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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Conclusion

This thesis has examined industrial relations in the Australian engineering industry between 1920 and 1945. In the course of the investigation, the study has corroborated the theoretical postulates set out in the Introduction. Although various factors contributed to the formation of industrial relations, the decisive element in shaping industrial relations was the power struggle between the employers and the employed on the shopfloor. Among various factors which shaped industrial relations, this study focused on the legal framework, production methods and union activities, carefully examining the interrelationship between them. What was made clear, first of all, was that industrial laws were not the determining factor of actual work practices and working conditions. Basically, the legal framework followed and confirmed existing practices and conditions and not the reverse. Even if legal decisions were made in an attempt to change prevailing work practices, they did not take effect, as was the case with Beeby's Metal Trades Award, unless they had an actual basis in the production process.

Based on the understanding that the shape of industrial relations hinged, ultimately, on the outcome of industrial struggle on the shopfloor, the study looked into the source of industrial power. The industrial power of the employers derived from the fact that they bought, and therefore, owned the means of production. According to the laws of private ownership, they had the right to dispose of whatever they owned, including the labour power they purchased. Thus, they held the right to manage: they planned, organised and ran production, directing and supervising the employees. On the other hand, the employees resisted their attempts to manage, mobilising and organising their industrial power in the most effective way. Their bargaining power derived from their abilities to contribute to production, on which their employers depended.

In the case of skilled engineers in Australia, they had an effective way to capitalise on their highly valuable craft-type skill. They
inherited the wisdom of craft unionism from Britain and elaborated it in the special economic and social milieu of Australia. The kernel of their industrial strategy was to impose craft regulation on the industry. The AEU forced the management to entrust skilled operations to legitimate tradesmen who had served an apprenticeship. By so doing, tradesman engineers protected their job territory, while maintaining their rarity value by restricting the supply of skilled labour through the apprenticeship system. Because the Australian engineering industry was limited in its scope for introducing the latest production methods adopted in more advanced economies,—being fundamentally circumscribed by the small and fragmented nature of the market—the management's dependence on the skill of tradesmen remained heavy. Thus, the traditional strategy of imposing craft regulation maintained its applicability and efficacy in Australia, at least during the period of this study.

Not only did the economic and technological backwardness of Australia help craft unionism persist. Political and institutional factors specific to Australia also helped consolidate its persistence. Unlike in Britain, a compulsory Arbitration system existed in Australia. Moreover, the Australian Labor Party was powerful enough to take office for substantial periods at both the State and the national level. The AEU made the most use of these judicial and political institutions to protect its interests and pursue its objectives. The Arbitration Court in particular functioned favourably for the Union's purpose of preserving craft regulation, because award provisions provided them with legal backing. So long as tradesmen's dominance in the production process was sustained, the Union could expect that the Arbitration system would serve for the confirmation of the conventional industrial order and the improvement of its members' working conditions. Labourism was in line with craft unionism. It was the policy to reinforce and supplement the traditional industrial strategy by political and legal measures.

It should be noted that the model of industrial struggle employed in this thesis contrasts to orthodox Marxism, in which deprived 'proletariat' were subjugated to omnipotent capitalists. Unlike the
Marxist 'proletariat' who possessed nothing but labour power and were, therefore, at the disposal of capitalists, these workers possessed a valuable asset; their skill, the technical advantage on which they bargained with their employers. Through the experience of industrial struggle, they established and elaborated specific strategies to utilise, in the most effective way, their technical advantage for industrial purposes. On the other hand, the employers were not like the capitalists Marxist orthodoxy suggested. Even though they owned the means of production, it did not necessarily mean that they held complete control over the production process. As shown in this study, tradesman engineers in Australia had the ability to read blueprints and executed their jobs on their own initiative under minimum control by foremen. In order to produce a wide variety of articles, the employers had to have recourse to the personal abilities of skilled engineers. So long as the employers entrusted the smooth and efficient running of production to those with such abilities, their power to manage on the shopfloor was qualified by employees' craft regulation. One of the objects of this study was to demonstrate that, in industrial struggle, workers capitalised on their industrial advantage and resisted the control of capital, apprehending and assessing this resistance positively in its concrete historical form.

In any event, the basis of workers' industrial power resided in their technical advantage over their employers. Therefore, in order for the employers to hold control over production and take industrial affairs under their sway, the first thing they had to do was to undermine the value of the skill of their employees. This study examined the relationship between technological development and the process of deskilling. The inquiry into the case of the Australian engineering industry qualified the commonly held, simple presupposition that ever-developing technology kept deskilling the production process, prompting the replacement of skilled workers. In reality, the process was not so straightforward. Between 1920 and 1945, the Australian engineering industry made significant progress from the jobbing to the manufacturing stage, with mechanisation developing considerably and the new 'manufacturing' method of production being introduced.
Nevertheless, production remained dependent on tradesmen and they could not be easily substituted throughout the entire period.

The investigation indicated that mechanisation and technological innovations did not necessarily entail a substantial deskilling effect. First of all, machine operation was not necessarily simple. Even if the operation of machines was simplified either by the development of the machines themselves or by the attachment of deskilling devices attempted by the 'manufacturing' method, the setting up of machines continued to require skill and, in many cases, the finishing up still had to be left to tradesmen. In addition, because machine work did not necessarily attain the required accuracy, manual fitting by skilled hands could not be eliminated. The use of new materials and the improvement of productivity were not necessarily linked with deskilling. For instance, during the War, harder steel became available and that allowed the machine operation to speed up, thereby raising productivity. The deskilling effect of this, however, was limited, because enhanced productivity made the changes in the setting of machines more frequent and the increased speed caused distortion in the products. Moreover, the adoption of a new production method sometimes necessitated new skills. Although the 'manufacturing' method of production eliminated skill from those who used deskilling devices like jigs, fixtures and dies, the making of these devices further created highly skilled operations like 'toolmaking' and 'marking-off'. Thus, the mechanical and technological development of an industry did not necessarily entail deskilling effects to the corresponding degree. The correlation between them was not a direct or straightforward one.

In addition, there were various factors which contributed to curb the process of deskilling and the replacement of skilled workers. Generally speaking, in any industry, there were some operations which could be easily simplified by technological innovations and there were others which could not. In the case of the engineering industry, while relatively easy operations like drilling were thoroughly deskilled, it was technically difficult to simplify and standardise such complex and subtle operations like fitting and turning. To make the matter more complicated, the process of
deskilling was not determined solely by technical factors. Even if a new technology was invented which would thoroughly simplify the operation and dispense with skilled workers, the actual adaptability of such technology was circumscribed by economic conditions in which the industry was placed. As shown, the 'mass production' method, which was characterised by the systematic use of automatic, single-purpose machines, was not adaptable in the Australian engineering industry, due to the limited size and the fragmented structure of the market it had to cater for. Under such economic conditions, it was a more practical managerial choice for the Australian employers to stick to conventional standard machines, which needed skilled hands to operate but allowed flexibility in production. The process of deskilling was also affected by industrial factors. Even if skilled operations were simplified technically, the management still had to overcome skilled workers' resistance in order to replace them. As demonstrated with the case of the AEU, unless the need for skilled hands was thoroughly eliminated from the operation, it was not always possible for the management to substitute non-skilled workers, because the protection of the traditional job territory constituted the kernel of craft unionism. In any event, technical deskilling did not directly lead to classificatory deskilling.

It was the complex combination of these technical, economic and industrial factors that regulated the process of deskilling and the replacement of skilled workers. In the case of the engineering industry in Australia, the skill of tradesmen remained indispensable and the demand for them did not diminish, as a result of the combined effects of these factors. Because of this, as mentioned, the AEU continued to adopt the same strategies and policies, which remained effective, and its members maintained their strong craft consciousness. The Australian engineering industry was equipped with ideal technical, economic and industrial conditions for craft unionism to persist.

Finally, the homogeneous, monolithic notion of 'class' was also called into question in this study. Contrary to the assumption of orthodox Marxism, the nature of 'class' identified by this investigation was more heterogeneous and not necessarily cohesive. As to the
employers' class in Australia, the interests of employers in strong, export-oriented primary industries and those of employers in infant, fragile secondary industries susceptible to import pressure were often contradictory, tariffs being a divisive issue among them. Even within the same industry, employers' interests did not necessarily converge, because they were competing with each other under conditions specific to each company: sizes of companies, equipment they had, their financial state, etc. were all different. In the engineering industry, aggressive, hard-line industrial policies advocated by relatively advanced manufacturers, who played leading roles in the MTEA, were not necessarily adaptable to all employers. The MTEA itself was not a sovereign body which directed class action based on the solidarity of employers. It was rather such practical and *ad hoc* matters as the tariff issue and Arbitration affairs than supposed class cohesion that united the employers and gave employers' organisations like the MTEA its *raison d'être*. The employers were not necessarily almighty capitalists who held complete control over production, nor were they necessarily cohesive as a monolithic class.

The study also revised another assumption of Marxist orthodoxy that the State and State apparatus were the tools of the ruling class used for the suppression of the subordinate class. As demonstrated in the case of skilled engineers, the Arbitration system generally served favourably for the purpose of preserving craft regulation and improving their working conditions, because economic, technological and industrial conditions of the industry allowed the Union to take advantage of the system for strategic purposes. Although there should be no simple generalisation about the roles of State institutions, at least they were not an apparatus which the ruling employers' class could use for its own purposes at will. They could even function to serve workers' advantages in certain circumstances.

The working class was not monolithic and cohesive, either. As demonstrated in the case of the metal industries, different classes of workers had different interests even within the same industry, because they were under different industrial conditions. More fundamentally, the nature and value of their skills were different,
and the deskilling process did not proceed evenly in all operations. As a corollary, industrial strategies best suited for the particular situation of each union were not necessarily the same. Therefore, the priorities in the labour movement did not necessarily converge, and political stances and ideologies of unions remained diverse.

The roles of labour institutions also have to be understood in this respect. The ACTU did not become a sovereign commander of the working class, because constituent unions did not relinquish their authority and independence. In other words, unions' interests and strategies were sufficiently diverse that a single, directorial body of united class action was rather impractical. Of course, unions shared common interests and pursued common objectives in unity. To deal with such common issues, inter-union institutions like the ACTU were of strategic use to constituent unions. This was why the major role of the ACTU was to function as a pressure group on the Government and the Arbitration Court about such common matters as shorter hours and the Basic Wage.

All workers, including skilled engineers, were aware of the structural inequity inherent in the capitalist economy and the fundamental incompatibility of interests between capital and labour. They knew that they stood on common ground and shared a consciousness of belonging to the same subordinate class. Nevertheless, the immediate economic and industrial situation each class of workers faced were different. Therefore, industrial battles were fought with different strategies and ideologies by different unions. As shown in this study, there was a confrontation between skilled and unskilled workers, that is, between the AEU and the FIA, within the engineering industry. Skilled tradesmen tended to be conservative and reformist, because of their relatively high industrial status and better working conditions, deriving from their high technical advantage. In contrast, unskilled labourers tended to be radical leftists, because of their more proletariat-like nature. It should be noted that the confrontation between the skilled and the unskilled corresponded to the divisions between craft unionism and industrial unionism and between labourism and communism. Thus, the two poles in Australian trade unionism derived from the heterogeneity of the working class and class struggle.
Marxist orthodoxy postulated a homogeneous working class; an exploited and impoverished 'proletariat'. Because of this common experience, they united as 'the working class' and aimed at overthrowing the capitalist system, which was deemed as the only way to defend themselves. What this view underestimated was the value of the skill that workers possessed. They were not completely deprived; the assets of their skill could be mobilised in the battle with their employers. The very fact that they had these assets hampered them from coalescing into a solid working class with the common goal of overthrowing the current economic system. Marxist orthodoxy predicted that technological developments would eliminate skill from all operations and all workers would be turned into 'proletariat'. The real course of history was not so straightforward, and thus, heterogeneity of the working class and the various forms of the class struggle persisted.