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Menzies and Pig Iron for Japan

Abstract

The Pig Iron dispute occurred almost fifty-five years ago. It was an event that will go down in the annals of national and international history. The real political results of this struggle, I believe, have been played down somewhat by the historians. They, in my opinion, failed to take from it the valuable lessons for posterity.

MENZIES AND PIG IRON FOR JAPAN

E.C. Roach

The Pig Iron dispute occurred almost fifty-five years ago. It was an event that will go down in the annals of national and international history.

The real political results of this struggle, I believe, have been played down somewhat by the historians. They, in my opinion, failed to take from it the valuable lessons for posterity.

Professor Blainey in his papers, 'The Steel Master' in 1935 (of which we were unaware at the time), said: 'The three Chiefs of Staff of the Armed Forces expected war in the Far East, probably in 1939'—as we now know, it happened earlier.

Up until 1938 the BHP was selling Iron Ore to Japan from Whyalla, as we understood for 10/- per ton. At the same time, Japanese interests with an English front company, were settling in mining Yanni Sound Iron Ore. This was an obvious challenge to the BHP. Essington Lewis was able to petition the Government to cause a ban being placed on iron Ore for Japan in May 1938, but, according to Russell Ward, the Government allowed a contract for export of Pig Iron to the tune of 300,000 tons .

Blainey said: 'In quoting Essington Lewis of the BHP, the sale of Pig Iron would create higher profits and thus enable the BHP to use the extra profit to build defence industries in Australia to defend ourselves against Japan'.

When Prime Minister Lyons announced the ban on Ore in May 1938 it was generally accepted. A notable exception

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was Labor Leader Curtin, who said:

I do not welcome proposals for the restriction of exports from Australia. I acknowledge that iron Ore may be used for the manufacture of munitions and for aggressive purposes by warlike countries, but I warn the country that the economic solvency of Australia depends largely on the maintenance of our external trade.

Various writers dealing with the dispute called it a 'strike', but rather it was a 'lockout'. We were available to work all cargoes but the trinity of opposition decided otherwise. We wanted to work over Christmas 1938-9, and so did all the metal workers.

Len Richardson in his papers 'Dole Queue Patriots' said:

Throughout the thirties Roach had been consistently critical of the official Federation Policy (here was reference to Branch Policy because I did not arrive at Port Kembla until November 1936) and had stressed the need for constant economic and political action to improve working conditions both at Port Kembla and for the Australian working class generally. Despite Roach's militancy, the Port Kembla Watersiders did not have a reputation for industrial action. Indeed the Branch's most striking characteristic was its weakness, due in large part to the construction by the Port Kembla industrial companies of their own jetties—worked by their own causal labour.

This is a falsehood. All cargoes coming into the Port, with the exception of Iron Ore, were handled by wharfies. The award exemption allowed the small amount of cargo shipped by Electric Refining and Smelting and Metal Manufacturers (mainly finished copper products) to send someone down the from the factory to hook on the mainly pre-slung boxes, crates, etc. to ship's hook and the BHP to discharge their Iron Ore so long as it was at their own jetty. These exemptions caused absolutely no concern, however much Richardson wanted to make of it.

The facts are that we waged consistent campaigns with something happening every day.

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In the nine months from the date of my election as Branch Secretary on the 1 March 1938, we destroyed the vicious 'Bull System' of job selection:

- we kept setting short programs of immediate demands;
- we established rosters of employment for both union and casual workers;
- we established bus transport from Wollongong/Kembla, no work in rain, safety, job delegates; and
- we instituted conditions too innumerable to mention here.

We were not satisfied in winning a new condition for the sake of it, but ensured that collective discussion to draw the necessary conclusions took place and thus preparing for the next steps. We linked strict discipline with policy to ensure that policy, after being determined, was carried out by every member. In this way we were able to develop a high level of politico militant industrial understanding.

When the ACTU called for a ban on Japanese goods in 1937, we endorsed it. Groups of rank and file members would take to the streets handing out leaflets calling for bans on Japanese goods. Our policy was clear.

In November 1938 we received word from Melbourne, via the Federal Office, that a ship called the 'Dalfram' was coming to Port Kembla to load Pig Iron for Japan.

Members were incensed at the Japanese rape of China. We had seen a circulated document (purported to be a copy of the infamous 'Tanaka Memorandum') which contained maps showing projected Japanese expansion in the Pacific, which included Australia, New Guinea and Indonesia.

At this time our pick-up was in the lane opposite the Town hall and the port was busy. I called a pre-pick-up meeting and advised of the shipment of Pig iron to Japan; pointed out our policy, and moved that we refuse to load the Pig iron. This resolution was carried.

I then advised the men that they should accept the

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pick-up and commence work to allow me time to authenticate the destinations of the cargo—about which we held little doubt, but wanted to make sure.

At about 11 am my information was clear, the Pig was going to Japan. I walked along the deck calling out: 'It's going to Japan'. Everything stopped—to a man, the four gangs walked off the ship.

Well drilled supervisory staff were obviously ready. In an intimidating manner and armed with pencil and paper they asked individuals if they were refusing to work. In 1937 this type of intimidation in all probability would have been effective. Rosters and job delegates had breathed a new life into the Union because fear of victimisation no longer existed. The minions of the shipping companies and the BHP were contemptuously brushed aside.

Each morning, as other jobs in the port finished, men attended the pick-up. The 'Dalfram' was put on the top of the list. Every man refused until the available labour list was exhausted. The employers refused to isolate the 'Dalfram'. Within a few days the rest of the labour coming from finished jobs were called and they also refused. This was how the Port was stopped.

We quickly set out to activate our whole membership. We set up committees to cover every phase of activity and even had our own 'Drama Group' portraying the struggle in a very fine theatrical form. It turned out to be a very valuable asset, the group would pull up and put the show on in busy areas and in country towns. We departmentalised into a variety of activities. We worked very closely with and through the Trades and Labour Council and the Combined Unions' Committee.

Our action was not endorsed by the Federal COM. Len Richardson. In his paper 'Dole Queue Patriots' said:

Throughout, Healy had grave doubts about crossing swords with the BHP as he feared that this would give Lyons and the Company an opportunity to rush in with some kind of intimidatory action.

Richardson said that Healy told him in December 1938

that he could not see eye to eye with the Branch decision to strike.

So we did not have the full support of the Federal COM nor the official support from the Leader of the Labour Party. Our Branch membership at the time was 180 and we had a big job to do. Menzies told the Federal COM that if the boycott was not lifted, it would serve to bring about talk of the 'Transport Workers' Act'. He publicly stated this threat on 21st November.

He then sent his Parliamentary Under-Secretary, Lawson, to Wollongong. We were not notified. He arrived in Port Kembla, not Wollongong where headquarters was situated. The first I knew of it was when a member of our Branch COM rang me in the afternoon and said that there was a bloke here who said he represented Menzies and wanted to meet the Committee right away, and he had to catch a plane to Melbourne that night. He got on the phone and insisted that he must meet the Committee forthwith.

I commented on the lack of courtesy and told him he could meet the COM next day. He was upset about his plane booking and I told him that he could either wait until tomorrow or catch his plane.

We met Lawson at the Wollongong Hotel the next day. I introduced the President and others by name and not position. This allowed me to sneak the Daily News Reporter into the meeting.

The discussions caused Lawson to state that: 'whilst the world stands aghast at the atrocities committed by Japan in China, and he sympathised with our stand, he nevertheless must insist on Government policy being carried out'.

After the meeting he asked if he and I would make a joint statement. I told him no—each make their own statement.

The Daily News came out next day with banner headlines—'Lawson "Woos" the Wharfies'. He lost his Job as Parliamentary-Under Secretary shortly after.

On 28th November Menzies issued an ultimatum that unless work was resumed by the 6th of December, he would declare Kembla a 'Transport Workers Act' port.

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The following is John White's descriptions of the 'Dog Collar Act'.

The Transport Workers 'Act represented a strong weapon of coercion in the Government's hands. It could be applied to any Port by notice in the Commonwealth Government Gazette and, at such a Port, only those workers with a licence could be employed on the waterfront. Licences were obtained from Government Licensing Officers. The key section was s.12 which allowed a Licensing Officer to cancel any licence if he was satisfied that the worker had refused, or failed to comply with, any lawful order or direction given in relation to his employment. It was under this section that workers could be forced, on pain or dismissal, to load cargo to which they objected. A licence could be cancelled if its holder committed any offence, and s.15 made it an offence to refuse to produce a licence to the Licensing Officer or to a policeman on request.

At a full meeting the next day (which included casuals and waterfront workers) Menzies' ultimatum was rejected out of hand.

Menzies then postponed the operation of the 'Act' until he met a delegation in Canberra. The meeting with Menzies was non productive.

At this meeting the record shows that I stated our unequivocal attitude to the 'Dog Collar Act': 'This Pig iron will be used to slaughter our own women and children and raze our own 'cities to the ground in Australia—in the same way as in China today—and on these grounds we have made our decision not to load the 'Dalfram'. We recognise the consequences. The Branch members have decided definitely that they are not going to accept licences'.

The Port was declared on 9th December. Menzies met representatives of the ACTU and Federal COM on 12 December in Melbourne. He intimated that if the Branch would load the 'Dalfram' he would lift the declaration.

The Branch COM met on 16 December and rejected Menzies', the ACTU's and Federal COM's proposal, stating that we regarded the 'Act' only as supplementary to the main issue—the refusal to send war materials to an aggressor nation.

Our work through and with the Combined Union's Council and PR with the public (embracing the unemployed) insured as a final result that, apart from managerial staff, only one licence was taken out. This was by a member of our union. I quickly made contact with him and obtained the licence. I organised a public bonfire in front of the Port Kembla Customs House and burnt the only licence taken out.

The following day, 17 December, the BHP announced that they were retrenching 3,500 steel workers forthwith and another 500 immediately after Xmas. This obviously affected coal production as well as the business people of the area.

The Government was becoming desperate. They closed Radio 2KY because of comments by commentator, J.K. Morley.

The TPA was used to break:

- the waterside strike in 1928—leaving nine Branches of a volunteer union on the waterfront;
- the 1915 seamen's strike—filling half the ships on the coast with volunteer labour; and
- on innumerable occasions it was used as a threat to coerce as in the case of Melbourne, Adelaide and Sydney.

We had enormous public support with this and we were confident of defeating our formidable opposition as we were able to create such unity against the 'Act' as to make its application ineffective.

The Government hoped its action would bring about panic and alienate support by closing industry. This caused us some concern but, at the same time, we were aware that we had forced the Government into a corner.

When Pig iron was shipped to Sydney to be loaded on the ships 'Nellore' and 'Taiping' the rank and file refused to load it, despite a direction from both Federal COM and the Branch COM.

This dispute dragged on for weeks the ships were isolated, and the Port worked as normal. This was not

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allowed to happen in Kembla and both ships sailed without their cargoes.

Menzies came to Wollongong to promise the Combined Unions that he would lift the 'Act' if we loaded the 'Dalfram'. He faced a huge hostile demonstration assembled at the Town Hall to meet him and he entered the Wollongong Hotel, opposite the Town Hall, by stealth through the rear entrance. He was to meet the Unions at the Town Hall after lunch. I was called by loud hailer to the hotel entrance by Police Inspector Roser, who expressed concern about the safety of Menzies and requested that I break a way through the crowd ahead of Menzies to ensure his safe passage across the road.

The irony of this! Menzies, Australia's Number 1 red-baiter, had to be protected by communists.

Maurice Blackburn, MHR and Solicitor to the WWF, said:

Foreign totalitarian governments have a right to expect that the Australian Government will impose upon the Australian people the Government's (not the Law's) conception of international policy. What becomes of the rule of law when, by exercise of controlled administering powers, a Government may punish men for acts and words which law permits?

Neither White, Ward, Richardson or Lockwood, in their writings, showed the Pig iron dispute as a purely political struggle and were, in my view, quite simplistic in their analysis of its finish. They used terms, 'partial success', 'partial victory', 'compromise', 'promptly disciplined by Menzies', 'moral victory only'.

The essence of the struggle was not much as whether we loaded the 'Dalfram' or not intrinsically the cargo itself made little difference to the war on China. The real issue was that the 'Dalfram', was the vehicle to focus national and international attention on the reactionary policy of the Lyons/Menzies Government, to alert the Australian people to dangers inherent in the Japanese policy, and to force alteration in Government Foreign Policy.

In this we were extremely successful.

We forced a ban on the shipment of the remaining 277,000 tons of Pig Iron to Japan and, in the process, destroyed the vicious 'Transport Workers' Act'.

Sir Issac Issacs, retired Governor General and High Court Judge, wrote at the time in his booklet 'Australian Democracy and the Constitutional System':

It is wholly contrary to British Democracy to coerce a private citizen to do something not requested of him by law, simply because it is the policy of the Government—however unconscientious that may be . . . That is a dictator's rule.

The Government had used the economic pressure of possible starvation to force the men to act against their conscience.

I believe that Port Kembla, with its studied but peaceful and altogether disinterested attitude to the men concerned, will find a place in our history beside the 'Eureka Stockade' as a noble stand against executive dictatorship and against an attack on Australian democracy.

Professor Blainey said (p. 41) 'The strike was finally settled on 21 January 1939, and the ship was loaded with Pig iron. Thereafter, no Australian Pig iron was sold to Japan'.

Many of the miners at 'Eureka' lost their lives in destroying their licensing system.

In a different era, and in changed circumstances, we met the reactionary Government and the monopolies head on and, in the process, we struck heavy blows for democracy and destroyed a strike breaking, union destroying system of licensing. We concluded the battle with no physical casualties and emerged as a much stronger organisation. We won a political victory of enormous national and international importance.

The 'Transport Workers Act' was never used again and was subsequently erased from the Statutes. The day to day experiences were over a period when there was a free transfer system operating in the Waterfront industry and many of the lessons were taken by the transferees to other ports.

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At this time and up until 1943, Port Kembla was the only branch in the whole Federation that had a roster system of engagement; a system of job delegates that completely controlled the job—including hire and fire. With this went also the strict discipline on the job because discipline was linked with the carrying out of policy—a policy designed all the way to the improvement of union organisation and political consciousness.

This policy applied only in Port Kembla after I was elected as Assistant General Secretary–Organiser for the Federation that the lessons of Port Kembla were freely applied throughout the other thirty-five branches, despite the fact General Secretary Healy had been in office for 6 years.

It was the militant experiences in Port Kembla from 1937 to 1943 that played the major part in building the Waterside Worker Federation into a formidable militant working class fighting unit.

26 June 1993

Text of talk at Commemoration of the 1938 Dalfram Dispute, Wollongong, 25 February 1996, organised by the Illawarra Branch of the Australian Society for the Study of Labour History.