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

Kouichi Inaba
University of Wollongong


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Chapter Six

Union Activities

As demonstrated in Chapter Three, the basic policies of the AEU, established during the 1920s, are best understood as 'labourism'. The Union sought to maintain craft regulation it had imposed on the industry, and it was for this purpose that the Union increased its involvement with the Arbitration system and its support for political Labor.

The beginning of the 1930s was marked by the Great Depression, which plunged the whole nation into the most serious economic and social crisis since the early 1890s. The labour movement underwent tremendous hardship and the AEU was no exception. Table 6.1 shows the changes in the AEU membership, the number of its unemployed members and the unemployed rate among Union members.

Table 6.1 (I)The AEU Membership, (II)The Number of Unemployed Members, (III)The Unemployed Rate among AEU Members(%), 1930-1939

<table>
<thead>
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<th>Year</th>
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<td>1930</td>
<td>22348</td>
<td>2662</td>
<td>11.9</td>
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<td>20853</td>
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<td>35</td>
<td>19829</td>
<td>1454</td>
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<tr>
<td>36</td>
<td>21295</td>
<td>930</td>
<td>4.4</td>
</tr>
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<td>37</td>
<td>23599</td>
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<td>25799</td>
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</tr>
<tr>
<td>39</td>
<td>27447</td>
<td>673</td>
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Note: The figures are those of June of each year.
The AEU membership dropped from the pre-Depression peak of 23,496 in 1928 to the trough of 18,472 in 1933. The unemployment rate among the members reached as high as 23.2 per cent in 1932, and it was not until 1935 that it fell under 10 per cent. Strained by the increase in the payment for the unemployed members and the decrease in income, the Union funds were quickly depleted and, consequently, the payment of various benefits to the members was significantly curtailed for the first time in Union history.

Under the circumstances, the employers were keen to exploit the situation to their advantage, backed by the Arbitration Court which now officially announced that its prime concern was the national economy rather than industrial peace. Faced with the Metal Trades Award in 1930 and the 10 per cent cut in the Basic Wage in the following year, the Union could no longer entertain any illusions about the nature of the Arbitration system.

Exposure to the harsh economic reality tested the AEU's real industrial strength. This chapter examines the economic disorder caused by the Great Depression and its impact on the Union's policies and activities.

During the Great Depression, especially from 1931 to 1932, Union activities were reduced to the bare minimum. AEU Organisers could do nothing but watch members and apprentices lose their jobs. In this chaotic situation, anomalous industrial practices prevailed, which would not have been accepted by the Union in normal circumstances. For instance, cases were reported where tradesmen did unskilled labourers' work. The methods of payment also became irregular. At some shops, workers were paid only according to the hours actually worked. Moreover, it was a widespread practice that employees did not work for one in every five weeks.

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1 See Table 3.1 at pp. 84-85.
4 See, for instance, ibid., April 1931, p. 12.
5 See, for instance, ibid., March 1932, p. 6.
The 1930 Metal Trades Award made the situation all the tougher for the Union. As shown, the Award was a wedge struck into the core of craft regulation, opening the door for a large scale introduction of non-skilled cheap labour into the industry. In fact, an increased number of junior workers were brought into the industry. As an AEU Organiser reported:

[S]ince the Court has given employers an "open go" in this direction they [i.e. John Danks and Sons] have been exploiting the position for all it is worth. All demands to date to have the number of juveniles restricted have failed...The vicious desire to secure cheap labour even goes to the extent of exploiting lads of tender years...[W]ith this firm, it seems that it is all grist to the mill.6

While introducing non-skilled junior workers, the employers also tried to take on unindentured apprentices who, without legal binding, could be hired and fired according to economic fluctuations.7 As mentioned, the MTEA's application for the learner system was finally permitted in NSW in 1933. The Union had to be seriously concerned about the problems with junior labour during the Depression and thereafter.8

In addition to its growing distrust with the Arbitration Court, the AEU's dissatisfaction with the Labor Party also mounted. The Union severely criticised the Federal Labor Government for its deflationary policies, regarding it as serving the 'financial interests' instead of working people. The following is the comments by AEU Organisers:

[W]hatever may be the ultimate result of the financial conference at which Sir Otto Neimeyer dictated Australia's financial future, the condition at present is deplorable and serves to prove the impotence of Governments in face of the control of our Credit machinery by the predatory cliques of high finances...9

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6 Ibid., May 1933, p. 16.
7 Ibid., March 1933, pp. 5-6.
9 Ibid., September 1930, p. 18.
This ridiculous policy [i.e. the Premiers' Plan], which... has its foundation in economic law, is so apparently stupid that one wonders at the people continuing to put up with the maladministration of our National affairs...[T]he problem today is not that of production, but of being able to distribute the wealth that is produced...Undoubtedly the dictation of the huge financial interests is being made more and more apparent...10

Although the Scullin Government amended the Commonwealth Conciliation and Arbitration Act in 1930 and eliminated the penal clauses introduced by the preceding conservative Government, this alone fell far short of satisfying the Union's expectations of their Government. The Federal ALP in office as a whole failed to meet the labour movement's demands, such as shorter hours, the preference for unionists in employment and the right of entry into establishments. Thus, the relationship between the political and the industrial wing of labour was aggravated especially during the Depression period.11

As evident in AEU Organisers' remarks cited above, the mounting discontent with the Labor Party prompted the Union to shift leftwards. Such slogans as 'socialisation of industry', which had been few advocates during the 1920s, were now taken seriously. For instance, the AEU delegate to the 1930 ALP NSW branch conference stated:

Socialisation of Industry: This is the main plank of the Labor Platform. It is the main objective of the workers, and the only reason for the existence of a Labor Party and yet it is ignored...Politicians will not do it, so the workers themselves will have to make this question a vital one...I feel that the only cure for unemployment is Socialisation of Industry, that is, production for use and not for profits.12

Unlike in the 1920s, the advocates of such leftist causes were not limited to a small minority. Such view was shared even among top

10 Ibid., May 1932, p. 19.
11 See, for instance, ibid., July 1930, p. 4.
12 Ibid., June 1930, p. 10.
officials, as well as the rank-and-file members. Even the usually conservative C.C. expressed its support for leftist objectives:

[T]he social ownership of the means of life and the abolition of the wage system is the objective to attain, and the shop or factory meetings can be the medium of organisational and educational propaganda toward that end, in addition to preparing the workers for action against increased hours and further wage cuts.13

This general inclination to the leftist stance, however, should not be confused with support for the Communist Party or the Militant Minority Movement. The AEU never officially supported the CPA and, in fact, the C.C. was trying to control communist influence within its branches and the D.C.s.14 The exaltation of leftist objectives in this period was not so much the result of the infiltration of communist ideology as exasperation and desperation due to the disastrous economic and social situation.

During the Great Depression, established work practices were in disorder, and the disbelief in Arbitration and the Labor Government mounted together with the antipathy to the capitalist system itself. However, closer examinations of AEU activities in this period reveal that the principle and the pattern of Union activities which had been established during the previous decade were not totally abandoned, and the employers, who were anxious to take advantage of the situation, could not alter the existing industrial order at will, even in such chaotic circumstances.

With regard to the 1930 Metal Trades Award, the AEU managed to alleviate their impact on the industry, in spite of the employers' attempts to make full use of the advantageous provisions. For instance, at Brady-Franks' Ltd, workers who had been engaged at tradesmen's rate were reclassified as semi-skilled, according to the new Award. However, AEU members walked out in protest and, eventually, the dispute resulted in a comprehensive victory for the Union. Not only did the Union succeed in guaranteeing the

13 Ibid., December 1932, p. 5.
14 Ibid., May 1933, p. 7.
employment of the members concerned at tradesmen's rate. It also foiled the company's attempt to simultaneously engage members of other unions, together with non-unionists.\textsuperscript{15}

Moreover, cases were reported where employers, encouraged by the Award, attempted to implement reclassification and piecework. At Vickers-Commonwealth Steel Products, the management reclassified those who had been employed at tradesmen's rate as process workers, and paid the difference in the wages as bonus. In order to block this practice, the Union successfully appealed to the court.\textsuperscript{16} At Walsh Island Dockyard, drillers previously classified as 'the first class machinists' were relegated to 'the third class machinists', the management coaxing these drillers to accept piecework so that they could make up for the reduced earnings by extra payment. Eventually, the Union frustrated this attempt by gaining a judgement from the Court that these drillers should be classified as 'first class machinists'.\textsuperscript{17}

The Union remained adamant in its opposition to any kind of piecework and taskwork system even at this tough time. As the Organiser who handled the Walsh Island dispute remarked:

\begin{quote}
Some of our members treated the overtures [to piecework] with the contempt it deserves, and promptly informed the urger that the Union had declared against piecework and they were going to be loyal to the Union'.\textsuperscript{18}
\end{quote}

In addition, Any attempts concerning the timing of jobs and the time card system were also protested promptly.\textsuperscript{19} It should be noted that in many of these cases the Union had recourse to the Court as a measure to defend itself against the employers' aggression under vulnerable conditions, while the Court did function to the Union's favour when the employers defied established work practices maliciously.

\begin{thebibliography}{9}
\bibitem{15} Ibid., June 1930, pp. 20-23.
\bibitem{16} Ibid., January 1932, pp. 9-10.
\bibitem{17} Ibid., June 1931, p. 17.
\bibitem{18} Ibid., June 1930, p. 23.
\bibitem{19} See, for instance, ibid., July 1934, p. 14 and October 1934, p. 12.
\end{thebibliography}
With regard to the job demarcation between the skilled and the unskilled workers, the Union did allow its tradesman members to do labourers' work as an measure of emergency. However, it never allowed labourers to be engaged on tradesmen's jobs. Whenever the Union found non-skilled workers using tools of the trade or the first class machines, it protested to the management immediately, in most cases successfully. The distinct demarcation between the skilled and the unskilled operations was the bottom line the Union held firmly even at the time of such crisis, as reflected in the following caution by an AEU Organiser to the members:

[T]he aspirations of the Ironworkers [i.e. the FIA] seem to have no definite limit...Members [should bear in mind] the importance of seeing that no thoughtless Members of ours endangered his own and the other fitters' position by allowing Assistants to do any portion of their work, however small.

The AEU was also vigilant on unindentured juniors, whom unscrupulous employers tend to put on skilled operations. On finding such cases, the Union forced the employers to have them indentured.

As shown, the preservation of craft regulation was still the top priority in AEU activities even during the Great Depression. On account of this, however, the AEU was not able to constitute solid class solidarity with other unions, in spite of the leftward inclination of its ideological stance. The relationship between the AEU and 'industrial' unions became especially exasperated, each union desperately fighting for membership. For instance, an AEU Organiser bitterly condemned the ARU as follows:

The Railways Union...has seen fit to launch a scurrilous attack upon the Trades Union Movement in general...It is suggested that the Craft Unions are ineffective, but what greater example of ineffectiveness can be imagined than that of this great, windy body...The justification for its existence has yet to be realised, for it has still to blaze the trail in general conditions and hours that stands as a monument to the work of craft

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22 See, for instance, *ibid.*, June 1934, p. 21.
organisations. What is the meaning of this would-be-great institution's attitude that it can howl its execrations upon all and sundry and yet become so servile with respect to the employer that it is always dealing with?  

The AEU's relationship with the Coachmakers' Union was also aggravated. The employers in the motor industry urged their employees to join the Coachmakers' Union instead of the AEU, because they found the former more manageable. They sought to apply this strategy not only to the motor body constructing shops but to the motor parts manufacturing works. Under these circumstances, the AEU was irritated by the Coachmakers' which, from the AEU's point of view, was conspiring with the employers in lowering working conditions for the purpose of increasing its membership. The following is the comments by AEU Organisers on this matter:

The efforts of the employers to have all apprenticeship conditions abolished is being continued. The Coachmakers' Union have announced their support of the employers' scheme and approve of the new method of training youths without being indentured. This may be alright for the Coachmakers, but they are constantly recruiting their ranks with skilled men trained by other Organisations. It is not surprising to find that they find favour with the employers.

The more I develop my investigations the more discreditable and anti-working class [becomes] the unholy alliance of the Coachmakers' Federation with the employers.

A similar criticism was made against the Australian Tramway Union, which was, in an AEU's Organiser's words, 'an industrial organisation which...has not the capacity to properly discuss and argue the case for skilled work' and thus whose members were 'actually "scabbing" on the rates fixed by the Court' for the AEU.

The AEU was still powerful enough to fend off these challenges from rival 'industrial' unions. The craft-based AEU continued to

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23 Ibid., November 1933, p. 18.  
24 Ibid., December 1933, p. 20.  
25 Ibid., June 1934, p. 10.  
26 Ibid., December 1934, p. 22.
secure better working conditions than other industrially-based unions and, thus, AEU members' faith in craft unionism was preserved.

The AEU's relationship with other craft unions was not without strain either. Demarcation disputes between the AEU and the Boilermakers' Society over welders were chronic, especially during the Depression as jobs were getting scarce.27

The AEU was also irritated by the ASE every time the former found the latter dragging its feet by body-snatching, accepting below-award conditions and admitting unqualified workers as tradesmen.28 The ASE, in turn, always complained about the AEU's arrogant and contemptuous attitudes towards other unions in its handling of industrial affairs. For instance, at a conference held by the metal unions for the purpose of fighting collectively against the 1930 Award, the ASE criticised the AEU for not consulting with the former when AEU members struck at Bradey-Franks in the abovementioned dispute.29

So far as basic policies were concerned, the AEU and the ASE, both being craft unions, espoused labourism. The following is a comment by an ASE official denouncing Beeby's re-classification:

Engineers are just as sensitive about their craft as the lawyer is about his profession; but if this it to continue, there will be no craft and nothing for the apprentices of to-day to take a pride in when they finish their apprenticeship after five years on low wages. If the industry cannot compete against overseas competition, then it is the duty of the Government to protect them with an adequate tariff, and not take the losses (if any) out of the hide of the workers, whilst the employers pocket the profits.30

27 See, for instance, *ibid.*, August 1933, p. 11 and October 1933, p. 9.
28 See, for instance, *ibid.*, September 1930, p. 9, April 1933, p. 18 and September 1934, p. 12.
29 Australasian Society of Engineers, *Australasian Engineer*, 1/6/1930, p. 17. (Hereafter, the union's *Australasian Engineer* will be abbreviated to 'AE' in the footnotes.)
The ASE's opposition to piecework was as staunch as the AEU:

Unity is the only hope of the workers, and as long as Capitalism can keep them disunited it is safe, and wage servitude will continue. How unerringly the capitalist class have seized upon that fact? They have devised a hundred ways of preventing solidarity in the ranks of those whom they exploit...What is known as the Bonus system...belongs to this category...[T]he main evil of the Bonus system is beyond all doubt its power to disunite the workers. That is why it is highly favored by the capitalist class.31

As can be seen, the ASE also grasped the current industrial situation in class terms. As was the case with the AEU, however, this class consciousness did not overturn its established espousal of labourism, comprising support for Arbitration and the ALP. Because it was much smaller than the AEU, the ASE's dependence on these institutions was heavier than the large and powerful AEU. Lacking the pugnaciousness of the AEU, the ASE mostly opted for moderate measures like approaching the Court in the choice of practical strategies.32 However, there was no distinctive difference between the ASE and the AEU so far as basic ideology was concerned. Nevertheless, both unions were not able to bury their rivalry and, despite some talks of amalgamation, remained separated throughout this period.

Among the metal unions, amalgamation talks were held again in the early 1930s on the ACTU's initiative. There were some unionists who recognised an urgent need for the establishment of an overriding body for the whole industry, especially in the face of the disadvantageous Metal Trades Award. As an AEU member commented:

Admittedly the need for a central controlling body with a common policy for the whole industry has long been recognised and discussed but the real necessity was never so apparent as it is to-day...The present Award has thrown us into one camp,

31 Ibid., 1/3/1924. As to the ASE's criticism of piecework, see also, ibid., 1/8/1920, p. 30 and 1/9/1927, p. 136.
32 See, for instance, ibid., 1/6/1930, p. 17.
and, willy nilly, we must in future act in unison with each other.\textsuperscript{33}

Eventually, however, this recognition did not outweigh the rivalry and the mutual distrust among the unions. The unions as a whole were not so absorbed in the talks as in the early 1920s. In the end, the C.C. of the AEU turned against the amalgamation plans for fear of losing its influence within the industry.\textsuperscript{34} Thus, the tough experience of metal workers during the Great Depression did not necessarily bring about tighter solidarity among the metal unions.

Discontented with Arbitration and the ALP, but still unable to hold a solid united front with other unions, the AEU eventually favoured pressing the Court and the ALP, especially through the ACTU. While the AEU tried, successfully and unsuccessfully, to impose its policies on the ACTU and have it put pressure on the Court and the ALP, the ACTU itself was becoming established as a representative of the whole labour movement in negotiations with the Court and the Government.

The AEU drew up its own plan to cure the diseased economy along the line of traditional protectionism. The Union wanted the Government to protect the industry by means of tariff, placing orders with domestic manufacturers and large scale public spending. At the same time, the Union demanded shorter working hours, as well as a wage increase, to realise work sharing. In this regard, the AEU set its own ambitious target of a 30-35 hour week, with 25 per cent increase in the Basic Wage on top of the full restoration of the 10 per cent reduction.

As for tariff, the AEU itself sometimes lobbied the Minister for Customs.\textsuperscript{35} The Union even tried, unsuccessfully, to make a deal with the MTEA, persuading the latter to refrain from the full implementation of the 1930 Award in exchange for the Union's cooperation on the tariff issue.\textsuperscript{36}

\textsuperscript{33} MR, June 1930, p. 48.
\textsuperscript{34} Ibid., September 1931, p. 6.
\textsuperscript{35} Ibid., September 1930, p. 14.
\textsuperscript{36} Ibid., April 1930, pp. 25-26.
In order to put pressure on the Government more effectively, the AEU had to add its voice to the whole labour movement. For this purpose, the ACTU was a useful mediator for the Union. The 1930 ACTU Congress, in which the AEU took a major role, became the forum for the unions' frustration with the policies of the Federal Labor Government. The ACTU repudiated the Premiers' Plan and Niemeyer's intervention, calling the Loan Council as an 'instrument in the hands of the financial capitalists'.

As to the Government's industrial policies, the Congress resolved:

A reduction in wages and increase in the number of working hours will not solve Australia's problems...The Governments, whatever may have been their name, have all worked on the same basis, reiterating the old wearisome cry that production costs must come down, wages must be reduced, and hours lengthened, while more goods are being produced than the market can absorb...While the machine as a factor in production multiplies output and cheapens cost, it adds to the social problem of unemployment by the labor it displaces.

Thus criticising the current policies by the Labor Government, the ACTU set out its own counter-proposals, including the public spending worth 20 million pounds, the Government's control of essential resources like wheat, wool and minerals, nationalisation of banks, the abolition of State Parliaments, as well as a 40 hours week with the 25 per cent increase in the Basic Wage. Despite attempts by the ACTU and the Labour Councils to influence the ALP Executives, none of these proposals were ever implemented by the Government.

The Scullin Government's failure to fulfil industrial labour's expectation drove unions to despair and exasperation. It was in this context that the C.C. of the AEU fully endorsed such leftist statement as the 1934 ACTU congress' resolution to replace the capitalist system by social ownership:

37 Ibid., October 1930, p. 6.
38 Ibid., p. 8.
39 Ibid., October 1930, pp. 8-10.
40 Ibid., December 1930, pp. 4-5.
One of the objects of the A.E.U...is: The control of industry in the interests of the community. This cannot be attained under the present system of capitalism, and as that system has failed, and has plunged the world into intolerable suffering, in an endeavour to still further bolster up that system, it must be replaced by social ownership of the means of life, and to that end the policy of the A.C.T.U. Congress is commended to members...

In the meantime, whilst a semblance of the Capitalist system remains, we must fight for the restoration of wages filched from us, and for increases in same...[W]ith a view to employment we must demand a shorter working week, so that those able to work will be re-employed...The policy of the ACTU and this union is a 30-hour week, to be worked in five days, with a 25 per cent. increase in wages, plus restoration of deductions already made.41

As mentioned, it is notable that the usually conservative C.C. fell into line with such leftist objectives. However, as shown in the latter half of the above quote, the C.C.'s prime concern was still with directly practical issues such as wages and working hours rather than more distant and idealistic goal.

It should be borne in mind that policies of the AEU were not necessarily at one with those of other ACTU members. On issues like the restoration of the full Basic Wage, all unions could unite and fight in solidarity. In fact, the AEU played the central role in the restoration of the Basic Wage, urging the ACTU to apply to the Court and assisting it with preparations for the hearing.42 On the issue of working hours, however, the AEU's claim for a 30-35 hour week sounded extravagant even to many other unions, which had yet to gain a 44-hour week. In these circumstances, the labour movement as a whole was not so ambitious on this issue and would have been satisfied had 44 hours been attained or sustained.43 The same discordance appeared concerning weekly hiring, which the 1930 Beeby Award had made optional. Although the AEU tried to make a

41 Ibid., November 1932, pp. 5-6.
42 See, for instance, ibid., April 1932, p. 5, December 1932, p. 5 and March 1934, p. 6.
43 Ibid., March 1932, pp. 5-6.
common action to make it compulsory, some metal unions preferred
daily hiring to the AEU's irritation.44

Although the ACTU established itself in this period as an official
channel through which trade unions' interests were transmitted to
Governments and the Court, it was still unable to influence
Government policies. Its only success was the partial recovery of
the Basic Wage in 1934, which was, from the constituent unions' point of view, far short of a success.

Out of disappointment with the Court, some unions called for their
withdrawal, the establishment of an industrially-based new labour
organisation and a general strike. Meanwhile the AEU was
contemplating the best way to influence the Government and the
Court to achieve a wage increase and shorter working hours.45 Thus,
the 1934 ACTU Congress turned out to be a showdown between
radical industrial unions and moderate (craft) unions espousing
labourism.

At the Congress, the delegate from the Miners' Federation, who was
seconded by ARU and Waterside Workers' Union delegates, stated:

Later experiences were bringing about a feeling in some large
Unions that the Arbitration Court only functioned in the
interests of the employer. Congress should give a lead to Union
thought, rather than follow in the wake of the small Unions
that depended for their existence on the Court. If we were ever
to realise the Socialist Objective the movement must get rid of
such Capitalist instruments as the Courts. Our deliberations
should be precedent to the ultimate objective of the overthrow
of the Capitalist system. Unions must develop along the lines of
Industrial Unionism.46

Thus, the Miners' Federation proposed to withdraw from the Court
and seek 'industrial agreements' instead of awards.47 Whereas, the
AEU's position was clear on this issue:

44 Ibid., March 1934, p. 5.
45 See, for instance, ibid., June 1934, p. 5 and October 1934, p. 5.
46 Ibid., November 1934, pp. 4-5.
47 Ibid.
The present policy of the AEU was for Arbitration... The capture of the reins of Government, both in the Senate and Representatives, and a consequent reconstruction of the Federal Court, together with efficient organisation of the workers generally is the only available means of improving the position.\textsuperscript{48}

In the end, the Miners' Federation's proposal was denied by a majority vote at the congress.

Eventually, the hardship and anomalies the AEU experienced during the Great Depression did not change its established principle of labourism linked closely to craft unionism. The discontent with established institutions like the Labor Party and the Arbitration Court did accumulate in this period. However, the realistic, pragmatic attitude continued to reign. As an AEU Organiser cynically remarked, 'even a bad Labour [sic] Government is better than a Liberal Government'.\textsuperscript{49}

As the economy recovered from the Depression and continued to grow for the rest of the decade, the AEU regained its industrial strength and resumed offensive. As shown in Table 6.1, the AEU membership increased rapidly after the Depression trough of 18,500 in 1933 and exceeded 27,000 by the end of the decade, surmounting the pre-depression peak of 23,500 in 1928. In 1933, there were only five industrial disputes in the metal industry and 3,000 days were not worked. These figures rose considerably in the latter half of the decade: 9 disputes and 16,000 days not worked in 1935; 20 and 192,000 in 1936; 29 and 171,000 in 1937; 19 and 233,000 in 1938, respectively.\textsuperscript{50}

As shown in the previous chapter, the recovery and growth of the industry corresponded with the spread of the 'manufacturing' method of production, although the deskilling effects of 'manufacturing' were limited so far as the core engineering

\textsuperscript{48} Ibid., June 1934, p. 6.
\textsuperscript{49} Ibid., April 1934, p. 18.
\textsuperscript{50} T. Sheridan, \textit{A History of The Amalgamated Engineering Union (Australian Section), 1920-1954}, op. cit., p. 466.
operations were concerned. The continued technological dependence on skilled tradesmen like fitters and turners kept them much in demand, and especially so as the industry expanded rapidly in the latter half of the decade. In addition, the virtual halt of apprenticeship training during the Depression period caused, in turn, the shortage of skilled labour at this stage. Thus, even in the mid-1930s unionists found the balance of industrial power shifting in their favour. The AEU Organiser in Victoria reported in 1935:

[T]he trade being exceptionally busy...[T]he demand for tradesmen continues. Toolmakers and die-sinkers cannot be secured in this State at the present time...[M]embers should have no hesitation in pressing for increased rates for their services...Trade is good and, it is exceedingly difficult to secure competent labor [sic].

Recognising themselves in a favourable bargaining position, unionists pressed hard for better working conditions than the minimum prescribed in the Award. Although Justice Beeby increased the margin for tradesmen by 3s. in his 1935 Award, the Union wanted more. An AEU Organiser called to the members:

[W]hatever may be done by the Arbitration Court with respect to the Application now before it to increase the basic wage, members should immediately make further demands for increase in margins; now is the time to intensify the effort to build our rates.

Thus, during the post-Depression boom, shopfloor bargaining became activated and over-award rates were eagerly sought and systematically by the rank-and-file members who were ready to take direct action to attain what they wanted. The Union's offensive was waged most aggressively in the Sydney district. For instance, the AEU gained 3s. above the Award rate by threatening to strike at Clyde Engineering Company, one of the major employers in the State. Following this victory, the Union succeeded in forcing the

51 Amalgamated Engineering Union, Monthly Journal and Report, February 1935, pp. 16-17. (Hereafter, the union's Monthly Journal and Report will be abbreviated to 'MJR' in the footnotes.)
52 Ibid., June 1937, pp. 22-23.
53 Ibid., July 1937, p. 21.
MTEA to recommend its members to grant 3s. wage increase to their employees.\textsuperscript{54} Subsequently AEU members at Metters downed tools to have the management accept the MTEA's recommendation, eventually winning their demands.\textsuperscript{55}

Besides strike action, overtime restriction was adopted as an effective strategy to put pressure on the employers, especially at this period when the expansion of the industry was accommodated more by labour intensification than by technological innovations. Overtime embargo was particularly effective at the waterfront ship-repairing works where the business was of an urgent nature.\textsuperscript{56}

As the negotiating position of skilled workers improved, their demands were extended to issues like the 'crib time' and 'smoko'. Now they could ask for more respite and freedom. At Holdens, for instance, the workers walked out, demanding, and eventually gaining, meal allowances and the right to smoke when working overtime.\textsuperscript{57} The Union also put great effort in improving working environment, demanding, for instance, washing facilities and lockers.\textsuperscript{58}

The concern for the members' welfare added to its significance during this period. A week's sick leave and a week's annual leave were among the major issues fought hard for by the AEU in the Court.\textsuperscript{59} To secure workers' compensation for injured members also became an important part of the Organisers' duties.\textsuperscript{60}

The Union wielded its reinforced industrial power in various ways. When the provisions of the Federal Award concerning the 'manufacturing' section of the industry were applied to Queensland

\textsuperscript{54} Ibid.
\textsuperscript{55} Ibid., August 1937, p. 30.
\textsuperscript{56} See, for instance, \textit{ibid.}, July 1935, p. 17 and October 1936, p. 28.
\textsuperscript{57} See, for instance, \textit{ibid.}, November 1937, p. 29.
\textsuperscript{58} See, for instance, \textit{ibid.}, September 1937, p. 28.
\textsuperscript{59} See, for instance, \textit{ibid.}, May 1935, p. 18.
\textsuperscript{60} See, for instance, \textit{ibid.}, March 1935, p. 18, September 1935, p. 22, January 1936, p. 27, February 1936, p. 21, September 1937, p. 28, October 1937, p. 27 and April 1938, p. 23.
in 1935, the AEU threatened the employers with strike action and succeeded in limiting the actual operation of those provisions to a minimum number of shops. Thus, the Queensland members of the AEU, as a whole, continued to enjoy the better terms of employment secured by the State Award.61

From the employers' point of view, the most effective and frequently attempted measure to increase profits and to counter the employees' offensive was to introduce as much non-skilled labour as possible, making full use of the favourable Award provisions provided by Justice Beeby. As mentioned, cheap junior labour was what the employers wanted most, and the labour shortage caused by the rapid economic development drove the employers in this direction all the more precipitately. The AEU, fully aware of the employers' intention to undermine the apprentice-tradesman system, was determined to defend its craft ground:

While the state of trade is what we all desire, nevertheless, the present conditions are being taken advantage of by the employers endeavoring to break down the proportion of apprentices in each section of the trade. This attempt has become more objectionable in view of the [employers'] effort...to induce their principles to exploit every opportunity for the employment of unindentured juveniles...[W]e are not prepared to stand for dilution of labor [sic].62

At newly prospering manufacturing shops, like those producing electrical appliances, typewriters and brass articles, where production was run in a standardised way with the minimum dependence on skilled workers and, therefore, the Union's influence was relatively weak, the introduction of junior labour did proceed to an alarming magnitude.63 Even at conventional engineering shops, some employers took decisive action to make full use of juniors, without avoiding direct collision with the Union. An AEU

61 Ibid., December 1935, p. 17.
62 Ibid., November 1937, p. 28.
Organiser confessed the difficulty in checking such a manoeuvre when a large number of juniors were engaged systematically:

Of any outstanding pirates amongst employers, this Company [i.e. McDonald's, a leading manufacturer in Victoria] is a classic example. It endeavours to work within the law and to dodge the Award, but if this is not possible it has no qualms about going outside of it...An examination of their books disclosed that they have no less than sixty odd juveniles to approximately the same number of adults...[T]he difficulty that we are confronted with is to establish the class upon which the juveniles are employed. It is easy enough to get over such a difficulty in the case of two or three employees, but when a firm has the number employed that this one has, the task is increased proportionally.64

So far as the traditional sectors of the industry was concerned, however, the Union was able to maintain its industrial ground. There were some cases reported where the employers, bending Award provisions, let unindentured juniors, instead of apprentices, use fitting tools and first class machines. The Union appealed to the High Court and eventually earned a clear judgement that unapprenticed juniors should be prohibited from learning the trade, be they union members or not.65 Thus, the Union was able to contain the intrusion of juniors only to relatively insignificant operations where apprenticeships were not provided.

Keeping a close eye on the deployment of juniors, the AEU kept urging the employers to have them indentured.66 In NSW the employers were entitled to take trainees, in addition to apprentices. However, since the Union had the right to refuse the employers' applications to take on trainees at the Apprenticeship Council as was the case with apprentices, the trainee system did not, in reality, seriously undermine the established apprenticeship system.67

Although the employers, insisting on their right of deployment, sought to displace tradesmen with cheaper labour like process

64 Ibid., August 1935, p. 21.
65 Ibid., March 1935, p. 20.
workers and unapprenticed juniors, the AEU was never ready to give way. As expressed in the following comment by an Organiser, traditional craft consciousness was still firmly held in this campaign against classificatory deskilling:

STAMP OUT this OBNOXIOUS PRACTICE [i.e. the use of 'handy men'], which is...keeping our qualified members out of their legitimate work, and seriously reducing the prestige of our Union...Members...CAN, AND SHOULD, stamp out the practice if they will only adopt action in concert and refuse to allow these handy men to use tools of trade, also to refuse to show them anything, and let them confine themselves to their legitimate callings.68

Disputes over the manning of the turret lathes, the use of which spread with the diffusion of the 'manufacturing' method, provide good examples of this problem. Employers tried to have them manned by the non-skilled, because, once set up by tradesmen, even juniors could operate them. From the Union's point of view, however, even the turret lathes were the lathes which belonged to the turners' sanctum and, therefore, should not be touched by those unqualified. When the employers pressed hard to put process workers on the turret lathes, the Union responded swiftly and resolutely, sometimes resorting to strike action, and usually succeeded in removing process workers, or at least having apprentices operate them instead of process workers.69 At munition works, where the standardisation of production developed most, the Union did have some difficulties in curbing these attempts. Even there, however, the employers were forced to classify turret lathe operators not as process workers but as second class machinists, and work practices at munition works were closely monitored by the Union.70 Thus, the erosion of turners' industrial ground was kept at the minimum.

The MTEA urged its members to press hard for reclassification. At Cockatoo Island, for instance, the management, following the

68 Ibid., August 1937, p. 29.
70 See, for instance, ibid., December 1937, p. 23 and September 1938, p. 21.
instruction of the MTEA, relegated radial drilling machine operators from the status of the 'first class machinists' to the 'third class machinists'. However, when the workers walked out in protest and demanded that the representatives of the MTEA should be excluded from the negotiation process, the management could do nothing but to accept their terms and, eventually, reinstated the drillers to their previous status.71 Although the employers were never tired of finding the opportunity to elevate the non-skilled to skilled operations, the Union's stronghold was not penetrable at least so far as the first class machining and fitting operations were concerned.72

Because of the absence of the serious threat to tradesmen's industrial status from lower classes of workers, the AEU's recruitment policy did not change in a significant way during this period. Of all the new entrants to the Industrial Section of the Union, which had the lowest membership fee with no benefits except for strike pay, those classified as semi- and unskilled comprised only about a fifth in the years between 1934 and 1939. This proportion was no greater than in the late 1920s.73 The report by an Organiser cited below illustrates the Union's attitude towards lowly-classified workers. The Organiser reported a case where a process worker was offered by the management the third class machinists' rate for the job on the boring machine, which was currently operated by an apprentice at the second class machinists' rate:

The work proposed to be done by the operator would not infringe on first-class machinists or turners' work...The man...desires to join our Union and I recommended that he be admitted to the Industrial Section as a third-class machinist...[T]he man would not be called upon to do work which we describe as engine machinist's work. The apprehension that he would be put on a lathe or machinists' work...[is] without foundation. Our rules provide for such [men to] join the A.E.U. as a process worker so there can be no ban to his joining as a third-class machinist, especially in view of the

71 Ibid., October 1935, p. 4.
72 See, for instance, ibid., December 1935, p. 19, September 1936, p. 21 and October 1936, p. 28.
fact that we can raise the classification of the job he is performing.74

As indicated, the Union felt no urgent need to recruit lower classes of workers, although it did not refuse them membership. Moreover, even when it did try to recruit such workers, it was basically to advantage the skilled members. The AEU still remained predominantly a union of tradesmen.

Tradesmen's pride in their skills was still so firmly entrenched in their mind that, once the hardship during the Great Depression was over, skilled workers again started to refuse 'infra dig' jobs, to the fury of Union officials. An AEU Organiser reported:

[W]ork which could be properly classified as process work, was to be done, under instructions by the Management, by fitters. The fitters, however, refused to do the work because it was considered to be infra dig. Certainly it was but a matter of putting two long bolts in each machine and tightening them up, but the money was there. Members complain bitterly when unemployed against this kind of thing being permitted, but, in nine cases out of ten, such developments creep into the trade because of the indifference of members to their own interests.75

That tradesmen could still afford to take such an attitude verifies the lack of a direct challenge to the craft fortress from the non-skilled.

Apart from the introduction of cheap labour combined with reclassification, some employers made a more radical challenge to established work practices. As shown in previous chapters, metal unions had always staunchly opposed the introduction of any kinds of the piecework, task work and speed-up system, such practices having been virtually non-existent in the engineering trades. Therefore, when Waygood-Otis, a Sydney elevator manufacturer, broke the taboo and hired an American 'efficiency expert' to time-study operations with a stop-watch, it aroused serious concern

74 MJR, December 1936, p. 20.
75 Ibid., June 1935, p. 15. A similar incident was reported at, ibid., October 1935, pp. 30-31.
within the whole labour movement. Although skilled operations were not directly targeted, the AEU took the initiative in opposing this attempt. While organising direct action, the Union lobbied ALP members to urge the Government to ban such a measure. The following speech by a Labor Parliamentarian, Beasley, typically represented the logic of Labor's, and the AEU's, argument against time-study:

Waygood-Otis Limited, a foreign trust operating behind the Australian tariff wall, is introducing speed-up methods [i.e. the Bedaux system] into industry in Australia...The stop-watch is called into operation to time a man picking up a spanner from the floor and re-placing it on a bench, tightening a nut, or doing the hundred-and-one other routine acts of a machine shop...The man...is reduced to the level of a cog in a machine...Naturally, under such conditions, the health and mental condition of employees have been seriously impaired...[Another objectionable feature is that in consequence of the introduction of the system, a substantial proportion of the employees of the factory have already lost their employment...If Waygood-Otis...can "get away" with this kind of thing, it will have reactions on many other firms connected with the Metal Trades Association...[T]he object of our tariff is to enable companies to establish their operations in this country under proper Australian conditions and standards of work, and we protest bitterly against the introduction of such methods by foreign companies which enjoy substantial protection in this country...When a company claims the protection of our tariff it must be prepared to show its bona fides by observing Australian labor conditions and demonstrating that it is not merely a behind our tariff wall, and providing a minimum of employment in this country in order to retain its market and its monopoly.

What should be noted is the underlying logic of protectionism, with a nationalistic tone attached to it. As shown in previous chapters, it had alway been labour's political stance to support tariff protection in exchange for fair working conditions. At this time, the concern for workers' physical and mental health was emphasised under the growing pressure for higher efficiency.

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In any event, as implied in the above quote, the speed-up and task work system were still exceptional and foreign to Australia even in the late 1930s. Although the Government avoided to take any action against such practices, few employers dared to attempt such moves in fear of an inevitable showdown with the labour movement. Consequently, such practices never spread within the engineering industry to any significant extent. Even at Electricity Meter Manufacturing, one of the few mass production firms in Australia, the foreman's timing of operations met with fierce opposition. Following the dismissal of a Union member who protested the time-study, workers including about a hundred AEU members ceased work. Eventually, the management agreed to re-instate the dismissed member and curtail the foreman's duties to those of supervision, and it was decided that any future matter giving rise to a dispute should be discussed between the management, shop stewards and officials.

The AEU also maintained its robust opposition to the appointment of its members to staff positions. Its policy on this matter remained that 'any staff appointee who continued to use the tools of trade would be treated as a non-unionist'. This claim that anyone who used 'the tools of trade' should belong to the Union was the bottom line on which the AEU could not make any concessions as a craft union. In fact, the Union did not connive at any attempts at staff appointment.

In the process of economic expansion during the late 1930s, the balance of industrial power hinged on two counter-forces: the employers benefited from the new 'manufacturing' method and economies of scale, while the Union benefitted from the tightening (skilled) labour market. Considering that the technological innovations at the time had only limited deskilling effects on the core engineering operations, it can be said that the balance of power tilted rather towards the Union side.

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78 Ibid., August 1938, p. 3.
79 Ibid., September 1938, p. 20.
80 Ibid., October 1937, p. 3.
81 See, for instance, ibid., July 1938, p. 21.
The characteristics of AEU activities in the late 1930s were twofold. On the one hand, the Union added to its aggressiveness and militancy. Now that favourable economic conditions made the Union expect better terms by direct confrontation with the employers, it felt constrained by the Arbitration system which had been so useful during hard times. Although the withdrawal from the Court was not contrived, its reliance on Arbitration wavered as reflected in the C.C.'s comment:

The decision...to adhere to compulsory arbitration as the means of settling industrial disputes, must not be taken to mean that the industrial movement is satisfied that the workers are receiving anything approaching the wages and conditions they are entitled to, but it is rather an admission by the movement that the majority of the workers are still in favour of this method of settling disputes... It is imperative, therefore, whether arbitration or not, to make the best use of the system...⁸²

As will be shown, the AEU's exalted militancy and its defiant attitude were to lead to its de-registration from the Court later in the decade.

On the other hand, despite its enhanced militancy with a strategic emphasis on direct action, the AEU, with no impending need for radical changes in its fundamental principles, did not go beyond the traditional boundaries of craft unionism. After all, the increased militancy remained craft militancy rather than one aimed at the overthrow of capitalism. Thus, the Union consolidated and elaborated its reformist stance during the late 1930s.

The Union's call for the Government's protective policies derived from this reformist policy. What the Union demanded was the all-round protection of the industry including both the employers and the employed. It was the Government's responsibility, the Union believed, to protect the industry by such means as tariff and the preference for domestic manufacturers.⁸³ The Union was no less

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⁸² Ibid., June 1935, p. 5.
⁸³ See, for instance, ibid., February 1938, p. 7.
concerned about these matters than the employers. Thus, an AEU Organiser repudiated the Ottawa Agreement on tariff made in 1935:

The Tasmanian Government has let a tender for the supply of steam shovels overseas...It only indicates the attitude of the Federal Government to the secondary industries of this country, which, I am of the opinion, is dictated by the Ottawa Agreement. Big primary producing interests have had their effect at Ottawa, and the secondary industries of this country are going to pay the piper, but the extraordinary thing is that the local Chambers of Manufactures are so quiescent and silent on this matter. Possibly it is because they will not embarrass the people who represent them in Parliament.84

The Union kept attacking the tariff policies of the Lyons Government throughout the late 1930s. In the 1937 election campaign, for instance, the C.C. addressed the members: 'The U.A.P. is dominated by the free trade bloc...That means the destruction of protection for Australian industries. Every reduction in tariff is a blow at your job'.85

While the industry itself had to be protected from overseas competition, the Union demanded that labour market should also be protected. Hence, the immigration programme was another issue the Union could not tolerate. The C.C. argued on this subject as follows:

The Lyons Government announces a resumption of its policy to secure migrants from overseas. It is strange that whilst people from overseas...become citizens of this country by the Government suggesting that there is plenty of employment at good wage rates, that the same Government is the propounder of a scheme for training unemployed youths...86

Australia has witnessed during the last few months a very heavy influx of aliens into this country and...no step will be taken [by the Government] to prevent a continuance of this position. Objection is not taken to these people on the grounds of creed or race but purely on the grounds that they are coming

84 Ibid., May 1935, p. 19.
86 Ibid., March 1938, p. 7.
into a country where the labor [sic] market is already overcrowded.87

While these protectionist demands reflected craft unionism's maxim to preserve vested prerogatives, the Union's reformist view was theoretically elaborated in this period by emphasising the standpoint of the 'consumer'. Criticising the wage-restraining policies by the Government, the C.C. argued as follows:

[T]he problem is...to create employment without taking into consideration the effective purchasing power of the community. Until this is done, the system cannot, and will not, function efficiently. In other words, "Planning by the consumer and for the consumer" is the proper approach to the problem. The present system limits the effective demand...88

The under-consumption theory was opportune for skilled engineers under the economic and social circumstances of the late 1930s when they pressed hard for higher, over-award wages, naturally identifying themselves as the 'consumer'. For tradesman engineers, the evil of capitalism resided in the neglect of consumption for the sake of production. An Union member argued:

[T]he present economic system...has in no way attempted to solve the problem of consumption which is wrapped in the present monetary system...Capitalism, following its own law in regard to surplus values, uses what it appropriates in producing more, blindly giving no regard to the fact that by not increasing the purchasing or consuming power of the community, consumption does not and cannot keep pace with production.89

For most of AEU members, 'socialism' meant a gradual reform of the present system. As a self-proclaimed socialist within the Union defined it, socialism was 'the gradual and orderly transition from the present system of cut-throat competition for private profits...to the social ownership of those socially necessary services, beginning with the socialisation of the whole ramification of our banking and

87 Ibid., November 1938, p. 7.
88 Ibid., March 1937, p. 6.
89 Ibid., February 1936, p. 8.
monetary system'.\(^{90}\) It was with this consolidation of its reformist stance that the nationalisation of the banking system was put, along with a variety of social welfare schemes, on the ALP platform, in order to finance 'public works at Award rates to fill any gap caused by the failure of private enterprise'.\(^{91}\)

The Union's traditional demand of a shorter week was justified by the same logic. The AEU, together with the ACTU, called for a 40-hour week, arguing as follows:

The worker should have more leisure in consequence of new inventions...It is unjust that the increased efficiency and productivity of machines should not benefit workers, and that capitalists should reap every harvest in the form of more profits...Under the present capitalistic system production has been developed without regard for the consumption possibilities...More goods could be purchased, but the masses have not the money to buy those goods...The 40-hour [week]...means an increase in the total amount paid out in wages...It is essential that mass purchasing power should be increased.\(^{92}\)

Again, notions like 'leisure' and 'purchasing power' were the opportune terms.

At the 1937 ACTU Special Congress, the AEU succeeded in gaining other unions' support for the 40-hour week campaign, and a shorter week was declared as the 'right of the workers to the fullest possible amount of leisure so as to cultivate the art of intelligent living'.\(^{93}\) As a matter of fact, however, a 40-hour week was not legalised during the period under consideration. It should be noted in this respect that there were differences of opinion within the labour camp about the primary objectives of the movement. While the AEU insisted on the precedence of a shorter week, other non-skilled unions like the ARU and the FIA demanded that the increase in the Basic Wage should come first.\(^{94}\)

\(^{90}\) Ibid., May 1937, p. 18.
\(^{91}\) Ibid., October 1937, p. 14.
\(^{92}\) Ibid., April 1937, pp. 7-9.
\(^{93}\) Ibid., August 1937, p. 2.
\(^{94}\) Ibid., January 1937, p. 4.
Within the labour camp, skilled engineers were among those who benefited most from the economic situation in the late 1930s. As shown, the Arbitration Court raised the margin for tradesmen rather generously compared to the non-skilled and, in addition, over-award rates were prevalent in the latter half of the 1930s. Therefore, wages were no longer the most urgent objective for the AEU. Instead, leisure and social welfare became the next objective, whereas wages were the highest priority for the non-skilled.

As manifested in the above case, the AEU's love-hate relationships with other unions also remained the same in this period. On the one hand, the AEU generously supported other unions with their struggle in the Court and on the shopfloor. On the other hand, the bitter rivalry also persisted. For instance, the AEU continued to fight demarcation disputes with traditional rivals: with the Boilermakers over welding, with the Coachmakers' Federation over toolmakers and maintenance workers and with the FIA over drilling. The ETU was especially irritating for the AEU. The ETU stood in the way of the AEU by, for instance, accepting the speed-up scheme in the Waygood-Otis case and supporting the NSW Government's trainee programme. On such occasions, the AEU did not conceal its contempt of its rivals:

[T]hese Unions who boast of small contributions immediately they become involved in an industrial dispute, appeal to the Unions they criticise, and ask for immediate financial assistance...the want of finance has prevented many of these so-called "cheap unions" from properly policing Awards...

The AEU's relationship with its nearest rival, the ASE, also remained ambivalent. Usually, these two unions acted together in their shopfloor activities. However, sometimes the ASE fell out of line, to the AEU's anger. An AEU Organiser reported:

95 For instance, the AEU helped the FIA with Arbitration affairs. See *ibid.*, September 1935, p. 20. The AEU also supported the Moulders' Union's strike for a wage increase. See *ibid.*, May 1937, p. 4.


97 *Ibid.*, June 1936, p. 3 and March 1938, p. 3.

Members ceased work [at Bingham's in Victoria]...on account of a non-unionist refusing to join the organisation. The Australian Society of Engineers agreed to stop with us, but subsequently...urged for a resumption of work under conditions which do not reflect any credit on the industrial movement. The District Committee refused to endorse such apostasy, and has disputed the specious pleading of certain members of the Disputes Committee...[W]e shall have to be careful as to our relationship with the Australian Society of Engineers.99

The feeling was mutual with the ASE. Every now and then the ASE was incensed by the insolent attitude of the AEU. For instance, when the AEU decided to enforce overtime ban in pursuit of wage increase at the Sydney waterfront without conferring with the ASE, an ASE official criticised the AEU, remarking 'A.E.U. had no right to lay down a separate policy for their own members in and around the waterfront, and then seek co-operation from this Society first giving us an opportunity to discuss the question'.100 In another case, when AEU members struck at the Australian Gas Light Co. for a wage increase, ASE members reluctantly followed. When the Company offered terms of settlement, however, the AEU refused them and continued to stay out, neglecting the ASE's advice to accept the offer. An ASE official reported the incident as follows:

Out of 65 men we only had five members, due mainly to the policy of the A.E.U., who in previous years had adopted a policy of forcing our members and also members of the Blacksmiths' Society into their Union...At the commencement of the dispute, we told our members that it would be very difficult for them to win. Owing to the agreement [operating at the company] being much better than the Awards, they could not expect the other Unions at the Gas Works to become embroiled...If our advice had been accepted, the dispute could have been settled long ago, and this dispute, as in many others, again emphasises how difficult it is to deal with the A.E.U., as in the end they decide their own policy and dump everyone else, so in future disputes we will only be bound by the decisions of the combined unions affected, acting through the Trades and Labor Council.101

99 Ibid., January 1936, p. 27.
100 AE, 1/10/1936, p. 36.
101 Ibid., 1/12/1938, p. 105.
The ASE continuously insisted on 'acting through the Trades and Labor Council' in order not to be dragged down by the AEU. It was in this context that the Iron Trades' Council, comprising the AEU, the ASE, the Moulders' Union and the Boilermakers' Association, was set up, the main objective of which was to prevent an isolated action by one union.

The ASE's characteristics as a craft union also remained unchanged and it followed basically the same policies as the AEU. For instance, the ASE sought to maintain the apprenticeship system, making efforts to have lads indentured. The ASE was also against staff appointment and immigration.

The ASE's antipathy to industrial unions was no less acrid than the AEU's. In the face of the challenge from industrial unions, especially from the Coachmakers' Federation, the ASE and the AEU were quick to team up to defend their craft territory.

In spite of their bitter feelings towards each other, the ASE and the AEU were mutually dependent in their union activities. The ASE needed the AEU's enormous industrial power and the AEU needed the ASE's co-operation to prevent the employers from breaking the line. In fact, remarkable industrial achievements of skilled engineers in the late 1930s, like the prevalence of over-award rates, were mostly a result of the joint action by these two craft unions.

The series of events concerning the de- and re-registration the AEU and the ASE from the Arbitration Court symbolised the industrial activities of these unions in the late 1930s illustrated above.

102 See, for instance, ibid., 1/10/1936, p. 33.
103 Ibid., 1/6/1938, pp. 87-88.
104 See, for instance, ibid., 1/5/1937, p. 58.
105 See, for instance, ibid., 1/3/1938, p. 80 and 86.
106 See, for instance, an ASE official's criticism of the ARU at ibid., 1/10/1936, p. 38.
107 See, for instance, ibid., 1/4/1936, p. 13, 1/10/1936, p. 31 and 1/5/1937, p. 60.
As mentioned, the Sydney waterfront was where the fiercest and strategically most important industrial battles were fought. As ship building was virtually non-existent in Australia, waterfront works were confined solely to ship repairing. Because of its urgent nature, the total dependence on skilled labour and the immunity from overseas competition, tradesmen at waterfront shops were especially in a strong bargaining position. It was the Union's strategy to diffuse higher wages and better conditions won at the waterfront through the whole industry.

When Justice Beeby increased the margin for tradesmen by 3s. to 30s. in 1937, adding to the 3s. rise he had given two years before, he also awarded an extra 3s. for those tradesmen engaged on ships, reasoning that ship repairing was 'done under more difficult circumstances than in ordinary engineering establishments'. Beeby excluded large workshops like Mort's Dock and Cockatoo Island from the criteria of ship repairing, while giving the extra 3s. for ship repairing for those employed at other small waterfront shops, stating that a 'large proportion of the work done at Mort's Dock and the Cockatoo Island Dock has no relation to ship repairing'. In September, three AEU members were dismissed at Mort's Dock for refusing to work in pursuit of the extra rates for ship repairing. Following this, the whole of the members of both the AEU and the ASE at Mort's Dock and Cockatoo Island walked out.

This dispute was not simply over the definition of ship repairing. More fundamental was the general frustration of skilled engineers who believed that their skills were being underestimated. This dispute too should be viewed in the context of the industrial circumstances of the late 1930s where the Union was pressing for over-award rates wages. In this case, the Union demanded 38s. as the margin for tradesmen, 8s. higher than the Award rate and 5s. higher than the ship repairing extra. While resolutely rejecting the employers' offer of 33s., the C.C. of the AEU, inflamed by their craft pride, justified their action as follows:

\footnote{37 CAR 176 at p. 185.}
\footnote{38 CAR 328 at p. 333.}
[A] demand was made for a flat marginal rate for all employees of 38/- per week...This, we are told, is exorbitant...It appears from this statement that employers to-day expect to buy the skill of an engineer for a rate that is paid to many whose skill is of a much lower degree, and also that the only people who are to receive extra remuneration owing to the improved conditions are the employers...Whilst the engineer has been long suffering and patient, he is determined to-day that he shall receive a reward for his skill and energy...[T]he claims are not exorbitant, and if granted, would not be by any means a complete recognition of the skill displayed by an engineer in the carrying out of his duties.111

Underlying this argument was the tradesmen's desire to be evaluated at the level substantially higher than other lower-grade workers. 'Skill' was still the ground on which they based their case.

While the strike dragged on, the MTEA filed, in December, an application to the Court for the de-registration of the AEU and the ASE, accusing them of violating the principle of Arbitration in trying to achieve by coercion what they had failed to attain through the Court system. Thus, in this dispute, the legality of the simultaneous recourse to Arbitration and direct action was at stake. Justice Beeby clarified the Court's view on this issue, on the one hand admitting the individual worker's right to pursue over-award conditions. On the other hand, Beeby confirmed that this right applied only to workers as individuals, and did not imply a collective right in the form of their unions:

Mr. Justice Higgins did rule that workers were not compelled to offer for employment at the minimum rate prescribed by an award but were free to bargain for higher wages or better conditions...[and that] individuals or groups of individuals are not bound to continue in their employment on the terms of an award has never been questioned...But if such individuals or groups act in concert with the aid of their unions it becomes necessary to determine whether the unions can maintain the right to approach the Court for awards concurrently with a right to aid and abet strikes....[R]egistered unions cannot maintain a concurrent right to approach this Court and to

111 MJR, December 1937, p. 6.
resort to direct action. Unless that principle is maintained the Court cannot function.\textsuperscript{112}

Meanwhile the strikers stayed out, adamantly rejecting both the employers' improved offer and the persuasion of the Union officials. Although the Union executives insisted that the strikers were staying out against their order to return, Beeby eventually came to the conclusion that the 'strike at Cockatoo Dock and Mort's Dock is an unconcealed attempt by the organisations to compel employers to concede rates of pay higher than those awarded'.\textsuperscript{113} Thus, in February 1938, both the AEU and the ASE were de-registered from the Federal Arbitration Court.

As mentioned, there have always been debates within the Union as to the efficacy of being bound by the Arbitration system since its inception. It should be borne in mind, however, that this departure from the Court was not a calculated manoeuvre. For Union executives, the de-registration was an unexpected and unwanted event.

At the combined executive meeting of the AEU and the ASE, preparing for the last mass meeting of the strikers before the deadline for de-registration, executives of both unions were concerned about the consequences of de-registration and wished their members to accept the final offer and resume work, although the members rejected the recommendation.\textsuperscript{114} In cases like this, the executives had no choice but to follow the will of the rank and file members. Even Justice Beeby, while declaring de-registration, commented sympathetically on the officials:

I realise the difficulties of union officials in controlling men...I do not regard the action of the Federal Executives of the unions as a direct challenge to this Court but I think they drifted carelessly into endorsements of small strikes without realising the possible consequence of their action.\textsuperscript{115}

\begin{itemize}
  \item \textsuperscript{112} 39 \textit{CAR} 7 at pp. 7-10.
  \item \textsuperscript{113} See \textit{MJR}, February 1938, p. 3 and 39 \textit{CAR} 7 at p. 9.
  \item \textsuperscript{114} \textit{AE}, 1/3/1938, pp. 84-85.
  \item \textsuperscript{115} 39 \textit{CAR} 7 at pp. 9-10.
\end{itemize}
After the de-registration, the ASE Secretary remarked:

The executive, while complimenting the men on their wonderful display of solidarity, feel that the recommendation of our State Executive and the combined Federal Executive, should have been accepted by the men. We believe that had the dispute been settled on the terms offered the men would have had a victory... [and] also that all men in outside shops would have received an increase [in margins]...by an agreement with the Metal Trades Association.\(^\text{116}\)

Although the AEU executives did not make any reproachful comments on the members' decision, they did express their concern about the disadvantages of being excluded from the Court immediately after the de-registration.\(^\text{117}\)

Because the Federal metal awards had become a common rule under the 1935 High Court judgement, the existing Award continued to be in operation despite the de-registration. The problem with the Union resulting from its being outside the Court was that it could not participate in the process of making new awards. The existing Award could be altered to the detriment of the AEU by those keen on taking advantage of the Union's absence from the Court, whether they were the employers or other unions. In this respect, the Union's distrust of other unions, especially industrial unions, was no more reserved than that of the employers. For instance, the C.C. of the AEU referred to the ARU as 'an industrial union with [a] very pronounced aspiration to have an award that will enable it to control the industry.'\(^\text{118}\) More vexing to the AEU was that the first Aircraft Award was about to be made, without any consultation with the AEU, the Coachmakers' Union, instead, representing even skilled engineers. Considering these disadvantages, the C.C. recommended the members to return to the Court as follows, which again clearly expressed its reformist stance:

It always has been, and always will be, possible...to use the strength of the union to enforce the observance of wages and


\(^{117}\) *MJR*, March 1938, p. 7.

\(^{118}\) *Ibid.*, May 1938, p. 17.
conditions in excess of that prescribed as a minimum by...awards. The point is, however, that in all such negotiations the terms of an existing award are usually the basis from which comparisons are made or improvement sought, therefore, it is to our advantage at all times to secure the best possible award for this industry. In any case, until such time as we can exert some material influence in the direction of modifying, if not abolishing, the economic undulations that take place under our present system, it will be necessary for the Union to adopt a policy that will be most likely to protect and promote the interests of members...\(^{119}\)

So far as Union activities at the shopfloor level were concerned, there was no imminent inconvenience resulting from the de-registration. The existing Award was still in operation for the moment, and the solid negotiating position of skilled engineers enabled them to continue their drive for over-award conditions with successful results.\(^{120}\) In fact, the waterfront dispute, the very cause of the de-registration, ended in March with a convincing victory for the workers' side, the employers finally conceding 3s. more than their original offer.\(^{121}\)

The real problems with being excluded from the Court arose in the newly emerging aircraft industry. The Commonwealth Aircraft Corporation had no hesitation in exploiting the situation. While refusing to meet AEU representatives, the Corporation submitted to the Court a log based on the Coachmakers' Award which was more favourable to it.\(^{122}\) Although the AEU appealed to the Court through the ACTU, the hearings proceeded in the absence of both engineering unions, with Judge Beeby reasoning that the Coachmakers' Union could represent engineers.

The resulting draft of an award was utterly unacceptable for the AEU. First, the number of classifications were increased at lower grades of the trade. Second, a trainee scheme was admitted, whereby the employers were able to engage non-union workers on

\(^{119}\) Ibid., p. 19.

\(^{120}\) See, for instance, ibid., June 1938, p. 2 and 25.

\(^{121}\) Ibid., April 1938, p. 3.

\(^{122}\) Ibid., July 1938, pp. 2-3.
both skilled and non-skilled operations at lower wage rates than prescribed in the existing Award. Third, there was no limitation on the number of apprentices, juveniles and process workers. Fourth, a 48-hour week, instead of 44 hours, became the standard working week. Angered by these terms, about 200 AEU members employed at the Commonwealth Aircraft Corporation walked out in August.\textsuperscript{123}

In the face of such action, the management side was also determined not to compromise, refusing to meet Union representatives. Then the Union, requesting Government intervention, threatened to call out its members at the Defence Department's works in Maribyrnong, Footscray, Garden Island and Lithgow, where similar conditions to the Aircraft Award were expected to be introduced. A war seeming inevitable, Prime Minister Lyons was already preparing for a wartime economy. Seeking support from Labour, he had given a pledge to the ACTU:

Should any private employer or employers in a claim before an industrial tribunal seek to obtain a lowering of the existing standard of wages or a worsening of the working conditions,...the Government will intervene on the basis that the organisation of industry for war is a matter of Government policy.\textsuperscript{124}

The threat of strike at the munition works was enough to influence the Prime Minister and the Minister for Defence, bringing them to the negotiation with AEU officials.\textsuperscript{125} At the same time, the AEU also put pressure on the Government through the ALP. In fact, it was a meeting between the Ministers and Labor parliamentarians, including the Opposition leader, Curtin, that finally brought the dispute to settlement, completely on the workers' terms. The Government pledged that the Aircraft Award would be revised and the AEU be re-registered, for which end the Government paved the way by shortening the period for submitting objections to an

\textsuperscript{123} Ibid., August 1938, p. 3 and September 1938, p. 3.
\textsuperscript{124} Ibid., September 1938, p. 3.
\textsuperscript{125} Ibid.
application for registration from 30 to 7 days.\textsuperscript{126} Obviously, it was a political settlement.

Subsequently, Beeby revised the Aircraft Award concerning all the four respects abovementioned. Classifications were rearranged to the Union's satisfaction. The number of apprentices and juveniles was restricted. A 44-hour week was restored. As to the trainee scheme, although, in the original Award, the employers were able to contract freely with any individuals on skilled operations at 40 per cent of the Award rates during the training period, the revised clause necessitated the setting up of a special Board of Reference in the event that no skilled labour was available for the employer to fill the job. The terms and working conditions of trainees were to be determined by the Board, where the Union reserved the right to oppose the application. It should be noted that this clause later served as a model for the wartime dilutee scheme.

In the meantime, the AEU's application for re-registration with the Arbitration Court was being proceeded with. The MTEA opposed its re-registration. However, it was the opposition to the application from within the labour ranks that angered the AEU even more. It came again from the ETU. The C.C. fiercely criticised the ETU, together with the ASE, which had already returned to the Court without consultation with the AEU soon after the settlement of the waterfront dispute:

It is a strange position to say the least of it to find a trade union side by side with an Employers' Association seeking a common result, and it is one that must be regarded as a hit below the belt... Without losing one hour's work, or without cost of any kind, their [i.e. the ETU] members secured the benefits resulting from the engineers' fight. Now they have the audacity to object to our re-registration...The action taken by the E.T.U. and the A.S.E. gives the employers the opportunity to drive wedges into the trade union movement and cannot for one moment be excused.\textsuperscript{127}

\textsuperscript{126} Ibid., October 1938, p. 5.
\textsuperscript{127} Ibid., p. 7
In spite of the MTEA's and the ETU's opposition, the AEU was eventually re-registered in November 1938, with no penalty. The issue of the compatibility of direct action and Arbitration was no longer raised. The only words the AEU gave to the Court was that it would not 'support any of its members who go on strike without first giving the Executive an opportunity of bringing the subject-matter of the dispute before the Court' and it would 'use all its influence to induce its members to observe the terms of the award'. Politically, the AEU had to be incorporated within the Arbitration system. The Government realised that it could not cope with the impending war without the co-operation of the leading engineering union. Moreover, it was made obvious that the Arbitration system itself did not function without large and influential unions like the AEU. For the Union too, it was disadvantageous to stay outside the Court, when industrial relations in Australia as a whole were wrapped up in this system. This system had already become established, for better or for worse, as the most practical device for all parties, unions, employers and the Government. In any event, when the AEU returned to the Court, it was confident more than ever of its industrial and political power.

128 9 CAR 1263 at p. 1263.
Conclusion to Part Two

Until the 1920s, the Australian engineering industry mostly comprised jobbing and, therefore, the technical basis of tradesmen's industrial power remained solid. In the 1930s the industry developed into the manufacturing stage with the spread of the 'manufacturing' method of production, as it recovered from the Great Depression and continued to grow through the decade. Despite the significant development of the industry after the Great Depression and the adoption of the new production method, close inquiry into the production process revealed that the deskilling effect of the 'manufacturing' method was too limited to dispense with tradesmen and bring about serious changes to the existing industrial order.

Since the late 1920s, even before the Great Depression, the Australian engineering industry was already stagnant, suffering from severe import pressure. There was no chance of its development unless some measures were taken to raise its competitiveness. It was under these circumstances that Justice Beeby prescribed the Metal Trades Award in 1930, seeking to transplant into Australia the same production method adopted in rival countries. What the Judge aimed at and expected his Award to help realise was 'mass production', where the systematic use of automatic and semi-automatic machines would turn 'skilled men...[into] a small, highly paid minority controlling the work of an army of operatives from whose work skill...[would have been] eliminated'. Both of the two pillars of his reform plan, namely, reclassification and piecework, were designed for this purpose. The creation of the new classificatory category, 'process workers', was to provide the employers with cheap adult labour for monotonous operations. Piecework was to compensate, while increasing productivity, for their low weekly wage rates by payment by results.
The real course of events, however, did not proceed as the Judge anticipated. It was not the systematic introduction of automatic and semi-automatic machines that characterised the Australian 'manufacturing' method. Instead, it was characterised by the attachment of deskilling devices like jigs, fixtures, dies and stops to standard machines. The 'mass production' method would have brought about a drastic reduction in the unit production cost, taking advantage of economies of scale and replacing, with its thorough deskilling effect, a large proportion of tradesmen with 'process workers'. The applicability of 'mass production', however, depended on the existence of a large market for the same product, that was what the Australian manufacturers lacked. Circumscribed by the small, fragmented structure of the market, it was more practical for the Australian manufacturers to opt for the attachment of deskilling device to standard machines than for the installation of automatic, single-purpose machines. Thanks to the 'manufacturing' method, the employers were able to maintain flexibility in production. However, production remained labour-intensive and tradesmen-dependent.

The 'manufacturing' method did have a deskilling effect, at least to a certain extent, on core engineering operations. Once jigs, fixtures and stops were attached to standard machines like the drilling and milling machines and the lathes, the operation of these machines no longer required the skill of tradesmen. The spread of the turret lathes was especially threatening to turners' job territory. As to fitters, part of traditional 'fitting' was becoming mere 'assembling' of ready-made components, as the standardisation of products developed.

Despite the intensified challenge to the technical ground of fitters and turners, the deskilling effect of the 'manufacturing' method did not go so far as to dispense with these tradesmen. Even if the actual operation of machines with deskilling devices could be left to non-skilled workers, the production of a wide variety of articles entailed frequent changes in the setting up of machines, which had to be done by skilled tradesmen. In addition, whereas relatively simple machine operations like drilling was thoroughly deskillied by jigs and fixtures and could be totally entrusted to the non-skilled, most
of the operations on 'first class' standard machines, including turning on the lathes, necessitated finishing work by tradesmen to attain the required accuracy. This was despite deskilling devices which allowed the non-skilled to rough down. Moreover, the spread of the 'manufacturing' method also developed such highly skilled jobs like toolmaking and marking off, both crucial for the production of standardised components. Only experienced tradesmen were able to perform such jobs. In all, the demand for competent tradesmen did not diminish, in spite of the spread of 'manufacturing'. On the contrary, as the business recovered from the Depression and continued to grow in the latter half of the decade, the industry became plagued by the want of tradesmen.

As a whole, production still depended on the 'experience, dexterity and judgement' of tradesmen. In addition to having the manual and mechanical dexterity to perform a wide range of intricate operations, a tradesman was required to have such abilities as to read drawings, make precision measurements and work on his own judgement with minimum consultation with foremen. Thanks to these abilities on the part of workers, the management was able to save managerial costs arising from the complexity of the small scale production of various articles and secure quality control of finished products. It should be noted that it was this resort to these abilities of workers in production that kept apprenticeship training indispensable. The traditional industrial order maintained its validity at the site of production and tradesmen continued to dominate on the shopfloor both technically and numerically.

In evaluating the effects of the Court's decisions in the 1930s, the dual character of Beeby's judgements should be taken into account. The Judge took radical measures, regardless of craft regulation, to make cheap labour, be it adult or junior, available for deskilled, repetitive operations. On the other hand, as to tradesman engineers performing traditional skilled operations like fitting and turning, he kept his high regard for them and had no intention of lowering their working conditions. In practice, the radical side of Beeby's decisions, which was applicable only to where operations were made repetitive, had little effect, because of the limited deskilling effects of the adopted 'manufacturing' method. 'Process workers'
did not become numerically influential and 'piecework' did not spread widely. The most significant change prompted by the Award was the introduction of unapprenticed juniors into the industry, although they did not seriously threaten the industrial position of tradesmen and apprentices.

In any event, while the subversive potential the Court's judgements had on the traditional industrial order did not substantially materialise, the Awards in the 1930s as a whole served, as they had done in the previous period, to safeguard and improve the working conditions of tradesmen, on whom the actual running of production continued to rest. This aspect in the Court's decisions became salient especially after the mid 1930s, as the industry continued to grow and tradesmen were in short supply. Beeby stopped pressing piecework and gave generous margin increases to tradesmen ahead of the non-skilled. Had 'mass production' with its thorough deskilling effect spread in the Australian engineering industry as Beeby expected, the legal framework he provided would have brought about drastic changes to the traditional industrial order. However, the Judge's blueprint lacked an actual technical basis in the production process. In terms of real effects, his Awards preserved rather than undermined the conventional tradesmen-apprentices system.

Due fundamentally to the limited deskilling effect of the 'manufacturing' method, the AEU retained its industrial strength through the economic turbulence of the 1930s. The introduction of the new production method, combined with the radical provisions in the Award, did upgrade the management's challenge to the industrial footing of the Union. In fact, issues like deployment added to its significance in this period as a major cause of industrial contention on the shopfloor. The basically labour-intensive nature of the 'manufacturing' method all the more intensified the employers' thrust for classificatory deskilling to reduce production costs. In addition, the Arbitration Court was now backing this attempt by legally guaranteeing cheap labour like 'process workers' and unapprenticed juniors. Under these circumstances, the shopfloor contention over deployment was a real test of the Union's sheer industrial power.
On operations where technical deskilling was thorough and complete, classificatory deskilling proceeded smoothly without serious resistance by the Union. In fact, operations like drilling were assigned even to juniors. However, where technical deskilling was incomplete, the management had difficulty in enforcing classificatory deskilling. In the case of turning on the turret lathes, for instance, only the roughing down could be entrusted to the non-skilled technically, while the machines had to be set up and the job had to be finished by tradesman turners. Insofar as the management could not get rid of this dependence on tradesmen, it was not necessarily possible for the management to actually deploy non-skilled workers on the machines against the determined opposition of the Union, which would not allow any encroachment on a tradesmen's sanctum like the lathes. Moreover, if the setting of the machine had to be changed frequently, it was rather impractical for the management to establish the division of labour between the setting up and the actual operation of the machine, so the whole process was better left to the same tradesman. In any case, the Union was generally able to check the management's right of deployment, when the core area of the traditional craft territory was at stake. Moreover, the Union's opposition to piecework and the time-card system was also generally successful, despite the upgraded efforts by the employers. After all, the erosion of the technical ground of the craft Union was not thorough enough for the employers to overcome its resistance to any challenge to the essentials of craft regulation.

With its industrial ground being never seriously undermined, the AEU continued to adopt the same traditional strategies and ideology, consolidating its reformist methods. Labourism remained the Union's official policy, although its advantages and disadvantages were revealed in the course of the economic turbulence through the decade. During the Great Depression, workers' discontent with the political wing of labour mounted, because the Scullin Labor Government did not implement the expected strong interventionist policies. Even usually conservative AEU members felt keenly the contradictions of a capitalist society and the need to change it. On the other hand, the Arbitration system served as a protector for trade union members in the
Depression period. At the trough of the Great Depression, union activities almost came to a halt and irregular work practices prevailed. Even under such circumstances, however, the industrial order was not in complete turmoil. At least, serious breaches of awards were rectified by the Court. Therefore, the AEU was able to maintain the basics of craft regulation consolidated in the Award. However, as the industry recovered and continued to grow and, accordingly, the balance of power between capital and labour oscillated towards the latter's favour in the latter half of the decade, the Union began to regard the Arbitration system as shackling its progress. Despite the successive increases of tradesmen's margins by the Court, over-Award rates prevailed, and the situation was created where skilled engineers could get better by direct action than through the Arbitration system. It was under such circumstances that industrial disputes were invigorated later in the decade, culminating to the de-registration of the AEU from the Arbitration Court.

Thus, the efficacy and validity of labourism were tested during the decade. After all, the Union did not abandon this basic principle. Eventually, the disappointment in the Labor Government during the Great Depression led the Union to place increased pressure on the ALP, rather than to the adoption of more radical measures. As a matter of fact, the AEU never associated itself with communism or any radical, social and industrial movements. The de-registration from the Court was not a planned manoeuvre but an uncontrollable result of the volatile sentiment of the rank and file members involved in a vehement dispute. The AEU executives reckoned that it would be more advantageous for the Union to be within the system, and both the Court and the Government wanted it to return, as it did in a short while. The AEU was too integrated with the system to be separated from it. It was not only that the AEU saw that the Arbitration system promised more advantages than disadvantages, but also that the system itself could not function without such a powerful Union in the industry.

It should be noted that the role the AEU expected of the ACTU also related to labourism. In the 1930s, the ACTU established itself as a powerful pressure group on both the Government and the Court.
During the Depression, it criticised the Scullin Government's policies, proposing its own remedies and, in the unions' campaign for the full restoration of the reduced Basic Wage, it was the driving force. This pragmatic function of the ACTU was in line with the strategies of labourism adopted by the AEU. It was not the role of the sovereign director of the whole working class but such a practical function that the AEU wanted the ACTU to assume.

That the AEU remained the most powerful craft union in the industry contributed to the improvement of the working conditions of all workers in the industry. On the other hand, however, the same fact blocked the formation of a solid united front among the metal unions. Demarcation disputes between the AEU and other craft and non-craft unions remained chronic. Especially, technological development intensified the challenge from unskilled and industrial unions like the FIA and the Coachmakers', although the AEU's industrial footing remained sufficiently solid to fend off the challenges from any unions. Since the mid 1930s, the different priorities in the labour movement also became manifest. Relatively well-paid AEU members became more concerned about social welfare issues, like shorter hours and sick and annual leaves, while wages were still the most important issue for the less privileged.

Despite the economic and technological changes during the 1930s, the AEU found the traditional way still valid and effective, and strengthened its reformist policy. Tradesman engineers shared the sense of belonging to the same class with all the other workers. However, their craft consciousness, based on their pride in their skill, persisted and outweighed their class consciousness.

As will be shown in Part Three, the Australian engineering industry developed further in the special procurement boom during World War II, while the State directly intervened with various aspects of social activities and restricted the rights and vested interests of workers for War purposes. How these extraordinary circumstances affected the established industrial relations will be examined in the following chapters.