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REPORT ON LABOR SITUATION OF AUSTRALIA

I. General Description of Industrial Development

The industrial history of Australia shows certain developments peculiar to itself. Since 1890, when the trade union movement first turned to political activity, the growth of this aspect of the movement has been its most conspicuous feature. A large proportion of trade union activity is therefore political rather than industrial.

Economic and social conditions arising from the manner in which the country was settled largely explain the course of industrial development. Not the least of these conditions was the coincidence of the development of industrial problems with the struggle for such political reforms as free public schools, equal suffrage, immigration restriction, and liberal land laws. The result of this coincidence was to link the political and industrial struggles together and to give to the labor movement a distinctly political character.

The result of the infiltration of the labor movement into politics has been on the one hand to bring the government into the solution of industrial problems to an unusual degree, and on the other, to make the Labor Party extremely important in the government.

The first of these results is illustrated by the establishment of State Courts of Conciliation and Arbitration in addition to a Federal Court for the same purpose; in Wages Boards to determine minimum wage standards for the various industries; in the control by State governments of public utilities such as railways, docks and wharves, telephone and telegraph; and in legislation providing for a minimum wage, workmen's compensation; and the regulation of such questions as the length of the working day, child labor, etc., etc.

In theory and impulse, the Labor Party tends to be Socialistic and, while not definitely committed to a platform of state socialism, believes firmly in the regulation of industry by the state.

In general, the tendency of labor organization in Australia is towards industrial as opposed to trade unions, because of the preponderance of unskilled labor and the failure of trades unions to encourage skill in a particular craft. Latterly a "One-Big-Union movement" has de-

veloped in the Commonwealth with a platform similar to the revolutionary syndicalists but lacking their revolutionary methods.

The census of the year 1916 showed 705 trades unions with a total membership exceeding 500,000. Of the male members of these unions, 75% were organized in federations that covered the Commonwealth. The Australian Workers' Union, consisting of workers in sheep-raising, farming and rural occupations, is the oldest and strongest union in Australia. Since 1911 the predominance of the pastoral industry has given way to the rapid growth of manufacturing interests.

Industrial disputes are common. In 1913, 208 disputes occurred, in 1916, 508. Of these 508, 223 resulted in the workers enforcing their demands, 178 resulted in the employer's favor, 84 were compromised, and 23 were indefinite in result. In 319 of the 508 cases, settlement was reached by direct negotiation between employers and employees or their representatives. Strikes and lockouts, particularly when confined to single states and thus not subject to Federal authority, although penalized by the Arbitration Courts and discouraged by labor leaders, occur not infrequently, and illustrate the restless character of the industrial classes.

II. Administrative Machinery for Dealing with Labor Problems

Legislation dealing with labor difficulties began shortly after the strike period from 1886-1891. The Wages Board system (confined to the several states) was at that time inaugurated. At the present time wages boards are established in Victoria, Tasmania, New South Wales, Queensland, and South Australia. The chief aim of the wages board is to determine hours, wages and conditions of employment for a given industry or group of industries on application from the latter. In most states penalties are attached for strikes or lockouts which occur over a matter in which the wages board has made a determination. Victoria has no provision for penalizing strikes, but has a Court of Industrial Appeals, to which appeal may be made against the Board's decisions.

Under the system of industrial arbitration courts which exists in three of the states in addition to wages boards, an industry does not come under review of the court until a dispute arises. Most of the courts have power to summon compulsory conferences.

Lack of uniformity between the various states in regard to the working of wages boards and arbitration courts has latterly given rise to a movement for uniform methods.

An important amendment to the industrial arbitration act of New South Wales was passed in March, 1918. By the terms of the amend-

ment the system of wages boards was replaced by a new body, known as the Board of Trade, which is to determine annually the standard living wage within the state or any part of it. Wages thus determined are binding. The Board also has control of technical, trade, and continuation schools. Further provisions relating to education for employment, social insurance, and general welfare measures are included.

The act also provides for the organization of labor exchanges under State management, and establishes a system of unemployment insurance. In addition it contains a number of provisions relating to trades unions, the most important being the repeal of the law making strikes illegal.

In 1904 a Federal Court of Conciliation and Arbitration was constituted to deal with disputes which pass beyond the confines of a single state. The President of the Federal Court has power to call a compulsory conference of disputants, and may thus prevent the spread of strikes to other localities. The system of arbitration courts gives direct encouragement to labor organization inasmuch as disputes before the courts must be submitted by organizations of employers and employees.

III. Brief Summary of the History of the Labor Party

The Labor Movement began its political career in 1890 following the great strikes of shearers and seamen. In 1891, at the general election in New South Wales, the Labor Party won 36 seats out of 120. When the first Commonwealth Parliament met in 1901, it contained 24 members in both Houses, out of a total membership of 111. In 1910 the Party secured a majority in both Houses. A Labor Ministry held office for a few months in 1904 and again in 1908-1909. In 1910 the Labor Party attained office for three years, and again from 1914 to 1916. In the meantime the Party had been successful in the Legislatures of the several states. By 1913 there had been a Labor administration in every state.

A significant feature of the Labor Party organization is the power given to the caucus. Its decisions, whether carried unanimously or by the barest majority, control the vote of every member of the Party. The leader of the Party, who is elected by the caucus, and who becomes Premier in case of a Parliamentary majority, is therefore responsible to the caucus and not directly to the people for his policies and administration.

The history of the Labor Party during the war begins with the general election in September, 1914, when the Party ousted the Liberal

Party by a generous majority. Originally strongly anti-militaristic, it adopted under present circumstances and the efforts of several of the Party leaders, including Mr. W. M. Hughes, a strong defense policy involving the equipment of a large expeditionary force.

In the latter part of 1915, conscription for foreign service became an important political issue. There was a wide spread feeling among all classes, including labor, that the volunteer system had failed. Early in 1916, Mr. Hughes, then Prime Minister, instituted a new recruiting system designed to raise 50,000 in a few months. The expedient temporarily quieted the agitation for universal service, but in September the Prime Minister informed the House of Representatives that it would be necessary to take a referendum on the question of sending abroad the troops authorized by the Defense Act to be raised for home defense. The Senate was known to oppose this step and the Cabinet supported it only by a minority. Labor generally was also opposed.

In October the Commonwealth, by a majority of over 70,000, voted "No" on the conscription issue. The Parliamentary Labor caucus voted a lack of confidence in Prime Minister Hughes, which caused his resignation from the Party and the premiership, and the formation of a National Labor Party by Mr. Hughes and a handful of his followers.

In the subsequent readjustment of parties and issues, Mr. Hughes had the support of the Liberalists and the House of Representatives of which the latter were a majority, but he was bitterly opposed and distrusted by the Senate which the Labor Party dominated and by organized labor generally.

The general election in 1917 resulted in a coalition government with Mr. Hughes still Prime Minister. The Labor Party suffered the heaviest defeat sustained by any political party in the history of the Commonwealth. Party leadership, since Mr. Hughes' resignation, had been weak; the Parliamentary caucus and the Party itself were torn by dissensions. The industrialists, as opposed to the parliamentarians, were becoming more aggressive and more inclined to oppose organized "class-conscious" methods to political activity.

In 1918, after the failure of a second referendum on conscription, a new recruiting scheme was launched following a conference between the government and employers and trade unionists. At this conference labor's reasons for refusing to participate more heartily in recruiting were presented to the government. The conference reached no satisfactory conclusion, but in spite of this fact, recruiting figures grew rapidly during the succeeding months.

In June the Labor Party, called since the split the Australian Labor

Party, met in conference at Perth. The main discussion of the conference centered on the formulation of the Party's attitude towards recruiting. A resolution was there taken stating that further participation in recruiting would be subject to two conditions: (1) a statement on behalf of the Allies asserting their readiness to enter into peace negotiations upon a basis of no annexations and no indemnities, and (2) that Australia's requirements in man-power be met with respect to home defense and industrial requirements.

It was voted by the conference to submit this resolution to the organization membership for approval. Immediately vigorous dissension arose between factions of the conference holding opposing views on the resolution. The New South Wales labor members issued a manifesto calling on their constituency to vote against the resolution. South Australia and Tasmania subsequently defied the conference by refusing to vote on the referendum. Sections of labor in other states also refused to vote. Labor leaders themselves were in open disagreement on the issue. Nothing since the conscription referendum has so agitated the ranks of the labor organization. Many of the Labor Party feel disgraced by what is regarded as a painful exhibition of disloyalty and cowardice, which they explain by the rising influence of the insurgent labor elements. This faction also feels that the Perth conference makes the Labor Party's return to power almost a forlorn hope.

The National Labor Party, on the other hand, stood solidly behind a vigorous prosecution of the war. Its mouthpiece and main strength is Mr. Hughes, whom the Australian Labor Party and the labor press have vigorously repudiated.

IV. Present Trade Union Tendencies

Tendencies in labor organization may be briefly described by the growth in power of the more radical elements. The One-Big-Union movement has finally achieved success in New South Wales and Victoria where the majority of the most powerful labor bodies are said to be lending it their support. Other states are expected to follow, which seems to assure the success of the organization. While it is denied that the One-Big-Union movement is an attempt on the part of the I.W.W. to capture Australian industrial organization, it does represent a triumph of their principles. The scheme of organization and the preamble of the I.W.W. have been adopted without change by the new organization. The aims of the I.W.W. have long been held by many of the rank and file of the unions and have been openly advocated by militant sections of almost every state

federation. The I.W.W. itself, on the other hand, has always been a small though aggressive organization.

The success of the One-Big-Union movement is laid to the increase of industrial unrest since the war. Strikes and labor disputes have been frequent. Increased cost of living has caused repeated applications for new awards to be made to wages boards by the same industry. Delays in awards have added to irritation and caused dissatisfaction with the system.

The success of the Labor Party, while in power, has also tended to increase unrest by increasing the assertiveness of the industrial classes. Moreover the important issues of the war have served to accentuate the difference between radical and conservative labor elements, and have given the former an opportunity to win to themselves an increasing number of adherents. The vote against conscription and the Perth conference are two illustrations in point. The defeat of the Federal Labor Party in 1917 served to strengthen the industrial unionist wing of the labor movement.

Recent press reports from Australia indicate that the government is being heckled to release political prisoners and repeal the War Precautions Act which has been a bone of contention to the labor groups for many months. At last reports, the government is opposing the repeal of the measure.

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