

# Jim Cairns: The Dreamer

John Hawkins<sup>1</sup>

Jim Cairns was the only academic economist to become Treasurer. But despite his qualifications, even his own assessment was that his tenure as Treasurer was unsuccessful. While a driving force behind the 1974 budget, he was Treasurer for only seven months and was one of only a handful of Treasurers not to bring down a budget. Cairns was an idealistic dreamer, but did little to realise his visions of a fairer society during his troubled treasurership.



---

1 At the time of writing the first draft of this article the author worked in the Domestic Economy Division, the Australian Treasury and an abridged version appeared as Hawkins (2007). Thanks are due to Barry Cairns and Selwyn Cornish for helpful comments but the views in this article are those of the author and not necessarily those of the Australian Treasury.

## Introduction

Jim Cairns is today best remembered, or at least most fondly remembered, for his role in the protest movement against the Vietnam war, leading a crowd of 100 000 through the streets of Melbourne.<sup>2</sup> Cairns was the only Treasurer to earn a PhD in economics, and the only academic economist to become Treasurer. He once said to Bill Hayden, however, that he was more of an economic historian and found some aspects of economics confusing.<sup>3</sup> He was a prolific author.<sup>4</sup> Despite his academic qualifications, even his own assessment was that his tenure as Treasurer was unsuccessful. He was one of only a handful of Treasurers not to bring down a budget.<sup>5</sup>

## Cairns' early days

James Ford Cairns was born in Carlton on 4 October 1914. His parents, James John Cairns and Letitia Ford had married on 30 April of the same year. His father left to fight in World War I and chose not to return to Australia. Unusually for the times, Cairns consequently grew up in a home dominated by women and spent his childhood on a farm outside Melbourne before attending Sunbury State School and Northcote High School.

He first showed some interest in economics as a teenager during the Depression. A teacher gave him a copy of William Morris' Utopian novel *News from Nowhere*. In 1930 he suggested as a topic for a school debate 'that prevention of depression requires more money to spend, not less' and successfully argued the affirmative. But he was not a keen student, taking a greater interest in athletics. This was a long-standing passion. He won the Victorian decathlon championship in 1938 and might have represented Australia in the 1940 Olympics had they gone ahead.

After leaving school, he worked as a clerk in 1932-1934 and a policeman 1935-1944, where he won commendations for his performance, notwithstanding some misgivings about the nature of the work. Cairns joined the army briefly in 1945 but the war ended shortly after. In 1938 he had met Gwendolyne Robb and they married on 7 February 1939. Jim and Gwen had no children together, but brought up two boys, Philip and Barry, from Gwen's annulled former marriage.

Cairns started studying economics by reading two old texts in the late 1930s; Henry George's radical *Progress and Poverty* of 1879 and Alfred Marshall's classical *Principles of Economics* of 1890, moving on to Keynes' *General Theory* in the early 1940s. These must have stimulated his interest, for he subsequently enrolled as a part-time student for a Diploma in Commerce at the University of Melbourne in 1941.<sup>6</sup> He had also been influenced by his own experiences of the Depression: in 1931

---

2 His predecessor as treasurer, Frank Crean (1983, p 8:19) said 'Jimmy Cairns was a kind of folk hero'. The main march was in May 1970 and there was another in November that year.

3 Hayden (1996, p 178).

4 The National Library catalogue lists 17 full-length books by Cairns, including one co-written with his wife Gwen, as well as numerous shorter pamphlets and speeches. This makes him the most published of the Australian Treasurers. A study by the Parliamentary Library (which excluded self-published works) had Cairns ranked equal second (out of almost 1500 parliamentarians) with his contemporaries 'Doc' Evatt and Paul Hasluck for number of books written.

5 The others were Chris Watson whose pioneering Labor government only lasted a few months, Percy Spender, and two Prime Ministers (Whitlam and Hawke) who held the position for a few days before appointing a treasurer. Alexander Poynton did not deliver a budget while Treasurer, but did present one later. A later treasurer, Ralph Willis, quoting Tacitus said of Cairns as treasurer 'everyone would have said he was qualified for the job if he had not held it'; Willis (2013, pp 124-5).

6 Unfortunately he missed studying under two of Australia's greatest economists, Copland and Giblin, as by then they had moved to Canberra to help with the war effort.

the bank foreclosed on his grandparents' farm, and he was unemployed for months after leaving school.

Cairns specialised in economic history and recollected in 1970 that his studies convinced him that economic factors were the main causes of changes in the structure of society. In 1946 Cairns became an academic, taking a post as tutor in economic history. His first article 'Wot, no socialism?' appeared in *Meanjin* and in 1950 he wrote on Australian history for the *Encyclopaedia Britannica*. In the early 1950s he wrote a textbook on Australian history and society. He continued his studies, gaining his Bachelor of Commerce in 1947 and a Master of Commerce in 1950 with a thesis on theories of economic growth. Cairns won a Nuffield Scholarship to study at Oxford in 1951. He worked there for ten months under the supervision of G. Cole on his PhD thesis on the historical links between the British and Australian labour movements. Over time, the topic was revised to cover the development of the Australian welfare state, and he had Deakin's biographer La Nauze as his Australian supervisor. The thesis was not finally submitted until June 1957. Its main argument concerns the primary role of organised labour rather than Deakinite liberals in the emergence of the welfare state.<sup>7</sup>

His academic career progressed quickly; he was appointed a temporary then permanent lecturer and a senior lecturer in 1953. The distinguished Australian and Cambridge academic, Geoff Harcourt, was one student inspired by Cairns' 'exhilarating' lectures.<sup>8</sup> Others found his delivery dull, but he was widely respected as approachable.<sup>9</sup>

In 1947 he questioned the *White Paper on Full Employment* in broadly Marxist terms. However, while a socialist, Cairns never supported violent revolution, and regarded Marxism as a 'method of inquiry, not a dogma'. He was not convinced by Marxist predictions of an imminent collapse of capitalism; as he later wrote, 'history is not on the side of the left'; Cairns (1972). While supportive of extra-parliamentary activism, he saw it as a complement rather than a substitute for parliamentary action. He was chair of the Victorian Fabian Society for part of the 1950s. He was an admirer of Aneurin Bevan and later described Chifley as the 'moving spirit of post-war reconstruction'. Despite some misgivings, he joined the Australian Labor Party in 1947.

## Cairns as politician

In 1955 Cairns became MHR for Yarra, defeating a renegade Labor member standing for the DLP, and when Yarra was abolished in the late 1960s, Cairns moved to being MHR for Lalor, covering some outer suburbs of Melbourne. Cairns joined the front bench in 1960 and spent most of his remaining parliamentary career there, although sadly most of it in opposition.

---

7 A comment in it which turned out not to be very prescient was that 'Australia has always been very limited in resources'.

8 Cited by Stangio (2002, p 76).

9 Ormonde (1981, p 37).

He unsettled conservatives by being 'able to discuss economic issues with academic expertise and compelling fluency'.<sup>10</sup> Speaking on the 1957-58 Budget, he argued that excessive profitability of large companies and increasing concentration was fuelling inflation. Cairns much later claimed to have influenced Menzies to include the reference to full employment in the Reserve Bank's charter.<sup>11</sup>

In 1966 he stood unsuccessfully for the ALP leadership when Calwell stood down.<sup>12</sup> He was then narrowly defeated by Lance Barnard for the deputy leadership, by 35-33 votes. When Whitlam initiated another leadership contest in 1968, Cairns stood again, asking memorably 'whose party is it – ours or his?'. Cairns lost 38-32 but it was a closer margin than many had expected. A visiting British academic regarded Cairns as among seven Australian politicians who were among the world's best.<sup>13</sup>

Cairns (1963) said 'Labor views the human essence is in relations between men' rather than in the individual. 'Within the social environment ... the Labor view identifies economic factors as of great importance'. He was sceptical of perfect competition models. He advocated a 'national plan', which would encompass the 2,000 largest companies, on the grounds that rather than correct an unfair distribution of income with taxation, it was better to start with a fair distribution. He observed (1966) the gap between rich and poor countries widening.

While shadow minister for trade and industry, he wavered in his attitude to tariffs. In 1967 he was critical, although not unambiguously. In 1968 he was more reticent to see tariffs cut.<sup>14</sup> In 1971 he called for planning, and cuts to tariffs so long as they did not lead to unemployment.

Outside parliament Cairns was the leader of the 'moratorium' demonstrations against the Vietnam War, and led 100,000 people through the streets of Melbourne. In his best-known book, *The Quiet Revolution*, he raised doubts about what could be accomplished by parliament: 'power is not located mainly or wholly in parliament'. He was disappointed that the Vietnam protests had not evolved into a broader movement for social reform. In 1972 he regained some prominence opposing French nuclear testing in the Pacific.

## Cabinet minister

Cairns had played only a small role in Labor's 1972 campaign. But after the four parliamentary leaders were re-elected unopposed, Cairns topped the subsequent poll for the ministry. He had wanted the Foreign Affairs portfolio but Whitlam retained this himself and appointed Cairns Minister for Overseas Trade and Minister for Secondary Industry. As he later mused, 'ironically for one who was by conduct and philosophy among the most radical in the government, I had the ministries which most required one to be concerned with jobs and money and private enterprise'.<sup>15</sup> As Trade Minister he led the first trade delegation to China. In October 1973 he lost the Secondary Industry

---

10 McMullin (1991, p 287).

11 Interview for *Australian Biography*, 25 May 1998. This is not quite as implausible as it sounds for Menzies and Cairns were unlikely friends, sharing an enthusiasm for the Carlton football club and sometimes attending their matches together. But Menzies may have been more influenced by his adviser and Commonwealth Bank Governor Nugget Coombs to just carry over the provisions from the earlier legislation when the Commonwealth Bank was reorganised in the mid-1940s.

12 In the final ballot, after Beazley and Daly had been eliminated, the votes were Whitlam 39, Cairns 15 and Crean 14.

13 David Butler, cited in *Sun-Herald*, 10 December 1974, p 4.

14 Rowse (2002, p 294).

15 Cairns (1976, p 75).

portfolio in a reshuffle, with many industrialists sorry to see him go.<sup>16</sup> As a senior economic minister, Cairns believed 'economists are too narrow in their view of life'.<sup>17</sup>

Whitlam transferred the Tariff Board into the Prime Minister's Department. Cairns supported the 25 per cent across-the-board tariff cut, suggested by Coombs and a committee of advisers, in cabinet, although by 1975 he viewed it as a mistake.<sup>18</sup> Treasury had opposed the cut, preferring tighter monetary and fiscal policy and another revaluation to lower excess demand.<sup>19</sup> The tariff cut is now viewed as the start of microeconomic reform as it was partly aimed at improving productivity (although reducing inflation was another goal).

In 1973 Cairns unsuccessfully advocated an increase in income tax. He campaigned for the December 1973 referendum to give the government power to legislate over prices and incomes but it was rejected.

Cairns played a more prominent role in the 1974 than 1972 campaign. Following the election, he defeated Barnard 54-42 to become Deputy Prime Minister. The usual convention is that deputies can choose a portfolio and Whitlam offered Cairns Treasury but he declined, partly fearful of the detail and complexity, partly to avoid being tied down and partly out of a reluctance to hurt the incumbent treasurer, Frank Crean.<sup>20</sup>

A combination of the OPEC oil shock (which damaged almost all Western economies) and a domestic push to boost the wages share by using the public service as a pace-setter, had further boosted an already rising inflation rate and depressed economic activity, giving rise to 'stagflation'.

In mid-1974 Treasury presented a grave economic prognosis to senior ministers and advocated a policy of deflationary measures that became known as the 'short, sharp shock'.<sup>21</sup> Though at first supported by Whitlam it was rejected by caucus.<sup>22</sup> Cairns expressed concern that demand was already weakening.

Cairns wrote to the Reserve Bank Governor in July arguing for selective controls on bank lending.<sup>23</sup> The following month the Governor called on Cairns to discuss his concerns that policy was too tight.<sup>24</sup>

As far back as November 1973 Whitlam declared publicly that he conferred with Cairns on economic matters more than with anyone else. Cairns continued to increase his role in economic policy, meeting the Reserve Bank in July 1974 to discuss his concerns about the credit squeeze. By September 1974 Cairns had become the dominant force in the government on economic policy. The *Bulletin* of 21 September 1974's cover was headlined 'Cairns running the economy'. However, he still declined to take on the Treasurer's role himself. Cairns presented a paper by his adviser Brian Brogan to the Caucus Economics Committee on 12 August 1974 that formed the basis for the September budget. The Committee members 'viewed unemployment ... as much more important than inflation'.<sup>25</sup> Stone

---

16 Oakes and Solomon (1974, p 123) comment they had found him 'far more reasonable and responsive than they could have guessed from the criticisms which had been made of him'.

17 Rowse (2002, p 295).

18 His initial advocacy is reported in Strangio (2002, p 263) and Bowman and Grattan (1989, p 73).

19 Whitwell (1986, p. 214).

20 Oakes and Solomon (1974, pp 527 and 528); Crean (1983, p 9:1).

21 Later referred to by Whitlam as a 'long savage beating'.

22 Whitwell (1986, p 215).

23 RBA archives BM-75-160.

24 6 August 1974, RBA archives BM-75-153.

25 Dairy note by Bill Norton of discussion with Tony Cole, 13 August 1974, RBA archives RD-NS-178.

(2006) said 'the 1974-75 Budget was effectively framed in Cabinet by Cairns and his friend Tom Uren (on the basis of advice provided by the latter's economics advisor Michael Keating)'. Many referred to the 1974 budget as the 'Cairns Budget'. Treasury prepared a cabinet submission, presented by Crean, warning of the risks it posed.<sup>26</sup>

In a September 1974 lecture, Cairns surprisingly called inflation 'our main problem today' and was sceptical about the prices and wages referenda the previous December. He worried that increasing interest rates would hurt small business but have little impact on large companies. Cairns argued 'if the growth in the money supply were unduly restricted, unemployment could also grow. This he thought was unacceptable'. This put him at odds with Whitlam, who 'recognised the need to reduce the growth in the money supply and said that he felt that inflation was becoming a more important political problem than unemployment at its present level'.<sup>27</sup>

In the 1974 Budget, Crean said 'the conventional response to inflation has relied almost entirely on the creation of mass unemployment ... crucial as the fight against inflation is, it cannot be made the sole objective of Government policy. This Government is committed to the program of social reform'. The Budget planned large increases in spending but, due to high inflation interacting with a non-indexed tax scale, also large increases in revenue, such that a smaller surplus was budgeted.

At a meeting between the RBA and Treasurer Crean in September 1974, 'the Treasurer asked the Governor's opinion on the proposal from Cairns to float the exchange rate'.<sup>28</sup> However, it is not clear whether by 'floating' was meant allowing the exchange rate to be market-determined or just administratively varying its value day-by-day; the wording used was 'vary the rate from day to day to reflect the basic position of the balance of payments'.<sup>29</sup> But it got little official support. 'The Governor said he was not sure what was meant by floating and that he personally was strongly against a clean float ... Treasury was against floating the rate, despite the comment in Dr Cairns' letter about 'outmoded ideas' on exchange rate regimes'.<sup>30</sup> Coombs expressed opposition to a managed float. It was agreed not to proceed at this time, and there seems no record of the matter being revisited. A few days later the Prime Minister announced an immediate 12 per cent devaluation, which Cairns supported.

In November a mini-budget was introduced, cutting taxes and easing credit. The mini-budget 'marked the virtual eclipse of Treasury as a source of economic advice'.<sup>31</sup> It has been claimed that this led to 'sullen resentment' in Treasury.<sup>32</sup> This mood would not have been improved by Cairns' attacks on Treasury.<sup>33</sup>

## Treasurer

In October 1974, Whitlam decided that as Cairns was effectively determining economic policy, he should bear responsibility for it by being appointed Treasurer. When Cairns hesitated, Whitlam said he would otherwise appoint Lionel Bowen from the party's right wing, which led the left wing of the

---

26 It is reprinted in Sexton (1979, pp 58-9).

27 14 April 1975, RBA archives, BM-75-101.

28 Record of meeting, 22 September 1974, RBA archives RD-NS-182.

29 RBA archives BM-75-153.

30 Record of meeting, 22 September 1974, RBA archives RD-NS-a82.

31 Starngio (2002, p 291). Similar sentiments are expressed in Fruedenberg (1977, p 307).

32 Fruedenberg (1977, p 307).

33 *The Age*, 22 November 1974.



party to press Cairns to accept.<sup>34</sup> Cairns took over as Treasurer on 11 December 1974, days after the September quarter 1974 national accounts showed the economy was contracting markedly.

Cairns remarked on his appointment that 'it's a very difficult job to do. I feel quite inadequate about it.' Asked 'do you think it will be your job to convert Treasury?', he replied 'it will certainly be to make clear to Treasury what the policy of the government really is'. Then asked 'do you think Treasury has failed in that in the past?', he replied just 'yes'.<sup>35</sup> His successor, Bill Hayden, believed Cairns 'did not take easily ... to the detailed but essential humdrum of developing policy'.<sup>36</sup>

It has been claimed that Cairns' appointment as Treasurer was not popular within Treasury, and 'transformed sulkiness to hostility', to such an extent that some senior Treasury officials are alleged to have started leaking information to the Opposition, using the pseudonym of Mr Williams.<sup>37</sup> There was speculation that Cairns wanted to remove Treasury Secretary Wheeler. But while Cairns thought Wheeler 'hasn't the kind of philosophy that I would like to see running a department like Treasury', he thought this was true of Treasury as a whole and did not want to move against Wheeler until he had got to know him better.<sup>38</sup>

Treasury was also annoyed by the prime minister's department becoming a rival source of economic advice.<sup>39</sup> It was further concerned about plans for a Department of Economic Planning, for which Cairns secured approval at the ALP's national conference in Terrigal in February 1975. Whitlam favoured Lenox Hewitt to lead it, while Cairns had in mind his former student, Cambridge academic Geoff Harcourt, neither of whom would have pleased senior Treasury officials.

By the time Cairns became Treasurer, the Australian economy was reeling under the effects of the OPEC oil price shocks, compounded by an inflationary wages policy. Treasury's note to Cabinet in mid-January 1975 did not mince words; 'The economic situation is very bad. It is very bad, not only because of the evident weaknesses in the economy, but because there are no quick solutions'.<sup>40</sup> It referred to a severe profit squeeze. Cabinet decided not to proceed with the capital gains tax announced in the 1974 budget. A temporary cut in sales tax on cars from 27½ to 15 per cent was announced.

---

34 The Left's Tom Uren now reflects that 'one of the greatest errors of my life is that I talked Cairns into becoming treasurer'; cited by Bramston (2013, p 403).

35 Ormonde (1981, p 187). Much later Cairns was asked if he had success with Treasury. He replied 'No. None at all. Treasury had a lot of success with me. They were instrumental in getting rid of me in very quick time, really'; Interview for *Australian Biography*, 25 May 1998. Whitlam (1985, p 184) was similarly disillusioned, remarking 'I believed that the Australian Treasury could be absolutely relied on for loyal, disinterested and frank economic advice. I shared that mistake with my immediate predecessor and immediate successor'. Cairns' closest friend in politics, and fellow minister, Tom Uren (1994, p 246) remarked 'in the end it was Treasury and the responsibility of being Treasurer that destroyed Jim. He was up against Canberra mandarins who were protecting their domain and whose influence within conservative political forces was enormous'. Cairns himself later regarded taking on the treasurer's job as 'a mistake. I should have known, for whatever were the limitations on being in government, on being a minister, they would be much more severe on being treasurer'; Bowman and Grattan (1989, p 74).

36 Hayden (1996, p 261).

37 Fruedenberg (1977, pp.307-8).

38 Cairns, interviewed in *Nation Review*, 25 July 1975, retained among the Wheeler papers in the National Library (MS 8096). Cairns was open to outside appointments as he had asked the Australian left-wing Cambridge economist Geoff Harcourt whether he would consider the Reserve Bank governorship; Harcourt (2001, p 13). He reportedly also approached British monetary economists Charles Goodhart and Michael Artis.

39 Fruedenberg (1977, p 308).

40 16 January 1975, National archives A5915/Cabinet submission 1534.

On 17 February 1975, Cairns suggested to cabinet a publicity campaign about the relationship between excessive wage increases and unemployment.<sup>41</sup> At this meeting Hayden challenged Cairns on his insouciance towards the budget deficit.<sup>42</sup>

Around April 1975 Cairns, against Treasury advice, approved payments to Associated Pulp and Paper Mills and EZ Industries to try to stave off job losses. It was around this time he earned the sobriquet 'Dr Yes'. Facing both rising inflation and unemployment, Cairns was floundering. In early May 1975 Cairns said 'the main problem facing Australia today is inflation', but in a Budget strategy paper the same month argued it was better to lose office than to pursue policies that would increase unemployment.<sup>43</sup> While sometimes taking the Treasury line, on other occasions he would table a Treasury paper in cabinet and then argue against it.<sup>44</sup>

## The loans affair and Cairns' fall from office

A factor complicating virtually all Cairns' term as Treasurer was his involvement in the possible raising of a foreign loan for major resource developments. While Cairns did not initiate this, he was one of the four signatories to the Executive Council minute of 13 December 1974 authorising the Minister for Minerals and Energy, Rex Connor, to borrow foreign funds for major resource projects via the agency of unknown intermediaries and without the approval of the Loans Council.

Treasury and the Reserve Bank both sharply opposed dealing with unorthodox lenders such as Tirath Khemlani.<sup>45</sup> Wheeler, always uncomfortable with what he termed Labor's 'instant coffee' decisions, strove mightily to warn Cairns of the folly of what became known as the 'Khemlani Loans Affair'. Cairns felt 'that the Treasury line was too timid and conservative'.<sup>46</sup>

On 7 March a Melbourne businessman, George Harris took from Cairns' office a letter offering a 2.5 per cent commission on any foreign loan he arranged. The Departmental Liaison Officer found a copy of a letter and sent it to Treasury. Wheeler forwarded the letter to his frequent lunch partner Clarrie Harders, the head of the Attorney-General's Department for a legal opinion and asked Scotland Yard for information on Khemlani.<sup>47</sup> On 4 June Cairns denied to parliament ever offering Harris a commission. Cairns later admitted the letter appeared to bear his signature but he denied recalling signing it, and explicitly rejected such a proposal when Harris had raised it.

The loans affair was not Cairns' only distraction. Influenced by his new private secretary, Junie Morosi, Cairns became more interested in personal liberation than economics. As one book puts it,

---

41 17 February 1975, Cabinet submission 1570, National archives A5915.

42 Strangio (2002, p 333).

43 Ormonde (1981, p 215) and Strangio (2003, p 364).

44 Emy (1978, p 290).

45 A 10 December 1974 minute to Cairns is reprinted in Reid (1976). The Reserve Bank Governor also expressed 'continuing concern at the dealings with Mr Khemlani'; memo of 10 February 1975 describing meeting on 7/2/75. RBA archives BM-175.

46 Cairns (1976, p 94).

47 The Solicitor-General later described Wheeler's actions as 'not consistent with responsible government'; *The Age*, 21 December 1978, p 9. Wheeler's actions reputedly annoyed Prime Minister Whitlam. In late 1974, Whitlam is supposed to have told Wheeler 'Fred, you are on the skids'. Wheeler is supposed to have replied 'I wish to inform you of facts, your ignorance of which will bring you down'; Brown (2002). Whitlam offered Wheeler the job of Reserve Bank Governor in 1975, but Wheeler declined, although accounts vary of his reasons. According to Schedvin (1992) he 'refused' as he did not want the more interventionist Lenox Hewitt appointed Treasury Secretary, whereas in other accounts he declined for family reasons.



'his politics have undergone a huge transformation, a move from a concern with changing the system to a belief that the individual must change before the system can improve fundamentally'.<sup>48</sup>

On 5 June Whitlam replaced Cairns with Hayden as Treasurer. Whitlam offered Cairns the Social Security portfolio, but Cairns chose instead to be Minister for the Environment. Whitlam cited his unwise actions in giving Harris a letter, even if it did not mention any commission. Cairns himself believed he was sacked for his unorthodox economic views and because Whitlam saw him as a leadership rival.<sup>49</sup>

## Cairns' latter career

Cairns lasted only a month in his new post before being dismissed by Whitlam on 2 July 1975 for apparently misleading parliament over the Harris letter. The matter went to caucus which voted 55-33 to declare the deputy leadership vacant. Cairns contested the ministerial vacancy, losing to Joe Berinson in the final ballot by 54-37.

After the 1975 election, Cairns rejected pressure to vacate his seat to allow Bob Hawke to enter parliament. But he did not seek a frontbench position, and appeared more interested in alternative lifestyles than parliamentary activities. He chose not to contest the 1977 election. Cairns later moved to a small farm on the outskirts of Melbourne and during the 1980s and 1990s wrote a number of self-published books which he would sell at markets. Uren (1994) suggests *Towards a New Society* (1994) is the best of them. This book, which Cairns described as a 'biography of my ideas' also marked something of a return to discussing economics. He criticised how foreign debt had returned to the high proportions to GDP characteristic of 1900-1940, after being low during what he termed the 'modified capitalism' of Chifley, Menzies and Whitlam. He complained about the dominance of 'economic rationalism' in both the Labor and Liberal parties, and blamed the deregulation of the financial system for leading to a boom and subsequent recession.

In 1983 Cairns made a quixotic bid as an independent candidate for the Senate, winning only 0.5 per cent of the vote. This should have got him expelled from the Labor Party but he remained a member until he allowed his membership to lapse in 1991. He rejoined in 1996 and was made a life member in 2000.

Jim Cairns passed away on 12 October 2003. Whitlam paid a generous tribute to his former deputy, saying he 'bought a nobility to the Labor cause which has never been surpassed. It is a great thing for me that throughout our political careers I had such a colleague, a friend, sometimes a rival, but always a benchmark, in doing the great and good things in the cause of Australia and the Australian Labor Party'.<sup>50</sup>

---

48 Bowman and Grattan (1989, p 69). As Snedden and Schedvin (1990, p 188) put it, 'he never really came to terms with the society in which he lived; he was always looking for an alternative society and ultimately he took himself off to that alternative society'.

49 Interview for *Australian Biography*, 25 May 1998. Cairns had been acting Prime Minister when Cyclone Tracy devastated Darwin. He rushed to see the devastation wrought on Darwin, where the compassion he displayed led to a short-lived surge in his public approval.

50 *The Age*, 13 October 2003.

## References

- Bowman, M and Grattan, M 1989, *Reformers*, Collins Dove, Melbourne.
- Bramston, T 2013, 'Epilogue: Whitlam's true believers', in Bramston, T (ed) *The Whitlam Legacy*, Federation Press, Sydney, pp 399-404.
- Brown, W 2002, *Ten Prime Ministers*, Longueville.
- Cairns, J 1947, 'Wot, no socialism?', *Meanjin*, Winter.
- Cairns, J 1957, 'The welfare state in Australia: a study in the development of public policy', PhD thesis, University of Melbourne. National Library of Australia MSD 338.
- Cairns, J 1963, 'Socialism and the ALP', *Victorian Fabian Society Pamphlets*, no. 8.
- Cairns, J 1966, 'Economics and foreign policy', *Victorian Fabian Society Pamphlets*, no. 12, January.
- Cairns, J 1972, *The Quiet Revolution*. Gold Star. Melbourne.
- Cairns, J 1974, 'The impossible attainment', Chifley Memorial Lecture, Melbourne University Labor Club.
- Cairns, J 1976, *Oil in Troubled Waters*. Widescope.
- Cairns, J 1994, *Towards a New Society: a New Day has Begun*.
- Cairns, J 1998, 'Interview by Robin Hughes', 25 May. [www.australianbiography.gov.au](http://www.australianbiography.gov.au).
- Cairns, J and Cairns, G 1953, *Australia (Land and People)*, Macmillan, New York.
- Crean, F 1983, interview by Ross McMullin, National Library of Australia, oral history, TRC 4900/11.
- Faulkner, J 2003, 'Speech on condolence motion', *Senate Hansard*, 14 October, pp 16310-5.
- Freudenberg, G 1977, *A Certain Grandeur: Gough Whitlam in Politics*, Penguin paperback edition.
- Harcourt, G 2001, *Fifty Years a Keynesian and Other Essays*, Palgrave. Wiltshire.
- Hawkins, J 2007, 'Cairns, Jim', in King, J (ed) *Biographical Dictionary of Australian and New Zealand Economists*, Edward Elgar, pp 45-46.
- Hayden, W 1996, *Hayden: an Autobiography*, Angus & Robertson, Sydney.
- McMullin, R 1991, *The Light on the Hill*, Oxford University Press.
- Oakes, L and Solomon, D 1974, *Grab for Power: Election '74*, Cheshire, Melbourne.
- Ormonde, P 1981, *A Foolish, Passionate Man: a Biography of Jim Cairns*, Penguin, Ringwood.
- Reid, A 1976, *The Whitlam Venture*, Hill of Content, Melbourne.
- Rowse, T 2002, *Nugget Coombs: A Reforming Life*, Cambridge University Press.

- Schedvin, C 1992, *In Reserve: Central Banking in Australia, 1945-75*, Allen & Unwin, Sydney.
- Sexton, M 1979, *Illusions of Power: the Fate of a Reform Government*, George Allen & Unwin, Sydney.
- Stangio, P 2002, *Keeper of the Faith*, Melbourne University Press.
- Stangio, P 2003, 'Whitlam vs Cairns' in J Hocking and C Lewis (eds) *It's Time Again*, Circa, Melbourne.
- Stone, J 2004, 'Review of Stangio (2003)', *Economic Record*, June, pp 266-7.
- Stone, J 2006, personal correspondence with author.
- Uren, T 1994, *Straight Left*, Random House, Sydney.
- Uren, T 2003, 'You have left us with a spirit in our heart: a tribute to Jim Cairns', Eulogy delivered at Cairns' funeral in St John's Church in Toorak, Melbourne, 17 October. Evatt Foundation paper, October.
- Whitlam, EG 1985, *The Whitlam Government 1972-75*. Viking Books.
- Whitwell, G 1986, *The Treasury Line*, Allen & Unwin, Sydney.
- Willis, R 2013, 'A view from the backbench' in Bramston, T (ed) *The Whitlam Legacy*, Federation Press, Sydney, pp 120-128.

