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Abstract
The two great upsurges in Australian union mobilisation occurred in the 1880s and the first decade of the twentieth century. In both cases membership increased in scope and intensity: an expansion of the number of union organisations across a wider range of industries and occupations, as well as an increase of union density in industries and occupations where unions already existed. However, a major environmental difference between the two upsurges in mass unionism was the existence of a system of compulsory state arbitration, from 1901 in NSW and from 1904 in the Commonwealth. It has commonly been observed that the legislation was critical in assisting rapid trade union growth in the early 1900s. This article examines in more detail the factors common to both the 1880s and early 1900s which contributed to union mobilisation, and reviews the evidence for a major role for the arbitration system in the latter period. It concludes that the statistics have been misused and misunderstood by those previously relying on them to argue that the arbitration system was critical for the expansion of unionism in the early 1900s. Union growth in the early 1900s seems to have had a similar basis to that in the 1880s: strong localised communities, perceived threats to working conditions, and a strong coordinating role by peak union bodies, together with a broad consensus providing a public place for unions. The role of the state was a critical factor in the early 1900s in constructing this public place for unions, even if the operation of the arbitration system itself was not a major direct contributor to union growth.

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Explaining Union Mobilisation in the 1880s and Early 1900s

Ray Markey

The two great upsurges in Australian union mobilisation occurred in the 1880s and the first decade of the twentieth century. In both cases membership increased in scope and intensity: an expansion of the number of union organisations across a wider range of industries and occupations, as well as an increase of union density in industries and occupations where unions already existed. However, a major environmental difference between the two upsurges in mass unionism was the existence of a system of compulsory state arbitration, from 1901 in NSW and from 1904 in the Commonwealth. It has commonly been observed that the legislation was critical in assisting rapid trade union growth in the early 1900s. This article examines in more detail the factors common to both the 1880s and early 1900s which contributed to union mobilisation, and reviews the evidence for a major role for the arbitration system in the latter period. It concludes that the statistics have been misused and misunderstood by those previously relying on them to argue that the arbitration system was critical for the expansion of unionism in the early 1900s. Union growth in the early 1900s seems to have had a similar basis to that in the 1880s: strong localised communities, perceived threats to working conditions, and a strong coordinating role by peak union bodies, together with a broad consensus providing a public place for unions. The role of the state was a critical factor in the early 1900s in constructing this public place for unions, even if the operation of the arbitration system itself was not a major direct contributor to union growth.

Introduction

The recent debates concerning union organising in a context of rapid decline in membership density have been remarkably myopic and ahistorical. Union leaders and activists have tended to look overseas for organising models, 1 in time-honoured Australian fashion. Academic commentators have tended to focus on the reasons for recent decline, rather than the reasons for union growth in the first instance. 2

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A cursory examination of the pattern of union membership as a proportion of the workforce in Australia in the twentieth century suggests that both growth and decline have been exceptional in the long term. Membership density increased from the early 1900s to about 1927, when it reached 51 per cent. Thereafter, it stabilised before declining slightly until the late 1940s, when it rose slightly again to peak at 60 per cent in 1951. It then stabilised once more before declining slowly from the mid-1960s. It was not until the late 1980s that rapid decline set in. The period of rapid growth was equally concentrated, in the first decade of the century, because growth was much steadier afterwards. 3 Such long-term trends of growth, stabilisation and decline, with highly concentrated periods of growth and decline at either end, cannot easily be explained by the classical business cycle explanation
for fluctuations in union membership, although less substantial short-term fluctuations (such as in the 1930s) may be explained in this way.

It is more tempting to link both rapid growth and decline with the role of the state because of the coincidence of changed state roles with the periods of rapid growth and decline. A substantial body of influential industrial relations historians and theorists have attributed the rapid growth of unionism to the introduction of a system of compulsory state arbitration which privileged unions in industrial relations. This ‘dependency thesis’ almost assumed the status of an orthodox interpretation, as indicated by its adoption in a number of influential general histories over time, as well as in major texts in industrial relations and politics. Other historians, and some industrial relations texts, have been more cautious in acknowledging other contributing factors, such as the upturn in the trade cycle in the early 1900s, but still saw the role of arbitration as a critical contributor to union growth. Similarly, some recent commentators have linked much of the rapid decline in union membership to their dependency on an arbitration system which either has been weakened directly by legislation or become less relevant in the era of microeconomic reform.

However, it is worth remembering that prior to the intervention of the state through compulsory arbitration, there was another more compressed cycle of rapid union growth in the 1880s, followed by rapid decline in the 1890s depression. This article examines the two exceptional periods of union upsurge, which provided a basis for strong membership density for the following century. In examining these periods, the article re-examines the ‘dependency thesis’, and attempts to understand what made these two periods exceptional in terms of union growth. In doing so, it may offer a greater understanding of the contemporary decline in membership density.

The 1880s and 1890s

The earliest unions in the Australian colonies were continuously organised from the 1840s or 1850s. These were predominantly the urban craft unions, concentrated in the building and metal trades, and often established as branches of British unions. During the 1870s unionism expanded to coal miners in NSW and maritime workers – seamen and wharf labourers – throughout the colonies. These new unions brought much larger numbers of workers to unionism.

During the 1880s, however, the expansion of union membership was far more dramatic, particularly amongst unskilled or semi-skilled workers. Maritime labour organised more intensively and extensively, forming coal lumpers’ unions in major ports (Sydney 1881, Newcastle 1888), the Federated Stewards and Cooks Union (1884), and organisations of marine engineers (from 1880) and marine officers. Railway workers also organised extensively in sectional unions, such as the Locomotive Engine-drivers and Firemens Associations, guards’ and shunters’, and signalmen’s organisations, as well as all-grades
railway unions and navvies’ unions. Mining unionism spread to embrace southern and western NSW coal miners. The Victorian-based gold miners’ union, the Amalgamated Miners Association (AMA), was formed in 1882, and soon spread to NSW where it established a major stronghold amongst miners of silver, lead and zinc in Broken Hill. From 1886 the Amalgamated Shearers Union (ASU) enrolled men in all colonies with a pastoral industry, except Queensland which initially formed an independent shearers’ union (QSU). In 1890, unskilled pastoral workers were organised in the General Labourers Union, which amalgamated with the ASU in 1894 to form the Australian Workers Union (AWU). 6

Civic acknowledgement of unionism as part of the institutional fabric of colonial society: Sir Henry Parkes laying the foundation stone for Trades Hall, Sydney, 28 January 1888 (Mitchell Library, State Library of NSW).

These new unions were responsible for some of the greatest numerical expansions of organised labour, but unionisation spread much further in the mid to late 1880s. Gas stokers, clothing trades workers, brewery employees, road transport workers, to name a few, also formed unions. In 1891 a general Female Employees Union appeared in Sydney. Furthermore, membership of older unions, including the crafts, grew rapidly at this time. This was often expressed with the formation of union branches in provincial centres or suburbs of the capital cities. 12

Although we lack accurate statistics, the growth of these organisations clearly had a major impact on aggregate union membership, particularly in the most industrialised and unionised colonies of NSW and Victoria. In NSW the number of unions and unionists more than doubled between 1885 and 1891, from about 50 unions covering 30,000 workers, to over 100 unions covering about 65,000 workers. 13 In Victoria a contemporary estimate of total union membership placed it between 25,000 and 30,000 workers in 1888. Only two years later it grew to approximately 70,000 workers, in about 100 unions. 14 Based on these estimates it can be calculated that total union membership density in 1891 reached about 21.5 per cent for NSW and 23.2 per cent for Victoria. 15 Unfortunately, we lack comparable figures for other colonies at this time. In Queensland 21,739 unionists belonged to organisations registered under that colony’s Trade Union Act of 1886, which represented a density of over 14 per cent. 16 However, as with NSW and Victorian registrations under similar legislation, this was
not a reliable source of total union membership, because many unions did not register under these Acts. 17 Queensland union density, therefore, is likely to have been higher than these official figures suggest. In other colonies union membership was relatively slight at this time, although many small unions existed in the capital cities. 18 Quinlan’s estimate of 200,000 unionists for all of Australia in 1890 would represent a total union membership density of over 20 per cent, but his estimate is somewhat optimistic. 19

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These membership densities probably made NSW and Victoria the most unionised places in the world. The United Kingdom is commonly acknowledged as the main stronghold of unionism at this time. However, in 1892 total British union membership density only reached 10.6 per cent. It did not exceed the NSW or Victorian levels of 1891 until 1913, 20 but by that time the total Australian density was higher still, as we shall see.

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A combination of many factors accounted for this upsurge in Australian union membership in the 1880s. This is consistent with the multifactor approach adopted by R. Hyman and H.A. Turner. 21 They consider industry structure, work group characteristics, and the agency of the actors as combined explanatory factors for union growth (and decline). These factors, and the state of the economy, are examined below for the 1880s. 10

For 40 years, from the 1850s to 1890, the Australian colonies enjoyed relative material prosperity and rapid population growth in the context of an economic boom which peaked in the 1880s. At the same time, the colonies underwent a structural economic shift from a pre-industrial pastoral and mining economy to a more complex industrial and commercial economy. As Buckley and Wheelwright note, ‘the general pattern of Australian economic development up to 1890 was in the direction of building an infrastructure for industrial society, the emphasis being upon heavy investment in public works construction, mining and pastoral industry’. 22 The significance of manufacturing, urban building and service sectors (especially transport and communications) grew rapidly in terms of contribution to GDP and share of the total workforce. For example, in NSW, one of the two most industrialised colonies at this time, the percentage of the workforce accounted for by the growing secondary and tertiary sectors of the economy grew from 39 per cent per cent in 1871 to over 50 per cent in 1891, whilst the share of the pastoral/rural sector of the economy fell from 43 per cent to 31 per cent in the same period. 23

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This structural shift embodied a number of other important trends. First, the rate of growth of cities, predominantly the colonial capitals, and the high proportion of the total population for which they accounted, made Australia one of the first highly urbanised societies. Sydney and Melbourne, with almost 500,000 inhabitants each by the end of the century, were large cities by any standards, each accounting for over a third of their colony’s total population. 24
Secondly, the scale of manufacturing increased rapidly. In Sydney and Melbourne, the two main industrial centres of the colonies, average factory size grew in the 1880s from 18 to 25, and from 24 to 27 employees respectively. Scale varied considerably, of course, within and between industries. For example, outwork and small sub-contracting workshops grew simultaneously with a small number of large establishments of 100 to 300 employees in the clothing industry in NSW and Victoria. Overall indices were boosted by the metals, machinery and engineering sector in these colonies. Small-scale craft based industry remained important, but from the 1880s a growing number of enterprises brought larger numbers of workers together. Government railway workshops, gas works, sugar refineries, breweries, and woolen mills were some of the largest enterprises in terms of employment; they also experienced significant productivity growth because of increased capitalisation, but the more labour-intensive industries such as clothing expanded rapidly as well.

Thirdly, capitalist social relations of production were extending throughout industry. The working class accounted for 75 per cent of Australian breadwinners in 1891, five per cent more than 20 years previously. Petty commodity production remained important in farming, as well as in urban manufacturing where tradesmen often became small masters. These social patterns partially blurred the boundaries between employers, self-employed and workers, particularly when some small farmers took seasonal wage labour. However, during the 1870s and 1880s opportunities for petty commodity production and social advancement declined. Metal mining from the 1870s saw larger-scale company operations such as those at Broken Hill replace the independent diggers of the 1850s and 1860s, although the latter had a brief resurgence in Western Australia in the 1890s. On the land, various legislative measures since the 1860s had failed to settle substantial numbers of secure smallholders, and many of those who did attempt small farming returned to the ranks of wage earners.

Opportunities also declined in the urban trades because of technological change and productive reorganisation. Skilled tradesmen concentrated in building, metals, engineering and printing had formed an aristocracy of labour in terms of high wages, opportunity for social advancement and status, based largely on scarcity of their skilled labour created by control of labour supply through apprenticeship systems. However, from the mid 1880s the position of traditional tradesmen in printing, building, shipbuilding, brickmaking, tobacco processing and some metal trades deteriorated because of technological change, so that new processes and machinery required less or different skills and/or fewer workers. Some new labour aristocrats also were created by technology, notably locomotive engine drivers. However, in many more instances skilled positions were threatened, and in some cases, such as clothing and furniture making, tradesmen were reduced in numbers and importance by productive reorganisation without the aid of new machinery. One indication was the decline in apprenticeships, replaced by ‘improvers’, and the increase in cheap female and juvenile labour.
The context of the economic boom described here provided both motive and opportunity for the formation of unions. Labour, skilled and unskilled alike, was relatively scarce during the economic boom. This situation favoured the formation of unions and their potential gains from employers for most of this period. The rapid expansion of secondary industry, the increase in scale of manufacturing and the growth of large cities created greater concentrations of labour which might be susceptible to organisation. The spread of capitalist social relations generally increased the potential base for employee organisations, as well as providing a motive for organisation. The deteriorating position of some skilled workers may also have contributed to unionisation, although skilled workers were already highly unionised by the 1880s.

In a number of cases the original momentum for formation of new unions was a response to specific threats to established wages and conditions, real or perceived. This observation applied to the railway unions, the AMA in Victoria, and shearers. Seamen’s and wharf labourers’ wages had also declined in relation to other labourers in the 1870s and early 1880s, prior to the closer organisation of maritime labour in the 1880s. However, relatively spontaneous, localised reactions to specific threats to wages and conditions had a long history prior to the 1880s without leading to the formation of ‘continuous associations’ of workers in trade unions – from the 1830s in the case of maritime labourers, and the 1850s for shearers. In themselves these responses to specific threats, therefore, were insufficient to lead to union formation.

A critical factor for the sustained organisational effort which unions represented was what H.A. Turner has described as the ‘habit of association’. This occurred with the development of substantial working communities, with shared working experiences and cultural values, as work and non-work experiences and associations overlapped and merged. We can see this process at work in the strength of mining and inner-city working class communities, where organisational association found expression in a multi-layered array of overlapping bodies, including friendly societies, sporting clubs and cooperatives. Coal miners, railway unions, maritime unions, and many urban unions drew upon the relative social homogeneity of these communities, and the geographical concentration of employment and residence. Isolation further contributed to the strong sense of community which provided a dynamic base for unionism at Broken Hill, and in the railways where much of the workforce was dispersed in rural service centres. A number of historians have recently demonstrated the importance of local (regional, locality and workplace) modes of labour regulation, a strong sense of place, and its contested nature, in establishing effective institutions of labour, and in defining these institutions spatially.

The growth of occupational and working class communities, and particularly their spatial definition, was often facilitated by the large concentrations of labour which had expanded in the economic growth of the 1870s and 1880s. The strength of mining communities on the
coalfields and at Broken Hill especially, with their social homogeneity and isolation, contributed to some of the earliest examples of mass unionism. However, concentration of labour was not an entirely necessary pre-condition for the growth of occupational community or habit of association. This can be seen with craft workers, whose strong sense of ‘calling’, a trade mystique and custom and practice, as well as their relatively privileged position in a hierarchical labour market, created occupational communities and bound them together organisationally even when they may be dispersed in relatively small groups over a range of working sites. 32

Even amongst the migratory shearing workforce structural changes in the industry had encouraged the development of a working community, possibly reinforced by its highly masculinist culture. Increased flocks led to higher sheep to stand ratios, and together with the westwards expansion of pastoralism, this meant an extended shearing season and longer periods of travel for a growing workforce. Larger groups of shearers stayed together for longer periods in the 1880s, moving as teams from station to station. By the 1880s it could take up to three months to finish shearing, or ‘cut-out’, at larger western stations. Shearers’ accommodation kept them together after a day’s work, and isolation, combined with the physical endurance and skill required in shearing generated a strong masculinist group ethos, manifest in the title of the ‘Knights of the Blade’, and which Bean exalted as the ‘shed democracy’. As with many other working groups, shearers even developed a specialised occupational language. 33

Because of shearers’ mobility, and their work in other jobs during the off-season, their habits of association spilled over into other rural work, to become one of the main bases for Ward’s ‘bush ethos’ of egalitarian mateship. 34 Rural construction work was also suited to the hiring of labour in gangs, possibly allowing continuity of shearers’ groups. Whilst little is known about navvies’ organisation in this period of railway building, the appearance of a Navvies Union, spawned by the isolated, self-contained but itinerant navvies’ communities, undoubtedly owed much to this wider extension of a bush community. 35 The same process was no doubt important in the appearance of rural carriers’ unions over 1887-90. 36

The social and political context of the 1880s also provided considerable momentum and support for unionisation. The period was one of considerable social and political ferment, evident in the language of class and the appeal to a working class movement evident with the mushrooming of socialist and radical political organisations, together with a burgeoning of related newspapers. 37 The sheer range and extent of organisation evident in these efforts, as well as the spread of unionism, represented a mobilisation of the working class on industrial and political levels. New organisations begat new organisations. The rapid, excited development of unskilled urban unions in the mid to late 1880s, frequently lacking a stable base, was often the result of examples elsewhere. Existing organisations sometimes directly
influenced the formation of new unions. For example, the Seamen inspired the Stewards and Cooks, and the Victorian railway unions inspired NSW railway unionism. 38 The formation of a miners’ organisation at Broken Hill relied considerably upon the Victorian AMA’s existence, and the AMA’s leaders also consolidated the ASU. The ASU, in turn, encouraged the organisation of rural transport workers and navvies. 39

Within this broader social and economic context ‘the agency of trade union activists in forging the extension of trade union coverage’ 40 was also a critical factor. This was evident in the role of William Spence and David Temple in the formation of both the AMA and ASU, and in the role of organisers generally in the ASU and AWU. (Spence was original secretary of the AMA and founding president of the ASU; Temple was founding secretary of the ASU). Otherwise the main example occurred in the organising activities of the various Trades and Labour Councils (TLCs) operating in capital cities and some provincial centres. In some cases, notably Sydney, these peak bodies quite self consciously adopted a major leadership role in the organisation of new unions in the 1880s. In NSW this role was based on a fairly class conscious sense of working class movement which transcended the more sectional, craft based leadership of these TLCs only a few years before. 41

Finally, we should consider the agency of the other main actors in industrial relations, the employers and the state. Employers were mixed in their attitudes towards unions. In the coalfields and at Broken Hill, employers strongly resisted unionism and its demands, and this resistance provided an important incentive for employer organisation in formal associations in the coalfields. Yet, in the coalfields periods of intense conflict were interspersed with longer periods of relatively stable collective bargaining on a district level from the 1870s. 42 Pastoralists also resisted the formation and influence of the ASU, and largely for this purpose formed Pastoralists’ Associations on a colonial and district basis from the late 1880s. 43 Union records indicate that, in many cases, employers resisted urban unions as well. However, in some areas of well-established craft unionism, employers largely acquiesced in joint regulation of wages and conditions because of a common interest in limiting ‘cheap competition’, although technological change was threatening this relationship in some areas by the 1880s. In the maritime industry, which was a major sector at that time, employers had organised a Steamship Owners Association from the late 1870s, partly in opposition to union demands. But this association also facilitated development of a relatively centralised national system of industry-wide multi-union collective bargaining by the mid-1880s. 44 In 1889 the recently formed NSW Employers Union approached the TLC over the formation of a conciliation board for amicable settlement of disputes, although nothing came of this because the employers could not agree that only those who employed union labour should sit on the board and few TLC affiliates expressed an interest. 45 Until the late 1880s, then, employers as a whole did not oppose unionism per se, although there were significant areas where they did.
The role of the state was similar to that of employers. Colonial legislation, or the lack thereof in industrial relations, placed unions in an extremely uncertain legal position until the passage of Trade Union Acts in all colonies between 1874 (South Australia) and 1902 (Western Australia), modelled on the British Act of 1871. Until the passage of these Acts, colonial unions lacked legal status. However, the main disadvantage of this situation seems to have been their inability to sue officers who absconded with union monies, and after the legislation unions very gradually took advantage of it through registration. In itself, this lack of legal status did not greatly hinder unionism, although it is worth noting that the passage of Trade Union Acts in NSW (1881), Victoria (1884) and Queensland (1886) did precede the major upsurge of unionisation, but as we have already noted, many unions did not register under these Acts when they were passed. 46

Master and Servants Acts, and specialised legislation relating to seamen, potentially posed a greater threat to unions by restricting the freedom of movement of labour. Industrial action could be interpreted as breach of contract by desertion of duty or disobedience of an employer. There were a number of occasions when striking unionists were fined or even gaoled under this legislation, even in the 1880s. However the use of Master and Servants legislation in this way was highly selective. It was resorted to more often in rural districts than elsewhere, but was not a generalised response to union activity. Common law also provided opportunities for harassment of unionists, for conspiracy or obstruction of strikebreakers, for example. Until the 1890s, these measures were most frequently utilised against coal miners, against whom the government also sometimes dispatched militia and artillery because of their militant reputation. However, as with the application of Master and Servants legislation, the use of repressive state apparatus against unionists was very selective, and as such, was not sufficient to act as a significant deterrent for unionism. 26

Implicitly, the role of the state at this time was one of acceptance of unions under certain conditions. The leaders of peak union bodies were regularly invited to official state functions. Some officials even received railway concessions to assist with organising work. In this sense, Nairn’s concept of the Sydney TLC as a constituted colonial institution, representing the broader institution of unionism, captures a real dimension of the public place of unionism at the time. 47

However, the context and the rules of the game for unionism changed during the 1890s. In the depression of that decade unemployment reached 30 per cent, and provided a large reserve army of labour to replace industrially active unionists. The class mobilisation of workers at the end of the 1880s was matched by employers, and manifested in peak Employers Federations formed in NSW and Victoria at this time. Key sectors of employers, notably pastoralists, steamship owners and coal owners, led this organisational articulation on employers’ part. These employers were pressed by the combination of union demands with falling prices, and in the case of shipping and coal, with excess capacity. In a series of major
industrial disputes during the decade unions were decisively defeated, as the issue of ‘freedom of contract’, that is, non-recognition of unions by employers, became a major issue in itself. Defeat for the unions was ensured by the robust intervention of the state on the side of employers, with enrolment of special constables, dispatch of troops to Broken Hill and the northern coalfields in NSW, and the arrest and gaoling of strike leaders and many unionists.

In this context the unions were decimated, and many of the newer organisations collapsed altogether. Coal miners’ unions and craft unions probably survived the 1890s the best, but with greatly reduced membership and influence in the workplace, particularly in the building trades because of the collapse of the housing boom. Some craft unions were also particularly hard hit by technological change at this time, notably printers and stonemasons. The AWU and railways unions survived, but also with greatly reduced membership. Many surviving unions could barely afford affiliation fees to peak bodies. As one indication of the decimation, Sydney TLC membership declined to eight consistently financial affiliates with a total of 450 members in 1896-98.

The main response of the labour movement initially was the formation of colony-based Labor Parties by the TLCs. The Labor Party had the potential to neutralise the role of the state in industrial conflict. It might also achieve industrial gains, such as shorter working hours, which were difficult to generalise through industrial organisation. By the end of the 1890s some of the Labor Parties had also adopted compulsory state arbitration as a leading policy. This had the potential of enforcing employer recognition of unions as well as achieving fair wages and conditions for labour.

The Early 1900s

In the first decade of the twentieth century unions recovered and membership growth exceeded the great upsurge of the 1880s. Trade union membership density throughout Australia reached 31 per cent in 1912, well in excess of the 1890-91 figures for NSW and Victoria. This occurred in a climate of economic recovery, and with the organising experience of the 1880s still a recent memory. Initially, the growth of unionisation involved recovery of membership in unions which had declined or disintegrated in the 1890s, before it spread further afield. Once again, there was also a strong element of agency and leadership from activists in peak bodies, as Cooper has shown so thoroughly for the Sydney Labor Council. In this sense, the upsurge of the early 1900s might be seen as a continuation of the process begun in the 1880s but interrupted by the depression decade.

Nevertheless, the economic context for unions changed in the early 1900s. Consistent with the structural economic change described earlier, manufacturing began to recover from depression relatively early, from the mid 1890s. However, labour shifted from highly productive activity in primary industry (including mining) and construction work into much less efficient sectors. In particular, the marginal productivity of unskilled labour in manufacturing was much lower than in the pastoral, mining and public works sectors. In
aggregate terms, skilled workers benefited disproportionately from the expansion of manufacturing, especially occupations such as the engineers. But not all skills were in high demand. Productive reorganisation and technological change continued to sharply reduce the demand for many skills, even as it created some newly-skilled beneficiaries. Economic recovery was uneven, with winners and losers. Opportunities for unions, therefore, were also mixed in economic terms.

In the light of this economic context, it is instructive to analyse the types of unions which emerged or grew in the early 1900s. As Table 2 below shows, the number of unions grew rapidly, as well as the number of unionists. Most of these unions were small in membership, but some unions were quite large. The average size of unions grew from 827 members in 1910 (365 unions with 302,119 members) to 1,272 members in 1915 (415 unions, with total membership of 528,031). However, there were about 20 unions with membership well in excess of this average, notably the AWU with about 47,000 throughout Australia in 1911, the various miners’ unions, with the AMA at Broken Hill alone accounting for 7,402 members in 1914, the Amalgamated Society of Engineers (ASE) with 13,900 members throughout Australia in 1915, and the all-grades railway unions, which in NSW alone accounted for 7,623 members in 1915. If we take these unions into account, it is clear that some unions were very small indeed; many had far less than 100 members. Total union membership accounted for by unions of less than 1,000 members was only 15 per cent, whereas 34 per cent of unionists belonged to unions of 10,000 members or more. It was the small unions which accounted for much of the growth in numbers of unions. However, the larger unions accounted for a higher proportion of the growth in union membership, and most of these unions were older organisations, both craft and semi-skilled or unskilled.

These trends are amplified by an examination of the top ten affiliates to the Labor Council of NSW in terms of membership, as shown in Table 1 for 1915. These unions alone represented 36 per cent of all affiliated membership, although all of the large unions mentioned above except for the ASE were not affiliates. Only one of the unions in the table was a new union, the Municipal and Shire Council Employees Union of NSW. All of the others predated the new century. The first and tenth on the list by membership were originally craft unions, which had benefited from the structural economic shift at this time. The sixth and ninth on the list were also craft-style unions with a traditional base of membership. At any time back to 1905 the top ten was similar, allowing for some shifts in ranking, new or lapsed affiliations, and new names which sometimes resulted from amalgamations. In addition, two craft unions whose membership had not kept pace with the growth of other unions fell off the list: the Tailors and Farriers.

Table 1: Ten Largest Affiliates to Labor Council of NSW, 1915.
These developments strongly indicate the impact of the economic context together with prior organisational experience. Most of the larger unions which grew in membership at this time were organisations which had existed prior to the 1890s and in most cases had managed to survive the depression, even if severely reduced in membership and effectiveness. However, the Labor Council top ten list demonstrates that not all such unions grew rapidly in the early 1900s. Some crafts did, as did some less skilled manufacturing unions. Other unskilled or semi-skilled unions which prospered were in productive areas such as building and rural industry, or the expanding transport and service sectors.

The institutional context for union organisation also changed greatly in the early 1900s. The impact of the 1890s strikes, the magnitude of which had never been experienced before in Australia, provided much of the momentum for the adoption of the compulsory arbitration system in the early 1900s. The Labor Party was born out of these strikes, to become the major exponent of state arbitration, and the public concern created by the industrial turmoil of the 1890s provided fertile ground for state intervention. At the beginning of the twentieth century the Labor Party, at State and national levels of government, was well-placed to exert influence on policy because it held the balance of power in a number of legislatures, including the Commonwealth. In 1910 it formed majority governments in the Commonwealth, NSW and South Australia. By then, however, the first arbitration legislation had already been enacted by Liberal or liberal Protectionist governments with Labor Party support.

The Australian compulsory arbitration system which developed from the beginning of the twentieth century consisted of a dual structure of national and State courts or tribunals. This occurred because of the federal nature of government and the constitution which limited national, or Commonwealth, industrial relations jurisdiction to interstate disputes. As we shall see, the terms of this constitutional power severely restricted the Commonwealth jurisdiction. The first compulsory arbitration legislation was enacted in Western Australia in 1900, but it did not become effective until some time afterwards. The first effective legislation was enacted in NSW in 1901. The Commonwealth Conciliation and Arbitration Court was established by federal legislation of 1904. Other State courts or tribunals were not established until some time afterwards; 1912 in the case of Queensland and South Australia, and 1981 in Victoria. Beginning with Victoria in 1896, States other than NSW and Western Australia adopted different wages board systems, whereby standing boards composed of equal numbers

of employer and employee representatives, with a neutral chairman, determined wages and working conditions. 61

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According to much conventional analysis, compulsory arbitration played a major part in the recovery and expansion of unionism at the beginning of the twentieth century, because it offered a number of benefits to unions which registered under the various Acts. 62 These benefits included corporate identity, preference for union members, and a monopoly of organisational coverage in designated industries. Most importantly, unions preferred arbitration to the wages board system adopted in most Australian States in the early 1900s, because it gave them a guaranteed role in industrial relations. Wages boards did not generally operate through union representation of employees. Arbitration, in contrast, seemed to guarantee the existence of registered unions, because employees could only be represented by a union in the case of a dispute, and it is only necessary for one party to activate the arbitration process by reference to a tribunal. This procedure effectively obliged employer recognition of unions, which had been denied in the great depression of the 1890s. It is clear that many unions were formed in the belief that the arbitration system bestowed these benefits upon them. 63

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However, the apparent advantages of arbitration were not always available in practice. Corporate identity could be obtained under the various Trade Union Acts of each State. Yet, the level of union registrations under these Acts was relatively low. Preference to unionists in employment was not often granted in the early years of the century, and not at all in the Commonwealth sphere before 1910. Where preference was granted, it was always qualified, ‘all other things being equal’, and usually recognised a closed shop in practice. 64 Nor was the organisational monopoly granted unions for specific groups of workers a boost to the level of unionisation as a whole, although it could be an important advantage for one union in relation to others where there was competition for particular groups by more than one organisation. 65 Sheldon has shown that in the public sector and building and construction industries in NSW, union growth during the early 1900s had little to do with the introduction of arbitration, but was more directly related to economic fluctuations (building and construction) and workplace grievances (public sector). In the case of the public service, access to arbitration was denied until 1919, but in the ensuing period unionism grew rapidly. 66

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Union growth in the early 1900s largely preceded the establishment of an effective or extensive arbitration system. We have noted that most States, in fact, adopted wages board systems initially, and did not adopt arbitration systems until after the first decade of union growth, or later. Western Australia’s arbitration system also did not become effective until 1912. As late as 1913, after passage of a more effective Act in 1912, the total number of State awards under the Western Australian system totalled only 18. The 1902 Act was more
supportive of industrial agreements, which totalled 82 in 1913, but these relied on the prior existence of unions and their acceptance by employers. 67 The only State with an effective arbitration system from almost the beginning of the 1900s decade was NSW, from 1902. Yet, trade union growth occurred vigorously in all States in the early 1900s. 40

A comparison of the rate of trade union growth in different States for the first 12 years of the century is instructive. Tables 2 and 3 below reveal the full contrast between the different States. A superficial glance suggests that compulsory arbitration did have an impact on unionisation, since the two nominally arbitration States (NSW and WA) initially demonstrated the greatest growth in unions and unionists. Plowman, 68 for example, emphasises the difference between Victoria and the two arbitration States to argue that arbitration explained the difference. However, the statistics, such as they are, almost certainly distort the real comparative state of unionism between the States. Table 2 suggests that there were only seven unions in Victoria in 1906, but we know this to be a great underestimation just from Melbourne Trades Hall Council affiliations. 69

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In examining Tables 2 and 3, it is important to realise that 1912 was the first year that the Commonwealth collected these statistics, based on returns from trade unions. The unions were asked to provide membership figures for the years prior to 1912, but it seems that they were unable to provide adequate statistics for the earlier years, and Commonwealth Labour Reports were forced to supplement union data with ‘particulars published by the State Registrars of Trade Unions’. 70 Nor did the Commonwealth break its figures down on a State basis prior to 1912, no doubt because of the lack of accuracy. Hence, the only source for State union statistics prior to 1912 are the various State Yearbooks, but these do not consistently provide figures in some cases (hence the gaps in the tables), and their reliability is extremely questionable. The Commonwealth estimates for total union membership in the years 1906 and 1908-10, given in the final column of Table 3, are considerably higher than the total from all State sources for those years. The point is that the statistics prior to 1912 are based on reports from the Registrar of Trade Unions or Industrial Registrar in each State, based upon the number of unions registered in that State. However, only NSW and Western Australia had arbitration systems which registered unions. The other States did not register unions under their wages board systems. Unions in these States only registered under the Commonwealth system, which had limited coverage, or under the various Trade Union Acts, and in fact few unions took the latter option. Hence, the nature of the creation of the statistics inevitably underestimates the extent of unionism in non-arbitration States. 71

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Table 2: Trade Unions in Australia, by State, 1906-20
Table 3: Trade Unionists in Australia by State, 1906-20


The tables also show that the number of unions and unionists grew dramatically between 1910 and 1912, including for the non-arbitration States. This undoubtedly exaggerates the real growth in all States at that time, because it underestimates the level of unionisation prior to 1912, particularly for non-arbitration States. For example, once again, it is inconceivable that the number of Victorian unions grew from three to 151 in the space of two years. The greater accuracy in recording which is indicated with the increases for non-arbitration States in 1912 may be explained by a combination of the beginnings of systematic Commonwealth data collection in that year, the adoption of arbitration systems in all non-arbitration States except Victoria in 1911-12, and the registration of Victorian unions under the federal Act. The increases in 1912 for the number of unions and unionists in South Australia, Queensland and Tasmania reflected the fact that unions could register under State arbitration systems for the first time, and appear to have been keen to take that opportunity. But the arbitration legislation in those States was too recent for it to have provided substantial assistance to union growth at that time, if it ever did. This leaves Victoria, which did not adopt an arbitral approach until 1981. Its union growth at this time, according to the statistics, was entirely due to registration under the federal Act. It is notable in this regard that agreements certified by the Commonwealth Court increased from 129 to 229 in Victoria between 1913 and 1915, but declined in every other State. However, as voluntary agreements ratified by the Commonwealth Court, these did not indicate the role of arbitration in union growth, for they relied on employer recognition and willingness to bargain with unions.

Finally, although all States indicate a marked increase in unionisation from 1912 to 1913, this increase is especially marked for NSW. It is unlikely that the arbitration system can be
held responsible for this sharp rise, because it had been operating for over ten years by then. Two other factors may have been responsible. One was an amendment to the NSW Act in 1912, which restored the central role for unions in reference of disputes, after the 1908 Act had created wages boards within the arbitration framework, to which reference of disputes by employees need not originate from unions. However, whilst the unions strongly opposed the 1908 measure, it is unlikely to have affected the level of unionisation. The second factor which seems to have had a greater impact is the effect of a Labor government from 1910, which strongly supported unionisation in the public sector over which it had control. This may also have been a factor with the union growth in South Australia and Western Australia, which both also experienced Labor governments at this time (1910-12, 1911-16 respectively).

The coverage of the federal arbitration system was also very limited in its first decade of operation after 1904. One indication of this may be gained from a simple examination of the volume of activity recorded. As late as 1909, when the Commonwealth Court’s scope was essentially restricted to the maritime and pastoral industries, only seven cases came before it. Of these, employers obtained writs of prohibition in three cases, and two cases involving rival unions’ applications for the others’ deregistration were dismissed. Only two agreements were certified, and the total year’s business occupied 100 pages of the Commonwealth Arbitration Reports. This low level of activity did not increase until after 1913, such that in 1916 ‘as many awards were made as had previously existed’.  

Because of the constitutional limitation of the Commonwealth Court’s jurisdiction to interstate disputes, it was really only national or interstate unions which could seek federal awards, and most unions at the beginning of the century were State-based organisations. National unions developed quite quickly, to total 72 in 1912, and 95 in 1919, accounting for over 80 per cent of unionists, 74 partly to take advantage of favourable decisions in the Commonwealth Court under the head of Justice Higgins, notably his 1907 Harvester Judgment which established a basic wage. However, most of these organisations were really federations of State-based unions which conducted most union business and have remained the primary locus of union power ever since then. The State branches of these new interstate unions have usually remained registered under State arbitration systems, and as late as 1914 there were only 16 federal awards, compared with 242 in NSW. Even in 1920, after the considerable growth in federal arbitral activity, the Commonwealth Court was only responsible for 71 awards and 220 certified agreements, compared with the 359 awards and 107 agreements of the NSW Court, and in the next five years the number of Commonwealth awards and agreements actually declined dramatically, before continuing to grow again.  

Even in NSW, however, much of the union growth which occurred in the early 1900s did so initially outside the protection of the Arbitration Court. It took time for the new system to develop its own rules and procedures, and to extend to a significant proportion of the
workforce on a case by case basis. As unions rapidly re-formed from 1900 and sought registration and awards of the court, a back-log of cases quickly developed. The Court was served initially by only one judge. Many of the early applications involved lengthy test cases, in which it was important to have legal representation, and the more legality involved, the more complexity, delay and expense in proceedings. The situation was exacerbated in 1905, when the government took three months to replace the first judge of the court, and it simply ground to a halt for that time. Late in 1905 a deputy president of the court was appointed to assist the new chief judge, but delays in proceedings remained a recurring complaint by unions over the whole period 1904-08. 76 Nevertheless, this period was one of tremendous trade union growth. As early as 1906, there were 129 unions covering 88,000 workers registered with the NSW court, but it does not seem that these workers were covered by awards very quickly after registration of their unions. For all of these reasons, therefore, we must conclude that much, even most, of the trade union growth which occurred on a national level before 1914, and some even afterwards, occurred outside the umbrella of compulsory state arbitration, even though, subsequently these unions registered under the various arbitration systems. 47

Employer resistance to arbitration legislation, through litigation and other means, considerably reduced its effectiveness in the short to medium term. Opposition to arbitration was the main rallying point for the re-formation of the Employers Federation of NSW in 1903 (after the previous Employers Union became defunct in 1894), and the Central Council of Employers of Australia (CCEA) the following year. After failing in their lobbying attempts to prevent its enactment, the employers did their best to make the NSW Act inoperative. They threatened relocation in other States, and circumvented awards by installation of new technology and machinery, replacement of male with cheaper female labour, and by the introduction of subcontracting. They formed and registered bogus unions, including a Tramway Employees Union, rival seamen’s and agricultural implement makers’ unions, a Non-Political Union in Broken Hill, an Independent Workers Federation, and a Machine Shearers Union, all in competition with existing organisations. 77 The last-named succeeded in forcing the AWU outside the State arbitration system and into the federal one. 48

Employers in NSW also deliberately lengthened procedures with delaying tactics and numerous appeals to the State Supreme Court and the High Court of Australia in the early 1900s. These efforts were particularly effective because of the experimental nature of the original legislation. For example, the coverage of awards of the Court was restricted to the workers immediately involved in a dispute by disallowing the establishment of ‘common rules’ covering all employees in an industry or occupation. This greatly circumscribed the Court’s ability to co-ordinate industrial relations in any one industry, and considerably lengthened its proceedings ‘because the president could not investigate one concern and apply his decisions to all concerns of a like character, but had to examine each firm’s case separately’. 78 Proceedings were made more expensive and difficult for unions, and non-unionists were placed beyond the jurisdiction of the Court, thus allowing employers to prefer employment of them to unionists who were covered by an award. The existence of an actual dispute was also deemed necessary in order for the Arbitration Court to have jurisdiction; and
a union could not act as an agent for employees until a dispute existed, thereby denying employees the protection of their union during initial negotiations for an award. This meant that, far from gaining the support of the system in order to face employers, unions needed to already possess sufficient strength to undertake industrial action in order to participate in the arbitration system.

Even if employer-initiated appeals to the Supreme or High Courts were unsuccessful, they still delayed proceedings, and together with the use of legal counsel, greatly added to their expense. In its first year of operation in 1902, the NSW Court disposed of only 11 out of 81 cases. Subsequently, ‘congestion became progressively worse’. By 1905, despite the determination of 25 awards covering 10,000 workers, the NSW Court was ‘in a state of collapse’ because of appeals and the delays they caused, such that there was a two-year wait for an appearance. Ryan shows that the Laundry Employees Union faced a four year delay in gaining an award, only to find its operation extremely limited. The Shop Assistants Union was financially exhausted by the process, and even when the Tailoresses Union gained an award it discovered that it was difficult to enforce because there were no inspectors, and union officials were not allowed to enter workshops. George Beeby, who represented the unions in many cases, declared in 1907 that ‘if things continued as they were, you might as well tear the Arbitration Act up’. Under these circumstances, it is clear that even in NSW, the rapid growth of unions at this time could not have been dependent upon gaining recognition through a favourable award.

In the longer term, the degree of favourableness of the NSW and Commonwealth systems for unions was improved. The NSW system was gradually improved by Labor governments from 1912 to allow common rules and paper disputes. Federally, the improvements were less significant, largely because of the constitutional constraints. The national Labor government failed to overcome many of the limitations described above by referenda to amend the constitution in 1911 and 1913, when it lost government briefly. However, by then it had appointed judges to the High Court who were more favourable to extending the
Commonwealth Court’s jurisdiction. In 1914 the High Court accepted ‘paper’ disputes, and began to interpret the concept of an interstate dispute more broadly. However, a number of restrictions remained long afterwards, including the Court’s inability to award common rules, and the exclusion from its jurisdiction of most professional and semi-professional white collar workers by a narrow interpretation of what constituted ‘industrial’ in an industrial dispute. Most importantly, during the actual take-off period of union growth in the first decade and a half of the century, the restrictions imposed upon the Commonwealth Court by the High Court’s interpretation of its constitutional jurisdiction prevented it from effectively assisting union organisation.

Conclusion

The conventional wisdom regarding the role of the state in relation to trade union growth is a good example of the underdevelopment of its analysis in industrial relations and labour history. An examination of the evidence relating to the form of state intervention described here, the compulsory arbitration system, reveals that it was not in itself the critical factor in trade union growth. Australian workers indicated prior to the existence of the arbitration system in the 1880s that they were capable of organising at a level which far exceeded that anywhere else in the world, notwithstanding a state posture of indifference at best, and sometimes open hostility. Even in the early 1900s the timing of the union growth surge and the impact of the legislation failed to fully coincide, and employer resistance to the legislation through litigation and other means, considerably reduced its effectiveness in assisting union growth in the short to medium term, and, in some cases, in the long term. Furthermore, union growth was just as vigorous in States without arbitration systems as those with.

A multifactor explanation is most appropriate for the growth of unionism in the early 1900s. Many of the conditions which favoured the original upsurge of unionism in the 1880s still existed in the early 1900s, within the context of an economic recovery. Economic restructuring meant that some strong craft unions, such as the Stonemasons, and some unskilled unions, such as the Navvies, never recovered, but others benefited from the pattern of economic growth. Occupational and working class communities and developed habits of association, upon which the original union upsurge had been largely based, persisted in many cases. The organisational experience of the 1880s, for many workers, was still a relatively recent memory in the early 1900s. The organising leadership role of peak bodies in both upsurges also seems to have been a constant factor. In these ways, it is possible to see the 1890s as a brief aberration, albeit a dramatic interruption to the process of unionisation in Australia.

However, this does not mean that the role of the state was negligible in the recovery of the early 1900s. The development of arbitration, together with wages boards, represented an accommodation of labour by public policy consensus. There were a number of other indications at this time, such as the extension of other industrial legislation and of public sector employment under terms more favourable than could be obtained in the private sector. The advent of Labor or union-friendly governments in the first decade of the century also led
to active encouragement of unionism in the state sector. In these ways, unions returned to the public place which they had occupied prior to the 1890s industrial turmoil. 55

Employers often fought hard against union formation and particularly against the jurisdiction of the new arbitration courts. However, some of their political leaders appreciated the potential for arbitration to modify the ‘aggressive’ unionism of the 1880s into something which they found more amenable. After the first decade of the 1900s this view spread amongst employers as it became clear that arbitration maintained managerial prerogative and restrained unions, and that High Court appeals were becoming expensive. 86

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Employer opposition to unions was balanced by a more active state role which provided a broadly supportive context for labour and unionisation. This state role seems to have been politically viable not only because of Labor’s political organisation, but also the middle class, which Rickard identified as concerned with the magnitude of the industrial strikes and social dislocation of the 1890s. 87 As Macarthy notes,

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Despite the problems involved in identifying social consensus and ‘general public attitudes’, there can be little doubt that the appeal to public sympathy played an important role in union and labour political behaviour … If we couple public acceptance of society’s obligation to guarantee the working man a living wage with the imperative that government ought to ensure industrial tranquillity, we can perhaps begin to understand why Higgins made his Harvester Judgment when he did. 88

Interestingly, in the British context Clegg, Fox and Thompson also attach considerable importance to the development of public sympathy and ‘social conscience’ in generating the political goodwill, relatively-speaking, which led to the removal of state impediments to unionism and assisted union growth at the turn of the twentieth century. 89 Similar observations have been made for the United States in the 1930s when it enacted the Wagner Act in 1935. 90

These observations, therefore, acknowledge the importance of the role of the state in industrial relations at this critical historical period. However, they do challenge some of the accepted interpretations of that role, to conclude that the role of the state is far more complex and problematical than is often assumed in industrial relations literature, and that it warrants a greater focus in our research agenda. 58

Endnotes


13. These estimates are based on a variety of sources, mainly Sydney Trades and Labour Council (TLC) Minutes 1871-90 (Mitchell Library); union submissions to the Report of the Royal Commission on Strikes (hereafter RRCS), Government Printer, Sydney 1891, Literary Appendix; an extensive listing of membership in Australian Star, 6 October 1890; a listing for Broken Hill unions in Australian Workman, 1 October 1890. The Workman and the Star tend to provide higher figures than the Strikes Commission, and where this is the case I have used the more conservative estimate. For a full break down and discussion of these statistics, see R. Markey, Labour and Politics in NSW, 1880-1900, unpublished PhD thesis, University of Wollongong, 1983, pp. 584-597.


15. Workforce figures for these calculations from NSW and Victorian census reports of 1891.


17. In NSW only a little over half of all unions registered in the 1880s, and fewer still maintained their registration with annual returns. Register of Trade Unions under 1881 Act, NSW Archives, 7/6367. See Markey, Making of the Labor Party, pp. 263-266.

18. See relevant chapters in Murphy, Labor in Politics.


23. Calculated from Census of NSW, 1891, pp. 283-284; Census of NSW, 1901, p. 630.


36. Rural organisations formed between 1887 and 1890 included the Amalgamated, Bogan River, Central Australian and Queensland, Lachlan, Northumberland, Riverine and Young Carriers’ Unions, All made submissions to the RRCS, 1891, Literary Appendix, pp. 137-138. See Markey, Making of the Labor Party, pp. 138-139.


45. TLC Executive Committee Minutes, 16 July, 9 August 1889.


52. Cooper, Making the NSW Union Movement? Also Markey, In Case of Oppression, pp. 71-76.

54. See Merritt, Making of the AWU, p. 358.

55. Kennedy, Silver, Sin and Sixpenny Ale, p. 120.

56. Buckley, Amalgamated Engineers in Australia, p. 315.


59. See Markey, In Case of Oppression, pp. 80-83.


62. See note 5.


72. Labour and Industrial Report, no. 6, 1917, p. 79.

74. Labour and Industrial Branch Report, no. 9, 1921; Labour Report, no. 13, 1922; Markey, In Case of Oppression, p. 77.


78. Ibid., p. 150.


82. Ryan, Two-Thirds of a Man, pp. 85-110.

83. Sydney Labor Council Minutes, 7 March 1907.


