January 2000

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Abstract
The Labor Council of the Illawarra grew, like the unions which joined it, out of the desire shared by workers in industrial societies everywhere to achieve some control over their working conditions. In Australia unions began to form in the 1830s, and developed more rapidly in the second half of the nineteenth century. The formation of the New South Wales Labor Party in 1891, after the defeat of the Great Maritime Strike united trade unions, craft and unskilled, under its umbrella. It also placed unions within a broader peoples’ movement which had to contend with the necessity for its representatives to win electoral favour with the broader population. In the first years of Labor Party representation in Parliament the varying expectations in the electorate did not prevent some of the labour programme being implemented. Reforms in the franchise and in conditions in factories, regulations to exclude non-European migrants and the introduction of old age pensions were won. Labor parliamentarians advocated compulsory arbitration as a means of settling industrial disputes because it was electorally more attractive than strike action. Workers in New South Wales began to recognise the value of compulsory arbitration, preferring it to the Wages Boards of Victoria, because it provided a tribunal which would hear the union case directly, and which could be called upon by either party to a dispute for a judgement which was legally binding.
THE ILLAWARRA TRADES AND LABOUR COUNCIL IN DEPRESSION, RECOVERY, AND WAR, 1926-1945

Shirley Nixon

Chapter 1. The Illawarra Labor Council – First Manifestations

The Labor Council of the Illawarra grew, like the unions which joined it, out of the desire shared by workers in industrial societies everywhere to achieve some control over their working conditions. In Australia unions began to form in the 1830s, and developed more rapidly in the second half of the nineteenth century. The formation of the New South Wales Labor Party in 1891, after the defeat of the Great Maritime Strike united trade unions, craft and unskilled, under its umbrella. It also placed unions within a broader peoples’ movement which had to contend with the necessity for its representatives to win electoral favour with the broader population. In the first years of Labor Party representation in Parliament the varying expectations in the electorate did not prevent some of the labour programme being implemented. Reforms in the franchise and in conditions in factories, regulations to exclude non-European migrants and the introduction of old age pensions were won. Labor parliamentarians advocated compulsory arbitration as a means of settling industrial disputes because it was electorally more attractive than strike action. Workers in New South Wales began to recognise the value of compulsory arbitration, preferring it to the Wages Boards of Victoria, because it provided a tribunal which would hear the union case directly, and which could be called upon by either party to a dispute for a judgement which was legally binding.

In 1901, the New South Wales Government introduced an Arbitration Act which set up an Arbitration Court to settle disputes brought to it by either unions or employers. The Labor Party and its adherents believed it would be an alternative to strikes and lockouts. In 1904 the scope of arbitration was extended by the introduction of the Commonwealth Conciliation
and Arbitration Act, which provided for the compulsory arbitration of all disputes which extended beyond the borders of any one State. The New South Wales Arbitration Court had to be reformed in 1908 because it became ineffective as a result of challenges to its decisions in higher courts and delays in implementing its decisions. The Federal court, however, enjoyed favour with the unions, largely because of the judgements of its President, Mr Justice Higgins.

By 1910, when the Labor Party came to office in both New South Wales and the Commonwealth the role of the Labor Party and the principles it stood for were clear. The set of beliefs which sustained the Labor Party, often referred to as Labourism, included strong unions, compulsory arbitration, a White Australia and the management of a capitalist state, to the advantage of workers by a Labor Party in power.

There were in the first years of the twentieth century, however, other doctrines arising in the labour movement. Socialists who had been influenced by Marxist ideas opposed arbitration because they believed that workers should not give control of their fate to the State, but should fight as a class, against capitalists and State alike. The teachings of the Industrial Workers of the World also reached Australia from the United States of America in 1907. They argued that the salvation of workers rested in their formation into One Big Union which would eventually take over the State. Coalminers in particular, and the unions of the unskilled workers, found the doctrines of the IW.W, which advocated direct action, to their liking. The events of the First World War increased the influence of the IW.W, because it exacerbated the tensions in the Labor Party, by then in power in several States and in the Commonwealth. The vigorous war effort undertaken by the Labor Government included proposals which unionists feared. They included a preparation for conscription and support for the freezing of wages until the war was over. Nevertheless, many unionists took industrial action to increase wages and reduce hours of work, against Labor Party and union advice and were successful.

The Labor Government’s conscription of Australian men to fight in Europe created deep divisions among Australian people. The conscription referenda and the measures of the War Precautions Act confirmed the fears of many workers that their civil rights were under attack. The New South Wales General Strike in 1917, which was beaten by the combined efforts of the State Government and the employers who recruited ‘volunteer, labour, goaled strike leaders, de-registered unions on strike and set up unions of the ‘volunteer’ workers led many in the labour
movement to believe the IW.W claim that the State supported employers' attacks on organised labour.

These attacks on the unions' power brought some acceptance of the ideas of socialists from many unionists who felt that the harsh treatment meted out to striking workers in 1917 demonstrated the need for both industrial and political action. Other unions did not agree, especially the Australian Workers Union which rejected the IW.W. and socialist ideas, claiming that its own size made it already well on the way to representation of all workers.

The two philosophies, Labourism and the class war, were the inheritance of the Illawarra miners when they made the first attempts to form a labour council.

The origins of the South Coast Labour Council go back to 1914. By 1914 the depression of the 1890's was left far behind and the value of production per head in Australia was increasing. Labour governments were in office in both New South Wales and in the Commonwealth. The improving economic conditions gave hope to unionists who believed that it was best to rely on direct action to secure gains. Other unionists, probably a majority, who believed their welfare would be safe in the hands of their own political Party, sought to 'make the union strong' in order best to put workers' points of views to their parliamentary representatives.

The unions in the Illawarra in 1914 were mostly branches of the State body which covered the industry concerned. Teachers, cokeworkers, meat industry employees, carpenters, bread carter's and wharf labourers had all established union organisations. There were two branches of the Amalgamated Society of Engineers, the Municipal Employees, the workers at the Electrolytic Refining and Smelting works at Port Kembla, and the ARU and the FEDFA began to organise. Another union branch, the United Labourers, proposed in 1913 an amalgamation with railway workers into a union which had, as one plank of its platform, 'the abolition of the wages system' giving an indication of the socialist ideas which were being discussed in the district.

All these unions, or branches of unions, joined the organisations of the coal miners of the district who had established in 1879 a district organisation of miners' lodges in the face of strong resistance from their employers this union had survived great difficulties and in 1916 was to be united with all miners in New South Wales as the Australasian Coal and Shale Employees' Union. Unionism in the Illawarra of 1914, covering as it did a wide range of workers, from teachers and
tradesmen to engineers and labourers, was a microcosm of the nation, for the *Commonwealth Year Book* of 1912 had noted that 'industrial organisation by means of unions now tends to embrace all classes of wage earners'.

The time seems to have been propitious for the hopes of those unionists who thought to consolidate their efforts and to form a provincial Labour Council in the Illawarra. The response to a call to a meeting at O'Brien's Hotel in Thirroul in January 1914 drew most of the unions representing the various trades of the district, and it was agreed to form the Illawarra Labor (sic) Council. Only 'a couple of unions' had not affiliated with the new district council. This failure to affiliate was not because of any objection to the principle of amalgamation, but because their parent bodies were affiliated with the Sydney Trades and Labour Council.

The Illawarra unionists of 1914 accepted the principle of consolidation of their organisations, and were not very concerned whether the consolidation was at the local level or with unionists further afield in the city. In supporting the principle of consolidation, Illawarra unionists were seeking the ideal which has been said to 'haunt trade unionism' that of a united trade union movement. This ideal has its origins in what a great historian of the working class called 'the ethos of mutuality' which he traced to the codes of eighteenth century artisans', guilds and to the earliest formation of friendly societies. The 'ethos of mutuality' arose in response to certain common experiences of the working class, expressed first in the friendly societies mutual aid systems and later in the trade unions, co-operatives, and other labour movements such as political leagues. Australian trade unionists had publicly claimed considerable mutuality of interests since 1879 when, in the *Report of the First Intercolonial Trades Union Congress* it was claimed that it was an established fact that the labour organisations of Australasia were 'practically unanimous in holding certain opinions in social politics'. This report argued that if the fact of labour organisations' unanimity was formally ratified by the Congress the whole country would give proper attention to those shared labour opinions. By demonstrating their shared view of the world in a public announcement which drew attention to their 'aggregate strength' the Congress delegates thought they would impress the legislatures with the wisdom of paying attention to union opinions and of taking them into account when making their legislative decisions.

Speeches at the Fifth Intercolonial Trades Union Congress in 1888 showed the growing confidence of the trade union movement
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in its own ability to represent those Australians who ‘live by their labour’ in negotiations to improve living standards and to create a more equitable society. Delegates were urged to note that just as the individual worker was ‘... made strong by the union, so the single society is made more powerful by combination with other societies’. At this Congress, too, a committee was given the task of drawing up a Constitution by which a Federation of all Australian unions might be established. By 1890, although Federation had not yet been achieved, some hundreds of unions were affiliated to labour councils.

The 1890’s themselves were not, however propitious for the trade union movement, in spite of the great effort to maintain the organisation of the labour movement and to extend and perfect it on the part of labour officials in Sydney. The ‘Great Strikes’ began in 1890 and from then until 1894 racked the labour movement. The strikes of the 1890’s brought a bitter result for unions since employers and governments combined to defeat them. The 1890’s were years of depression with slack trade and high unemployment. For unionists the nineties also brought a new and favourable factor into their organisational ambit, the formation of the Labor Party, first in New South Wales in 1891, and during the following ten years in each Australian colony. Union membership declined and between 1891 and 1896 the number of unions increased by only eight per cent. The new century however brought steady progress in the fortunes of the union movement.

By 1912 there were five times the number of unions there had been in 1891 and membership of unions had increased eight times in that period. In 1912 it was said that ‘Industrial organisation by means of unions now tends to embrace all classes of wage earnerst’. By 1914 there were 500,000 unionists in Australia.

Such a growth in strength was largely due to the functioning of the Commonwealth Court of Conciliation and Arbitration and the various State Courts of Arbitration and Wages Boards. The Commonwealth Court established in 1904 to deal with industrial disputes extending beyond the confines of a single state, had by 1914 become an influential jurisdiction. Its decisions affected relations between workers and employers throughout Australia and its provisions encouraged the formation and registration of unions. Mr Justice Higgins, whose Harvester judgement of 1907 was to shape the Australian wage structure for sixty years, said of the Conciliation and Arbitration Act that ‘The system of arbitration adopted by the Act is based an unionism. Indeed without unions it is hard to conceive how arbitration could be
So the Illawarra Labor Council’s formation in 1914 was an expression not only of an ethos of mutuality, but was also a logical response to the way in which legislation in Australia had placed an *imprimatur* of legitimacy and practicality on the organisation of labour into unions and groups of unions. Labor politicians helped to popularise the Commonwealth Court of Conciliation and Arbitration and the various State Courts of Arbitration and Wages Boards. The Labor Party believed in compulsory arbitration, seeing it as having electoral appeal as well as giving unions a proper voice in negotiations which affected the living standards and work conditions of their members.

However, during the first years of the twentieth century, compulsory arbitration had many critics, most of whom had socialist or syndicalist beliefs. These critics claimed that unionism and arbitration had failed to protect the interests of workers. In the Illawarra some of these critics, members of the Industrial Workers of the World, held public meetings to expound their views. At one such meeting in 1913, held in Woonona, it was claimed that craft unionism was ‘... helpless when opposed to organised Capitalism’.30 The influence of the IW.W. can also be detected in the prospectus of the proposed amalgamation of Railway Workers and the General Labourers who put forward, as one plank of their proposed policy, the abolition of the wages system in favour of co-operative societies which would conduct industry and commerce.31

The Illawarra Labor Council decided at its first meeting in January 1914 that its first objects would be the establishment of a Trades Hall and the ‘... holding of an annual eight hour demonstration in Wollongong’.32 These two aims, the one with its intention to present a substantial and conventional face to the community, and the other with its reminder of more radical objectives of unions, encapsulate the debates among workers of the period. There also were conflicting views between those unionists who welcomed Arbitration and those who, influenced by Marxist socialist ideas and the Industrial Workers of the World, believed that only direct action would bring gains to workers.

The advent of Labor governments in 1910 at both State and Federal levels had encouraged the New South Wales union movement to hope that the welfare of workers would be looked after by legislative action. In addition, by 1914 the Illawarra district was on the verge of rapid industrialisation.33 These good omens for the establishment of a Labour Council were not fulfilled. The Council seems barely to have survived the war years34 and, perhaps, like so many union organisations, did not survive the 1917 NSW General Strike, which was treated by the Government
as a rebellion and dealt with by gaoling union leaders, by engaging non-union labour and by de-registering unions. About this time, in any case, the Illawarra Labor Council ceased to function and ten years passed before Illawarra unionists planned once more to form a peak council of unions.

Chapter 2. The Illawarra Trades and Labour Council 1926-1931

In 1926 when the Wollongong Labor Party Branch took the first steps to re-activate the Illawarra Labor Council the published rationale for the proposal was simply that it would be in the best interests of the labour movement. Labor Party people believed that through the voice of unions could the best decisions affecting the lives of workers be made. At the meeting of the Labor Party Branch which discussed the proposal that a Trades and Labour Council be formed, Mr 'Paddy' Mollay took up the motion and the following resolution was carried:

That the Wollongong League convene a meeting of all unions operating between Helensburgh and Kiama, including Port Kembla, for the express purpose of seeking to form a South Coast Trades and Labour Council; that this League does its utmost to secure founding of same and that Sydney Trades and Labour Council be asked to assist in the establishment of this body; that every union be asked to send delegates to a meeting in the Miners’ Hall on June 12th.

One letter of invitation to this meeting went to the Labour Council of New South Wales which decided that its secretary, Mr Jock Garden, should attend on its behalf although there is no record of him doing so. Jock Garden was not a stranger to Wollongong, however, for in February that year he had addressed ‘militant unionists’ who were in the course of forming an organisation to be entitled South Coast Vigilants, perhaps another manifestation of the Wollongong unionists’ recognition that unity of the local labour movement was becoming urgent. Jock Garden and the NSW Labour Council were engrossed in the struggles to find a workable form for the concept of One Big Union, or a united trade union movement, and to find a way to ‘to... operate a version of a “united front” policy from within the Labor Party’.

A proposal for a new provincial Trades and Labour Council, mooted by a Political Labor League, perhaps seemed of minor importance to Jock Garden, absorbed as he was in his own political struggles. At that time there was division in the labour
movement over whether to support the Bruce Government’s Essential Services and Industries and Commerce Bills at the coming September referendum. Some Labor parliamentarians believed the Referendum proposals should be supported so that, when Labor won office, its own centralist policies could be more easily implemented. Unionists in Victoria agreed, but the Labor Party Branch and the Labour Council of NSW were involved in persuading rank-and-file unionists and Labor Party members to vote against both the Essential Services and the Industries and Commerce proposals in the referendum. Jock Garden opposed taking this legislative avenue towards a united Trade Union movement, and through a committee representing the New South Wales Labor Party and the unions in New South Wales laid down the foundations of the national organisation of all Australian unions which became a reality as the autonomous ACTU a year later.40

The move towards national unification of trade unions was no doubt followed with interest by the Illawarrah labour movement; but it also had an immediate and local reason to try to bring the local unions into a coalition. The move from Lithgow of the steelmakers Hoskins Ltd., to the site purchased in 1924 at Port Kembla with its deep-water harbour and close proximity to coke supplies and limestone deposits had begun. The Port Kembla-Moss Vale railway which the New South Wales government had agreed to build in order to facilitate the transport of limestone to the steel-works was in progress and already workers from other parts of the country were arriving in Wollongong, attracted by the prospect of employment.41

At this time the only union to have a local organisation was the Miners’ Federation. Other unions were organised from Sydney by officials who visited monthly. Even the Australian Workers’ Union which covered the labourers employed at the steelworks site, as well as the construction workers when the steelworks actually began to be built in January 1927, had only a local secretary who was employed full-time in Metal Manufactures.42

There was a steady flow of migrants from many parts of Australia to the Illawarra district which had such a rudimentary union organisation. Their arrival alerted some unionists who feared the development of a vast pool of non-union labour to the need to co-ordinate and strengthen union structures. No doubt they were concerned also at the Bruce-Page Government’s moves to reduce the power and influence of unions first by amending the Crimes Act to make it pertain to industrial dispute and then by giving the Arbitration Court increased power to punish offending unions.43
The response from local unions to the Labor Party's letter about inaugurating a Labour Council was enthusiastic and most unions in the district sent delegates to the 12 June meeting. The Miners' Federation was slow to support the Trades and Labour Council although the chief proponents of the Labour Council were ex-miners, 'Steve' Best and 'Paddy' Molloy. The Miners' Federation was jealous of its role as the doyen of unions in the Illawarra. The miners had established a district organisation of mining lodges in 1879 and had provided the first coalminer to be elected to the New South Wales parliament in 1891.

Since 1916 the Illawarra coalminers had been part of a national union, as the Southern District of the Miners' Federation, which annually elected two salaried officials, a district secretary and president. As an affiliate of the Australian Labor Party, the Miners' Federation gained its members the right to vote at pre-selection ballots for parliamentary candidates. The predominance of the Miners' Federation in the Illawarra labour movement made its support for the embryo Labour Council essential not only for the organisation skills and political weight the miners would bring to the Council but also for the affiliation fees of the largest single union in the Illawarra. The re-establishment of the Labour Council caused some miners to feel that their own union's freedom of action would be curtailed. Other workers interpreted the attitudes of the miners as being arrogant. Some resented what they claimed the miners' opinion that the Federation was the source of all improvements in workers' conditions. But the miners did affiliate with the Illawarra Trades and Labour Council, along with the A.W.U., the A.R.U., Waterside Workers, carpenters, colliery mechanics, United Labourers and meatworkers. In 1927, however, the Miners' Federation withdrew from the new labour Council for reasons not clear. The Southern District Miners' Federation records for this period do not exist. Some veterans of this period claim the miners withdrew because of the dispute over affiliation fees. The unions other than the Miners' Federation were very small and paid very small fees to fund the Council. By February 1928 the Illawarra miners were again attending Labour Council meetings, along with eight other unions, the Municipal Employees having by then affiliated.

The economic climate into which the Illawarra Labour Council was born was not conducive to its healthy growth. The Australian G.N.P. had grown extremely slowly in the 1920's. Growth in the G.N.P. was only 0.7% per capita in the years between 1919-20 and 1928-29 compared with a growth five to seven times greater in all other decades since 1861 which, like
the decade 1919-1929, had been free of drought, war or depression. In fact in 1927 Australia was in recession, some two years before the New York stock market crash which was the shock fore-runner of the severe contraction in the world economy experienced between 1929-1931. At the same time there were few social welfare provisions and the exigencies of being a worker in industrial unemployment had to be dealt with by the individual worker.

Unemployment was high throughout the 1920's, remaining in excess of 8 per cent, and no government initiatives were undertaken to ameliorate the situation. The orthodox economic theories of the day were that national finance would ebb and flow, and that depressions or recessions were but passing phases of economic life, during which a national effort towards increased and more efficient production was necessary for recovery. Although the Commonwealth Royal Commission on National Insurance 1923-27 considered the possibility of unemployment insurance, so little was known of the extent of unemployment at the time that the only proposal to come from the Royal Commission was for the establishment of national employment bureaux.

In the 1920s, the chief employer in the Illawarra, the coal mining industry, was in rapid decline. During 1927-28 twenty one percent of New South Wales coal miners earned less than the basic wage, and about fifty percent of them earned less than the average wage for all industries. For miners in the southern coalfields, the average number of working days in 1928 was 175 out of a possible 274.

In Wollongong, unemployment was already of sufficient magnitude in 1926 to generate a demonstration in the streets by unemployed people trying to bring the plight they were in to public attention. The numbers of unemployed workers arriving at Port Kembla and Wollongong increased steadily, as news of the construction work at Hoskins new steel works spread, assisted not a little by the advertising of land agents which claimed, in advertisements of local land for sale, that Hoskins would be putting on five thousand men at their new works. Mr P. Molloy, vice-president of the rudimentary Labour Council urged that these ‘boomsters’ be made to refrain from this practice but legislation controlling the accuracy of claims made in advertisements was almost half a century away and the practice continued.

By 1928 the Illawarra Mercury frequently reported ‘entertainments’ to raise money for the unemployed, and the Wollongong Labour Exchange had 450 unemployed on its register, ‘... not
counting those who were on short time at the mines and registered for another job'. The miners' leader Mr F. Lowden put the figures higher. He claimed one thousand unemployed men and another '.... 1,000 to 1,200 men who ... are only working one day per week'. The Illawarra Trades and Labour Council was but eighteen months old when unemployment had reached this level in a total population of some 24,000 and the anxiety that the local workers felt about unemployed men from other districts coming to Wollongong seeking work was shared by both the trade unions and the city fathers. In February 1928, the Mayor of Wollongong, assisted by Messrs. Lowden and Sweeney, of the Trades and Labour Council convened a ‘big meeting of unemployed’ at Wollongong.

In spite of warnings which emanated from this meeting through the local press about the grim prospects for those seeking work in the Illawarra, The Illawarra Mercury, reported in August

The warning has not had the desired effect with the result there is a long list of men seeking work with small prospects of being able to obtain-it.

Public protest meetings were organised in the district indicating that Wollongong unionists, like their colleagues throughout Australia, were alert to the threats posed to the union movement by the Federal Government’s Amended Arbitration Act. Those attending firmly resolved to fight the amendments.

The amendments empowered the Arbitration Court, of its own accord, to refer any question arising out of an industrial dispute to a secret ballot thus taking from unions their right, shared only with employers, to decide when to take disputes to the Arbitration Court. The fall of the Bruce-Page government in 1929 was partly due to workers’ rejection of the amendments. In the Illawarra they served militant unionists as an example of the need for unity amongst workers to preserve their right to organise.

Notes

1 This is the text of a thesis submitted to the Department of History in 1984 in partial fulfilment of the requirements for the awareness of the degree of Bachelor of Arts (Honours) from The University of Wollongong. This thesis was made possible by the cooperation and assistance given to me by Executive members of the South Coast Labour Council, and Kay Watts of the South Coast Labour Council Office. I have been given free access to extant Council records. I owe thanks, too, to many veterans of the Illawarra Labour Movement in the Illawarra, with special thanks to Len Boardman, Ted Arrowsmith. Bill Frame, Bill McDougal, George
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Murray and Ted Harvey, who all gave me valuable insights into the Labour Council’s past.


3 Ibid., p.29.


7 Ibid., pp. 15-19.

8 Ibid.


11 *South Coast Times*, 17 January 1913 (Current Jottings).


13 *Commonwealth Year Book*, 1912, p.1039.

14 Illawarra Mercury January 20, 1914.

15 Ibid.


19 Ibid.


24 *Commonwealth Year Book*, 1901-1913, p. 906.

25 Ibid.

26 *Commonwealth Year Book*, No.5, p.1039.


30 *South Coast Times*, 2 February 1913.

31 Ibid., 17 January 1913.

32 Ibid., 20 January 1914.
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34 *Commonwealth Year Book*, No.9, p.937.
35 *South Coast Times*, May 7, 1926.
36 Ibid., May 21, 1926.
37 Labour Council of New South Wales, Minutes, June 3, 1926.
38 *South Coast Times*, February 12, 1926.
40 Ibid., p.45.
41 *South Coast Times*, June 18 1926.
45 L. Richardson, *The Bitter Years*, p.16.
46 Ibid., p. 16.
49 Ibid
50 Interview with E. Arrowsmith
51 *Illawarra Mercury*, 3 February, 1928.
54 C.B. Shedvin, Aust. and the Great Depression, pp. 89-90.
55 Ibid., p. 90.
57 *South Coast Times*, 26 March, 1926.
59 Ibid.
60 Ibid.
61 R. Robinson, *Urban Illawarra* p.93. This figure is calculated from population statistics presented here, and does not include Shoalhaven or Bulli.
62 Illawarra Mercury, 9 March 1928.
63 Ibid., 24 August 1928.
64 Ibid., 9 March, 1928.