

mass of the people, but, like every other Party, it is confronted with the universal fact of preparedness for war. It cannot ignore it.

“From its very inception the Labor Movement has stood for national defence. It supplied the first Australian Government which transformed words into facts. It gave Australia a navy; a well trained army; a national small arms factory; a national woolen mills; a national clothing factory; national munitions works; and behind them all, provided the national note issue and the Commonwealth Bank. . . . Therefore, in the election policy speech of two campaigns ago, the Labor Party declared that there could be no effective defence, no advancing social benefits, no uplift in the conditions of wage earners, without prior expansion of the ramifications, functions and power of the Commonwealth Bank. It declared that banking reform and use of the national credit were the groundwork for economic expansion. . . .”

In 1939, on the very eve of the war for which John Curtin was attempting to prepare his country, King O’Malley raised his voice once again, in his pamphlet *Big Battle*. There, he called for the urgent re-establishment of the Commonwealth Bank. He began with the following words:

“To the Sovereign Thinkers of the Commonwealth, Democracy declares certain fundamental principles which are self-evident and indefeasible. That all individuals are created equal, that all are endowed with rights which only the possessors can alienate, and that among these rights are life, liberty and the pursuit of happiness. That Governments are established among people to safeguard these rights, that Governments derive their just powers to govern from the consent of the governed. Upon these democratic, rock-embedded principles must forever rest the foundation of all truly free, responsible government. Democracy is the government of the people, by the people, and for the people.”

But, O’Malley argued, such rights could not be guaranteed without sovereign control over credit. He further declared, that the purpose of banking was to facilitate the creation of tangible, physical wealth, as opposed to the sort of private banking speculation, which he called “fog wealth,” which inevitably ended in disaster:

“Permanent wealth is produced by the slow process of industry, combined with skill and the manipulation of capital. Fog wealth is produced by the rapid process of placing one piece of paper in the possession of a bank as a collateral security for two pieces of paper. Some of the enormous quantity of paper which is being created now will sooner or later collapse. But with the Commonwealth Bank capable of sustaining legitimate credits, there can come no panic which will again destroy the market value of intrinsic values, ruin debtors, deprive workers of work, and produce general distress.

“Oh! Would that I possessed the power to arouse the Australian people to the imperative importance of revitalising the Commonwealth Bank! In financial crises they have suffered,

but their minds seemed to be possessed with the fatalism of the Turks—it is the will of Allah. But I say it is not the will of God which produces panics, but a want of an intelligent Banking System. . . . Banking is the fundamental essence of finance, and finance is a governmental function. The banks should be coworkers with the producers and traders. The Commonwealth Bank should possess the capacity to continue exercising the banking functions, and thereby sustaining normal values during the fiercest commercial crisis. A system possessing potential financial power, such a capacity in connection with the talent for production, trade and commerce possessed by the people of Australia and the boundless wealth of its natural resources may make Melbourne instead of London the principal exchange city of the world, and Australia instead of England the creditor nation of the world; without it, never.”

---

## The 1940s

---

# The mobilization for World War II

by Robert Barwick

The life-and-death nature of the struggle of the early labor movement was brought home to Australians in 1939, when World War II broke out. Now, the survival of the Australian nation was at stake. World War II was the greatest test of Australian nationalism, and of its leadership, in the person John Curtin. The decisions made by the Labor leadership, under Curtin, would determine whether Australia survived as a nation in the face of treachery—not only from the Japanese aggression, but also, and more importantly, from the British financial “Money Power” which had set Australia up to be crushed.

When war broke out in September 1939, Australia was virtually defenseless. Prime Minister Robert Gordon Menzies made a public broadcast, where he said it was his “melancholy duty” to inform the country that Great Britain was at war, and that, therefore, Australia was at war, and would support Great Britain “to the last man, and to the last shilling.” However, this was not merely a repeat of World War I, when Australia had also thrown its support behind Mother England, and had sacrificed 60,000 men in Gallipoli and other faraway places in the name of the Empire. That would be horrible enough. This time, there was a very real threat that Australia itself would be conquered, by the expanding Japanese empire.

Defense was one of the key issues separating Australia’s

Labor movement from the forces of the Money Power. Nationalists demanded a strong local defence capacity, while the British loyalist conservatives were content to accept Britain's promises of protection as security enough. Of course, this issue went to the heart of the fight over what the emerging nation of Australia was to be: If Australia was simply to be a British imperial outpost in the Pacific, then, to the exponents of that idea, Britain would defend her interests; however, if Australia chose to be something radically different, namely, a sovereign, independent nation, then that Australia would have to expect to fend for itself, for Britain wouldn't be able to be relied upon to defend an institution which was anathema to its very existence.

As early as 1902, early Labor figures identified Japan, which had then entered into a set of secret imperialist deals with Britain, as the greatest threat to Australia's security.

The two closest friends of King O'Malley, Labor MPs Dr. William Maloney and Jimmy Catts, were foremost in making these warnings. Dr Maloney said, "In this decade or the next . . . the East [i.e., Japan] will most assuredly insist on what she may regard as her rights; and those rights may include the domination, if not the occupation, of the Eastern hemisphere. How stand we then?" Maloney called for a massive defence build-up and a strategic alliance with the United States.

Despite its public assurances, during World War I, while Australian soldiers were being slaughtered in Gallipoli fighting for Britain in a war between Queen Victoria's grandchildren, Britain laid secret plans to sacrifice Australia in the event of a northern invasion. Since the Anglo-Japanese Alliance in 1902, Britain had maintained an unbroken alliance with Japan that was to last, whether formally or informally, until World War II. Indeed, this alliance was recognized by the United States as a potential threat, which formulated what was known as War Plan Red-Orange, for the eventuality of a simultaneous war against Japan and Britain. War Plan Red-Orange was on the U.S. military planning books up until World War II.<sup>1</sup>

### **Kitchener and the 'Brisbane Line'**

In 1910, the hero of the Sudan and Boer Wars, Lord Kitchener, visited Australia to overhaul its defenses, as part of a reorganization of British imperial forces for the impending World War. In a secret portion of his 1910 memorandum "The Defence of Australia," Kitchener formulated what became known as the "Brisbane Line," which was a plan to cede to a potential invader all of Australia north of a line drawn south-westerly from Brisbane down to Adelaide. In 1915, the British government under Prime Minister Herbert Asquith recognized Japan as the potential threat to Australia, and secretly discussed ceding Australia to Japan. As Edwin Montagu, the leading permanent British civil servant to Asquith, cynically remarked, "I would far rather cede Australia to the Japanese,

---

1. See "Britain's Pacific Plot Against the United States, and War Plan Red," *EIR*, May 12, 1995.

than cede to Australia anything the Japanese want."

However, publicly, the British were reassuring that, in the event of a Pacific conflict, they would send a British fleet to their naval base in Singapore, the hub of their Empire in Asia. Even throughout the 1930, when Japan had flexed its muscles by invading Manchuria in 1931, and the shadows of war grew across the globe, Australians were still being asked to accept these British reassurances, and to ignore their own defense needs. In 1936, Labor Opposition leader John Curtin attacked the conservative Lyons government for relying on British promises, and neglecting Australia's defense.

"The dependence of Australia on the competence, let alone the readiness, of British statesmen to send forces to our aid is too dangerous a hazard on which to found Australia's defence policy," Curtin said. He called for a build-up of an Australian army, and, most importantly, an air force, as naval power would be insufficient to keep an enemy from Australia's shores.

### **The issue of defense preparedness**

Officially, Curtin's calls were ignored by the successive conservative governments of Joseph Lyons, Robert Menzies, and Arthur Fadden, who ruled from 1932 to 1941.

However, there was one significant conservative figure in Australia who was on the same wavelength as Curtin and his allies, and that was the general manager of the company BHP, Essington Lewis. A sign of how treacherous Menzies and Co. were in ignoring Australia's defense prior to World War II, is the passion with which their political ally, Lewis, began warning about the danger of impending war, and the need to build up Australia's defenses.

Following a trip to Japan in 1934, Lewis became convinced both of the danger Japan presented, and of the urgency of Australia building its own ships, but more importantly, its own air force, and airplane production capacity. His warnings were ignored, so in 1936, BHP and five partner companies formed the Commonwealth Aircraft Corporation, built a factory at Fishermen's Bend in Melbourne, and began the production of 40 Wirraway aeroplanes.

Although they proved inadequate for war, when it broke out three years later, they represented Australia's only aircraft production capability, and a base from which to produce better aircraft, which was thanks to Essington Lewis's foresight. Lewis and Curtin went on to become the two most significant Australian figures in World War II.

After making his pledge to support Britain "to the last man and the last shilling" following the outbreak of War on Sept. 3, 1939, in the years 1940 and 1941 Menzies stripped Australia of virtually all of its trained manpower, by sending the Sixth, Seventh and Ninth infantry divisions to North Africa and the Middle East. Winston Churchill had been repeatedly assuring Menzies, that Britain would send a fleet to Singapore if necessary; however, Menzies and Churchill both knew these assurances to be a lie, because as early as 1919,

the first Sea Lord of Britain, Lord Jellicoe, had made a formal judgment that a British fleet would not be sent to Singapore to meet a threat in the Pacific, if there were a simultaneous threat in Europe. In the 1930s, it was widely acknowledged that it was precisely a conflict in Europe that would encourage the Japanese to move in the Pacific. In May 1940, the British Chiefs of Staff had determined that no naval force could be sent to Singapore, and this message was conveyed to Menzies in June 1940. Then, in late 1940, a joint Australian, New Zealand, and British military conference determined that any defense of Singapore, which had no ships and no air cover, was hopeless. And despite intelligence reports of a large Japanese force massing in southern Indochina in August 1941, the British did nothing to fortify the Malayan peninsula, at the southernmost tip of which was Singapore.

It is a little-known fact that the reason Menzies was so eager to bow to Britain's demands for Australian troops, was that elements of the British establishment had tantalized him with the possibility that he might succeed Churchill as Britain's wartime Prime Minister. The vainglorious Menzies, who described himself as "British to his bootstraps," left for a four-month tour of Britain at the end of January 1941 to pursue that fantasy. Menzies was the Warden of the Cinque Ports in London, the highest British post ever held by an Australian.

### **Curtin breaks with Britain, allies with America**

So, by the end of 1941, two years into the war, Australia had no tanks, no airplanes except for a few Wirraways, no pilots, and virtually no battle-ready troops to defend the Australian continent. This was the situation facing John Curtin when he was elected Prime Minister in October 1941, and two months later, on Dec. 7, Japan entered the war when it bombed Pearl Harbor.

To us in 1999, the situation facing Curtin at the end of 1941 was clear-cut: Australia was being threatened by Japan, so bringing back Australian troops from the Middle East and North Africa, and forging alliances with the United States, all of which Curtin did, was the fairly simple and logical course of action to take. Yet, bear in mind that the conservatives had been in power since 1932 not without public support, and the mythology surrounding Gallipoli and other bloodbaths that Australians suffered on behalf of the British Empire was very strong in people's minds. Even Labor people had been sucked into a slavish devotion to the British Empire, which was the cause of the split in Labor during World War I over the issue of conscription; Curtin had gone to prison back then because of his opposition to conscription. Interestingly, the person who tried to introduce conscription in World War I, Prime Minister Billy Hughes, who was one of the founders of the Australian Labor Party, showed how deep this Anglophilia went, when he went on to co-found the United Australia Party with Robert Menzies in the 1930s.

There is a picture of Billy Hughes bowing to Britain's

homosexual World War II Field Marshall Bernard Montgomery, toward the end of Hughes life. This is a very accurate metaphor of Australian Anglophilia. Menzies had first gained national prominence in 1932, when he attacked Jack Lang's debt moratorium, by saying that he would rather see "every Australian die of starvation" than fail to honor contractual debts with Britain. The fact that after Lang was sacked by the Crown, he was voted out of office, but Menzies went on to become Prime Minister, is an indictment of the Australian people. So much for public opinion!

Consequently, the choices confronting Curtin were not simple. It is a testament to Curtin that, unlike Shakespeare's Hamlet, Curtin was willing to do what no Australian leader had done before, and that was, for the sake of Australia's security, to break—decisively—with Britain. On Dec. 27, 1941, after barely two months in office, Curtin made the following statement to the *Melbourne Herald*:

"I make it clear that Australia looks to America, free from any pangs about our traditional links of friendship to Britain.

"We know Britain's problems. We know her constant threat of invasion. We know the dangers of dispersing strength—but we know that Australia can go and Britain still hang on.

"We are determined that Australia shall not go. We shall exert all our energy towards shaping a plan, with the United States as its keystone, giving our country confidence and ability to hold out until the tide of battle swings against the enemy.

"We refuse to accept the dictum that the Pacific struggle is a subordinate segment of the general conflict. The Government regards the Pacific struggle as primarily one in which the United States and Australia should have the fullest say in the direction of the fighting plan."

Following that declaration, Winston Churchill was furious: Curtin had not only broken with the British, but had broken with the Churchill doctrine of "Germany first," under which the British had intended to hand all of the Pacific to the Japanese. Churchill denounced Curtin, and, in response Curtin accused Churchill of making Australia a "sacrificial offering" to the Japanese.

In January, Curtin demanded the return of some of Australia's battle-hardened divisions from North Africa. In February, Australia's Eighth Division was shipped into Singapore, but only days later, on Feb. 15, Singapore fell to the Japanese. The ease with which Singapore fell was a big shock, especially to the Japanese. Their forces were running extremely short on ammunition and supplies, and the day before Singapore fell, the commanding officer, General Yamashita, visited his troops on the front line and apologized that they had no ammunition, and asked them to use bayonets instead. The Japanese insist that if the British had taken minimal moves to defend the Malayan Peninsula, Singapore wouldn't have fallen. As it was, 15,384 members of Australia's Eighth Division were taken prisoner, more than a third of whom would die under brutal conditions on the Burma railway or in the

notorious Changi prison camp.

Churchill blamed the fall of Singapore on the Australians, who, he said, “came of bad stock.” As a member of the Eugenics Society, Churchill had highly developed theories on race, of a type not dissimilar to Adolf Hitler’s, so he knew all about “stock.”

Just four days after Singapore fell, on Feb. 19, Australia suffered its worst attack of the war, when the Japanese launched a devastating air strike against Darwin. The airport and port were extensively damaged, eight vessels were sunk, 243 people were killed, and there was a general scene of panic. This was the low point of the war, morale-wise. Curtin tried to put a brave face on it, but the situation was very grave. This, was Australia’s darkest hour.

### **Curtin and MacArthur**

Two days later, Curtin acted decisively again, which act turned the war in Australia’s favor. America’s greatest general, Douglas MacArthur, was stranded on the island of Corregidor outside Manila Bay in the Philippines, under heavy bombardment from the Japanese. Curtin had been in touch with MacArthur by radio, and had determined that MacArthur should be brought to Australia. When Curtin’s request reached President Franklin Roosevelt in the White House, he personally sent MacArthur the message that he was to proceed to Australia. In the words of William Manchester, MacArthur’s biographer, “It is almost certain he would have been left to die on the Rock had Australia not intervened.”

This move forced Churchill’s hand on sending Australian troops home. He had to agree that MacArthur would be given command of the South West Pacific theater from Australia, so he agreed to Curtin’s continuing demands that the Australian Sixth and Seventh Divisions be sent home, in exchange for the Ninth Division remaining in North Africa, where they were desperately needed for the Battle of El Alamein. However, after Singapore fell, Churchill unilaterally ordered the ships carrying the troops, which were already at sea, to divert course and land at Burma, using the excuse of trying to prevent the fall of Burma to the Japanese, which even his own commanders viewed as hopeless.

When Curtin protested, Churchill tried to intimidate him: “I am quite sure that if you refuse to allow your troops, which are actually passing, to stop this gap, and if, in consequence, the above evils, affecting the whole course of the war, follow, a very great effect will be produced upon the President and the Washington circle, on whom you so largely depend.”

Curtin refused to be intimidated, stood his ground, whereupon Churchill re-diverted the troop ships anyway, and cabled this very condescending message to Curtin on Feb. 22:

“We could not contemplate that you would refuse our request, and that of the President of the United States, for the diversion of the leading Australian division to save the situation in Burma. . . . We therefore decided that the convoy should be temporarily diverted to the northward. The convoy



*Gen. Douglas MacArthur (left) with Australian Prime Minister John Curtin during World War II.*

is now too far to the north for some of the ships in it to reach Australia without refuelling.”

This was Churchill at his vindictive, manipulative, and oligarchical worst; it was the English Lord steamrolling the Aussie commoner. It put Curtin in an extremely difficult position: Does he stand his ground, which is his moral right, but put the lives of thousands of Australia’s best soldiers on the line, as they travel unescorted through Japanese-infested waters on hulks running low on fuel, or does he acquiesce to the superior and more important world leaders Churchill and Roosevelt, whom Churchill claimed backed this decision? Again, Curtin acted decisively: He cabled the following reply to Churchill:

“We feel a primary obligation to save Australia, not only for itself, but as a base for the development of the war against Japan. In the circumstances it is quite impossible to reverse a decision which we made with the utmost care, and which we have affirmed and reaffirmed.”

Faced with this steadfastness, Churchill had no choice but to reverse the decision and send the troops home. The following two weeks were hell for Curtin, as the Australian troops were crossing the Indian Ocean without air cover or naval escort, and running low on fuel. Curtin barely slept, and was racked with nightmares when he did. One night after having a nightmare about ships being torpedoed and soldiers dying, Curtin confessed to a journalist, “I’m responsible for every life on those ships. If anything like that happens, it will



British Prime Minister Sir Winston Churchill blamed the fall of Singapore on the Australians, who, he said, “came of bad stock.”

be because of my decision.”

Such is the burden of leadership which Curtin shouldered, and which took a monstrous toll on his health. However, in the end, the troops made it back safely, and, under the command of General MacArthur, went on to fundamentally change the course of the war in the Pacific.

MacArthur arrived in Australia on March 17, 1942. On March 20, when he caught a train from Alice Springs to Melbourne, he was given a status report on Australia’s defenses: there was less than the equivalent of one American division, virtually no planes, and most of Australia’s experienced troops were still abroad. After getting the report, and having seen the devastation in Darwin, and probably wondering why on earth Australia didn’t have a railway line all the way to Darwin, MacArthur could only say, “God have mercy on us.” In his biography, MacArthur would later say of the condition of Australia left by Menzies, “It was the greatest shock of the whole war.”

## Economic mobilization

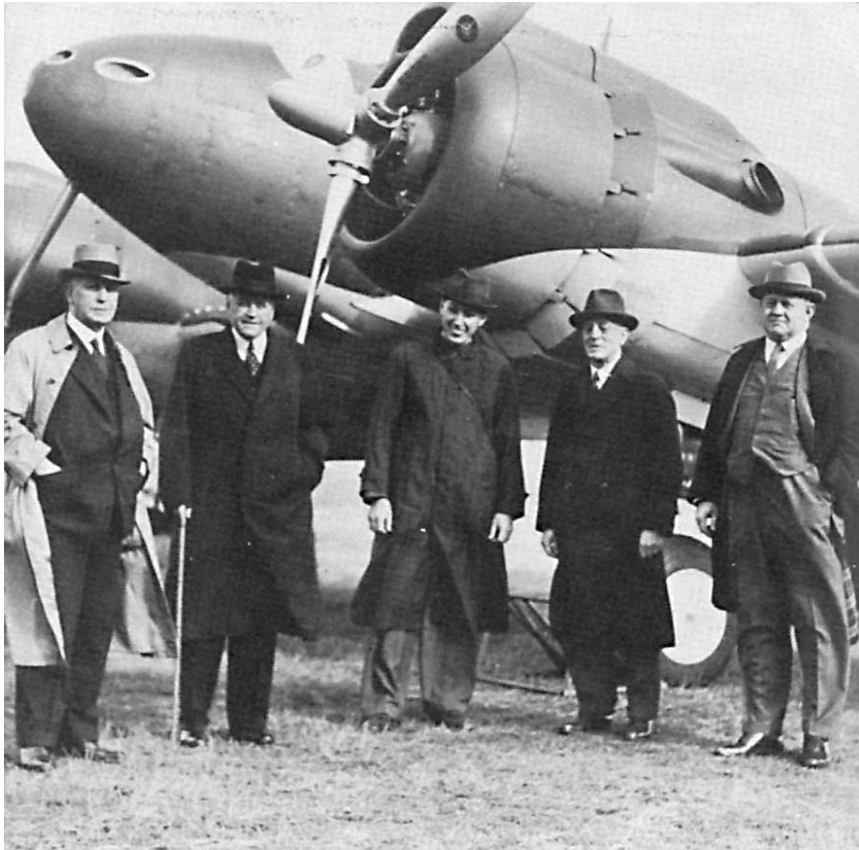
With the arrival of MacArthur in Australia, the leadership triumvirate that was to lead Australia to victory in the war was complete: The other two members were, of course, Prime Minister John Curtin, and BHP’s Essington Lewis, who was the Director General of Munitions. MacArthur was the brilliant military leader, Curtin was the political leader, and Lewis, who was a legendary business figure, having turned BHP from a mining company into a steel giant, and Australia’s largest company, was in charge of Australia’s economic mobilization for the war effort.

Lewis had been appointed Director-General of Munitions by Menzies in May 1940. Prior to that, apart from his efforts to establish an aircraft industry in Australia, he had been chairman of the Commonwealth Advisory panel on Industrial Or-

ganization since 1938, which was a panel of businessmen who advised the government on how to mobilize private industry for the war effort. Lewis would go on to do a superhuman job during the war, but he was already a legendary figure at the time he was appointed. Under his leadership, he had turned BHP from a mining company into one of the best, if not the best, steel companies in the world. It was certainly the most efficient, selling the cheapest steel in the world by 1939. By the time Japan entered the war in 1941, BHP was producing more steel than the country needed. According to war historian Professor D.P. Mellor in his official record of the war mobilization, entitled *The Role of Science and Industry*, “On the whole, the steel industry, the cornerstone of the country’s industrial structure, was more nearly ready to meet the shocks and stresses of war than any other.” Since BHP was the steel industry, that was entirely due to the leadership of Essington Lewis.

Lewis was a central player in what became the political scandal of the 1930s, and that was the “Pig Iron” Bob saga. Wharfies at Port Kembla in 1938 refused to load pig iron onto a ship going to Japan, in protest at Japan’s occupation of Manchuria, and the potential threat it posed to Australia. The pig iron was from BHP. As Attorney General, Menzies introduced draconian laws to discipline the union, and a strike ensued, which wasn’t settled until the beginning of 1939, after which the ship was loaded, but that was the last shipment of pig-iron to go to Japan until 1960. Menzies became known as “Pig Iron” Bob, and Menzies and BHP have gone down in history together as being unwilling to face the reality of the Japanese threat. However, while that was true for Menzies, BHP and Lewis had an entirely different motive. Bearing in mind that it was Lewis who was almost singlehandedly using BHP to prepare for the inevitability of war, Lewis’s attitude was that by selling Japan pig-iron and iron ore, his company was making profits which it needed to strengthen Australia’s steel industry, and to set up aircraft, munitions, and other essential industries, all of which it was doing without any government aid, so any revenue was welcome.

Of course, Lewis was a logical target for unions, because, as head of BHP, he was very close to the conservative side of politics, as well as the financial establishment. He was a personal friend of people like the Governor-General, the British head of Imperial Chemical Industries, or ICI, and W.S. Robinson, the founder of Western Mining Corporation. He was also very anti-Labor, believing that government shouldn’t meddle in business. He was especially opposed to Jack Lang when he was Premier: Since Lang had fought so hard against the austerity measures that would slash the people’s living standards during the depression, New South Wales had a much higher living standard than any other state. For a big steel company like BHP, this meant paying wages for their workers at Newcastle that were 45% higher than in the other states they operated in, like South Australia. Lewis was overjoyed that Lang was removed from office. He told a



*Industrialist Essington Lewis (right), Australia's wartime Director General of Munitions, with a plane built by his company BHP.*

friend at the time: "On Saturday last, Australia was relieved of one of the greatest, if not the greatest, political incubus with which she has ever been blessed."

At the onset of the war, it was universally recognized, even by the Menzies government, that Australia was extremely ill-prepared. So, with his political leanings, as well as his awesome business reputation, it's not surprising that Menzies turned to Lewis to lead the mobilization. At first, Lewis's appointment came under a lot of criticism from some Labor leaders, like HV "Doc" Evatt, as being a conflict of interest. He was accused of using his position to give extra business to BHP. This could easily have been the case, because, under the national Security Regulations that governed his appointment, Lewis became known as Australia's "industrial dictator." According to Professor Mellor, this was "the most responsible position of its kind ever allotted to an Australian." As head of the Department of Munitions, of which the Prime Minister himself was the ministerial head, Lewis controlled the production of all ordnance, explosives, ammunition, small arms, aircraft, and vehicles, and all the materials used in producing such munitions. Anything he deemed to come under the category of munitions—absolutely any-

thing—was earmarked for the war effort, and under his personal control. For example, if Lewis decided that beer was munitions, it was munitions. He was given a seat on the Defence Committee and the same access to the war cabinet as the chiefs of staff of the armed services. However, unlike the chiefs of staff, he was exempt from the rules that regulated all public servants. Under new national security regulations, Lewis's directorate was given far-reaching powers. In carrying out his mission, Lewis could acquire factories, machines, tools, inventions, or raw materials. He could compulsorily acquire any buildings. He could issue contracts to any firms without calling tenders. He could spend as much as 250,000 on any project without seeking the minister's approval. And he could delegate his power to any subordinate and then revoke that power at will.

With all this power at his disposal, Lewis could very easily have become corrupt, but there is absolutely no evidence of this. In fact, BHP, which he was still managing director of, suffered a fall in profits every year during the war years, although steel demand greatly increased. Lewis refused a salary from the government, and continued to be paid

by BHP during his entire time as Director-General of Munitions.

The first changes Lewis made was to his own thinking. The abject failure of the conservative governments to prepare for the impending war made him rethink his long-held opposition to government intervention in the economy. In fact, he didn't just modify his views, but became a staunch advocate of active government intervention, even when the war ended. His role, of course, was to lead the most interventionist government program in Australian history, so he could hardly hold contradictory views. It is a measure of the leadership qualities that, when the circumstances demanded it, he was able to review his own thinking. In reviewing his mandate, Lewis quickly realized he needed more organizing capacity if he was to be successful, so he expanded his directorate by recruiting, from private industry, the most talented industrialists and organizers ever assembled in one Australian team. Lewis's deputy was a chemical engineer named Noel K.S. Brodribb. He appointed the Chairman of the Victorian Railways Committee, Harold W. Clapp, as director of aircraft production; he appointed the managing director of General Motors Holden, L.J. Hartnett, as director of ordnance produc-

tion; as director of the production of gun ammunition he appointed W.J. Smith from the diverse manufacturing firm of Australian Consolidated Industries; Sir Colin Fraser of Broken Hill mining was appointed director of materials supply; a leading Melbourne accountant and businessman, E.V. Nixon, became director of finance; and Colonel Fred Thorpe, a military engineer with wide business experience, became director of machine tools and gauges. New directorates were added later to cover armored fighting vehicles, radio and signal supplies, locomotives and rolling stock, small craft, and several administrative areas.

As Director of Labour, Lewis appointed former locomotive driver and Defence Minister, and future Prime Minister Ben Chifley. Interestingly, this organizational structure, as well as the personnel to fill the posts, were the idea of John Jensen, the assistant secretary of the Department of Supply, who became the secretary of the Munitions Directorate.

Jensen had first proposed the idea to the government in 1939, but it was rejected because, as we have seen, defense organization wasn't Menzies's highest priority. However, when Jensen proposed it to Lewis upon his appointment, Lewis immediately saw its potential. The first meeting of this board of directors, on June 25, 1940, lasted from 8 p.m. to midnight. Lewis opened the meeting by reading from a long list of likely demands for arms and ammunition, ranging from 252 anti-aircraft guns to 575 million rounds of small arms ammunition. Most of the weapons on the list had never been made in Australia, and could only be made with special machine tools, skills, and raw materials. That was only one of the problems he handed to his directors in the first meeting. It was these men, and this organization, who created the economic miracle that was Australia's World War II mobilization.

Australia's mobilization was globally impressive, not so much for its volume of production, but for its variety. The 150,000 men and women in Lewis's munitions department produced 3,500 aircraft of all types—trainers, and Beaufort and Lincoln bombers.

They produced a wide variety of munitions, ranging from grenades, land mines, and ammunition for weapons ranging from rifles to anti-aircraft guns. They produced some 400,000 .303 rifles, and batches of machine and sub-machine guns including the famous Owen gun that was designed in Port Kembla, a variety of heavy guns ranging from 4-inch naval guns for naval and merchant ships, to anti-tanks guns and anti-aircraft guns. When gun production seemed about to be jeopardized because of a lack of optical instruments, which was a highly sophisticated industry that till then Australia had no experience in, Lewis deployed his department to create an optical industry, and they produced periscopes, bombsights, range finders, and telescopic sights. When tanks couldn't be imported, the department built them; when Australia was short of torpedoes, Lewis made them.

## Gearing up to produce machine tools

The economic success can best be seen in the machine-tool sector, one of the highest priority areas of the economic mobilization.

At the beginning of World War II, there were only three real machine-tool manufacturers in Australia: McPhersons, W.G. Heine and Sons, and W.G. Goetz and Sons. A bigger problem was that none of the machine tools produced locally were of munitions quality, and only 15% of the 40,000 machine tools in Australia at the time were, obviously an intolerable situation at the beginning of a war. What happened next was nothing short of amazing.

The Federal Government set up the Commonwealth Machine Tools Committee in March 1940. This became part of the Department of Munitions, under Lewis. Lewis's appointee as director of Machine Tools and Gauges, Col. Fred Thorpe, was recognized as the leading authority on machine tools in Australia. He had been advising the government for quite a few years previously, and knew intimately what Australia's capacity was. The Directorate was afforded very wide-ranging powers under the National Security regulations.

Statutory Rule 118, Regulation 59B read: "After the date on which this regulation comes into operation, a person shall not, without the consent of the Minister of State for Munitions, for the purpose of manufacturing or producing any article or a new design, make, at a cost exceeding one hundred pounds, any alteration in or re-adjustment of any machinery, or provide or install at a cost exceeding one hundred pounds any machinery, tools, jigs, dies or fixtures differing from those used by that person prior to that date." The purpose of this regulation was to ensure that any available machine-tool capacity in the country was known about, and deployed to the war effort.

This was the result: D.P. Mellor, in *The Role of Science and Industry*, writes: "The years 1942 and 1943 witnessed an astonishing increase in the number and variety of locally-made machine tools. There was also a great deal of ingenious improvisation in the use of existing machines. Precision tools of a kind whose local manufacture would previously have been regarded as impossible became almost commonplace.

"At the peak of production in 1943 some 200 manufacturers employed 12,000 persons for an annual output of 14,000 machine tools. By the middle of 1944 what had been Australia's greatest single technological weakness had become a major source of strength. This remarkable transformation owed much of its momentum to the drive and energy of Colonel Thorpe. Over the whole war period the value of machine tools made in Australia was approximately 23 million. Australia's needs were met and orders were delivered to the British Army in Egypt, to South Africa, New Zealand and India. From making a few machines of medium size Australian manufacturers attained the position of being able to make preci-



*A comment on Australia's manpower shortage, as working women shifted from domestic employment to industrial production.*

sion tools of a size and quality that compared favourably with other nations."

Here are some examples of what was done:

"In a very short time a large number of firms, from Kalgoorlie in Western Australia to Mackay in Queensland, were busy making machine tools to a precision and on a scale that would scarcely have seemed possible a few months earlier. Forty 1,000-ton power presses, thirty-five 1,500-ton and four 3,000-ton hydraulic presses, rolling mills, bulldozers, excavators, brown coal briquette presses, drop hammers, sheet metal presses, and forging presses were among some of the important machines made. Others included a complex shell-forging machine; a lathe of 36-inch centre by 100-foot bed, costing £55,000—the largest ever made in Australia; lathes with 36- and 48-inch centre with 50 foot between. The first of these was completed at the Ipswich Railway Workshops with the aid of 90 firms from nearly every state of the Commonwealth. It weighed 132 tons and required 8 large railway trucks to transport it to Victoria. . . . Some of the machines were built with remarkable speed. A steam, hydraulic, 2,000-ton forging press weighing 80 tons was built and in operation fourteen weeks after its construction was begun. Eight to twelve months would have been a reasonable period to build this machine in time of peace."

By 1943, Colonel Thorpe wrote:

"There is, generally speaking, no machine too large or too

intricate for the Australian engineer to tackle, if the need is sufficiently urgent. . . . There are now available through the co-operation of manufacturers, engineering shops, certain garages, instrument makers, tool-making establishments and others, more than 180 organizations producing tools and gauges to the extremely fine tolerances demanded by modern engineering practice and munitions manufacture." In 1944, an Englishman who was visiting Australian factories was surprised to find that of the 52,000 complex machine tools at work, seven out of every ten had been made in Australia. Australia's worst weakness had been turned into its greatest strength.

Within six months of his appointment, Lewis had quadrupled munitions production, but almost all of it was shipped to Europe. This was the case until 1941, when Curtin became Prime Minister. Curtin's break with Britain, and his prioritizing of the Pacific theatre, saw more demands placed on Australia's munitions production, but also more effective application of the product. There was some doubt about how well Lewis would work with a Labor government, considering the way certain members like "Doc" Evatt had attacked him.

However, Curtin displayed his attitude toward Lewis by, instead of removing him, doubling his responsibility. For some crazy reason, Menzies had removed aircraft production from Lewis's responsibility; upon coming to power, Curtin



created a Department of Aircraft Production, and made Lewis the director, with the same powers he had as Director-General of Munitions. Essington Lewis and John Curtin had no problems with fighting to reach objectives. In a speech during the war, Curtin called for raising money from the public through the loans.

“My lord mayor, men and women of Australia, for I’m speaking now to everybody in this commonwealth wherever he or she may be.

“The full cabinet today, directed the war cabinet to gazette the necessary regulations for the complete mobilization and the complete ordering of all the resources, human and material, in this commonwealth for the defence of this commonwealth. That means clearly and specifically, that every human being in this country, is now whether he or she likes it, at the service of the government to work in the defence of Australia. Money, machinery, buildings, when, whatever it may be, when so required to be diverted to purposes of war must on the immediate direction of the government be so diverted to the purposes of war. That’s clear cut, that’s decisive.

“The enemy rests on upon a totalitarian basis, he uses everything, this country therefore uses everything in resistance to him.”

Lewis was equally forthright, which is probably why he and Curtin got along so well with him: On a tour of one aircraft factory, which he did constantly, spending countless hours during the war flying from factory to factory to have a hands-on sense of what was happening, he asked the foreman, whom he knew by name, when a certain project would be completed. When he was told that it would be completed by Christmas, Lewis said to him, “Christmas falls in October this year.”

Lewis also hated bean-counters getting in the way of the job. He once said, “Accountants can prove that nothing is possible.” When Chifley was his Director of Labour, Lewis had got along very well with him, and he developed a similarly close relationship with Curtin. He deeply respected John Curtin and Ben Chifley, and they him. In fact, as a sign of how highly Curtin regarded Lewis, Curtin recommended him for a knighthood, something the ALP never did, but which Curtin thought Lewis would appreciate, given his conservative background. However, Lewis rejected it, as, like Labor, he hated pretensions.

## Winning the war

Lewis’s achievements on the domestic front enabled the war effort to be effective. Under General MacArthur, Australia’s returned battle-hardened soldiers and the newly recruited militias were able to turn the tide against Japan. MacArthur had ripped up Kitchener’s Brisbane Line strategy within weeks of arriving in Australia, and decided instead to meet the Japanese advance in Papua New Guinea.

Backed by American logistical support, Australian troops carried out some of the toughest fighting of the entire war in the swamps and jungles surrounding the Kokoda Track. In

May 1942, American ships stopped the Japanese attempt to take Port Moresby in the Battle of the Coral Sea. At the Battle of Midway in June, the Japanese lost four aircraft carriers, and the momentum of the war began to shift. In August, in ferocious fighting at Milne Bay in Papua New Guinea, the Australian Seventh Division stopped another Japanese attempt to take Port Moresby, which was the first time in the war that the Japanese had been defeated on land.

The war would drag on for three more years, until MacArthur’s famous island hopping finally saw the Japanese defeated. Japanese commanders reported after the war that they had been stunned by the MacArthur-led Australian strike into Papua New Guinea, and that it had disrupted their entire timetable for the war. In retrospect, perhaps it wasn’t fair to the Japanese to let them think that all Australian leaders were treacherous royal brown-nosers like Robert Menzies. What is clear, they certainly hadn’t reckoned on being confronted with the powerful combination of John Curtin, Douglas MacArthur, and Essington Lewis.

John Curtin died suddenly on July 5, 1945, just one month before the Japanese surrendered. MacArthur said of him, “He was one of the greatest of wartime statesmen, and the preservation of Australia from invasion will be his immemorial monument.”

It has been said of Curtin many times that “he saved Australia,” and undoubtedly, this is true. It was his decisive action at critical times during the war, in particularly his break with Britain, his request for MacArthur, and his resoluteness against Churchill, that was the critical factor in Australia’s wartime mobilization.

Yet Curtin’s decisiveness wasn’t exactly one of his character traits. In fact, he was constantly racked by self-doubt and depression, which saw him grapple with alcoholism for many years. In the end, these emotional problems took their toll on his health, and he died well before his time. So, in other words, what Curtin had to do, wasn’t easy for him. He did it anyway, because he had a mission. Curtin knew that what he stood for was right, and his decisions were right, and that, by virtue of this knowledge, he was the person called upon to stand up when it counted, and lead his country through its most trying time. An insight into the philosophy that guided him comes from a speech he made on Ideals in the early 1900s, when he was a young man.

Curtin concluded the speech, “Let your highest ideal be what Christ showed most—an infinite pity for the people and a hatred of injustice. Enthroned this ideal in your hearts and you will find your work. Your voice, perhaps your pen, will smite injustice and tyranny; your truest prayers will be ardent work for others and that trembling, cowardly, introspective gazing into your own soul to find out whether you are the Lord’s or whether you are not, will give place to a brave endeavour and a noble and constant self-sacrifice which shall consume your being with enthusiasm and make life really worth living.”