Industrial relations in the Australian engineering industry, 1920-1945: the Amalgamated Engineering Union and craft unionism

Kouichi Inaba
University of Wollongong
NOTE
This online version of the thesis may have different page formatting and pagination from the paper copy held in the University of Wollongong Library.

UNIVERSITY OF WOLLONGONG
COPYRIGHT WARNING
You may print or download ONE copy of this document for the purpose of your own research or study. The University does not authorise you to copy, communicate or otherwise make available electronically to any other person any copyright material contained on this site. You are reminded of the following:

Copyright owners are entitled to take legal action against persons who infringe their copyright. A reproduction of material that is protected by copyright may be a copyright infringement. A court may impose penalties and award damages in relation to offences and infringements relating to copyright material. Higher penalties may apply, and higher damages may be awarded, for offences and infringements involving the conversion of material into digital or electronic form.
Chapter Three

Union Activities

Following the analysis of the legal framework and work practices in the previous chapters, this chapter examines union activities at various levels. By the early 1920s, the basic principle of the AEU policies has been established along the line of so-called 'labourism' with its emphasis on the Arbitration system and support for the Australian Labor Party. In fact, the AEU received its first Federal Award in 1921 and started to affiliate, branch by branch, with the ALP in 1923. In this process, basic patterns of AEU activities took shape. The purpose of this chapter is to observe these patterns, highlighting the characteristics of the AEU as a craft union.

Since the fundamental role of a trade union is to improve the working conditions of its members, the focal point of its activities is the workplace, where they are placed in a direct confrontation with the employers. In Australia, the existence of the Arbitration system has given unique features to the shape of industrial relations, leaving the setting of the national standard of working conditions to the centralised legal battle in the courtroom. However, as will be demonstrated, this never lessened the importance of unions' active involvement in shopfloor struggles. Disputes between the employers and the employees were not centralised but polarised.

From the unions' point of view, there were crucial flaws in the Federal Arbitration system. First, Federal awards were not common rules. Unlike State ones, they did not apply to all employees but solely to union members. Second, they did not give preference to union members in employment. Therefore, it was not illegitimate for the employers to hire non-unionists at below-award conditions. Moreover, and most importantly, it depended, in practice, on union influence on the shopfloor whether the employers actually observed award provisions. Because Higgins' first Federal
Engineering Award, and even Powers' down-graded ones, offered better conditions than their State counterparts, the AEU always had difficulties in policing award conditions. Here lay the necessity of the unions' tireless organising effort.

Although it was possible for employees to acquire over-award conditions through the bargaining at individual shops under favourable circumstances, in general, even award conditions could not be taken for granted without unions' incessant vigilance. The employers might neglect or breach awards, on purpose or from ignorance. They also might interpret ambiguous legal provisions to their advantage. It should be borne in mind that having an award was one thing and having the employers observe it was another; this depended on the union's industrial strength.

Thus, even under the Arbitration system, it was indispensable for unions to maintain their influence and mobilising potential on the shopfloor. The industrial power of a union derived from the importance of the roles of its members in the production process. In the case with the Australian engineering industry, as shown in the previous chapters, the running of production remained entrusted, during the 1920s, to the personal abilities of tradesmen, despite the development of limited mechanisation. Therefore, it can be assumed, from the technological point of view, that the AEU retained a high degree of influence on the shopfloor based on its continual dominance over the production process.

In terms of membership, the 1920s was the period of steady expansion for the AEU. As shown in Table 3.1 below, the membership of the AEU grew consistently between 1920 and 1928, except in 1923, increasing about 1.4 times during this period, before collapsing in 1929 because of the Great Depression.
Table 3.1  The AEU Membership, 1920-1929

<table>
<thead>
<tr>
<th>Year</th>
<th>Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>1920</td>
<td>16438</td>
</tr>
<tr>
<td>21</td>
<td>18136</td>
</tr>
<tr>
<td>22</td>
<td>19495</td>
</tr>
<tr>
<td>23</td>
<td>18523</td>
</tr>
<tr>
<td>24</td>
<td>19344</td>
</tr>
<tr>
<td>25</td>
<td>20110</td>
</tr>
<tr>
<td>26</td>
<td>21176</td>
</tr>
<tr>
<td>27</td>
<td>22918</td>
</tr>
<tr>
<td>28</td>
<td>23496</td>
</tr>
<tr>
<td>29</td>
<td>23001</td>
</tr>
</tbody>
</table>


*Note:* The figures are those of June of each year.

In the 1920s, metal unions combined covered from 50 to 70 per cent of the whole metal workforce including both skilled and non-skilled workers and, of these metal unionists, the AEU comprised about 30 per cent constantly throughout the period.¹

It should be borne in mind that throughout the period under consideration, the AEU consisted mostly of tradesman engineers like fitters, turners and toolmakers. In Sheridan's estimate, in the years between 1914 and 1921, between 1922 and 1927 and between 1928 and 1933, the percentage of semi- and unskilled members against the whole membership of the AEU was, respectively, 20.7, 23.9 and 15.1 per cent.² It can be said that about 80 per cent of AEU members were skilled workers.

The early 1920s was the period in which the basic patterns of AEU activities were established in conjunction with its involvement with the Federal Arbitration Court, the first Federal Engineering Award being delivered in 1921 by Justice Higgins.

---


The involvement with the Federal Arbitration affected the structure of the Union. The AEU had been a typical example of nineteenth century 'New Model' unions, the basic function of which was to provide, in return for high subscriptions, a wide range of benefits in case of accident, sickness, death, unemployment, industrial dispute, etc. From around 1920, however, the number and proportion of members who desired to be covered by the Award but had little interest in the benefit side of the Union, increased rather rapidly. As mentioned, the Union membership increased from 16,438 to 23,496, about 1.4 times, between 1920 and 1928. During the same period, the number of 'Industrial' members, who were covered by the Award, but entitled only to strike benefit with the minimum subscription, increased from 3,458 to 7,408, about 2.1 times. The proportion of 'Industrial' members to the whole AEU membership was 21.0 per cent in 1920 and 31.5 per cent in 1928. The involvement with the Federal Arbitration system was apparently making an impact on the Union structure, the 'Industrial' section swiftly adding to its numerical importance, largely contributing to the increase in the total membership.

Meanwhile, the recourse to the Federal Court polarised the power structure of the AEU, on the one hand, towards the national body, the Commonwealth Council (C.C.) and, on the other hand, towards local authorities, the District Committees (D.C.).

The C.C. was the headquarters of the Australian AEU and theoretically represented the supreme body of the Union, the Executive Council in London. The C.C. comprised the Chairman, the Secretary and three Councilmen, respectively representing three geographical divisions of the country. By assuming the task of handling Arbitration affairs, the C.C. acquired not only nominal but practical importance during the 1920s. Ordering its members to respect the spirit of Arbitration and observe the Court's decisions, the C.C. enhanced its authority.

Prior to the AEU's participation in the Federal Arbitration system, local administrations of the Union had been rather autonomous power units, with the State Courts and Wages Boards being the usual avenue of negotiation. In fact, it was not until 1917 that the
full-time Commonwealth Council was established. This decentralised nature of the Union's power structure is reflected in the following remark in 1920 by J. Smith, the then Chairman of the C.C.: 

"Have the C.C. given any directing policy to the organisation?"
No, simply because they are not vested with such power. Council's power over the D.C. is generally a negative power. True they have the power of suggestion, but in view of past experience that is rarely used.3

It should be noted that although the authority of the C.C. was enhanced after the registration with the Federal Court, everyday Union activities concerning shopfloor problems still remained in the command of the D.C.s which comprised the delegates of constituent branches. While the principal role of the C.C. was to deal with Arbitration affairs, the D.C.s were given a wide range of discretion in their negotiation with individual employers. As the AEU rule book defined:

District Committees...shall have power (subject to the approval of the Commonwealth Council) to deal with and regulate the rates of wages, hours of labour, terms and general conditions affecting the interests of the trade in their respective districts...They may enter into negotiations with employers in their respective districts, with a view to having shops worked exclusively by our members.4

The D.C. were also conferred the right of self-determination with regard to the handling of industrial disputes. The AEU rules prescribed that the D.C.s could decide, by a vote of Union members in each district, whether or not to strike a levy for support of the members in dispute in and outside their districts and also for support of the members of other unions in their districts.5 Although the AEU Rules required that every action of the D.C.s required approval of the C.C., it was the usual practice that the C.C. only ratified them. As Chairman of the C.C., Evernden, admitted in 1927,

---

3 Amalgamated Engineering Union, Monthly Report, August 1920, p. 9. (Hereafter, the union's Monthly Report will be abbreviated to 'MR' in the footnotes.)
4 Amalgamated Engineering Union, Rules of the Australian Section as revised by the Biennial Conference in Sydney, 1927, Rule 13, Clause 4.
5 Ibid., Rule 13, Clause 6.
'approval to every move made by Districts has been given and funds made available to support members affected by action taken'. Although the centre stage of the bargaining processes moved to the Federal Arbitration courtroom, the importance of the tasks of the D.C.s was not reduced.

As mentioned, there were two crucial deficiencies with Federal awards from the unions' point of view. They were not common rules which covered only union members and they did not give preference to union members in employment. Therefore, there was room for the employers to legitimately undercut award conditions by using non-unionists. Moreover, it was in practice the unions' task to police an award. When a union found a breach of an award, it could turn to the Court and penalise the employer. However, this depended on whether the union was able to detect the breach and prove it legally in the Court. Therefore, close vigilance, together with a constant organising effort, was indispensable, and this onus was left to the D.C.s.

In the first Federal Engineering Award in 1921, Justice Higgins provided, to the great dissatisfaction of the employers, such conditions as a 44-hour week, weekly hiring, high margins for the skilled and so forth. Naturally, the employers made every attempt, legally or illegally, to thwart this Award. To make matters worse, the economy plunged into a recession soon after the Award was delivered. Thus, the Union had enormous difficulty in turning the favourable provisions in the Award into reality.

In their overt attempts to elude the Award, the employers revealed their strong anti-union penchant. As shown in the following report of a Union Organiser, AEU members were discriminated against in employment, forced to leave the Union and simply discharged:

It seems that there is a concerted action with the employers to defeat our Award, as when our members apply for a job in any firm the first question asked is: are you a member of the A.S.E.

---

[AEU], and when they answer in the affirmative, the reply is "nothing doing."⁷

I [i.e. an AEU Organiser] interviewed two members who had tendered their resignations...they stated that their membership was not conducive to them being retained by the firm [i.e. McKay's], and they preferred to leave the Society rather than lose their jobs. Several resignations from members employed have been received, the object being to defeat the award...This firm has recently discharged a number of members and are offering work to applicants who are willing to work 48 hours.⁸ Employers are continuing to victimise members for their audacity in approaching the Arbitration Court for a settlement of their long-standing grievances, and wherever possible they are being replaced by non-unionists, so as to evade the observance of the Award.⁹

Because of these attempts by the employers to defeat the Award, together with the Union's failing to cite three hundred employers in the Award and the fact that the Award only lasted one year before Justice Powers watered it down, the real benefits AEU members drew from the generous provisions of Higgins' Award should not be overestimated. The significance of the 1921 Higgins Award resided rather in its symbolic meaning. The conditions like a 44-hour week and the high margins for tradesmen, which Higgins awarded and Powers forfeited, set the target for the subsequent union movement both inside and outside the Court.

Moreover, this initial success in the court consolidated, especially among the C.C. officials, the faith in the principle of the Arbitration system, convincing them that good deals could be gained through the Court, if only there were right Judges. This was the conviction that led to their support for political Labor in the hope of the appointment of pro-labour Judges.

In any event, the Union learnt a bitter lesson that without the industrial power to force the employers to abide by the Award, it was nothing but empty words. Even the down-graded Powers' Award provided better conditions than the State awards, and the

⁸ Ibid., April 1922, p. 24.
⁹ Ibid., September 1921, p. 34.
employers were anxious to seize every opportunity to undercut inconvenient provisions. Although award provisions set the legal minimum of working conditions, such bottom lines could not be taken for granted. Thus, AEU officials repeatedly warned the rank and file members of the necessity of constant vigilance on the shopfloor:

Members will notice...the methods the employers are using in an endeavour to break down the Award. The time has arrived for us to keep a strict vigilance over all clauses...[I]t is the D.C.'s intention to use all means to see the award is observed.¹⁰ There are sinister movements to try and defeat the benefits secured by our legal enactment, and it behoves every member to report fully and attempt to minimise its influence, and each Branch and D.C. is requested to make a full and complete record of such tactics, so that they may be available, and evidence and illustration of what some employers will do to try and avoid their legal obligations.¹¹

Urged by this need for enhancing Union influence at the workplace, a call for tighter organisation became all the more important. Assigned to this task were the full-time Organisers of each district, who regularly visited shops within their jurisdictions, recruiting members with the aim of establishing exclusive union shops. The duties of the Organisers were, however, not confined to recruitment. They were also the actual negotiators with individual employers. It was these Organisers who called branch and shop meetings, listened to the complaints of the members and checked whether award conditions were being observed. When necessary, as was often the case, they interviewed the manager and took exception on behalf of the members.

A notable feature concerning this process of the shopfloor negotiation in the early 1920s was the increased importance of shop stewards. Being given an impetus by the shop steward movement in Britain during World War I, AEU members began to feel the need for the greater use of shop stewards in order to

¹⁰ Ibid., May 1923, p. 22.
¹¹ Ibid., September 1921, p. 4.
enhance Union influence on each shopfloor. An AEU member commented:

I've spent three years in the workshops in England quite recently...We got the best deal we ever had, chiefly through the committees and shop stewards...[W]ith a good union shop behind you it becomes an easy matter...as unity is strength...[B]eyond doubt shop stewards are necessary, and will be a greater help in the near future.\textsuperscript{12}

It should be noted that the left-wing activists within the Union tried to combine this shop steward campaign with industrial radicalism. They hoped that the shop steward movement would directly aim at subversion of the capitalist system. At the same time, as was the case in Britain, they also wanted shop stewards to take over the initiative in the Union movement from the established central executives of the Union. In their view, the apathy among the rank and file members as a result of the routinised and bureaucratised Union activities was contributing to the present system of exploitation. A leftist member of the AEU criticised Union officials as follows:

I maintain that the workers produce all wealth, and they must be very good natured to give all they produce to the non-producers and accept back a mere existence in the form of wages. In my opinion it is pure ignorance on the part of the workers. They do not understand economics or organisation, and they will be fleeced, cheated, robbed, half-fed and ragged until they do. The rank and file of the A.S.E [i.e. AEU] in Australia are behind all other Unions on these important matters for the simple reason that they have blind faith in their officials, and the great majority of A.S.E. Officials are like the rank and file -- wandering in the dark...I emphatically protest that Conciliation and Arbitration with the Employing Class is worse than useless...[T]he only way the workers can emancipate themselves is through Shop Committees and Shop Stewards.\textsuperscript{13}

\textsuperscript{12} *Ibid.*, September 1920, p. 34.
\textsuperscript{13} *Ibid.*, June 1920, p. 28.
As will be shown later, direct action led by shop stewards, instead of the recourse to Arbitration through the centralised official union mechanism was the strategy left wingers advocated.

As a matter of fact, the appointment of shop stewards and their involvement in union activities developed. Eventually, however, shop stewards in Australia did not take the leadership in the union movement, like their counterpart in Britain, that the radicals desired.

There were various reasons for the lack of an active shop steward movement in Australia. First, while recognising the importance of shop stewards, the AEU officials were astute on keeping shop stewards under their control. The main task of shop stewards was expected to be the collection of information rather than the active participation in the bargaining process. According to the AEU Rule Book, the duties of shop stewards were as follows:

To examine once a month the contribution cards of all members, to use every endeavour to see that all men starting are fully qualified Trade Unionists, and that all persons are receiving the approved rates and complying with the practice of the shop and district...To report regularly...in writing to the District Committee on all matters in the shop affecting the trade, and to keep the District Committee posted with regard to all events occurring in the shop...To interview foremen or any other persons representing the management...provided that no question involving a principle, change of practice, or stoppage of work shall be determined in any shop until it has been reported to and ratified by the District Committee.14

As shown, Union rules restricted the range of activities assigned on shop stewards.

In terms of their practical activities too, there was little scope for the role of shop stewards to exceed the assisting of Organisers. With the resort to the Federal Arbitration system, the focus of the process of collective bargaining shifted to the national level. As the legal standard of working conditions was determined centrally, the

14 Amalgamated Engineering Union, Rules of the Australian Section as revised by the Biennial Conference in Sydney, 1927, Rule 13, Clause 7.
nature of shopfloor activities became, in the main, the vigilance over and defence of the standard working conditions decided in the Federal Court. Once this structure was established, union negotiators with individual employers required to be equipped with both detailed knowledge of award provisions and a broad view as to the union's overall policies. This requirement was too much to be expected of shop stewards, who were after all the employees. Organisers, on the other hand, were full-time Union officials who were close enough to the rank and file members and conversant enough with awards and Union policies to take the leadership in shopfloor activities.

Moreover, the fact that the piecework system never prevailed in the Australian engineering industry also contributed to the absence of an active shop steward movement, because it dispensed with their role of negotiating with individual employers concerning crucial shopfloor issues like the determination of piece rates, the role which provided British stewards with a practical basis for their leadership.

In spite of their limited range of activities, however, the significance of having stewards at each shop cannot be denied. There were ample instances which indicated that the Union was vulnerable to the aggression of hostile employers where they had no stewards. As AEU Organisers reported:

The whole trouble at this place [i.e. Dunlop Co.] seems to be that we have no Steward in the mill, and matters that should be dealt with promptly and rectified are reported in a haphazard fashion to the branches, usually when it is too late to take action.\textsuperscript{15}

I [i.e. an Organiser] have investigated a complaint that laborers were doing fitters' work at the O.K. Jam factory. This certainly has been the case in the past, but the encroachment was allowed to grow on account of there being no shop steward. A meeting of members was held and a steward appointed, also two other members to act as a shop committee in conjunction

\textsuperscript{15} MR, February 1921, p. 23.
with the steward, so that in future we will have effective means of preventing this practice.\textsuperscript{16}

As implied in the above cases, shop stewards were indispensable not only for the observance of awards but also to watch carefully the employers' attempt to alter conventional work practices. Such changes in traditional practices might not be a breach of awards in the legal sense but might impair the Union's vested interests. Union officials were concerned that if such new practices were allowed to go on without resistance, they might in future be regarded as established customs and given legal sanction by the Court.

From the employers' point of view, shop stewards were a thorn in their side. Therefore, the Union had to make tenacious efforts to have reluctant employers recognise the official status of shop stewards. As an Organiser reported:

This shop [i.e. McDonalds'] has always been a difficult problem in the past, owing to the suspicions of the firm towards anyone holding an official position. A request was made to hold a meeting in the shop for the purpose of appointing a Shop Steward, but was not regarded favourably. Eventually, permission was reluctantly given. The meeting was held, and a Steward elected; the firm being officially notified of the appointment.\textsuperscript{17}

Even if shop stewards were given official recognition by the employers, they bore the brunt of the employers' aggression and, therefore, were often the target of intimidation and victimisation:

I [i.e. an Organiser] had occasion to interview an employer who had disrated one of our members from the position of leading hand back to the bench. As he was also shop steward, it seemed to us that there were ulterior motives at work. However, it was arranged that he should be reinstated in his former position and receive a higher rate than was previously paid.\textsuperscript{18}

This firm [i.e. Small & Shattell] discharged the Shop Steward under circumstances which have every appearance of victimisation. I [i.e. an Organiser] interviewed the firm, but was

\textsuperscript{16} Ibid., March 1921, p. 24.
\textsuperscript{17} Ibid., August 1920, p. 25.
\textsuperscript{18} Ibid., April 1921, p. 21.
unsuccessful in getting him reinstated, as they maintained he had broken one of the shop rules.\textsuperscript{19}

This kind of harassment to shop stewards was ceaseless throughout the period dealt with in this thesis. The Union sought to protect stewards' position and job security in the form of awards or agreements with individual employers, but without much success. The employers remained unwilling to give any favour to shop stewards:

I [i.e. an AEU Organiser] interviewed the Secretary of the Metal Trades Employers' Association, in connection with fuller recognition and protection of Steward...[W]e put forward two suggestions, as follows: 1. That Shop Stewards be elected in every shop, and that they be the last men to be discharged in the grade in which they are employed. 2. A committee...be set up...to investigate any case where a Shop Steward had been discharged and where victimisation was claimed to have taken place...Since then we have received a communication from the Employers indicating that the Council could not agree either to the recognition of Stewards generally or to the proposals as submitted by the union.\textsuperscript{20}

After all, the recognition and protection of shop stewards were contingent upon the Union's collective strength on each shopfloor. An Organiser reported an incident where the Union had a victimised shop steward re-instated:

This company [i.e. General Electric] discharged our shop steward within a few days of his appointment, which, of course, brought forth a vigorous protest from us, with a request for re-instatement. The circumstances pointed to victimisation on the part of the foreman, who was at one time a member of this organisation, and had enjoyed the benefit of our assistance to a considerable extent. I interviewed [Managing Director] and explained our view...He promised an immediate inquiry...and the member [was] reinstated...Members are to be congratulated at their readiness to support their steward in this shop, for it is in such prompt measures that our strength and determination can best be demonstrated...The above illustration of solidarity

\textsuperscript{19} Ibid., July 1921, p. 24.
\textsuperscript{20} Ibid., October 1927, p. 37.
is but further confirmation of the old axiom, "Unity is strength".\textsuperscript{21}

As a matter of fact, the victimisation of shop stewards was one of the major causes of strikes, because it was regarded as a direct challenge to the very fundamentals of trade unionism. In any event, the fact that the employers were so annoyed by shop stewards demonstrates their practical effectiveness.

Although the increasing importance of shop stewards should not be underestimated, the key figures in everyday Union activities remained the Organisers. The appointment of shop stewards as their assistants itself was one of their duties. The management could ignore shop stewards, but not Organisers, who were conversant with award provisions, general work practices and Union policies and confronted the employers as the representative of the whole Union. Unlike shop stewards employed by the firm, Organisers were independent full-time officials who were paid the equivalent of tradesmen's wage by the Union.

Organisers were also provided with legal privileges. Awards entitled Organisers to examine the time and wages books which showed the name of each employee, his occupation, the hours worked each day and the wages and allowances paid each week. The employers succeeded in limiting this right by gaining a provision that the 24 hours' notice should be given for the inspection and the inspection should not be more than once a month for the same firm.\textsuperscript{22} Nevertheless, the right to examine these crucial records was a significant privilege which enabled Organisers to uncover breaches of awards.

For their part, the employers sought to frustrate Organisers' activities by various ways. For instance, they refused to let shop stewards into actual workplaces. They were also keen to make the most of legal loopholes:

\textsuperscript{21} Ibid., January 1927, p. 24.
\textsuperscript{22} 16 CAR 289 at p. 294.
I [i.e. an Organiser] visited these works [i.e. Chubb's Limited]...in respect to the employment of juvenile labour...[T]he boys who were not indentured were on probation...I gave notice to examine the books, but this was disallowed, the firm acting under the advice of the Metal Trades Employers' Association's representative, who claimed that under the terms of the award, only an Inspector of the Board of Trade could inspect the books so far as apprentices and lads on probation were concerned. In view of the developments, the circumstances of the case were submitted to the solicitors for advice.23

It should be noted that this effort to legitimately thwart unfavourable award provisions was attempted at the initiative of the employers' institution. As the negotiation process became more bound with legal technicalities, the Union had frequently to ask legal experts for advice. In any event, the employers were unwilling to give Organisers more freedom than the legal minimum. As will be shown later, the unions' right of entry has always been one of the contentious issues in the court battle.

Against these interferences by the employers, Organisers pursued their duty of improving the members' working conditions. First of all, they had to make sure that the employers observed at least the award conditions. Even this was not an easy task, because award provisions were so detailed and complicated. On many occasions, moreover, they were open to various possible interpretations, so that the employers neglected them intentionally or unintentionally. Due to their complexity, there was also ignorance on the part of the employees. Therefore, Organisers not only acted on the members' complaints but also made sure, on their own responsibility, that the award provisions were observed. The following report by an AEU Organiser shows how troublesome it was to secure the minimum award wages:

This firm [i.e. McPherson's] has given considerable trouble since the Award came into force. They have three branches. In No. 1 they paid without question; in No. 2 we had to take them to Court to pay retrospective money, getting a verdict in our favour. I was informed that they had members employed in No.

23 MR, July 1925, p. 25.
3 Branch (brass) who were not getting Award rates. On calling to see the Time and Wages Book I was informed by the Manager that it was an uncited shop, and I could not see the books. The next day I was advised by their Solicitor that the books were open to my inspection. I found, on examination, that three members had been underpaid.24

Organisers had to closely examine the time and wages books to make sure that the prescribed rates were paid to all the members on various occupations. In addition, they had to check if proper overtime and shift rates and retrospective payments were calculated, on which the employers were likely to defraud. Moreover, the employers were never willing to pay such extra allowances as dirt money, sick pay and compensation, picking any trivial technical flaws to evade such allowances.25 Likewise, holiday pay was another expense the employers loathed to make. Instances were reported where the employers discharged the members legitimately by a week's notice before Christmas in an attempt to dispense with holiday pay26. The same applied to the award provision obliging the employers to provide their employees with such facilities as lockers and washing rooms. At many firms, such requirements were observed only perfunctorily or simply neglected.27 In all, the employers hardly made any voluntary effort to improve the working conditions of their employees. They sought to thwart award requirements by any means from finding legal loopholes to simple defiance.

So far as the award conditions were concerned, however, their realisation was, at least, legally guaranteed. If only the Union could find a breach of an award, it could rectify the situation by appealing to the management or, if necessary, bringing the firm to the Court to have it penalised. Therefore, although the terms in the award could not be taken for granted, the Union was able to attain them with close vigilance.

24 Ibid., March 1922, p. 21.
26 See, for instance, ibid., February 1922, p. 25.
27 See, for instance, 20 CAR 982 at p. 991 and MR, April 1925, p. 21.
More important, however, was that there were also industrial issues which did not fall within the Court's jurisdiction but still affected the principles of craft unionism. Among such issues, the ones concerning work practices and deployment should be given special attention. Awards were not supposed to prevent employers from introducing new technology and changing work practices, the management's right of deployment being out of the jurisdiction of the Court. More concretely, if the employers tried to introduce new machines and substitute non-skilled workers for tradesmen by the use of such new machines, there was no legal obstacle against it. Therefore, the Union had to protect its members' industrial status by its own strength. The Union should not make any compromise on the alteration of conventional work practices, especially the replacement of tradesmen by lower grades of workers, because, once new practice was introduced, it might be given a legal recognition as an established practice by the Court in the future award and tradesmen might receive unfavourable treatment in classification and other working conditions. An Organiser warned the rank and file members of the changes in work practices and their possible consequences:

The question of the operating of machines by juniors, or any other kind of labour, other than tradesmen or apprentices, or the introduction of any new custom into the trade, is one that is going to test the Union to its foundation; there is no question about that. The masters in this country, spurred on by the successes of their colleagues in other countries, and the position brought about by the new phase of industrial development, are endeavouring to introduce this class of labour to the exclusion of engineers...they...are taking the initiative by a little concerted direct action to establish new customs in the workshop. Should they succeed, or accomplish to any degree this scheme, it will undoubtedly mean the displacement of men now working many of the machines, and will incidentally, to say nothing of the effect it will have on the morale of trade unionism generally, create a greater army of permanent unemployed. The D.C. have considered this question from every angle carefully. Legal opinion has been obtained to ascertain if there was a way of counteracting this move per medium of the Court, but it has proved of little avail. This being so, we have to determine quickly, and in no uncertain manner, whether we are going to have a say in any change of working conditions brought about by industrial development which it is desired by the employers to introduce. Any change
in working conditions, or new customs, materially affect us, and we want, and must demand, an opportunity of discussing and determining these matters. This will not be given without a determined fight is put up [sic]. It is useless looking to the Court for help, or any other Tribunal for that matter. It will have to be done by force of organisation in the shop, and this can only be accomplished effectively by closing up the ranks and in our own well-being. It will be necessary, and cannot be delayed, to at once elect one of our members in each workshop to act preferably as a Shop-steward; failing this, a Shop representative to work in conjunction with the D.C...28

AEU officials were fully aware of the situation in Britain and the U.S. where 'mass production', or the 'manufacturing' method of production, was spreading, dispensing with skilled workers. Although 'manufacturing' had not yet been established in Australia, the threat to the conventional status of tradesmen was obvious and imminent in the eyes of the Union officials. In reality, as shown in the previous chapters, the prospects for mass production were limited in Australia due fundamentally to its small, fragmented market structure. However, the very absence of the scope for curtailing unit cost by mass production intensified the employers' desire to reduce labour costs by any means. Under these circumstances, 'classificatory deskilling' seemed an attractive method to the employers, who were anxious to assign simplified operations, wherever technically possible, to the less skilled, that is, the less costly.

From the AEU's point of view, whose fundamental function was to protect tradesmen's interests, it was a serious challenge to the very basis of the Union. Therefore, the Union was adamant that it would not make any compromise or create a precedent on this matter. In the disputes concerning the matter of deployment, the employers' right to manage and craft regulation of the AEU were in direct collision. An Organiser reported a dispute related to deployment:

I interviewed Mr. John Heine re [sic] the placing of a labourer on a milling machine, and asked that this man be removed from the machine and a qualified machinist be substituted. He informed me he was unaware of what had been done, but even

28 MR, July 1924, p. 35.
if it was the case, he could not see where the firm was not within its rights...After a long discussion, he said, "I suppose the man will have to be removed," but in removing him wanted it to be understood that he did not admit the justice of the Union's request. There and then the employee in question...was informed he would finish up that night. This was done with the view of placing the Union in a false light in the eyes of this employee...29

Antagonism between the management and the Union was evident and the former would not relinquish the right of deployment. It should be noted, however, that even though the management made it clear that it possessed the right of deployment, it could not in practice execute that right at will. In general, the AEU successfully resisted by its own industrial strength the employers' attempt to substitute the non-skilled for tradesmen. In the following case, an employer's attempt to assign juniors on the portable drills and the power presses caused a major strike. The MTEA supported the employer and other unions, the AEU. The AEU Organiser in the district reported:

They [i.e. Dobson Wormald's] took up the attitude generally, that it was the right of the employers to determine who was to work any machine should there be a re-organisation in any particular shop. Obviously, we were not prepared to countenance this, nor any dilution for that matter...Things reached such a stage it was decided by the Disputes Committee to withdraw all union labour, and in connection with work performed on buildings, that the Building Trades' Unions were not to handle any work emanating from Dobson Wormald's...[A] number of the unskilled workers, particularly the juniors, are anything but organised in this shop, although when the juniors were called upon to perform work previously done by fitters, they refused to do so...[I]t appears that Dobson Wormald's is being used as a stalking horse by the Metal Trades Employers Association, with a view to the introduction of juniors into the industry generally.30

Eventually, the strike ended in a clear victory for the unions. They succeeded, without any victimisation, in foiling the employer's

29 Ibid., May 1926, p. 17.
attempt to assign juniors to tradesmen's job. The Organiser commented:

The Company was undoubtedly pleased to come to a settlement, as the building trades were refusing to handle any goods manufactured by this firm...Our members who are employed by this firm are to be congratulated for the attitude they adopted throughout the strike, and too much cannot be said for the stand taken by the juniors, who were not in any union, who also came out on strike and remained loyal throughout the strike.31

In this dispute, the principle of craft unionism itself was at stake, so that the AEU received full support from the labour movement even outside the metal industries. It also should be noted that the juniors in question stood by the Union's side and walked out together. Because of the long-established craft regulation prevailed on the shopfloor, those juniors, morally, could not take tradesmen's jobs.

The workplace can be regarded as a community comprising various workers governed by long-established customs which gave them the moral basis of solidarity. Thus, when the employers sought to challenge that convention, it aroused within the labour camp an immense feeling of injustice. In the end, the employers could not wield their right of deployment to rewrite the conventional demarcation line between the skilled and the unskilled at their discretion. It was due to the resistance based on the moral sentiment on the shopfloor that the employers could not break the stronghold of craft unionism. The management's power of deployment was not within the jurisdiction of the Arbitration Court, but the AEU succeeded, as a whole, in containing this power by its own industrial strength, together with the support from other unions.

While the sentiment on the shopfloor created unity among the employed against the employers' aggression, it sometimes operated in the reverse way. There were some cases reported where, because of the pride of skilled tradesmen, AEU members passed simple

31 Ibid., December 1926, p. 22.
operations on to the non-skilled. An Organiser emphatically regretted an incident where AEU members allowed labourers to perform fitters' job:

I found it necessary to make representation to the management [of the Australian Glass Manufacturers] against what appeared to be...the establishment of a practice of employing laborers [sic] on fitter's work, and it is rather regrettable to report that I found that members on the job were responsible practically, for the condition obtaining. Whilst I was perfectly satisfied that members acted under a misapprehension as to the rights of their mates, nevertheless I was of the opinion...that members were most careful as to the work they permitted their mates to do. There should be no hesitancy on the part of members in preventing laborers from handling tools of trade...[M]embers must remember that to permit any of the work that they should to do to be done by a laborer, is tantamount to a cut in the rates.32

Thus, as to such work practices, Union officials had to keep an eye not only on the employers but also on their own members, lest new practices became regarded as established. That vigilance became all the more important for the officials, because it was at the time when the employers were pressing hard for reclassification in the Arbitration Court. An AEU official remarked:

[N]ever before in the history of the Industrial Movement was it so necessary for members to protect their trade interests. The attack which is being lodged by the employers to-day in seeking a reclassification of the trade, surely indicates that in the near future, we will be protesting against a practice by the employer, which we have largely been responsible for...I trust that members will be watchful throughout the whole of the trade against such a practice creeping in.33

Such unwillingness on the part of the rank and file members to take simple jobs was often seen in the 'new industries' where technological development was spreading most. AEU officials lamented the attitude of the members who, despite the serious unemployment, were not eager to take on these new growing trades, where semi-skilled and other craft unions were keen on

32 Ibid., June 1929, p. 23.
33 Ibid.
establishing their footing. As an Organiser reported, 'motor mechanic' was one of these trades neglected by the members:

The state of trade in this District [i.e. Melbourne] is by no means assuring [sic]; for, although we have been able to place a number of members in jobs, the number out of work remains the same as last month. We have had inquiries for motor mechanics capable of doing fitting, tuning and testing, but we have been not able to supply. I, therefore, strongly advise members to take up this industry to competent men, which are being filled at present by the semi-skilled man who has a limited knowledge of tuning and testing; acquired whilst employed as assemblers. They can do no decent fitting, but manage to get through...34

AEU officials made every effort to make the wages and the working conditions in the new industries on a par with those prevailing in the conventional engineering sectors, in order to prevent the dissolution of the craft community and to open avenues for the members out of work. Such an effort, however, was not always rewarded appropriately by the rank and file members. As an Organiser reported, the manufacturing of window frames was another example:

Our unemployment registers show 90 odd of all trade signing, some of whom have been out for quite a time. Again I urge members to place on their itinerary when seeking employment the various steel window manufacturers...Certainly it is but pipe work...and...not so precise a work as members have been used to or desire, but the rates, conditions and hours obtain as in the better class of work, and members should not hesitate to take this work if offering. Now is the time to definitely make this work a section of the industry in which tradesmen are employed. Considerable time and energy have been expended in bringing the rates and conditions up to tradesmen's standard and it is to be hoped that members will consummate and consolidate the position, otherwise I can see nothing for it but that this work will revert to the happy hunting-ground for the semi-skilled, with a low rate as a consequence of our own continued apathy.35

34 Ibid., July 1924, p. 38.
35 Ibid., December 1927, p. 25.
Electric and oxy-acetylene welding was another trade in which proud tradesmen showed little interest. The spread of these welding methods was among the most significant technological innovations in the industry at the time. Although it did not affect significantly the core operations of fitters and turners, it did affect the work of boilermakers in a crucial way. An AEU Organiser reported with chagrin that the members of the Boilermakers' Society, whose traditional job territory was dwindling, were eager to take on the new welding as their trade, whereas AEU members were indifferent and letting the Boilermakers cover this new area:

I continue to find members reluctant to take up oxy-acetylene and electric welding, and they invariably have to step aside whilst others take over the work that should rightly belong to the engineer...Those members who have been sufficiently interested to take up the work have found it invaluable, and it has assisted them materially, at least, in holding down their jobs. On the other hand, the boilermakers acquiring the knowledge as rapidly as possible, not hesitating to ask for tuition from members at every available opportunity, in addition to attending at the Working Men's College classes...[W]ith the adoption of the welding torch, trade practices are being revolutionised. Where, formerly, there was a bolt or rivet, to-day the work is welded...The boilermaker is watching his own interest, but engineers generally are neglecting theirs. Already, the Victorian Railways are...taking apprentices to welding alone. Motor garages seek mechanics with knowledge of welding, and are paying better money to one so equipped than the ordinary mechanic...I find a reluctance on the part of members to take on repetition and semi-skilled work, although it is paid at the full rate - again giving the employer the opportunity to place unskilled labour on the work, and ultimately the argument to seek a lower rate.36

As will be shown later, the demarcation dispute between the AEU and the Boilermakers' Society became intense as electric and oxy-acetylene welding became established as an independent skilled trade.

It was the AEU's general policy to have new branches of the industry officially recognised on a par with the traditional skilled trades in order to prevent the breaking up of the industry, even if

---

36 Ibid., June 1926, p. 27.
they were relatively monotonous and repetitious operations. As a whole, the Union was successful in keeping this line both in the Court and in the direct negotiation with the employers. It was craft pride among the members rather than the difficulty in persuading the employers that hampered the complete realisation of this policy.

Although there were employers who made overt attempts to violate craft regulation, as a whole, the Union's footing was strong enough to successfully resist such challenges. An Organiser reported an incident:

Owing to the company [i.e. Australian Gaslight Company] taking men off the floor and placing them on screwing and cutting machines, also sensitive and radial drills, I approached the Industrial Officer and took strong exception to this practice, in view of the fact that we were able to supply labour of this character. The Industrial Officer stated that he could not see why exception should be taken, seeing that in his opinion it was only semi-skilled work, and claimed that the company had the right to place men on these machines providing they paid the rate, and the individuals concerned were prepared to join one of the Unions covering the calling. However, the protest proved effective, as he stated in future, before adopting a practice of this character, he would see if it were not possible to approach the Union to see if labour was available.37

The employers had 'the right to place men', but in practice could not exercise it at will in defiance of craft conventions which the Union was determined to maintain.

However, in such new industries as the electrical and motor industries which sprouted in the 1920s, the Union's position was not so secure as in the traditional sectors of the industry. In these new industries where the standardisation of the production process developed faster, lessening the dependence on skilled tradesmen, the employers had broader options for their managerial strategies.

For example, at Electricity Meter Manufacturing Co., one of the few mass production plants in Australia, juvenile labour was widely

---

37 Ibid., October 1925, p. 22.
used for simple process work. Confused by the emergence of the new system of production, the Union decided not to recruit the juniors. The Organiser reported:

Re [sic] the youths who are working at this shop on bench lathes and drilling machines in a single process...it has been decided that no advantage would be gained by admitting them; in fact, it would in all probability act detrimental to the interests of our members.38

In such new industries, a question was raised with the emergence of new classes of operations whether they should be regarded as part of the engineering trades with which the AEU was concerned. Unlike window frame manufacturing and electric and oxy-acetylene welding which required less skill but still obviously fell within the category of engineering operations, such new operations as 'assembling' was recognised as outside the ambit of engineering. In such areas, the management sought to introduce non-unionists and adopt piecework, while the Union connived at such attempts so long as the traditional engineering trades were unaffected. The Organiser studied the situation at Electricity Meter Manufacturing Co.:

Following on a report that piece-work was in operation at this Co.'s works, and there was a number of non-unionists employed, and in some instances men were being paid less than the Award rates, I interviewed our Stewards and found that so far as the mechanical engineering side was concerned the report did not apply. There was a number of non-unionists, but these men were engaged on the assembling of electric meters and in the manufacturing of accessories for radio purposes, and it was in these sections that piece-work was in operation.39

Not only was the Union more susceptible to the employers' aggression in these new industries, but also met a challenge from within the labour ranks. At Electricity Meter Manufacturing Co., the AEU was for the first time involved in a serious demarcation dispute with an unskilled union, the Ironworkers Assistants' Union (IWAU), which started to recruit drillers at the plant. The

38 Ibid., February 1925, p. 20.
39 Ibid., June 1927, p. 19.
management taking neither side as was always the case with such intra-union disputes, the AEU and the IWAU, together with the Australasian Society of Engineers, held a conference to discuss the matter. At the conference the IWAU accused the AEU of not taking sufficient care of semi-skilled workers. An AEU Organiser reported:

I pointed out that for years past the driller members of the I.W.A.U. had been engaged on work such as is done in boilershops, and that when they went on engineering work they were automatically an engineers' union...[The I.W.A.U. representatives] claimed that their rules and constitution, also the award they worked under, gave them the right to place their drillers on engineering works as well as in boilershops and similar establishments. They further stated that...the engineering unions were not looking after the interests of junior labour and adult labour employed on drilling machines doing engineering work. As evidence of that they said that in Ritchie Bros...a number of juniors were doing work at junior rates for which adult rates should have been paid. Finally they said that...they were looking after the interests of the drillers better than the engineering unions, and intended to carry on with their new policy.40

In the end, however, the IWAU was no match for the AEU and forced to accept a humiliating agreement that the IWAU 'shall not enrol as members any persons or classes of persons employed as Drillers, Grinders or Machinists in any engineering establishment' and 'shall not any time obtain, or seek to obtain, any Award or Agreement for or on behalf of the persons or classes of persons referred to in the preceding paragraph...unless the Amalgamated Engineering Union has agreed in writing'.41

In the motor vehicle industry as well, the AEU met a challenge from other unions, especially from the Coachmakers' Union. An Organiser reported the situation at the Holden works, where the Coachmakers' Union was alleged to be poaching the workers who, the AEU claimed, should belong to the AEU. The AEU Organiser reported:

The position generally at Holdens is unsatisfactory. Until some three years ago the Coachmakers' Union had a complete

40 Ibid., February 1929, p. 17.
41 Ibid., March 1929, p. 16.
monopoly of the work at this place but at that time we came to an agreement by which we should supply all engineering labor. However, taking advantage of the glutted state of the labor market the coachmakers have again attempted to supply fitters and turners. I interviewed Mr. Holden...and he assured me that there is no intention to depart from the practice that has been in operation in the past. They have also recently supplied what are termed vycemen and these men are engaged on the making of jigs, dies, etc. The D.C. have the matter in hand.\textsuperscript{42}

Although the AEU eventually brought the matter under control, it had to remain cautious of the activities of other unions. The caution was all the more necessary because the employers preferred non-AEU workers in order to evade the relatively expensive working conditions awarded to AEU members. It should also be recalled that the members of the Coachmakers' Union still worked under a 48-hour week after AEU members had retrieved a 44-hour week in 1927. In fact, instances were reported where the employers tried to force AEU members to leave the Union:

Recently a member applied for a position as turner [at Melbourne Motor Body Works] and was informed that he would have to join the Coachmakers' Union before he could start and unfortunately the member followed this advice...We have an agreement with this company which provides for extra payment for our members starting with them and I properly assumed that the company were endeavouring to break away from the agreement. However, after interviewing the accountant and the Industrial Officer, the company agreed that as far as employees covered by the classification of our Federal Award were concerned, they would not be required to join the Coachmakers Union, and that in future they would follow out the policy previously agreed upon...[M]embers should immediately report any action which jeopardises their membership, so that we can take steps to protect their interests.\textsuperscript{43}

In the new industries, the deskilling of the production process proceeded faster and the introduction of non-skilled labour was made on a larger scale. Because the traditional demarcation line between the skilled and the non-skilled operations was blurred, the

\textsuperscript{42} \textit{Ibid.}, July 1928, p. 34.

\textsuperscript{43} \textit{Ibid.}, June 1929, p. 24.
AEU met more serious challenges from both the employers and rival unions in these industries. As a whole, however, the AEU was able to fend off these challenges. Even in the new industries, the employers could not do away with the craft skill, the traditional engineering operations still occupying the predominant part of production. As demonstrated, skilled engineers, in the face of the emergence of the new industries, were not so much keen on venturing into the new sectors as on protecting what they had achieved in the traditional sectors of the industry. In spite of this attitude, AEU members were never marginalised in production and their influence on the shopfloor was never seriously undermined.

As mentioned, the opposition to piecework and a 44-hour week were the most important industrial issues for the whole labour movement in the 1920s. The AEU played the leading role in both campaigns and eventually succeeded in fulfilling the goals as far as the Union itself was concerned.

Fully aware of the bitter experience of their parent union in Britain, the AEU was adamant on preventing piecework from spreading in Australia. From the Union's point of view, piecework was not only a cheap gimmick to snare employees into intensified work but also a fatal threat to the basis of collective bargaining itself. As a unionist appealed to his fellow members, what was at stake with regard to piecework was:

one fundamental bulwark of our organisation and condition, collective bargaining...[W]e experience that [with piecework] individual bargaining is introduced with its consequent fatal results to organisation...Individual Bargaining becomes rampant, and ultimately the morale of the Union [will be] broken, and the worker is in the position the employer wants him unprotected because there is not a virile body to take up his fight, he falls an easy victim...44

The employers were anxious to adopt this system of payment and eagerly sought favourable judgements from the Court. In practice, however, this system was never widespread because of determined Union opposition. Because the running of production was totally

dependent on tradesmen, the employers could not introduce such a radical measure without their consent. It should also be borne in mind that there was fundamentally a technical limitation for adopting such payment system where repairing and jobbing still comprised a predominant part of the industry. Thus, even after the 1927 Beeby Award which lifted any legal obstacle to the adoption of payment by results, the employers made few attempts to take advantage of it.\textsuperscript{45} If any, such attempts were successfully resisted by the AEU enjoying a wide support from the whole labour movement. An Organiser reported an incident:

I urged this firm [i.e. Crittal Manufacturing Co.] to discontinue applying the piecework or bonus system, but they refused to do. I secured the support of the Building Trades Federation, who assured me of their support in any action we might care to take to stamp out the system. A conference was arranged by the Disputes Committee with the firm. After the pros. and cons. of the question were fully discussed, the firm decided to accede to our request.\textsuperscript{46}

So far as AEU members were concerned piecework was virtually non-existent.

In relation to piecework, there was a case reported where the management introduced what was called an 'operation card', which, the Union suspected, could pave the way for the task work system:

The members employed at John Heine's drew the District Committee's attention to the introduction of what the firm stiled [sic] an "Operation Card."...[S]o far it had only been applied to two Turners, who are members of the Australasian Society of Engineers. The card informs the Turner of the cutting speed, the feed and the size of the cut...We told [the management]...that the Card should be withdrawn, as in effect...it was nothing less but setting the employee a task. They stated that the Card would not be withdrawn...that it was not introduced for the purpose of setting the employee a task...\textsuperscript{47}

\textsuperscript{45} 25 CAR 364 at p. 377.
\textsuperscript{46} MR, October 1927, p. 39.
\textsuperscript{47} Ibid., April 1928, p. 23.
Even this degree of the management's interference with the conventional work practices triggered a quick reaction from the suspicious Union. It also should be noted that the employees involved in this incident were the members of the ASE, a weaker union than the AEU, and it was the AEU representative who took exception to the management. Incidentally, the manager of this firm, Heine, was the president of the Metal Trades Employers Association (MTEA) at the time and eager to challenge traditional work practices. Even such a leading manufacturer could not break craft regulation.

A 44-hour week was also a major industrial issue concerning the whole labour movement. A shorter week was regarded by unionists as a real gain which was, unlike wage increases, unaffected by inflation and other economic fluctuations. For the AEU, shorter hours was among its time-honoured basic policies since its establishment in Britain, which aimed at creating jobs for fellow members out of employment by reducing output per capita.

A 44-hour week was for the first time given to AEU members by the Arbitration Court in the 1921 Higgins Award. However, it lasted only for a short time because Powers took it away the following year. Disappointed in the Federal Court, AEU members expected that the State Labor Governments would give it back through administrative and legislative measures. In this respect, there was a legal question whether Federal awards prevailed over State legislation or the other way around. The High Court decided in 1926 that Federal awards overrode State legislation. As a result, AEU members in NSW, where the State Labor Government had enacted a 44-hour week, still had to work 48 hours a week as prescribed in the Federal Award. Now the Union had to achieve the goal by its industrial strength.

The tension between the employers and the employees became intense when the employers, especially the core members of the MTEA, threatened to lock out those refusing to work more than 44 hours.\(^{48}\) For their part, AEU members were determined not to work

more than 44 hours, even though their payment was reduced proportionally. This was a well-considered tactic by the Union, which calculated that, once the 44-hour work became an established custom, it would receive legal recognition in the next court case and then the full pay would be guaranteed.

In order to carry out this scenario, the cooperation of other unions was required. Thus, the Sydney District Committee of the AEU took the initiative in the campaign and bound together the labour ranks through the Labour Council in line with the AEU policies. The AEU Organiser commented:

[P]rior to the High Court's decision, various Metal Trade Unions, with a view to securing the full weekly wage for 44 hours on behalf of members, put into operation their own particular policy. Some were working on the five-day basis with no overtime--others were working 44 hours in five or six days, with no overtime and no new shifts, and so forth. With some uniformity of action, the District Committee submitted to the Labour Council three suggestions, and they were in line with the policy as being conducted by this Union....[T]he Labour Council decided on the following policy: 1. That this Council endorses the principle of 44 hours. 2. That no overtime be worked until the 44-hour principle be recognised by the employers. 3. That no new shifts be allowed to be put into operation until the 44-hour principle is recognised by the employers. It was decided, so as to protect the interests of the Trade Union Movement, to set up a Committee [comprising]...a delegate from each union involved in the dispute on the 44-hour question. This committee to have full power from each organisation to act in relation to the policy laid down and the principles agreed to by the Council. The Council was definite that no other matter was to be allowed to creep into the issue--the question was the fight for the 44-hour principle, and every means had to be used in order to accomplish this.⁴⁹

It should be noted that the AEU tried to impose its policies on the Labour Council. In the actual industrial action too, the AEU took the command through the Disputes Committee of the Labour Council. Some firms did lock-out those who refused to work overtime as they notified, but it was labour that held the upper hand. The AEU,

with its ample experience and clever tactics, successfully directed the dispute. The AEU Organiser reported:

Although there were some 500 firms in the engineering trade in the district, there were only 60 who gave effect to the [lock-out] notices...Thus, from the onset, the employers failed to wield the lock-out effectively...The Disputes Committee, in view of experiences, were determined that the fight was to be confined to a given area, and they did all that was possible to avoid the area being increased, even going to the extent of ordering the men back into certain industries. Furthermore, the question of an inter-State dispute was considered, but it was thought that the fight could be waged more effectively by keeping it within the State of New South Wales and appealing to the unionists in other States to assist financially for the time being. The Metal Trades' Employers on finding that the lock-out did not work as they had anticipated, apparently sought the assistance of other associations, because the Motor Traders' Association posted similar notices and gave effect to them...Notwithstanding this, the Disputes Committee were successful...in circumventing the employers' tactics, and were able to keep the fight within a short compass...50

Eventually, conferences were held between the parties, and the dispute was settled on the unions' terms. Thus it was decided that the employees would work 44 hours a week with 44 hours' payment. Into the terms of settlement were inserted the following provisions on the employers' request: "The Disputes Committee to give an undertaking...that the recognition of the 44-hour week will not be used to prejudice Employers before the Arbitration Court"; "The Disputes Committee to give an undertaking that no demand will be made for increased wages until the proposed newly constituted Federal Tribunal deals with the case."51 However, the first undertaking was mere dead words and the second one was simply ignored. In fact, AEU members kept demanding the recognition of full Award rates for the 44 hours' work after the settlement, until finally the Federal Arbitration Court gave them a 44-hour week with full payment in 1927.

50 Ibid., pp. 21-22.
51 Ibid., p. 23.
It should be emphasised that the Union's action in this dispute were carefully designed with a future court case in mind. The events evolved exactly as the AEU had planned: the AEU mobilised the labour movement in line with its policies, succeeded in establishing a custom by force and finally got it legally recognised by the Court.

There was also another incident in which the Union's industrial action directly affected the Court's judgement. The reversion from weekly to daily hiring in Beeby's 1927 Award aroused an immediate and determined reaction from AEU members who were determined not to give up their vested prerogatives. When three Sydney employers did turn back to daily hiring, AEU members employed at the firms walked out. Although the Court ordered them to return, the members in the district decided to give them full support. The Organiser reported:

On the members directly involved in the dispute, refusing to comply with Judge Brockman's barbarous order to either resume work or be fined or imprisoned, and anticipating that an endeavor would be made to enforce the order of the Court, a District Mass Meeting was held, and the members assembled unanimously decided to financially and morally support the men in dispute and their dependents, and at the same time decided that on any of the men having to appear before the Court as the result of the order issued, a mass demonstration would take place on the morning of them having to appear in Court.52

The mass demonstration did take place, involving some 2500 members. Consequently the Court was adjourned, leaving the matter to a conference between parties presided over by Judge Beeby. After rejecting the terms proposed at the first conference, the District Committee planned to place an embargo on all overtime and new shifts in the case of an agreement not being reached. At the second conference the Union agreed to return to work, and Beeby speedily varied the Award, reinstating weekly hiring.53 Here again, the AEU was able to defend its vested prerogatives by its industrial strength. It also should be noted that it was the District

52 Ibid., September 1927, p. 21.
53 Ibid., p. 22.
Committee's initiative which reflected the sentiment of the rank and file members rather than the reluctant Commonwealth Council that contributed to forcing the Court to revise unfavourable provisions of the Award.

The strategic choice between direct action and Arbitration has always been the question which aroused serious internal debates in any Australian union. For better or for worse, the AEU's incorporation into the Federal Arbitration system did shape the pattern of Union activities after the 1920s. While the State Arbitration and Wages Boards were more closely connected to the direct negotiation between the employers and the employees on the shopfloor, the Federal Arbitration system increased the distance between shopfloor activities and the decision-making process, which was proceeded with at the national level and, therefore, becoming more and more bureaucratic.54 Under the circumstances, those against Arbitration intensified their criticism that the involvement with the Arbitration system contributed to creating 'apathy' among the members by robbing the members of their positive interests in Union activities, which was reflected in such phenomena as the meagre attendance at branch meetings and the accumulating arrears of the membership fees. An AEU member remarked:

[There is] general apathy existing in our ranks...I would say the main cause is the fact that members work under an Arbitration Court award, and are prevented from working effectively in improving their conditions...[A] member, branch, or even district are so emasculated...To get members to take an interest in their welfare we must give them the opportunity to work for their betterment, and that cannot happen if we remain under the control of the Arbitration Court.55

In spite of such criticism by a faction of the members, the C.C. of the AEU maintained its support for Arbitration and the faith in Arbitration was becoming consolidated among the majority of AEU members. As reflected in the following remarks by an AEU

54 Ibid., September 1920, p. 25.
55 Ibid., February 1929, p. 35.
member, Arbitration was believed to have brought about better conditions at smaller costs:

When we compare results obtained from Arbitration with those secured by direct action I am of opinion there is overwhelming evidence in favour of the former. In the former process an award is for a fixed period, its terms can be recovered by law, and can only be varied by the same Court. Also, its cost is within the bounds of estimation. With direct action, organisation in the workshops must be efficient, other Unions sympathetic, and the power of coercion in evidence. Frequently the settlement of strikes is by conference in the end, and results far less than were claimed. Again the expense incurred is far in excess of Arbitration and what is gained by such force must be held by the same means...

Once the recourse to the Federal Arbitration Court was adopted as an official Union policy, supplementary measures were sought to extract the best deals from the system. It was in this context that active political involvement was promoted. The disappointment in Powers' awards compared to Higgins' one led AEU members to the belief that the Arbitration system would operate properly only under the right judges, clear of 'class bias'. For the appointment of sympathetic judges, as an AEU member argued in the following, Labor had to be in office:

There is a growing adverse opinion of arbitration among our members, due to the class conscious award given by Judge Powers...But are we right in our condemnation of the principle of arbitration[?]...What have we, as a Union, to take the place of arbitration? There are many suggestions offered by members...'Job Control,' "Go Slow," "Irritation Strikes,..."Forming a Red Army, to take possession by force of the machinery of production, distribution and exchange,..."Every one of these suggestions must have a highly organised and thoroughly disciplined body of workers to carry them out...If members wish to strike,...when trade is brisk, is the only time when we have a chance to of success...The greatest difficulty with arbitration seems to be the bias of the judges towards the employers...[There is] the need of having judges on the Bench more sympathetic to Labour. How is it possible to overcome that difficulty? By taking a more active interest in politics...Take the question of 44 hours per

---

56 Ibid., August 1922, p. 13.
week...Mr. Hughes recently stated that the industries of the Commonwealth must work 48 hours per week...That statement, combined with the fact that he has had the choosing of the three judges who will sit on our case, clearly indicates to me what hours we will be working after they give their decision. Can we expect any other treatment when we place our opponents in power?...[M]y advice to the members is, join your local Labour Leagues...with the object of sending workers to Parliament, with a mandate to put new blood into the Federal Arbitration Court...Fight hard for Labour...use the most powerful weapon you have, i.e., the ballot, on behalf of Labour...57

Thus, in 1923 the C.C. asked the members for their approval as to striking a political levy to affiliate the Union with the ALP and increase its influence within the Party, stating that "our hope of a shorter working week and better working conditions will be realised so soon as we can again capture the reins of Government".58 The approval was eventually given.

What the Union expected of the Labor Governments was more than the appointment of sympathetic judges to the Courts. As evident in the above citation, unionists also hoped that the Labor Governments would bring about, through legislative and administrative measures, what the Arbitration Courts failed to deliver, especially a 44-hour week. The State Labor Governments in Queensland, New South Wales and West Australia did enact a 44-hour week in 1924, 1926 and 1926 respectively, although AEU members could not enjoy it because of the supremacy of the Federal Award.

In addition, the Union also wanted the Labor Governments to take measures to protect domestic industries by increasing tariffs and treating Australian firms favourably when sending out orders. In fact, the AEU frequently dispatched its delegates to the Ministers and Premiers to lobby for the securing of domestic contracts.59 It should be noted in this relevance that there was a widespread expectation among workers that the Governments should be model

57 Ibid., pp. 41-43.
58 Ibid., June 1923, p. 5.
employers and extend their public enterprises until achieving the ultimate goal of 'the socialisation of industry'.

Given these expectations, it is no wonder that the NSW members of the AEU were fascinated by the premiership of Jack Lang. When his deputy Loughlin challenged Lang's authority in 1925, the AEU was among those loyal trade unions which stood firm for Lang's defence. The Lang Government was, in their words, the "most working-class...in keeping with the policy of the Labour [sic] Party" with its "noble record of achievements" including a 44-hour week, widows' and orphans' pensions, family endowment, workers compensation, vigorous public works policy and the improvement in the transport facilities.

In contrast, the conservative Bruce Government, which dominated the Federal office for the bulk of the 1920s, was in office, in a Unionist's words, to 'meet the requirements of the greedy capitalists' and therefore should be demoted to 'political extinction'. An AEU official explained to the members:

Our attention is directed to the attempts made [by the Bruce Government] to destroy or reduce to ineffectiveness the Federal Arbitration Court and thereby deprive the workers of any benefits likely to be obtained per means of such tribunal, whereas...the Labour [sic] Party stands for improving the effectiveness of the Commonwealth Court...The influx of foreign labour is another instance where the Federal Government is catering for the big profiteers with the object of reducing the Australian standard of labour. The disposal of Government enterprises, such as the Geelong Woollen Mills...are further evidence of partisan administration...[as well as the] plot to dispense with the Commonwealth fleet of ships...[and the] letting of the cruiser contract overseas...


61 *MR*, December 1926, p. 7 and October 1927, p. 5.

The AEU's faith in the Federal Arbitration was so consolidated during the 1920s that when Bruce ran for the election in 1929 with the promise to scrap the Federal system, the C.C. vehemently appealed to the members in support of Labor and the Federal Court:

After six and a half years of disastrous legislation and administration, during which period the workers have been attacked from every possible angle known to the Capitalist system, the Bruce-Page Government has crashed...The nationalists are saying that State Arbitration facilities will remain. [B]ut...[i]s it not a fact that State Awards would be controlled by the lowest State standards set? Further, if the Federal Arbitration Court is destroyed...the old time method of round table conferences should be re-instated...[At round table conferences] the employers...submit their terms and say "if you don't accept them we intend to close our shops"...The appointments to the Arbitration Court Bench by the Nationalist Governments...have struck a serious blow at the basis of Arbitration, but the damage so done...can and must be remedied...after the re-establishment of Labor in office.63

As mentioned, Bruce eventually lost the election and the Federal Arbitration Court remained.

In any event, the Union's industrial and political activities became closely interwoven with its Arbitration activities during the 1920s. Thus, the kernel of so-called 'labourism' was established.64 The role expected of the Labor Government was both supplementary and alternative to Arbitration: supplementary, because it might help appoint sympathetic judges to the Court; alternative, because through administrative and legislative measures it might bring about working conditions the Court failed to provide.

It should be noted that although the involvement with the Arbitration system became an established official policy of the AEU, direct action was never abandoned as a major industrial weapon. As mentioned, there had always been the controversy within the Union over the strategic choice between Arbitration and direct action. Basically, the C.C. stuck to Arbitration. Considering that the C.C. was

63 Ibid., October 1929, pp. 5-7.
the official representative of the Union and in charge of Arbitration affairs by rule, it is no wonder that it was inclined to a more formalised, financially predictable and publicly acceptable measure.

In contrast, the D.C.s were apt to take a more straightforward approach, because they were involved in direct and physical confrontations with the employers on the shopfloor and thus more susceptible to the sentiment of the rank and file members. In the actual power relationship with the employers at the workplace, the exercise of industrial strength, or the threat of it, was indispensable in order to protect and improve the members' working conditions, notwithstanding the involvement with the Arbitration system. As noted above, even the observance of the award was not a matter of course without the Union's influence over the shopfloor. When award provisions contradicted the principles of trade unionism, like the case with the legalising of piecework, their application had to be blocked by force. Moreover, there were conditions, like a 44-hour week, that the Union, together with the whole labour movement, was determined to achieve but the Court was unwilling to offer. In the case of a 44-hour week, the Union first established it as a custom by coercion before it was legally confirmed by the Court. Furthermore, there were other types of industrial issues, like deployment, which concerned the principles of craft unionism but were beyond the jurisdiction of the Arbitration Court. Again, as shown, it was the Union's industrial strength that curbed the employers' attempt to substitute non-skilled workers for tradesmen.

Thus, although in the debate over the choice between Arbitration and direct action they were considered as alternative measures, in practice they were supplementary to each other, as the C.C. and the D.C.s were supplementary functions within the Union mechanism. Thus, Mundy, the Arbitration Representative of the AEU, expressed his view as follows:

Under the existing legislation, the Court has the power, willy nilly, to make awards governing the engineering trade. Our duty is to place the best possible evidence before it, so that its mind will be fully informed; but if, after doing so, the results
are not satisfactory, we must have recourse to other means to attain our objective...65

It should be noted in this relevance that 'labourism' was not so much an ideology as a practical attitude in attaining better conditions. Although it posited ideological and abstract slogans like 'nationalisation of industry' as ultimate goals, the emphasis was rather on the recourse to Arbitration and the support for political Labour in expectation of immediate and practical gains. In fact, to the general majority of the members, 'nationalisation of industry', the objective of the ACTU, was synonymous with 'state socialism', which implied no more than that every worker became an employee of the state as a model employer.66

As shown, 'labourism' did not exclude direct action. This direct action, however, was a manifestation of craft militancy, which was evoked when tradesmen's industrial status was challenged by the employers' violation of craft regulation. In this sense, craft militancy was fundamentally of a defensive nature and therefore different from 'industrial militarism' advocated by radical left-wingers which aimed at the subversion of capitalism itself.

It should be noted that the radicals' offensive was directed not only at the ruling class but also at the parochialism of craft unions. Communist thought in Australia during the 1920s was partly derived from 'industrial unionism' promulgated in the OBU movement which had reached its zenith during First World War.

65 MR, February 1929, p. 37.
66 How the notion of 'nationalisation of industry' was grasped by various trades unions in Australia was reflected by the arguments of union delegates at the All-Australian Trades Union Congress in 1921. See, for instance, Official Report of the All-Australian Trades Union Conference Held at Trades Hall, Melbourne, June 20th to 25th, 1921, pp. 5-14 and Official Report of the All-Australian Trades Union Conference Held at Trades Hall, Melbourne, May 3rd to 9th, 1927, pp. 21-25. Especially, a criticism of state socialism by J. Garden, an active communist and one of the founders of the ACTU, is instructive. See Official Report of the All-Australian Trades Union Conference Held at Trades Hall, Melbourne, June 20th to 25th, 1921, p. 7. As to the historical formation of the notion of 'state socialism' in Australia, see R. Markey, In Case of Oppression: The Life and Times of the Labor Council of New South Wales, (Pluto Press, Sydney, 1994).
The proponents of 'industrial unionism' held that One Big Union should be established in each industry so as to take over the industry from capitalists, while overcoming the schism within labour due to craft parochialism. The gist of 'industrial unionism' was bequeathed to communist activists in the 1920s, as can be seen in the following remarks made in the decade by some communist members of the AEU:

I am lost to know what is the objective of any body of organised labour if it is not out to emancipate the class to which they belong, that is the wage slave class...Can the workers ever hope to emancipate themselves by being divided on the industrial field like we are at the present?[?]...It is impossible to establish an O.B.U. out of small craft unionists that[sic] think by their skill they are a bigger asset to the community than any other section of the productive class...

The aim of the O.B.U. is to bring the workers in each industry into a union which will cover the skilled and unskilled in the particular industry, meaning the entire abolition of craft unions, by cementing them into one union in each industry, making the workers' activities as homogeneous as when on the job, where production is a social process based upon cooperation of the skilled and unskilled...Skill is a matter of degree, intensity and specialisation of labor...

The trade must give way to the industrial form of organisation if we must progress. The ineptitude of craftism, with its fair day's work for its fair day's wage, must surrender to that form of control which is best suited to continue the task of the revolutionary working class, to take and hold the means of production, and to run industry in the interests of the community...It is the historic mission of our class to end capitalist exploitation of labor power, and to make society classless.

Communists' criticism of labourism was the logical corollary of their criticism of craft unionism. Praising direct action of the rank and file members led by shop stewards and shop committees, the

---


68 MR, April 1920, p. 29.

69 Ibid., February 1920, p. 29.

70 Ibid., August 1927, p. 34.
communist members of the AEU bitterly criticised Union officials, the Arbitration Court and the ALP. On account of Arbitration, they argued, 'the members of the Union are lulled into a sense of false security, lulled into a demoralising apathy, debarred from aggressive action on vital matters'. They believed that Arbitration not only emasculated the Union but also 'made an attempt to divide we of our Craft against "ourselves"[i.e. the working class as a whole]'.

Communists held that the ALP was unable to achieve its proclaimed objective of 'socialisation of industry', because it was impossible, in their view, to subvert the existing Australian constitution based on 'private ownership by the capitalist class' through 'the constitutional utilisation of industrial and parliamentary machinery' as the Party prescribed in its platform. Distrusting both the Court and the ALP, communists believed: 'the only way the workers can emancipate themselves is through Shop Committees and Shop Stewards'.

In short, the thrust of communism resided in the overcoming of both capitalism (private ownership) and craft unionism with its opposition to Arbitration, the Labor Party and the official Union mechanism. Strategically, active involvement with workplace activities by the rank and file workers organised in industrial, instead of craft, unions was exalted.

Despite the acuteness of communists' criticism of official Union policies, communism never drew majority support within the AEU. It can be generally said that because of their relatively high status within the working class as a whole skilled engineers were not

---

71 See, for instance, ibid., August 1920, p. 33, September 1920, p. 35, February 1927, p. 36.
72 Ibid., September 1925, p. 32.
73 Ibid., August 1927, p. 34.
74 Ibid., March 1923, p. 28.
75 Ibid., June 1920, p. 28.
predisposed to radical thoughts. In fact, some members even expressed their overt abhorrence towards communism.\textsuperscript{76}

There were other reasons for the lack of general support for communism within the AEU. Among others, however, one point is especially worth emphasising. In criticising craft unionism, the advocates of industrial unionism based their arguments on the declining significance of traditional craft-type skill on account of the ongoing technological development. An article by a leftist member exemplified the logic:

[T]he day of the craftsman is fast disappearing...[O]ur skill requirements are being constantly decreased, and the great economic levelling of all workers is taking place. In face of these facts do we still retain that feeling of superiority which once earned for us the sobriquet, "The aristocrats of labor."...Work to-day is becoming more and more repetitive in nature...and all work is tending towards large scale production...[P]roduction has increased, and can be still further increased by (1) Scientific Management (2)...[S]tandardisation of commodities, machinery...(3) More up-to-date machinery, and (4) Extensive application of Science to Industry...It is quite reasonable to assume that we will resist all attempts at a further diminution of craft skill. That will be quite consistent with our past history. In the early history of our Union such an attitude would be highly commendable...[T]o oppose it to-day is but to oppose Evolution of Industrial Science...\textsuperscript{77}

None of these four mentioned above happened in Australia to any significant degree. It should be noted that when industrial unionists contemplated technological changes, what was on their mind was what was happening overseas, especially the American type of mass production like Fordism. Their presupposition that mass production would shortly spread all over the world, sweeping traditional skills and making craft unionism obsolete, was too simplistic and hasty a conclusion. In terms of the prospect of the effects of the technological development on division of labour, the

\textsuperscript{76} See, for instance, \textit{ibid.}, December 1925, p. 35.

\textsuperscript{77} \textit{Ibid.}, February 1927, pp. 34-35. For another example of the criticism of craft unionism, see \textit{ibid.}, September 1925, p. 33.
opponents of industrial unionism held a more realistic view. An AEU member argued against the OBU:

[T]he extension of the application of standardised and automatic machinery may absorb what was previously the work of some mechanics but the very creation of the accurate and effective machinery...increases also the scope and need of the skilled man, as well as opens other avenues for his services not previously contemplated, thus I can still believe skill will be skill for all time...[With regard to the dilutee scheme in Britain during the First World War] the extensive orders for single articles enabled this class of labour [i.e. dilutees] to fill an urgent demand...[However, dilutees will] no doubt recede from that calling when calmness prevails, and the employers...[seeks] orders of a more varied type...[Then] little harm will be done [to tradesmen]...[Then] the O.B.U...[is] a useless heterogeneous mass...78

In fact, skill remained skill, the craft Union remained the craft Union and, within the metal industries, the One Big Union remained an idea, as he predicted.

Amalgamation was on the agenda among the metal unions throughout the whole period of this study. Especially in the early 1920s this issue was seriously considered and conferences were held in which union delegates negotiated the conditions. This thrust for amalgamation cannot be attributed solely to the OBU movement, even if it did provide some impetus. Although the C.C. was totally against the idea of the OBU advocated by industrial unionists, its attitude was positive on amalgamation itself.79

Involved in these amalgamation talks were the AEU, the ASE, the blacksmiths' Society, the Boilermakers' Society, the Moulders' Union and the FIA. The AEU was by far the biggest and most powerful union in the industry and, therefore, there was no possibility that, by amalgamation, the AEU would relinquish its established authority among the metal unions. For their part, other smaller unions calculated the merits of being under the umbrella of the powerful AEU. Thus, amalgamation in question practically meant

78 Ibid., May 1920, pp. 24-25.
79 Ibid., January 1920, pp. 7-10.
the absorption of other unions by the AEU. It should be noted that, apart from the FIA, these unions were all craft unions. Therefore, there was no possibility for the amalgamation to be implemented on the line of industrial unionism. Incidentally, even some of the FIA members desired amalgamation on the craft principle.\textsuperscript{80}

Eventually this negotiation proved abortive. The main reason for this was that the lack of autonomy of the AEU from its parent body in Britain, prevented it from making its own decisions. The concerning unions deemed that amalgamation without the AEU was meaningless. When in 1927 amalgamation was discussed again on the initiative of the Sydney Labour Council, there was no longer enough enthusiasm among the concerning unions. Despite the proposal that the AEU, the ASE and the Blacksmiths' Society, which shared the same coverage, should merge first as a preliminary step, the negotiation did not develop. The AEU's lack of autonomy was still the stumbling block for amalgamation. However, the general lack of enthusiasm among the unions indicates that there was no real need for amalgamation. In other words, there were no urgent political and economic necessities which compelled the unions to run the risk of jeopardising their independence and amalgamate. In this regard, the following remarks by an AEU member conveyed the real sentiment of skilled engineers behind amalgamation talks:

[If amalgamation takes places] we should be swamped by those working in the lower grades of the metal trade. There is no occasion to have separation or autonomy to have full co-operation with other branch unions in the trade. It could be done by forming a council of the unions having executive power, which would be far preferable to separating ourselves from a strong union[i.e. the British AEU].\textsuperscript{81}

As the real course of events followed this line, amalgamation was not so imminent a necessity for the AEU as to achieve it by severing its tie with Britain.

\textsuperscript{80} Ibid., March 1923, p. 16.
\textsuperscript{81} Ibid., December 1921, p. 34.
In brief, although the amalgamation of the metal unions was taken into serious consideration especially in the early 1920s inspired by the idea of the OBU influential at the time, the plan itself was no radical in principle, being a virtual absorption of smaller unions by the AEU on traditional craft lines. Then once the enthusiasm in the early 1920s had gone, the unions found themselves left with no urgent need for amalgamation. In fact, the metal unions, except for the unskilled FIA, remained the same craft unions throughout the 1920s.

The orientation towards amalgamation and the failure of its realisation indicates the simultaneous existence of unity and disunity within the labour ranks. By the 1920s, the understanding of current industrial affairs in 'class' terms was shared by almost all trade unionists, whether they espoused revolutionary ideas or not. Even the C.C. of the AEU, which had no penchant for radical thought, was no different in that it regarded the present society as a class society regulated by the logic of capitalism within which the working class was dominated by the capitalist class. The class consciousness that all labour belonged to the same subordinate class fighting the common enemy, deeply permeated workers regardless of their trades. It should be borne in mind, however, that this class consciousness did not completely bury differences. Unions' united fight against their common enemy coexisted with their pursuit of self-interest. Therefore, the monolithic notion of 'class' needs to be rectified by carefully examining the issues on which unions were united and on those they were not.

One of the most divisive issues in the inter-union relationship was the demarcation problem. Demarcation disputes were endemic where unions were organised on the craft basis. Various interpretations have always been possible as to which trade belonged to which union. However, especially when traditional demarcation lines were being increasingly blurred on account of technological developments, the clear delineation of union territories was becoming all the more difficult. In their everyday activities, therefore, unions had to defend themselves from both the employers' aggression and the encroachment of other unions.
Because of its wide coverage of eligible members and its determination to remain as the leading union in the industry, the AEU inevitably had demarcation disputes. First, the AEU had problems with other craft unions: with the Blacksmiths' Society,\(^{82}\) the Boilermakers' Society,\(^{83}\) the Plumbers' Union,\(^{84}\) the Australian Institute of Marine Engineers.\(^{85}\) With regard to its relationship with the Blacksmiths' Society, the AEU tried to block the Blacksmiths' registration with the Federal Court in 1920, arguing that the AEU had already been authorised to cater for blacksmiths.\(^{86}\) The Boilermakers' Society has always been the AEU's major opponent in demarcation disputes, and the spread of electric and oxy-acetylene welding in this period made the matter worse. The AEU's policy to promote the recruitment of those on pipe fitting led it to occasional friction with the Plumbers' Union. Although there was an agreement between the AEU and the Australian Institute of Marine Engineers that the latter should organise only off-shore workers, the Institute sometimes ignored the agreement, angering the AEU.

Second, in the new industries like the motor and electrical industries where the impact of technological innovations was greater, the conventional demarcation lines were made more ambiguous. Therefore, the AEU was more seriously threatened by the possibility that its eligible members might be snatched by less-skilled unions like the Coachmakers' Union, the ETU and the FIA, although in reality the AEU did not lose its ground to any significant extent.

Third, the AEU was challenged by industrial unions like the Australian Railways Union (ARU), which sought to incorporate all

---

\(^{82}\) See, for instance, \textit{ibid.}, June 1920, p. 17 and July 1925, p. 23.

\(^{83}\) See, for instance, \textit{ibid.}, November 1926, p. 25 and March 1929, p. 18.

\(^{84}\) See, for instance, \textit{ibid.}, February 1920, p. 22, July 1924, p. 39 and January 1927, p. 24.

\(^{85}\) See, for instance, \textit{ibid.}, February 1920, p. 4.

\(^{86}\) \textit{Ibid.}, January 1920, p. 20.
the workers at railway shops including skilled workers. The AEU staunchly, and in most cases successfully, opposed such attempts.

The significance of demarcation disputes should not be underestimated. They concerned the very basis of the existence of craft unions, so that they sometimes developed into stoppages. In such cases the employer could do nothing other than to leave the matter to the concerning unions and observe the agreement reached. In most cases, the intervention of the Trades and Labour Councils was necessary in order to settle the dispute.

That the AEU held the position as the leading union in the industry and its members enjoyed relatively superior working conditions contributed to aggravating the ambivalent relationships between the AEU and other metal unions. The smaller and weaker unions often accepted inferior labour conditions to those of AEU members. AEU members were afraid that the employers might take advantage of the disparity in the terms of employment in order to lower general working conditions in the industry. For instance, AEU members sometimes expressed overt antipathy towards the Blacksmiths' Society which, they thought, was a drag on their Union. When the AEU opposed the Blacksmiths' Society's registration with the Federal Court, an AEU Organiser commented:

[T]hey [i.e. members of the Blacksmiths' Society] could conveniently become members of this Society [i.e. the AEU]...[N]o effort had been made by them to advance the interests of the Blacksmiths...[W]hether they were registered or not this Society would have to bear the burden of improving their conditions...[T]heir action in accepting the piece-work conditions and also allowing their members to work in shops where our members were out on strike in 1918 is...sufficient justification for our opposition [to its registration with the Federal Court].

---

87 As to the formation of the ARU, see G. E. Patmore, 'The Origins of the National Union of Railwaymen', Labour History, no. 43, 1982.
88 See, for instance, MR, February 1920, p. 18 and April 1921, p. 21.
89 Ibid., January 1920, p. 20.
The following is another occasion where an AEU Organiser criticised the Society for accepting lower conditions:

Notwithstanding a resolution of the Iron Trades Council, that none of its [i.e. the Blacksmiths' Society's] members take the place of any A.S.E. [i.e. the AEU] member, in some shops where members of the Blacksmiths' Union are working 48 hours for the old rate, it is impossible for our members to obtain, or retain, work...when they can obtain men for a lower rate.90

The AEU's determination to maintain their superior working conditions often turned into its bitter criticism of other unions which could not live up to the AEU's standard. Especially, the ASE, which had exactly the same coverage but was not so powerful as the AEU, always irritated the Union. For instance, it was reported that during when AEU members refused to work more than 44 hours as a tactic of attaining a 44-hour week, some ASE members obeyed the employers' order and worked 48 hours.91 The C.C. of the AEU also accused the ASE, together with the Blacksmiths' Society, of free-riding on AEU's achievements:

The AEU have too long been fighting and paying for improved conditions for engineers for the benefit of members of other unions...In the case of the Federal Award...all [the] two other unions [i.e. the ASE and the Blacksmiths' Society] had to do was to cite employers...have their case joined with ours, and simply supplement our evidence by calling two witnesses, when we called over 25 times that number. In the present pending case the A.E.U. has to stand the brunt of the fight, also cost, and the other unions will benefit equally with our members...Divided interests, disagreements, fighting each other, instead of developing our strength to fight capitalism...and cutting ground from each other's feet by accepting less advantageous terms [were the problems].92

For all these misgivings, however, the AEU did help other unions in various ways, partly from its paternalism towards the less powerful and partly from the practical necessity of keeping working

90 Ibid., September 1921, p. 34.
91 Ibid., August 1926, p. 15. Similar incident was reported at, ibid., March 1927, p. 19.
92 Ibid., August 1924, p. 3.
condition in the industry at its own standard. For instance, it was not unusual for AEU representatives to interview the employers to make complaints on behalf of other unions.93

On those issues as to which the common enemy and mutual benefits were defined unequivocally, there was no obstacle to unions forming a united front. The common enemy was not necessarily outside labour. Non-unionists were, in unionists' word, 'parasites' of trade unionism and a major concern for any unions.94 In order to have all workers join appropriate unions, united campaigns were frequently organised by metal unions including the AEU.95 Moreover, such general issues as a 44-hour week and piecework constituted the focal point around which unions cohered to make concerted industrial and political action, including the electoral and financial support for the ALP. It should be noted that the AEU always took the initiative in these campaigns.

In addition, unions' involvement with Federal Arbitration made necessary the arrangement between applicant unions. In 1923 the AEU conferred with the ASE and the Blacksmiths' Society and decided to make simultaneous applications to the Court, with demands in the log made uniform. Again, however, it was not only for convenience that this arrangement was made. As the C.C. stated, 'joint action will be taken before the Arbitration Court, so that the Court will not assume that certain Unions are satisfied with their conditions'.96

At the time of industrial disputes, the consciousness of belonging to the same class led unions to help each other, especially when trade unionism itself was at stake. The support took various ways: striking in sympathy, refusing to handle 'black' articles, giving financial aid, etc. When a dispute involved more than one union, the

93 For instance, an AEU Organiser interviewed the manager in support of the Sheet Metal Workers'. See ibid., June 1927, p. 19.
94 Ibid., May 1920, p. 19.
95 See, for instance, ibid., August 1920, p. 11 and November 1923, p. 21.
96 Ibid., June 1923, p. 4.
Trades and Labour Councils intervened, setting up the Disputes Committees.

The role of the TLC as a mediator was indispensable on such occasions, however, unions, especially such powerful unions as the AEU, were not willing to abdicate the authority to preside over disputes to the TLC or any other institution. The failure of amalgamation of the metal unions did not mean that there was no need for an inter-union function to co-ordinate unions' activities, and in practice the TLCs assumed that role. To put it other way, however, unions did not want more powerful mediating organisations than the TLCs, which would restrict individual unions' autonomy.

This simultaneous existence of unity and disunity contributed to the difficult birth of the ACTU in 1927. It is true that the efforts made during the 1920s to create a national body of all trade unions took impetus from the ideas of the OBU and communism. It should be borne in mind, however, that the resultant ACTU was neither an amalgamation nor a federation of unions, but a mere assembly of the TLCs, which had no compulsive power over the constituent unions. Nor did the ACTU represent the whole labour movement, the powerful AWU staying aloof.

The pre-history of the ACTU shows both the failure of attempts to establish a strong body which took over each union's autonomy and the willingness of unions to unite on some key industrial and political issues. For example, in 1925 Trade Council delegates from all States set up, as a preliminary step to a national body, the Commonwealth Industrial Disputes Committee which was endowed with the power to handle disputes likely to extend beyond one State. However, an institution with such overriding authority was, in practice, of no use. It was rather a political necessity that urged unions to unite and create a national organisation. The 1926 referendum, which unions interpreted as the Nationalist

Government's attempt to destroy the Arbitration system, gave the direct spur to the creation of the ACTU in the following year.98

Ironically the lack of the authority of the ACTU was part of the reason for the success of its formation and continuation. Although the ACTU proclaimed 'socialisation of industry' as its objective and 'industrial unionism' as the method to realise it, such proclamation was more nominal than binding. In fact, although the AEU affiliated with the ACTU from the outset, this did not mean to the Union that it had embraced industrial unionism.99

The AEU's affiliation with the ACTU was more pragmatic than ideological. As a matter of fact, the AEU was among the unions which made the most use of the ACTU for their own purposes. For instance, it was the AEU that took the initiative in directing the ACTU's campaign against piecework. By having the ACTU involved, the AEU succeeded in pressing Justice Beeby to amend his 1927 Engineering Award which had made illegal opposition to piecework and reverted from weekly to daily hiring.100

In terms of its role as a dispute handler, however, the ACTU failed to prove its competency in the face of great strikes in the late 1920s. The ACTU was involved in the Timber Workers' Strike and the Miners' Strike as a negotiator with the employers and the Arbitration Court rather than as a strong strike leader, although eventually the ACTU was unable to save the unions from disastrous defeats in both disputes.

In spite of the disappointing results, the ACTU did establish itself during these disputes as the union representative to negotiate with the Arbitration Court. It should be noted that the necessity of the national body of trade unions was increased in proportion to the increased significance of, that is, the increased dependence of unions on, the Federal Arbitration system in the 1920s.

98 Ibid., p. 46.
99 See, for instance, MR, October 1928, p. 13.
100 J. Hagan, op. cit., p. 84.
As demonstrated, the establishment of the ACTU cannot be regarded as a result of the creation of the monolithic working class, even though every worker had, by the 1920s, the sense of belonging to the same subordinate class, whether they espoused communism or not. Therefore, in craft unions like the AEU, class consciousness and craft consciousness co-existed, though the members' immediate loyalty was to their craft union rather than to the working class.

AEU members' loyalty to their Union was so firm that, for instance, the employers' attempts to force leading hands to abandon their AEU membership were never successful. At some firms, the management tried to persuade AEU members to take staff positions, guaranteeing higher wages and job security in return for the resignation from the Union and the promise not to participate in any disputes. Although some members accepted the appointment to staff positions, they still remained faithful to the Union in times of disputes. Thus, the employers' attempts to drive a wedge into union solidarity failed.

The fact that apprenticeships remained the source of tradesman engineers contributed to the persistence of craft consciousness. During apprenticeship training, apprentices were taught by their senior tradesmen, fostering pride in their skill as well as the fellowship in the craft community. It was a common practice for apprentices in the final (fifth) year of training to join the AEU, which took paternalistic care of them.

The Union also had more pragmatic reason to look after apprentices, because an apprenticeship was a system which had to be preserved as rigidly as possible in order to limit the supply of skilled engineers. Federal awards contained provisions to regulate the

101 See, for instance, MR, June 1922, p. 23.
102 See, for instance, ibid., August 1928, pp. 24-25.
conditions of apprentices and the AEU kept vigilant over their observation. Naturally, the Union made sure that apprentices received the wages and benefits entitled by the award, including their right to attend a technical college at the employers' cost. It should be noted, however, that the Union was especially attentive on the proportion of apprentices to tradesmen, and that tireless efforts were made to have improvers indentured, while making sure that apprentices were properly taught their trade. Because some employers did not allow apprentices to join the Union, their recruitment also depended on the Union's industrial strength on the shopfloor. In general, the AEU continued to hold apprentices under its umbrella and, thus, preserved the solidarity of the craft community.

By the 1920s, AEU members, including the C.C. executives, understood industrial relations in class terms, holding that all workers belonged to the same class which was fighting against the ruling class with which it shared no common interests. This general class consciousness enabled unions to hold a united front on certain key issues. At the same time, however, the differences in interests and strategies within labour also existed. In the case of the AEU, craft consciousness permeated among its members kept it from adopting revolutionary measures based on industrial unionism. Instead, labourism was more attractive to craft unions like the AEU. The ideological characteristics of the AEU were thus marked by the mixture of class consciousness and craft consciousness; the latter continued to dominate.

106 See, for instance, ibid., May 1926, p. 19.
Conclusion to Part One

Part One of this thesis has examined the legal framework, work practices and union activities in the Australian engineering industry during the 1920s. Although these factors were interwoven, it can be concluded that the management's heavy dependence on tradesman engineers in production regulated the shape of industrial relations.

The Australian engineering industry in the 1920s consisted mostly of repairing and, at best, making for small orders. As the industry remained at such an underdeveloped stage, the management's conventional dependence on skilled tradesmen, who were able to perform a wide range of heterogeneous work, also remained unchanged. The components of engineering products were being standardised and the use of machines was spreading. However, the impact of mechanisation fell far short of affecting the existing industrial order. Machine work at the time was not accurate enough to dispense with the finishing touch by skilled tradesmen. In addition, the setting up of the basic engineering machines was as highly skilful a work as traditional tradesmen's. Provided that the industry comprised mostly 'jobbing', there was little scope for a division of labour between the setting up and the actual execution of machine work. In fact, it was the standard work practice that machine work was done, alongside with other manual operations, by tradesmen and apprentices. Thus, machine specialists did not become an industrial group of any numerical importance.

That tradesman engineers maintained their valuable technical merits in production fundamentally regulated the legal framework of industrial relations set by the Arbitration Court. Although the Judges made their decisions based on their personal views and belief, their judgements were, as was mostly the case with any legal decisions, basically the confirmation of existing industrial practices, because the Arbitration Court had the task to prevent and settle industrial disputes.
Justice Higgins stuck to the original role of the Court to maintain industrial peace. As a corollary, his 1921 Award was to consolidate the traditional tradesmen-apprentices system, conferring legal status on the craft regulation that the AEU had imposed on the industry. Although Higgins is commonly known as the father of the Basic Wage, which guaranteed the minimum sustenance for the unskilled, the detailed examination of his judgements revealed that his intention to protect the industrial status of skilled tradesmen was consistent throughout his judgements. This was why he maintained a substantial wage difference between the skilled and the unskilled, while preserving apprenticeships as rigorously as possible. In the face of developing mechanisation, moreover, he classified the operators of the basic engineering machines as skilled, in order to prevent the industrial stratum of tradesmen from falling apart.

Although his decisions like the generous margins and a 44-hour week drew the accusation from the employers that the Judge lacked economic concern, his high regard for skilled engineers did have a technical ground in the production process. Given the level of mechanisation and division of labour at the time, it was natural for Higgins to choose the preservation, rather than the alteration, of the traditional tradesmen-apprentices system in order to maintain industrial peace.

In parallel with the industrialisation and urbanisation of the Australian society as a whole, the Arbitration Court began to take more account of the state of the economy in the course of the 1920s. In fact, Justice Powers, Higgins' successor, who delivered his first Engineering Award amid the economic recession in 1922, declared that the Court would take into consideration the industry's capacity to pay in making awards. Thus, he reduced margins substantially and reverted to a 48-hour week. For all this, it should be noted that he did not dare to change the existing industrial order itself. Especially with regard to the classificatory framework and the apprenticeship system, he followed the line Higgins had set. The eclectic nature of Powers' awards reflected the fact that, despite the Court's increasing concern for the state of economy, the impact of
technological developments was not significant enough to call for the renewal of the existing industrial order.

Justice Beeby was the first Arbitration Judge who embarked on the task of reforming the existing industrial order to help develop the Australian engineering industry. Unlike his predecessors, he acted on his belief that the Court should take the initiative in transforming the industry from the 'jobbing' to the 'manufacturing' stage. Although it was not until the 1930 Metal Trades Award that the Judge's ideas about the reform fully materialised, he started to implement his plan in his 1927 Engineering Award. Inspired by the notion of 'scientific management', he encouraged the adoption of the piecework system by lifting any legal obstacles to it, in return for a 44-hour week.

Considering the level of division of labour at the time, however, Beeby's intention to increase productivity by the adoption of piecework payment did not have a real technical ground in the production process, so far as core engineering operations were concerned. As a matter of fact, piecework did not thrive in the Australian engineering industry, in spite of the Court's encouragement. The Union continued its strenuous opposition to piecework after its legal sanction by the Court. It should be stressed that behind the success of the Union's anti-piecework campaign lay the technological fact that the work of tradesmen was not sufficiently standardised for payment by results to be adopted.

That the running of production depended on tradesmen's skill also regulated Union activities. Because of the management's dependence on tradesmen in production, AEU members maintained their strong bargaining position and the Union remained a powerful craft union. It was because of this fundamental industrial strength of the AEU that it benefitted from the Federal Arbitration system, which helped the Union to consolidate conventional craft regulation. Once prescribed in an award provision, each craft regulation gained legal recognition in a written form. In fact, AEU members in Australia were guaranteed by the Court what the parent body in Britain could not achieve; for instance, the uniform national wage to prevent the breakdown of the craft community and the tight ratio
of apprentices to tradesmen to limit the supply of skilled engineers, together with the actual prohibition of piecework until 1927.

The AEU was not only able to draw favourable provisions from the Arbitration Court, it could also maintain its strong influence on the shopfloor to have the employers observe them. Moreover, there were some industrial issues, like deployment, which concerned the Union's conventional craft regulation but did not fall within the jurisdiction of the Arbitration Court. With regard to such issues too, the Union was able to maintain traditional work practices thanks to its industrial strength based on its members dominance in the production process.

It should be stressed that although the Federal Courtroom became the central arena of industrial contention, everyday Union activities on the shopfloor did not lessen its importance. So long as the Union held strong influence on the shopfloor and enforced craft regulation, it was able to gain favourable award provisions and to have the employers observe them, which in turn helped consolidate its influence on the shopfloor. Therefore, whether the Union could use the Arbitration system to its advantage depended on its industrial power on the shopfloor, which derived from the technical value of its members in production.

That tradesmen's skill remained highly valuable and they maintained their traditional industrial status meant that there was no impetus for their Union to change its traditional strategies and ideological stance. Although the Union pursued so-called labourism in the 1920s, it was not so much a new policy as the continuation and elaboration of its time-honoured basic strategy of imposing craft regulation. The involvement with the Arbitration system served for the legal consolidation of the existing work practices and industrial order. The affiliation to the ALP was made to have Labor Governments implement legislative and administrative measures to supplement the gains from the Arbitration system.

This strategic pragmatism was a corollary of ideological conservatism of the craft Union, the prime concern of which was the preservation of its vested interests. This was why the Union went
into conflict not only with the employers but also with other unions. Although the AEU formed a united front with other trade unions on such common industrial issues as a 44-hour week and piecework, it was involved in ceaseless intra-union conflicts to defend its job territory and interests. It was also involved in an ideological confrontation between craft unionism and industrial unionism, which was espoused by non-skilled, leftist unions. Because the technical advantage and the industrial ground of skilled engineers remained solid, there was no incentive for the AEU to be drawn to the leftist causes and the idea of industrial unionism. The AEU remained the most powerful, leading Union within the industry and it would not relinquish its authority and independence. The traditional position the Union espoused remained workable and effective.

From the employers' point of view, so long as tradesmen maintained their high technical merits, everything was in a vicious circle. Skilled engineers' strong influence on the shopfloor ensured favourable awards for them. Such awards, in return, protected their strong foothold on the shopfloor. Such awards and the strong influence of tradesmen combined preserved traditional work practices and prevented the introduction of new production methods, which made it all the more difficult for the employers to break craft regulation and the stronghold of tradesman engineers. For the employers to sever this cycle and take things under their control, they would have to undermine the technical advantage of tradesman engineers. To what extent the employers succeeded in this attempt in the 1930s will be examined in Part Two.