A history of the relationship between the Queensland branch of the Australian Workers’ Union (AWU) and the labour movement in Queensland from 1913-1957

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NOTE

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Chapter 4


'... the Government has deliberately forfeited its right to represent the working class movement. That is our opinion.' The Worker, 1927.

With T J Ryan's departure to federal politics the way was now clear for the AWU to impose upon the Queensland labour movement and the PLP the AWU's social, political and industrial ideology even more than before. Ryan possessed the political and personal attributes to appease most sides of the labour movement. His immediate
successors, particularly the AWU's Ted Theodore and 'Big Bill' McCormack, were uncompromising in their demands for loyalty and ruthless in their pursuit of perceived dissenters from the AWU/PLP line. With a seemingly impotent Opposition, the challenges that would arise for the ruling AWU clique would necessarily emanate from within the labour movement itself and the boardrooms of capitalist organisations which had become alarmed by the ineptitude of their representatives in the Houses of Parliament. How did the AWU counter these challenges to their growing supremacy and what would be the ramifications of these tactics as the world unwittingly headed towards economic paralysis?

As the Queensland AWU entered the new decade it could be pleased with its achievements. Within two years of the amalgamation the Labor Party was elected to office with an AWU man as Premier. Before the decade was over a more equitable arbitration system had been established, other Labor policies such as improved workers compensation, accommodation acts, state enterprises and a state insurance scheme had been enacted. Furthermore, the Labor Party had overseen Queensland's response to the Great War and had achieved the necessary unity to combat the two conscription referenda whilst ensuring their re-election in 1918. For the AWU their dominance within the labour movement was ensured at the 1916 Labor-in-Politics Convention and by 1920 their membership totalled 36,000 making it the largest single branch in the largest union in the nation and easily the largest union in Queensland. Its coverage had grown to include not only the traditional pastoral, mining and sugar workers but also a varied collection of workers from bakers and bricklayers to textile workers and hotel.

1 Australian Workers' Union (Queensland Branch) Seventh Annual Delegates Meeting. Official Report. (Hereafter Seventh Annual Delegates Meeting), NBAC, AWU Deposit, M50.
club and cafe employees. Within these occupations it can also be seen that this traditionally most masculine of Australian unions was actively encouraging the recruitment of female workers with approximately one thousand female members in 1920. Not surprisingly then the Labor Party that governed Queensland in 1920 was led by former AWU President, prime advocate of the 1913 amalgamation and arguably the most respected man in the Queensland labour movement, Ted Theodore. He, in turn, was assisted by his deputy, Fihelly and Bill McCormack (both AWU members and the latter as significant as Theodore in the Queensland labour movement and the formation of the modern AWU).

However these achievements were under threat. The Queensland labour movement (and society in general) had barely recovered from the animosities and distrust that had been engendered by the War when they were subjected to serious economic upheavals in the immediate post-War years. The metal prices which were buoyed by the demands of the war plummetted and many mines in the North either seriously reduced operations or ceased production completely. Similarly, wool and beef prices suffered in the wake of the post-War commodities slump. In the pastoral districts the years 1919 and 1920 were also characterised by drought adding to the misery of farmers, big and small alike, and those they employed. In a state with a disproportionate reliance upon its primary industries the results were price rises, wage stagnation and unemployment. The latter was exacerbated by the return of servicemen and the accompanying 'duty' to accommodate them in the workforce as dictated by both official policy and moral suasion.

Against this background of depression was dissatisfaction, not only at Hughes'
Nationalist government but also the Labor politicians and those of the moderate trade unions of which the AWU had become the archetype with its abhorrence of direct industrial action and seemingly slavish devotion to arbitration and the existing parliamentary system. Inspired, in part, by the success and doctrine of the Bolsheviks as well as the ideas and organisational leadership of the now prohibited IWW, many within the labour movement sought a revision of the political system through the One Big Union (OBU).

In August 1918 the New South Wales Trades and Labour Council (TLC), on the instigation of the Miners’, convened a conference of all of that state’s unions to initiate the OBU. Despite the objections of the local AWU delegates in attendance, the conference announced the formation of the Workers’ Industrial Union of Australia (WIUA). The Preamble owed much to the IWW, with the union to be organised into six departments and within these into industry-based divisions. The Preamble announced the WIUA’s intention to ‘secure a complete change, namely, the abolition of capitalist class ownership of the means of production - whether privately owned or through the State - and the establishment in its place of social ownership by the whole community’.2 By the end of the year the Queensland TLC had given its support to the WIUA and in January of the following year an inter-state conference was convened that formally ratified the Preamble and the formation of the WIUA as a national body. The notable absentee from this conference was the AWU.

The AWU feared not only the revolutionary rhetoric of the WIUA but also the threat it posed to Labor electorally and to the AWU’s position as the nation’s most

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powerful trade union with railway unions, meatworkers, wharfies and miners' all seemingly aligning themselves with the new union. Although some hoped for a means of bringing both the AWU and the WIUA together, including the *Australian Worker* 's Henry Boote and Queenslander Ernie Lane, there was little chance that either the Executives of the AWU or WIUA were willing to compromise enough. The AWU's distrust appeared to be justified when in January 1919 'Jock' Garden both New South Wales TLC and WIUA secretary claimed that the WIUA would 'white ant' the AWU. The statement was tantamount to a declaration of war against the AWU and brought the normally affable general secretary, Ted Grayndler out into the fray to publicly defend his union whilst condemning the WIUA. He was careful, however, to give qualified support to the principle of the OBU on the basis that it adhered to the current system of parliament and arbitration. Whilst politically clumsy and indicative of Garden's brawling nature, he had unwittingly alluded to the great conundrum of the OBU's aspiration in Australia: there could be no OBU without the support of the AWU.

In Queensland, Riordan had strongly supported Grayndler's views. The labour movement was too fragmented for an industrial structure so rigidly defined by industrial groupings. What Riordan also identified was that such a rigidly defined structure failed to recognise the inter-occupational mobility of many of Australia's workers outside of the metropolitan areas. This, of course, was a situation the AWU was only too familiar with. Apart from some dissident elements in the North and in the

Central West, the AWU in Queensland had other reasons to feel confident in the face of

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4 Simpson, J., "'Radicals' and 'Realists': The Australian Workers' Union Response to the One Big Union Challenge" in *Traditions for Reform in New South Wales: Labour History Essays*. Leichhardt, 1987, p. 44.
this new challenge. In contrast to the WIUA’s call for the dismantling of the political and industrial system, the AWU could counter that it was exactly these instrumentalities, under the auspices of an elected Labor government, that had delivered the workers of Queensland into a position of stability and even power, hitherto unimagined less than a decade before. The AWU rank-and-file in Queensland need only look to 1919 when pastoral workers were able to achieve a pay increase and shorter hours, through a Labor-established Industrial Court, that their counterparts in the rest of the nation could not attain either federally or at the state level to appreciate this point.5

There was further concern for the AWU however in September 1920 when five state-based railway unions including the QRU federated to form the Australian Railways Union (ARU) in its attempt to form one union for all transport workers. The newly acquired strength of the ARU posed an obvious threat to the AWU in Queensland. But there was cause for reassurance in the fact that despite Rymer’s claim that ‘all transport should be in the one organisation’, the moderate railway unions, FEDFA and the Australian Federated Union of Locomotive Enginemen (AFULE), would not support the radical objectives of the ARU.6

Further solace could be taken from the fact that, although many grand statements of support emanated from the TLC’s and affiliated unions, many were as yet unwilling to subordinate the control of their unions to the fledgling WIUA, including the newly-

5 1919 Queensland Pastoral Industry Award, *Queensland Industrial Gazette*. The only area where the Union failed in this claim was in its bid to have Aborigines included in the award. Whilst there were some members truly appalled by the injustice of Aboriginal pay rates, the claim must be seen more as an attempt by the union to protect its members from cheap competition in the labour market than a gesture of solidarity.

formed ARU. Such a lack of faith added weight to claims in the Worker that 'The AWU is alone the best, biggest and most unselfish industrial organisation in Australia ... The AWU consistently has demonstrated its fitness to extend, its fitness to survive, its fitness to be the OBU.'\textsuperscript{7} Qualified support from the AWU's rank-and-file was also received in late 1920 when a national plebisite supported the arbitration system by a sixty per cent majority. The Queensland branch recorded the highest vote in support of arbitration. But there was still cause for concern with the plebiscite attracting the AWU's notoriously low turn out rate of only twenty per cent and of this small percentage, a significant minority had voted against the \textit{status quo}.\textsuperscript{8}

There were more immediate political troubles for the Theodore government. As part of Labor's long-held policies towards redressing the imbalances between the smaller land-holders and the large pastoralists, Labor initiated the Land Act Amendment Act which would more than treble pastoral rents. Whilst superficially a steep increase, the act did no more than bring the rents for large pastoral leases up to the same rate as the small selectors (ie. from twelve shillings per square mile to fifty nine shillings). Not surprisingly the conservative Upper House rejected the bill. Ever the opportunist, Theodore took advantage of the Governor, Sir Mathew Nathan's absence by swamping the Legislative Council with Labor appointees. This was done with the aquiesence of Nathan's deputy, former Labor minister and Speaker of the Legislative Assembly William Lennon, who also appointed himself as President of the Legislative Council. The legislation was duly passed the next time it reached the Upper

\footnote{\textit{ibid.}, p. 20.}

\footnote{Simpson, J., \textit{op.cit.}, 1987, p. 46.}
Although it appeared that Labor had outmaneuvered their opponents, it was not long before the forces of capitalism in Queensland organised their plan for retaliation. Realising that now they could not depend on their political representatives in either House of the Queensland legislature to protect their interests, Queensland's capitalists found a means for redress far from the streets of Brisbane. As with other state governments in Australia, Queensland governments relied on British banks and finance companies for the additional loans needed to govern, and thus premiers were in the habit of traveling to Britain every two or three years in order to renegotiate the finance for their loans. However, when Theodore arrived in Britain in March 1920 he was unable to attain the much-needed loan of three million pounds from the British financiers. He was forced to negotiate a smaller loan at higher rates in the unfamiliar New York market.

The loans failure, however, could not properly be ascribed to any failings in Theodore's negotiating skills. Two days prior to Theodore's arrival in London a delegation of Queensland businessmen and pastoralists arrived, according to the Saturday Review, to 'queer the pitch' for Theodore and his Agent-General, former Labor minister, John Hunter. The delegation comprised of former premier and founder of Burns Philp, Sir Robert Philp, chairman of directors of the Bank of Queensland, member of the National Party executive and former Speaker, Sir Alfred S. Cowley and Brisbane businessman, John Walsh. The delegation had little trouble in convincing their

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10 For a detailed examination of the loans affair see Cochrane, T., Blockade. The Queensland loans affair, 1920 to 1924, St. Lucia, 1989.
associates in London that profits would be seriously decreased by the rent increase and that they should not assist the Labor premier in his efforts to ‘socialise’ grazing land by providing him with the funds to do so. Philp, however, denied any role in the loans failure, claiming that the failure was ‘due in a large measure to the dearness and scarcity of money at the time’. To the labour movement they were condemned as the ‘stinking fish’ delegation and provided a timely reminder to them that the struggle was far from over with capitalist elites still able to outmanouvre even the most powerful of Labor governments. The incident was as Glen Lewis concluded, ‘one of the most blatant instances of the blackmail of an Australian Labor government by financial interests’.  

The loans affair prevented Theodore from embarking upon his governments ambitious platform that included expanded state enterprises, welfare legislation and increased public works. These measures would not only have appeased the Left but also combated the pressing issue of unemployment that was now the highest in Australia at 21.8 per cent. Convinced that his government was the victim of a conservative plot, Theodore called a general election for 9 October, believing the electorate would see the justness of his cause. The 1920 state election was a disaster for the Labor Party only receiving 47.77 per cent of the vote compared with 53.68 per cent in 1918. However, the Party held on with a reduced majority from twenty-four at the previous election down to only four.

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The result could not only be attributed to the widespread dissatisfaction from within the labour movement but also to a concerted attempt at political organisation on the part of conservative rural groups such as the United Graziers’ Association (UGA). The UGA heavily funded the Primary Producers Union (PPU) - an amalgamation of large farmers, pastoralists and cane growers - which in turn helped to form the Country Party in late July 1920 under the leadership of the member for Dalby, J.W. Vowles.\textsuperscript{14} The anti-Labor alliance of the Country Party, Northern Country Party and the National Party would yield thirty four to Labor’s thirty eight with the new Country and Northern Country Parties accounting for twenty one seats (eighteen and three respectively). The new parties accounted for the loss to Labor of Burrum, Kennedy, Lockyer, Musgrave and Wide Bay. Apart from Lockyer in the Brisbane Valley which reverted to its traditional anti-Labor position and confirmed the difficulties Labor had in securing the small dairying communities, the other four seats were all sugar (or pastoral/mining in the case of Kennedy) electorates and all were seats where the AWU had considerable influence. Indeed as part of their election planning the QCE had identified Kennedy and Wide Bay as ‘Sure’ with the remaining three only classified as ‘Doubtful’.\textsuperscript{15}

The election results, the formation of the WIUA and the new threat in the form of the Communist Party of Australia (CPA) in October 1920 all provided causes for concern for those housed in the \textit{Worker} Building in Elizabeth Street. At the Annual Delegates Meeting at the beginning of 1920 the reports of the District Secretaries contained many references to disharmony within the districts, mainly attributed to

\textsuperscript{14} ibid, pp. 24-25.
\textsuperscript{15} QCE Minutes, 20 August 1920.
'certain individuals'. Thus Jack Dash could report from the Northern District that '... AWU officials came in for a good deal of abuse at the hands of these individuals' and Tom Quilty from the Far Northern District stated further:

During the year there have been many attacks made on the organisation and its officers and the Labor Government and Movement generally.... Those vicious attacks were continued throughout the year on every pretext, and certain individuals, whose only stock in trade seemed to be an unlimited supply of cheek and a few high flown phrases about solidarity, etc., were ever active in causing dissension and discord, sowing the seeds of distrust in the minds of members and openly advising them not to renew their tickets, decrying the union’s efforts for the betterment of its members, openly flouting the union’s constitution and policy as endorsed by an overwhelming majority of its members, and dragging its fair name in the gutter by their utter disregard of agreements made on their behalf.

In response to their own uncertainties as well as genuine commitment on the part of some AWU officials for the broad principles of the OBU, early 1921 saw rapprochement between the WIUA and the AWU on a national level. Ironically, whilst the AWU were beginning to feel threatened by the WIUA and the CPA both of these groups, to varying degrees realised the necessity of the AWU to their overall aims. Whilst the WIUA simply did not have the numbers to claim the title of OBU without the AWU giant, the CPA had other motives. The Third Communist International

16 Seventh Annual Delegates Meeting
17 Ibid.
(Comintern) was convened in Moscow in 1919 and had produced the *New Communist Manifesto*. Heavily influenced by Lenin, the decisions of the Third International reverted from its previous emphasis on revolution and encouraged the infiltration of organisations representing the proletariat and then guiding these mass organisations into conflict with the bourgeois state and the eventual establishment of a ‘dictatorship of the proletariat’. Amongst these organisations were obviously the trade unions and political parties. The new line was avowedly political by nature and thus the infiltration of the AWU and the Labor Party were essential for the implementation of this policy.

The results of these tensions and fears led to the formation in 1922 of the Australasian Workers’ Union (hereafter AWU/OBU). In essence this amalgamation of the WIUA and the AWU adopted in large parts the Preamble and organisational structure of the WIUA yet the AWU attained some important victories. With the Queenslanders at the lead the AWU was able to ensure that the new organisation committed itself to parliamentary means of achieving their goals, expressed faith in the system of arbitration and conciliation and that (despite the objections of many of the radicals) membership was based on traditional grounds of racial exclusion. Despite the overtly militant and radical nature of the AWU/OBU, the AWU had succeeded, against vigorous opposition, in securing the fundamentally reformist and racist policies of the AWU and the Australian Labor Party. The result was an AWU/OBU considerably more palatable to their conservative rank-and-file and the electorate as a whole.

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The confusion that existed within Australia’s post-war labour movement between ideology, tactics and goals reached full expression at the 1921 Inter-state Labour Conference held in Melbourne when that body adopted the ‘socialist objective’ for the Australian Labor Party. The objective called for, ‘The socialisation of industry, production, distribution and exchange’\(^{20}\). The conference represented all aspects of the Australian labour movement and witnessed some unusual alliances as AWU men such as Riordan and Lane supported the motion with the militants whilst many parliamentarians, fearful of the electoral damage the motion could inflict, opposed it. As such, the movement in Queensland were treated to the sight of Queensland AWU President, Riordan openly opposing the inaugural branch president and current premier, Ted Theodore. It seems that the new AWU leadership in Queensland were responding to the rumblings of discontent emanating from the districts either through political expediency or genuine empathy for the ‘Objective’. For moderate unions such as the AWU qualified support for the objective was acceptable if it served to galvanise the labour movement. Thus trade unionists, both conservative and militant, had orchestrated the defeat of the parliamentarians.

All was not lost for the parliamentarians. The decisions of the Melbourne conference were subject to ratification by the Commonwealth Conference of the Australian Labor Party in October of the same year in Brisbane. Riordan moved that the Melbourne decisions be carried, which it was nineteen to nine. The debate over the means of obtaining the objective was where the Theodore led parliamentarians were to snatch complete victory form the Left. It was decided that the objective not be placed

on the fighting platform and thus put to the electorate and that the methods used were ‘constitutional’.21 The politicians had succeeded in defusing the objective from a radical plan of action for immediate implementation to a vaguely defined principle that would provide a symbolic declaration for decades to come. Likewise the emphasis upon constitutional methods ensured that the movement’s commitment to political success would not diminish and as such the parliamentarians were once again placed in a position of power and influence.

Locally, the labour movement in Queensland was far from unified despite continued legislative reform by the Theodore Government. In March 1922 the now Labor dominated Legislative Council achieved a long held Labor goal of voting for its own dissolution. The ‘Suicide Club’ appointed for this very purpose included AWU President and secretary, Riordan and Dunstan and QCE president and secretary, Bill Demaine and Lewis McDonald also members of the AWU clique. By the end of 1922 the government responded to the post-war recession by introducing the Unemployed Workers’ Insurance Bill. Whilst modest in its scope it was the first such legislation in Australia. The Bill dubbed the ‘Loafers’ Paradise Bill’ by conservatives clearly reflected a bias towards rural workers, and as such members of the AWU, in that it provided sustenance payments for seasonal workers which experienced short periods of unemployment at various times of the year. The Labor Government continued its policy of agricultural development with the creation of the Wheat Board, the establishment of the Agricultural Bank and a series of legislation dealing with main roads, irrigation and

agricultural education.22

Nevertheless, the Theodore Government was embattled. The influenza epidemic and the defection of a Labor back-bencher to the Country Party reduced the Governments effective majority in the House to one (after the provision of the Speaker). The Opposition in a cynical abuse of an extraordinary situation refused to grant pairs and eventually Theodore insisted that a gravely ill Dave Gledson be stretchered in to prevent a no-confidence motion being carried by the Opposition. Theodore quickly used his numbers to allow for proxy voting - much to the amazement and chagrin of the Opposition. With the government with such a precarious majority the Labor Party also had to endure the Brennan bribery case whereby it had been alleged (and eventually proven in court) that a Labor back-bencher, Frank Brennan, had been offered £3 500 by two journalists to cross the floor in the no-confidence motion. He refused and told Theodore who promptly announced that he had been approached to lead a new party on the proviso that he repealed the legislation regarding pastoral rents. The revelations were a scandal and helped sway public opinion away from the Opposition.23

The most significant pressures placed upon the Theodore government however, came from within the labour movement itself and indeed found its most vigorous advocates on the QCE in the ARU’s George Rymer and Tim Moroney. Amongst their greatest concerns were the Industrial Court’s decision in February 1922 to reduce the basic wage by five shillings to £4. Added to this was the Railway Departments decision

to retrench workers. These issues aroused much opposition from the public service and indeed much of the labour movement. The parliamentarians, most notably Theodore and McCormack defended the decisions of both the Court and the Railways Department claiming that to do otherwise would have been fiscally irresponsible in the face of the economic downturn. The AWU for its part was left in no position other than to support the politicians and arbitration system they were largely responsible for creating. The situation was one that would beleaguer the AWU for decades - supporting the political and industrial infrastructures of the State at the expense of the wishes of the rank-and-file.

The minutes of the QCE show that the meetings became a battleground between the power of Theodore and McCormack and the militant viewpoints of the officials of the ARU, AMIEU and the WWF (Waterside Workers Federation). The QCE president Billy Demaine, vice-president Bill Dunstan and the other AWU members of the QCE often found themselves in the middle of the two, finding some justification in the claims of the militants but when the crunch came they always provided the PLP with the numbers it needed to avoid censure. The divisions which existed between the PLP and the militant trade unions in Queensland, especially the ambitious ARU were becoming obvious. Although many began to doubt Theodore’s commitment to the labour movement, these clashes with Rymer in particular, evoked the passions and raw brutality of a young union organiser of more than a decade before with historian Kett Kennedy stating that ‘at least one meeting was broken up with Theodore threatening to

\[\text{24 See for example, QCE Minutes, 18 August, 1922.}\]
bash Rymer with a chair.  

The 1923 Labor-in-Politics Convention witnessed the unleashing of the tensions that had built up within the labour movement with Rymer and Moroney leading the assaults on the PLP and Theodore in particular with one motion by the ARU attempting to prevent any parliamentarian from being on the QCE unless they were one of the two *ex officio* parliamentary representatives. The premier gladly accepted the challenge and condemned those who would threaten all that the movement had achieved. Significantly, the AWU hierarchy were considerably more willing to support their premier. With the election looming the AWU were not about to risk the fracturing of the movement and the loss of government by letting the censure motions of the militants pass without rebuttal - the time for equivocation had passed and the AWU were forced to meet the challenge of a dissident section of the movement and protect their political allies. Pre-eminent amongst those AWU men was the secretary for Public Works, William Forgan-Smith. A Presbyterian- Scot, he had migrated to Mackay in 1912 quickly establishing himself as president of the local AWU branch, by 1915 he was the local MLA. Forgan-Smith railed against the ‘misguided’ militants, emboldening the AWU and other moderate delegates who rallied to Theodore’s side in order to present a united front to the movement and perhaps more importantly the electorate. The performance of Forgan-Smith on this occasion provided not only a stark reminder to many delegates at the convention as to what loyalty meant in the Labor tradition but also gave an indication to the calculated iron-will that would characterise


26 *Official Minutes of the Labour-in-Politics Convention 1923.*
his future political career.

Again the AWU used the convention to ensure that it would dominate that body and the QCE by amending the rules for representation on both. For representation on the QCE, unions with 15 000 members and over were entitled to four delegates whilst those with 20 000 or more were allowed five. In regards to numbers of convention delegates the rules were amended as follows: 'Unions having 1 000 members and less than 3 000, one delegate; unions having more than 3 000 members will be entitled to one delegate for every 3 000 members; but no union will be entitled to more than eight delegates.' Whilst apparently a magnanimous gesture on the part of the giant union in at least limiting representation on both bodies, the reality was that none but the ARU could hope to approach the 15 000 member figure and as such the AWU effectively ensured that they had at least double the representation of almost any other union in Queensland.

The AWU further emphasised its commitment to the PLP by once again contributing the largest single donation to the campaign fund of £1 000. As well the AWU played a significant role in the running of the campaign with W.J.Riordan as Campaign Director and F.W.Martyn, Southern District Secretary for the AWU as his assistant. With this superior organising capacity, the damage done by the Brennan case and once again the general disarray of the Opposition (with Nationalists now the United Party and no strong coalition existing with the Country Party), Labor was able to be returned to office with a substantially increased majority of thirteen. The Labor

27 Ibid.
28 Ibid.
29 QCE Minutes, 23 March 1923.
Party were also assisted by a well considered re-distribution of the electoral boundaries in 1922. An example of this was the seats of Port Curtis and Musgrave both sugar regions on the Central coast of Queensland. Port Curtis with the port town of Gladstone and commensurate union activity had consistently returned Labor candidates. Musgrave with its collection of sugar farmers had been Conservative until the Ryan push for sugar votes in 1915. Both electorates returned Conservative members in 1920 by the narrowest of margins with Independent candidates serving to split the Labor vote in both. In the redistribution the two seats were combined to form the seat of Port Curtis and promptly returned the Labor candidate and AWU nominee, George Carter, by a comfortable margin.

The Parliamentary Labor Party that occupied the Treasury benches in 1923 were noticeably different from those which had gone before it. Although they would not admit it publicly, the post-war turmoil in the labour movement, economic instability and the concerted reaction of the capitalists evidenced by the Loans Affair had rocked the confidence of the PLP and with it their willingness to engage in radical reform. Despite the symbolic and rhetorical utility of the 'Socialist Objective' the PLP (and especially the Cabinet) showed little if any interest in the pursuit of its aims. In fact quite the contrary. With the state struggling under a lack of finance the state enterprises established by Ryan and Theodore far from being expanded as foreshadowed in 1920 all but ceased operation. Increasingly being characterised by inefficient management and corruption it was not difficult for Theodore to argue the economic expediency of winding down many of these operations. There was a noticeable shift in the PLP leadership to a more moderate legislative stance. This shift was made easier by the
decision of Fihelly to accept the Agent-Generalship in London in 1922. Fihelly was the only man in the PLP who could challenge Theodore but now with his absence the only voices of opposition from within the PLP came from old radicals such as Joe Collings, Charlie Collins and Miles Ferricks, none of whom could hope to attain the numbers needed to topple Theodore. Thus Theodore was shielded from censure by a wall of AWU caucus members which included McCormack, Forgan-Smith, Stopford, Mossy Hynes and Frank Bulcock.

Significantly the change was being noticed by those in the Opposition and the conservative press. Thus the electorate was able to witness an extraordinary observation from the United member for Oxley, A.C. Elphinstone during a debate on cotton ratooning:

Here we have a government ostensibly committed to socialism that is bringing forward a measure of restriction at the direction of proprietary interests, at the direction of capital, of individualism ... They seem to be casting off the shackles of socialism and becoming an individualistic government, and candidly I must admit that it is very difficult to know just where they stand in these days.30

To which Theodore responded, ‘Do you admire us as we are or as we were?’31

No longer ‘Red Ted’ Theodore the PLP was now led by ‘E.G. Theodore’. The remarks of Elphinstone and indeed Theodore’s own indication that the PLP had

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30 OPD, vol. 142, 16 October 1923, p. 1669.
31 Ibid.
changed marked a distinct shift from, as Murphy defined it, T.J.Ryan's 'radical liberalism' to a moderate, even conservative party committed to civil and industrial order, economic development and fiscal responsibility at the expense of those elements within the labour movement who sought a considerably more radical reformation of the capitalist system as it operated in Queensland if not its complete overthrow. Once more the labour movement was left to ponder at the sight of Theodore being farewelled by the business community of Brisbane as he headed back to London to seek finance in February 1924. The enemies of 1920 were now displaying rarely seen support for a Labor premier.

Perhaps the forces of capital had realised the real damage it had done to the prosperity of the state in 1920 or perhaps it had finally realised that with a Labor leader fearful of militants' attacks from within his own movement yet politically strong it had finally found in Theodore a man with whom it could deal. Theodore succeeded in London in obtaining the necessary loans by convincing the British that his was not a revolutionary party but one of moderate reform. He said to the House, '... It was thought that the government that was in existence in Queensland was a kind of Bolshevik government that was out to destroy all vested rights. That impression had to be removed ...' His method of convincing the British of this is what probably ended his career in Queensland - he agreed not to increase pastoral rents any further. He had made his deal with the capitalists. Theodore explained that, 'A mere bridge was

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provided over which both parties travelled to a better understanding ..."34 To many within the labour movement his actions were outright betrayal. In London Fihelly resigned in protest at Theodore’s actions.

For the AWU Executive they were placed in an uncertain and uncomfortable position. They had seemingly lost control of their representatives in the PLP, there was unrest among the rank-and-file of the workers of Queensland and the QCE which they dominated had deteriorated into a damaging battleground between the parliamentarians and the militant trade unionists. Even some on the Executive such as Ernie Lane and J. Durkin were becoming disillusioned with the movement’s straying from ‘traditional’ objectives. Added to this was the problem of what to do with the OBU and the CPA and what role they would play, if any, in the Queensland labour movement.

In November 1922 the QCE received a deputation from the Council of Action (which included Dunstan), the Brisbane TLC and the CPA. The Council of Action had been formed with the object of ‘closer union of all working-class organisations and their affiliation with the ALP’. In what was described as a ‘friendly and free discussion’ it was agreed to devise a plan which ‘would pave the way for the Communist Party linking up with the ALP’35 Of the CPA’s leader, J.B.Miles, it was recorded, ‘Mr. Miles stated that his Party was not a Revolutionary Party, but desired to bring about a state of communism by Constitutional Methods.’36

The mood would soon change and within eighteen months the convention of the Federal Labor Party in Hobart had resolved to denounce the CPA and forbid members

34 Ibid.
35 QCE Minutes, 24 November 1922.
36 Ibid.
of the ALP from being associated with it. In the same year, the AWU/OBU failed in its bid for registration by the Industrial Registrar and it slowly faded from existence.\textsuperscript{37}

Thus by the middle of the decade the militant revolutionary elan which had developed in the immediate post-war era in the Australian labour movement had reached its zenith only to be re-ignited intermittently in the future. All that remained was the division of the spoils for those that remained and in Queensland this ostensibly meant the PLP, the AWU and the ARU and their allies in the TLC.

Like Ryan before him, Theodore resigned as premier in February 1925 to not only assist an ailing Federal Parliamentary Labor Party but also to pursue his own ambitions. The last years of his premiership had been difficult ones with continued attacks from the militants. In 1924 he even went to the point of tendering his and the Cabinet’s resignation over the implementation of the 44-hour week, but a compromise was quickly found. Ironically, Theodore would be defeated in the by-election for Herbert. A victim of intense campaigning of not only a popular local conservative candidate but also that of the militant wing of the labour movement which successfully advocated a policy of informal voting.\textsuperscript{38} Theodore would be forced to go to New South Wales to win the federal seat he sought. Theodore’s replacement as premier was William Gillies who defeated McCormack by one vote. Respected but feared, McCormack lost out to the affable farmer who lacked the decisiveness and strength of his opponent. In a time

\textsuperscript{37} One of the conditions that the Industrial Registrar had insisted upon for registering the AWU/OBU was that those unions who had coverage in areas also claimed by this new organisation would have to deregister themselves. With an established structure and considerable financial assets the AWU refused to take such a risk on a largely untried and disorganised union. The refusal of the AWU to relinquish its hard won power earned it the lasting enmity of OBUists who found a convenient scapegoat in the giant union.

\textsuperscript{38} For this election an unusually high proportion of informal votes were recorded (2188). Had even half of these votes been cast in Theodore’s favour he would have comfortably claimed the seat of Herbert which he eventually lost by only 268 votes.
of turmoil and uncertainty the PLP had opted for the popularity of a peace-maker rather than the ruthlessness of a political warrior.

It was not too long before Gillies faced the challenge of an ambitious and impatient ARU. In May the Arbitration Court refused to grant the much anticipated restoration of the basic wage. The Court decided that the government could not afford to both restore the basic wage and pass its Child Endowment bill and thus decided that the restoration had to wait. In August the ARU presented a log of claims which included the restoration. Justice Webb claimed he was bound by the May decision and the ARU left empty-handed. Soon after two other issues arose over the right to hold stop-work meetings at the Ipswich railway workshops and the dismissal of a ganger. All of these issues culminated in a state-wide strike of railway workers on 27 August after a meeting with Gillies had failed to achieve an outcome. The strike lasted a week and was eventually concluded after most of the ARU’s demands were met by the government.39

The strike was a disastrous result for the PLP and Gillies in particular. In effect by agreeing to restore the basic wage for the railway workers by an act of parliament Gillies had subverted the industrial relations system the Labor Party had established (and continued to champion) as the only effective means of regulating the relationship between employers and employees. The Opposition were appalled but the Labor majority ensured that Gillies survived a ‘no confidence’ motion. The Courier was incensed claiming ‘Never before in the history of the British Empire has a Government made such an abject surrender.’ For the labour press, who had expressed sympathy with

39 For a closer examination of the strike see Smith, A., ‘The Railway Strike, 1925.’ in D. Murphy, The Big Strikes, St. Lucia, 1983, pp. 162-173
the goals of the strikers, the manner in which the Labor Government had capitulated was not the result deemed necessary for the good of the labour movement. It was one thing to grant the just claims of workers but it was a completely different situation when a Labor premier is virtually bullied into a decision that establishes a dangerous precedent - circumventing the authority of the Arbitration Court by legislating wage rates. The ARU, however, were jubilant with the Advocate gloating that the railway men had been forced 'to bring a Labor Government to its knees.' For Rymer, Moroney and the ARU they had reached the peak of their power and significance in the Queensland labour movement. Gillies' failure in the dispute had opened the door for McCormack and the AWU would ensure that he walked through.

Two issues arose out of the railway dispute: Gillies needed to be deposed for the stronger McCormack, and the Arbitration Court was in need of an overhaul which would allow the Court to produce judgements that were more responsive to the wishes of the workers yet able to confont the more extreme demands of militants such as the ARU and appease the general public. In October 1925 the Government brought down amendments to the Industrial Arbitration Act. The arbitration court was abolished and a board of trade and arbitration established. The board comprised of three members and had far greater investigatory and administrative powers. Most significant was the fact that the board would be made up of only one supreme court judge with the other two places reserved for persons considered to have the right amount of experience in the field of industrial affairs. The Opposition were understandably puzzled by the

40 Advocate, 10 October 1925.
Government's amendments and could only suggest that the board may be used to appoint laymen to the bench which could be used for political purposes. Within a week of the passing of the amendments the non-judicial positions on the board were announced - (retiring) AWU Branch Secretary, Bill Dunstan and (retiring) premier William Gillies!

The PLP overwhelmingly endorsed McCormack as the new leader and Premier with William Forgan-Smith elected as Deputy. Only six weeks earlier the ARU were making vocal and sustained claims for the leadership of the Queensland labour movement through their militant policies and direct action in the industrial sphere. Now in a masterful display of realpolitik the AWU had manoeuvred for their Secretary to be appointed to the Board of Trade and Arbitration and marshalled their members and supporters within the PLP to elect the AWU's two most powerful politicians in Caucus, McCormack and Forgan-Smith, to the positions of Premier and Deputy, respectively. In a stunning rebuttal to its enemies within the labour movement and to disaffected members, the AWU which was formed with the industrial and political interests of its rank-and-file at its core had gained direct control over the mechanisms which developed and administered these policies.

McCormack wasted little time in confronting the ARU and their allies. By the end of October a strike, ostensibly in support of British seamen, had arisen over the loading of coal to the Port Hardy, docked at Bowen.42 A strike committee was formed comprising of the Seamen, Waterside Workers', Coal Workers' and the ARU. At about

42 For a detailed examination of this dispute see A. Smith, 'McCormack, Rymer and the Bowen Industrial Troubles: 1925' in Dalton, J.B., (ed.), Lectures on North Queensland History, No.4, James Cook University, 1984.
the same time another strike was called in Cairns by the WWF demanding the introduction of the rotation system. The strike soon spread to all northern ports. For sugar and beef growers the strike could not have occurred at a worse time. With the world economy beginning to recover and Queensland emerging from a drought, primary producers had achieved their first bumper season since the war. The farmers had some cause to be angry with the *North Queensland Register* reporting that, ‘... Unless the farmers can obtain shipment for their sugar, the majority of them will be ruined.’ Rumours abounded that the farmers would march on Bowen and load the ships themselves.

Although McCormack refused requests from farmers that the Government should provide a ship to remove stock-piled sugar, the strike committee decided to declare the *Port Hardy* and other ships chartered by the Sugar Board ‘black’. Rymer would state later that ‘the railwaymen have merely done what Mr. McCormack and Mr. Theodore taught many of them to do - that is, to be unionists.’ Again a Labor premier was being forced to confront militant trade unions who had resorted to direct action without placing their claims before the Board of Trade and Arbitration and in direct defiance of the Government. Furthermore, to support the strikers would be to do so at the expense of those small to medium farmers that were crucial to Labor’s electoral success. McCormack stood firm against the strikers claiming the strike represented ‘a direct challenge to constituted authority and the Government ...’ The *North Queensland Register* argued that the Strike Committee ‘are apparently much more desirous of

43 *North Queensland Register*, 26 October 1925.
44 *The Advocate*, 15 January 1926.
45 *Worker*, 5 November 1925.
winning a reputation for desperate leadership, than they are anxious for the real welfare of the Railwaymen."\(^{46}\)

In early November, farmers used the cover of darkness to load the *Port Hardy*. Anticipating a response from the Strike Committee, McCormack suspended thirteen railway workers for refusing to load coal. Moderate railway unions such as the AFULE began to recommend a return to work and the ARU were soon faced with the prospect of a full-scale lockout. Realising they were ill-prepared to conduct such a wide-spread industrial campaign the strikers began to return to work. Despite claims to the contrary the dispute had been a bitter defeat for the Strike Committee and the ARU in particular. In its first clash with the new premier the militant unions had been forced to submit or face ruin. In an ominous precursor to the events which would follow, McCormack had shown a willingness to adopt the most ruthless of tactics to ensure the 'constituted authority and the Government' prevailed over the claims of the militants.

McCormack was not one to allow his opponents time to recuperate from a setback and sought to finally drive the militants from the QCE by insisting that members of the QCE sign the new Anti-Communist Pledge or face expulsion. Rymer and Moroney refused to sign and were expelled. Many local branches and militant unions protested against these expulsions and the Pledge and AWU stalwart Ernie Lane resigned from the QCE in disgust realising that the Pledge was being used to purge all voices of opposition from the QCE. However, Moroney and Rymer soon realised that if they continued to defy the QCE then the ARU would not be represented at the Labor-in-Politics Convention to be held early in 1926. Reluctantly they both signed whilst

\(^{46}\) *North Queensland Register*, 9 November 1925.
registering their protest. However, this public reluctance was to be their undoing. The QCE President and AWU supporter, Bill Demaine ruled that 'any delegate who signed the pledge under protest or any reservation was not entitled to vote.' All ARU delegates were thus expelled from the Convention, with that body supporting the expulsions 50-38. The Convention did, however, allow the ARU to sign the Pledge unconditionally at a later date and resume their four seats on the QCE. They did so but the QCE refused to accept Rymer and Moroney as two of the four delegates and the ARU dissaffiliated from the ALP as did the AMIEU.

These events had an enormous impact on the ideological balance of the QCE and the labour movement in Queensland. In a short period of time McCormack had defeated the ARU in an industrial struggle and marginalised their role and that of their allies the AMIEU, to that of a vocal yet largely impotent opponent of the 'official' representatives of the labour movement in Queensland. The leaders of these unions and their members were now no longer privy to the policy making mechanisms of the labour movement or the political structure which administered these policies and they would be forced to exist upon the political fringe of the labour movement in Queensland. Conversely, the way was now clear for the labour movement in Queensland to be controlled by the moderate AWU and the PLP through the QCE without any effective opposition from within.

Preparations were now underway for the 1926 elections which would be McCormack's first test as premier at the polling booths. Ironically it was the AWU who

47 E.M. Higgins, 'Queensland Labor: Trade Unionists Versus Premiers', Historical Studies, vol. 9, no. 34, May, 1960, p. 143. See also QCE Minutes, 27 November 1925
48 Ibid., p. 143.
offered the services of one E.G. Theodore as campaign director for the election. The offer was gratefully accepted by the QCE. The purge still continued with potential candidates being scrupulously vetted by the QCE. A notable case was that of Rhodes scholar, Fred Paterson. Paterson was refused endorsement for preselection by the QCE for the seat of Port Curtis having been nominated by the Gladstone branch. The matter finally ended up in the Supreme Court when Paterson decided to run as an Independent Labor candidate and did so under the stamp of the Gladstone branch. The QCE disputed the right of an unendorsed candidate to use the stamp. Finally, the QCE went to the point of registering itself as a trade union (upon former Labor minister Judge Brennan's advice) in order to defeat Paterson. An often neglected part of this story is the fact that the QCE was probably right - Fred Paterson was a CPA sympathiser, having only tendered his resignation a month prior to receiving the nomination of the Gladstone ALP, and was undoubtedly attempting to infiltrate the ALP according to the tactics expressed by the Third International.

Under the direction of Theodore and with strong AWU support the McCormack Government was returned with an increased majority of fourteen. The campaign was characterised by a strong emphasis being placed on the issue of industrial law and order. McCormack stated in the Lower House prior to the election:

If returned to power, I am going to uphold the Government of the State. I am not going to allow any noisy minority, no matter to what union they may belong -

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49 QCE Minutes, 12 March 1926.
50 R. Fitzgerald, The people's champion, Fred Paterson: Australia's only Communist Party Member of Parliament, St. Lucia, 1997, pp. 38-41
railway union or otherwise - to assume control ... I say to all those who want to disrupt to vote against me and my colleagues. Let those disruptionists form their own organization and keep out of Labour, which stands for evolutionary progress and not for revolutionary methods.51

McCormack had clearly stated to the electorate and to the labour movement as a whole what was and was not acceptable to the PLP and perhaps more importantly the general public. For the AWU this was an unequivocal statement in support of arbitration and the parliamentary system.

Despite McCormack’s emphatic victory there would be a continued attack on the PLP from the militant unions and in particular the ARU through the pages of the Advocate. It was Rymer as the editor of the Advocate that first alerted the public to the Mungana Mines leases at Chillagoe, its dealings with the government, McCormack and Theodore’s role in these dealings and allegations of mismanagement and corruption.52 By November of that year the Opposition led by A.E. Moore and the Brisbane press were insisting on the establishment of a Royal Commission into the Mungana affair.53 Added to this were the repeated claims of the ARU to abandon the arbitration system and numerous localised instances of direct action mainly by railway workers, wharvies and even the AWU’s cane-cutters’.

However, the ARU were not always on the attack with challenges to the Union’s authority and policies coming both from within the union and outside of it. From early

51 QPD, 1927 p. 48
53 Ibid., pp. 28-32.
1926, J.Hayes, the South-Eastern Divisional Secretary of the ARU led a rebel movement wanting more rank-and-file involvement in the running of the union and denouncing the more extreme elements of the ARU Executive's policies. Hayes was strongly supported by the AWU through the *Worker* which rather ironically accused the ARU Executive of creating an 'oligarchy' and 'dictatorship'. Rymer and Moroney soon removed Hayes and other dissidents and tightened their control over the union.54 Within the labour movement itself many were becoming disillusioned by the seemingly pointless direct action tactics of the ARU and its supporters in the Brisbane TLC with QCE President, Bill Demaine, pleading in his Maryborough paper *Alert*, that, 'The time has come to call a halt to this blackening madness.'55 More significantly the AWU had revived the Railway Section of the union in direct response to the extremist tactics of the ARU. Furthermore, it encouraged the moderate railway unions such as the AFULE and FEDFA to 'poach' disaffected ARU members that could not join the AWU section. Through these actions the AWU enabled more moderate railway workers such as those who supported Hayes a means by which they could be involved in a union that more closely represented their views. As well, the AWU had an opportunity to increase its membership and power within the labour movement whilst eroding that of its main rival the ARU.

With tensions running high it was not too long before a dispute at the South Johnstone sugar mill provided the means for a large industrial confrontation between the Government and the extremists. The previously State-owned mill had recently been

55 *Alert*, 8 September, 1927.
placed in the hands of a farmers co-operative and the new mill management retrenched 55 workers, many of whom were considered 'trouble makers'. In May 1927 the local members of the AWU complained that a number of 'old hands' and their families had been victimised by the mill managers for their union activities and refused to work until they were given preference. The Board of Trade and Arbitration upheld the employers right to choose yet refused a request by the Sugar Producers’ Association and the Cane Growers’ Council to suspend the sugar award. The Board did, however, suspend the preference clause for the South Johnstone mill. The tension increased dramatically in early July when a picketer was shot dead by an unknown assailant. Although the Board and the State officials of the AWU had negotiated a compromise which allowed for the re-hiring of the dismissed men the strikers rejected their unions proposal because the settlement did not provide for the sacking of those ‘scabs’ that had replaced the old hands.56

The situation was quickly getting out of the AWU Executive’s control and in an effort to contain the strike to the South Johnstone mill the Executive reluctantly endorsed the strike. The AWU were now entering unfamiliar and rather paradoxical territory - whilst reaffirming their commitment to arbitration the Executive was also endorsing a strike against the decisions of the Board of Trade and Arbitration.57 To add to the confusion within the labour movement that to this point had witnessed the development of the AWU as the standard-bearer of conservative trade unionism, Fallon and Riordan were now exhorting AWU members to rally to the cause of 'securing

57 Ibid., p. 146.
common justice for our victimised comrades' whilst the Worker reminisced about the 'good old fighting days'. The path was now clear for militant trade unions such as the ARU to become involved in the dispute on the grounds of union solidarity. However, many local branches of the AWU and the ARU along with some local trades and labour councils failed to declare South Johnstone sugar 'black' until requested to do so by the AWU State Executive. Indeed, on some occasions the AWU specifically requested that the South Johnstone sugar was handled!

As far as the militants were concerned all confusion was removed on 21 August when the South Johnstone Strike Committee rejected another compromise negotiated on their behalf by the AWU Executive and then informed the ARU and WWF that they considered all goods to and from South Johnstone 'black'. The Railway Commissioner began suspending railwaymen who refused to handle the 'black' goods and the strike was becoming a battle between the Government and the trade union movement that had the potential to develop into a State-wide general stoppage. Such action was anathema to the AWU Executive and in another attempt to re-focus industrial activity upon the settlement of the South Johnstone dispute they also declared South Johnstone sugar 'black' on 28 August. Yet in a critical miscalculation this declaration only served to legitimise the actions of the militants and discredit AWU claims that other unions were interfering in AWU affairs. Almost inconceivably the AWU by attempting to limit a dispute involving a local branch of renegade members, who were nevertheless rejecting the counsel of the Executive, had been forced into a position of alliance with its mortal enemy the ARU whilst confronting their political allies in the PLP!

Throughout the dispute McCormack had been in England with Forgan-Smith as Acting-Premier and the affable Jim Larcombe as Minister for Railways handling the dispute. Both men put their faith in the arbitration process and the ability of the unions to reach an agreement. Likewise, both men preferred to leave the most difficult decisions to McCormack. McCormack had already authorised the Commissioners' action in suspending railwaymen when on 28 August he took the decisive step in his war with the ARU when he assumed personal responsibility over the Railways Department. He then issued an ultimatum whereby all ARU members would be dismissed by noon on 3 September unless they returned to work and signed a pledge agreeing to abide by the Commissioners' instructions. When McCormack discovered that, under the legislation, he could not specify one particular union he widened the ultimatum to include all employees of the railway service including members of the AWU. This ultimatum was made with the approval of the AWU-dominated Cabinet but without consultation with the Caucus or any union representative.59

The Combined Disputes Committee which had grown to include every major union in Queensland - AWU, ARU, WWF, AMIEU, AFULE, FEDFA and the Miners' - was incensed and recommended that no worker return to work or sign any pledge. The QCE was similarly angered by the autocratic and confrontational manner in which McCormack and the Cabinet had dealt with the dispute.60 It was left to the Worker to best summarise the view of not only the AWU but also that of many within the labour movement:

59 Ibid., pp. 182-183.
60 Although the QCE meeting on 31 August concluded without issuing a statement either for or against the Government, there was a heated debate. Only Fallon's pleas for unity (and numbers) prevented a censure motion being carried by the QCE. See QCE Minutes, 31 August 1927.
The Labour Movement in Queensland today is faced with one of the greatest crises in its history, ... It is almost unbelievable that Premier McCormack would have taken up the attitude he has taken, or that he would be able to get a single member of his Cabinet to second him. ... Not only did he support the obnoxious attitude of the Commissioner, but he even went further and issued an ultimatum which, if carried out, can mean nothing but war to the bitter end, and an ultimate breaking up of the Labor Movement. The Premier, when he backed up the Railway Commissioner, must have known that the AWU, which had been the strongest supporter the Government has had, would be compelled to stand shoulder to shoulder with the ARU against this senseless, high-handed attitude, and yet apparently, he did not hesitate to involve the AWU. ... It seems that in forcing the position and making a declaration of war on its railway servants for standing beside the members of the AWU at South Johnstone the Government has deliberately forfeited its right to represent the working-class movement. That is our opinion.61

Regardless of this warning McCormack was determined to uphold his authority and to crush the ARU. At noon on 3 September he dismissed the entire railway service comprising of over 18 000 workers. Former ARU official Frank Nolan would recall of McCormack’s actions that ‘his hatred of ARU officials, particularly Geo. Rymer,

61 Worker, 31 August 1927.
blinded him’ and ‘that his fight was of a personal nature’. His willingness to involve his own union - the PLP’s most significant ally - lends credibility to these claims. Nevertheless, the fragile and unlikely alliance that emerged from the Disputes Committee soon began to fracture under the strain of the lock-out. Whilst the ARU eagerly sought confrontation with the Government, moderate unions such as the AFULE wanted only the re-instatement of railway workers without victimisation and the settlement of the South Johnstone dispute. The AWU, ideologically opposed to direct action, was also eager to resolve a conflict which was damaging its reputation and which had exposed all of the pent-up political and industrial tensions which had emerged in the post-war labour movement in Queensland.

The Board of Trade and Arbitration once again offered its final terms to the South Johnstone strikers which again they rejected. At this point the Board threatened the most powerful trade union in the state with the cancellation of all AWU awards, the loss of preference and deregistration if the offer was not accepted within twenty-four hours. Fearing not only its loss of power and prestige but also complete industrial chaos, the AWU Executive accepted the terms regardless of the wishes of the South Johnstone Strike Committee. The AFULE and other moderate craft railway unions ordered members back to work and secretly began negotiations to undermine the ARU if it held out. Realising the potential for the ARU’s destruction and the fact that many men were returning of their own volition, Rymer and Moroney declared the strike off and work resumed on 11 September. The following day, abandoned by the AWU

63 E.M. Higgins, op. cit., 1960, p. 147
Executive and the rest of the Disputes Committee the South Johnstone strikers overwhelmingly voted to return to work.\textsuperscript{64}

The short-term result was a complete victory for McCormack and the Government. When the Caucus realised that the strike was collapsing their initial hostility towards Cabinet had changed to nearly full support with only four members dissenting. The QCE too, who did not convene again until the strike was over was forced into a conciliatory manner when McCormack threatened to dissolve Parliament if the peak body moved a motion of censure. Under the persuasion of Fallon the motions finally passed spoke of ‘misunderstandings’ and ‘lack of co-ordination’.\textsuperscript{65} The Brisbane TLC organised a Trades Union Congress for early October that represented 38 unions. The Congress moved motions denouncing the actions of the Government but were divided over the issue of whether to fix the PLP from within or form an Industrial Labor Party. The QCE was quick to point out that any trade union congress that contained only 38 of Queensland’s 71 registered unions and that did not include representatives of the AFULE, FEDFA and the 61 000 strong AWU could hardly claim to speak on behalf of the whole labour movement.\textsuperscript{66}

At the 1928 Labor-in-Politics Convention the AWU used its strength under the leadership of Fallon to protect both the PLP and the QCE from censure motions. Once again Fallon moved that whilst the dispute was regrettable the union movement required greater control over its membership to ensure such a dispute could not arise

\textsuperscript{64} K.H. Kennedy, \textit{op. cit.}, 1983, p. 183
\textsuperscript{65} QCE Minutes, 23 September 1927.
\textsuperscript{66} QCE Minutes, 21 October 1927.
Neither Fallon nor the rest of the AWU had forgotten McCormack’s willingness to sacrifice AWU members to achieve his aims during the dispute as editorial in the *Worker* clearly demonstrate. However the time had come for reconciliation with an election due in 1929. Although bitterly disappointed with McCormack’s actions the AWU was not about to support extremist motions condemning the organisations that the AWU had played a large part in creating and which the union dominated.

McCormack defended his actions by claiming that he was elected to represent the general electorate and not a particular group within that electorate. This defence earned the ire of a broad section of the labour movement not only in Queensland but throughout Australia. Why, they asked, should working class people vote for an endorsed Labor candidate if that candidate does not feel bound to represent their interests once elected? In the *Westralian Worker*, the mood of the labour movement was succinctly expressed:

Mr McCormack and his colleagues have made a tragic blunder. They are a Labor government, and could have found other expedients to meet the railway situation without marshalling the forces of the State against the unionists. For Labor governments to do this is to destroy the very foundations on which they exist. The South Johnstone mill-owners did not make Mr. McCormack’s premiership possible; the workers did that for him. And his true office is that of leader for the

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workers, and not against them.\textsuperscript{68}

It was McCormack's confusion as to where his 'true office' lay and his single-minded determination to crush all opposition to his authority that would ultimately end his political career.

With a large section of the labour movement alienated from the PLP and both the conservative press, the Country Progressive National Party (CPNP) and the left-wing press pushing for an investigation into the Mungana affair the McCormack government entered the election campaign with little hope of victory. Furthermore, the state was slipping into a worldwide economic slump that would become the Great Depression and unemployment was beginning to rise. An invigorated and unified Opposition under the CPNP leader, Arthur Moore ran a confident campaign highlighting Government corruption and financial mismanagement. For its part the Labor Party's campaign was decidedly lacklustre emphasising the Government's past record. The AWU conspicuously distanced itself from McCormack's platform. The editorial support given to McCormack in the \textit{Worker} was hollow and the AWU's traditional donation to the campaign fund was significantly less than it had been in the past. Although sighting the growing financial crisis for its lack of involvement it was obvious that the AWU whilst unable to bring itself to advocate an anti-Labor vote was content to concentrate on the candidates in its heartland rather than contribute fully to the direction of the whole campaign.

At the election on 17 May 1929 the McCormack Labor Government was

\textsuperscript{68} The \textit{Westralian Worker}, 2 September, 1927.
overwhelmingly defeated recording a record swing against it of 7.8 per cent. In all sixteen Labor seats were lost including those of three ministers and the Speaker. The heaviest losses for the PLP were in the south-east and in the metropolitan seats and Brisbane in particular. Sugar and beef seats were also lost along the coast and in the north-west respectively. One of the most striking aspects of the election was both the comparatively low number of votes cast in Labor electorates and the ability of prominent AWU candidates to be returned. This indicates that many Labor voters who felt alienated from their political representatives but could not vote against the Party sought to register their protest by not voting at all. Furthermore it shows that more than in other Labor electorates the AWU was able to maintain enough control over its rank and file to ensure that its candidates were returned, thus ensuring that the responsibility of re-building and leading the PLP would fall to those AWU candidates.

With Queensland on the verge of entering the Great Depression and the accompanying social and political dislocation this would entail, the AWU was still able to emerge as the dominant force within the two major arms of the organised labour movement in Queensland - the QCE and the PLP. Its major rivals within the labour movement had either been purged from these organisations or effectively gagged. The Machiavellian efficiency with which the ruling AWU/PLP clique had confronted the challenges from militant unions such as the ARU and the emerging CPA was achieved at the cost of alienating many within the labour movement including those militant elements of the AWU’s rank-and-file. Even this powerful clique experienced its own tensions as McCormack and others within the PLP increasingly made decisions without consulting either the QCE or the AWU Executive.
The loss of confidence in the political leaders of the labour movement was expressed by the defeat of the Labor Party in 1929 with many Labor seats being lost amidst allegations of autocracy and corruption. Although the AWU had secured the leadership of the most powerful arms of the labour movement in the state it had done so at a considerable cost. The new challenge before the AWU was reassert its dominance over both the QCE and, most importantly, the PLP and to regain the confidence of both its rank-and-file membership and the majority of the labour movement and electorate without allowing the militant elements within the labour movement to gain a foothold within the PLP at the expense of its AWU patriarchs.