labor Party (DLP), which was dedicated to opposing both communism and the Labor Party, which they said was controlled by communist sympathisers. Santamaria never joined the DLP but was one of its uniting influences. Maybe Cole put the idea to Menzies and the Prime Minister then tried it out on O'Sullivan, who would certainly have advised for it. Whatever the source of the idea, this was an inspired piece of opportunism by Menzies. He skewered Arthur Calwell, who was prevented from matching Menzies by the Labor Party platform prohibiting aid to private schools.

The nation can also thank Menzies for turning Canberra—still a country town in the 1950s—into a world-class national capital. Following the Depression and World War II, little had been done to provide infrastructure for the national

capital. Thousands of federal public servants and the whole of the Defence Department and the three services were comfortably ensconced in Melbourne, secure in the knowledge that they would never be called to Canberra. Menzies changed all that. For example, the central lake had been a key feature of Walter Burley Griffin's winning design for the national capital. Menzies declared this should be achieved with the necessary damming of the Molonglo River. Around Australia a cry went up that it was all a waste of money and many schools or hospitals could be erected for the cost of the dam. Menzies was undaunted and, in 1957, he announced the decision to move the Defence Department to Canberra by 1959.

The top brass at Victoria Barracks in Melbourne was aghast at the prospect of leaving their comfortable life in Melbourne—far removed from the national government. Similar plans were made for moving major departments such as Civil Aviation, Transport, and Labor and National Service to Canberra. Hundreds, if not thousands, of public servants refused to make the switch and resigned. Menzies pushed ahead, quite content to live and work in the bush capital with his family. In his farewell press conference, Menzies was asked whether Canberra was one of his 'blunders'. Menzies responded with feeling: 'Canberra is my pride and joy. It is indeed.' Menzies, more than most prime ministers, enjoyed living in Canberra. He would turn up at Manuka Oval to see a local game of Aussie Rules or cricket and was content at the Lodge. He must have done some grave spinning on hearing that John Howard refused to live at the Lodge and instead installed his family in Kirribilli House, which Menzies, many years before, had restored as a guesthouse for foreign VIP guests of the Government.

While his decision to step down undefeated was widely lauded, Menzies' failure to leave the Liberal Party with a good choice of talented ministers to take over his leadership was widely criticised. The founder of the Liberal Party had let go, or removed, plenty of talent: Tommy White, Dick Casey, Percy Spender and Garfield Barwick. Again, firmly in charge after his near-death experience at the 1961 election, Menzies assumed Harold Holt would take over. Non-Labor parties—at least at the federal level—have a poor record on fostering potential leaders. The Nationalists had to rely on Labor rat Billy Hughes as Prime Minister from 1915 to 1923, and another Labor rat, Joe Lyons, from 1932 to 1939. Menzies' first prime ministership had lasted only from April 1939 to August 1941 before his party ditched him. Now everything was on Harold Holt's shoulders.

Holt was regarded as a worthy successor to Menzies, but the point was the Liberal Party room saw no alternative when Menzies retired. McEwen was privately critical of Menzies' failure to leave the Liberals with talented leadership. On the other hand, 'Black Jack' McEwen had fostered the trio of Doug Anthony, Ian Sinclair and Peter Nixon. Such was the dearth of talent in the Liberal ranks in

the House of Representatives that, with Holt's disappearance, the Liberals took the unprecedented step of turning to a Senator, John Gorton, for leadership (he turned out to be a disaster). Menzies was directly responsible for this. Admittedly, Paul Hasluck could have been given a chance at the leadership, but he was politically inept. He was so aloof that although he wanted to succeed Holt, he did not lobby hard for the job. Hasluck, from his lofty heights, believed that his colleagues would surely see his superiority over Gorton. If they could not, he was not going to beg for party-room votes.

A feature of the daily business of the House of Representatives was the adjournment debate—late in the evening, when the question was put 'the house do now adjourn'. The members were then entitled to speak on any subject. This was when the more outrageous and scandalous stories often broke, and journalists drinking in the non-members' bar would await the cry 'they're on the adjournment' before dashing up to the gallery to check. The favoured time for major speeches by ministers or leading opposition figures in the house was 8 pm, when the parliamentary broadcast was coming from that chamber. Normally, the parliamentary sitting week covered Tuesdays, Wednesdays and Thursdays. Broadcasts from the house were on Tuesdays and Thursdays and from the Senate on Wednesdays.

The broadcasting of Parliament began on 10 July 1946 amid some controversy. The ABC, a government instrumentality, was ordered to undertake the broadcasting of what was widely believed to be the most turgid and boring radio broadcasts ever put to air since the appearance of Marconi's wonderful invention. Initially, the ABC metropolitan stations broadcast the proceedings almost in their entirety. Apart from denying programs for ABC radio listeners in the cities, many citizens in rural areas had no access to the broadcast. To overcome this, the ABC agreed reluctantly to switch the broadcasts to its Radio National network, which then had, and still has, some of the best programs to be found in any form of broadcasting. Later, a spare bearer was used for broadcasts of Parliament and the ABC's News Radio network resulted.

Ulrich Ellis was a prominent staffer to Country Party ministers in the 1950s and 1960s. Balding, short and bespectacled, he appeared on first meeting as a most ordinary man. Fortunately, he was ordinary enough to turn up in the non-members' bar. He was a gifted journalist and historian and was an intellectual driving force of the New England new-State movement, which in the 1840s, six decades before Federation, saw the emergence of separatist agitation in the region. I remember him as staffer for Sir Earle Page. Despite Page's savage 1939 attack on Menzies' failure to enlist in World War I, Page was Health Minister in Menzies' Cabinet after 1949 (see Chapter 4). The old adage held true: there are no friendships in politics, only convenient alliances.

Ulrich Ellis was keen to educate gallery members on the benefits he envisaged flowing from the creation of more States. The founding fathers provided for the creation of new States in the Constitution. Sections 121–4 give the Commonwealth Parliament power to create new States and decide on their representation in Parliament. Any proposal to form a new State from part of one or more of the original States (the six States) requires the agreement of the State Parliaments involved. Additionally, the agreement of electors of the original State or States is sought in another referendum. There is not the remotest possibility of the Parliament in any State giving up sovereignty to any part of its land. The best hope is the likelihood of the Northern Territory being given statehood by the Commonwealth Parliament, without a referendum.

Gough Whitlam enhanced his leadership aspirations as a backbench member of the Parliamentary Joint Committee on Constitutional Review, which was formed to conduct a wide-ranging review of the Constitution. The media devoted considerable space to the 1959 report of the committee. It recommended facilitating the creation of new States by dropping the power of States to veto the creation of a new State within their boundaries, or shared boundaries with other States. It recommended referendums of all the voters of a State and of the area to constitute a new State. If both referendums recorded a majority in favour of a new State then the Commonwealth Parliament would exercise its existing power to form a new State or States.

All the work of the committee came to nought and the Menzies Government did not take up any of its recommendations involving constitutional change. In his 1965 pamphlet *Labor and the Constitution*,⁶ Whitlam made quite clear he was a centralist (apart from local issues) and was prepared to compose his policies accordingly. He argued there were few functions State parliaments performed that could not be better performed by the Australian Parliament or by regional councils. The States, he argued, were too large to deal with local matters and too small and weak to deal with national ones. Although spending more than half a century in the press gallery of the Federal Parliament, the author does not favour a centralist approach. A continent, at least in a democracy, cannot be ruled with the greatest efficiency by a single federal government. A hospital in Kalgoorlie would surely not be run as well by bureaucrats in Canberra as by bureaucrats in Perth.

In my early years in politics, State rights did not loom large as an issue. Day-to-day politics—scandals and power plays—were the jungle in which politicians and gallery journalists prowled. And in the next chapter, there are examples of what was found in this political jungle.

6 Whitlam, E. G. 1965, *Labor and the Constitution*, Victorian Fabian Society, Melbourne.