

Australian Catholic social justice and the Labor Party, 1900-1940

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In Europe in the early twentieth century, Catholics like Sangnier and Cardijn were concerned about justice for the workers and they had a plan on what to do about it. At the same time in Australia, Catholics were also concerned about justice for the workers and acted to do something about it. But the political context of the two continents was completely different, and so were the plans. Or maybe the plans were not so totally different as it might appear at first; we'll think about that as we go on. The Australian plan had a lot less theory and a lot more pragmatism and politics, and a lot more success in implementation.


Say you're a Catholic or fellow-traveller in the early decades of the twentieth century who thinks about how society should be more justly organised. You don't like unrestricted "laissez faire" or "rampant" capitalism, and you're suspicious of state socialism and revolutionary change too. What are your alternatives? Of course there are quite a few, but let's oversimplify to just two: 😊 They start in the same place, rejecting extreme capitalism and socialism. 😊

European/Melbourne Plan	Australian Plan (Sydney version)
Reject laissez-faire capitalism and state socialism	Reject laissez-faire capitalism and state socialism
Distributism	Regulated capitalism/market socialism
Cooperatives, worker ownership, rural communes	Restrict ownership with min wage, regulations, tax, govt enterprises
Intellectuals write magazine, evangelise workers	Workers organise unions and party, get elected, legislate program
Fight apathy, Vatican fatwas, internal splits ...	Maintain tight party organisation, ally with politically active bishops

Lose working class	Represent working class politically
Marginalisation, near-failure	Success beyond wildest dreams

The basic idea of Distributism is to democratise ownership (e.g. with small proprietors, cooperatives, workers having a say in control of industry.) As the leader of the anti-Communist Movement in Sydney, Dr Paddy Ryan, put it, “The trouble with capitalism is that there aren’t enough capitalists.” You need lots of little owners.



So having decided on that theoretical position, you set up a magazine, like Sangnier’s *Le Sillon* or the *Catholic Worker* in Melbourne in the 30s, and you put the message out to workers. 

It’s observed that it didn’t work very well, what with lack of impact among the workers, suspicions from conservative forces in the Church, cooperatives not being very economically successful, distractions with communism, splits and so on. Race Mathews says

“The question to be addressed is how a cause and convictions so recently in good standing in the eyes of many Australians [i.e. Distributism] could have been erased from the nation’s political agendas and public consciousness so totally for all practical purposes as if they had never existed.”¹

(actually I’m not sure distributed ownership is quite as dead as claimed: half of Australians own shares and Macquarie Bank is called the “millionaires factory” because a lot of staff share in the winnings – but maybe that’s not quite what Distributism had in mind)



The alternative, which is the main subject of the talk, is one there isn’t a standard term for, but let’s call it Regulated capitalism or market socialism. Maybe it’s much the same as what’s sometimes called democratic socialism or social democracy, but those terms are

¹ Mathews thesis Manning’s Children

confusing because they refer to politics whereas here we're talking about economic organisation.




The basic idea of regulated capitalism or market socialism is that instead of distributing ownership you distribute money and protections: Capitalists are allowed to keep "Ownership" but what ownership means becomes very restricted. By these means:

- regulation (e.g. industrial safety laws, duty of care laws, banking regulations, laws on working hours and child labour, disclosure, truth in advertising, pollution laws, antitrust laws.
- minimum wage rates and later compulsory superannuation
- more recently employment law like expectations of career paths, training, mentoring, bonuses, diversity and inclusion, anti-bullying and harassment, unfair dismissal laws
- high taxes spent on the welfare state
- organised labour is allowed to negotiate with owners from a position of strength



To cause these wonderful things to happen, the plan was that the workers should organise unions; the unions should sponsor a Labor Party with parliamentary members tied to voting for party policy; the party should campaign and get elected; then it should legislate its program.



It should maintain tight organisation, gain the mass votes of the working class and with luck find some support from onside bishops.  The result should be – well it was – success beyond the originators' wildest dreams.

To state the obvious, of the four economic plans (extreme capitalism, extreme socialism, distributism and regulated capitalism, the latter is closest to what we've actually got. I fear people are not looking around and seeing that. It's probably for the reason explained in this old joke: Two young fish are swimming upstream. They meet an old fish going downstream

who says “Enjoy the water, boys.” They swim a bit more and one says to the other “What’s water?” What’s regulated capitalism? You’re swimming in it.



That’s the theory, now let’s get to the history, that is, the history of Labor politics in Australia from 1890.

There are two strands, a Labor Party history one and a Catholic one. Down the track they merge but to begin with they were separate.

First, the favourable background for Labor politics in Australia:

Before 1890, there was close to universal male suffrage. As the British Prime Minister Lord Salisbury said, if you gave everyone the vote the lowest class would have a majority and just vote all the treasury to themselves; certainly, the poorer classes have an advantage. And from the time of the Gold Rushes and before, there were frequently shortages of labour, especially skilled labour, also giving workers an advantage. Workers could and did become premiers, even Catholic ones – as Patrick Morgan points out, back in Ireland the Irish had made little political progress in seven centuries, but Victoria had an Irish Catholic premier only twenty years after Melbourne was founded. Australia was founded as a government entity and was used to large-scale government enterprises, such as the state railways and education systems. And the Selection Acts were more radically socialist than many later proposals – they said anyone could just go and take some of the large landed estates. An eight-hour day was achieved by Sydney stonemasons in the 1850s and was spreading. There weren’t 10-year-olds in coalmines. It might not have been exactly the working-man’s paradise, but the balance was better than in most countries.

Then in the 1880s the capitalists became alarmed by the rapid spread of unionism and especially closed-shop unionism, and decided to take a stand. In the 1890s dock strike and shearers strike they took on the unions and won. The response of the labour movement was to move to parliamentary political action. The story is told in excellent detail in Bede Nairn’s

Civilising Capitalism – thanks to Michael Easson for calling my attention to that. 

In Sydney the union movement organised the Labor Electoral League for the election of 1891. They were surprised at their immediate success, gaining 35 members out of 141 Legislative Assembly seats and holding the balance of power. It's regarded as the foundation of the Australian Labor Party and their success continued with ups and downs more or less to the present day.

So the question for Labor was what their position and platform would be. If it were France, you could read all about the vicious internal debates about degrees of socialism in their theoretical organs. But this is Australia, where everyone claims to be "pragmatic". (I don't really believe in the distinction of theory and practice: it makes sense in theory but in practice doesn't. A "pragmatic program" is just a piece of theory you think might get up.) Early Labor did have a coherent position, and you can see it in the 1891 Platform of the

Labor Electoral League. 😊 Labor policy didn't deviate much from the tone of this in later years. The main writer was Peter Brennan, one of the rare Catholics in the early Labor movement (the religious background of the early Labor men was more commonly

Methodist.) Here are some selections from the platform: 😊

1. Electoral reform (abolition of plural voting ...)
2. Free, compulsory and technical education ...
3. An eight hour day across the board
4. Workshop and Factories' Act ... supervision of land boilers and machinery
7. Repeal of the Masters and Servants Act (which gave excessive rights to "masters")
9. Establishment of a Dept of Labor, a National Bank, and a national system of water conservation and irrigation
10. Federation "on a nationalist as opposed to Imperialistic basis"
13. A tax on capitals gains in land value
15. Stamping of Chinese-made furniture

(Some absences of note are pensions and nationalisation.)

Labor's consistent electoral success and internal party unity with caucusing was able to extract concessions from governments who needed their support. For example the Lyne government in NSW in 1900 granted non-contributory aged pensions. Their greatest success was with the Fisher federal government of 1908-9 and 1910-13, which was the world's first national Labor-majority government. Everyone was interested to see whether such a thing was possible or whether the sky would fall in.

The Fisher government instituted some quite serious reforms, and by and large they weren't repealed:

- Non-contributory old age and disability pensions
- Maternity allowance of £5 to mothers (including unmarried ones)
- The arbitration system extended to agricultural workers, domestics, and federal public servants (the Harvester minimum wage case of 1907 was a uniquely Australian way to go about things. According to classical economists fixing wages for moral reasons is both impossible and harmful, but it appeared to work)
- Foundation of the Commonwealth Bank (with savings and general business, govt guarantee, agencies in post offices) So we're not talking a level playing field here
- Land tax to break up large estates (one socialist measure that capitalists really don't like is a tax on assets as opposed to sales or profits)

Those measures are quite seriously socialist in one sense, but they don't abolish private property or literally nationalise businesses. One observer quite unhappy with the result was

Lenin. In a short piece in *Pravda* in 1913, he asked: 😊

"What sort of peculiar capitalist country is this, in which the workers' representatives predominate in the Upper house and, till recently, did so in the Lower House as well, and yet the capitalist system is in no danger?"

That's a good question, Vladimir Ilyich. He goes on to say: 😊

"Those Liberals in Europe and in Russia who try to 'teach' the people that class struggle is unnecessary by citing the example of Australia, only deceive themselves and others."

He's right to be worried. If redistribution of wealth is proved to be possible without the revolution he's selling, he has a problem.

The later history of Labor politics is largely more of the same and we don't have time at the moment to say more. Let me go to the other stream of early Labor history, the Catholic one.

As is well-known, Leo XIII wrote an encyclical, *Rerum Novarum*, in 1891, on the rights of labour and the need for a more cooperative organisation of society than the ones represented by extreme capitalism and extreme socialism. As is also well-known, 99% of Catholics since have had no knowledge of or interest in this theory or indeed in the questions that it answers. Of those who did take an interest, you are familiar with the Distributists, such as Chesterton, Cardijn and the Australian ones that are the subject of Race Mathews' book, *Of Labour and Liberty: Distributism in Victoria*. But here I am looking at another strand, which threw in its lot with political Labor. It was led by four archbishops, who took their support for Labor very seriously indeed, and did so more publicly than would be considered acceptable now. They are Cardinal Manning, Cardinal Moran, Archbishop Mannix and Archbishop James Carroll (Gilroy's coadjutor in Sydney). 😊

Manning, Moran and Leo XIII had been connected in Rome a couple of decades earlier when they were fixing up the declaration of papal infallibility, but around 1890 they saw eye to eye on the rights of workers. Here are a few thoughts of Moran. 😊 On the strike of 1890 (of course before *Rerum Novarum*) he says:

"I see no reason why labour should not combine. The present labour organizations are really only the old Catholic guilds under another name. Those guilds were formed to protect the workman from tyranny, and to secure to the workman just payment for his skill and labour."

When Labor had electoral success in 1891, he was onto it: 😊

"May I not congratulate Australia, in that, though the youngest on the roll of nations, she has been the first to add the strength and vigour of a labour party to her Parliamentary representatives?" Like Pope Leo, he was in favour of cooperation instead of class war: 😊

“But the labourer should bear in mind that when he has redressed those laws and secured his rights, all antagonism should cease. It is his own interest that it should be so, lest pursuing capital with enmity, in the proverbial phrase, he kill the hen that lays the golden eggs.”

The Labor Party was unsure if it wanted sectarian support, but he gave it anyway. These are his comments of 1902: 😊

“Our Labour Party does not cherish any vague theories, any ambiguous and high-sounding formulae. Its object is precise reforms, and concrete measures in favour of the toiling masses ... If we showed aversion to the labour movement we would drive the toiling masses from the Church, which would become unpopular, but do not imagine that our sympathetic attitude towards this movement is one of opportunism, or that it is a kind of apostolic manoeuvre. No! It is with our whole heart that we sympathise with the rise of the people.”

Labor had a perennial theoretical issue over its “socialisation objective” which became part of its platform when it briefly veered towards more extreme socialism in 1897. It appeared to call for the nationalisation of all industry, which was probably not compatible with Catholic commitment to private property. Angst about it broke out every so often, for example in 1905 when a Catholic layman alleged Labor were now “undisguised socialists”



(- which apparently implies they’d been doing a good job disguising it so far.) Chris Watson, who’d recently briefly been the first Labor Prime Minister, wrote to Moran to assure him that Labor’s socialism wasn’t serious, and Moran came to the party with a rather surprising comment:

“But if men in the advancement of their political interests choose the name of Socialists, I say again what’s in a name if the false maxims of Communism are not adopted by those men?”

All was one big happy family and from around 1910 there developed the close connection between the Catholic working class and Labor that persisted into the days of the Cahill government in the 1950s. It’s epitomised by a story from Marrickville in the 20s – possibly apocryphal but it’s very old and embodies people’s perceptions: a woman member arrived at a Labor branch meeting late and a little flustered. She accidentally genuflected. Everyone

laughed and she said “Well, it’s all the same faces.” My story of the Catholic lay associations and the Cahill government is in this book. 😊 (The organization in the cover photo is the Catholic Boy Scouts – there was a Catholic organization for everything.)

I’ll finish with something about Mannix. He’s significant not only for what he said but because he inspired some genuine men of action. In 1917, the year he succeeded as Archbishop of Melbourne, he gave a long speech on “Catholic principles”, which covers many issues but has a considerable section on labour questions. It includes: 😊

“The Church stands, first of all, for the worker’s right to a living wage. Leo XIII seems to have opened the eyes of the world ... Governments are bound to provide against unemployment ... we have many who value religion mainly – perhaps solely – for keeping the proletariat quiet ... What wonder if idle, starving men find themselves driven into socialism?”

He gained an enthusiastic following among the workers (despite his own patrician background and demeanour). When the British Government urged the Vatican to rein him in for his inflammatory speeches on Irish republicanism, the Secretary of State replied that it was rather awkward: 😊

“it must not be forgotten that Monsignor Mannix, wrongly or rightly, enjoys a great influence upon the working classes – proofs of this are the imposing and clamorous demonstrations of Melbourne and Sydney – therefore, severe measures taken against him by the Holy See, would undoubtedly aggravate the situation and create grave difficulties for the Government itself.”

(Couldn’t have happened in France.) Here he is with the workers in Broken Hill, 1922

(Mannix in the middle) 😊 He was still going in the 1930s. This is from an account of his speech in Newcastle in 1938: 😊

“It is the big financial experts of the world who control the money. These are the people to whom the Pope has addressed his most caustic remarks, and these are the people who will have to release their grip of the world.”

Mr. B. A. Santamaria, M.A., LL.D., proposing a vote of thanks, said that the three

requirements for social justice in Australia were redistribution of income, redistribution of property, and the installation of vocational groups as the controlling force in industry.

The mention of Santamaria is a reminder that Mannix had a very long political reach through his influence on three men who rose to political prominence: 😊 James Scullin, Australia's first Catholic Prime Minister (and that was something possible in Australia decades before other Anglophone countries); Arthur Calwell, Australia's first Minister for Immigration and later Opposition Leader; and B.A. Santamaria, leader of the Movement. We don't have time to tell their stories but they're well known. (I promise a short biography of Calwell soon.)

The take-home message is this:

Rerum Novarum urged that society be arranged in a cooperative way that avoided the extremes of laissez-faire capitalism or state socialism. The dominant right wing of the Australian Labor Party developed a consistent ideology that did that, but in a different way from distributism. It proved politically very successful, and it's a major cause of the fairly successful regulated capitalism or market socialism that we live in today.