John Hawkins¹

William Watt was a protégé of Alfred Deakin and succeeded him as Australia's leading parliamentary orator. He served as Victorian Treasurer and Premier before moving to federal politics, where he rose to be Treasurer and handled the transition from war to peacetime economy. Watt was also Acting Prime Minister for over a year before clashes with Billy Hughes led him to resign. After a successful term as Speaker, he retired from politics with, to many eyes, promises unfulfilled.



Source: National Library of Australia.

¹ At the time of writing, the author worked in Domestic Economy Division, the Australian Treasury. The views in this article are not necessarily those of the Australian Treasury.

Introduction

William Watt PC was renowned for his oratory. He 'had a remarkable command of language, a deep organ voice and formidable debating powers'.² One contemporary thought 'as a debater he could not be uninteresting; every sentence was epigrammatic'.³ Combined with his prodigious energy, this ability saw the precocious Watt rise to high political office very young. His verbal dexterity could, however, sometimes be a weakness: 'his verbal skills gave him capacity for sarcasm and for this he was not liked'.⁴ And sometimes his rhetorical flourishes obscured his meaning; as one newspaper commentator put it, 'ideas [become] camouflaged between sesquipedalian sentences'.⁵ His brilliance and drive let him develop and bring forward great ideas but he sometimes lacked 'the political skill and patience necessary to see them through'.⁶ Perhaps this is why despite a long stint as Acting Prime Minister he never grasped the top prize in his own right.⁷

As a rising star, Watt was lauded as 'tranquil of soul, restless of spirit ... chafing like the sculptor to give shape to his thronging ideas' with great understanding and human sympathy'.⁸ But towards the end of his political career he was described as 'a dark-visaged and glum-countenanced Victorian with a grim sense of humour'.⁹

Watt's life before politics

William Watt was born at Barfold, near Kyneton in Victoria, on 23 November 1871, the eleventh and youngest child of British immigrants. After his father's death in 1872 the family moved to Phillip Island and then North Melbourne. Billy (as he was then known) Watt attended Errol Street State School until 14 and later took evening classes at the Working Men's College in Accountancy, Grammar, Logic, Philosophy and Elocution. He further sharpened his rhetorical skills in the Australian Natives' Association and various debating societies, where he became something of a protégé of

² Edwards (1965, p 79). Similarly, his ministerial colleague Pearce (1951, p 145) describes him as 'one of the most effective debaters that the House of Representatives has ever had'. His speechwriter Baxter Cook (1958) praised his extempore abilities. His obituary was headed 'brilliant oratory remembered'; *The Age*, 14 September 1946, p 3. Clark (1987, p 103) called him 'the finest orator Australia had produced since Alfred Deakin'.

³ Cited by Dunstan (2006).

⁴ Dunstan (2006).

⁵ The Sun, 17 March 1918.

⁶ Dunstan (2006).

⁷ Alternatively, Weller (2007, p 46) opines that Watt was 'a decent if limited man, out of his depth' in the company of men as ruthless as Hughes.

⁸ The Sun, 17 March 1918 and Page (1963, p 58).

⁹ Ellis (1963, p 54).

Deakin.¹⁰ He campaigned ardently for federation. He worked variously as a newsboy, ironmonger, tanner, clerk, accountant and eventually a partner in a hay and corn store.¹¹

Premier and Treasurer of Victoria

Watt was elected for the Legislative Assembly seat of Melbourne North in October 1897, in his mid-twenties, defeating the Labour leader George Prendergast. While opposed to socialism, he stood for radical liberal reform and joined other Australian Natives' Association members known as the 'Young Australia' group. This group helped vote out Premier Turner in November 1899 and the incoming Premier Allan McLean invited Watt to become Postmaster-General. He was the only Melbourne member in cabinet and at 28, reputedly the youngest cabinet member in the Empire.¹² Watt was generally regarded as a capable minister but Prendergast regained the seat at the November 1900 election.

After two more defeats for the Assembly (and unsuccessfully running for the Senate as a Protectionist), he returned to the Assembly in October 1902 for the seat of Melbourne East, before switching to Essendon in June 1904. While out of parliament he had opened a real estate agency and helped his idol Alfred Deakin build a national liberal organisation.

Back in parliament he supported liberal causes such as reform of the Legislative Council, votes for women and factory legislation and sniped at Premier Bent. When John Murray became Premier in January 1909, Watt was appointed Treasurer and held the post almost uninterruptedly until June 1914. He was Acting Premier for six months in 1911 and was the driving force of the ministry at other times. In May 1912 he succeeded Murray as Premier. Notwithstanding opposition from the Council, the Murray-Watt governments established state secondary education, land taxation and preferential voting, expansion of irrigation and reorganisation of public services.

Watt made extensive use of statutory corporations, which bothered some of his supporters, either because they seemed socialistic or insufficiently accountable. Along with plans for a redistribution which would reduce the extra value given to rural electorates, it formed the reason, or pretext, for a revolt by country-based members, who sided with Labor in a vote which brought down the government. The Labor government lasted less than a fortnight before Watt formed a new administration.

¹⁰ Watt (1944, p v) described himself as a 'hero worshipper' of Deakin.

¹¹ Green (1969, p 59) suggests that in his teens Watt was part of the 'Bouverie St larrikin 'push".

¹² Anderson and Serle (1990) and The Sun, 17 March 1918.

Watt was heavily involved in negotiations about financial arrangements between the Commonwealth and States. He resisted the new Commonwealth Bank's encroachment on the activities of state banks.

Federal parliament

It was widely believed that Deakin had regarded Watt as his preferred successor.¹³ But Joseph Cook was in the federal parliament and Watt was not when Deakin's fading powers forced him to step down. In early 1914, Watt accepted party requests and resigned the Premiership to stand for the blue-ribbon federal seat of Balaclava, defeating the Labor candidate John Curtin. While Watt won his seat, the government was defeated, and so Watt missed out on a ministry.

Watt muted partisan politicking in his support for World War I.¹⁴ The failure of the conscription referendum and the Labor split led Watt to push for a national government, possibly based around the National Referendum Council of which Watt was joint secretary. Plans emerged to form a government combining the Liberals and dissident pro-conscription Labor members. Former Treasurers John Forrest and Joseph Cook and former Victorian Premier William Irvine from the Liberals all aspired to lead this government but Watt realised that Labor renegade Billy Hughes would need to be leader for the plan to succeed, and threatened to withdraw Victorian members from the Liberal Party.¹⁵

When the Nationalist Party government was formed in February 1917, Hughes preferred Watt as Treasurer but was obliged to give the post to Forrest. Watt served as Minister for Works and Railways.

¹³ Anderson and Serle (1990); Dunstan (2006).

¹⁴ When a Labor pacifist, Frank Brennan, was accused of cowardice by Watt, Brennan challenged Watt to join him in enlisting for the War. Brennan duly attended a recruiting depot but Watt was nowhere to be seen. Watt's embarrassment was spared by the Labor Premier of NSW, Holman, claiming that Watt could render better service by staying in Australia. Evatt (1940, pp 362-4).

¹⁵ Initially he admired Hughes' 'forceful and dynamic leadership'; Murdoch (1996, pp 116-7). However, he became exasperated with him, exclaiming 'you can do nothing with the little devil. He won't listen to anybody'; J Hume Cook (1936, pp 53). He also had doubts about Forrest's abilities as Treasurer, but still decided it was his patriotic duty to join the government; J Hume Cook (1936, pp 197, 214).

Treasurer and Acting Prime Minister

Watt clashed repeatedly with Forrest in cabinet and demanded that Hughes do something.¹⁶ After much discussion, Watt and Hughes' response to this problem was appointing Forrest a Lord.¹⁷ Combined with Forrest's fading health, this saw Watt taking over as Acting Treasurer in February 1918 and he became Treasurer when Forrest resigned from the cabinet in March 1918.¹⁸ In April, Hughes sailed to London, leaving Watt as Acting Prime Minister for the next 16 months.¹⁹ This was a significant burden as Watt's own health was deteriorating. It was not helped by endless squabbles between Hughes and the cabinet back in Australia about who had ultimate authority to take decisions (including setting the direction of Australia's foreign policy) and the failure of both parties to inform the other of their actions, not helped by cables between the United Kingdom and Australia often taking over a day to arrive.

Neither Watt nor Hughes 'was particularly well-fitted for co-operative leadership'.²⁰ By December Watt was writing to Hughes that he was 'very sick of it. The sooner you return the better I will be pleased'. Watt intimated that he might quit, but Hughes turned on the charm, cabling 'the prospect of your retirement fills me with dismay'.²¹ Hughes stayed away longer and things did not improve. By the time Hughes returned, Watt had to be persuaded to remain in the cabinet.

Watt had inherited a Treasurer's office (and Prime Minister's office) in some confusion but restored order.²² His austere budget on 25 September 1918 heavily increased taxes to help pay for the war and he wanted Australia to be self-sufficient in funding, warning that reconstruction would absorb the finances of other countries once the war ended and it would be hard for Australian governments to borrow offshore.²³ He

¹⁶ Relations between the two were not helped by Watt stymieing Forrest's efforts to become Prime Minister when Hughes resigned after the failure of his second conscription referendum.

¹⁷ Browne (1946, p 133).

¹⁸ By now, Watt was truly part of the establishment. Clark (1987, p 103) comments 'the boy from Phillip Island has become a very fine bridge player in the drawing rooms of South Yarra'.

¹⁹ His is about the combined length of the Prime Ministerships of Watson, Reid, Page, Fadden, Forde and McEwen, all of whom are probably better remembered than Watt. As Acting Prime Minister Watt, as he had done as Victorian Premier, introduced preferential voting.

²⁰ Anderson (1972, p 267).

²¹ Both quotations cited by Weller (2007, p 45).

²² Malcolm Shepherd, secretary of the Prime Minister's Department, wrote approvingly that 'he was the most methodical of all Prime Ministers'; cited by Weller (2007, p 39). See also Anderson and Serle (1990). Sawer (1956, p 172) says Watt 'showed a power of organisation of ideas and a promise of organisation of finance such as no Treasurer since Federation had exhibited'.

²³ Hansard, 25 September 1918, p 6337.

foreshadowed plans, based on a similar scheme in New Zealand, for compulsory subscription to war loans based on means.²⁴ (This was abandoned with the armistice.) Watt pressed the Premiers to stop borrowing and reduce public works, abandoning former concerns for States' rights.

Watt budgeted for a deficit which would use up the accumulated revenue reserve, and so he needed to increase income taxes. In the event the sudden end to the war meant that customs revenues were higher than expected and military expenditure lower, leaving the budget close to balance.

Watt was keen on advice for reviving private industry after the war. A Board of Trade was established, comprising three ministers and two businessmen, along with a Bureau of Customs and Industry and an Institute of Science and Industry.²⁵

In January 1919, he drafted an 'imposing scheme' for dealing with imperial war debts.²⁶ Much like he proposed the Australian government taking over management of the States' debt, he proposed an Empire Debt Commission to manage the debt of the Empire, arguing it would be able to borrow more cheaply than individual countries. However, he received little support in either the United Kingdom or the dominions.

In late 1918 a Royal Commission was established to investigate economies in government spending. Watt tried to reduce per capita payments to the States and established the Federal Council of Finance.²⁷

Watt was criticised for retaining these austerity measures after the armistice. Watt's increase in land tax and limits on meat prices, and their retention after the war, gave impetus to the emergence of the Country Party. But this does not seem to have damaged Watt's political stocks too much. In August 1919 it was proposed that Watt replace Cook as deputy Prime Minister.²⁸ Watt declined the post due to ill health.

Watt's second budget was not presented by Watt himself, as he 'had been feeling the strain of administering the Commonwealth for so long'.²⁹ Instead the former Treasurer Alexander Poynton presented the budget to parliament on Watt's behalf on 8 October 1919, and it was not debated before the parliament was dissolved.

^{24 &#}x27;The Government has therefore decided to introduce legislation requiring all persons to subscribe to war loans in proportion to their means', Hansard, 25 September 1918, p 6336.

²⁵ Hansard, 25 September 1918, p 6343.

²⁶ Anderson (1972, p 245).

²⁷ Its establishment had been proposed the day Watt was appointed Treasurer. It was to comprise the Treasurer, the Secretary of Treasury, two bankers and two representatives of other financial institutions; *The Argus*, 27 March 1918, p 8.

²⁸ Murdoch (1968, p 378).

²⁹ Smith (1933, p 221).

The United Kingdom had been tardy in paying for the wool clip but itself demanded payments of arrears. This gave Watt a reason to go to the United Kingdom, although he also wanted 'a break from the rigours of office'.³⁰ In April 1920 Watt sailed for England and now the roles were reversed, with Watt wanting more autonomy and Hughes back in Australia wanting to control him.³¹ In June 1920 Watt resigned as Treasurer.³²

His later career

After Watt returned from an oddly leisurely trip back, in October, he made a long and bitter speech on his reasons for resigning, but by then it seemed many had lost interest. After the 1922 election gave the Country Party the balance of power there were reportedly discussions between Country Party leader Earle Page and Watt about the latter heading a Coalition government, but they came to nothing.³³ Gradually Watt took less interest in politics and became a critic of Hughes, and his Treasurers Cook and Bruce. He attacked Bruce's budget and rarely attended party meetings but conferred with Page.³⁴ When Hughes was deposed in 1923 in favour of Bruce and Page, Watt was offered a term as Speaker, which he filled well until 1926.³⁵ After parliament moved to Canberra he attended less than half the time and rarely spoke. He crossed the floor sometimes, such as opposing abolition of per capita grants to the States.

As his interest in politics waned, he took up some chairmanships, such as Australian Farms and Dunlop Rubber, and served as a director of Qantas. He was also chairman of the Melbourne Cricket Ground trustees.

In 1918-19 Watt had been incapacitated for weeks with heart trouble and on medical advice he resigned his seat in July 1929. A stroke in 1937 partly disabled him. Watt had married Emily Seismann in April 1907 and they had five children, who all survived him when he passed away at his Toorak home on 13 September 1946.

³⁰ Anderson (1972, p 264).

³¹ Watt complained 'I was credentialed to London as a minister plenipotentiary, but upon my arrival had no greater powers than a messenger boy'. See also Weller (2007, pp 45-7).

³² Former Treasurer Higgs made a failed attempt to intermediate; Anderson (1972, p 324).

³³ Smith (1933, p 246).

³⁴ He criticised Bruce's budget for 'prodigal spending' and 'Micawber finance' and worried that concessions to business were creating a 'mendicant race'; *The Age*, 21 November 1922, p 9.

³⁵ At the time of his appointment it was cynically suggested by his predecessor as 'the elevation of a gentleman they fear to a position where he cannot speak'; Sawer (1956, p 225). But Page (1963, p 58) regarded Watt as 'endowed with all the qualities necessary for a superb speaker ... a complete knowledge of all parliamentary forms and precedents, a ready and balanced mind, and a facility for promptness and decision'. The long-serving Clerk of the House, Frank Green (1969, p 60), called Watt 'probably the best Speaker of the House we ever had'.

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