SOURCES OF THE ACTU’S AUTHORITY: A CASE STUDY

by

Garth Pilkinton

A thesis submitted to
The Australian National University
for the degree of
Doctor of Philosophy

March 1986
This dissertation represents my own original work. All authorities and sources that have been consulted are acknowledged in the references.

Garth Pilkinton
March 1986
ACKNOWLEDGEMENTS

Looking back on a project that has been as long in the gestation period as this one, it is not easy to put into context the encouragement and assistance that has been received along the way. But many have helped, sometimes merely by acknowledging the existence of another human being, plugging away doing the Saturday shift in the Coombs Building at the ANU.

I would like to thank John Higley, who encouraged me to apply for entry to the ANU as a post-graduate scholar, and Stanley Benn and other faculty members, who, acting on their conviction that maturity should not be considered a barrier to good scholarship, supported my application. I would like to acknowledge the friendship and support of the late Charles Rowley, who shared more than a telephone with me, and the enjoyment of the occasional 'happy hour' presided over by Don Anderson and sometimes shared with Kath Blakers, Marijke van Ommeren, Michele Robertson, and others. Dorothy Broom, Brian Graetz, John Braithwaite, Don Rawson and Nina Mistilis gave me their ear on occasions and to them I am also grateful.

My supervisor, Frank Jones, always believed that I had something worthwhile to say about an important national organisation. I am especially grateful that Frank was prepared to back his judgement by allowing me the time to say what I had to say and access to facilities and institutional support while I did so. My own commitment to this project would not have come to
fruition without his backing and I wish to publicly acknowledge my debt to him. He read my draft chapters with care, encouraging me to develop my insights and write with a degree of professionalism that might otherwise have been missing.

Co-supervisor, Terence Halliday, challenged me to think about a wide range of sociological issues while at the same time assisting me to focus the study within a sociology of organisations framework. I am grateful to Terry for the time he spent debating with me the meaning of the limited data to which originally I had access. When the drought broke and turned into a flood, the investment Terry had made by suggesting ways of systematising the data, became invaluable. Terry continued to provide editorial comment and advice after moving to Chicago.

A number of others have read and commented on my work. I owe a special debt to Helen Pilkinton and Jack Hoadley for their constant encouragement, and particularly for their insistence that I clarify concepts and ideas that somehow had failed to appear on the written page. Richard Curtain read a number of chapters, encouraging me to address the 'big' issues of importance to the labour movement. Rosalie Pilkinton cast a professional eye over my use of agency theory in Chapter Eight, while Nicola and Ruth Pilkinton used their sharp eyes to good effect, spotting a number of typographical errors in several chapters.

Much of the detailed research for this study was done at the ANU's Archives of Business and Labour where a very wide range of documents and other records are deposited. I wish to place on record my thanks to the ACTU and other depositors who allowed me
access to their records. I owe a great deal to the ABL staff, not only for their professional assistance, but also because they have established such a supportive atmosphere in the ABL (they also brew very good coffee). As this study has drawn to a close, Penny Pemberton and Coleen Pritchard have read each chapter with a minimum of delay before dispatching it to the ACTU where Ann Wilson has responded with equal promptness.

This case study marks an important stage in the collective response of an Australian family to the redundancy of the male breadwinner after 30 years active and interesting work in a field entirely different from sociology. This dissertation would not have been written had it not been for the assumption of new and challenging roles by Helen, Stuart, Sheryl, Nicola, Ruth and Jane Pilkinton, as well as by the former breadwinner. I believe that together we have shown that even redundancy can create opportunities for new and positive experiences.

Garth Pilkinton
While the ACTU often occupies centre stage in Australian industrial, political and economic life, the ACTU's *modus operandi* and the roles it performs are not well understood. The ACTU is an intermediary organisation; ACTU officers and other executive members mediate between the ACTU's affiliated unions and state branches, on the one hand, and significant outside actors like the Government, the Conciliation and Arbitration Commission, employers and international organisations, such as the ILO, on the other.

Using a role oriented-model developed during the case study, relationships between the ACTU executive and the organisations named above are examined. This case study shows that the authority of trade union federations like the ACTU is contingent on the exchange of concessions by the executive and its officers when they mediate between 'inside' and 'outside' organisations.

When a federation's executive has no further concessions to exchange between the parties, the mediation process breaks down. Mediation ceased in 1976 when the Government refused to give ground to the ACTU executive over the Government's MEDIBANK policy. The national 24-hour MEDIBANK strike was called by the ACTU executive primarily to restore its authority over affiliated unions that had already taken strike action and were determined to take further strike action with or without ACTU support.

The future of the ALP-ACTU Prices and Incomes Accord, and possibly of the Hawke Government, is dependent on the success of the ACTU's mediation between the Government and the unions.
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<td>Australian Council of Trade Unions</td>
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<td>ABL</td>
<td>Archives of Business and Labour</td>
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<td>AEU</td>
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<td>AFL</td>
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<td>AFL-CIO</td>
<td>American Federation of Labor and Congress of Industrial Organisations</td>
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<td>Australian Labor Party</td>
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<td>ANRC</td>
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<td>CAGED</td>
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<td>CCFU</td>
<td>Commonwealth Council of Federated Unions</td>
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<td>CPA</td>
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<td>DGB</td>
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<td>HCCPSO</td>
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<td>Swedish Trade Union Federation</td>
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<td>NAWU</td>
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<td>National Civic Council</td>
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<td>NIE</td>
<td>National Industrial Executive</td>
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<td>NUT</td>
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<td>OBU</td>
<td>One Big Union</td>
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<td>Post Office Engineering Union</td>
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<td>UBEF</td>
<td>Vehicle Builders Employees' Federation</td>
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<td>WFTU</td>
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<td>WWF</td>
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CHAPTER ONE
THEORETICAL FOUNDATIONS

1.1 Introduction

The ACTU, through its role in the Commonwealth Conciliation and Arbitration Commission, has a marked influence on Australia's economic and political life. Since 1945, the ACTU has won regular wage increases for most of the workforce, a significant reduction in working hours and equal pay for women workers. Moreover, in February 1983, the month before the Hawke Labor Government was first elected, the ACTU became a signatory to the Prices and Incomes Accord, now a cornerstone of the Government's economic policy and of considerable electoral importance. In partnership with the ACTU, the Government aims to control inflation, reduce unemployment, restructure industry, and stimulate economic growth. For these reasons alone, the ACTU deserves attention, but of more importance here, what sort of organisation is the ACTU? How does it operate? What are the sources of its authority? What roles does it perform?

Since 1928, the ACTU has mediated in interstate industrial disputes. It also mediates during collective bargaining between unions and employers and in this respect, it complements the Arbitration Commission's conciliation role. As well, the ACTU plays a significant part in international labour forums. For many years, the ACTU has been represented on the governing bodies of the International Labour Organisation (ILO) and the International
Confederation of Free Trade Unions (ICFTU). Moreover, Albert Monk, the ACTU President between 1949 and 1969, and other ACTU executive members, played key roles in promoting and administering Australia's post-war immigration programme.

Between 51 and 60 per cent of the workforce have been enrolled as union members since the second world war (55 per cent in 1983), while practically all major unions are affiliated to the ACTU. As a result, the ACTU is now a highly inclusive organisation and has more authority to speak for the Australian workforce as a whole than any other organisation. I will argue in this dissertation that, as the ACTU's roles expand, so its authority to represent the workforce as a whole will further increase. Greater centralisation of authority in the hands of the ACTU, moreover, will be accompanied by a decrease in the autonomy and authority of individual unions. But what exactly is meant by authority?

According to Weber, authority is a command relationship between organisational superiors and subordinates (Bendix, 1969: 290). In many contemporary organisations, authority is exercised by employers or employees who occupy positions in some sort of hierarchy. Occupants of top positions in organisations have more authority than occupants located at lower levels. Thus, army officers have a command relationship with the personnel who serve under them. Officers are paid a salary and are employed full-time in most cases, so the extent of an officer's authority can be determined by the rank or position held in the army hierarchy. A general has more authority than a colonel who has more than a
major, and each, particularly the general, has more authority than a lieutenant. Weber's concept of authority as a command relationship is most easily understood in the context of an explicit hierarchical structure. Many examples, other than the one above, could easily have been used.

Authority in the ACTU is not related to positions arranged in a clearly defined hierarchy. In 1947, for example, 14 trade union leaders were members of the ACTU executive. Of these 14 persons, only one, the ACTU Secretary, occupied a full-time position funded by the ACTU. Though the other 13 executive members were all full-time union officials, they were not employed by the ACTU. Yet in 1947, the ACTU apparently had the authority to represent unions and their members in the historic case heard by the Arbitration Court which resulted in standard working hours for employees throughout Australia being reduced from 44 to 40 hours per week.5

Albert Monk, who was elected as the ACTU's first full-time Secretary in 1943, might, metaphorically, have led an army of unionists during the 40-Hour-Week case. But, as the ACTU's only full-time officer, it would be more accurate to describe Albert Monk as a general without an army. At best, an ill-defined hierarchy connected the ACTU Secretary with the other 13 members of the executive, and there was no hierarchy at all which joined the ACTU Secretary to officers of affiliated unions or with the multitude of union members represented by the ACTU in the 40-Hour-Week case.

Despite these structural barriers to the exercise of authority, the ACTU's 90 or so affiliated unions, and a few non-
affiliated ones, paid the ACTU's costs in the 40-Hour-Week case. The sum of £9,006 (the equivalent of about $200,000 in 1964) was contributed by union members, through their unions, to meet the ACTU's legal and other costs in this historic case. Furthermore, the ACTU was encouraged by the ILO's policy on shorter hours and it also gained support from the Chifley Government. The ACTU asked Prime Minister Chifley to legislate for shorter hours using an ILO Convention as justification, but Chifley believed that the Government lacked the constitutional power to do this. Instead, he suggested that the Government intervene when the ACTU's case came before the Arbitration Court.

Several questions arise from this brief account of the ACTU's role in the 40-Hour-Week case. Did the ACTU 'command' unions and their members to contribute the equivalent of $200,000 to meet the cost of the 40-Hour-Week case? If the ACTU did not 'command' unions and their members, did it somehow influence them to pay? If so, how did it exercise its influence? Is there some sort of obscure power differential between the ACTU and its affiliated unions which explains these events? Another interesting question is, why did the Government decide to intervene in the 40-Hour-Week case?

Broader issues are raised by these specific questions. What are the sources of the ACTU's authority to represent unions not only in the arbitration system but also to government, to employers, to political parties and to a number of international organisations as well? What might this study of the origins of the ACTU's authority reveal about similar trade union organisations?
Moreover, what might an understanding of the ACTU's authority tell us about the genesis of authority in other types of organisations? These and related questions are confronted by this case study of the sources of the ACTU's authority.

1.1.1 The ACTU's Authority: A Limited Literature

Despite the significant part played by the ACTU in Australia's economic and political life, little attention has been addressed to the sort of questions that have been posed above. Hagan published *The History of the R.C.T.U.* in 1981 but Hagan does not treat the ACTU's authority as a central issue. Evans (1968), a former member of the ACTU executive, has published an account of the roles performed by the ACTU and the functions of its executive but Evans does not specifically address the question of the ACTU's authority either. However, as well as publishing reports of ACTU congress proceedings since 1961, Martin has published two pioneering articles on the authority of the ACTU (1958 and 1962), stimulating my own interest and that of others.

Martin identifies two components of the ACTU's authority: external and internal authority. External authority, according to Martin, is the organisation's "... ability to impose claims on outsiders ..." while its internal authority is the organisation's "... ability to control the activities of its constituents ..." (1962: 175). External and internal authority are often closely connected, since external authority, to a considerable extent, is
contingent on the organisation's internal authority. A trade union centre, as Martin calls the ACTU, will have little chance of pressing its claims on outsiders unless unions are prepared to surrender autonomy by submitting to its demands.

Martin, as the following quotation shows, does not equate internal authority with any sort of hierarchy. Internal authority ... is essentially a product of compromise and expediency. It has little to do with constitutional provisions and formal sanctions, and depends for its substance and maintenance on such variable factors (to mention the most obvious) as personal relationships between ACTU officers and union leaders ... (1962: 186).

Martin goes on to say that the exercise of internal authority is a delicate matter and "... its stability cannot be taken for granted" (1962: 186). External authority, he argues, depends on the organisation being accorded recognition by significant outside actors, particularly by governments.9

Martin's concepts provide part of the foundation for the analysis of authority in this dissertation. I have developed a model of authority in which internal authority is differentiated into several components relevant to either inter-organisational relations or the qualities of leaders. External authority, on the other hand, is not differentiated: it is retained as a single category. A simplified version of the model based on two sources ('conferred' and 'external' authority) is developed in Chapter Two, and the full, more complex model, in Chapter Three.
This chapter is the first of three theoretical chapters. Here, I classify the ACTU as a trade union confederation in which authority flows from the periphery towards the centre rather than down from the top. Generally speaking, all trade union confederations — organisations such as the British TUC, the Swedish LO, the West German DGB, and the AFL-CIO in the U.S. — perform roles that are comparable: they mediate between their internal and external environments. On the basis of my ACTU case study, I will argue the thesis that a trade union confederation's authority is principally derived from the roles performed by the confederation's executive.

1.2 STRUCTURES AND ROLES

1.2.1 Classifying The ACTU And Similar Organisations

In the early 1920s, unsuccessful attempts were made to form an Australian One Big Union (OBU). The OBU was meant to replace all existing unions and its members working in the same or similar industries were to be organised in departments, like the mining department which was actually established (Donn and Dunkley, 1977: 406-407). The ACTU's structure is not at all like the OBU's was intended to be; the OBU was to have a more unified authority structure. Unlike the OBU, the ACTU was formed to protect existing unions, not replace them. Consequently, the ACTU's organisational structure was designed to facilitate inter-union cooperation.
Each of the ACTU's constituents is itself an organisation with its own rules, constitution and members. Unions become constituents of the ACTU by affiliating to it and by paying the appropriate affiliation fees. In 1983, 157 unions representing about two and a half million members were affiliated to the ACTU. Most of these unions are federal organisations: they have branches in two or more states or territories and a number have branches in all states and territories. Individual unionists are not members of the ACTU but are affiliated to it, through their unions. In this dissertation, they will be referred to as the ACTU's affiliated union members.

The only trade union organisations in Australia structurally similar to the ACTU are the Trades and Labor Councils (TLCs). Trade unions affiliate to the TLCs, as they do to the ACTU, but the TLCs are state rather than federal organisations. State branches of federal unions, and unions which exist only within a single state, are affiliated to TLCs located in Melbourne, Sydney, Brisbane, Adelaide, Hobart and Perth and in a number of provincial centres, such as Bendigo in Victoria and Newcastle in New South Wales. Each of the six TLCs located in the state capitals is now a branch of the ACTU. However, a state branch was not formed in Western Australia until 1949. The five state branches, located in the eastern states, were crucially important in the ACTU's early years (see Chapter Four).

Whereas the TLCs represent unions at the state level, the ACTU represents unions at the national and at the international level. A relatively small number of national trade union
organisations in other countries have functions and roles similar to the ACTUs. The word similar is used advisedly: no similar organisation in any other country except New Zealand represents unions in a wage-fixing system controlled by the state since only New Zealand and Australia have adopted arbitration systems. The British counterpart to the ACTU, the TUC, and the AFL-CIO in the U.S. do not participate in a state-controlled, wage-fixing system, and neither does the West German DGB or the Swedish LO. Notwithstanding this rather important difference, the ACTU and its counterparts named above are structurally similar organisations and each performs national and international representational roles on behalf of its affiliated unions and their members.

Organisations like the ACTU have not been classified in a particularly rigorous or systematic way. Dabscheck (1977) describes the ACTU as a "... peak trade union body". Martin (1962) describes the ACTU and the TUC as "... Trade Union Centres ..." in the title and as "... peak union organisation(s) ..." in the text of the same article. Peak and centre, used in this context, draw attention to the centralising function performed by these organisations but these terms do not refer to their form of government. Donn and Dunkley (1977: 404) use a term that does refer to both the ACTU's centralising function and to its form of government: they call the ACTU a "... central trade union federation ...". But Windmuller (1975: 91 note 1) argues that federation is not an appropriate term for organisations like the ACTU because "... in Britain a federation is a bargaining
coalition of individual unions and in Romance countries it is usually an individual union".13

Crouch (1982), Hartmann and Lau (1980), Heady (1970) and Windmüller (1975) call organisations like the ACTU, trade union confederations. Trade union confederation is an appropriate term because the constituents of these organisations are trade unions. Confederations perform representational roles and centralise at least some of the functions otherwise fulfilled by individual trade unions.14 Of most importance in this context, authority is distributed in similar ways in all trade union confederations.

Confederations are founded on three basic principles. First, the "... center is not sovereign - it holds its authority at pleasure from the constituent ('peripheral') units of the confederation" (King, 1962: 133). That is, constituent units confer authority on the central executive of the confederation and authority flows inwards toward the centre, not downwards from the top as it does in many organisations. Second, in confederations the autonomy of constituent units or parts is safeguarded. The "... center can exercise only as much authority as the constituent parts are willing to relinquish" (Windmüller, 1975: 92). Third, a confederation's constituents are not individuals; they are other organisations and the central executive of the confederation has no direct control over individuals (Wahlke and Dragnich, 1971:338). Authority is therefore exercised over organisations rather than over individual organisational members. These three basic principles of government set limits to the practical exercise of authority in all confederations.
The form of government adopted and the distribution of authority between affiliated unions and the central executive undoubtedly varies between confederations. These variations, however, are not so substantial as to invalidate this classification. Throughout this dissertation, 'confederation' will be used to describe a class of organisations of which the RCTU, the TUC, the AFL-CIO, the West German DGB and the Swedish LO are five trade union examples.

1.2.2 An Intermediary Role

Trade union confederations mediate between their affiliated unions and significant external organisations, like governments and employer organisations. Thus, trade union confederations are intermediary organisations (Hartmann and Lau, 1980: 366). As Martin puts it, the role of the TUC is essentially that of an intermediary. When it presents claims to government, it is as it were, facing two ways simultaneously. It is not only claiming government recognition of its right to be heard; it is also asserting in relation to its constituents, the authority to speak on their behalf (1980: 4-5).

In this passage, Martin specifically identifies the TUC as being separate from its constituents. The TUC's constituents are its affiliated unions, just as the ACTU's constituents are its
affiliated unions. But who or what does Martin identify as the TUC?

In a footnote to the quoted passage, Martin explains what he means by the TUC:

... the term 'TUC' here refers to the organisation's leadership enclosed in its executive organ (originally known as the Parliamentary Committee, latterly as the General Council), with its associated full-time administrative staff and committees drawn exclusively or predominately from its own membership (1980: 5).

Following Martin, I shall use 'ACTU' to refer to the ACTU's executive or to its full-time officers where they speak, as they often do, in the name of the ACTU.

If a confederation's executive has a separate organisational identity, and that is Martin's position, questions arise about the relationship between the executive and the confederation's affiliated unions. I argue that its affiliated unions are a significant part, but only a part, of a confederation's organisational environment. The environment is the surroundings or the context within which an organisation operates (Dill, 1971: 82) or, putting it in other words, the environment includes everything outside a particular organisation that it must contend with (Hall, 1977: 22). An organisation's environment includes other organisations, the state of the economy, social and political conditions and territorial and geographical imperatives.

A trade union confederation has twin environments: its internal and external environments. The main components of its
internal environment are its affiliated unions and their members. However, the expectations of affiliated unions towards the confederation may not be the same as those of union members. Confederation officers are very much aware of the dualistic nature of the internal environment. They are under pressure to satisfy the expectations of the constituent trade unions as well as the rank and file and they are anxious to secure the loyalty of both (Hartmann and Lau 1980: 371).

For historical reasons, the internal environment of particular confederations may include additional organisations, and this is the case with the ACTU.

The ACTU's internal environment is very much a product of the Australian federal system. It consists of the following overlapping organisations and their memberships: federal unions, some state unions which are not branches of federal unions but are affiliated directly to the ACTU, the six state branches (the metropolitan TLCs), a number of provincial TLCs such as those in Newcastle, Wollongong and Bendigo, and union members many of whom are affiliated, through their unions, to both the state branches and to the ACTU directly.16

A confederation's external environment consists of important outside organisations including both the legislative and administrative arms of government, social democratic or labour parties and international trade union organisations. The ACTU's external environment includes the federal and state governments (particularly the federal Government), the Australian Labor Party
(ALP) and the Federal Parliamentary Labor Party (FPLP), state and federal arbitration systems (particularly the federal system), the ILO, the ICFTU and trade union confederations in a good many other countries.

A confederation's external environment, furthermore, includes trade unions which are not affiliated to the confederation and which sometimes are regarded as organisational rivals. For example, the Australian Workers' Union (AWU) did not affiliate to the ACTU until 1967. As the AWU was Australia's biggest union, its non-affiliation was of considerable importance to the ACTU. For much of the 40-year period 1927-1967, leaders of the AWU and the ACTU were publicly opposed, although, as shown in Chapter Eight, they privately cooperated to some extent. Until 1967 the AWU was a significant part of the ACTU's external environment.

Like other confederations, the ACTU derives its authority principally by mediating between its internal and external environments. The derivation and maintenance of the ACTU's authority, therefore, is of central concern throughout this dissertation. In the remainder of this chapter, authority and related concepts, like influence, power and legitimacy, are discussed.

1.2.3 Influence, Power And Authority

A good deal of confusion exists over the respective uses of the terms influence, power and authority. This confusion is not
confined to the everyday use of the terms: it is also reflected in scholarly discourse. By different scholars

power is regarded as a form of influence, or influence as a form of power, or they are treated as entirely distinct phenomena ... Authority is a subtype of power, or power and authority are distinct and opposite (Wrong, 1979: 65).

I shall adopt what Peabody (1964: 5) calls a "... genus and differentia approach ..." defining power as a special case of influence and, in turn, I shall define authority as a special case of power.

Before defining it, a number of points can be made about the nature of influence. It follows from the above that influence is the most inclusive concept of the three. In addition, influence can be exercised both intentionally and unintentionally (Gamson, 1968: 69 and Wrong, 1979: 4). Influence, furthermore, does not necessitate the use of sanctions such as threats (negative sanctions) or promises (positive sanctions). Weather forecasts, for example, influence aviation, farm activities, sporting events and so on, yet the meteorological office does not offer sanctions to users of its forecasts. It simply issues, or communicates them to users and undoubtedly these forecasts influence behaviour. Influence is defined as any transaction or event which changes behaviour or policy. On the other hand, influence is also exercised when existing behaviour or policy is reinforced (Holsti, 1974: 156).

Power is a deliberate and successful attempt to change behaviour: it is the intentional exercise of influence (Eckstein,
According to Weber, power is exercised in most, if not all, social relations. It can be exercised "... in the market, on the lecture platform, at a dinner party, in sports or scientific discussions, in erotic or charitable relationships" (Bendix, 1969: 290). Weber defines power as "... the probability that one actor within a social relationship will be in a position to carry out his own will despite resistance ..." (Giddens, 1974: 17).

One reading of Weber's definition of power implies that the exercise of power necessarily involves conflict: the resistance of others has to be overcome. But Giddens (1974: 17) argues that this is a misreading of Weber's phrase "even against the resistance of others ...". An actor may carry out his or her own will or exercise power, despite resistance and also in the absence of resistance. The exercise of power may be indirect, it may be subtle, and it may be exercised with low visibility. For example, trade union leaders exercise power when they deflect attention away from issues to the point that they are no longer divisive or harmful to their organisational interests (Giddens, 1974: 18).

Giddens argues that there is not a fixed amount of power in any society. Power can be harnessed by forming new organisations "... which deploy resources of men and materials in more effective ways than previously ..." (1974: 18). This point is reinforced by the ACTU's role in the 40-Hour-Week case. The financial contributions of individual trade unionists were collected by their unions which in turn channelled their combined resources to the ACTU. The ACTU was then able to engage legal counsel which
represented the ACTU, its affiliated unions (and some unaffiliated ones including the AWU), and their members in the Arbitration Court.

Authority may be defined as a command relationship but, as discussed earlier, there is a good deal more to authority than merely this one aspect. According to Weber, authority is a special case of power: it is "... the power to command and the duty to obey" (Weber, 1954: 324). It is not difficult to see how power differentials between superiors and subordinates create the capacity for superiors to command subordinates. The second part of Weber's definition, however, provides more difficulty. How do power differentials create a duty to obey?

Weber provides a clear example of the conversion of one type of power relationship into authority. The power of the market, argues Weber, is "... based upon influence derived exclusively from the possession of goods or marketable skills ..." (1954: 324-325). A bank has power over its clients derived from its possession of credit facilities. If a corporation is in debt to a bank, the bank may grant further credit on the condition that the bank is given a seat on the corporation's board. This changes the bank's relationship with its client: in future, the client will have a duty to obey the bank. In Weber's terms, a command or authority relationship exists between the bank and the corporation and this relationship is legitimated by the bank's representation on the corporation's board.
1.2.4 Legitimacy And Authority

Legitimacy is a pivotal concept in Weber's theory of authority as indeed it is in all theories of social order. Every authority system, Weber wrote, "... attempts to establish and to cultivate the belief in its legitimacy" (1947, 298). Weber appears to equate legitimacy with perceptions of the morality, of the rightness, of the propriety or of the justice of directives issued by authorities (Eckstein, 1973: 1152). But legitimacy, fundamentally, does not appear to be a moral issue. In the case of the bank's authority over its client, for example, morality seems not to be at issue. The bank merely made a business decision to protect its investment in the corporation by taking control. Rather than morality, Abell (1979: 143) suggests that Weber was more interested in the need for compliance in organisations.¹⁹

Blau (1970: 156) poses a question which Weber either avoids or answers inadequately. Blau asks: how are other forms of power transformed into legitimate authority? How, for example, do conquerors legitimise their rule when they become kings?²⁰ In bureaucracies the legitimisation process is also complex. Terms of employment, whether expressed in legally binding contracts or not, legitimate formal superior-subordinate relations. Generally, superiors receive greater rewards than subordinates and as a result they are expected to exercise more legal authority.²¹ Superiors can sometimes resort to coercive measures to ensure subordinate compliance but the scope of legal authority, even if it is backed by coercive measures, is nonetheless limited.
Legal authority does not ensure willingness to work, nor does it encourage initiative or harmonious industrial relations. If senior officers, managers, supervisors and leading hands are to contribute to achieving organisational goals, they must rely more on their influence over subordinates than on formal legal authority. How is the superior’s influence converted or transformed into legitimate authority over subordinates? Does the superior simply rely on the subordinate’s belief in the correctness of instructions or orders? Blau thinks not, for persuasive reasons. Legitimacy, according to Blau, depends on subordinate reaction to influential superiors.

Influence and power are transformed into legitimate authority by particular sorts of managerial practices and by the collective response of subordinates. Managers extend their influence and power by supplying information controlled by superiors, by representing subordinate interests to higher authority and by neglecting to enforce unpopular rules. In short, influence and power are extended by supplying subordinates with scarce resources, including the superior’s good will. This creates a reservoir of joint social obligations amongst subordinates who have an interest in maintaining good relationships with their superiors. Thus, subordinates, rather than superiors, establish group norms, enforcing compliance on potential deviants. Blau argues, the "... prevalence of such a normative orientation among subordinates legitimates the superior’s authority over them" (Blau, 1970: 157).

Blau’s position is that legitimate authority, as distinct from other forms of power, is "... rooted in the collectivity of
subordinates rather than the instruments of power or influence wielded by the superior himself ..." (1970: 155). Legitimate authority therefore entails voluntary compliance by the collectivity of subordinates who comply with group norms. Something like obligatory compliance, however, is exacted from individual subordinates who respond to what Blau calls "... compelling social pressures" (1970: 158). Blau uses a striking metaphor to illustrate the obligatory nature of individual responses to group norms which legitimate authority. The response of individuals, Blau argues, is about as "... voluntary as our custom of wearing clothes" (1970: 158).

Legitimate authority can be distinguished from the use of power backed by coercion, such as the coercive power exercised by James Hoffa over the Teamsters' Union in the USA. A superior who resorts to coercion concedes that legitimate authority is failing, or worse, that it has already failed (Carter, 1979: 49). This is not to say that authority should never be supplemented with coercive power or that coercive power is necessarily illegitimate. It is to say that legitimate authority entails a set of role expectations that do not include the use of coercion. Coercive power is an alternative, but incompatible, form of social control called into play when legitimate authority is under threat or has failed.
1.3 SUMMARY

1.3.1 The Legitimation Of The ACTU's Authority

Relations between influence, power, authority and legitimacy are shown in Figure 1.1. Influence is more inclusive than power which in turn is more inclusive than authority; all authority is power and all power is influence. But not all influence is power, and not all power is authority. Authority is the smallest domain and it is distinguished from both power and influence by an added dimension: legitimacy. In bureaucracies, as I have argued above,

Figure 1.1: Relations Between Influence, Power, Authority and Legitimacy

the exercise of influence and power is transformed into legitimate authority by the shared values of subordinates. The imperative to obey managers and supervisors comes from the bottom of organisations, rather than from the top.
For the ACTU, as Figure 1.2 shows, the legitimation process is complicated by the number of organisations in the confederation's twin environments. Unions and their members are indispensible to the ACTU: they are its primary source of finance, moral support, and authority. Furthermore, the ACTU cannot survive in isolation from significant outside organisations: the legitimacy they provide is also essential.

Figure 1.2: The Legitimation Of The ACTU By Organisations in Both Its Internal And External Environments

Internal Environment | ACTU | External Environment
---|---|---
Affiliated Unions | Executive | Federal Government
State Branches | | Arbitration Commission
Union Members | | The ILO & ICFTU etc.
I have argued that the ACTU derives its authority by mediating between its internal and its external environments. This argument arises from the thesis that a trade union confederation's authority is principally derived from the roles performed by its executive. Chapter One has laid the sociological foundations for this case study, so that in the next two chapters the model of sources of authority in trade union confederations can be developed. In Chapter Two, as indicated earlier, I present the simplified version of the model and explain its analytical value.
1 These aims are spelled out in the STATEMENT OF ACCORD BY THE AUSTRALIAN LABOR PARTY AND THE AUSTRALIAN COUNCIL OF TRADE UNIONS (ACTU National Directory and Union Officials' Manual, 1983-84).

2 A set of guidelines for handling interstate disputes was developed by a conference convened by the ACTU in July 1928 following the Marine Cooks' strike (Hagan, 1981: 89-90).

3 This spelling (labour) will be used except when referring to the Labor Party or Trades and Labor Councils.


5 The Arbitration Court ceased to function following the High Court's 1956 decision in the Boilermakers' case. An Industrial Court was then established to exercise judicial powers while arbitral powers were vested in the Commonwealth Conciliation and Arbitration Commission. The ACTU's role in the Boilermakers' case is discussed in Chapter Eight.

6 Documentary sources for these costs are provided in Chapter Eight. Conversion to 1978 values was made using retail price index numbers for 1978 (1,313) and for 1946 (190) found in the Year Book Australia (1980: 131). Conversion from 1978 to 1984 values was then made using figures for 1984 (132) and 1978 (83) from the Year Book Australia (1985: 105).

7 ABL/ACTU letter To Secretaries Of Affiliated Unions from Secretary Monk, dated February 12, 1946, N21/42.

8 For Martin's reports of ACTU congress proceedings, see The Journal Of Industrial Relations and Labour History.

9 In a response to Martin's two articles (1958 and 1962), Dabscheck criticises Martin for not appreciating "... the significance of a compulsory arbitration system for the 'nature' and operation of Australian trade unions" (1977: 389). As already indicated, I believe the ACTU's role in the arbitration system has contributed significantly to its authority and this is illustrated in Chapter Eight. Here I am concerned with establishing a conceptual framework and discussing Dabscheck's article would not contribute to that end.


11 The Sydney TLC was established in 1871 and similar councils in all five of the eastern colonial capitals by 1865 (Pilkington, 1983: 272). The constitution, rules and structure of these five TLCs are discussed in Chapter Four.
The ALP in Perth, the Western Australian capital, became a branch of the ACTU in 1949 (Pilkington, 1983: 280). A Perth TLC was formed in 1962 and it then became the ACTU's state branch (ABL/ACTU, Minutes of ACTU Executive Meeting, July 3, 1962, N21/278).

Romance countries e.g. France, Italy and Spain are those whose languages are derived from Latin.

The TUC, for example, has traditionally represented British trade unions in negotiations with the British Government (Martin, 1980).

Classification allows comparisons to be made and contrasts to be drawn between organisations which are similar and, on the other hand, between organisations which are ostensibly quite different. A study of The National Collegiate Athletic Association (NCAA) in the U.S., for example, has provided useful insights for this case study because the NCAA is classified as a loose confederation of universities which was transformed "... into the dominant control agent over intercollegiate athletics during the period from 1906, when it was organized, to 1952, when member schools granted it regulatory power" (Stern, 1979: 242). Classification is therefore of some importance: it facilitates moving from the general to the particular case and then from the particular back to the general case.

Provincial councils in each state have access to the ACTU through their state branches. Five provincial councils, three of which are in New South Wales, have direct access. These five are the Barrier Industrial Council (Broken Hill), the Newcastle TLC, the South Coast TLC (Woolongong), the ACT TLC (Canberra) and the Northern Territory TLC (Darwin).

One or two union federations with a restricted constituency, such as the Metal Trades Federation (MTF) and the Maritime Transport Council (MTC), are also in this category. The MTF is discussed in Chapter Seven.

The AWU's significance can be judged by its affiliated membership of 156,657 in 1967 compared with the two next biggest affiliates. The Federated Clerks' Union (FCU) and the Amalgamated Engineering Union (AEU) paid fees on 58,727 and 56,150 members respectively: they were about one third as big as the AWU (ACTU Executive Report, September 1967).

Abell argues that Weber believed that superiors in organisations must secure the compliance of subordinates if reasonable stability is to be achieved. Weber's position, according to Abell, is that power differentials must be recognised
by those who exercise power "... and particularly by those subject to it ..." (Abell, 1979: 143).

Weber, of course, identified three ideal typical ways in which power differentials have been legitimated throughout history. These are: [1] traditional authority which is legitimated by "... an established belief in the sanctity of immemorial traditions and the legitimacy of the status of those exercising authority under them" (1947: 301); [2] charismatic authority which is legitimated by "... devotion to the exceptional sanctity, heroism or exemplary character of an individual person, and of normative patterns of order revealed or ordained by him" (1947: 301) and [3] rational legal authority which is legitimated by a "... belief in the 'legality' of patterns of normative rules and the right of those elevated to authority under such rules to issue commands ..." (1947: 300).

21 See previous note for Weber's definition of rational legal authority.

22 Coercion undoubtedly produces conformity in authoritarian societies such as the Soviet Union but could Soviet leaders rule without the support of the populace? Probably not. Blau's position would probably be upheld, although not as strongly, even in the Soviet Union.
CHAPTER TWO
THE SIMPLIFIED MODEL

2.1 Introduction

A trade union confederation is legitimated by external organisations, particularly governments, as well as by unions and their members. Claus Offe (1981) in a contribution to the debate on neo-corporatism, makes a similar point. Offe argues that any organisation that is accorded positive political status, through its recognition by government, "... has resources to spend that do not flow from the willingness of members to contribute to a common objective ...". As a result, Offe argues, the behaviour of such an organisation is only partly determined by its members because "... it has commitments to honor that are the price for political subsidy and hence are irreducible to the membership level ..." (1981: 137).

Confederations or unions that gain recognition from external organisations, especially from governments, enjoy a number of advantages. In the case of a French agricultural union, these included exclusive or privileged access to decision-making centres, the devolution of authority by the state to determine some policy matters, monetary subsidies and the suppression of organisational rivals (Keeler, 1981: 188). Access to sufficient external authority to create a representational monopoly is a goal of all trade union confederations but it is a prize that is not easily won. Achieving it will depend, amongst other things, on the
extent of the authority conferred on the confederation by affiliated unions and their members.

In this chapter, I develop a simplified model of sources of authority in trade unions confederations based on systems analysis. Within the systems framework, organisations are viewed as social formations which transform inputs of material, energy or information into outputs of some kind (Kast and Rosenzweig, 1970: 119; Evan, 1976: 135-147). For example, a systems analysis of Australia's federal Conciliation and Arbitration Commission would probably identify submissions to the Commission from unions, employers or governments as system inputs, deliberations of conciliators and arbitrators as transformation processes and the Commission's decisions as system outputs. In my model, inputs basically consisting of union support and external legitimacy are transformed through mediation processes into authority that is exercised by the confederation's executive.

Until about 1960, closed systems models, which assumed that organisations were isolated from their environments, tended to dominate the literature on organisational theory (Starling, 1975: 154). Organisational boundaries were regarded as being fixed, easy to locate and non-permeable, and the input-transformation-output process was analysed within these limits. A closed system analysis of the Arbitration Commission would probably not account for the influence of the political, economic and social environment on the Commission. As a result of this limited framework, such an analysis might ignore the influence on the Commission of the
Government, the state of the economy, or the status of female workers compared with their male counterparts.

In the period since about 1960, the analysis of organisations as open systems has tended to displace closed systems analysis (Scott, 1981: 407). Open systems analysis recognises that organisations and their environments are interdependent and that mutual dependencies are created and maintained by the two-way exchange of resources across permeable organisational boundaries. Interdependency is such that, on the one hand, environmental factors can influence and change organisational processes and structures and, on the other hand, organisations can manipulate their environments (Scott, 1981: 407-40; Starling, 1975: 166). Trade union confederations exemplify each of these attributes: they are open organisational systems.

2.2 SOURCES OF A CONFEDERATION'S AUTHORITY

2.2.1 The Simplified Model Explained

Figure 2.1 is a simplified model of an open organisational system in which the degree of interdependence between the confederation's twin environments and the executive is very high indeed. The central panel represents the confederation's executive and the two side panels, the internal and external environments. Broken lines, representing permeable organisational boundaries,
Figure 2.1: A Simplified Model Of Sources Of Authority In A Trade Union Confederation

Internal Environment * Confederation's Executive Environment **

Conferred Authority → Mediation Process → External Authority

input output feedback (+/-) feedback (+/-)

* The Confederation's affiliated unions and their members.
** Governments, employers, tribunals, social democratic or labour parties.

separate the confederation's executive from the internal environment (affiliated unions and their members) and from the confederation's external environment (government, employers, tribunals, social democratic or labour parties and other 'significant' outside organisations).

Organisations in the internal environment assign conferred authority to the confederation's executive; organisations in the external environment, external authority. Mediation transforms these two inputs and the demands that accompany them into
executive authority, the system output. Through feedback, organisations in both environments sense variations in output (Starling, 1975: 171). In turn, the reaction of organisations in the twin environments determines the level of future transfers of conferred and external authority to the confederation's executive.

The configuration of Figure 2.1 is consistent with the thesis that a confederation's executive derives its authority principally by mediating between the confederation's internal and external environments. The central location of the executive, moreover, emphasises its intermediary role and the importance of the mediation process. It should be noted that the figure is laid out horizontally rather than vertically; this emphasises the non-hierarchical nature of interactions between the executive and organisations in both environments. Furthermore, the figure conveys the impression of a dynamic, open, organisational system.

Figure 2.1 shows only the basic sources of a confederation's authority. The complete model developed in Chapter Three (see Figure 3.1) incorporates several additional sources of authority. The configuration of both the simplified and the complete model, nevertheless, is similar: organisations in the internal and external environments assign inputs and make demands on the executive which mediates between them, thereby enhancing its authority. I discuss conferred authority and other concepts incorporated in the simplified model in the next four sections of this chapter.
2.2.2 Conferred Authority Through Consent

Trade unions confer authority on a confederation by affiliating to it. As a union's decision to affiliate entails the transfer of resources, it is a conscious and deliberate act. Equally important, as this decision commits the union as a whole, it must be made in accordance with the union's constitution and rules. Affiliation requires the consent of the union's governing body or council and may also require the approval of the union's members whether obtained by a plebiscite or by decisions taken at representative meetings. In conformity with these principles, conferred authority is defined as a formal warrant of authority issued by a trade union which has decided to affiliate to a confederation.

Affiliated unions agree to abide by the confederation's constitution, rules and conventions of behaviour. Confederation government is based on majority decisions, binding both the executive and affiliates. Other affiliated unions demand respect for their rights, for example in job-control and recruitment. When they affiliate, unions know that the confederation's executive will control some of their activities and that the executive will claim the right to represent their interests to outside organisations. These last conditions are important because they mean that unions give up some of their autonomy by affiliating to a confederation.

Unions, like most organisations, only agree to a restriction of their autonomy if they expect to receive benefits in return. A
confederation supplies its affiliates and their members with valued collective goods or "... goods which cannot feasibly be withheld from others in that group" (Olson, 1965: 14). National wage increases, for example, are collective goods supplied to all union members as a result of the ACTU's advocacy in the Arbitration Commission. On the other hand, affiliated unions have control over resources which the confederation cannot acquire except from them. To meet its own organisational needs, a confederation exchanges resources with trade unions. In return, unions affiliate under conditions specified in confederation rules or in agreements made with its executive.

Union membership is a resource that has considerable intangible value. A union's membership, when aggregated with that of other unions, is an indicator of the legitimacy bestowed on a confederation by its affiliates. At its annual Convention held in Brisbane in January 1967, the AWU announced the end of its 40-year stand-off. Convention delegates decided unanimously that the big union would affiliate to the ACTU. The Courier Mail of 26 January, proclaimed that it was, the "Wedding of the (union) century". The AWU's 'dowry' included its large membership. The 1967 ACTU Executive Report shows that the AWU affiliated on the basis of more than 150,000 members and that since 1965, the ACTU's aggregate affiliated union membership had increased by 10 per cent, due to the AWU's affiliation.

Unions will sometimes affiliate to a confederation in the hope of influencing government policy. In Britain, for example, the National Union of Teachers (NUT) considered affiliating to the
TUC for a long time, sporadically debating the issue from the 1890's to the mid 1960s (Coates, 1972: 100-111). The NUT feared that TUC affiliation would align the union with the Labour Party, that it would destroy the professional status of teachers, and that it would lead to the resignation of members. But by the late 1960s, the TUC "... had become the only channel through which teachers ... might exert influence on the formation of national economic policy" (Coates, 1972: 104). Faced with the reality of the TUC's monopoly on trade union access to government, the NUT cast aside its objections and affiliated in May, 1970.

As a condition of their affiliation, unions also pay fees to the confederation. From the confederation's standpoint, affiliation fees are an important tangible resource as they are likely to constitute a substantial proportion of total income. In 1982, for example, the ACTU's affiliation fees of $1,654,390 represented 92 per cent of its income for the year.* Prior to paying its annual fees, each union must decide to continue its affiliation. Thus, the continued payment of fees is a renewal of consent to affiliate and, of great importance, the continued payment of fees is a renewal of the warrant of authority conferred on the confederation by each of its affiliated unions.
2.2.3 External Authority

As noted in Chapter One, Martin (1962: 175) defines external authority as the "... ability to impose claims on outsiders ...". The word 'impose', with its connotations of force and compulsion, seems rather too strong to describe the relationship between a confederation and an 'outside' organisation, particularly a government. Confederations gain concessions from government, seldom 'imposing' claims on them. A confederation's primary role is to mediate between 'outside' and 'inside' organisations, negotiating the exchange of mutual concessions. External authority is contingent on 'outside' organisations recognising the confederation's capacity to mediate between them and 'inside' organisations.

Through international agreements, confederations become sources of external authority for their counterparts in other countries. In 1964, the ACTU agreed to an ICFTU proposal that visits to the Federal Republic of Germany (FRG) by trade union delegations from Australia should be restricted to those arranged by the DGB.8* In 1973, ACTU Secretary Souter wrote to George Meany, President of the AFL-CIO, vouching for the Federal Secretary of the AWU, about to embark on a study tour of the union movement in the United States.9* As this letter indicates, if an Australian union wishes to gain access to affiliates of the AFL-CIO, it must first recognise the AFL-CIO's authority.10

Governments and other outside organisations act in their own self-interest when they recognise trade union confederations. This
is because confederations have the capacity to decrease the socio-political uncertainty (Hickson et. al., 1971: 219) faced by outside organisations in their dealings with trade unions and their members. As one strategy to counter this source of environmental uncertainty, at times a serious problem, external organisations actively 'sponsor' confederations (Hartmann and Lau, 1980: 370). In exchange, confederations expand their coordinating and centralising roles and affiliated unions, willingly or not, are increasingly forced to rely on them in order to gain access to external organisations.11

As soon as it was formed in 1927, the ACTU gained recognition from the Government over a matter of great importance to the new confederation. As a signatory to the Treaty of Versailles signed in 1919, the Australian Government has always been required to select employer and worker delegates to attend ILO conferences. According to the ILO, the selection process is to be done in consultation with the 'most representative' organisations of employers and trade unionists respectively.12* At its first meeting in August 1927, the ACTU executive decided on procedures to elect potential ILO delegates, the final selection to be made by the Government.13* By coordinating these elections, the ACTU expected to be accorded 'most representative' status by the Government and, moreover, to have its authority similarly recognised by the international community, especially by trade unions in other countries (see Chapter Nine).14

A devolution of authority occurred in 1930, to use Keeler's terminology (1981: 188), when the Government's prerogative to make
the final selection of the single ILO delegate was formally transferred to the ACTU. As noted above, the ILO merely requires the Government to consult with 'the most representative' organisation of workers over this matter. Between 1927 and 1930, the Government itself selected a single delegate from a panel of names submitted each year by the ACTU. The ACTU, however, persistently informed the Government of its strongly held belief that it was the best judge "... as to the person or persons most suitable to be ..... (the workers') representative or representatives ...". In 1930, the ACTU was invited by the Government, for the first time, to independently select the workers' delegate who would represent Australia at the ILO.

Such is the importance of recognition that the contest for it may absorb more of a confederation's energy than it expends on representing its constituents (Kwaunick, 1970: 58). The loss of such a contest, moreover, may have serious consequences. In Britain, the General Federation of Trade Unions (GFTU), formed in 1899, represented the international interests of British trade unions prior to the 1914-1918 war, the TUC displaying little interest in doing so at that time. At the end of the war, the Government invited the much more inclusive TUC to advise it on the labour clauses of the Versaille Peace Treaty (Prochaska, 1982: 151). Subsequently, it was the TUC which was accorded 'most representative' status, so gaining the right to nominate ILO delegates. The withholding of government recognition from the GFTU in 1920, was a turning point for the federation from which it never fully recovered (Prochaska, 1982: 142).
2.2.4 The Mediation Process

Mediation is a bargaining process facilitated by intermediaries whose presence is required more often than not at the bargaining table. Mediators bring disputing parties together so that the parties themselves can reach agreement. Essentially, mediators have only one task: "... to work towards an agreement that both sides are likely to accept ..." (Johnston, 1962: 141). Mediators may urge the parties to make concessions, to make offers and counter-offers; mediators are entitled to bring pressure to bear so that the parties do reach an agreement. But mediators are not entitled to make awards or to impose judgements; they are conciliators rather than arbitrators (Johnston, 1962: 142).

The role of the mediator is based on the expectation that relations between the parties can be stabilised in the short-term, if not in the long-term. A basic conflict of interest, such as a conflict between unions and employers, will probably not be permanently resolved by mediation. Nonetheless, parties that are in conflict often seek mediation because it avoids the imposition of a solution by an outside arbitrator. When mediation takes place, the final solution is an agreement between the parties themselves, and the parties retain their autonomy and freedom to bargain again in the future (Ross, 1968: 507).

In addition to taking a neutral position, mediators must have special knowledge of the events in question and the issues at stake. This allows mediators to transcend emotional barriers created by the conflict that brings the parties before them. A
study of public sector mediation in Iowa, by Karim and Pegnetter (1983: 109), shows that when mediators are regarded as experts, the parties "... will focus on the disputed issues and each other more objectively ...". But, neutrality and knowledge are not sufficient: mediators also need prestige or the virtues that create personal authority (Braun, 1944: 55).

Each of the attributes identified above is discussed by a South Australian Judge, Mr. Justice Wells, who describes the authority of the mediator as follows. A mediator traditionally has no enforceable authority, and the weight of his counsels is dependent upon his personal qualities, the position he occupies in the realm of affairs in which he intervenes, and his professional skill and knowledge. He uses his best endeavours, by recommendations, advice and suggestions, to compose the differences of the parties in dispute or at variance, but he is never looked upon as having an authority to make orders that are binding in law.18

Mr. Justice Wells remarks are apposite as he was discussing the mediation role performed by the President and other officers of the Industrial Court of South Australia.

Because of their personal qualities and their position, mediators are able to invoke moral imperatives in an attempt to bring the parties together. To quote Mr. Justice Wells again, a mediator

... may declare, with respect to any particular question that arises, who, in his opinion, is in the right, and who is in the wrong. Not infrequently such a declaration helps the
parties to arrive at a solution acceptable to all concerned. But he (the mediator) seeks neither to threaten nor to punish the contumacious.19*

A declaration of who is 'right' may be made by the President of the ACTU or by another ACTU mediator.20 When such a pronouncement is made, the parties to mediation find it difficult to ignore.

2.2.5 Mediation, Independence And Accountability

A confederation's executive has to be sufficiently independent to mediate between its affiliated unions and external organisations.21 On the other hand, the executive is also accountable, through feedback mechanisms, to organisations in both its internal and external environments. Independence from another person or organisation means freedom from influence, control, or even support. Accountability refers to a reciprocal sort of relationship entailing the requirement to report, to justify or to explain to the other party both the reasons for actions taken and their consequences. But independence and accountability are not mutually exclusive. A government agency or commission, for example, may have a substantial degree of independence and yet still be accountable to Parliament which allocates funds to it (Mosher, 1979: 233-234).

A confederation's executive, in one sense, is not unlike an agency or a commission: it is is accountable for its programmes and implementation procedures. Programme accountability is not
easy to define: it addresses questions like 'did the end-user get
the desired result from the programme'. Process accountability
"... refers to the general procedures and methods of operation by
which a delegated assignment is carried out" (Smith, 1971:29). A
confederation's affiliates demand that the executive gives
priority to programmes which they have helped formulate. On the
other hand, external organisations, particularly governments, are
concerned as much with the processes utilised by the executive in
implementing the confederation's programmes as they are with the
programmes themselves.

The government expects a confederation's executive to take
account of current economic, social, and political constraints
and, above all, to act 'responsibly' when it mediates between a
government and affiliated unions. This means that the executive is
expected to place limits on affiliated unions, particularly on
their use of the strike weapon. The expectations of government
sometimes cannot be met because the executive is also accountable
to its affiliates who sometimes will not only use the strike
weapon, but will demand that the executive supports its use.
Tensions inherent in the executive's mediation role are
illustrated by Figure 2.2.

The relationship between authority and mediation is shown on
the left of the figure and between accountability and mediation,
on the right. The figure is illustrative only: a linear
relationship seldom exists between any of the several variables
shown on the figure. As the extent of conferred and external
authority increases, so does the range and number of issues mediated by the executive. The point of origin of the outwardly pointing arrow will move in sympathy with these changes from A to B to C. This progressively expands the area enclosed by the dotted lines indicating that the executive's mediation activity has become more extensive.

As shown by the second half of the figure, the executive is also accountable to organisations in both its environments. As the extent of external authority increases, for example, so too do the demands for accountability made by outside organisations. The requirements of internal and external organisations are sometimes incompatible and this tends to restrict the executive's mediation activity. Point C' may collapse to B' and, if serious or extremely
serious incompatibility occurs, B' may fall back as far as A'. Such a situation would have serious consequences indeed; it is theoretically possible but it would all but destroy the confederation.

Confederations mediate in an attempt to maintain a strategic balance between their internal and external environments, but this is difficult to maintain if "... discrepancies are large between bargaining targets and relative success, and if its affiliates are restive and powerful ..." (Hartmann and Lau, 1980: 374). This forces confederations to back away from close involvement with governments and other external organisations. They "... tend to become involved in 'minuet behaviour', the alternation between trade-offs and break-offs ..." (Hartmann and Lau, 1980: 375).

When affiliated unions perceive that their vital interests are under serious threat, the executive may be forced to act in a partisan fashion, giving up for a time all attempts to mediate. Such a situation occurred in Australia in 1976 when the ACTU executive called a national 24-hour strike following a break-down in negotiations with the Government over the MEDIBANK issue. The attitudes of ACTU executive members in 1976 were influenced by the extensive strikes which had occurred in 1969 following the gaoling of Clarence O'Shea, the Victorian Secretary of the Tramways' Union. In 1969, the executive continued to bargain with the Government, but was hardly involved in the strikes at all. In 1976, the executive believed it had no other choice: it temporarily broke off its relations with the Fraser Government and coordinated the MEDIBANK strike (see Chapter Six).
2.2.6 Executive Authority

For executive authority to grow, confederation affiliates must have a commitment to centralism. In Sweden, centralised bargaining between employers and unions has enhanced the authority of the LO, the major trade union confederation (Elvander, 1974: 437). In Britain, on the other hand, "... the unions' need to return to what they called free collective bargaining" (Mayhew, 1981: 36) undermined the TUC's authority. As a result, the Social Contract with the Labour Government collapsed. British unions believe in voluntarism: they favour decentralised bargaining and oppose state regulation of the bargaining process (Mayhew, 1981: 30). Eighty years experience of state intervention has discouraged voluntarism in Australia. On the other hand, state intervention has encouraged the development of centralised trade union organisations.

Established in 1871, the Sydney TLC was probably the first organisation to exercise centralised control over union activities in Australia. Within four years of its formation, the Council played a decisive part in the Iron Trades strike and was responsible for the election to the New South Wales Parliament of Angus Cameron, paying him £5 per week (Nairn, 1957: 421). State intervention through arbitration and legal regulation of the labour contract, encouraged the Sydney TLC to provide new services. As a result, additional staff were hired in the 1920s to carry out tasks delegated to the central organisation by both affiliated and non-affiliated unions (see Chapter Four).
For at least 60 years Australian unions have centralised various activities by forming 'industry groups' from unions organising workers in allied industries. Industry group electoral colleges, for example, have elected the majority of the Sydney TLC executive since 1927, while the ACTU adopted a similar electoral system in 1957 (see Chapters Four and Five). Industry groups probably owe their origins to the 1920s debate on the OBU; their structure is rather like the 'departments' that the OBU intended to establish. Unions form industry groups to obtain some of the bargaining benefits gained by industry unions such as those that have developed since the war in West Germany.

Streeck (1981) calls West Germany's industry unions 'encompassing interest organisations' because they "... reconcile their internal conflicts of interest within the framework of one common organisation ..." (1981: 153). Streeck argues that for an industrial union, unlike workplace negotiators such as British shop stewards, the causal relationship between the wages negotiated by it and productivity, investment, employment, price stability, etc. enters directly into the perception and definition of its interests (1981: 154). These macro-economic variables are also part of the strategic perspective of Swedish industry unions (Johnston, 1962), formed earlier than their West German counterparts. Smaller unions, like craft unions, cannot intervene at this level of the economy.

It might be argued that Australia has too many unions, all of them too small. This view would seem to be reflected by the ACTU's constituency: as previously noted, the ACTU had 157 affiliates in
1983. Since the war, however, a significant degree of membership aggregation has occurred. Data presented in Chapter Seven show that the membership of the ACTU's largest affiliate was 50,000 in 1947 and about 139,000 in 1977. These data also show that during the whole of this 30-year period, over 80 per cent of the ACTU's affiliated union membership has been organised by only 30 unions. Aggregation of membership, plus industry group organisation, alleviates dispersion problems associated with Australia's relatively large number of unions.

Like industry unions, the ACTU is an encompassing organisation, an organisational device designed to bring about a transfer of bargaining power from the sectional to the industrial and societal level and to enable the union movement to pursue macro-economic and macro-political objectives (Streeck: 1981: 153).

Encompassing organisations have an "... integrative political logic ..." derived from "... the fact that they represent broad heterogeneous coalitions of groups whose special interests may differ" (Streeck, 1981: 153). To avoid disintegration, encompassing organisations define interests in terms of collective goods like those previously identified.

The ACTU executive integrates the bargaining activities of federal unions and combines the interests of ACTU state branches. The ACTU's state branches, moreover, are centralising organisations, the first TLC being established in Sydney 115 years ago. Australian unions have learned to live with and benefit from state intervention in their affairs, a process that began when
arbitration systems were established at the turn of the century. Because its affiliates are so closely connected with the arbitration systems, the state indirectly subsidises the ACTU's authority (see Chapters Three and Eight).

2.3 SUMMARY

2.3.1 A Preliminary Assessment Of The Model

Mediation is the life-blood of a confederation. Unions confer authority on a confederation in the expectation that its executive will mediate between them and significant external actors. For their part, external actors legitimise the executive, its external authority being contingent on the recognition of its status as a mediator. Both affiliated unions and external organisations expect the executive to be accountable to them. These expectations can sometimes be met by an accommodation of interests. At other times, the executive will be forced to align itself more closely with affiliates, temporarily ceasing to mediate. The authority conferred on a confederation by affiliates, on the one hand, and the legitimacy emanating from external actors, on the other, is expected not only to be more or less in balance, but also to increase or decrease in sympathy with the executive's mediation activity.
Salancik and Pfeffer (1974: 453) identify horizontal interactions between organisations as sources of power. The distribution of authority (legitimate power) in the model is horizontal rather than vertical.

Wage and salary earners who are not union members also receive National Wage increases as the Arbitration Commission increases cannot be withheld from them.

Affiliated unions publicly demonstrate the legitimacy of the confederation by sending delegates to its congress or other policy-making forum. As Roberts (1956: 169) puts it, "A big delegate conference is something more than an instrument of democratic government - it is also a focal point of loyalty and emotional attachment ...". The ACTU is publicly legitimated every second year by the attendance of up to 1000 delegates at the ACTU congress (see Chapter Five).

The Courier Mail report is accompanied by a photograph of Albert Monk and Harold Souter, both showing unmistakable signs of elation and pleasure at the prospective 'marriage'. The AWU's reasons for affiliating, after refusing to do so for 40 years, are discussed in Chapter Nine.

This spelling is correct in the case of the British Labour Party.

There is no direct equivalent of the NUT in Australia. The Australian Teachers' Federation (ATF) is a federation of state unions formed prior to the affiliation of white collar unions to the ACTU in 1979 (see Chapter Four). The ATF hopes to obtain federal registration for an Australian Teachers' Union sometime in 1986 (conversation with W. Leslie, an ATF official). Since 1979 two ATF officials, Mr. Keith Lawlor (1979-1983) and Ms Jenny George (1983-present), have been members of the ACTU executive.


ABL/ACTU, letter from the ICFTU General Secretary dated September 8, 1964 attached to ACTU Circular 2/65 addressed to Secretaries of Affiliated Unions, H21/344.


International organisations, including the AFL-CIO, played an important role in the 40-year struggle for recognition between the ACTU and the AWU. See Chapter Nine.

The Arbitration Commission and, before it was formed, the Arbitration Court have actively sponsored the ACTU (see Chapter Eight). Pfeffer (1977: 259) suggests that an alliance,
advantageous to each, may be formed between organisations like the Commission and the ACTU.

12 ABL/ACTU, letter from Secretary, Prime Minister's Department to ACTU Secretary, dated 14 February, 1930, H21/46.

13 ABL/ACTU, Executive Minutes, 12 August, N21/16.

14 These issues are raised again in Chapter Nine when the Government's influence on the formation of the ACTU is discussed.

15 ABL/ACTU, letter from Secretary Crofts to Secretary Prime Minister's Department, 15 August 1929, N21/46.

16 ABL/ACTU, letter from Secretary Prime Minister's Department to Secretary Crofts, 14 February 1930, N21/46.

17 Social conflict, according to de Jouvenal (1958: 164-165), is essentially a conflict between authorities. We may find, he argues "... an established authority clashing with another authority: the classic example is the fight between emperor and pope in the Middle Ages. Or we may find an unrecognised authority raising a powerful wind against an established authority: the classic example is provided by Luther".

18 His Honour Judge R.U. Russell, Q.C., Deputy President of the Industrial Court of South Australia, quoted this passage and the one below in a paper titled The Federal and State Jurisdictions delivered at a seminar on changing industrial law, at the Australian National University on 5 and 6 September, 1983. Mr. Justice Wells is quoted from his judgement in "The Queen v Olsson; ex parte Amalgamated Wireless (Australasia) Limited", (The South Australian State Reports, 1971, Vol. 1: 465).


20 Confederation officials can also sanction the parties. One way is to threaten to withdraw from mediation leaving the parties to fight it out. There is a moral imperative involved here also: the public image of the parties is likely to suffer following a breakdown of mediation.

21 A number of ACTU executive members have resigned to take up appointments as Commissioners in both federal and state industrial tribunals. T.C. Winter resigned from the executive in 1963 (ABL/ACTU, ACTU Executive Minutes, 29 April 1963, N21/281) and J.B. Holmes resigned in 1967 (ABL/ACTU, Letter from the Secretary of the Australian Society of Engineers to President Monk, 30 June, 1967, N21/1856) to become Commissioners in the Commonwealth Conciliation and Arbitration Commission. L.H. Johns resigned from the executive in 1966 when he was appointed as a Commissioner in the Industrial Court of South Australia (ABL/ACTU, Letter from the acting Secretary of the United Trades and Labor Council of South
Australia to Secretary Souter, 8 June, 1966, H21/1826). These and other similar appointments, such as ACTU Secretary Nolan's appointment as a Victorian Commissioner in 1983, suggest that there is a similarity between the mediation roles performed by the ACTU and Commissioners of industrial tribunals.

Accountability requirements of this sort had to be met by non-profit, non-government corporations under contract to operate Project Upward Bound. Upward Bound was administered by the Office of Economic Opportunity as part of the U.S. Government's war on poverty (Frost, 1971: 169).

Centralism has also gained impetus through industry-based collective bargaining coordinated by the ACTU outside of the Arbitration Commission's jurisdiction (see Chapter Eight).

Union elections, for example, are conducted by the Australian Electoral Office, at no cost to unions, and union rules are subject to public control through registration provisions of state and federal arbitration legislation (Rawson, 1978: 59-60).
CHAPTER THREE
THE COMPLETE MODEL AND THE METHODOLOGY

3.1 Introduction

Basing his conclusions on a comparison between confederations in 14 Western countries, Windmuller (1975) argues that the higher the national confederation's share of total trade union income, the greater will be its authority over affiliated unions. In 1971, the proportion of total union dues paid to the Swedish LO by national unions was 18.4 per cent. This proportion, nevertheless, was less than half that paid to the Belgian CSC (40 per cent). By comparison, the ACTU is poorly funded: in 1966-1967, it received only two per cent of the income paid to Australian unions. This is about the same as the British TUC's income share (Windmuller, 1975: 95). Judged by this criterion, neither the ACTU nor the TUC could be expected to have much authority over their affiliates.

Windmuller, however, does not fall into the error of making judgements on the basis of a single indicator. He recognises that the low income share of the ACTU "... understates its participation in the determination of the basic terms of employment ..." (1975: 99). Acknowledging the importance of the ACTU's role in the arbitration system and its mediation in interstate strikes, Windmuller cites Martin (1962) who compared the ACTU with the TUC and "... thought that the substantially greater industrial role of the ACTU enhanced its authority well above that of the TUC ..." (Windmuller, 1975: 99).
By funding the arbitration system, the state subsidises the cost of bargaining between employers and unions in Australia. In all other Western countries, save New Zealand, a higher proportion of bargaining costs is borne by the parties. Windmuller, when comparing the ACTU with other confederations, does not allow for state subsidisation of bargaining costs. To validate his comparisons, part of these costs would need to be added to the ACTU's share of union contributions but it is not possible to make such a calculation, as Windmuller implies. There are, however, other ways of quantitatively assessing the extent to which the ACTU's arbitration role contributes to the centralisation of authority in the hands of the ACTU. Suitable indicators are discussed in Chapter Eight.

Strong leadership also contributes to the authority of a confederation. Windmuller, to quote his paper again, argues that "... force of personality at the top increases the authority of the central body ..." (1975: 104). George Meany in the U.S., R.J. Hawke in Australia, and Arne Geijer in Sweden, contributed in no small measure to the authority of the AFL-CIO, the ACTU and the LO respectively, when they led these three organisations. But Windmuller cautions that strong leadership will make little difference, in the long run, if structural relationships within the confederation discourage, rather than encourage, the centralisation of authority.

Following Martin (1958 and 1962), centralisation of authority in the hands of the confederation's executive is stressed by the simplified model developed in Chapter Two. The complete model
elaborated in this chapter also emphasises centralism but in addition it affirms the importance of personal status as a source of authority. The elected, competent and personal authority of executive members are the bases of a status hierarchy in the ACTU and no doubt a similar status order exists in other confederations. Figure 3.1 illustrates the layout of the complete model. As it does in Figure 2.1, the central panel represents the confederation's executive and the two side panels, the internal and external environments respectively.

The layout of the right-hand-side panel is essentially the same in both Figures 2.1 and 3.1. In Figure 3.1, however, the central and left-hand-side panels are modified by incorporating in them additional sources of authority. While all the sources of authority shown in the figure are to some extent interdependent, elected, competent and personal authority are especially so. The single box enclosing them, pronounces their interdependence. Delegated, collegial, and conceded authority are added to the left-hand-side panel while an additional feedback path runs between the central and the left-hand-side panels. Each of the additional sources of authority is discussed below, the operation of the model being explained later in the chapter.
Figure 3.1: A Model Of Sources Of Authority In A Trade Union Confederation

- The confederation's affiliated unions and their members
- Governments, employers, tribunals, social democratic or labour parties
3.2 ADDITIONAL SOURCES OF AUTHORITY

3.2.1 Elected, Competent And Personal Authority

Elected representatives occupy positions or offices which engender respect, giving incumbents the right to order the lives of others in some way (Carter, 1979: 33). Those subject to authority of all kinds (not just to elected authority) obey, in part, because "... of a belief in the authority's superior competence or expertise" (Wrong, 1979: 53). Of equal importance, the authority of all office-holders is enhanced by personal attributes such as "... a commanding appearance, an ability to create enthusiasm and (to) articulate grievances" (Cassinelli, 1961: 643).

As noted earlier, elected, competent, and personal authority are interdependent and it is therefore difficult to isolate the contribution of each to the authority of executive members. As Peabody puts it, a fusion of skills and personal attributes are usually found "... in a person who also occupies a position of authority ..." (1964: 125). These three types of authority, however, are conceptually distinguishable and notwithstanding their interdependence in the empirical world, they are discussed separately to clarify the issues involved.

Adherence to 'proper' electoral procedures is one way of ensuring that elected persons have the requisite authority to perform the functions required of them in office (Nordlinger, 1968: 111). Rules and constitutions of trade unions, and of other
electing organisations, usually specify who or who may not nominate for office, procedures to ensure the fairness and probity of elections, and methods to be followed when scrutinising and declaring ballots. As well, rules and constitutions sometimes determine how casual vacancies are to be filled following the resignation of incumbents, or their removal from office for any reason. The legitimacy of elected officials is contingent, to some extent, on following the letter, as well as the spirit, of electoral rules and procedures.

Further, elected representatives, such as team captains, derive authority by performing agreed role behaviour. Members of a team usually nominate one of their number to be captain, the nominee's authority resting on the differentiation of the captain's role from that of team members. Burton (1979: 131), extends this principle to include all authority roles. He argues that

... loyalty of people is to values identified with roles and institutions, not to leaders enacting these roles and to institutions as such. The values are those of the people giving the loyalty, those over whom authority is being exercised.

As discussed in Chapter One, Blau (1979) takes a similar position: legitimacy is provided by those who accept and heed advice, instruction, or orders given by another who occupies an appropriate role or office.

In addition, elected representatives are allocated authority through deferential modes of address and by symbolic signs of
their office (De Jouvenal, 1955: 161). At ACTU biennial congresses, the chairperson is sometimes addressed as 'comrade chair'. This mode of address indicates the authority held by the 'chair' which the seating arrangements in the auditorium further emphasise. The ACTU President or the executive member 'chairing' each session of congress sits on an elevated dias in front of other executive members. The body of several hundred delegates, on the other hand, is usually seated below and in front of the chairperson. A gavel, used to bring congress to order, is another symbol of the authority of the 'chair'.

Another basis of authority is expertise (Hall, 1958: 61) or competence. Dennis Wrong (1979: 53) defines competent authority as a power relation in which the subject obeys the directives of the authority out of a belief in the authority's superior competence or expertise to decide what will best serve the subject's best interest or goals. Trade unionists, for example, will usually obey their union officials because they believe them to be more competent than they are in industrial relations matters.

Elected representatives establish and enhance their reputations for competence in a number of ways. When seeking election to senior positions, trade union leaders, like others who seek to climb electoral ladders, rely on their reputations established in junior positions. Allen (1954: 201) shows that British unions more often than not elect leaders with well-known names "... who are already in responsible positions". Union leaders sometimes enhance their reputations by commissioning
reports supporting their policies, from research departments under their control (Bealy, 1977: 381–382). In Australian unions better-educated candidates for office are apparently judged to be more competent than older candidates with more experience but lower educational qualifications (see Chapter Five).

The reputations of elected representatives can sometimes be transferred from one organisation to another and this has been a tradition in the Australian labour movement. Well-known leaders have successfully taken ‘credit’ from their unions, the TLCs, or the ACTU, transferring it to the ALP and to parliamentary constituencies. Prime Minister Hawke’s career makes the point; his reputation was originally established as the ACTU’s advocate and as ACTU President, he became even more widely respected. From 1973 to 1978, R.J. Hawke was the federal President of the ALP and in 1980 he entered Parliament as the member for Wills, a Victorian constituency. Mr Hawke was elected leader of the FPLP only a short time before becoming Prime Minister in March 1983.

Occasionally, individuals in their own right, ‘... acquire status and personal influence sufficient to enable them to speak effectively on their own behalf’ (Wilson, 1973: 322). The pronouncements of these individuals have more substance than mere advice but less weight than commands; theirs is the kind of counsel that cannot easily be ignored (Watt, 1982: 12). Ralph Nader is a well-known contemporary example of an individual whose authority is highly personal but this does not mean that Nader eschews organisation; in fact he has established several organisations to serve causes of interest to him. Nader, however,
has always maintained ultimate authority and he has demanded that members of these organisations serve him as personal disciples (Wilson, 1973: 323).

Dedication is one important ingredient of personal authority. The leaders who established the first trade unions needed a sense of mission. Many working class agitators in Britain "... were inspired by religious convictions and came from the Nonconformist Churches, particularly the Methodist Church" (Allen, 1954: 186). These men also had to be orators; they had to communicate with the masses, to "... bind them in a unity of purpose" (Allen, 1954: 187). The Australian union movement has produced some noted orators, R.J. Hawke amongst them. Martin (1979: 495), reporting on the uranium debate at the 1979 ACTU congress, noted that President Hawke's speech "... was a brilliant, very controlled oratorical performance".

Integrity is another important ingredient of personal authority. The honesty of contemporary trade union leaders is tested by the mediation roles they perform (Allen 1954: 193-197). Union leaders constantly interact with relatively affluent employers who are able to offer inducements and rewards to the compliant amongst those on the other side of the bargaining table. Some may be persuaded to accept; others, probably the majority, refuse to be compromised in this way. Integrity can also be 'at risk' during debate. During the 1979 ACTU congress uranium debate referred to above, President Hawke "... attacked his opponents, as distinct from their arguments, in terms that many of those who supported his cause found offensive" (Martin, 1979: 495). The
President's reputation, rather than that of his opponents, suffered as a result. 8

An elected representative’s authority rests on “… respect, deference, loyalty, and at times, persuasion” (Nordlinger, 1968: 110-111). A representative who possesses these attributes has a higher status than constituents but herein lies the potential for conflict. Elected leaders must not be too different from the mass of their constituents but they must have above average qualifications. To be successful, a trade union leader must be a representative member of his organization, but with each quality that makes him representative developed above the average so that his members feel some affinity to him because of his representativeness but at the same time respect him for his superior ability (Allen, 1954: 190).

This description fits Albert Monk, the ACTU’s first full-time President. Albert Monk, like most of his contemporaries, left school and began work at an early age. He developed into “… a dogged and patient negotiator, a shrewd politician and a man of iron will”. 9*

Dedication, integrity, competence, oratorical skill and other qualities may earn a union leader a reputation as a charismatic but charisma alone does not guarantee personal authority. Perhaps above all, a union leader’s personal authority depends on toughness and the preparedness to use power in a calculated manner. Joe Chamberlin, an ACTU executive member from Western Australia, resigned as ALP President in 1959 because the FPLP voted in favour of increasing Parliamentary salaries. Chamberlin
did not miscalculate: less than three weeks later he was re-elected as RLP President. Joe Chamberlin was softly spoken but had a strong-man image. Albert Monk was not only softly spoken but was also known as a poor speaker, yet both men had great personal authority within the labour movement and outside of it.

Notwithstanding these comments, charisma is important in at least one European country. According to Maurice and Sellier (1980) French unions are charismatic organisations. It is clear, these authors claim that putting the accent on the class struggle and the revolutionary vocation of the working class engenders a specifically charismatic nature. ... Debates have a strongly emotional tone, referring constantly to moral values and ideals of justice (1980: 327).

Most Australian unions equate social justice with the maintenance of working class living standards. Consequently, above average advocacy and bargaining skills, as well as a robust approach to the labour movement, are required to establish personal authority.

3.2.2 Conceded Authority

A confederation's executive, in spite of the status gap separating it from affiliated unions, cannot take its authority for granted. Affiliates expect and demand the right to participate in the confederation's administration. After all, they might argue, 'we finance the confederation; we have a right to
participate in its decision-making processes'. Conflicts between the executive and affiliated unions over goals, issues, events, or the executive's motives for taking action, are bound to occur. Skillfully handled by the executive, such conflicts can be an additional source of authority. Conceded authority is derived from the resolution of conflict by bargaining between the confederation's executive and affiliated unions.

Bargaining is an interactive process; demands are made, concessions are granted and counter-proposals are presented. Communications and feedback play a vital role as each party must know the goals and wishes of the others and what accommodations the other parties are prepared to make. When bargaining occurs, an important assumption is made. It is that 'pure' conflict - that is, a situation in which the interests of two antagonists are completely opposed - is not present ... if conflict is to be waged to the finish, and if there is to be no basis of mutual accommodation, then there is nothing left to bargain. Only pure conflict can result (Eldridge, 1979: 171).

Conflicts of interest between the executive and affiliated unions do not degenerate into pure conflict: that would threaten the very existence of the confederation.

The right of affiliates to bargain with the executive is protected by constitutional provisions which vest 'supreme authority', as it is frequently called, in meetings of union
The RCTU's constitution states that:

there shall be a Congress of the Australian Council of Trade Unions which shall be the supreme governing body of the Trade Union Movement. Its decisions shall be binding on all constituents.

The highest degree of accountability is called for by this clause and yet, as discussed in Chapter Two, the executive is also independent. Always anxious to avoid defeat by congress delegates, the executive tends to bargain with delegates rather than engage in damaging all-out conflict.

Burton (1979:112) distinguishes between what he calls the settlement of conflict which has one sort of outcome and its resolution which produces another type of result altogether. A settlement inevitably ends in a winner-take-all or a zero-sum outcome. Some wars, though not all by any means, end this way. Resolution of conflict, on the other hand, allows for accommodations to be made by the parties: neither achieves its original goals, attaining modified goals instead. Thus the conflict is resolved through bargaining to the satisfaction, or at least the partial satisfaction, of all parties. When conflicts are resolved, the outcome is always positive-sum: each party wins something.

Democratic government in trade union confederations is an incentive to conflict resolution; it is also a source of the executive's authority. Because delegate meetings have the constitutional right to overturn executive decisions, the executive is forced to grant concessions to affiliated unions. But
concessions are also granted to the executive so that, ultimately, its authority is preserved. The concessions granted to it through the process of conflict resolution are the basis of the executive's conceded authority.

3.2.3 Collegial Authority

Confederation officers, and sometimes executive members, periodically mediate between the representatives of small groups of unions and employers or other organisations. Prior to mediating, the officers convene preparatory meetings of unions having an interest in the matters concerned. Union representatives and the confederation's officers meet as colleagues. A spirit of cooperation usually prevails and this is manifested by a willingness to settle inter-union differences. Despite the collegial relationship that pervades these meetings, the status of the confederation's representative is recognised. He or she acts as chairperson and, most importantly, is regarded as primus inter pares or first among equals. These meetings with small groups of union representatives are the basis of the confederation's collegial authority.

Collegial relationships between fellow scholars, professionals, or trade union leaders, have at least two defining characteristics. Each participant "... is an authority to the other, but in divergent fields of work" (Friedrich, 1958: 36). Collegial relationships, furthermore, "... can provide a
constructive way of introducing added representation to administration" (Goodsell, 1981: 455). Union leaders representing different occupational, industrial, and regional interests (particularly in a country as large as Australia), contribute to constructive collegial decision-making. Collegial decisions have more weight and authority than unilateral decisions made by unions, even if the same decision is made by all of them.

When considering collegial relationships, it is useful to think of a confederation as an inducting organisation that provides services for clients much as schools and hospitals do for students or patients (Bidwell and Ureeland, 1960: 36-370). On joining an inducting organisation, clients enter into utilitarian and normative contracts. For confederations, affiliation fees consummate a utilitarian contract which gives each affiliated union the right to share mediation and representation services. In addition, small groups of unions are periodically inducted into a much closer relationship and a normative contract is consummated with the confederation.16

According to Pfeffer (1977: 241), common norms, values and beliefs are the basis of all normative contracts. When union representatives enter into a normative contract with confederation officers, they do so on the understanding that wider interests should prevail over the narrower interests of individual unions. In small groups of union representatives, collective interests can prevail because collegial decision-making spreads responsibility for unpopular decisions (Goodsell, 1981: 459). Affiliated unions must also consent to being represented by confederation officers.
in any subsequent mediation with employers or with other external organisations.

Protection of the confederation's right to represent affiliated unions has high priority when normative contracts are negotiated. Unions 'contracting in' do so with the knowledge that their autonomy will be restricted as a result. Having participated in preparatory meetings where policy and tactical decisions are taken, affiliates are morally obliged not to negotiate directly with external organisations; that role is performed by the confederation's representatives and by them alone. Normative contracts between a confederation and groups of unions are the foundation on which collegial authority is established and extended.

3.2.4 Delegated Authority

In the union movement, 'delegate' is commonly used to identify an individual who is a representative. Affiliated union delegates, for example, represent their unions at ACTU congresses. The state branches, the TLCs in each state capital, are also represented by their delegates at congress. Used as a noun, 'delegate' refers to an agent (Hall, 1958: 61) who is authorised to act for another (Carter, 1979: 31). Delegated authority, also a key concept in the law of contract, is the authority vested in agents who are authorised to act for principals whose interests they represent to third parties (Nordlinger, 1968: 111).
Consent is fundamental to the relationship on which delegated authority is based. Written or oral consent to the appointment of an agent provides the agent with express authority, the agent being authorised to enter into a contractual arrangement binding the principal to a third party. A third party, in many circumstances, is entitled to rely on the agent's implied authority (Borrie, 1980: 29-32). The ACTU, acting as an agent for its affiliated unions, was expressly authorised to present the 40-hours case to the Arbitration Court (see Chapters One and Eight). Legal counsel were engaged as advocates who, relying on the ACTU's implied authority to engage their services, expected that they would be paid for preparing and presenting the case (which of course they were).

The model focuses on an agent who specialises in industrial arbitration. In Australia, an arbitration agent can appear before a tribunal seeking the tribunal's consent for the ratification of an agreement previously reached by the parties, the adjudication of competing claims made by unions and employers, a judicial decision over the enforcement of an award or a hearing related to union rules and registration. Industrial tribunals are entitled to assume that arbitration agents have the requisite authority to appear for their principals or to put it as legal texts do, the agent has the authority usually possessed by such a person (Vermeeesch and Lindgren, 1973: 275).

This kind of delegation pre-dates the formation of the ACTU. The REU employed C.E. Nundy as an arbitration agent as early as 1922 (Sheridan, 1975: 204n), the union delegating responsibility
to him for conducting its arbitration cases. Mundy was a member of the executive of the Commonwealth Council of Federated Unions (CCFU) which was formed in 1923 to represent federal unions in the Arbitration Court. As the functions of the CCFU were taken over by the ACTU in 1927 (see Chapter Eight), there is an unbroken history spanning more than 60 years of Australian unions delegating authority to agents to represent their interests in the federal arbitration system.

3.2.5 The Complete Model

All open systems are interactive, the model illustrated by Figure 3.1 being especially so. Over a comparatively short period, interchanges which modify the confederation's authority to some extent can take place between organisations in both environments. A description of a hypothetical industrial dispute, in which the ACTU is called on to mediate between unions and employers, demonstrates the dynamic nature of the model. Industrial relations observers in Australia will recognise the following sequence as typical of a pattern of events, occurring with some regularity in the past.

Imagine that an ACTU affiliate has a dispute with an employer who recognises the ACTU as a legitimate representative of unions with members working in its establishments. A number of these unions, including an unaffiliated one, have an interest in the dispute and they are called to meetings convened by the ACTU.
Agreement is reached on a position to be taken by the ACTU which then mediates with the employer. Both sides make concessions but the dispute is not resolved. An important by-product is that the unaffiliated union is influenced to some extent by the relationship it has established with other unions and the ACTU. As a result, this union considers the advantages of affiliation.

This dispute occurs concurrently with a National Wage Case hearing and the ACTU is authorised by its affiliates to present the union case to the Arbitration Commission. The employers' advocate, however, argues that the ACTU should not be heard while the dispute continues. After hearing argument from both sides, the Commission suspends the hearing indicating that it will be resumed when advice is received that the dispute has been called off. These events temporarily diminish the ACTU's authority; the Commission, of course, is a strategically important part of the ACTU's external environment.

Affiliated unions that are not involved in the dispute, nevertheless, do have an interest in the National Wage Case and they apply moral pressure to the union at the centre of the dispute. ACTU officers convene an urgent conference of the unions directly concerned, mediating, once again, between them and the employer. The ACTU President personally calls on the President of the Commission, arguing that the Full Bench should accept a limited resolution of the dispute as justification for resuming the National Wage Case hearing. Finally, the union at the centre of the dispute concedes that its relatively narrow interests are less important than the collective interests of the work-force as
a whole and the dispute is resolved. On receiving advice to this effect, the Commission resumes its hearing. The ACTU, its status and legitimacy no longer under threat, again takes its place in the Commission, resuming its presentation of the National Wage case.

Mediation is a crucially important part of the process described above. As I argued in Chapter Two, the ACTU's jurisdiction over union interests is contingent on its mediation between the unions and external organisations. Even a temporary interruption to its mediation activities, such as occurs when the ACTU is forced to withdraw from the Commission, incrementally diminishes the ACTU's authority. As Figure 3.1 shows, feedback also plays an important part in the model. Affiliated unions and employers sense changes to the ACTU's status and respond as indicated in the illustration. In particular, feedback allows the ACTU officers and other executive members to communicate directly and quickly with unions at the centre of a dispute.

3.3 THE RESEARCH PROGRAMME

3.3.1 Data Sources And Methodology

This case study draws on a number of primary sources, the most important of which are the ACTU records dating from about 1920 to the late 1970s. These records are deposited in the Australian National University (ANU) Archives of Business and
Labour (ABL). While this study was in progress, sorting and cataloguing of the ACTU deposit was undertaken by ABL staff. Cataloguing was completed at the end of 1982, this being the first major case study to draw on these very extensive archival records. The ACTU has supplied me with a set of minutes and other documents covering ACTU congresses convened between 1951 and 1979 and has loaned other documents to the ABL for my use. I have interviewed ten ACTU officers and executive members, had conversations with four others and interviewed 12 senior trade union leaders. With the ACTU's permission, I had the status of an observer at the 1979, 1981 and 1983 ACTU congresses.

Documentary sources covering a substantial part of an organisation's history are an invaluable aid to longitudinal analysis. The records I have used cover a period of 60 years. In most of the chapters that follow, aggregate data covering extensive periods are used to substantiate the arguments advanced. Qualitative analysis provides further evidence of changes that have occurred over time in the ACTU's sources of authority. Notwithstanding their value, documentary sources sometimes provide the researcher with insufficient information. Essential details may be missing, nuances of meaning obscured, and there may be no hint of the motivations of key actors. When significant events are investigated, the researcher may have to supplement documentary data and in this situation interviews are sometimes useful.

The success of supplementary interviews depends on a number of factors and obviously the availability of key actors, and their willingness to cooperate, is important. Particularly where complex
issues are investigated, the researcher needs to tape-record interviews, whenever agreement to do so can be obtained. To interview successfully, the researcher must have a thorough knowledge of relevant primary and secondary sources. This enables interviews to be properly focussed, probes to be selected and contingent matters to be discussed with respondents (Merton and Kendall, 1945: 541). Documents can be used to refresh the memories of key actors and this proved effective during some interviews. Respondents were asked to read and discuss minutes of meetings, letters, and newspaper cuttings. Significant interpretive data was obtained by using memory joggers of this kind.

According to Darroch (1978: 82), "... passive observation ... is an essential research tool". My understanding of the bargaining process that routinely occurs between the ACTU executive and affiliated unions, which is the basis of the executive's conceded authority, comes in part from observing the executive interact with union delegates at three ACTU congresses. I gained further valuable insights by observing delegates, representing the Australian Teachers' Federation (ATF), selecting speakers and discussing tactics, at a private meeting held prior to the opening of the 1981 ACTU congress in the Sydney Town Hall. Additional insights were gained by attending a large caucus meeting and other private meetings during the course of this congress.
3.4 SUMMARY

3.4.1 The Utility Of The Model

A large data base provides the researcher with a problem: what data are relevant to the study? The model developed in Chapters Two and Three is designed to provide a set of concepts capable of identifying documents and other sources from which data may be derived to answer the questions posed on the first page of this dissertation: how does the ACTU operate; where does its authority come from; and what roles does it perform? Authority has been chosen as the dependent variable for this study because the origins of trade union confederation authority are seen to be problematic in the relevant literature published both in Australia and overseas. Questions with considerably wider ramifications are also addressed by this case study. Does the ACTU function as an encompassing organisation? does the ACTU satisfy the disparate and competing interests of affiliated unions by transforming their demands into claims for collective goods, like economic growth? Figure 3.2 illustrates these questions.

As subsequent chapters show, unions served by the ACTU represent disparate territorial, regional, sectorial, and numerical interests. Some unions have members in new industries, others in industries that are declining; ideology also divides the ACTU's affiliates. Union members are divided by gender, status, tenure arrangements and skill levels. The ACTU executive cannot
Figure 3.2: The ACTU Executive's Capacity To Transform Disparate And Competing Interests Into Demands For Collective Goods

attempt to represent these interests except by transforming them into demands for collective goods. As discussed in Chapter Two, this is the task faced by all trade union confederations. The utility of the model should be judged by these criteria: Does it reveal that the ACTU has developed the authority to represent the interests of all its affiliates? Does the ACTU provide the members of affiliated unions with collective goods? I believe that subsequent chapters of this dissertation will show that the ACTU meets both criteria.
1 Windmuller notes that the proportion of income available to the Austrian national trade union centre, the ÖGB, is 80 per cent of the national total. The ÖGB, however, is not a confederation; it is a unitary organisation. Sixteen Austrian unions are branches of the national centre and union members are members of the ÖGB which assigns them to a branch, each of which performs the functions of an industry union (Windmuller, 1975: 92 and note 8).

2 ACTU rules allow the executive to conduct elections to fill casual vacancies for the unexpired term of the member being replaced. Nominations are called for and affiliated unions are entitled to exercise the same number of votes as they were apportioned at the last biennial congress (ACTU Constitution, Rules and Standing Orders, 1980: 7).

3 Bealy argues that in the British Post Office Engineering Union (POEU) "... the importance of the research department can hardly be exaggerated ... The tradition has been for the research department to be close to the General Secretary; indeed it has been regarded as his instrument" (1977: 361-362).


5 Nader formed organisations such as The Center for Study of Responsive Law, The Public Interest Research Groups and the Center For Auto Safety (Wilson, 1973: 323).

6 Roberts (1956: 199) cites Ben Tillett and Tom Mann as British union leaders who "... could put into ringing words all the inchoate ideas and aspirations of the men they represented".

7 But see next paragraph for criticism of President Hawke's speech during this debate.

8 For another, more colourful, account of President Hawke's part in the 1979 uranium debate see d'Alpuget (1982: 386-387).

9 The Age, March 10, 1969.

10 The Sydney Morning Herald, December 16, 1974.

11 In Joe Chamberlin's case, toughness was associated with a capacity to 'get the numbers'. Both attributes were amply demonstrated by Chamberlin's resignation over a matter of principle and his subsequent re-election as ALP President in 1959. Chamberlin insisted "... that his resignation and the reason for it should be a matter for discussion at the ALP conference. The conference endorsed his stand and censured Caucus" (The Sydney Morning Herald, December 16, 1974).

12 A sharp contrast is provided by ACTU Presidents Monk and Hawke. When he was ACTU President, R.J. Hawke had a charismatic image (see d'Alpuget, 1982) but he was not regarded as being such a 'tough' negotiator. Albert Monk, on the other hand, had a
reputation for toughness (The Age, March 10, 1969) but, as far as is known, nobody ever thought of him as a charismatic. As ACTU Presidents, both men established reputations which gave them considerable personal authority.

13 Writing of British unions, Allen noted in 1954 that "... slightly over seven and a half million workers now belong to trade unions in which the policy-making function is vested in a representative assembly of one kind or another; these unions comprise 45.9 per cent of the unions affiliated to the TUC" (1954: 110).

14 ACTU Constitution, Rules and Standing Orders, 1980, clause 5[a].

15 Dickenson (1981: 193) cites Roderick Martin (1968: 207-208) who argues that democracy "... exists when union executives are unable to prevent opposition factions distributing propaganda and mobilising electoral support, or when opposition is tolerated". These conditions prevail in the ACTU; it is a democratic organisation.

16 According to Bidwell and Ureeland (1980: 361), a normative contract is consummated between clients and professionals when the client subordinates "... himself on the basis of trust to the professional". My usage of normative contract is a little different. Trust certainly exists between affiliated unions and the confederation but a collegial, rather than a superior-subordinate relationship exists between the parties (see below).

17 Union leaders, in company with ACTU officers who have chaired preparatory meetings, frequently meet employers as representatives of the ACTU. The point is that once the ACTU 'takes hold' of a dispute or becomes involved in negotiations, collective interests prevail. The ACTU, rather than an individual union, is therefore represented by delegates who meet with employers.

18 This list has been compiled from the sorts of cases dealt with by Sir William Raymond Kelly, one-time Chief Judge of the Arbitration Court (see Dabscheck, 1983: 65-67).

19 Only one respondent refused to be taped; he was the first in more than 40 union leaders I have interviewed who refused to allow the use of a recorder.

20 Documents were particularly useful with Harold Souter who, having been an ACTU officer for more than 20 years, was a 'mine of information and insights' during an extended interview he gave me in December 1982.
CHAPTER FOUR
CONFERRED AUTHORITY

4.1 Introduction

Conferred authority has been previously defined as a warrant of authority issued by trade unions when they consent to affiliate to a confederation. Affiliated unions pay fees and give the confederation legitimacy by associating their memberships with it. In exchange, affiliated unions are entitled to participate in the government of the confederation. Union delegates attend regular meetings which decide policy, elect executive members and periodically change the confederation's constitution. Such changes are of major importance because a confederation's constitution, in a formal sense, is its ultimate source of authority.

In a confederation, the executive structure is determined to a considerable extent by inter-union struggles for influence and control. Large affiliates expect to have more influence than small ones and to have greater control over confederation decisions. As the growth rate of some affiliates exceeds that of others and as additional large unions affiliate, the re-distribution of influence between affiliates, is reflected eventually in the executive's structure. Affiliates with large union memberships expect to be allocated executive positions, and small affiliates have diminished influence and control as a result.

Conflict between large and small unions has inhibited Australian attempts to integrate and centralise union activity. By
1875, rivalry between large and small unions in New South Wales was already important (Nairn, 1957: 425, note 14) and in the 1920s, the attempt to establish the OBU failed when small craft unions objected to its registration. Conflicts between small and large unions have persisted over time: in a statement made by the Melbourne TLC Secretary in 1966, small union domination of the TLC, through gerrymandered representational rules, was equated with "... trade union democracy" (Grattan and Barker, 1970: 9).

In 1966, 26 dissident unions refused to pay affiliation fees to the Melbourne TLC because, these unions claimed, large unions were not allowed adequate representation by TLC rules biased in favour of small unions. This at-times bitter dispute, took six years to resolve. Ideological conflict, however, split the Victorian labour movement in the late 1950s, the split remaining unresolved for more than 20 years. As many of the unions refusing to pay fees were left wing, this dispute has been interpreted as an ideological conflict (Grattan and Barker, 1970: Plowman, 1979).

But, while this dispute was taking place another conflict over TLC representational rules remained unresolved, having been in progress since at least 1927. In Brisbane, the AWU, a large right wing union, would not affiliate to the TLC, also because the Council's rules denied large unions adequate representation (Pilkinton, 1981: 278-279). Ideology can be an important factor in these representational formula disputes, but it is not necessarily the root cause.

Representational rights of small unions, entrenched by TLC rules, played a formative role in the ACTU's early years. In 1927,
the five eastern state metropolitan TLCs were constituted as ACTU state branches and they had what now seems like extraordinary influence over the newly-formed ACTU. Until 1957, the ACTU was dominated by its state branches but in that year executive control began to be shared with federal unions. This chapter seeks to explain two things: (1) the nexus between conferred authority and executive control in the five TLCs and the ACTU and (2) the increased influence of federal unions and the diminished role of the ACTU's state branches since 1957. Here, I argue that 'who pays' is a question of absolutely fundamental importance to trade unions. In the longer term, conflicts over executive control of confederations tend to be resolved in favour of large unions.

A number of empirical indicators that 'stand for' (Dubin, 1969: 184-185) the authority conferred on the five TLCs are discussed in the next section. This and the subsequent discussion of TLC rules and representational formulae is brought together in Table 4.3. In this table, five hypotheses establish the nexus between conferred authority and executive structure in each of the five TLCs, the original ACTU state branches. The tradition established by the five TLCs, however, was not a monolithic one: the rules of the Sydney TLC, unlike the rules of the other four, favoured big unions like the AWU. In 1957, the nexus between conferred authority and executive structure in the ACTU was changed to conform to the Sydney model.
4.2 CONFERRED AUTHORITY AND CONTROL

4.2.1 The Five TLCs

Table 4.1 lists six empirical indicators. Each indicator is used to assign values to the authority conferred by affiliated unions on the five TLCs which became ACTU state branches in 1927. The number of unions affiliated, the size of their affiliated membership and the average attendance of delegates at weekly or fortnightly council meetings are three indicators of the authority conferred on a TLC through union membership. The other three indicators are financial ones. Aggregate annual affiliation fees are an indicator of the authority conferred on a TLC by unions currently affiliated. The unencumbered value of Trades Halls (built and paid for by affiliated unions long before 1927) and the income they produce are legacies of the past. In Melbourne, the original Trades Hall was erected in 1859 with funds provided by craft unions that won the eight hour day in the mid-1850s.

The table shows that 100 unions were affiliated to the Melbourne TLC in 1927 and their total affiliated membership was 90,000 or an average membership of 900 per union. About half as many, 52 unions, were affiliated to the Sydney TLC and their aggregate affiliated membership is estimated to have been 59,000. Each union affiliated an average of 1,135 members to the Sydney TLC or 26 per cent more than their Melbourne counterparts. This difference is of the expected magnitude as there were 18 per cent more unionists in Sydney than in Melbourne.
Table 4.1: The Authority Conferred By Affiliated Unions On the Five TLCs Which Became ACTU State Branches In 1927

<table>
<thead>
<tr>
<th>Indicators: Conferring Authority</th>
<th>Hobart</th>
<th>Adelaide</th>
<th>Brisbane</th>
<th>Sydney</th>
<th>Melbourne</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unions Affiliated</td>
<td>28</td>
<td>48</td>
<td>41</td>
<td>52</td>
<td>100</td>
</tr>
<tr>
<td>Affiliated Membership</td>
<td>1,222</td>
<td>6,915</td>
<td>26,000</td>
<td>59,000</td>
<td>90,000</td>
</tr>
<tr>
<td>Average Attendance At Meetings</td>
<td>__ h</td>
<td>73</td>
<td>44</td>
<td>88</td>
<td>121 d</td>
</tr>
<tr>
<td>Affil. Fees</td>
<td>£46 c</td>
<td>£223</td>
<td>£485</td>
<td>£1,224</td>
<td>£2531 c</td>
</tr>
<tr>
<td>Value Of Trades Halls</td>
<td>__ h</td>
<td>__ h</td>
<td>£45,000</td>
<td>-- f</td>
<td>£85,000 e</td>
</tr>
<tr>
<td>Rent And Other Income</td>
<td>__ h</td>
<td>__ h</td>
<td>£3,688</td>
<td>£1,762 g</td>
<td>£3,694</td>
</tr>
</tbody>
</table>

a Brisbane figures are for 1930.
b Sydney figures are for 1929.
c Estimated using the median rate of affiliation fees paid by unions (for rates, see Table 4.2).
d Average attendance at the first 11 council meetings in 1928.
e Figure is for the 1928 financial year.
f The trades hall and land, valued at £76,000 (1928) is owned by the Trades Hall Association. In 1928, the Association's income from rent was about £6,900. The TLC owns shares in the Association and rents space from it in the trades hall.
g Figure does not represent income from rent. Income is from other sources (see text).
h Data unavailable.

For sources of data used in compiling the table, see note 3.
The TLCs located in the three smaller centres of Brisbane, Adelaide and Hobart had fewer unions affiliated and, as is to be expected, their memberships were also lower. In Adelaide, 48 unions affiliated 6915 members (an average of 144 each) but, as will be shown below, this is much lower than expected. The average affiliated membership of each of the 28 unions in Hobart, however, was only 44 members. In absolute terms, this is very low indeed but comparatively it is not as low as the average affiliated membership in Adelaide.

By estimating the inclusiveness of each TLC, that is its affiliated membership as a proportion of the trade union population resident in its catchment, the data for each of the five TLCs may be compared. An estimated 138,666 unionists lived in Melbourne in 1927 and, as the table shows, 90,000 were affiliated members of the TLC. The Melbourne TLC's inclusiveness, therefore, was 65 per cent. In Brisbane, 52 per cent of union members were affiliated to the TLC and the Sydney TLC's inclusiveness was 36 per cent. In Hobart, the union population is estimated to have been only 4,350 persons and 1,222 or 28 per cent were affiliated members of the TLC. The Adelaide TLC had the lowest inclusiveness: 15 per cent of all unionists living in Adelaide were affiliated members of the TLC. Thus, the Melbourne TLC (65 per cent) was by far the most inclusive of the five metropolitan TLCs in 1927.

Larger unions tended to affiliate to the Melbourne TLC and this fact partly explains its relatively high inclusiveness. The Australian Railway's Union (ARU) affiliated on the basis of 12,500 members, representing about nine per cent of all unionists living
in Melbourne. The ARU was not affiliated to the Sydney TLC and, by 1929, neither was Australia’s biggest union, the AWU. The AWU’s non-affiliation in Sydney was especially important as the big union had about 58,000 members in New South Wales. If even one third of the AWU’s members had been affiliated, the TLC’s inclusiveness would have increased from 36 to 47 per cent.

Unions apparently affiliated to the Adelaide TLC on the basis of a small, nominal membership. Twenty two of the 48 unions did so on the basis of exactly 200 members and a further 13 did so on the basis of 100 members. The ARU, for example, had an affiliated membership of 200 or less than half of one per cent of all Adelaide union members. It is most unlikely that the ARU would have 12,500 members resident in Melbourne but only 200 in Adelaide, and it must be concluded that the ARU, and probably most of the unions affiliated to the Adelaide TLC, grossly understated their membership to reduce their affiliation fees. Under council rules, the Secretary of the Melbourne TLC had the right to examine the books of affiliated unions to determine their correct membership. This is probably an additional reason for the Melbourne TLCs relatively high inclusiveness.

The attendance at weekly council meetings in the two major centres and at fortnightly meetings in two of the smaller ones, as shown in the table, indicates that delegates had a high degree of commitment to the TLCs. In Melbourne, the average weekly attendance was 121 delegates and, on average, 86 attended each week in Sydney. Each union was represented by 1.2 delegates per week in Melbourne and 1.7 in Sydney, which had the highest rate of
attendance of the five TLCs. In 1927, probably no other industrial or political organisations in Australia had such regular meetings or such well attended ones. The ALP was closely associated with the trade unions, and many TLC delegates would have been ALP members. TLC meetings were a focal point for the ALP; they also centralised and coordinated trade union activity in each state and, of course, this was their main function.

4.2.2 Authority Conferred Through Financial Support

Affiliation fees are paid on a capitation basis and rates are periodically negotiated between each TLC and its affiliated unions. Affiliation fees are a general service fee used for organisational maintenance and they are not meant to finance specialised services such as the provision of office space in trades halls. Aggregate affiliation fees are a measure of support and, as such, they are an indicator of the authority unions are prepared to confer on a TLC.

Aggregate annual affiliation fees, as Table 4.1 shows, varied between wide limits. The Hobart TLC received £46 per year and the Melbourne TLC, £2,531. In 1927, a unionist covered by a federal award was paid a basic wage of £229 per annum plus a margin for skill. The Brisbane and Melbourne TLCs paid their respective secretaries £416 and £520 and these salaries include a relatively high margin for skill. Affiliation fees paid to the Hobart and Adelaide TLCs were clearly insufficient to pay even the basic wage
to a secretary and the Brisbane TLC's affiliation fees just covered the secretary's salary. The Hobart TLC's income, even if all 4,350 unionists living in that city had been affiliated members, would not have been sufficient, without a substantial increase in affiliation fee rates, to employ a full-time secretary.

The unencumbered value of the Melbourne trades hall and the land on which it stood was £85,000, and the value of the Brisbane trades hall was £45,000. The trades halls, apart from their value and incoming earning capacity, were important for another reason. By 1927, the trades halls had accommodated between one and two generations of union officials and other labour leaders. In 1928, for example, the Melbourne TLC rented office space to more than two-thirds of its affiliated unions. In addition, space was also rented to the ALP, to an ALP Women's Organising Committee and to a number of federal unions. Officials who worked in the hall were able to fraternise during working hours and at weekly council meetings. This undoubtedly helped develop camaraderie and solidarity, two unquantifiable variables greatly valued in the labour movement.

In the last row of Table 4.1, the amounts shown under Brisbane (£3,688) and Melbourne (£3,694) are the two TLCs income derived from renting office space and meeting rooms. The amount of £1,762 shown as the Sydney TLC's income is not derived from rent (the TLC does not own the trades hall) but is income from specialised services provided by the TLC. These services were offered to both affiliated and non-affiliated unions on a 'user-
pay' basis and they were provided by three departments. First, the Workers' Compensation Department processed 655 claims in 1929 and union members or their beneficiaries received payments totalling more than £52,000 as a result. Second, in the same year, the Arbitration Department's staff issued 64 summonses against employers for breaches of awards and in some cases large sums for unpaid wages were recovered. Third, a labour research and information bureau provided a service to unions who opted to use it. The income from these three departments (£1,762) supported seven extra staff employed after 1923 to provide these services.18

Finally, a successful business enterprise owned by the Sydney TLC, but not funded by affiliated unions, is not referred to in Table 4.1 although it later influenced the rates of affiliation fees paid by unions. Radio station 2KY had an income from advertising in 1929 of £3,296.19 Station 2KY also had considerable intangible value: it gave the TLC a vital link with the outside community and it was an instrument of labour propaganda as well.20 Eventually, the income derived from 2KY generously subsidised the TLC's other activities and the growth of affiliation fees was curbed as a result.21

The six indicators shown in the table provide a composite description of the authority conferred on the five TLCs. The membership indicators show that the Melbourne TLC was the most inclusive: it was four times as inclusive as Adelaide and 80 per cent more inclusive than Sydney. The financial indicators are not so easy to compare. They appear to show that the Sydney TLC had the potential to attract more affiliated unions and their members
but that the Melbourne TLC, nevertheless, probably had more authority conferred on it in 1927 than Sydney. These data show that, when this is possible, both membership and financial indicators should be used to assess conferred authority.

4.2.3 Conferred Authority And Control Of The TLCs

Unions affiliated to a TLC are likely to demand that decisions of the council's weekly or fortnightly meetings will be binding on both the council's executive and on affiliated unions. TLC delegate meetings are expected to act like Trade Union Parliaments that have control over the executive and its administration of trade union policy. Furthermore, delegates to council meetings also expect to debate and change TLC rules from time to time. That is, delegates expect to exercise supreme or constitutional authority over the TLC's affairs.

Under council rules, TLC executive decisions are subject to the scrutiny of weekly or fortnightly meetings. The Melbourne TLC's rule 21 (f), for instance, states that "... all decisions of the Executive Committee shall be subject to review by Council" and the Brisbane TLC's rule 14 gives council meetings the "... power of veto ..." over executive actions. A formal declaration, which fixes the locus of constitutional authority in unambiguous terms, is contained in the Sydney TLC's rule 5 (a). It states that "The majority vote of delegates shall be the highest authority in Council".
In some TLCs at least, these rules are circumscribed by others which diminish the council's authority and enhance that of the executive. The order of business arranged by the executive for Melbourne and Brisbane TLC meetings cannot be suspended or amended, against the wish of the executive, unless two-thirds of the delegates present at council demand it.\textsuperscript{25*} Issues on which the executive might be defeated simply need not be placed on the order of business. An executive, once elected by a simple majority, can control the council providing it has the support of one third plus one of the delegates present at any meeting.

There is a nexus between the authority conferred on a TLC, its electoral constituency and the structure of its executive. The links between these variables, as they apply to the five TLCs, are examined through the data summarised in the next table.\textsuperscript{26} Two empirical indicators, the affiliation fee formula (fees payable per member per annum) and the representational formula (delegates per unit of membership), stand for conferred authority and the electoral constituency respectively. Values are assigned directly to the executive structure which is the third variable listed in the table.

Two well established traditions are illustrated by the Hobart, Brisbane and Melbourne affiliation fee formulae. First, male rates are double female rates and second, no upper limit is placed on the payment of affiliation fees.\textsuperscript{27} Big and small unions alike are expected to pay fees on a per capita basis. The Sydney TLC introduced new rules in June 1927 which conformed to neither
Table 1.2: The Nexus Between The Authority Conferred On the Five TLCs In 1927 And (1) Their Electoral Constituencies And (2) Their Executive Structures

<table>
<thead>
<tr>
<th>Variables And Indicators</th>
<th>Hobart a</th>
<th>Adelaide b</th>
<th>Brisbane c</th>
<th>Sydney d</th>
<th>Melbourne</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Conferred Authority:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affiliation</td>
<td>Male 12d. Data</td>
<td>Male 6d. 50-1200</td>
<td>Male 9d.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affiliation</td>
<td>Female 6d. Missing</td>
<td>Female 3d. members:</td>
<td>Fem. 4.5d.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fee</td>
<td>No Upper</td>
<td>No Upper 8d-4d/</td>
<td>No Upper Limit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fee</td>
<td>Limit</td>
<td>Limit 1200 + :</td>
<td>Limit 2d./ memb</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Electoral Constituency:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Representation</td>
<td>1 del. per 50</td>
<td>1 del. per 100</td>
<td>1 del. per 300</td>
<td>1 del. per 333</td>
<td></td>
</tr>
<tr>
<td>Representation</td>
<td>1 del. members.</td>
<td>1 del. members.</td>
<td>1 del. members.</td>
<td>1 del. members.</td>
<td></td>
</tr>
<tr>
<td>Formula</td>
<td>Limit: 4</td>
<td>Limit: 5</td>
<td>Limit: 8</td>
<td>Limit: 4</td>
<td></td>
</tr>
<tr>
<td>Total: 9 Members</td>
<td>Offic's 5</td>
<td>Offic's 5</td>
<td>Offic's 6</td>
<td>Offic's 6</td>
<td></td>
</tr>
<tr>
<td>Industry Groups</td>
<td>Members 4</td>
<td>Members 3</td>
<td>Members 6</td>
<td>Industry Members 7</td>
<td></td>
</tr>
<tr>
<td>Total: 9</td>
<td>Total: 8</td>
<td>Total: 12</td>
<td>Total: 12</td>
<td>Total: 11</td>
<td></td>
</tr>
</tbody>
</table>

a Based on 1926 Rules.
b Based on 1934 Rules.
c Rules undated but signed by H.J. Harvey, TLC Secretary in 1935.
d Based on Rules adopted by the Sydney TLC in June, 1927.

Sources: See note 26
of these traditions. Gender did not influence affiliation fees but unions size did. As affiliated membership increased, fees decreased on a sliding scale. A union with 50 affiliated members paid eightpence per member per annum, one with 1200 members, four pence and for more than 1200 members, two pence per annum was paid.

Representational formulae of each of the TLCs, except Sydney, again conform to a traditional pattern. The Melbourne TLC, for example, allowed a union with 999 members, three delegates, but a union with more than 1000 members was limited to four. Until June 1927, unions affiliated to the Sydney TLC were limited to a maximum of four delegates also but, as the table shows, the new Sydney rules were exceptional. No upper representational limit was placed on large unions. Each union was entitled to four delegates for the first 1200 members plus one delegate for each additional 1000 members.

Each of the four TLCs for which data are available invoked sanctions (not shown in the table) for the non-payment of affiliation fees. Rule 14 (e) prevents unions being represented at Sydney TLC meetings if they are more than six weeks in arrears in any quarter. The Brisbane TLC's rule 8 denies unfinancial unions the right to participate in council elections. The availability of sanctions establishes a strong link between a TLC's conferred authority and its constituency. By not paying its affiliation fees, a union effectively withdraws the warrant of authority it previously conferred on the TLC. It is no longer considered to be part of the TLC's constituency and it is denied
the right to participate in its decision-making processes and elections.

The executive structure data summarised in Table 4.2 illustrate further differences between Sydney and the other four TLCs. Each year, delegates to the four traditional TLCs elected a President, a vice-President and a number of ordinary members to the executive. A total of between eight (Adelaide) and 11 (Melbourne) executive members were elected by a single constituency consisting of all council delegates. In Sydney, on the other hand, the 32 members of the executive were elected by 14 different constituencies. Thirteen industry groups were created by the new rules and each group was entitled to elect two members to the executive. One group, for example, was made up of delegates representing 14 unions connected with the building industry. As well as the 13 industry groups, the whole council formed a single constituency that elected the President and other officials to the executive.

Links between conferred authority and affiliated union control of the five TLCs are summarised in Table 4.3. Five hypotheses, when applied to the data, give one set of results for the Sydney TLC and another for the more traditional TLCs.

As the table shows, policy was formally decided by majority decisions taken at Sydney TLC meetings but the executive had more control in the traditional TLCs. There is a positive association between the affiliation fee and representational formulae in all the TLCs but the representation of large unions, even though they pay fees on a per capita basis, is limited in the traditional
TLCs. Both the Sydney and traditional TLCs impose sanctions for the non-payment of affiliation fees. The traditional TLC executive structure favoured small unions but this was not the case in Sydney. Finally, one constituency elected the traditional TLC's executive but in Sydney 14 constituencies elected it.

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Sydney TLC</th>
<th>Traditional TLCs</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Policy decided by majority decisions of council</td>
<td>Yes</td>
<td>Part/Yes</td>
</tr>
<tr>
<td>(2) Positive association between affiliation fee and representational formulae</td>
<td>Yes</td>
<td>Part/Yes</td>
</tr>
<tr>
<td>(3) Sanctions imposed for non-payment of affiliation fees</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>(4) Executive structure favours small unions</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>(5) Executive elected by majority vote of council</td>
<td>Part/Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Differences between the Sydney and traditional TLC rules indicate how much influence the AWU, a very large union, exerted on the Sydney TLC. The AWU disaffiliated from the Sydney TLC in 1927 because its representation was not proportional, as one delegate to the annual AWU Convention bluntly put it, "... with the amount of cash put in by them". The TLC reacted to the AWU's claim by changing its rules. TLC Secretary Garden then informed the AWU that "... it was stated by (AWU Convention) delegates that the rules of the Labor Council made it possible for the small unions to dominate it". Garden continued "... the rules were altered ... and your organisation was notified, along with others, that if they desired greater representation on the Council the way was now open for them to do so".

In 1932, Charles Oliver, President of the AWU's New South Wales Branch, was asked why his branch was affiliated to the TLC in Sydney but the even bigger Queensland branch was not affiliated in Brisbane. Oliver replied, "Well, you see, the Labor Council here fostered the AWU. They gave them a group". Through TLC rule changes, the AWU was offered industry group status in its own right - it was so large - and seats on the TLC executive. It should be noted that Garden was a well-known communist and that the AWU's leadership was consistently, and sometimes vociferously, anti-communist. Asked if communist leadership of the Brisbane TLC in the 1950s was the reason for AWU's refusal to affiliate, Oliver replied very directly "That is a lot of rubbish - always was."

Ideological differences might embitter the contestants and sharply divide them but organisational imperatives appear to
motivate conflicts over representational rules. Executive seats equate with power and influence in confederations. On the other hand, confederations cannot function without finance and large unions pay large affiliation fees. Ultimately, leaders of both the left and the right are prepared to exchange executive seats (direct power) for financial resources (latent power). This imperative has been crucial in the transformation of the ACTU from state branch to federal union control since 1957.

4.3 CONFERING AUTHORITY NATIONALLY

4.3.1 Conferred Authority And Control Of The ACTU

Following Turner, Donn and Dunkley (1977: 422) claim that in the 1920s, "... the rivalry between craft and mass unions dominated all discussion of the remodelling of the central trade union organization". Not surprisingly, when the ACTU was formed in 1927, its structure incorporated these tensions. The executive was dominated by the TLCs, which were controlled by craft unions; the congress, because of the ACTU's representational formula, was more amenable to mass union influence. As is shown below, the congress was also placed firmly under TLC control in 1930, a victory of some importance for the craft unions. In 1945 and 1957, the constitution was amended, setting in train the ACTU's transformation from TLC to federal union control. I argue below
that these reforms were inevitable once federal unions began to pay substantial sums in affiliation fees to the ACTU.

In 1927 and for a good many years after, the ACTU was a beneficiary of the legacy of authority conferred on the Melbourne TLC by its affiliated unions. Invitations to attend the All-Australian Trade Union Congress that established the ACTU in early-May 1927, were issued by E.J. Holloway, the TLC Secretary. Furthermore, the seven-day congress was held in the Trades Hall which was the only union auditorium in Melbourne large enough to host the meeting. Charles Crofts was elected ACTU Secretary and his union, the Australian Plumbers and Gasfitters Employee's Union, rented rooms in the Trades Hall. Until at least 1943, when Albert Monk was elected full-time ACTU Secretary, the ACTU's address was Box 3, Trades Hall, Melbourne.

From 1927 until about 1943, the ACTU barely survived. It was seriously underfinanced partly because of the depletion of union funds during the 1930s depression. There were, as well, more fundamental organisational reasons for the ACTU's financial difficulties. Affiliated unions, in exchange for their conferral of authority on the ACTU, made demands on it which are consistent with the argument put forward in this chapter. First, affiliates insisted that the ACTU congress should become the locus of constitutional authority; second, that they should be represented on the executive; and third, that the executive should be elected by congress. The ACTU did not begin to satisfy union claims for greater control of the confederation until 1945 and, as will be
shown, the ACTU's financial position improved markedly at about this time.

Table 4.4 shows changes to the nexus between conferred authority and union control by year of adoption (1927-1957) and incorporation in the ACTU's constitution. The five hypotheses,

Table 4.4: Conferred Authority And Union Control Of The ACTU, 1927-1957

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>1927</th>
<th>1930</th>
<th>1941</th>
<th>1945</th>
<th>1957</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Policy decided by majority decisions of congress</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>(2) Positive association between affiliation fee and representational formulae</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>(3) Sanctions imposed for non-payment of affiliation fees</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>(4) Executive structure favours small unions</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>(5) Executive elected by majority vote of congress</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Part/Yes</td>
</tr>
</tbody>
</table>

Sources: See note 37
previously listed in Table 4.3, are used to facilitate comparisons between union control of the TLCs and the ACTU. The congruence between the left hand column of Table 4.3 (Sydney TLC) and the right hand one of Table 4.4 (ACTU: 1957) should be noted. The degree of control exercised by unions affiliated to the Sydney TLC, as discussed previously, was changed in 1927 and similar changes were finally adopted by the ACTU in 1957.

Table 4.4 shows that in the ACTU's case, the nexus between conferred authority and affiliated union control was qualitatively changed several times between 1927 and 1957. Policy was decided by majority decisions at the 1927 congress: a majority of delegates, for example, were in favour of establishing a new national confederation, the ACTU. The authority of congress to decide ACTU policy and to change the constitution was revoked in 1930 and it was not restored until 1945. These changes, it should be noted, are quite inconsistent with the constitutional authority vested in both the Sydney and the traditional TLC council meetings.

The 1927 congress adopted a brief, written, interim constitution containing 10 clauses, none of which states or suggests that ACTU policy was to be decided by majority decisions of future congresses. The minutes of congress, however, make it clear that "The congress should be the highest authority from the Industrial Movement's viewpoint ...". This lofty aim, as the table shows, was not finally realised for some years.

By 1930, the ACTU's authority was threatened by the same TLCs that had been instrumental in forming the new confederation three years earlier. Secretary Crofts, who had drafted a new
constitution and circulated it prior to the 1930 congress, proposed that the distribution of constitutional authority between the ACTU and the TLCs should be settled by congress. The ACTU's constitution, Croft's argued, should unequivocally state that the ACTU congress is "... the supreme governing body of the Trades Union Movement ...". A constitutional revision committee, elected by congress and on which the five states were represented, saw Croft's proposal as a threat to the TLCs. Crofts, who had the support of the ACTU executive, had precipitated a debate which was essentially about state's rights.

Crofts, under pressure from the committee and congress delegates, made a highly significant concession that was to have serious and perhaps unintended consequences for the ACTU. The Secretary proposed from the floor and delegates subsequently agreed that the ACTU congress be:

The supreme governing body of the Trades Union Movement, and its decisions shall be binding on all affiliated bodies on acceptance of same by a majority of the State Metropolitan Labor Councils [emphasis added].

This amendment meant, for example, that a coalition of the three least inclusive state branches, that is the Adelaide, Hobart and Sydney TLCs, could veto ACTU congress decisions. Of very great importance, this amendment also meant that future congresses could not change the constitution without the agreement of at least three of the five TLCs.

ACTU congress delegates meeting in June 1945, decided that Croft's "supreme authority" clause in the constitution must be
changed to remove the veto rights of state branches. The Brisbane and Sydney TLCs, meeting shortly after the 1945 congress, agreed but the Hobart and Melbourne TLCs did not, leaving Adelaide to decide the issue. The authority of state branches to veto ACTU congress decisions was finally revoked by a 60-59 decision taken at an Adelaide TLC meeting on July 20, 1945. This close, but historic, decision meant that constitutional authority, once again, was held by congress delegates. Future congresses were, therefore, free to make other changes to the constitution.

As Table 4.4 suggests, there has always been a positive association between the ACTU's affiliation fee and representational formulae. Big and small unions alike pay fees in proportion to their affiliated membership, and representation of a union at congress also increases with affiliated membership. Unions are entitled to one delegate for the first 1000 affiliated members and an additional one for every 2,500 members above 1000. The AWU, despite its refusal to affiliate in 1927, influenced the adoption of these formulae. In fact, they were adopted, perhaps primarily, to encourage the big union to affiliate (Pilkinton, 1963: 264).

Sanctions were not imposed by the ACTU until 1940 when unions were denied the right to credential delegates to attend congress unless they had paid outstanding fees. In 1941, as the table shows, the constitution was amended accordingly. The ACTU's founders may have believed that sanctions would discourage unions from credentialling delegates to attend congress but they appear to have had the opposite effect. Congress attendances remained at
about the same level between 1927 and 1941 when 195 delegates attended. In 1943, 258 attended; 334 attended in 1945 and by 1957, attendance was 458.47 These figures reflect increased affiliations but the imposition of sanctions also probably gave attendance at congress higher status. The ACTU congress, as data presented in Chapter Five show, is now regarded as the most prestigious union meeting held in Australia.

The ACTU's executive structure, as the last two rows of Table 4.4. show, did not change from 1927 to 1957.48 In 1927, congress decided that each of the five metropolitan TLCs should appoint two members to the executive while congress itself elected only four of the 14 members: the President; the two vice-Presidents and the Secretary. No attempt was made to change this structure when the constitution was revised in 1930 but, the 1945 and 1953 congresses both debated the issue. Indeed, five federal union leaders were elected to the executive in 1945, 193 delegates voting in favour of executive reform while only 100 opposed it. Despite this large majority favouring reform, these federal union leaders never sat on the ACTU executive: of the five state branches, only the branch in Brisbane ratified the required constitutional change.49

Attitudes of the opposing sides to executive restructuring are reflected by two speakers at the 1945 congress, one representing the TLCs and the other, the federal unions. Delegate Stout (Melbourne TLC) said "He believed that delegates to the Executive should be under organized control through Trades and Labor Councils". Delegate Garland (REU), on the other hand, bluntly said "... if it is good enough to alter the Constitution
on dues (affiliation fees) it is good enough to alter the rules re
the Executive. Congress is the Federal Trades and Labor Council
and should have the right to alter its own rules".50*

Industry group representation was recommended by the 1955
congress and finally adopted by the 1957 congress. President Monk,
in the chair when this historic decision was taken, left delegates
in no doubt about his attitude to the decision. Ruling 'on the
voices', the President declared the motion for executive reform to
be lost. More than the required 15 delegates 'rose in their
places', as the congress minutes put it, and claimed a division.
When heads were counted, the President was over-ruled by 336 to
128 votes! Each of the now six state branches lost one executive
position and six union leaders, each representing an industry
group, were elected by congress to fill the vacancies.51*

The adoption of these changes, was important because they
represented a shift of the locus of power and authority in the
ACTU away from state to federal organisations. After 1957, more
than a third of the executive were federal union leaders: each of
these executive members represented Australian rather than state
constituencies. Furthermore, and ultimately of great importance,
additional industry group executive positions could be, and later
would be, created to attract the affiliation of the AWU (1967) and
white-collar unions (1979-1983). The 1957, and earlier the 1945
constitutional changes, were therefore of crucial importance.
4.3.2 Federal Union Funding Of The ACTU

When it was formed in 1927, the ACTU was supposed to be funded by state unions or by state branches of federal unions.\(^{52}\) Affiliation fee receipts, as is shown below, suggest that state organisations never paid more than nominal amounts to the ACTU. Federal union officials at the 1945 congress claimed that their organisations provided most of the ACTU's funds, and therefore, federal union officials should be represented on the ACTU executive.\(^{53}\) Available data show that by 1949, 28 federal unions, or about one third of the 86 affiliates, paid 80 per cent of all affiliation fees received by the ACTU in that year.\(^{54}\) Federal unions, therefore, probably were providing most of the ACTU's affiliation fees by 1945 and they have continued to do so.

Figure 4.1 shows the aggregate annual affiliation fees paid to the ACTU and the Melbourne TLC from 1927 to 1957.\(^{55}\) Affiliation fees paid to the two confederations are compared for the following reasons. First, the Melbourne TLC's affiliation fee receipts were higher than any of the other four TLCs from 1927 to 1957 (see Table 4.1 for 1927 figures). Second, nine of the 11 members of the Melbourne TLC's executive were elected annually throughout the 30-year period, whereas only four members of the ACTU executive were elected by congress. Third, to compare and contrast the ACTU with this TLC provides a 'worst-case' comparison which highlights differences in the relationship between conferred authority and union control in the two confederations.
Figure 4.1: Aggregate Annual Affiliation Fees Paid To The ACTU And The Melbourne TLC, 1927-1957

The figure clearly shows that until 1945, the ACTU was indeed a very poor relation of its Victorian state branch. Though no fees were paid to either organisation during the worst years of the 1930s depression, payments to the Melbourne TLC recovered to pre-depression levels by 1935. In 1945, federal unions demands for constitutional reform of the ACTU began to be satisfied: the state branches' right to veto congress decisions was revoked. In 1946, the ACTU's affiliation fee receipts, for the first time, were greater than those of the Melbourne TLC. In 1957 the state branches were forced to relinquish one executive position each. By
this time, ACTU aggregate affiliation fee receipts (£21,551) were not only higher than the Melbourne TLCs (£13,915), but were also significantly more than the combined total received by the TLCs in both Melbourne and Sydney (£18,431). 

1.3.3 The ACTU's Conferred Authority Since 1953

Affiliated union membership figures, as discussed earlier in this chapter, are also an indicator of conferred authority. ACTU affiliated membership figures, unfortunately, are not regularly available until 1953 (figures for 1946 and 1949 do exist). Affiliated membership figures for the 30-year period 1953-1983 are shown in Table 1.5. To facilitate comparisons over time, it is necessary to take account of the size of the ACTU's recruitment catchment. Consequently, the third column of the table shows the total number of unionists in Australia and the fourth column, which is calculated from the second and third columns, is the ACTU's inclusiveness. The ACTU's inclusiveness is also shown graphically in Figure 1.2.

In 1953, the ACTU had 856,332 affiliated members and by 1965 it had 1,104,317, an increase of 29 per cent. This growth, however, only kept pace with the growth in the total union population (1,679,758 to 2,116,200) and the ACTU's inclusiveness varied by no more than one per cent about a mean of 51 per cent during this 12-year period. In 1967, the ACTU's inclusiveness
increased by 10 per cent when the AWU, still Australia's biggest union, affiliated 156,657 members.

Table 4.5: The Inclusiveness Of The ACTU (Affiliated Membership/Total Unionists in Australia x 100) 1953-1983

<table>
<thead>
<tr>
<th>Year</th>
<th>Affiliated Membership</th>
<th>Unionists (Aust Total)</th>
<th>Inclusiveness (Per Cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1953</td>
<td>856,332</td>
<td>1,679,756</td>
<td>51</td>
</tr>
<tr>
<td>1955</td>
<td>891,834</td>
<td>1,801,662</td>
<td>50</td>
</tr>
<tr>
<td>1957</td>
<td>941,955</td>
<td>1,810,154</td>
<td>52</td>
</tr>
<tr>
<td>1959</td>
<td>951,608</td>
<td>1,850,727</td>
<td>51</td>
</tr>
<tr>
<td>1961</td>
<td>971,461</td>
<td>1,894,600</td>
<td>51</td>
</tr>
<tr>
<td>1963</td>
<td>1,019,915</td>
<td>2,003,500</td>
<td>51</td>
</tr>
<tr>
<td>1965</td>
<td>1,104,317</td>
<td>2,116,200</td>
<td>52</td>
</tr>
<tr>
<td>1967</td>
<td>1,328,278</td>
<td>2,151,300</td>
<td>62</td>
</tr>
<tr>
<td>1969</td>
<td>1,417,612</td>
<td>2,239,100</td>
<td>63</td>
</tr>
<tr>
<td>1971</td>
<td>1,523,217</td>
<td>2,436,600</td>
<td>63</td>
</tr>
<tr>
<td>1973</td>
<td>1,667,444</td>
<td>2,659,900</td>
<td>63</td>
</tr>
<tr>
<td>1975</td>
<td>1,791,675</td>
<td>2,813,300</td>
<td>64</td>
</tr>
<tr>
<td>1977</td>
<td>1,805,953</td>
<td>2,798,000</td>
<td>65</td>
</tr>
<tr>
<td>1979</td>
<td>2,066,824</td>
<td>2,873,600</td>
<td>72</td>
</tr>
<tr>
<td>1981</td>
<td>2,283,395</td>
<td>2,994,100</td>
<td>76</td>
</tr>
<tr>
<td>1983</td>
<td>2,444,771</td>
<td>3,119,652</td>
<td>79 *</td>
</tr>
</tbody>
</table>


Sources: ACTU Executive Reports (supplied by ACTU) and Year Books Of The Commonwealth Of Australia.

Another stable period followed: between 1967 and 1977, the ACTU's inclusiveness varied by no more than two per cent about a
mean of 63 per cent. In 1979, the first of a series of significant white-collar affiliations increased the ACTU's inclusiveness to 72 per cent; further white-collar affiliations increased it to 76 per cent in 1981 and then to an estimated 79 per cent in 1983. Between 1953 and 1983, the ACTU's inclusiveness has increased from 51 to 79 per cent, a remarkable increase of 28 percentage points.

Figure 4.2: The Inclusiveness Of The ACTU 1953-1983

Source: See Table 4.5

Each major change in the ACTU's inclusiveness has been preceded by negotiations over executive representation. The AWU,
as a condition of its affiliation, was given an industry group seat on the executive in 1967 and similar commitments were made prior to the affiliation of white-collar unions in the 1970s. Before the 1957 congress, the executive had 16 members of whom 10 (about two in every three) were state branch appointees. TLC representatives are now a minority: as from September 1985, only six of the 31-member executive (about one in every five) will be state branch appointees.50

When attempting to convince other congress delegates of the need for constitutional change, federal union leaders were apt to proclaim "He who pays the piper also calls the tune". In 1945 and 1957, federal unions called the tune for the TLCs and reduced the extent of their control over the ACTU. The importance of these constitutional changes cannot be over stated: the affiliation of the RIJU and white-collar unions was contingent on the change from state TLC to federal union control. To continue the metaphor, these changes 'piped in' significant increases in the ACTU's inclusiveness in 1967 and again in the 1970s.

4.4 SUMMARY

4.4.1 A States' House And A People's House

When the ACTU was established in 1927, executive-congress tension was incorporated into its constitution. Representing territorially based TLCs, the executive was a States' House, while
the congress, with a mass trade union constituency, was a Peoples' House, albeit with a limited franchise. As the ACTU became more inclusive, these two Houses - representing the classic elements of conflict in federal political systems - were bound to clash. The issues were couched in 'states rights' terms by one side and in 'no taxation without representation' rhetoric by the other. Reforms became inevitable when the constituency represented by congress grew to include half the trade union members in Australia. These reforms have increased the participation of federal unions in the government of the ACTU, enabling it to become the highly inclusive national confederation it now is.
Craft union objections to the OBU's registration created considerable bitterness between these unions and the AWU, the driving force behind the OBU. According to Charles Oliver, a long-serving AWU official, the ACTU "was formed out of the craft unions that would not go on as the OBU - they formed the ACTU". Oliver claimed, I have no doubt correctly, that the AWU felt "... betrayed by the craft unions". In those early years, Oliver continued, "... it was no trouble to develop antipathy towards the ACTU" (Interview, November 15, 1982).

To simplify references to the five TLCs, they are identified by the city in which they are located and as TLCs rather than by their formal names. Thus the Melbourne Trades Hall Council is referred to as the 'Melbourne TLC'. However, formal names are used when the full descriptions and the sources of TLC documents are cited (see next note).

The following are the sources of data presented in this table.

1. Letter from the Secretary, the Trades Hall Council, Hobart to the ACTU Secretary dated July 11, 1927 (ABL/ACTU, N21/44).
2. Letter from the Secretary, United Trades And Labor Council Of S.A. to the ACTU Secretary dated June 24, 1927 (ABL/ACTU, N21/44).
4. Queensland Trades And Labor Council, Eighth Annual Statement Of Receipts And Expenditure And Statement Of Assets dated June 30, 1930 (ABL/Harris Collection, P143/3/6).
5. Labor Council Of New South Wales, Secretary's Report dated December, 1929 (ABL/Wright Papers, P120/443).
6. Trades Hall Association, Statement Of Cash Received During Half-Year Ending June 30, 1928 (Courtesy Mr Ewin Maidment, ABL, ANU).
7. Letter from the Secretary, Melbourne Trades Hall Council to ACTU Secretary dated June 16, 1927 (ABL/ACTU, N21/44).
8. Melbourne Trades Hall Council, Statements Of Receipts And Expenditure dated October 1, 1926 to September 30, 1927 (ABL/MTHC, M14/Reel 5).

NOTE: Abbreviated citations of these documents refer to this note and to the item number of the document.

In the 1960s, the Hall built to replace the original wooden structure was itself partially rebuilt. A fire during the course of construction left the TLC in serious debt (Plowman, 1979). The
Trades Hall, once a proud symbol of craft union achievement, became something of an albatross around the TLC's neck.

The trade union populations for the five capital cities have been estimated from the following figures taken from the 1928 *Year Book Of The Commonwealth Of Australia*. [1] the number of trade unionists in each state and [2] the proportion of the state's total population living in its capital city. In 1927, 355,127 trade unionists lived in New South Wales and 46 per cent of the state's total population lived in Sydney. Assuming unionists were evenly distributed throughout the state, the trade union population of Sydney was 163,358. The trade union populations of the other four state capitals are estimated to have been as follows: Melbourne, 138,666; Brisbane, 49,715; Adelaide, 45,469 and Hobart 4,351.

See above note.

This figure is an estimate based on [1] the median rate of affiliation fees (see Table 4.2 for affiliation fee rates) and [2] the affiliation fees of £352.10 paid by the AUU for the 1928 financial year (*ABL/ McDonald Deposit, Melbourne Trades Hall Council, Income From Societies, October 1, 1927 to September 30, 1928*, P94/1/604).

The reason for the AUU's disaffiliation is discussed later in this chapter.

This is an estimate based on AUU Presidential election data published in *The Worker* of February 1, 1928. Of the AUU's total membership of 160,000, 28,187 members voted and of this number, 9,662 were from New South Wales. Assuming voters were evenly distributed in all six states, the New South Wales membership is estimated to have been 58,848.


The basic wage is usually quoted as a weekly rate. In 1927 it was £4.8.0 per week (*ABL/ACTU Table Of Basic Wage Rates, Commonwealth Court Of Conciliation And Arbitration, 1921-1955*, N21/334).

Source, Note 3, Items [4] and [8].

The Adelaide TLC employed a part-time Secretary at a salary of £128 per annum (Source, Note 3, Item [3]).

Since the 1850s, the Melbourne Trades Hall has stood as a symbol of union cooperation and the success of building unions, who along with stonemasons in Sydney, were the first unions in the world to win the eight-hour day for their members (Lightfoot and Sutcliffe, 1915: 51-52).
this success, built the first trades hall to be erected in Australia on land granted by the Victorian Government. The Committee took on the functions of a TLC in the late 1870s and it adopted a new name, The Melbourne Trades Hall Council, in 1884. A Trades Hall Committee was appointed to build a hall in Sydney in 1883 (Gollan, 1976: 80-81).

15 Probably, the Trades Hall was also a meeting place for federal Labor Parliamentarians as the Commonwealth Parliament was located in Melbourne from federation in 1901 until 1927 when it moved to Canberra.

16 Income from renting office space and meeting rooms was offset by maintenance and other costs. In Melbourne, cleaning, electricity, rates, insurance, repairs and interest on loans for 1928 cost £3,643 (ABL/McDonald Deposit, Statement of Receipts and Expenditure, [Melbourne] Trades Hall Council, October 1, 1927 to September 30, 1928, P94/1/604).

17 Very large sums were occasionally collected and distributed through TLC trust accounts but these have not been included as TLC income. £122,000 was collected and distributed by the Sydney TLC and £112,000 by the Melbourne TLC during the ten-month long timber workers’ dispute in 1929. Timber workers were supported by levies paid by other unionists because their dispute, as the Sydney TLC Secretary told the 1930 ACTU congress, "... saved the whole (trade union) movement from a general reduction of wages" (ABL/Waterside Workers’ Federation, Launceston Branch, ACTU Congress Minutes, 1930, page 35 and 147 [a], T41/4).

18 This increased the Sydney TLC staff to 10. In 1928, the Melbourne TLC employed four persons, the Secretary and Assistant Secretary, a clerk and an assistant typist (Source, Note 3, Item [8]).

19 Station 2KY was acquired in 1925 and by 1929 it employed five persons. These five are not included in the total of 10 persons employed by the TLC to provide its other services (Source, Note 3, Item [5]).

20 The Sydney TLC Secretary reported that during "... the timber workers’ lockout, 2KY was placed at the disposal of the Timber Workers and the Trade Union movement daily for the dissemination of the working-class viewpoint and news of the struggle" (Source, Note 3, Item [5]).

21 In 1958, £10,801 was transferred from 2KY funds to the Sydney TLC’s management fund. In that same year, affiliation fees were £4,516 or about 42 per cent of the 2KY subsidy (ABL/ACTU,
LABOR COUNCIL OF NEW SOUTH WALES, INCOME AND EXPENDITURE FOR THE YEAR ENDED DECEMBER 31, 1958, (H21/1805).

22 This idea is incorporated in the rules of the Brisbane TLC. Rule 19 states "In all cases not herein provided for, resort shall be had to the rules, forms, and usages of Parliament which shall be followed so far as the same are applicable to the procedures of the Council" (Source, Note 26, Item [3]).

23 Sources, Note 26, Item [5] and Item [3].

24 Source, Note 26, Item [4].

25 Sources, Note 26, Items [5] and [3].

26 The following are the sources of the data presented in Table 4.2.


Note: Abbreviated citations of these documents refer to this note and to the item number of the document.

27 Affiliation fees are based on capacity to pay. In 1927, female wage rates were about half male rates (ABL/ACTU, Pamphlet, How To Achieve Equal Pay, N21/62). The ACTU's rules (1980) reflect the equal pay decisions of 1969 and 1972. Affiliation fees for females receiving equal pay are the same as for males (ACTU, Constitution And Standing Orders, 1980).

28 Table 4.2 summarises these formulae and inevitably this leads to some distortions. The Melbourne TLC's actual formula was for 20-200 members, one delegate; 201-500, two delegates; 501-1000, three delegates and for more than 1000 members, four delegates (Source, Note 26, Item [5]).

29 The Sydney TLC, until it changed its rules in June 1927, imposed a limit of four delegates (ABL/Trades And Labor Council Of New South Wales, Executive Minutes, April 5, 1927, M17/Reel 1).

30 Source, Note 26, Item [4].

31 Source, Note 26, Item [3].

32 The Australian Worker, March 16, 1927.
The AWU did not immediately reaffiliate but Oliver attended TLC meetings as an AWU delegate in the 1940s. Oliver pointed out the AWU's Queensland branch temporarily affiliated to the Brisbane TLC during the 1956 inter-state shearers' strike. As he put it, "Alex McDonald (the Communist Secretary) is running the Labor Council in Brisbane. They (the AWU) go into the Council, they let the Labor Council run the dispute for them and as soon as the dispute is over, they disaffiliate ... I do not admire what they do - that attitude - I do not admire that at all" (Interview, November 15, 1982).

Sources for this table are as follows.

[3] Proposed Constitution Of The Australasian Trades Union Congress [this document was circulated by Secretary Crofts prior to the Congress held in Melbourne in February, 1930] (ABL/Australian Railways' Union (ARU), S.A. Branch, E197/8).

Note: Abbreviated citations of these documents refer to this note and to the item number of the document.

Source, Note 37, Item [1].
Source, Note 37, Item [3].
The committee inserted no less than 11 statements in the constitution designed to protect the autonomy and authority of the ACTU's state branches. Affiliation fees, for example, were to be paid to the ACTU through its state branches. Several of these amendments were rejected during the congress debate but sufficient remained to entrench the domination of the TLCs over the ACTU.

Source, Note 37, Item [4].

For a more complete account of these events, see Pilkinton (1983: 286).

Source, Note 37, Item [2].

Correspondence, which passed between the AWU and the ACTU in July 1928, makes it clear that the AWU had no intention of affiliating to the ACTU (ABL/ACTU Executive Minutes, N21/16).

Source, Note 37, Item [6].

Source, Note 37, Item [7].

Congress attendance figures were derived by counting delegates listed as attendees in the minutes of congress for the years in question.

Three changes, which did not alter the basic structure of the executive, were made between 1927 and 1957. First, in 1943, Albert Monk was elected as the ACTU's first full-time Secretary. Second, he was elected full-time President in 1949 and R. Broadby replaced him as Secretary. Third, the Western Australian ALP became an ACTU state branch in 1949 and it appointed two delegates to the executive giving it 16 members in all.

The 1945 congress agreed to two important constitutional changes but the state branches ratified only one of them. As already discussed, the state branch veto over congress decisions was revoked and three of the five state branches subsequently ratified this change. The two constitutional changes were considered side-by-side at state branch meetings and it seems probable that agreement to revoke the veto over congress decisions might not have been obtained had this proposal not been coupled with the more radical one to replace half of the state branch appointees on the executive with federal union leaders. Agreement to the less radical constitutional change (albeit, with the narrowest of margins) was probably considered to be a fair compromise (Pilkinton, 1983: 288-289).

Minutes Of ACTU Congress, June 13, 1945.

1957 ACTU Congress Minutes.

See, for example, correspondence that passed between Secretary Crofts and the Millers' Federation in June, 1927 (ABL/ACTU, N21/44).
Citations for this figure are complicated because the ACTU did not adopt a standard financial year (July 1, to June 30) until 1951-1952. ACTU affiliation fee data, for the periods indicated in each citation, are contained in financial statements deposited in the following ABL files.

1. May 31, 1927 to December 31, 1929 (ABL/ACTU, N21/16).
2. February 11, 1934 to November 30, 1938 and December 1, 1938 to April 10, 1940 (ABL/ACTU, N21/53).
3. May 27, 1941 to June 10, 1943 (ABL/ARU S.A. Branch, E197/8 3132).
4. June 11, 1943 to May 31, 1945 and June 1, 1945 to August 18, 1947 (ABL/ACTU, N21/72).
5. August 19, 1947 to December 31, 1948 (ABL/McDonald Papers, P94/5/8).
7. 1952 (ABL/ACTU, N21/309).
8. 1953 (ABL/Bread Carters' Industrial Federation of Australia, Victorian Branch, T14/44/4).

The Melbourne TLC's financial year ends on September 30 each year. Sources of the data are as follows.

11. 1927 and 1929 (ABL/MTHC, M14/R5).
12. 1928 (ABL/McDonald Papers, P94/1/604)
13. 1933, 1936, 1937, 1938 and 1940 (ABL/McDonald Papers, P94/33/5/29).
14. 1934 and 1935 (ABL/MTHC, M14/R6).
15. 1939, 1943 and 1944 (ABL/McDonald Papers, P94/4/7).
16. 1941 (ABL/Clothing And Allied Trades' Union, E138/18/59).
17. 1942 (ABL/McDonald Papers, P94/1/609).
18. 1945 and 1946 (ABL/MTHC, M64/R1).
20. 1950, 1951 and 1952 (ABL/MTHC, M64/R2).
21. 1953 and 1957 (ABL/McDonald Papers, P94/23/43).
22. 1955 (ABL/ACTU, N21/1794).

Note: Abbreviated citations of these documents refer to this note and the item number of the document.
By the end of September 1933, unions owed the Melbourne TLC more than £8,011 in unpaid affiliation fees and rent (Source, Note 55, Item 13). Between 1949 and 1952, eight unions refused to pay affiliation fees and they jointly owed more than £1,470. These fees were eventually paid in 1952. Aggregate payments for 1950, 1951 and 1952 have been adjusted to take account of these late payments.

£4,516 in affiliation fees were paid to the Sydney TLC in 1958 (See note 21).

The unification of the Australian Council Of Salaried And Professional Associations (ACSPA) and the ACTU was finally concluded at the ACTU congress in September, 1979. The Council Of Government Employees' Organisations (CAGEO) and the ACTU united in 1981 and the Australian Bank Employees' Union, with 76,885 members, affiliated in 1983 (ACTU Executive Reports, 1979, 1981 and 1983).

See Report On ACTU Executive Reorganisation (supplied by the ACTU) for details of changes to the executive structure between 1927 and 1983.


See discussion of ACTU finances, Minutes Of ACTU Congress, April 18, 1940 (ABL/ARU, S.A Branch, E197/8 3132).
5.1 Introduction

A multiple electoral college system elects the ACTU executive, creating inequalities of elected authority which have both a structural and a personal basis. ACTU Presidents, vice-Presidents and Secretaries, who are elected by the highly representative 'Congressional' electoral college, have close links with the ALP while executive members elected by other electoral colleges are not as closely connected with the Labor Party. The competent and personal authority of all executive members, however, has a common basis: education and experience. This chapter seeks to explain: (1) structural stability and change in the ACTU's electoral college system, (2) the significance of education and experience, and (3) the differential effects of political affiliation on the authority of executive members. The chapter begins with a brief discussion of historical links between education and labour politics. The development of the AWU and its influence on the political bias of the ACTU 'Congressional' electoral college is then outlined.

Industrial and political agitation for the extension of educational services has a long history in the Australian labour movement. Trade unionists demanded the introduction of free, compulsory education at successive Intercolonial Trade Union Congresses (ITUCs), the first being held in 1879 (Murphy, 1975:
In the 1880s, the Sydney TLC "... devoted itself to industrial questions: the extension of the eight-hour day, conciliating in disputes, settling strikes (and) ... arguing for the development of a system of technical education ..." (Loveday, 1975: 19). By 1910, the Labor Party in New South Wales supported the introduction of free, secondary, tertiary and technical education (Loveday, 1975: 80). Not surprisingly, free, secular education is given priority by the ACTU in its current education policy.

About the turn of the century, the so-called 'new unions' had remarkable success in rural Australia. Ignoring colonial boundaries partly because their members were mobile, these mass unions admitted all those who, lacking craft qualifications, were not eligible to join other unions. The AWU, a union of shearsers and miners established in the 1880s, has its origins in 'new unionism'. By 1904, the AWU had 44,000 members and it covered Queensland, New South Wales, Victoria and South Australia (Spence, 1909: 70). Expanding rapidly, the AWU absorbed other unions in a series of amalgamations; by 1927, the big union claimed 150,000 members who lived and worked in all parts of Australia.1*

A 64 year-old AWU official told me in 1978 "I have always stuck with the straight ALP policy".2* This official echoed the teaching of W.G. Spence, the AWU's founder. In his book *Australia's Awakening*, Spence argued that the A.U.U. was the first to introduce the idea of applying Trade Union methods to secure political and social reform. It teaches its members that to vote straight for Labor
candidates is as necessary as to act straight in regard to union rules and conditions industrially. The working man who supports any candidate for Parliament opposed to a Labor candidate is considered as politically blacklegging on his class (1909: 76).

Loyalty to the ALP became AWU dogma, while in turn, AWU officials claimed the right to control ALP members of Parliament.3

Unlike the state-based TLCs, the AWU has always been a national organisation. The AWU's Victoria-Riverina branch, for example, straddles the Victorian and New South Wales border. In its early years particularly, the AWU's rhetoric was nationalistic as the union's leaders were interested in inter-colonial affairs (Turner, 1976: 31). By the time the first ACTU congress was convened in 1927, the AWU convention had been bringing union delegates together for 41 successive years. Despite its absence from the ACTU congress in 1927, the AWU's lengthy shadow was cast over proceedings. As noted in Chapter Four, the ACTU congress has always been a national forum because of the AWU's influence on the adoption, by the 1927 congress, of an open-ended representational formula that has never been changed.

Executive elections are held at each ACTU biennial congress. Representing affiliated unions, the overwhelming majority of congress delegates vote in two electoral colleges.4 All delegates are members of the 'Congressional' electoral college which represents a nation-wide constituency and elects three vice-Presidents at each congress (1983). When vacancies occur, the 'Congressional' college also elects the President and Secretaries.
From 1965, these full-time officers will face re-election at six-yearly intervals. When union delegates cast their second vote, they do so as members of 13 much smaller 'Industry Group' electoral colleges (1983).

It seems clear that because ACTU congress delegates value education, executive candidates with secondary or tertiary education have been favoured by delegates voting in all electoral colleges. In addition, the 'Congressional' electoral college tends to elect candidates who have strong personal links with the Labor Party because these candidates most closely represent union members, most of whom vote 'straight ALP'. Different imperatives operate in the smaller 'Industry Group' electoral colleges as candidates with far-left and extreme-right wing affiliations are sometimes elected.

In this chapter, the composition and salient characteristics of the multiple electoral college system are examined first. Consequently, the next section is about organisational structures. The following two are concerned with the personal histories and experience of the 94 executive members for whom data are available. The biographies of 93 males and one female - the only woman ever to be elected - are scrutinised from a total of about 155 persons who were members of the ACTU executive between 1927 and 1983. This means that biographical details are included on about three fifths of all the union officials who have ever been members of the ACTU executive. Thus, issues related to the elected, competent and personal authority of ACTU executive members are discussed in this chapter.
5.2 THE ACTU EXECUTIVE STRUCTURE

5.2.1 Structural changes since 1927

The ACTU executive, as Table 5.1 shows, has become larger and structurally more complex since 1927. Only the Presidential office

Table 5.1: Changes To The ACTU Executive Structure, 1927-1983

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>President a</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Vice-Presidents</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Secretary and Assist. Secs. b</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>3 c</td>
</tr>
<tr>
<td>State Branch Representatives</td>
<td>10</td>
<td>12</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Industry Group Representatives</td>
<td>0</td>
<td>0</td>
<td>6</td>
<td>7</td>
<td>7</td>
<td>8</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>n =</td>
<td>14</td>
<td>16</td>
<td>16</td>
<td>17</td>
<td>18</td>
<td>21</td>
<td>27</td>
<td>26</td>
</tr>
</tbody>
</table>

a A full-time position since 1949.
b The Secretary (since 1943) and the Assistant Secretaries are full-time officers.
c An Assistant Secretary's position has been vacant since December 1982 as an economy measure.

Sources: ACTU Congress Minutes and Executive Reports.
has remained a single position as it was in 1927. It was, however, made a full-time position in 1949. Additional positions for part-time vice-Presidents and full-time assistant Secretaries have been created and state branch representation was increased from 10 to 12 when the Western Australian branch was formed in 1949. As discussed earlier, state branch representation on the executive was reduced to a total of six when industry group representatives were elected for the first time in 1957. During the period 1983–1985, four full-time officers (President, Secretary and two assistant Secretaries) and 22 part-time members constituted the executive.

Each structural change made since 1957 is the result of negotiations and agreements with new affiliates. The AWU, when it affiliated in 1967, was given the status of an industry group and it became the only union to be directly represented on the executive. White-collar, private sector unions, known as the ACSPA group,8 affiliated in 1979 and were allocated three executive positions: a vice-President,9 a full-time assistant Secretary and an industry group representative.10 A further three positions were created in 1981 following the affiliation of unions organising government employees. As a result, another assistant Secretary and two industry group representatives joined the executive.11 The opportunity was also taken in 1981 to rationalise the industry groups: 13 were formed from the existing eight groups.

As all members of the executive are elected, electoral rules and procedures have had to be changed several times. By 1983,
accumulated changes resulted in the executive being elected by no less than 20 electoral colleges. The electoral colleges are shown in Figure 5.1. The figure should be read in conjunction with Table 5.2 which shows those executive members who are elected by each of the colleges, their terms of office and whether or not they are employed by the ACTU. On Figure 5.1, the box labelled 'Congressional College' represents all delegates attending the ACTU congress. This college, as Table 5.2 shows, elects the President, the Secretary, two assistant Secretaries and three
Table 5.2: ACTU Executive Members Elected By Each Electoral College, Their Term Of Office And Employment By The ACTU (1983)

<table>
<thead>
<tr>
<th>College</th>
<th>Position</th>
<th>Term</th>
<th>ACTU Full-Time Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congressional</td>
<td>President</td>
<td>6 Years $^a$</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Secretary</td>
<td>6 Years $^a$</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>2 Ass. Secretaries</td>
<td>6 Years $^a$</td>
<td>Yes</td>
</tr>
<tr>
<td>Industry Groups</td>
<td>3 Vice-Presidents</td>
<td>2 Years</td>
<td>No</td>
</tr>
<tr>
<td>State Branches</td>
<td>13 Representatives</td>
<td>2 Years</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>6 Representatives</td>
<td>2 Years</td>
<td>No</td>
</tr>
</tbody>
</table>

$^a$ From 1985

vice-Presidents. The Presidents and the Secretaries are full-time officers employed by the ACTU for six-year terms, whereas the vice-Presidents are part-time and have a two-year term of office. Congress delegates divide to form 'Industry Group' electoral colleges, each of which elects one member of the executive for a two-year term. As the name implies, the industry groups are formed by delegates representing unions with members working in the same or allied industries. Whereas, the 'Industry Group' and 'Collegial' electoral colleges elect executive members at each
biennial congress, elections for the state branch representatives are conducted, under their own rules, by the respective TLCs who simply advise the ACTU of the results. State branch representatives also have a two-year term of office and are not employed by the ACTU.

5.2.2 The 'Congressional' Electoral College

The 'Congressional' electoral college has grown in size, as Table 5.3 shows, but the basic character of the college has not

Table 5.3: The ACTU 'Congressional' Electoral College, 1953-1963

<table>
<thead>
<tr>
<th>Year</th>
<th>Unions Affiliated Members</th>
<th>Votes Apportioned</th>
<th>(1) Votes Cast As % of Votes Apportioned</th>
<th>Election Quota (votes)</th>
<th>Biggest Union: (1) Votes Cast (2) As % of Quota</th>
</tr>
</thead>
<tbody>
<tr>
<td>1953</td>
<td>98</td>
<td>856,332</td>
<td>476</td>
<td>398(84%)</td>
<td>200(10.5%)</td>
</tr>
<tr>
<td>1963</td>
<td>94</td>
<td>1,019,915</td>
<td>542</td>
<td>509(94%)</td>
<td>255(8.2%)</td>
</tr>
<tr>
<td>1973</td>
<td>123</td>
<td>1,667,444</td>
<td>837</td>
<td>812(97%)</td>
<td>407(14.0%)</td>
</tr>
<tr>
<td>1983</td>
<td>156</td>
<td>2,444,771</td>
<td>1196</td>
<td>1145(96%)</td>
<td>573(11.0%)</td>
</tr>
</tbody>
</table>

Sources: ACTU Executive Reports; ACTU Congress Minutes, Table 4.5 (Chapter Four) and Davis (1983: 507).
changed. Coalitions had to be formed to elect candidates in 1953 and this was still true in 1983. The ACTU's biggest union, furthermore, has never controlled more than about one vote in seven in the 'Congressional' electoral college. To be represented at congress, unions must pay all outstanding fees and levies. In 1953, 98 unions met these requirements; they paid dues on 856,332 members. By 1983, 156 unions, representing nearly two and one half million affiliated members, were entitled to send delegates to congress. Delegates, it should be noted, must attend congress to vote: they cannot vote by proxy. Each union is apportioned one vote for the first 1,000 affiliated members plus one for every additional 2,500 members. Using this formula, calculations have been made of the aggregate votes apportioned to all delegates entitled to attend the four congresses (1953, 1963, 1973 and 1983). In 1953, 476 votes were apportioned; 78 were not cast and 398 or 84 per cent were cast in the 'Congressional' elections. Between 1963 and 1983, the lowest percentage of apportioned votes cast was 94 per cent.

Election results are announced as soon as scrutineers determine that quotas (half the votes cast plus one vote) have been received by the required number of candidates. Quotas for the 'Congressional' electoral college were 200 votes in 1953 and 573 votes in 1983. The data in the last column of the table show that delegates representing the ACTU's 'biggest union' did not cast more than 14 per cent of a quota (1973) in any of the four years. In 1983, the ATF was the 'biggest union'. It cast 63 votes, three times as many votes as its counterparts in 1953 and 1963.
However, the ACTU’s aggregate vote in 1983 still constituted only 11 per cent of a quota.

The nation-wide constituency of the 'Congressional' electoral college means that, to be elected, trade union leaders must have a nation-wide reputation. 'Congressional' electoral college delegates live and work in every Australian state and territory. Equally important, they and their unions represent and organise a wide range of blue and white-collar working men and women who are labourers, trades persons, teachers and public servants. In 1983, as Figure 4.2 in Chapter Four shows, delegates who voted in the 'Congressional' electoral college, represented about 80 per cent of all Australian unionists. The college is highly representative, and what is more, the voting participation rate is extraordinarily high. These factors contribute significantly to the elected authority of the ACTU’s President, Secretaries and vice-Presidents.

5.2.3 The 'Industry Group' Electoral Colleges

By 1983, as the next two tables show, big unions dominated elections in several 'Industry Group' electoral colleges. Table 5.4, shows the composition of the six 'Industry Group' electoral colleges in 1957, the year they were first constituted. The composition of the 13 'Industry Group' electoral colleges in 1983, is shown in Table 5.5.
In 1957, nine unions constituted the metal college and 26 the services. Election quotas ranged from 24 votes for the food group to 47 votes for two groups, metal and services. Thus, each 'biggest union' delegation cast a significant proportion of votes in each college. In the building college, for example, 15 votes cast by the 'biggest union' amounted to 56 per cent of a quota. It should be noted, however, that in none of the six colleges was it possible for any union, no matter how big, to secure the election of its candidate without its delegates forming a coalition with other unions in the college.
By 1983 (Table 5.5), some 'biggest union' delegations had more votes than were required to fill the quota in several of the 'Industry Group' electoral colleges. One college, the AWU, is constituted by the delegates of this union only. Three other colleges (metal and power I; food and distributive II and metal and power II) are constituted by delegates representing only three, five and six unions respectively. The remaining nine colleges include one with 11 unions (services I) and another with 25 unions (transport). Election quotas vary between 26 (AWU - the smallest) and 80 votes (ACSPRA - the largest).

Three unions do not need to contest 'Industry Group' elections to gain a seat on the executive. Even if there is an election between two AWU delegates, as there was in 1983, one will always sit on the executive. In two other colleges (food and distributive II and metal and power I) the 'biggest union' can also cast more votes than an election quota. In one case 113 per cent and in the second 154 per cent of a quota can be cast by the 'biggest union' in the college. In four of the remaining ten colleges, furthermore, an election is only marginally necessary as the 'biggest union' can cast between 76 per cent (services II) and 92 per cent (services I) of a quota.

In the ACTU, the executive structure has been changed from time to time following internal struggles for influence and power. Between 1927 and 1957, the state branches appointed three out of every four members of the executive. In 1957, each state branch lost one of its two seats and six federal union leaders replaced
Table 5.5: The ACTU 'Industry Group' Electoral Colleges, 1983

<table>
<thead>
<tr>
<th>Industry Group</th>
<th>Unions</th>
<th>Election Quota (Votes)</th>
<th>Biggest Union: (1) Votes Cast (2) As a Proportion of Quota (per cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACSPA</td>
<td>14</td>
<td>80</td>
<td>63(79%)</td>
</tr>
<tr>
<td>AWU</td>
<td>1</td>
<td>26</td>
<td>n.a.</td>
</tr>
<tr>
<td>Building</td>
<td>14</td>
<td>37</td>
<td>15(41%)</td>
</tr>
<tr>
<td>Food &amp; Distributive I</td>
<td>13</td>
<td>38</td>
<td>31(82%)</td>
</tr>
<tr>
<td>Food &amp; Distributive II</td>
<td>5</td>
<td>52 a</td>
<td>59(113%) a</td>
</tr>
<tr>
<td>Government I</td>
<td>19</td>
<td>41 a</td>
<td>20(49%) a</td>
</tr>
<tr>
<td>Government II</td>
<td>18</td>
<td>37 a</td>
<td>18(49%) a</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>15</td>
<td>46 a</td>
<td>22(46%) a</td>
</tr>
<tr>
<td>Metal &amp; Power I</td>
<td>3</td>
<td>35 a</td>
<td>54(154%) a</td>
</tr>
<tr>
<td>Metal &amp; Power II</td>
<td>6</td>
<td>41</td>
<td>27(66%)</td>
</tr>
<tr>
<td>Services I</td>
<td>11</td>
<td>48 a</td>
<td>44(92%) a</td>
</tr>
<tr>
<td>Services II</td>
<td>12</td>
<td>46 a</td>
<td>35(76%) a</td>
</tr>
<tr>
<td>Transport</td>
<td>25</td>
<td>62 a</td>
<td>40(65%) a</td>
</tr>
</tbody>
</table>

a Calculated from affiliated union membership figures as there was no election in 1983.

them, each elected by an 'Industry Group' electoral college. Federal unions were able to demand seats on the ACTU executive because the affiliation fees paid by these unions, as Figure 4.1 in Chapter Four shows, had risen from only £370 in 1938 to £21,551 in 1957. In 1979, during negotiations that led to the affiliation of the ACSPA group, unions with 75,000 or more affiliated members claimed that they should have executive seats allocated directly to them. They should not, they declared, have to compete in an 'Industry Group' election.18

The composition of the 'Industry Group' electoral colleges was changed in 1981 to placate these big unions by partially meeting their demands. In 1983, as a result, elections were held in only five 'Industry Group' electoral colleges; the rest were uncontested. Seven of the 13 seats were held by unions with more than 75,000 affiliated members and another by a union with 73,600 members.19 These eight unions affiliate an aggregate of 910,866 members, an average of 113,858 each. Jointly they contribute more than a third of all ACTU affiliation fees. As argued earlier, 'Who Pays' tends to determine the distribution of influence and power in the ACTU. The 1981 'Industry Group' rationalisation reinforces the point by ensuring that big unions occupy a number of positions on the executive.
5.3 COMPETENT AND PERSONAL AUTHORITY

5.3.1 A Profile Of 94 ACTU Executive Members

As noted earlier, education has been a perennial issue for the labour movement. Spence linked education with the future of the labour movement and newspapers that have been published since the 1890s, like The Worker and The Australian Worker, were seen by him as educational media. In a similar vein, the 1981 ACTU congress declared "... there are few issues of such national importance in our community as the future role of education." In 1981, the ACTU gave priority to Aboriginal and multi-cultural education, issues that could not have been supported by Spence who was an advocate of the White-Australia policy (1909: 72). The 1981 ACTU congress also declared its support for the elimination of sexism in all areas of education, an issue unheard of in Spence's time. Public education, however, was high on the agenda for both Spence and delegates to the 1981 ACTU congress.

Table 5.6 shows that since the 1960s, better educated union officials have been elected to the ACTU executive. Eight executive members elected between 1927 and 1940 were at school for eight years or less. In the next decade (1941-1950) one official with between nine and 12 years at school took a seat on the executive and between 1951 and 1960, the first member with a diploma did so. Noteworthy changes took place between 1961 and 1970: nine persons who were at school for between nine and 12 years were elected, as well as one university graduate.
Table 5.6: The Educational Attainment Of ACTU Executive Members And Their Year Of Election To The Executive

<table>
<thead>
<tr>
<th>Educational Level</th>
<th>1927-30</th>
<th>31-40</th>
<th>41-50</th>
<th>51-60</th>
<th>61-70</th>
<th>71-80</th>
<th>81-83</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 Yrs Or less</td>
<td>4</td>
<td>4</td>
<td>9</td>
<td>9</td>
<td>8</td>
<td>6</td>
<td>4</td>
<td>44</td>
</tr>
<tr>
<td>9 to 12 Yrs</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>9</td>
<td>8</td>
<td>1</td>
<td>20</td>
</tr>
<tr>
<td>Certificate</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Diploma</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Degree</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Nil Info</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>3</td>
<td>6</td>
<td>2</td>
<td>5</td>
<td>19</td>
</tr>
<tr>
<td>n =</td>
<td>7</td>
<td>4</td>
<td>10</td>
<td>14</td>
<td>24</td>
<td>19</td>
<td>16</td>
<td>94</td>
</tr>
</tbody>
</table>

Sources: See note 22

Better educated union officials have continued to join the executive. Between 1971 and 1980, 11 of those elected had nine or more years education; two of them had degrees and one a certificate. Four officials with degrees, one with a diploma, one holding a certificate and one who attended high school, joined the executive in 1981 or 1983. Only four of those elected in this period were in the lowest educational category.

A recent Australian survey of 200 union officials drawn from 34 white-collar unions (Cupper, 1983: 178-200) found that 73, or 36 per cent, had tertiary qualifications. These officials are
possibly the best educated union leaders in Australia. The educational qualifications of the 1983-1985 ACTU executive, nevertheless, compare favourably with them. One member has a certificate in personnel management, one is a qualified accountant (diploma), and five have one or more degrees each. That is, seven (27 per cent) have post-secondary educational qualifications.

For ACTU executive members, as Table 5.7 shows, education has been regarded as a surrogate for experience. The table compares the average age at which ACTU executive members were first elected as full-time union officials with their educational attainment. Higher educational attainment and lower age of election are positively correlated while there is a statistically significant difference between the age at election of officials in the highest and lowest educational categories. Only 13 executive members from white-collar unions are represented in the table; the remaining 55 ACTU executive members are from either blue-collar unions or their first union position was with a TLC or the ACTU. This means the data are more representative of blue-collar than white-collar union officials. Educational attainment and the age at which union officials are elected to the ACTU executive (see Table 5.8) will be discussed after considering attitudes, skills and preparation for leadership.
Table 5.7: The Average Age When ACTU Executive Members Were Elected To Their First Full-Time Union Position And Their Educational Attainment

<table>
<thead>
<tr>
<th>First Full-Time Union Position</th>
<th>8 Yrs Or Less Education</th>
<th>9 To 12 Yrs Education</th>
<th>Certificate Diploma Or Degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Age (Yrs)</td>
<td>32.5 (n=38)</td>
<td>30.1 (n=19)</td>
<td>27.5 (n=11)</td>
</tr>
</tbody>
</table>

n.s. Not Statistically Significant
** Significant At 1 Per Cent Level

5.3.2 Attitudes, Practices And Skills

Unions expect their officials to be dedicated: they are encouraged to treat their jobs as a vocation. A sense of mission, however, is not incompatible with ambition. A national President of a large metal union and member of the ACTU executive, explained his acceptance of his union's Presidency, a full-time position, as follows. For me, he said, "... the position held a certain degree of personal pride and ambition. I had wanted to be at the top, but it was coupled with the belief that in that position I had the
possibility of doing more for the union and the membership" (Huntly, 1978: 94-95).

Union officials, one ACTU executive member believes, should never show fear. He said, "A leader should always look confident ... once you are concerned or frightened, it goes right through the organisation". Nor should potential leaders shun low status jobs. One ACTU vice-President was once the TLC caretaker in Brisbane. He became librarian at the Trades Hall, assistant Secretary and then Secretary of the Brisbane TLC. He resigned from the ACTU executive to accept an appointment as a Conciliation Commissioner with the Queensland Industrial Court.

The degrading effect of mass unemployment shocked union officials like Robert Monk who was Secretary of Melbourne's Central Unemployment Committee during the 1930s depression (Louis, 1968: 159). And yet President Monk, as R.J. Hawke said of him at his funeral, "... had the vision to look forward as well as the compassion to look back". This was demonstrated by his high profile in Australia's post-war immigration programme. He was one "... of those most actively involved in the Immigration Advisory Council and the Immigration Planning Council".

Energy is at a premium in the union movement. According to Spence, AWU organisers rode rapidly "... to get from one (shearing) shed to another in time to be at roll-call", one organiser needing "... nine changes of horses in a season" (1909: 82). There are notable examples of energetic officials among the 94 ACTU executive members. James Kenny, when he died in October 1967, was Secretary of the Labor Council of New South Wales, an
HLC and the senior vice-President of the ACTU. In addition, he held 16 other positions. He was a member of two hospital boards; the Council of the University of New South Wales and of the Sydney Opera House Trust. Kenny was also an executive member of the Duke of Edinburgh’s Third Commonwealth Study Conference held in 1968.31*

For one ACTU executive member, integrity meant telling his fellow union members "... if at your direction, I put my signature to that agreement, it has to be honoured. Otherwise, I will never negotiate another agreement for you".32* This official did not mince his words because his own credibility with employers was at stake. For one ACTU vice-President on holiday overseas, fidelity demanded that he return to Australia immediately on hearing, by chance, that his members were involved in a serious industrial dispute.33*

Talented junior officials are groomed and sponsored by strategically placed seniors. As a young research officer, H.J. Kelty, currently ACTU Secretary, was influenced by several senior officials and by ACTU Secretary H.J. Souter. "I learned from Harold," Kelty said, "... that you have to be strong, that you have to have an opinion, you have to be prepared to be unpopular and you have to have control whether it be over a dispute or an organisation. You have to be respected".34*

Before becoming full-time union officials, most ACTU executive members gave honorary part-time service to their unions. They served as minute secretaries, trustees, shop stewards and on industrial dispute committees. At least one member was a delegate
to The Workers' Educational Association. One large union provides its activists with ‘work experience’. It invites them to work as temporary organisers, often the lowest level in a union's full-time hierarchy. This allows both union and activist to assess future career prospects (Huntly, 1976: 95).

On the other hand, comparatively little or no honorary experience was apparently not a barrier to seven executive members becoming full-time officials at age 22 or younger. Four of the 1983-1985 executive were in this category. One was a full-time organiser at 18; another became an assistant state Secretary at 21 and two left university at 22 to take full-time union research positions. Albert Monk's union career began at 19: he was a clerk employed by the Carters and Drivers' Union, now the Transport Workers' Union or the TWU.

Most ACTU executive members had blue-collar backgrounds. A white-collar background, nevertheless, did not create a barrier for some officials. President Monk, first elected to the ACTU executive in 1934, had no blue-collar experience. He had a good deal in common with graduates, like W.J. Kelty and Simon Crean, who began their careers as white-collar research officers employed by blue-collar unions. Vice-President Kneebone, elected in 1927, was also a white-collar official from a blue-collar union. Until 1924, he was editor of the Daily Herald published in Adelaide. He was Secretary of the Typographical Association when elected to the ACTU executive in 1927 (Rydon, 1975: 127).

Union officials need debating and oratorical skills. There is sometimes an element of theatre in union meetings or conferences,
and officials need to be competent performers. As one journalist who covered the Hawke Government's Economic Summit put it, good oral presentation "... should be the natural function of any trade union official ... they are demagogues; they are the last of the demagogues ... the union's survival depends on it". A sense of humour is also a great asset. When criticised, at length, by an "... emotional ..." delegate at a Sydney TLC meeting, TLC Secretary Barrie Unsworth "... brought the house down when he personally moved an extension of time" for his critic.

Union officials have always needed writing skills for the preparation of articles and press releases. These skills have now to be supplemented with electronic media skills. President Monk was not comfortable with this role and, according to R. J. Hawke, tended to avoid media contact. He would "... perfunctorily - even diffidently - talk to the media and make a point ... but there was no depth or communication or persistence of communication" (d'Alpuget, 1982: 174 [emphasis in original]).

President Hawke, on the other hand, set out to capture the media and to use it to change the public image of the ACTU and its affiliated unions. Hawke was articulate; he was logical, and he had a tough image. "From the moment of his election, the news media was mesmerised by Hawke. Within a couple of years his face and brazen voice were amongst the best-known in the nation; within five they were recorded in the brain cells of the whole society" writes Hawke's biographer, Blanche d'Alpuget (1982: 175). There is no doubt that Hawke's media skills did add to his own and the ACTU's authority.
R.J. Hawke was also a highly skilled advocate. He quickly established his reputation when, as ACTU research officer (1956-1969), he argued cases before the Arbitration Commission. With degrees in both law and economics, Hawke was frequently more than a match for employer advocates. 41 "Hawke had the strong advantage of credibility with his economic evidence, which he put with ease and confidence. If the judges asked questions, Hawke could answer himself; his opposing advocates had to stop and seek advice" (d'Alpuget, 1979: 159).

As an advocate, Hawke played a role familiar to all ACTU executive members. Others among them, although without legal training, also played this role with distinction. H.J. Souter was acknowledged as an impressive court advocate. 42 Another executive member and lay advocate led a team of union officials in a New South Wales Industrial Commission case and, on behalf of his union, he called no less than 312 witnesses. The Commission's transcript for this case "... amounted to a staggering 5,000 pages" (Murray and White, 1982: 254). Of the many skilfull union advocates, Hawke was first among equals. His deserved reputation gained in wage-fixing arenas was a potent influence with voters when he faced the 'Congressional' electoral college as a Presidential candidate in September, 1969.
5.3.3 Preparation For Leadership

Over half the 94 ACTU executive members were prepared for their national leadership role, partly at least, by the ACTU's state branches. At some stage in their careers, 30 ACTU executive members were elected to junior full-time TLC positions; they were either organisers or assistant Secretaries. All but one was subsequently elected TLC Secretary; as a result, they were virtually guaranteed a seat on the ACTU executive. Another 19 ACTU executive members served terms as TLC President or vice-President and two more were TLC executive members. In all, 51 of the 94 ACTU executive members (54 per cent) travelled the TLC route to seats on the ACTU executive.

Geneva has also been a training ground for ACTU executive members. Since the 1920s, except during the war, Australian union officials have participated in annual ILO conferences and have sat on other, less regularly convened, specialised committees. In all, 43 executive members attended at least one ILO conference or meeting and a number attended several. Furthermore, Presidents Monk, Hawke and Dolan have made annual visits to Geneva, sometimes more frequently, during the 40 or more years in succession that they have been members of the ILO Governing Body.

Future ACTU executive members 'cut their teeth' on tripartite politics in Geneva, as all ILO conferences are attended by government, worker, and employer representatives. In 1977, one member of the 1983-1985 ACTU executive found that Australian Government Delegates and Advisors were prone to shelter behind the
difficulties of state-federal relations in Australia. These difficulties were used as an excuse to justify Government opposition to any ILO initiatives or for adopting ILO Recommendations rather than Conventions, which demand more of member governments. International political manoeuvres such as these cannot be observed first hand by union officials working in Australia. The ILO afforded this opportunity and so has been a valuable training ground for ACTU executive members.

Since the war, 19 prestigious leadership training awards have been won by union officials who ultimately occupied seats on the ACTU executive. Five grants to visit the U.K. or the U.S. and two Commonwealth Bank Scholarships for more extensive travel were awarded. Five officials received intensive management training during eight-week residential courses at the Administration Staff College located at Mount Eliza in Victoria. Another official attended a similar residential course conducted by the Summer School of Business Administration at the University of Melbourne. Three ACTU executive members won Duke of Edinburgh awards and another three did course work at the Harvard Business School.

Through these awards, future ACTU executive members studied, travelled and socialised with other upwardly mobile persons who had commercial, industrial and political backgrounds. For example, Senator Bishop, before he entered the Senate and the year he joined the ACTU executive (1956), was a member of the Duke of Edinburgh's Study Conference held in Oxford, England. Other participants included a future chief engineer of the Zinc Corporation, Broken Hill and one participant who was to become the
chief manager of sugar marketing for the Colonial Sugar Refining Company.\textsuperscript{50*}

5.3.4 Education Is An Appreciating Asset

Table 5.8 shows the average age at which members were first elected to the ACTU executive and their educational attainment.

Table 5.8: The Average Age Of Members When First Elected To The ACTU Executive And Their Educational Attainment

<table>
<thead>
<tr>
<th>Elected To ACTU</th>
<th>8 Yrs Or Less Education</th>
<th>9 To 12 Yrs Education</th>
<th>Certificate Diploma Or Degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Age (Yrs)</td>
<td>49.6 (n=44)</td>
<td>44.6 (n=20)</td>
<td>39.2 (n=11)</td>
</tr>
</tbody>
</table>

* ** Significant At 5 Per Cent Level
** ** Significant At 1 Per Cent Level

Forty four executive members had eight years or less education and, on average, they were 49.6 years old when elected to the ACTU executive. In the median educational category, there
were 20 persons who were five years younger (44.6 years); 11 with certificates, diplomas or degrees were five years younger again (39.2 years). As indicated, age differences between all educational attainment categories are significant.

Figure 5.2 shows that there is an inverse relationship between educational attainment and experience at two stages in the careers of ACTU executive members: (1) when they acquire their first full-time union position and (2) when first elected to the ACTU executive. Those in the lowest educational category had 17.1 years experience as full-time union officials when elected to the ACTU executive. The intermediate category had 14.5 years and the highest category, 11.7 years. Putting it another way, the most highly educated were five years younger than the least educated when they acquired their first full-time union positions. When elected to the ACTU executive, the most highly educated were 10.4 years younger.

Educational attainment, furthermore, is proportionally just as advantageous to the intermediate category compared with the lowest. A 2.6 year advantage when elected to the first union position almost doubles to five years when an official in the middle category is elected to the ACTU executive. Since the 1960s, the majority of members of the ACTU executive elected in each decade have been in either the middle or the highest educational category (Table 5.6). Those in the middle category elected to the executive in the 1960s had been elected to their first full-time
union position nearly 15 years earlier. That is, educational attainment appears to have been recognised as an indicator of competence as early as the 1940s and quite possibly earlier.
5.4 ELECTED AUTHORITY

5.4.1 Political Party Linkages

Since their formation around the turn of the century, Labor parties in Australia have had two dominant characteristics: power has tended to be located in the state Labor parties or state branches of the federal ALP (Murphy, 1975: 3). Of more direct interest here, state unions or state branches of federal unions have provided most of the members and finance to the ALP’s branches through per capita affiliation fees. In 1978, for example, affiliated unions provided between 92 per cent (Tasmania) and 97 per cent (Queensland) of all members of the six ALP state branches (Mitchell, 1981: 273).

Under ALP rules, federal unions cannot affiliate to the party and neither can the ACTU. Links between the ACTU, the FPLP and the federal ALP, have been maintained, although not continuously, by a council of leaders of the three organisations. First formed in the late 1930s, the Australian Labor Advisory Council (ALAC) is especially active during election campaigns. ALP policy is coordinated with the ACTU, the ACTU President, the leader of the FPLP, and the ALP federal President jointly addressing appeals for funds and electoral support to the ACTU’s affiliated unions.

At a personal, rather than an organisational level, there continue to be close ties indeed between ACTU executive members and various organs of the ALP. Of the 94 ACTU executive members on
whom data are available, 72 are known to have been ALP members, 49 have been, or are members, of an ALP state branch executive and some also have belonged to the federal executive of the Party. Furthermore, at some stage in their careers, 18 have represented the ALP in either a state or the federal Parliament. Table 5.9 shows linkages between the five ACTU 'offices' and the ALP.

Table 5.9: Linkages Between ACTU Executive Members And The ALP

<table>
<thead>
<tr>
<th>ACTU Exec. Office</th>
<th>ACTU Exec. Incumbents</th>
<th>ALP Members</th>
<th>ALP Exec. MLC or MLA</th>
<th>State or Federal Executive</th>
</tr>
</thead>
<tbody>
<tr>
<td>President</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Vice-President</td>
<td>23</td>
<td>23</td>
<td>18</td>
<td>7</td>
</tr>
<tr>
<td>Secretary</td>
<td>9</td>
<td>9</td>
<td>5</td>
<td>nil</td>
</tr>
<tr>
<td>State Branch</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Representative</td>
<td>28</td>
<td>20</td>
<td>15</td>
<td>5</td>
</tr>
<tr>
<td>Industry Group</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Representative</td>
<td>39</td>
<td>26</td>
<td>15</td>
<td>2</td>
</tr>
</tbody>
</table>

Note: There have been 104 incumbents but the table is based on data from the personal histories of 94 ACTU executive members. This is because some executive members have occupied two offices. For example, some members have been a state branch representative as well as ACTU vice-President.

Source: See note 22
Fiue ACTU Presidents were elected between 1927 and 1983; all five were ALP members. Of greater importance, each of them served on an ALP state branch executive and four of the five (not shown in the table) on the ALP federal executive as well. One President, P.J. Clarey, was a Victorian MLC while a member of the ACTU executive, resigning when elected to federal Parliament. The second ACTU President who became a member of federal Parliament, R.J. Hawke, is now Prime Minister of Australia. Six vice-Presidents sat in a state upper house as MLCs (not shown separately), another was a MLA. As well, one of these seven, along with another vice-President, was elected to the Senate.

E.J. Holloway was ACTU Secretary for the 1927 congress. He then sat on the ACTU executive as a Victorian state branch representative, subsequently becoming a federal member and a minister in both the Scullin and Curtin Governments. Of the 28 state branch representatives, five were MLCs and two were Senators. Industry group-ALP linkages, compared with the other four 'offices' shown in the table, have been somewhat weaker. Of the 39 industry group executive members, 26 were ALP members, 15 being ALP executive members and three parliamentarians. J.M. Riordan, a minister in the Whitlam Government, was an industry group representative on the ACTU executive in the 1960s.

Some ACTU executive members have had close ties with political parties other than the ALP. The Communist Party of Australia (CPA), at the height of its popularity in 1945, had 23,000 members many of whom were trade unionists. By 1974, according to Truman (1980: 141), party membership had dropped to
2,465 and two splinter parties had emerged from the original
CPA.\textsuperscript{54} Up until 1983, eight of the 94 ACTU executive members had
been members of one of the three Communist Parties. From the right
wing of the political spectrum, R.W.B. Harradine, was an ACTU
executive member from 1964 to 1976. Harradine was expelled from
the ALP because of his alleged links with the Democratic Labor
Party (DLP) and the National Civic Council (NCC), two
organisations proscribed by the ALP.\textsuperscript{55}\textsuperscript{*} Harradine entered the
Senate as an independent, representing Tasmania, in 1976. J.M.
Maynes, federal President of the FCU and currently a member of the
ACTU executive, resigned from the ALP following the 1955 split in
the ALP which led to the formation of the DLP.\textsuperscript{56}\textsuperscript{*} For many years,
Mr. Maynes has organised anti-communist unions on the floor of the
ACTU congress. It is generally believed that he has close ties
with the NCC or organisations that have splintered from it.\textsuperscript{57}\textsuperscript{*}

ACTU executive members who are not 'straight ALP', both
communist and anti-communist, tend to weaken ACTU-ALP linkages.
Following the 1957 ACTU executive elections, and the introduction
of industry group representation, four of the 16-member executive
were communists.\textsuperscript{58} They were all competent union leaders who were
committed to working class causes.\textsuperscript{59} Despite their ability, these
four executive members could not represent the ACTU at an ACTU-
ALP-FPLP conference in early 1958: it was thought that communists
present at such a meeting would probably have been politically
damaging to the ALP and especially to the FPLP. Hence they were
excluded by the ACTU executive.\textsuperscript{60}\textsuperscript{*}
As shown by the index of ACTU-ALP linkages in Table 5.10, only 'straight ALP' trade union officials have ever been elected as ACTU Presidents, vice-Presidents or Secretaries. A weight of one point is assigned to each ALP member; two additional

Table 5.10: Index Of ACTU-ALP Linkages For The Five ACTU Executive Offices

<table>
<thead>
<tr>
<th>ACTU Exec. Office</th>
<th>ALP</th>
<th>Communist Parties</th>
<th>Other Parties</th>
<th>Aggregate Score</th>
<th>Possible Score</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>President</td>
<td>24</td>
<td>nil</td>
<td>nil</td>
<td>24</td>
<td>30</td>
<td>80</td>
</tr>
<tr>
<td>Vice-President</td>
<td>86</td>
<td>nil</td>
<td>nil</td>
<td>86</td>
<td>138</td>
<td>62</td>
</tr>
<tr>
<td>Secretary</td>
<td>22</td>
<td>nil</td>
<td>nil</td>
<td>22</td>
<td>54</td>
<td>41</td>
</tr>
<tr>
<td>State Branch Rep.</td>
<td>71</td>
<td>-3</td>
<td>-3</td>
<td>65</td>
<td>168</td>
<td>39</td>
</tr>
<tr>
<td>Industry Group Rep.</td>
<td>65</td>
<td>-13</td>
<td>-1</td>
<td>51</td>
<td>234</td>
<td>22</td>
</tr>
</tbody>
</table>

points are given members of an ALP state or federal executive and a further three are allocated for a seat in a state or the federal Parliament. That is, each incumbent may earn a maximum of six ALP points. Communist and right-wing linkages are similarly weighted, but are given a negative sign. The aggregate for each office is
then divided by the possible score and multiplied by 100 to obtain the ACTU-ALP index.

Five Presidents were ALP members (5 points); they all sat on an ALP executive (10 points) and they occupied three parliamentary seats (9 points). The office of President, therefore, scores 24 from a possible score of 30 giving an index of 80. As the table shows, there are no linkages between the office of President, vice-President and Secretary with either the Communist or 'Other' Parties. One former state branch representative was a communist and he was a member of the CPA executive (-3 points). Senator Harradine earns the three negative points under 'Other' Parties. The data clearly show that all but one of the eight Communist Party members have been 'Industry Group' representatives; they earn 13 negative points. The single negative point under 'Other Parties' is earned by J.M. Maynes, the ACTU 'Industry Group' executive member associated with the NCC.

The ACTU-ALP linkage indices confirm the structural data presented in the first part of the chapter. ACTU Presidents, vice-Presidents and Secretaries are elected by the most representative of the 20 electoral colleges, the 'Congressional' college. These three offices are also ranked first, second and third on the ACTU-ALP linkage index. The authority of the state branch representatives, using the same two criteria, varies with the size of the TLC's constituency, placing New South Wales first, Victoria second and Tasmania last.

The personal and competent authority of particular incumbents, of course, adds to or detracts from their elected
authority. Leaving aside differences between the state branches, the hierarchy of elected authority corresponds with the order of offices, from President down to 'Industry Group' representatives, as shown in Table 5.10. These data, in combination with the electoral college data, confirm the thesis consistently argued in this chapter: a hierarchy of authority is created by the ACTU's electoral college system and by between-office differences in links with the ALP.

5.5 Summary

5.5.1 The Imperatives of Elected Authority

Linked with working class ambitions to be governed by persons of their own class, agitation for educational reform began at the first ITUC held in 1879 (Murphy, 1975: 7). Pioneer union leaders saw that working class organisation could not progress without an educated constituency and better educated leaders. When the state intervened to establish the complex, legally-based, industrial relations systems, demands were created for more highly educated union officials. The daily routine of union office requires officials to interpret industrial awards and to act as lay advocates, competing with well-trained lawyers hired by employers. Better-educated persons have taken office in unions since the 1940s; they have been elected to the ACTU executive since the 1960s. Education, however, is only a partial surrogate for on-the-
job experience; both are essential if officials are to establish their competence and personal authority to manage union organisations.

Since 1927, politically 'centrist' union leaders have been consistently elected by the 'Congressional' electoral college which represents an Australia-wide constituency. Consequently, ACTU Presidents, vice-Presidents and Secretaries have been part of a nation-wide network consisting of TLC, Labor Party, and Parliamentary Labor Party officials. Many of these ACTU executive members have performed symbiotic roles in the various organs of the labour movement.61 The 'Industry Group' electoral colleges, which represent relatively narrow constituencies, elect left, centre and right wing union officials to serve on the ACTU executive. In addition, state-based constituencies, varying greatly in size, elect six executive members. The combination of these labour movement imperatives, places full-time ACTU officials, together with the part-time vice-Presidents, at the head of a hierarchy which exercises elected authority in the ACTU.
The Australian Worker, March 9, 1927, pp. 16-19.

Interview with the Secretary of the Victoria-Riverina Branch of the AWU on June 8, 1978.

Interview with Charles Oliver, President of the New South Wales branch of the AWU, November 15, 1982.

In 1979, for example, 967 votes (97 per cent) were cast by union delegates. The four full-time ACTU officers and 25 delegates representing state branches and the provincial TLCs were entitled to vote in the 'Congressional' electoral college but not in an 'Industry Group' college.

See Rawson (1978) for a discussion of the voting behaviour of union members.

Biographical data on each of the 37 persons elected by the 'Congressional' electoral college between 1927 and 1983 are included. (Between 1927 and 1983, five persons served as ACTU President, 23 as vice-President and nine as Secretary or assistant Secretary.) From 1957 to 1983, 39 persons were elected by the 'Industry Group' electoral colleges; data on these 39 are also incorporated. Data has also been added from available records on 28 of about 83 persons who were state branch representatives between 1927 and 1983. Thus the profile includes biographical data on all past and present ACTU Presidents, vice-Presidents, Secretaries and industry group representatives elected between 1927 and 1983. However, data are only available for about one third of those persons who were state branch representatives between 1927 and 1983. Most of the state branch representatives on whom data are not available were officials of small unions who sat on the ACTU executive for short periods prior to 1957. ACTU records contain the names of most of these officials but as they tend not to be well-known national figures, little information appears to be available on their personal histories.

Ms Jennie George, formerly the General Secretary of the New South Wales Teachers' Federation, was elected at the September 1983 congress. According to Who's Who of Australian Women (1982), Ms George is probably the first woman ever to be General Secretary of a union with more than 50,000 members.

The Australian Council of Salaried and Professional Associations (ACSPA), a white-collar confederation, was formed in 1956 and became defunct in 1979 when its constituent unions affiliated to the ACTU (see Chapter Four). These unions now constitute an 'Industry Group' electoral college.

This position was filled by ACSPA's former President, W.P. Reilly, until he retired in 1981. Since 1981, three vice-
Presidents have been elected by the 'Congressional' electoral college at each congress.

10 Mr. W. Richardson, formerly Secretary of ACSIPA, was elected to fill the assistant Secretary's position at the 1979 congress.

11 Mr. R. Gradwell, formerly Secretary of the Council of Government Employee Organisations (CAGEO), which dissolved when its constituent unions affiliated to the ACTU in 1981, was elected as assistant Secretary at the 1981 congress.

12 In the past, unions have been excluded from congress for failing to comply with this rule. In 1961, 16 unions refused to pay a levy on affiliated unions to finance the visit to Australia of a Chinese trade union delegation following a visit to China by the ACTU in 1957 (see the 1961 ACTU Executive Report). Questions raised by the reciprocal visits issue are addressed in Chapter Nine.

13 Until 1973, each vote had to 'carry' to congress by a single delegate. A rule change introduced in 1973 allows delegates to 'carry' two votes but no more. Under the plural voting rule, a union affiliating 36,600 members may credential eight delegates each 'carrying' two votes, 16 delegates each 'carrying' one vote or some combination of plural and single vote 'carrying' delegates (ACTU Constitution, Rules and Standing Orders: Rule 5, in the ACTU's National Directory and Union Officials' Manual, 1983-84). In 1983, 847 delegates 'carried' 1145 votes to congress.

14 The delegates 'carrying' these 78 votes either failed to attend congress or they did not vote. Although proxy voting is not allowed, delegates may be replaced by alternates who must be bona fide members of the original delegate's union.

15 Where more than one candidate is to be elected, as in vice-Presidential elections, votes are allocated by the exhaustive allocation of preferences. Each voter's first, second and subsequent preferences are distributed until the required number of candidates obtain quotas (ABL/ACTU, Letter From L.A. North, ACTU Congress Returning Officer, To Secretary Souter dated April 28, 1966, N21/1846).

16 In 1957, the building college included delegates representing unions organising timber workers, painters, bricklayers, plumbers, cabinet makers, building labourers and carpenters. Workers represented by delegates in the food and distributive college included meat processors, bakers and confectioners, liquor industry employees, millers, tobacco workers and shop assistants. Manufacturing college unions included the Australian Textile Workers' Union, The Printing Industry
Employees' Union and the Vehicle Builders' Union. In 1957, the metal college included delegates of five unions that have since amalgamated to form the Amalgamated Metals, Foundry and Shipwrights' Union (AMFSU). [In 1983, this union affiliated 131,029 members.] Unions organising workers in the health, life assurance, telecommunications and teaching industries were represented in the services college. Finally, land, marine and air transport unions were represented in the transport college.

17 Edgar Williams, the Queensland Secretary of the AWU, represented his union on the ACTU executive from 1967 to 1983 when he stood down following his retirement. E. Hodder, William's replacement as Queensland Secretary, defeated A. Begg, the South Australian AWU Secretary, by 29 votes to 21 in the 1983 election (Davis, 1983: 514).

19 These unions and their 1983 affiliated memberships are: (1) the Australian Teachers' Federation [153,950]; (2) the AWU [121,437]; (3) the Shop Distributive and Allied Employees' Association [144,128]; (4) the Amalgamated Metals, Foundry and Shipwrights Union [131,029]; (5) the Miscellaneous Workers' Union [106,156]; (6) the Federated Clerks' Union [83,649]; (7) the Transport Workers' Union [96,917] and [8] the Storemen and Packers' Union [73,600] affiliated members (ACTU Executive Report, 1983).

20 Spence argued that from the educational standpoint the good done is simply incalculable ... "The Worker" and the travelling organizers are the educators of our members. They give extension lectures. They tell of progress made. They set forth the ideals of the great labor movement". In a phrase that now seems somewhat quaint, Spence concluded that our members are "... notoriously the best informed of Australian unionists" (1909: 540).

21 ACTU Education Policy Decision, Circular 399/1981.
22 Four kinds of documents have been used to compile the data shown in this and the following tables. These are: (1) biographical directories; (2) newspapers; (3) ACTU records and (4) histories and other texts. No less than 50 of the 94 ACTU executive members have rated entries in Who's Who In Australia and three entries were found in A Biographical Register Of The Commonwealth Parliament. A further five were found in a Biographical Register Of The New South Wales Parliament, 1901-1970 and one came from Who's Who Of Australian Women. A total of 72 newspaper articles which include interviews with 42 executive members have been collected. Publishers of these are: The
H.J. Souter obtained a diploma in public administration from the University of Adelaide as a part-time student. In fact Souter, who attended school for nine years, subsequently devoted 14 years to part-time study. While an apprentice fitter, he gained a first class trade pass at a technical school. He then studied mathematics and drawing at the School of Mines, and English, psychology and public speaking with the WEA. While undertaking his public administration course, Souter also learned shorthand from a private tutor (ABL/ACTU, Harold James Souter, Curriculum Vitae, August 1956, N21/368).

Dufty (1979: 174) found that "... a marked rise in the level of education ..." amongst Western Australian full-time union officials was evident by the 1970s. A 1970 survey by Johnston (n=48), reported by Dufty, showed that two officials had some tertiary education. Dufty's own survey in 1977 (n=73) showed that 17 had some tertiary education. The surveys by Cupper, Johnston and Dufty, as well as the data reported here, show that Australian union officials have probably benefitted from the greater availability of public education since the war. It should be noted that none of the ACTU executive members on whom data are reported here, attended an elite private school such as Geelong Grammar.

These figures do not include the ACTU's 21 well qualified staff such as advocate Jan Narsh and legal officer Alan Boulton as they are not members of the executive (for a list of these 21 persons, see ACTU National Directory and Union Officials' Manual, 1983-84).

Differences in time and educational systems make international comparisons difficult. Nevertheless, it does seem that the educational attainment of ACTU executive members is comparable with their Canadian and Norwegian counterparts. Porter (1965: 341) found that eight per cent of 275 union leaders had some tertiary education and another eight per cent had graduate or post-graduate degrees. In a 1970 Norwegian study, Fivesdal and Higley (1970: 184) found that seven per cent (n=472) of union leaders surveyed had diplomas and a further three per cent had attended university or completed degrees.
According to Hagan (1981: 319), "The strongest influence on Monk’s thinking was mass unemployment in the Great Depression of the thirties. For Albert, the Depression only ended the day he died. He never forgot the human tragedies; neither did he forget how the Depression reduced all but the very strongest to impotency. His fears for the the return of mass unemployment were shared by most men of his age, who in the 1960s, dominated the Executive of the ACTU and its State branches."

ABL/ACTU, Tribute To Albert Monk By R.J. Hawke, Circular 37/1975, N21/352.

ABL/ACTU, Resolution Of NSW TLC, October 1967, N21/1807.


The Sydney Morning Herald, November 19, 1982.

The Sydney Morning Herald, December 5, 1983.

Workers’ Educational Associations (WEA) were established in New South Wales and South Australia in 1913 following the visit to Australia of the British WEA founder (Proceedings Of The Seventh Annual Conference, Australian Association Of Adult Education, 1967, Vol. I: 30). During the 1970s, the ACTU was a major financial contributor to the South Australian WEA’s Trade Union Training Postal Courses Scheme and the ACTU was represented on the WEA’s governing body (ABL/ACTU, Letter to the ACTU Secretary From the WEA, August 2, 1974, N21/1713).

Three graduates who began their careers as ACTU research officers were R.J. Hawke, R. Willis who is now Minister for Employment and Industrial Relations in the Hawke Government and R. Jolly who is Treasurer in the Cain Government in Victoria.

ABL/ACTU, Circular 37/1975, N21/352.

H.J. Souter had both a blue and a white-collar background. Trained as a fitter, he later was an officer in the Department of Labour and National Service. He then became an arbitration agent with the Amalgamated Engineering Union (AEU) [for source, see note 23].

See The Australian, May 7-8, 1983. The Economic Summit was held in Parliament House Canberra in April 1983, some weeks after the Hawke Government took office. All members of the ACTU executive attended and, according to observers, displayed impressive unity, discipline and organisation. This was in marked contrast to employer representatives who were disunited and uncomfortable in the consensus environment engendered by the
The ACTU emerged from the Summit with enhanced authority as a result.

Arbitration Commissioner Terry Winter, formerly an ACTU executive member, said of Hawke "...his colour, his flair for the dramatic, his excellent knowledge and use of the English language, his dynamism and perhaps his pugnacity as an advocate made him more than a match for most" (The Herald, April 24, 1971).

The exception was P.I. Nolan who was with the Victorian Trades Hall Council before he became assistant Secretary of the ACTU in 1975. Peter Nolan was ACTU Secretary from 1977 to 1982 (Who's Who In Australia, 1983).

Apart from serving as state branch representatives, 11 TLC Secretaries have been elected as ACTU vice-Presidents and of these 11, five have been from Sydney. In fact, a Sydney TLC representative was elected as an ACTU vice-President for an unbroken period of 39 years (1934-1973). As the biggest state branch, the New South Wales TLC no doubt considered that it was entitled to one more executive seat than other state branches and this was probably also seen as a counter to the Victorian influence on the executive. The ACTU has always been located in Melbourne and four of the five Presidents (President Dolan is the exception), elected between 1927 and 1983, have been Victorians. Until the late 1950s, when efficient air travel made it less necessary, a vice-President located in Sydney was a practical necessity. A good many meetings convened by the ACTU were chaired by the Sydney vice-President.

Since 1960, delegates and advisors attending annual ILO conferences, have been elected in the following way. The ACTU executive has named the delegate and, in rotation, three of the six state branches have elected one advisor each (ABL/ACTU, letter from the ACTU Secretary to the Secretary, Queensland Trades and Labor Council, March 8, 1960, N21/352).

In 1968, for example, two ACTU expert delegates sat on the ILO Tripartite Technical Committee For Mines Other Than Coal Mines (ABL/ACTU, Letter from the Minister of Labour to the ACTU Secretary, October 22, 1968, N21/1385). Six other industry group executive members have attended ILO technical meetings on textiles, wool-bale weights, building and civil engineering and inland transport.
President Monk, for example, was a member of the ILO Governing Body for some 25 years (ABL/ACTU, Circular 37/1975, N21/352).

This executive member found, on the other hand, that delegates and advisors representing governments other than Australia, were prepared to enter into informal discussions, were more ready to compromise when presented with compelling arguments and were less pro-employer than he expected they would be. He was, he said, "... very impressed with the tripartite system of determination" (ABL/ACTU, Report To H.J. Souter, Workers' Delegate, 63rd. ILO Conference, N21/1328).

By August 1974, the Commonwealth Development Bank, through a scheme administered by the ACTU, had awarded Administrative Staff College scholarships to 66 trade union officials (ABL/ACTU, Circular 125/1974, August 9, 1974, N21/1713). The courses at Mount Eliza are not only available to trade union officials; they are one of several avenues through which Australia's future leaders learn to work with people from the 'other side' of the labour-management divide.


Representation on the Labor Advisory Committee, as it was once known, has been the cause of three-way conflict between the ACTU, the AWU and the ALP. This will be discussed in Chapter Nine.

ABL/ACTU, CLAC Election Appeal, August 19, 1966, N21/971.

The number of communists attending the 1945 ACTU congress is not known. Fourteen years later, Secretary Souter concluded that less than 50 of the 476 delegates (10.5 per cent) at the 1959 congress were communists. He wrote "This would compare with the approximate six to seven per cent of votes recorded for Communist Party candidates in general elections (ABL/ACTU, letter from ACTU Secretary to E.J. Harrison MHR, Parliament House, Canberra, March 22, 1961, N21/980).

Mr. Pat Clancy, for some years the building industry group representative on the ACTU executive, resigned from the CPA as a matter of principle following Party accusations of ACTU executive authoritarianism at the 1971 congress (Sydney Morning Herald, October 10, 1971). Clancy did not give up his faith in communism; he became President of the pro-Moscow Socialist Party of Australia but his Presidential office was 'abolished' following ideological in-fighting in 1983 (The Australian, April 16-17, 1983).

Prior to this election, there were two communists on the executive both representing the Queensland state branch. There have never been more than four communists on the executive at the same time either before or since 1957.

One of these four was 'Big Jim' Healy, Secretary of the Waterside Workers' Federation (WWF). H.J. Souter, generally regarded as politically conservative, said Jim Healy "... was a very capable man and frankly I was honoured when he died and they asked me to give the funeral oration" (personal interview, December 2, 1982).

Albert Monk, according to R.J. Hawke, used to recount with pride that he once held the 'triple crown'. That is, he was simultaneously President of the ACTU, the Victorian Trades Hall Council and of the Victorian ALP (ABL/ACTU, Circular 37/1975, N21/352). The 'triple crown' could be regarded as an ideal type of the symbiotic relationship between the ACTU, the TLCs and the ALP.
CHAPTER SIX
CONCEDED AUTHORITY

6.1 Introduction

Because a trade union confederation is a participative organisation, the executive does not and cannot expect absolute compliance. This is because affiliated unions have a normative right to influence executive decisions and to openly oppose executive policy. Faced with opposition, the executive sometimes has little choice but to bargain: in fact, to maintain control, it must do so. The executive’s control, however, can be increased through exchanges with affiliates. In this chapter, I argue that the executive’s authority to articulate confederation policy is contingent on the exchange of concessions with affiliates. That is, the executive’s conceded authority is derived from bargaining with affiliates.

Conceded authority is a product of the different roles played by affiliated unions and the executive. Though affiliated unions may choose to participate or not in the confederation’s policy formation process, the executive has no such choice. The executive is not only the leading participant, it also strives to control the policy formation process. Furthermore, there is a nexus between the executive’s representational role and policy formation. Because it represents all affiliates, the executive’s policies must generally be acceptable to the widest possible constituency. Thus, the executive is impelled to negotiate in
order to maintain its control over policy while, at the same time, protecting its representational role.

According to Martin (1975: 92), factional struggles in the ACTU are virtually endemic and this has frequently been evident at ACTU congresses where ideological clashes create a "... continuing swirl of conflict ..." (1975: 122). While conflict tends to be created by extreme left and extreme right wing unions, nevertheless, it is the political moderates, Martin argues, who control congress. Martin's position is consistent with the voting behaviour of the 'Congressional' electoral college which, as shown in the last chapter, elects ACTU Presidents, vice-Presidents and Secretaries who are closely aligned with the ALP.

The emphasis on factionalism in the ACTU, however, tends to obscure another conflict, conducted with less noise perhaps, but which is equally as endemic as the ideological variety. Conflict between the executive and unions, that is with all affiliated unions, has its roots in rule by majority decisions. For the ACTU congress, "... majority decisions, no less than unanimous decisions, are formally taken to be binding on affiliates" (Martin, 1975: 120). Thus, delegates commit their unions, forsaking a measure of autonomy, each time they participate in making a decision at an ACTU congress. The potential for centre-periphery conflict is built into a confederation's structure; centre-periphery conflict is a near-certainty in a confederation committed to majority rule.

Tension begins to build up between the executive and unions of all sizes and political persuasions about six months before
delegates assemble for the the week-long congress. At this time, unions and TLCs are advised to submit agenda items indicating their policy preferences and priorities. Agenda items are collated by ACTU staff, then supplied to all congress delegates as an agenda paper. In the months and weeks before congress, committees and research staff produce reports and policy recommendations commissioned by the executive. On the eve of congress, the executive performs a crucially important gatekeeping role: it selects those policies to be considered by congress.

The gatekeeper’s location is a source of influence and power in many organisations. Gatekeepers have access to persons, information, expertise and sometimes to financial and distributive resources as well. Journalists and editors, for example, are the media’s gatekeepers; their influence is derived from selecting, emphasising and disseminating stories which they consider newsworthy (Janowitz, 1975: 619-622). The ACTU executive performs a similar role: it selects, develops and articulates policies for consideration by congress. These choices are fundamental ones: the executive effectively decides which policies may be debated, and which may not be, at the forthcoming congress.

This chapter examines ACTU policy formation over the 30-year period 1951-1979, by congress and by the executive between congresses. Data selected purposively at 15-year intervals (1951, 1965 and 1979) from congress records show how the executive incorporates affiliated union policy preferences, how it controls congress, and what changes in these processes have occurred since 1951. Content analysis is used to derive 16 policy categories (a)
from the agenda items submitted to the 15 biennial congresses held between 1951 and 1979 and (b) from the decisions of these congresses. These two sets of data, when compared, show that, in general, there is a positive association between affiliated union priorities and the executive's selection of policies to be considered by congress.

Two of the 16 policy categories, 'women' and 'industrial legislation', are selected for detailed analysis because the executive and affiliated unions consistently assigned different priorities to them. Faced with affiliated union apathy, the executive regularly scheduled congress debates on equal pay, thus mobilising support for this important issue. On the other hand, the executive tended to ignore claims, strongly pressed by affiliated unions, that congress should debate changes to industrial legislation, especially to the penal provisions of industrial law. In 1969, widespread strikes in opposition to the penal provisions showed that the ACTU executive could not assert its own priorities in such matters and then demand compliance from affiliated unions.

6.2 ACTU POLICY FORMATION

6.2.1 An Overview of Three ACTU Congresses

Meetings of union delegates are constituted under rules which define who may attend, while rules of debate specify how such
meetings are to be conducted. The number of delegates allowed to speak for and against motions, the right of delegates to challenge rulings and the prerogatives of the 'chair' are specified in rules of debate. Formal rules, such as the ACTU's representational rule, determine the structure of forums like the ACTU congress, but they tell us little or nothing of what actually happens there. Agreements between the executive and delegates, made at earlier meetings, are incorporated in normative standards for the conduct of future meetings. As much as formal rules, possibly more so, normative standards determine what actually happens in meetings of union delegates like the ACTU congress.

As discussed earlier, all delegates attending ACTU congresses have the right to participate in policy debates, votes being taken to decide issues whenever agreement is not signified by 'the voices'. A set of three documents is routinely supplied to delegates attending congress: (1) the Agenda Paper containing items submitted by affiliated unions and TLCs; (2) an Executive Report, and (3) loose papers or a bound volume of Executive Recommendations. In addition, minutes taken at congress are printed and circulated, usually some time after congress rises. The analysis in this section is based on data extracted from documents issued to delegates who attended the 1951, 1965 and 1979 congresses. Table 6.1 shows basic parameters, such as page counts, of these documents.
Table 6.1: Basic Parameters Of 1951, 1965 And 1979 Congress Documents Supplied To Delegates

<table>
<thead>
<tr>
<th>Congress Documents</th>
<th>1951</th>
<th>1965</th>
<th>1979</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agenda Paper</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pages</td>
<td>27</td>
<td>66</td>
<td>71</td>
</tr>
<tr>
<td>Items</td>
<td>179</td>
<td>288</td>
<td>197</td>
</tr>
<tr>
<td>Average Items</td>
<td>7</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Per Page</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive Report</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pages</td>
<td>31</td>
<td>52</td>
<td>69</td>
</tr>
<tr>
<td>Executive Recommendations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pages</td>
<td>4</td>
<td>9</td>
<td>177</td>
</tr>
</tbody>
</table>

Sources: ACTU Agenda Papers, Executive Reports and Congress Minutes for 1951, 1965 and 1979 and ACTU Policy Recommendations for the 1979 Congress (all documents supplied by the ACTU).

The table shows changes over time in some of the inputs to congress provided by unions, through the agenda paper, and by the executive, through their reports and policy recommendations. Compared with 1951, the agenda paper in both 1965 and 1979 was longer and agenda items were more comprehensive, each item being about twice as long, on average, as in 1951. The executive report has also become progressively longer while the executive's policy
recommendations, contained in a 177 page book in 1979, were very comprehensive indeed compared with either of the other two years. These data suggest that the congress decision-making process has become increasingly sophisticated and that, moreover, the executive's influence on policy formation is now a good deal greater than it was.

Since 1951, there have been changes to the ways in which affiliated unions are coopted, in the sense that Selznick (1949) and Kranz (1976) use that term, into the policy formation process. In 1951 and in 1965 to a lesser extent, affiliated union agenda items were directly incorporated into executive policy recommendations but in 1979, this tendency gave way to the incorporation of amendments moved from the floor of congress. Data verifying this trend are shown in Table 6.2.

Of the 25 policy recommendations submitted by the executive in 1951, 14 incorporated agenda items whereas in 1979, none of the policy recommendations did so. On the other hand, while a fifth of the 1951 policy recommendations incorporated amendments moved from the congress floor, in 1979 all but one of the 12 policy recommendations incorporated amendments. Again, in 1951, one quarter of the proposed amendments were accepted by the executive (though not necessarily in their original form) and in 1979 over two thirds of delegate's amendments met with executive approval. The 1965 congress, it should be noted, appears to have been controlled in a somewhat authoritarian manner. The only influence congress delegates apparently had on ACTU policy was through


agenda items. All amendments proposed by delegates from the floor of congress were rejected by the executive.

Table 6.2: The Incorporation Of Unions Into The Policy Formation Process At The 1951, 1965 And 1979 Congresses

<table>
<thead>
<tr>
<th>Policy Recommendations</th>
<th>Agenda Items And Amendments</th>
<th>1951</th>
<th>1965</th>
<th>1979</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Policy</td>
<td>Recommendations:</td>
<td>25</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Incorporating</td>
<td>Agenda Items</td>
<td>14</td>
<td>4</td>
<td>nil</td>
</tr>
<tr>
<td>Incorporating</td>
<td>Amendments</td>
<td>5</td>
<td>nil</td>
<td>11</td>
</tr>
<tr>
<td>Amendments:</td>
<td>Proposed</td>
<td>21</td>
<td>12</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>Accepted By Executive</td>
<td>5</td>
<td>nil</td>
<td>28</td>
</tr>
</tbody>
</table>

Sources: ACTU Congress Minutes for 1951, 1965 and 1979

Delegates bargain with the executive, seeking to modify policy proposals by gaining executive acceptance for amendments before a vote is taken. But, not all of the 28 amendments embraced by the executive in 1979, for example, were accepted in their entirety. The executive member or committee chairperson steering
the policy through congress sometimes negotiated 'publicly' with proponents of amendments. In the process, amendments were modified until, finally, they were consistent with executive policy. The bargaining process, such an important part of an ACTU congress, is stimulated by delegates' experience of previous congresses: the executive's imprimatur ensures that, almost invariably, amendments are adopted by congress. To delegates wishing to modify policy proposals, this is a powerful incentive to bargain.

The incorporation of agenda items and amendments indicate that affiliated unions do influence policy formation although exactly how much is an open question. Moreover, the degree of union participation varies between congresses. Of the three considered here, the 1979 congress was the most participative and yet it was also the largest. In 1951, 428 delegates attended congress, in 1965, 563 did so and in 1979, there were 755 delegates. How is it that the largest of the three congresses was also the most participative?

In December 1977, the ACTU committee structure was overhauled and expanded with 13 committees and nine sub-committees being formed in the process. As a result, policies are now better researched and, moreover, are more comprehensive. The committees, assisted by ACTU research officers, wrote the 177 page document issued to 1979 congress delegates. Preparation of policy proposals is now also shared more with affiliates; six of the 13 committees were chaired by union leaders who were not members of the ACTU executive.
There is one way in which the policy formation process has not become more participative. In proportional terms, executive control over access to the speaker's rostrum did not vary to any extent between the three congresses. Table 6.3 shows the number of oral interventions made by the ACTU executive and other delegates at the 1951, 1965 and 1979 congresses. The executive's oral interventions varied between 48 per cent of the total in 1951 and 1979 to 52 per cent in 1965. On average each executive member spoke about eight times in 1951 and about six times at each of the other two congresses. Other delegates, on average made between one third (1951) and one fifth (1965 and 1979) of an oral intervention each.4

Despite the executive's control over congress and the concessions it makes to affiliated unions, executive policy

<table>
<thead>
<tr>
<th>Oral Interventions</th>
<th>Year 1951</th>
<th>Year 1965</th>
<th>Year 1979</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive members</td>
<td>135 (48%)</td>
<td>98 (52%)</td>
<td>128 (48%)</td>
</tr>
<tr>
<td>All Other Delegates</td>
<td>149 (52%)</td>
<td>92 (48%)</td>
<td>140 (52%)</td>
</tr>
<tr>
<td>Totals</td>
<td>284 (100%)</td>
<td>190 (100%)</td>
<td>268 (100%)</td>
</tr>
</tbody>
</table>

Sources: Minutes of 1951, 1965 and 1979 Congresses.
recommendations are sometimes rejected and one policy defeat was recorded at each of the three congresses. These three executive defeats, even though they occurred over a 30-year period, had common causes. Each defeat arose from a controversial issue: in 1951, it was conscription and in 1979, uranium. In each case, the executive itself was divided and prepared to reveal its divisions publicly. In 1965, J. Riordan, an industry group representative, moved that the 'Industry Group' electoral colleges be abolished and he was supported by vice-President Kenny; they in turn were opposed by another industry group executive member. In the 1979 uranium debate, the chief proponents within the executive were President Hawke, whose policy was defeated by 512 to 318 votes, and vice-President Dolan. Both were supported by several other executive members.

It can be concluded, therefore, that the ACTU's policy formation process has become increasingly more participative. Increased participation, of course, is a worthwhile end in itself. Industrial democracy studies tend to show, however, that the level of control exercised by upper management does not decrease with greater participation by middle and lower level members of an organisation. But the aggregate level of control exercised in participative organisations does increase (Bartolke, Eschweiler, Flechsenberger and Tannenbaum, 1982; Russell, Hochner and Perry, 1979). Because they participate more, affiliated unions are less likely to act in contravention of ACTU policy. That is, affiliates have less autonomy and cannot so easily act independently of the
ACTU executive and other unions. This is a sufficient reason for the incorporation of affiliates into the policy formation process.

6.2.2 Union Demands and Executive Responses

Representative bodies like trade union confederations could not function without the delegation of substantial areas of decision making to the executive. The executive is bound by the confederation's rules, naturally, but many important matters are left to its discretion. ACTU rules specify that congress will consider executive recommendations and supplementary agenda items submitted by the executive to congress. What the rules do not spell out is that the executive's choices, made when performing its eve-of-congress gate keeping role, are crucially important. If the executive decides that wages, for example, will be debated, but education will not, then two results follow: (1) wages policy will be up-dated by a decision of the forthcoming congress and (2) the existing education policy will not be changed.

By submitting agenda items for consideration by congress, affiliated unions influence the executive's choices. Over 3000 agenda items were submitted for consideration by the 15 biennial congresses held between 1951 and 1979. Table 6.4 shows the proportional distribution (in per cent) of these 3000 agenda items into 16 policy categories. The data, which were derived by content analysis, are aggregated for each of the three decades (1951-1959, 1961-1969, 1971-1979). For example, 201 of the 928 agenda items
submitted between 1951 and 1959 were on 'wages and working conditions'. Accordingly, 22 per cent of all agenda items for this decade are shown in the 'wages and working conditions' category.

Table 6.4: The Proportion Of Agenda Items In 16 Policy Categories Submitted To ACTU Congresses During The Three Decades 1951-1959, 1961-1969 And 1971-1979

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages &amp; Working Conditions</td>
<td>22</td>
<td>19</td>
<td>14</td>
</tr>
<tr>
<td>Economic &amp; Industry Policy</td>
<td>15</td>
<td>15</td>
<td>18</td>
</tr>
<tr>
<td>International Affairs</td>
<td>11</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>Industrial Legislation</td>
<td>14</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td>ACTU &amp; Trade Union Organisation</td>
<td>8</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>Social Services</td>
<td>7</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Minorities, Migrants &amp; Youth</td>
<td>6</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Automation &amp; Technological Change</td>
<td>3</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Women</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Resources &amp; Environment</td>
<td>2</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Education</td>
<td>2</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Civil Liberties &amp; Conscription</td>
<td>2</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Occupational Health &amp; Safety</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Arts &amp; Media</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Political Parties &amp; Government</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Totals (Per Cent)</td>
<td>101</td>
<td>101</td>
<td>101</td>
</tr>
</tbody>
</table>

Total Items Submitted (n) 928 1312 947

Sources: ACTU Agenda Papers for consideration by biennial congresses held between 1951 and 1979.
Included in the 'wages and working conditions' category are agenda items on the traditional basic wage and margins for skill. In 1967, the Commonwealth Conciliation and Arbitration Commission replaced these concepts with what they called the total wage. Agenda items on the total wage are also included as well as others on annual leave, long service leave and superannuation. 'Economic and industry policy', the next largest category, contains items on housing, trade, transport industry rationalisation, unemployment, taxation, shipbuilding, and mineral exploitation. Taken together, the 'wages and working conditions' and 'economic and industry policy' categories account for about one third of the agenda items submitted in each decade (37 per cent in the 1950s, 34 in the 1960s, and 32 in the 1970s). 'International affairs', ranked third, includes items on the ACTU's affiliation to the World Federation of Trade Unions (WFTU) and to the ICFTU. Items are also included on Vietnam, Greece, Chile, East Timor, and World Peace.

Two of the remaining 13 categories include agenda items relevant to policy formation processes which are investigated in some detail in the next two sections. Items on the control of union elections and the implications of the Crimes Act for unions and their leaders are allocated to the 'industrial legislation' category. Also included are items on the penal provisions of the Conciliation and Arbitration Act; this issue is central to the detailed investigation mentioned above. The second category of interest is labelled 'women'. Only four, three and two per cent respectively of the three decades' agenda items concerned ACTU
policy on equal pay, (also analysed in some detail), and on the Working Women's Charter. Items allocated to the remaining 11 categories are described in the following note.\textsuperscript{12}

Overall, Table 6.4 shows that affiliated unions had relatively stable priorities. The largest between-decade difference in the same category is eight per cent ('wages and working conditions' and 'industrial legislation'). Furthermore, the four largest categories ('wages and working conditions' to 'industrial legislation') accounted for between 55 and 62 per cent of items in each decade. Amongst the minor categories only 'resources and environment' showed much change, increasing from one to six per cent of the total in the last decade. As is to be expected, issues like wages and the well-being of the economy, always had a high priority.

Data presented in Table 6.5 show that the executive is in fact influenced by union priorities. Column one shows the total number of agenda items submitted by unions between 1951 and 1979 in each of the 16 categories. Column two shows the rank order of agenda items in each category. Columns three and four show respectively the number of congress decisions made in each category and their rank order. Several ties between rank order are shown in column four: three categories, 'wages and working conditions', 'economic and industry policy' and 'ACTU and trade union organisation', are ranked first equal. Rank order differences are shown in column five, a positive sign indicating that the congress decision rank order is higher than the agenda item rank order in that category.
Table 6.5: A Rank Order Comparison Of Agenda Item And Congress Decision Frequencies In 16 Policy Categories, 1951-1979

<table>
<thead>
<tr>
<th>Policy Category</th>
<th>Agenda Item n</th>
<th>Agenda Item Rank</th>
<th>Congress Decision n</th>
<th>Congress Decision Rank</th>
<th>Rank Order Diff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages &amp; Working Cond's</td>
<td>578</td>
<td>1</td>
<td>15</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Economic &amp; Industry Pol'y</td>
<td>515</td>
<td>2</td>
<td>15</td>
<td>1</td>
<td>+1</td>
</tr>
<tr>
<td>International Affairs</td>
<td>491</td>
<td>3</td>
<td>12</td>
<td>4</td>
<td>-1</td>
</tr>
<tr>
<td>Industrial Legislation</td>
<td>307</td>
<td>4</td>
<td>10</td>
<td>9</td>
<td>-5</td>
</tr>
<tr>
<td>ACTU &amp; Trade Union Org'n</td>
<td>282</td>
<td>5</td>
<td>15</td>
<td>6</td>
<td>+4</td>
</tr>
<tr>
<td>Social Services</td>
<td>221</td>
<td>6</td>
<td>11</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>Minorities, Migrants &amp; Youth</td>
<td>187</td>
<td>7</td>
<td>11</td>
<td>6</td>
<td>+1</td>
</tr>
<tr>
<td>Automation &amp; Tech Change</td>
<td>135</td>
<td>8</td>
<td>11</td>
<td>6</td>
<td>+2</td>
</tr>
<tr>
<td>Women</td>
<td>98</td>
<td>9</td>
<td>12</td>
<td>4</td>
<td>+5</td>
</tr>
<tr>
<td>Education</td>
<td>87</td>
<td>10</td>
<td>9</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>Resources &amp; Environment</td>
<td>81</td>
<td>11</td>
<td>5</td>
<td>11</td>
<td>0</td>
</tr>
<tr>
<td>Civil Liberties &amp; Conscrip'n</td>
<td>72</td>
<td>12</td>
<td>3</td>
<td>13</td>
<td>-1</td>
</tr>
<tr>
<td>Arts &amp; Media</td>
<td>42</td>
<td>13</td>
<td>3</td>
<td>13</td>
<td>0</td>
</tr>
<tr>
<td>Political Parties &amp; Gout</td>
<td>39</td>
<td>14</td>
<td>5</td>
<td>11</td>
<td>+3</td>
</tr>
<tr>
<td>Occupational Health</td>
<td>35</td>
<td>15</td>
<td>1</td>
<td>15</td>
<td>0</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>24</td>
<td>16</td>
<td>0</td>
<td>16</td>
<td>0</td>
</tr>
</tbody>
</table>

'Wages and working conditions', with 578 agenda items and 15 congress decisions, is ranked first in both sets of data. Close behind, 'economic and industry policy', with 515 agenda items and 15 decisions, is ranked second and has a rank order difference of plus one. 'Industrial legislation', with 307 agenda items, is ranked fourth by affiliated unions but only ninth by the executive which, of course, controls the number of congress decisions in each category. On the other hand, 'women', with only 98 agenda
items, is ranked ninth by affiliates but is elevated to fourth rank by the executive. With rank order differences of minus five and plus five, these two categories are allocated the greatest differences in priority by the executive and affiliated unions; these two categories have, therefore, been selected for detailed analysis in subsequent sections of this chapter.

Overall, the table shows that affiliated unions and the executive have substantially the same priorities; the Spearman rank order correlation is 0.86. This result could indicate that affiliates strongly influence executive choices of policies to be considered by congress, but caution should be exercised here. Despite the high correlation, a direct causal link, between union demands and executive responses, probably does not exist. Both affiliates and the executive respond to decisions made by the Arbitration Commission, by government, by major employers, and both take a similar view of fluctuations in unemployment and economic activity generally. These data, therefore, show the similarity of the responses of both affiliates and the executive to conditions in the external environment. Notwithstanding this important qualification, the high correlation between affiliated union demands and executive responses supports the data presented earlier in this chapter. The executive's authority over the policy formation process is derived by accommodating affiliated union demands presented both prior to and during each ACTU congress.
6.3 MOBILISATION

6.3.1 The ACTU and Equal Pay - Leading From Above

A confederation's executive is an independent entity with its own policy priorities that, as the data show, sometimes differ from the priorities of affiliates. Executive-affiliate differences can be a serious matter, causing debilitating conflict within the confederation. Other executive-affiliate differences over policy priorities are characterised more by the apathetic attitude of most affiliates than by any other factor. Apathy is likely to play an important role when affiliates are not pressured by their members to secure changes, like re-defining the status of female workers, which are supported by the confederation's executive.

As shown in Table 6.5, the priority ranking given the policy category 'women' by the ACTU executive was five places above that allocated to this category by affiliated unions. It should come as no surprise that sustained action by the ACTU and other organisations was required to achieve equal pay for work of equal value. Members of ACTU affiliated unions, of both sexes, had to be mobilised as well as those of white-collar unions, most of which did not affiliate to the ACTU until after equal pay was achieved. Politicians, political parties, governments, the general public and, of greatest importance, the industrial tribunals had to be mobilised too. Mobilisation is a collective act (Nettl, 1967: 126) so organisations that mobilise opinion and other intangible resources harness the commitment of individuals and of other
organisations that on their own have relatively little political power.

Until the New South Wales Industrial Commission granted equal pay to teachers and a few other women in white-collar jobs in 1959, the industrial tribunals had steadfastly refused to grant equal pay. In 1945, the Arbitration Court increased the female basic wage to 75 per cent of the male rate (see Chapter Eight). The Court again considered female wage rates during a long drawn-out enquiry into the basic wage, initially begun in 1940 and completed in 1950. The unions' application for a single basic wage was refused and instead the Court confirmed that the female basic wage would be 75 per cent of the male rate. As for margins, the other wage component, no one rate applied. In the clothing trade, for example, females were paid only about 50 per cent of male margins and rates had not changed since the 1930's.

Further anomalies were created by the different attitudes of state and federal tribunals. In March 1957, the Queensland and South Australian state tribunals had still not adopted the federal female basic wage standard set by the Court in 1950. Furthermore, relatively few females were covered by federal awards. As late as 1963, only 31 per cent of all award-covered females were under the federal jurisdiction. Moreover, federal coverage varied substantially between states. Proportionally, it was highest in Victoria, where 108,000 of 244,000 females (44 per cent) were federally covered, and was lowest in New South Wales where only 84,000 of 310,000 females (27 per cent) worked under federal awards.
For the ACTU, mobilisation for equal pay was made more difficult because the female workforce was not heavily unionised. In 1954, 45 per cent of female wage and salary earners were union members compared with 66 per cent of males.\textsuperscript{18} Equally important, salaried and professionally qualified women, who joined the workforce in large numbers in the 1950s and 1960s, did not join unions affiliated to the ACTU. Table \ref{tab:female-affiliated-membership} shows the numerical and proportional distribution of female affiliated members by industry of employment. Data are shown for 1955, two years after this sustained equal pay campaign commenced,\textsuperscript{19} and for 1973, the year equal pay began to be phased in.\textsuperscript{20}

Between 1955 and 1973, though the ACTU's female affiliated membership increased by two and one half times, the number of females employed also doubled. As a result, the proportional increase of the ACTU's affiliated membership was only a modest seven per cent. Most of the ACTU's gains were in wholesale and retail industries (16 to 41 per cent) and in entertainment and recreation (7 to 37 per cent), both predominately blue-collar areas of employment.\textsuperscript{21} In spite of the large influx of women into white-collar jobs in finance and into community services, the ACTU made only minor gains; it had no affiliated members at all in finance and other business services in either 1955 or 1973.

During the entire period of the ACTU's equal pay campaign, the only affiliate which organised reasonably substantial numbers of women in white-collar occupations was the Federated Clerks Union (FCU), which had about 21,500 female members in 1955.
Table 6.6: ACTU Female (And Junior) Affiliated Members As A Proportion Of Females Employed In Five Industries In 1955 and 1973

<table>
<thead>
<tr>
<th>Industry</th>
<th>1955</th>
<th>1973</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ACTU Affil Members (000's)</td>
<td>Females Employed (000's)</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>118.6</td>
<td>227.0</td>
</tr>
<tr>
<td>Wholesale and Retail</td>
<td>29.9</td>
<td>169.9</td>
</tr>
<tr>
<td>Entertainment, Recreation, Restaurants, Hotels and etc.</td>
<td>8.5</td>
<td>125.5</td>
</tr>
<tr>
<td>Finance, Insurance, Real Estate and Business Services</td>
<td>nil</td>
<td>32.7</td>
</tr>
<tr>
<td>Community Services</td>
<td>16.8</td>
<td>158.3</td>
</tr>
<tr>
<td>Other Industries</td>
<td>16.7</td>
<td>112.0</td>
</tr>
<tr>
<td>Totals</td>
<td>190.5</td>
<td>845.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Industry</th>
<th>1973</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ACTU Affil Members (000's)</td>
<td>Females Employed (000's)</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>158.3</td>
<td>347.3</td>
</tr>
<tr>
<td>Wholesale and Retail</td>
<td>159.2</td>
<td>388.7</td>
</tr>
<tr>
<td>Entertainment, Recreation, Restaurants, Hotels and etc.</td>
<td>55.7</td>
<td>150.3</td>
</tr>
<tr>
<td>Finance, Insurance, Real Estate and Business Services</td>
<td>nil</td>
<td>171.9</td>
</tr>
<tr>
<td>Community Services</td>
<td>54.5</td>
<td>397.4</td>
</tr>
<tr>
<td>Other Industries</td>
<td>50.9</td>
<td>162.1</td>
</tr>
<tr>
<td>Totals</td>
<td>478.6</td>
<td>1,617.7</td>
</tr>
</tbody>
</table>

Note: Workforce figures are for 1954, not 1955.
and about 69,000 in 1973. Most of the other half million or so women in white-collar work by 1973 had no voice in the ACTU and no way of directly participating in its equal pay campaign. As will be seen from the account that follows, the ACTU attempted to reach this constituency and to enlist its support.

In 1953, the ACTU congress sanctioned a decision authorising the executive to mobilise support for equal pay:

This Congress calls on the Federal and State Governments to legislate for the provision of equal pay for the sexes in all occupations and, in the first instance, to grant equal pay to their own employees. We call upon the ACTU to establish Equal Pay Committees to undertake the task of campaigning for legislation and to arouse the interest of male and female workers in the demand for equal pay; such committees to be coordinated on a national basis by the executive of the ACTU.

Subsequent congresses amended and strengthened this decision which, until 1967, was the foundation of ACTU policy on equal pay.

It should be noted that the policy called for governments to legislate: it did not instruct the ACTU to present a case to the Arbitration Court which had shown no inclination to grant equal pay. Further, it explicitly extended the ACTU's centralising role: the ACTU was to coordinate a national campaign. In addition, it created a new role for the ACTU's state branches: the TLCs were to establish organising committees in each state. Finally, of some importance, the policy acknowledged that both male and female
workers were apathetic and, if the campaign were to succeed, this situation would have to change.

Debating an issue at congress is one way to combat apathy while providing activists with a 'platform' and an opportunity to influence ACTU policy. In 1953, two women activists had such an opportunity. Doris Osborne of the New South Wales Teachers' Federation moved the motion and opened the debate on equal pay. Flo Davis, another New South Wales activist, moved an amendment, which was accepted by the executive and agreed to by congress. Thus, Doris Osborne and Flo Davis were the authors of the ACTU policy on equal pay set out above.25

Governments were the primary targets of the campaign and Labor, rather than non-Labor, administrations were expected to respond positively.26 Following the ALP split, the Victorian Labor Government was defeated in June 1955, and the election of the conservative Bolte Government effectively blocked Victorian legislation for equal pay. In New South Wales, where Labor was in office, the TLC Committee launched its campaign in May 1956 with a series of 12 weekly radio broadcasts, the first being given by Doris Osborne.27 A year later, Harold Souter, in another Sydney radio broadcast, asked listeners to recall election promises that the 1951 ILO Convention on Equal Pay would be implemented,28 and he increased the pressure on the New South Wales Labor Government by informing his audience of a deputation that had recently urged Premier Cahill to legislate for equal pay.29 He went on to announce that the ACTU had prepared a petition and collected signatures in all States for presentation to the Prime Minister.
and the Cabinet. Souter reminded listeners that equal pay was as much the public's responsibility as the ACTU's; listeners should lobby Parliamentarians "... to vote for equal pay, the rate for the job".30*

Australian governments sometimes avoid difficult and costly decisions by sheltering behind the Arbitration Commission. In May 1958, Harold Holt, then Minister for Labour and National Service, responded in Parliament to the ACTU's petition signed by 62,000 electors which had been presented by President Monk as head of an ACTU deputation in September 1957.31* The Government, Mr. Holt said, did not oppose equal pay in principle, but to grant it to its own employees would create intolerable flow-ons to industry and, in any case, such matters should be decided by impartial tribunals. The Minister continued by saying that, although the Arbitration Commission had adopted the capacity-to-pay principle, it still regarded the male basic wage as a social wage which allowed a man to support himself, his wife and his family.32* By compelling the Government to defend its policy with contradictory statements like this, the ACTU obtained publicity and maintained the impetus of the equal pay campaign.33

Apart from direct appeals to the federal and state governments, the ACTU also mobilised a broad external constituency. Beginning in 1958, a series of national conferences, seminars and 'equal pay week' activities were organised. Affiliated unions attended, of course, and so did women's groups like the Country Women's Association, the Australian Federation of University Women, the Salvation Army and Catholic Women's
Associations. A Liberal Party Women's Group also attended at least one conference. These seminars and conferences in turn helped stimulate the ACTU's internal campaign. Papers read to a Sydney seminar by white-collar union leaders were included in a 67-page document titled 'Relevant Research On The Rate For The Job', submitted to the 1961 ACTU congress by the New South Wales TLC Equal Pay Committee.

Support from external organisations may have offset to some extent the apathy of the ACTU's affiliated unions, for they certainly were apathetic. At a Sydney seminar in 1961, vice-President Kenny noted that "... comparatively few people showed real interest in performing the strenuous work associated with such a campaign". In 1963, President Monk berated a private ACTU conference for the "... appalling lack of interest ..." shown by unions in previous equal pay conferences. And, in a revealing note appended to the executive minutes for April 1963, President Monk wrote, "Have there been too many conferences at too frequent intervals?" Equal pay consciousness-raising activities, nevertheless, continued to be organised by the ACTU until the 1970s. Equal pay was also debated at every ACTU biennial congress but one, between 1953 and 1969. Thus, the executive progressively obtained the necessary concessions from affiliates, thereby renewing its authority to mobilise.

Why did the ACTU executive, which was composed entirely of male union leaders, take a leading role in the equal pay campaign? What motivated President Monk, Secretaries Broadby and Souter, vice-President Kenny who provided leadership in New South Wales,
and other executive members to support so consistently the rights of women workers, most of whom were not members of unions affiliated to the ACTU?

President Monk was a member of the Immigration Planning Council from 1949, when the Council was first formed by the Government, until after his retirement. Furthermore, Albert Monk was an internationally recognised authority on migration policy: in 1949, he was the sole workers' representative on the ILO Committee which drafted two Conventions, a Recommendation and a Model Agreement on Migration. That year, when he became ACTU full-time President, Albert Monk wrote that he was expected to "steer" these highly important policy instruments through the ILO Conference.

Few other Australians were as well informed as the ACTU President on immigration matters. He would have known, well in advance of these facts being published, that more than seven out of every 10 persons who joined the work force between 1947 and 1955 were migrants. Even more pertinent, the ACTU President would also have known that the sex ratio of working age migrants changed between 1952 and 1953, the year of the ACTU congress decision on equal pay. For the three years 1950-1952, only about one in every three arrivals in excess of departures aged from 15 to 64 years was a woman. In the following ten years, the sex ratio of working age migrants was almost balanced: for every 100 arrivals in excess of departures, 47 were women and 53 were men.
Between 1950 and 1962, as a result of the immigration programme, an additional 330,000 working age women were available to fill jobs in Australia. The ACTU executive knew that, without equal pay, such an influx of relatively cheap labour could seriously erode wage standards, especially if there was an increase in the number of unemployed. Thus, there were very sound economic and industrial reasons for the executive’s interest in equal pay. There is another reason, also associated with the experience of leading members of the executive, which helps explain their support for equal pay.

Probably most, if not all, the members of the ACTU executive were committed to the principles of international trade unionism and none more so than President Monk. As workers’ delegate to the war-time ILO conference held in New York and Washington in 1941, President Monk (then part-time ACTU President) proposed a resolution on equal pay. Subsequently, as a member of the governing bodies of the ILO and the ICFTU, President Monk was duty bound to support decisions made by these organisations. In 1951, the ILO passed Convention number 100 on equal pay which has been referred to previously. Furthermore the Third World Congress of the ICFTU, in 1953, instructed its "... Executive Board to give special attention to the question of equal pay for equal work and to the implementation of this principle in various countries".

At this distance from the ACTU’s equal pay campaign, the reasons for the executive’s leadership seem reasonably clear. They were well-informed about demographic changes that were
occurring in Australia and, what is more, President Monk and the other well-travelled members of the executive belonged to an international cadre of trade union leaders who supported wage justice for women as well as for men. Thus, through a mixture of pragmatism and principle, the ACTU executive was motivated to mobilise unionist and non-unionist alike to achieve equal pay for work of equal value.

The ACTU executive provided equal pay activists with a platform, led 'from the top' and successfully mobilised a constituency that, in part, was located in the ACTU's external environment. Furthermore, the executive's success in the equal pay campaign shows that, provided patience is exercised, the apathy of the ACTU's internal environment, its affiliates and their members, need not necessarily be a barrier to change. Equal pay has had, and will continue to have, profound economic, social and political implications for all Australians, especially for women. The ACTU executive's leadership has been of crucial importance in securing these changes.

6.3.2 National Strikes - Responding To Affiliates

Bargaining is the sine qua non of conceded authority; when intra-confederation conflict remains unresolved, the executive, at least temporarily, can lose control. Extra-confederation strikes, that is strikes that are not controlled by the executive, indicate that the bargaining process has broken down. If strikes of this
kind are successful, affiliated unions sometimes win concessions from the executive which are probably unattainable by any other means and which may lead to important changes in confederation policy.

On Thursday May 15, 1969, the ACTU executive, quite fortuitously, was meeting in Melbourne. On that day, Clarence O'Shea, Victorian Secretary of the Tramways' Union, was committed to Pentridge Prison for contempt of the Commonwealth Industrial Court. Victorian unions were the first to take strike action and they were quickly followed by unions in other states. The nation-wide protest was directed primarily at the federal Government which had refused to repeal the penal provisions of the Conciliation and Arbitration Act under which O'Shea was gaolled for refusing to pay fines imposed on both himself and his union.

To be fined under the penal provisions of the Act, a union must first breach the conditions of a 'bans and limitations clause' inserted in an award by an industrial tribunal. After a bans clause is inserted, strikes or limitations on the hours of overtime worked by the union's members are illegal (Isaac, 1973: 452-453). Contempt-of-court proceedings may then be initiated by employers and, until 1969, this had often led to the imposition of heavy fines. For example, following the Arbitration Commission's metal trades work value decision in December 1967, employers persistently invoked the penal provisions of the Act (Hagan, 1981: 225-226). In 1968 alone, 454 fines, totalling $104,150, were imposed on unions registered in the federal arbitration system (Dabscheck and Niland, 1981: 258-259).
Unions and their members strongly opposed the transformation of legal collective bargaining outside of the arbitration system into illegitimate law-breaking activity. One of the more conservative ACTU executive members put it this way. It is ... grossly offensive to those who respect and uphold the principle of the rule of law to find that one of our laws contains a provision which allows for the fabrication of contempt proceedings .... Apart from the penalty involved, unions and their members are made to feel that they are undermining the system of law .... In fact, the simple issue is that they are engaged in an industrial dispute about some condition of their employment.51*

Union resentment was harboured for five years after these words were written. This anger and frustration, combined with O'Shea's imprisonment, created the conditions for a national strike in May 1969.52

Despite their historical significance, the facts of these strikes, involving an estimated 700,000 unionists, are less important here than the relations they engendered between the ACTU executive, affiliated unions and the Government.53 Figure 6.1 shows these relations in schematic form.

As the figure shows at (1), the Government attempted to control affiliated unions through the penal provisions of the Act. The unions (2), provided with a highly emotive issue when O'Shea was gaol ed, took immediate and widespread strike action. Caught in the middle, the ACTU executive, which had negotiated with the Government over this issue in 1964, responded by reiterating
a mere three lines, taken from the two-page 1965 congress decision on the penal provisions, urging the executive "... to continue its campaign for the removal of the pernicious sections of the Conciliation and Arbitration Act." The executive was deeply divided over this issue. The reasons for this and the 1965 congress decision on the penal provisions is discussed below.

Apparently conflicting demands (3) were made on the ACTU executive by unions in Victoria where the strikes originated. Tramways' Union officials refused to hand the dispute over to the ACTU and, under ACTU rules, the executive could not formally intervene without their consent. In addition, other prominent Victorian strike leaders demanded that "... the ACTU take national strike action to force the release of O'Shea and the repeal of the penal clauses."
Throughout the strike and afterwards, the Government recognised the ACTU executive (4) as the properly constituted authority representing strikers and non-strikers alike. On Sunday May 18, three executive members and two cabinet ministers negotiated face-to-face at an all-day meeting in Sydney. President Monk and Secretary Souter returned to Melbourne with a compromise proposal, subsequently rejected by the Tramways' Union, designed to secure O'Shea's release. The Government made another important concession at the Sydney meeting: it agreed to establish a working party on which the ACTU would be represented as well as the Department of Labour and the Attorney General's Department. Subsequently, as is well known, the penal provisions were amended and employers and their organisations have wisely decided to allow them to become moribund.

As shown by the two broken arrows (5) and (6), the executive was caught between conflicting organisational imperatives: the need to restore discipline by bringing the dispute under ACTU control, on the one hand, and the requirement for a strong ACTU-Government bargaining position, on the other. This dilemma in 1969, had been created partly by the executive itself. In the authoritarian atmosphere of the 1965 congress, the executive had secured a decision on the penal provisions that stressed the need for internal discipline through adherence to ACTU rules, rather than giving priority to the removal of the penal provisions from the Conciliation and Arbitration Act. In fact, the first page of the two-page congress decision mentioned the penal provisions only once. Instead, it emphasised the value of consultation with the
ACTU, union-to-union responsibility when strikes were contemplated, and the need for control of industrial disputes by the ACTU or its state branches.

Another significant organisational imperative inhibited the executive's response: the status of the Victorian strike leaders. In 1967, 26 unions were expelled from the Victorian Trades Hall Council, the ACTU's Victorian state branch, and these rebel unions, as they were called, planned and led the O'Shea strikes in Victoria. The Trades Hall Council deplored their decision to strike, taken without consulting the "... appropriately constituted authority ..." and the Council's attitude was backed by President Nonk. The ACTU could not negotiate with these unions as to do so would give them legitimacy in their conflict with the ACTU's state branch.

ACTU policy was radicalised to some extent by these events. The executive met again on Wednesday May 21, the day the outstanding fines were paid and O'Shea was released. By the next day a document asserting the ACTU's leadership had been hammered out clause-by-clause. The executive's disciplinarians fought to have the 1965 congress decision reaffirmed, but lost. The majority of the executive stated their policy in a three clause statement, one of which was assented to by only seven votes to six. The executive aligned itself with striking unions and reversed the priorities of the 1965 congress decision. First, it was agreed that unions should not pay outstanding fines, pending the outcome of negotiations with the Government. Second, the executive guaranteed to convene immediately if other officials were
imprisoned. Third but last in priority, unions were instructed to adhere to ACTU policy and its rules. At the congress, later in the year, these clauses were incorporated into a decision that placed opposition to the penal provisions first and adherence to ACTU rules last.

Some seven years after O'Shea was imprisoned and while R.J. Hawke was ACTU President, another crisis arose which severely strained ACTU-union and ACTU-Government relations. It became obvious in 1976 that the Fraser Government, in spite of its 1975 election promises, intended to dismantle the national health insurance scheme implemented by the Whitlam Government (MEDIBANK). This action provoked sustained protests by unions, and large-scale stoppages were held in Brisbane, Newcastle, Sydney and on the South Coast of New South Wales. In Victoria, where the rift in union ranks had been healed, the usually conservative Trades Hall Council, on this occasion, coordinated a 24-hour MEDIBANK strike.

Extensive negotiations were entered into with the Fraser Government, the ACTU proposing an alternative national health insurance scheme which, they claimed, would be both more efficient and more equitable than the one proposed by the Government. A stigma was attached to the Fraser Government, because of the way it had gained office in 1975, and many unions believed the ACTU should not negotiate with it at all. The executive discussed these issues at a special meeting held in the third week of June 1976. After a long debate, during which every executive member spoke, it was agreed that a federal conference of unions should be convened.
Of absolutely crucial importance, the executive also decided that, if the Government did not give ground, the executive would recommend a national strike.65*

At a further executive meeting, on Sunday July 4, the day prior to the scheduled federal conference of unions, ACTU research officers and the President reported on further extensive discussions with the Government which had produced little or no result. Planning then began for the national stoppage which President Hawke and the ACTU executive believed to be unavoidable.66* The first 24-hour national strike ever to be called and controlled by the ACTU executive took place on Monday, July 12, 1976.

Why did the ACTU executive recommend that a national strike be held over MEDIBANK? It should be noted that the executive was not unanimous: it voted 12-5 on the issue in June and President Hawke, who probably favoured strike action in the O'Shea case, was not in favour of the MEDIBANK strike. By July 4, however, opinion had hardened and, if a vote had been taken, the executive majority would probably have increased. It may even have been an unanimous vote.

A majority of the ACTU's affiliated unions, on this occasion, made an unambiguous demand on the ACTU executive: it should coordinate and control a national strike. There was no question about Government recognition of the ACTU because extensive negotiations had already taken place with the Government. By their prior strike action the unions may have strengthened the ACTU's bargaining position, although this is by no means certain.
President Hawke was later angrily to claim that the Prime Minister accused him of not being able to control the ACTU's affiliated unions. It is possible, but only possible and no more, that union restraint during the early negotiations might have persuaded the Government to modify its MEDIBANK policy to some extent.

Unlike the Government in the O'Shea case, the Fraser Government was intransigent and the executive, despite its counter-proposals, achieved virtually nothing. To preserve the ACTU as a viable confederation, the executive then had to bargain with affiliated unions. It had to concede to them the right to strike over this highly emotive issue, and the executive had to control that strike. According to Harold Souter, the executive called the MEDIBANK strike to regain its control, to mop up dissent, and to restore the ACTU's authority. Put in other words, the MEDIBANK strike was called, primarily, to solve the ACTU's organisational problems, not to persuade the Government to change its policy.

Confederations, like other organisations, learn from previous experience and then tend to modify their behaviour accordingly. In 1979, leading officials of the Amalgamated Metal Workers and Shipwrights' Union (AMWSU) faced gaol sentences following charges laid against them for allegedly organising a union meeting, without police approval, on a vacant block of land in the Pilbara region of Western Australia. The ACTU executive, meeting in a special session to consider calls for it to coordinate national protest action, made two observations that are relevant here.
First, the executive noted that lessons were to be learned from the MEDIBANK dispute: some unions had complained of a lack of time to consult their members and, on this occasion, the executive believed affiliated unions must be given adequate time to inform members of the issues and to solicit their support. Second and directly relevant to the argument put forward here, Secretary Nolan said that a national stoppage would occur whether the ACTU organised it or not. Five of the six ACTU state branches had indicated their support for a national strike and so had a number of federal unions. For pragmatic reasons, the ACTU executive decided that it must control whatever national protest action was taken. To do otherwise would be to ignore the lessons of the O'Shea and MEDIBANK disputes, thus jeopardising the ACTU's conceded authority.

Wisely, the executive decision allowed room for manoeuvre should circumstances change. When the charges against the AMWU officials were dropped, the planned national protest strike was promptly cancelled. Any strike, let alone a national one, is not called frivolously, especially by the ACTU. On this occasion, the ACTU executive remained firmly in control because it did not assert its own priorities and then demand affiliated union compliance. Rather, the executive responded to pressure from affiliates, having learned the wisdom of this course of action from previous experience.
In a confederation, those in authority cannot obtain obedience by coercive means, nor can a confederation's executive expect compliance from affiliated union leaders who feel they have a moral obligation to always obey. Because confederations are highly participative organisations, there are no subordinates or super-ordinates in the ordinary sense. Rather, the executive's conceded authority is based on the willingness of other powerful actors to restrict their own organisational autonomy. When they do restrict their autonomy, it is only in exchange for collective benefits that flow to their unions.

Conceded authority is a product of bargaining; it develops when the confederation's executive negotiates with affiliates who give loyalty in exchange for influence over policy formation. Conceded authority can arise from a situation of near-passivity or one of intense conflict. In the one case, the executive is free to develop strategies, to lead from the top, to mobilise support for its own policies. In the other, it is often not the executive that behaves coercively so much as affiliates. Performing a delicate balancing act, the executive must skillfully transform both passivity and conflict into exchanges of concessions which preserve and extend the executive's representational role.
Senior confederation officers confidently articulate policy, often on a daily basis. But, they speak after they have negotiated with affiliates; as a result they speak with authority. As has been constantly argued throughout this dissertation, the ACTU's officers have authority primarily because they are required to mediate between affiliates and significant external actors.

It might be argued that the ACTU's authority is not derived from mediation and, in fact, that the ACTU's capacity to mediate is contingent on its authority. Put in other words, a critic of my thesis might claim that the causal arrow points in the wrong direction. Once a confederation becomes well-established, the reverse causality thesis appears to be plausible. When, however, the historical evidence is examined, the shallow ground on which the reverse causality thesis rests is exposed. The historical data show that, without doubt, the ACTU had little or no authority until it began to mediate. I have and will continue to argue, that once the ACTU ceases to mediate its authority will decline. The ACTU's authority grows with time, in large part, because concessions are exchanged between the confederation's officers and its affiliated unions during the mediation process.
Affiliated unions are notified by circular (1) of the date and venue for congress, (2) that they have three months to submit agenda items, and (3) they are reminded of the representational rules and that only financial unions can attend congress (see ACTU Circular 24/57, dated March 13, 1957, RBL/ACTU, N21/339).

Because policy recommendations were more sophisticated in 1979, agenda items were not directly incorporated. However, appropriate items were noted by the executive and they influenced their recommendations (see Executive Minutes, August 22, 1979, RBL/ACTU, 298).

For example, the Wages and Working Conditions Committee has two sub-committees, one to consider Superannuation and the other Technological Change. As well, other committees develop policy on the Working Women’s Charter, Social Welfare, Education, Occupational Health, Industrial Democracy and the Arts (ACTU Executive Report, 1979: 22-25).

These data actually understate the extent of the executive’s control as they take no account of the length of speeches. Executive members make most policy speeches and they each take anything from a few minutes to 20 or 30. Oral interventions made by most ordinary delegates tend to be of shorter duration. Quantitative data, however, are not available to document this aspect of the executive’s control over congress.

As noted in Chapter Five, communists are sometimes elected by the 'Industry Group' electoral colleges but the 'Congressional' electoral college has never elected a communist. The dominant executive group in 1965 hoped to unseat communists and other non-members of their group by convincing delegates that all members of the executive should be elected by the 'Congressional' electoral college. Delegates voted 288-260 against this proposal and the 'Industry Group' electoral colleges were retained as a result (Minutes of 1965 Congress, Page 4).


Technically, the congress, by majority vote, may decide to consider policies other than those recommended by the executive (ACTU Constitution, Rules and Standing Orders, Rule 6). In practice, the executive almost invariably controls the selection of policies.

A total of 3187 agenda items were submitted by affiliated unions and the TLCs during this period. The TLCs, however, only submitted 176 or about five and one half per cent of this total.
The data in the table, accordingly, are regarded as representing affiliated union demands.

9 At least two methods are available to content analyse agenda items and decisions of congress. Quinlan (1983: 376), in a study of union attitudes to post-war immigration, counted the number of times issues related to a central topic (immigration) were raised at congress. The second method and the one adopted here, is to identify the central topic and then assign the agenda item or decision to an appropriate category. Where the researcher is concerned with broad policy categories, as is the case here, issue analysis is unworkable as any agenda item may mention several issues related to the central topic.

10 The basic wage, according to Hutson (1971: 2), "... was not only the minimum wage that could be paid to an unskilled labourer but it was also a component in the wages or salaries of all other occupations which were fixed by a tribunal. Their full wages or salaries were obtained by adding to the common foundational basic wage a margin which varied according to a particular occupation".

11 The ACTU withdrew its affiliation from the WFTU during the cold war in Europe following the withdrawal of the TUC, the AFL and Dutch union representatives in 1949. The ICFTU was then formed and the ACTU decided to affiliate at the 1951 congress (Decisions of 1951 ACTU Congress).

12 Contents of agenda items allocated to the remaining II categories are as follows:

- **ACTU and Trade Union Organisation**: ACTU rules, affiliation fees and committees; breakaway unions; amalgamations; shop stewards; political stoppages and strikes.
- **Social Services**: Pensions and child endowment; free health and hospital care; dismantling of MEDIBANK by the Fraser Government.
- **Minorities, Migrants and Youth**: Equal pay, land rights and political equality for Aborigines; migrants and unemployment; apprentices, training and wages; trade union Youth Week.
- **Automation and Technological Change**: Benefits of increased productivity to be shared by workers; need for tripartite planning; social costs (redundancy and retraining) to be met by governments and employers.
- **Resources and Environment**: Flood prevention; atmospheric nuclear tests; uranium mining, processing and export.
- **Education**: Serious shortage of teachers (1957); enquiry into education; trade union training and education.
Civil Liberties and Conscription: Imposition of political levies by trade unions; Crimes Act and civil liberties; peace-time conscription.

Occupational Health and Safety; Health risk from epoxy resin and epoxy enamel paints; ban on pesticides and the HAZCHEM code.

Arts and Media: Australian Council for the Arts; media control; communications satellite.

Political Parties and Government: Abolition of the Senate; defeat Menzies Government; campaign to elect Labor Government.

Miscellaneous: Importation of comics; daylight saving; firefighters' training college.

14 ABL/ACTU, Letter from the Secretary of the Clothing and Allied Trades Union to the ACTU Secretary, July 28, 1964, N21/1964.
15 ABL/ACTU, Letter from the Secretary of the Federated Clerks' Union, Central and Southern Queensland Branch, to the ACTU President, March 27, 1957, N21/1960.
16 By comparison, 865,000 or 42.3 per cent of all award covered males were under the federal jurisdiction.
19 Junior affiliated members of both sexes are included in the female membership figures because the ACTU records affiliated union membership figures as either (1) males or (2) females and juniors. As union membership for juniors is not a condition of employment, as it is for adults of both sexes in a number of occupations, the proportion of juniors in the figures is probably quite low.
20 To minimise the not inconsiderable economic impact of its 1972 equal pay decision, the Full Bench of the Arbitration Commission decided that female wages and salaries, determined by Commission awards, would be increased in three increments, the final increment to be paid by June 30, 1975 (ABL/ACTU, ACTU Circular 207/1972, December 15, 1972, N21/345).
21 A considerable proportion of the wholesale and retail increased membership belonged to one union. In 1955, the Shop Assistants' Federation had 2,805 female (and junior) members and by 1973 the union, now called the Shop, Distributive and Allied Employees' Association, had 73,221 female (and junior) members (ACTU Executive Reports, 1955 and 1973).
22 The New South Wales Teachers' Federation (now part of the ATF which in 1983 was the ACTU's largest affiliate) first
affiliated to the ACTU in 1943. The NSW Teachers led the way for the affiliation of major white collar unions more than 30 years later (Interview, W. Leslie, Australian Teachers’ Federation, November 26, 1979).

23 The High Council of Public Service Organisations (HCPSO) and the Australian Council of Salaried and Professional Organisations (ACSPA), which did have a considerable number of female white-collar members, participated in the ACTU’s equal pay campaign. For example, representatives of both HCPSO and ACSPA attended a two-day national conference held in Canberra in April 1964 (ABL/ACTU, Minutes of National Equal Pay Conference, N21/283).

24 ACTU Congress Minutes, 1953.

25 According to Mitchell (1975: 175), the affiliation of the New South Wales Teachers’ Federation with both the TLC and the ACTU were effectively used by Doris Osborne as a leading participant in the campaign for equal pay for teachers in New South Wales. When she retired in 1968, Flo Davis could look back on having been one of the few women trade union secretaries, at that time, who had campaigned for equal pay and women’s rights for 40 years. She had been chosen as Australia’s Woman of the Year in 1968 (ABL/ACTU, Letter to President Monk from W.J. Roser, Secretary of the New South Wales Branch, Federated Liquor and Allied Industries Employees’ Union of Australia, August 14, 1968, N21/1985).

26 Three state Labor Governments introduced limited equal pay by legislative means. The New South Wales Government did so in December 1958, the South Australian Government followed in November 1967 and in 1966 the Tasmanian Parliament passed an Equal Pay Act for public servants (ABL/ACTU, Notes on Equal Pay, authorship unknown but believed to be Research Officer Hawke, N21/1215).

27 ABL/ACTU, Radio Broadcast, Miss D. Osborne, Senior vice-President N.S.W. Teachers’ Federation, May 8, 1956, 296.

28 ILO Convention 100, adopted by the ILO Conference in June 1951, was an important tactical weapon for the ACTU. When an ACTU deputation waited on the Minister for Labour and National Service in September 1957, President Monk attempted to convince the Minister that the Government should use "... the constitutional power in external affairs to apply this Convention by legislation" (ABL/ACTU, Notes on Deputation to Meet The Minister Of Labour and National Service, September 2, 1957, 298). A similar tactic was successfully used by counsel for the Hawke Labor Government, before the High Court, in the 1983 Tasmanian Dam’s case.
About 10 months later, the New South Wales Committee was able to claim the first success of the equal pay campaign (See note 26).


In 1961, Senator Gorton, representing the Minister for Labour and National Service in the Senate, attempted to discredit the ACTU’s Equal Pay Week activities when he replied to a question asked by another Liberal Senator (ABL/ACTU, Recent Research on “The Rate For The Job”, NSW TLC Equal Pay Committee, submitted to 1961 ACTU Congress, 298). Again, Senator Gorton’s action is indicative of the effect on the Government of the equal pay campaign.


One paper was presented by a representative of HCPSO (see note 23). This is another indication of the inclusion of other white-collar confederations in the ACTU’s campaign (ABL/ACTU, 298).

ABL/ACTU, Equal Pay Seminar, April 17-18, 1961, 298.

Of the 15 unions present on this occasion, only nine supported holding another national equal pay conference. One delegate was pessimistic about equal pay because of wide differences in employment conditions between industries. Another delegate disagreed with ACTU policy: he favoured individual unions taking their own cases to the tribunals to secure equal margins for their members (ABL/ACTU, Minutes Of Conference Of Unions With Women Members, Melbourne, April 9, 1963, N21/280).

ABL/ACTU Notes by A.E. Monk on 1963 Congress Agenda, N21/280.

Ryan and Conlon (1975), d’Alpuget (1977), Hagan (1981) and others have published accounts of the ACTU’s role in the equal pay decisions of the Arbitration Commission in 1969 and 1972. Another account is not provided here except for the following comment. In its 1969 submission to the Full Bench, the ACTU argued that the 25 per cent sex differential in the basic wage component of the total wage should be eliminated. This claim was rejected and instead, the Full Bench adopted the New South Wales standard set 10 years earlier and granted equal pay “... for certain females provided that they are performing the same work which is normally performed by a male and doing the same range and volume of work as male
employees" (ACTU Executive Report, 1969: 25). Salaried and professional women, most of whom were employed in community service industries (see Table 6.6) benefited from this decision but few other women did. Their turn came in 1972. The ACTU's case had been presented but a decision had not been reached by the Full Bench when the Whitlam Government was elected. Represented by barrister Mary Gaudron, the new Government intervened in the case just 11 days after its election and argued for the adoption of equal pay for work of equal value (Frudenberg, 1978: 242). The historic equal pay decision was handed down on December 15, 1972 (see note 26).

The Sun, March 27, 1973.

ABL/ACTU, Letter from Albert Monk written in Geneva to ACTU President P.J. Clarey, January 26, 1949, N21/552.


See The Age, February 12, 1975.

Two statements in President Monk's 1941 ILO speech show his concern about wage differentials based on sex. He said "In Australia, the employment of women in work hitherto performed by men has increased tremendously ..." and "Whilst unequal rates of pay for men and women workers prevail, this pool of cheap, efficient labour will constitute a menace to the economic welfare of men and women alike". ILO Resolution 43, proposed by President Monk, emphasises the point. It says, inter-alia, "... such unequal wage standards involving sex discrimination, firstly ignores the recognised principle of equality of men and women, secondly denies the woman worker full payment for her work and thirdly, exposes male workers to the unfair competition of underpaid female workers" (ABL/ACTU, Conference of the International Labour Organisation, 1941, New York and Washington D.C., 1941, N21/71).

When Harold Holt was Minister for Labour and National Service, the ACTU attempted to embarrass the Government and to coerce it to legislate for equal pay by publicising the Minister's close links with the ILO. As President of the ILO, Holt presided over its annual conference in June 1957. The ACTU claimed that the Minister had a "... bounden duty, legally and morally, to prevail upon the Federal Government to observe and implement Conventions and Recommendations of the ILO" (ACTU Executive Report, 1959: 17-18).


O'Shea was actually gaolled for refusing to hand over his union's books but this was only the proximate reason. More than $8,100 was owed in fines by the Tramways' union and the Industrial Registrar had seized $3,700 out of the union's funds. O'Shea and other officials believed these fines were unjust and, after representations to the Government failed, O'Shea had protested by refusing to attend the Court. When summoned a second time, O'Shea attended but refused to hand over the union's books (The Advertiser, May 16, 1969).

Total fines imposed on unions from August 1956 to June 1969 amounted to $293,760. In addition, unions had to pay employers' costs of $116,652 and, at the same time, they had to meet their own legal expenses (ACTU Executive Report, 1969: 49).

In Victoria, plans to take advantage of the imprisonment of O'Shea originated with a group of 27 unions led by Ken Carr of the Furnishing Trades' Society (The Advertiser, May 22, 1969). Also see below in the main text.

These strikes had a serious impact on industrial and commercial activity because most of the transport unions were involved. Newspaper accounts originating in Sydney, for example, reported severe traffic congestion and that workers walked across the Harbour Bridge going to and from work as public transport was not available (The Advertiser, May 22, 1969).

Under its rules, the ACTU and its affiliated unions are absolved from supporting strike action that takes place without the ACTU's consent (ACTU Constitution, Rules and Standing Orders, Rule 14).

The two Cabinet Ministers proposed that the Tramways' Union should pay ten per cent of the outstanding fines and then $300 per month until payment was completed. They also sought assurances that O'Shea would pay his personal fine within 14 days of being released. The union's federal Secretary, its President and the acting Victorian Secretary rejected these terms at a meeting with ACTU officers on Monday, May 19 (ABL/PKIU, Minutes Of The ACTU Executive, May 21, 1969, 2162/Box 20).

For two accounts of this long-running dispute, see Grattan and Barker (1970: 4-19) and Plowman (1983: 303-324).
Mr. Dudley Macdougall, who had recently won the Sydney Opera House Lottery and who was a one-time acquaintance of President Monk, paid the outstanding fines to the Industrial Registrar in Sydney. Mr. Macdougall described his action as a "... gesture to help avoid a confrontation" (The Advertiser, May 21, 1969).

ABL/PIU, ACTU Executive Minutes, May 21 and 22, 1969, 21622/Box 20.

See ACTU Congress Decisions, 1969. R.J. Hawke, who strongly opposed the penal provisions (Hurst, 1979: 74), was employed as a research officer and was not a member of the ACTU executive when O'Shea was gaol ed. Hawke's opponent in the Presidential election about four months later was H.J. Souter who believed in union discipline and had consistently maintained his attitude during the strikes. The executive decisions, taken immediately after O'Shea was released and which determined future ACTU policy, were opposed by Souter. Hawke may have gained valuable votes in the Presidential election simply because he did not have to participate in the difficult decisions made by the executive in May 1969.

On the first day of June 1976, The Age reported that "Trade union pressure is mounting for ACTU-backed industrial action against the Federal Government's proposed changes to MEDIBANK". The same issue of this paper reported that militant union leaders claimed "... that rank and file support was greater than in the 1969 battle for the repeal of the penal provisions of the Arbitration Act". Three days later, on June 4, The Australian carried news of stoppages in Sydney and Brisbane. A meeting of 4000 workers at Wollongong on June 7, urged the ACTU to call a national 24-hour strike and waterfront and maritime unions in Newcastle stopped work for four hours (The Sun, June 8, 1976). In part, these strikes were meant to influence the ACTU executive. Militant unions were firmly committed to national protest coordinated by the ACTU.

ABL/ACTU, Special Executive Minutes, June 22, 1976, 298.
ABL/ACTU, Special Executive Meeting, June 22, 1976, 298.
ABL/ACTU, Special Executive Meeting, July 4, 1976, 298.

According to d'Alpuget (1982: 311), Hawke claimed the Government was about to make concessions to the ACTU when militant unions took precipitate strike action and undermined the ACTU's bargaining position.

Interview, December 2, 1982.

Donn (1976: 44-55), in a paper titled "The ACTU Special Conference Of Affiliated Unions" accepts at face value, statements
made at the Conference justifying the 24-hour national strike. In his conclusion, Donn claims the strike was a failure as it did not change Government policy. An alternative interpretation is supported by the data presented here. The executive called the strike, albeit reluctantly, because it believed it had no other choice. Its primary aim, as noted in the text, was to solve the ACTU's internal organisational problems created by the Government and by the extensive strikes that had already occurred outside of the ACTU's control. The avowed aim of the strike, to change the Government's MEDIBANK policy, was of secondary importance as the Government had already made its attitude clear to the ACTU's negotiators. Judged by this standard, the MEDIBANK strike was certainly not a failure as there were no further strikes of any consequence after July 12.

After several changes, following a series of amalgamations, this union has now registered the Amalgamated Metal Workers' Union (AMWU) as its name.

ABL/ACTU, ACTU Executive Minutes, June 19, 1979, 298.
CHAPTER SEVEN

COLLEGIAL AUTHORITY

7.1 Introduction

Chapter Six focussed on the resolution of conflict through bargaining, showing that this process is the source of the ACTU executive's conceded authority. This chapter, by way of contrast, focusses on cooperation between officers of the confederation and groups of unions with common industrial interests. A collegial relationship with senior union representatives allows the confederation's officers to mediate between unions and then to represent their collective interests to employers and to other external organisations. These routine interactions are the source of the confederation's collegial authority.

According to Goodsell (1981), collegial decision-making offers several advantages. First, it provides a forum for reconciling divergent and conflicting points of view. Second, it is a vehicle for coopting the leaders of autonomous organisations such as trade unions, business enterprises and community or regional interest groups. Third, it absorbs criticism or 'political heat', as Goodsell calls it, by spreading responsibility for the decision-making process. Finally, collegiality symbolises the abstract notion of representation: it implies participation, public or semi-public rather than private decision-making and receptivity to outside views.
Freidson (1963) identifies one of the most basic norms that prevail in collegial groups: subordinate and superordinate relationships are almost non-existent. In fact, Freidson designates the "... colleague group as a company of equals" and he argues that even seniority, while it is a source of influence, is not "... a locus of hierarchical authority" (1963: 121). There is, however, another norm identified in the literature which runs counter to Freidson's position. In many collegial groups the principle of primus inter pares, or first amongst equals, orders relations between participants (Bidwell and Ureeland, 1980:365). That is, participants with the most status, or those representing the most powerful interests, control their colleagues.

I contend that officers of a confederation are primus inter pares to their trade union colleagues. Their status is contingent on a normative order which obligates union leaders who participate in collegial relationships with them to recognise the superior authority of the confederation's officers. Their authority is also contingent on union-confederation-employer relationships created in Australia by what Fogarty (1964: 87) calls, a 'social market economy'.¹ Such an economy is not simply a free-for-all, but is regulated so that both capital and labour have social responsibilities. As the West German experience with Co-determination shows, collegial forms of industrial management sometimes develop in social market economies (Fogarty, 1964). In this chapter I will examine collegial relationships during the period from 1947, four years after the ACTU's first full-time
officer was elected, to 1977, the last year for which data are available.

Between 1947 and 1977, the ACTU convened an estimated 2,100 conferences, meetings, committees and sub-committees which were attended by representatives of affiliated unions, non-affiliated unions, employers and other organisations. ACTU circulars advising invitees of the purpose of meetings, dates and venues plus ACTU minutes of meetings have been used to generate both quantitative and qualitative data on collegial relationships and changes in the ACTU's collegial authority that have occurred during the period covered by the data. I shall argue that the ACTU's collegial authority expanded during the 30-year period from 1947 to 1977 and this is indicated by the increased number of meetings convened by the ACTU since 1947 and by more unions being invited to attend these meetings.

7.2 THE ACTU's COLLEGIAL AUTHORITY

7.2.1 The ACTU's Constitution And Human Resources

Since it was first drafted in 1927, the ACTU's Constitution has authorised the ACTU "... to deal with all industrial matters of an interstate and international character ..." (Hagan, 1981: 455). Clauses of intent in a constitution, however, are one thing; to actually implement them is another. Two resources, one abstract and the other real, are required if a confederation is to
successfully mediate in industrial matters. First and of crucial importance, the confederation's authority to mediate must be recognised, not only by its affiliates, but also by non-affiliated unions, employers, governments and industrial tribunals. Second, the confederation must have the human resources to consistently offer a comprehensive mediation service.

Nevertheless, a mediation service can be provided with quite limited resources. Prior to 1943, the ACTU did sometimes intervene in disputes and in other industrial matters but it neither had the authority nor the human resources to do so consistently. Albert Monk, first as Secretary and then as President (1943-1969) and President Hawke (1970-1980), mediated on behalf of the ACTU, when they were available. The majority of the mediation meetings, however, were conducted by Secretaries Broadby (1948-1956), Souter (1956-1977) and Nolan (1977-1980). Industrial officer Len Schurr was appointed by the ACTU executive in November 1968 and he also consistently officiated at meetings.

Figure 7.1 shows the number of meetings convened by the ACTU between 1947 and 1977. The data have been sampled at two-yearly intervals and a line, fitted by the least squares method, shows a marked positive trend. In 1947, 34 meetings were convened and in 1949, there were 22 meetings. The number of meetings decreased in the early 1950s and then increased substantially from 50 in 1955 to 91 in 1959. A negative swing occurred between 1959 and 1961 (91 meetings down to 53) but this was reversed by 1963. Between 1969
and 1971, the number of meetings increased markedly from 70 to 132 before settling to a hundred plus in 1973, 1975 and 1977.

Some of the variability shown in the figure undoubtedly is attributable to gaps in the records from which the data have been compiled. Other variations can probably be explained by the personal nature of the relationships between ACTU mediators and union leaders attending meetings. At any time between 1947 and 1977, no more than three ACTU officers, and in some years only one, have provided the confederation's industrial mediation service. Consequently, the officers' competent and personal
authority is likely to have influenced the frequency with which affiliated unions requested the ACTU to mediate on their behalf. The increase from 70 meetings in 1969 to 128 in 1970 (not shown in figure) and then to a peak of 132 in 1971, follows the election of R.J. Hawke as President in September 1969 and it is probably another indication of Hawke's formidable reputation with affiliates, established while he was the ACTU's Research Officer and Advocate.7

A somewhat more detailed outline of the basis of the ACTU's collegial authority is provided by examining invitations extended to affiliated and non-affiliated unions to attend meetings convened by the ACTU.8 Beginning in 1947, invitation lists have been compiled at ten-year intervals (Table 7.1).

Table 7.1: Meetings Convened By The ACTU And Invitations To Attend Extended To Affiliated And Non-Affiliated Unions, 1947 To 1977

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Meetings</th>
<th>Invitations: Affiliated Unions</th>
<th>Invitations: Non-Affiliated Unions</th>
<th>Invitations: All Unions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1947</td>
<td>34</td>
<td>384</td>
<td>9</td>
<td>393</td>
</tr>
<tr>
<td>1957</td>
<td>71</td>
<td>703</td>
<td>62</td>
<td>765</td>
</tr>
<tr>
<td>1967</td>
<td>74</td>
<td>632</td>
<td>24</td>
<td>656</td>
</tr>
<tr>
<td>1977</td>
<td>104</td>
<td>880</td>
<td>6</td>
<td>886</td>
</tr>
</tbody>
</table>
Although non-affiliated unions received 62 invitations in 1957, by far the majority of invitations to attend meetings convened by the ACTU were extended to affiliated unions. Total invitations, which almost doubled between 1947 and 1957, dropped again in 1967 before increasing in 1977 to 886. The average number of invitees per meeting (not shown in table) was 12 in 1947, 11 in 1957 and nine in both 1967 and 1977. Most meetings were therefore small enough to allow personal interaction between union officials and the ACTU officers who convened and chaired meetings.

Most meetings are convened by the ACTU in response to requests from the federal governing bodies of affiliated unions. Federal Union Councils usually call on the ACTU because of demands made on them by one or more state branches and they then request the ACTU to endorse, assist, and coordinate their own and other union interests by mediating on their behalf. Thus, in early 1957, the Federal Council of the Vehicle Builders Employees' Union (UBEF), in response to state branch demands, requested the ACTU to negotiate with General Motors Holden. ACTU and UBEF officials met GMH management in mid-April and, in early-May, the ACTU convened a meeting with representatives of the UBEF and four other unions with members employed by the company, to discuss increased service loading payments for GMH employees.
7.2.2 The Control Of Industrial Disputes

Selected major industrial issues considered at meetings convened by the ACTU in 1947, 1957, 1967 and 1977, and the number of meetings held to consider them, are shown in the next Table. Industrial disputes in the metal trades and in Australia Post (formerly the Postmaster General's Department) head the table. Industrial disputes are discussed first followed by an examination of the ACTU's role in collective bargaining.

Rules for centralising industrial disputes under the control of the ACTU and its state branches were formulated by the 1928 ACTU congress and, although strengthened by subsequent amendments, these rules still apply. All unions were allocated to an industry group and, according to the rules, no union was to act unilaterally or against group interests. Instead, collective decisions bound unions with members in the industry where the dispute had occurred. Disputes involving several industries came under the jurisdiction of the TLC in each state, or in the case of interstate disputes, they were to be controlled by the ACTU. In all interstate disputes, the ACTU's officers were required to convene an industrial disputes committee incorporating federal officials of all the unions involved. Finally and of some importance, unions were required to abide by the decisions of their federal officials taken in committee with the ACTU's officers.
Table 7.2: Meetings Convened By The ACTU In 1947, 1957, 1967 And 1977 To Consider Major Industrial Issues

<table>
<thead>
<tr>
<th>Meetings Convened To Consider:</th>
<th>1947</th>
<th>1957</th>
<th>1967</th>
<th>1977</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Industrial Disputes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Metal Trades Disputes</td>
<td>12</td>
<td>3</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>Postal Dispute</td>
<td>2</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Collective Bargaining</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pulp And Paper Agreements</td>
<td>9</td>
<td>4</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Munitions Agreements</td>
<td>8</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aviation Industry</td>
<td>2</td>
<td>2</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Long Service Leave</td>
<td>11</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oil Industry</td>
<td>3</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shipping And Shipbuilding</td>
<td>3</td>
<td></td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Federal Government Employment</td>
<td>3</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Naval Dockyards</td>
<td>6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motor Vehicle Assembly Industry</td>
<td>3</td>
<td>6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building Industry</td>
<td>1</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Road And Rail Transport</td>
<td>4</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric Power Industry</td>
<td></td>
<td></td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Aluminium Industry</td>
<td>4</td>
<td>2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
There is an assumption underlying these rules that the ACTU's authority to control disputes will not be challenged by rival organisations. As the table shows, the ACTU convened 12 meetings during the 1947 metal trades dispute. Partly because the NTF challenged the ACTU's authority to control this dispute, it proved to be particularly intractable. Metal unions were affiliated to both organisations and this could have facilitated joint control by the ACTU and the NTF which was campaigning for a relaxation of the wartime wage-pegging regulations. Unlike the ACTU, the NTF did not have direct access to Prime Minister Chifley. Consequently, the NTF was prevailed upon to allow the ACTU to negotiate with the Prime Minister and to assume control of the dispute.\(^{13}\)

Another assumption underlying the ACTU's control of industrial disputes is that, once it intervenes, unions and their members will abide by ACTU decisions. During another drawn out metal trades dispute in 1967, the ACTU convened a total of seven meetings. ACTU officers disciplined metal unions because they failed to confine a planned four-hour stoppage to industries, selected by the ACTU, where metal workers were the major part of the work force. Secretary Souter circularised metal unions pointing out that their members were only a minority of the work force in the oil, airline, vehicle assembly and pulp and paper industries. Souter argued that these industries should not be disrupted by the planned stoppage which should be confined to metal workers employed in the industries selected by the ACTU.\(^{14}\)

Non-conformity with ACTU expectations was again an issue during a postal dispute in 1957 when two meetings were convened by
the ACTU. In this case, the issue was the denial of collective responsibility: the Amalgamated Postal Workers' Union (APWU) sought ACTU support in a dispute over postal workers' pay but it resisted the ACTU's attempts to incorporate other postal unions into the disputes committee. Furthermore, the APWU canvassed support for its non-conformist attitude at the 1957 ACTU congress where it moved an agenda item from the congress floor calling on the ACTU executive to throw its full weight behind the APWU's wages campaign. President Monk, who was a competent politician, sanctioned the APWU with an amendment that was passed by congress calling on the ACTU to convene "... a conference of all Unions having members in the employ of the Postal Department". The APWU subsequently conformed with the congress decision: about two weeks later, 16 union officials, representing all postal unions, met President Monk and Secretary Souter to discuss the APWU's wage claims.

As Table 7.2 shows, in 1967, seven meetings were held to consider another postal dispute over hours of work and, again, the APWU was reluctant to comply with the ACTU's normative expectations. Initially, the union's federal executive instructed post office counter staff not to work on Saturday mornings but, in contravention of its rules, the ACTU was not advised of this until after the stoppage had been called. Given the APWU's intransigent record, President Monk disciplined the union by refusing to mediate between it and the Post Master General. When an interstate industrial disputes committee was finally convened, President Monk insisted, in accordance with past practice, that
non-affiliated unions with members employed by the Post Office were also entitled to representation on the committee.  

There are at least three reasons for inviting non-affiliated unions to participate in ACTU dispute committee deliberations. First, the ACTU's self-image has always been that it is the only federal organisation which can legitimately claim to represent all trade unions and their members to employers and to the Government. To give substance to its self-image, the ACTU has only one choice: it must consistently invite non-affiliates to sit on disputes committees. Second, by including non-affiliated unions in its decision-making process, the ACTU hopes to demonstrate to them the value of affiliation. And third, and perhaps of most importance, the ACTU seeks to control non-affiliates and to extend its authority over them by subjecting them to the normative climate that prevails in face-to-face meetings with its own affiliates.

Incorporation of non-affiliates into disputes committees is one of the ACTU's norms; so also is the exclusion of other confederations. Some unions involved in the 1967 postal dispute had dual affiliation with the ACTU and either the Australian Council of Salaried and Professional Associations (ACSPRA) or the High Council of The Commonwealth Public Service Organisations (HCCPSO). Attempts were made by these unions to have ACSPRA and HCCPSO officials seated on the ACTU disputes committee. President Monk held that, under ACTU rules, ACSPRA and HCCPSO were not entitled to representation, even though their affiliates were. The ACTU's attitude to the NTF in the metal trades dispute 20 years earlier was taken as a precedent, and the President's
decision was supported by the ACTU executive. Despite persistent pressure, the ACTU refused to recognise RCSRA and HCCPSO as equal-status-confederations with the right to intervene in industrial disputes in which their affiliates were involved.21

7.2.3 Collective Bargaining

As Table 7.2 shows, the ACTU has mediated between unions and then negotiated industrial agreements with employers who manufacture pulp and paper, oil and petrol, motor vehicles and aluminium. In addition, the ACTU, has made agreements with other employers and corporations who manufacture munitions, provide transport by air, road and rail, maintain naval dockyards, own and build ships and reticulate electric power. Furthermore, the ACTU has negotiated on behalf of federal government employees and has intervened to secure long service leave rights for all Australian workers. It is the long service leave negotiations, conducted in 1957, that provide initial insights into the ACTU’s conduct of collective bargaining.

Agreements centrally negotiated by the ACTU can provide union members with economic advantages by minimising the high costs frequently associated with a legal system divided between state and federal, civil and industrial jurisdictions. Between 1952 and 1957, long service leave legislation was passed by State Parliaments in Queensland, Victoria, New South Wales, Tasmania and South Australia. Employers challenged the Victorian Act in the
lower courts and, having failed there, obtained leave from the High Court to appeal to the Privy Council. Their appeal also failed and the Victorian Chamber of Manufacturers then served a log of claims in the Arbitration Commission seeking to cover metal unions with long service leave conditions inferior to those provided by state legislation.

Represented by lay advocates, the ACTU argued before the Commission that an industrial dispute, as defined in the Australian Constitution, did not exist. The Commission, possibly to avoid a jurisdictional appeal to the High Court, declined to arbitrate and referred the parties into conference. After 11 meetings, the ACTU reached agreement with Victorian employers and with a major national and two multi-national motor vehicle manufacturers. This granted employees long service leave rights at least as favourable as those provided by the Victorian Act, four years earlier.

Centralised bargaining is advantageous for employers too, as for them, it tends to reduce uncertainties associated with the multi-union environment. By the 1960s, the ACTU was recognised by employers as an adjunct, and in some cases as an alternative, to the Arbitration Commission. As one employers' representative put it at the outset of a meeting with unions and the ACTU,

... the Company wanted it made clear that they accepted the ACTU as the co-ordinating authority on behalf of the Unions concerned. It was their policy that they would act through a co-ordinating authority only, either the ACTU or the Conciliation and Arbitration Commission.
Both unions and employers have similar expectations of collective bargaining. Both believe that centralised negotiations bestow benefits on them that are not otherwise available.

Employers, like those in the pulp and paper industry who regularly negotiate agreements with the ACTU, are prepared to provide their employees with better-than-award conditions, but they expect their agreements to be honoured. In 1955, employees at mills owned by Associated Pulp and Paper took direct action to secure increased margins for skill, and the company considered this to be in contravention of the industry agreement signed by 14 federal union secretaries and negotiated by the ACTU. The company reminded the signatories that the agreement "... was the result of conferences and discussions and agreement was reached on all matters by conciliation ...".26*

For its part, the ACTU jealously guards its reputation as a reputable intermediary and its officers do not hesitate to remind unions of their obligations incurred under agreements negotiated by the ACTU. In 1965, Secretary Souter wrote to unions with members in the pulp and paper industry after another infringement of their agreement, as follows:

Unions are fully aware of the procedures which they themselves accepted in relation to this Agreement, and (of) the ACTU policy .... which is that Unions in entering into agreements must comply with the terms of that agreement, particularly when the organisations request the ACTU to act as co-ordinator in convening conferences and arranging with the employers for the negotiations to proceed ... .27*
This circular was addressed to federal union officials, who enjoy collegial relations with the ACTU's officers, and it was up to them and state branch officials to see that union stewards and shop committees restored discipline on the factory floor.28

When necessary, the ACTU also sanctions employers who do not adhere to the ACTU's normative expectations. During the 1957 pulp and paper negotiations conducted by the ACTU, the management at one mill negotiated directly with the mill's Job Committee. Secretary Souter informed a meeting of unions that this was "... tantamount to by-passing the Federal Officers who were deputed by the Conference of Unions to confer on these wage claims". Souter continued, the "... Company was informed that on no account would the ACTU condone sectional negotiations ... and the proper negotiating procedure should be followed by conferring with the Federal Unions in regard to all these matters until some finality had been achieved".29*

By the 1970s, the ACTU's reputation was such that employers, as well as unions, regularly approached the ACTU with requests that it convene inter-union meetings in preparation for the collegial management of some industrial relations issues. Grazcos Co-operative Limited, for example, wrote to the ACTU noting that it had "... acted for a number of Unions during the 1960's in discussions with employer organisations on the weight of wool bales and we would grateful if through you we could raise with other Unions who have members engaged in handling wool bales, our plans for the introduction of Jumbo bales ... in the coming wool season.30* Thus, the ACTU's reputation, established in the 1960s,
created the conditions for the enhancement of its collegial authority in the 1970s.

Extensions to the coverage of industrial agreements, by employers on a state-by-state basis, have also expanded the ACTU's collective bargaining role. In 1972, ICI Australia Ltd. negotiated a redundancy agreement with the Victorian Trades Hall Council and its affiliates and by 1977 the agreement had been applied by the company to its employees in New South Wales, South Australia and Tasmania as well as in Victoria. In 1977, two ACTU state branches, The Labor Council of New South Wales and the United Trades and Labor Council of South Australia, requested the ACTU to re-negotiate the expired agreement as it was now a federal matter and not a state one.\textsuperscript{31}

Consensus politics, as practised by President Hawke, also incorporated rural producer interests into the ACTU's collegial decision-making process. In August 1977, maritime, transport, food and rural unions met in an all-day conference with nine rural producer organisations. Meeting face-to-face, Wheat Board and maritime union representatives found some common ground over union bans on trade with Indonesia and Chile. Mr. Docker of the Waterside Workers' Federation (WWF) said the bans had similar aims to the United Nations bans on Rhodesia. Mr Williams of the Wheat Board replied that the Board had ceased all trade with Rhodesia in compliance with a Whitlam Government directive. The Fraser Government, however, had not banned trade with either Indonesia or Chile. Mr Williams argued that union bans should be lifted as they were reducing wheat export earnings.\textsuperscript{32}
To producers and unions alike, economic imperatives are paramount and in a collegial relationship they are likely to prevail over political imperatives. Following a question from President Hawke, the Wheat Board's representative offered an incentive for the unions to lift the bans: Australian ships could carry wheat to Indonesia but, he added, Australian shipping must be competitive. President Hawke, concerned at the losses incurred by the wheat producers and at the extent of the expected carry over of wheat from the 1977 season, undertook to convene a further meeting of maritime unions.\textsuperscript{33} Faced with an executive recommendation that the bans be lifted, maritime unions eventually acted in an economically rational way and complied with the ACTU's request.\textsuperscript{34} Convergence toward the acceptance of similar forms of negotiating bodies for both employers and unions has been stimulated, in part, by the sustained growth of the ACTU's collegial authority.\textsuperscript{35} By the 1970s, some large individual employers and state federations of employer organisations had relinquished part of their autonomy to form national level negotiating bodies. For example, Shell, Mobil and the other major oil companies formed the Oil Industry Industrial Committee with a permanent secretariat to negotiate with the ACTU on behalf of the oil companies.\textsuperscript{36*}

For similar reasons, the National Industrial Executive Of The Building And Construction Industry (NIE) has brought together master builders' and civil construction associations that were previously autonomous. Furthermore, the changing normative
orientation of employers has encouraged union leaders to adopt new attitudes. At a conference between the NIE and building unions in early 1977, Mr. Pat Clancy, a member of the ACTU executive and a prominent building union leader, said he favoured the principle of joint union-employer approaches to Government to seek support for the industry. As shown above, the ACTU, at the request of employers, began to participate in the collegial management of some industries in the 1970s.

In West Germany, collegial management dates back to 1905 when works councils were made compulsory in the Prussian mining industry (Fogarty, 1964: 82). Under the Co-determination Laws of 1951 and 1956, companies in the iron and steel and the coal industries, employing more than 1000 workers, were required to form supervisory boards, consisting of equal numbers of shareholder and employee representatives, plus a neutral member acceptable to both parties (Fogarty, 1964: 83). In Australia, there are no works and supervisory councils, based on the German model and backed by appropriate laws. The ACTU, nevertheless, has gained some collegial experience by participating with management in finding solutions to industrial problems created by economic and technological change.
7.2.4 Affiliated Unions And Collegial Decisions

There are notable omissions from the enterprises shown in Table 7.2. Banking, finance, insurance and other industries employing skilled white-collar workers are not listed because unions organising these workers did not affiliate to the ACTU until 1979 (See Chapter Four). There are also other enterprises, such as the large retailers like 'Myer' and rural industries like coal mining, that are not represented. Furthermore, municipal authorities which supply water, sewerage and drainage services are large employers and, despite the affiliation of unions organising their employees, the ACTU did not regularly negotiate with them either. This suggests that a select clientele of unions is responsible for the development of collegial relationships in the ACTU. Table 7.3 and Figure 7.2 show that there are indeed biases in the distribution of invitations to unions requesting them to attend meetings convened by the ACTU.

The table shows the aggregate invitations to attend meetings convened by the ACTU extended to each industry group of affiliated unions in 1947, 1957, 1967 and 1977. Unions have been allocated to the six industry groups established for electoral purposes in 1957 (see Chapter Five). The AWU, which was given this status when it affiliated in 1967, is also listed as an industry group. The allocation of unions to industry groups has, of course, been made retrospectively for 1947. It should be noted, however, that this is consistent with the 1928 congress decision on industry group organisation discussed earlier in this chapter.
Table 7.3: Aggregate Invitations To Attend Meetings Convened By The ACTU For Each Industry Group Of Affiliated Unions In 1947, 1957, 1967 And 1977

<table>
<thead>
<tr>
<th>Group</th>
<th>1947</th>
<th>1957</th>
<th>1967</th>
<th>1977</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metal</td>
<td>239</td>
<td>346</td>
<td>245</td>
<td>277</td>
</tr>
<tr>
<td>Building</td>
<td>54</td>
<td>93</td>
<td>95</td>
<td>200</td>
</tr>
<tr>
<td>Transport</td>
<td>47</td>
<td>81</td>
<td>101</td>
<td>147</td>
</tr>
<tr>
<td>Services</td>
<td>15</td>
<td>61</td>
<td>65</td>
<td>105</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>17</td>
<td>72</td>
<td>50</td>
<td>51</td>
</tr>
<tr>
<td>Food &amp; Dist.</td>
<td>15</td>
<td>50</td>
<td>56</td>
<td>61</td>
</tr>
<tr>
<td>AWU</td>
<td>9</td>
<td>18</td>
<td>10</td>
<td>39</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>387</td>
<td>703</td>
<td>632</td>
<td>880</td>
</tr>
</tbody>
</table>

Note: * Not included in Industry Group Totals. The AWU received these invitations as a non-affiliated union.

Table 7.3 indicates that the metal group of unions received a great many invitations to attend ACTU meetings but that a peak was reached in 1957 when the metal unions received 346 invitations. Building union invitations increased from 54 in 1947 to 200 by 1977, while transport rose from 47 in 1947 to 147
invitations in 1977. Invitations to no single group in the last four - the services, manufacturing, food and distributive and the AWU group - ever exceeded 105 in any of the four years for which data are shown in the table.

Figure 7.2 shows the relative proportion of invitations, expressed as percentages, of the metal, building, transport and of the other four groups aggregated together for the four years in question.

Figure 7.2: Proportions Of Aggregate Invitations To Attend Meetings Convened By The ACTU For The Metal, Building, Transport And 'Other' Industry Groups In 1947, 1957, 1967 And 1977

The declining domination of the invitation lists by the metal unions in clearly shown in the figure. By contrast, the proportional representation of the building unions increased from
14 per cent in 1947, to 23 per cent in 1977 while the transport group increased its representation marginally over the period. The other four groups combined, starting from 12 per cent in 1947, only increased their share to 29 per cent of all invitations issued by the ACTU to its affiliated unions in 1977.

Postwar economic conditions and organisational rivalry partly explain the ACTU's disproportionate allocation of its resources to the metal unions in the 1940's and 1950's. In the immediate post-war period, skilled metal workers were in short supply and shortages could not be overcome by training more apprentices as there were insufficient applicants to meet the demand. Australia tapped migrant sources with considerable success but by the mid-1950s European economies were buoyant and fewer skilled people were prepared to migrate. These conditions placed the metal unions in a strong bargaining position and, with ACTU backing, they were able to insist in 1955 that the Menzies Government re-enact the Tradesmen's Rights Regulation Act (1946) which protected skilled metal workers from an influx into Australia of unskilled migrant labour. As might be expected, employers opposed the re-enactment of the Act.\textsuperscript{38}

Fear of competition from an organisational rival also influenced the ACTU's relationship with the metal unions. Mention has previously been made of the role played by the NTF in the 1947 metal trades dispute. The NTF was formed in June 1943 and a little more than a year later sufficient funds were in hand to employ a full-time Secretary.\textsuperscript{39} At an executive meeting in December 1944, Secretary Monk
gave a full report of the developments re the Metal Trades Federation and the fact that they now ... (had) a full-time Secretary. The work of the Federation ... (was) such that they could cause a breach in the ACTU structure ... (as they were) encroaching upon the work of the ACTU.40*

There is no doubt that the executive regarded the HTF as an organisational rival and that this influenced the ACTU's relationship with the metal unions.

These factors do not, however, adequately explain the proportional decrease in metal union invitations to attend ACTU meetings in the 1960's and 1970's or the corresponding increase in invitations received by some other groups of affiliated unions. In Chapter Five it was shown that big unions have considerable influence on the outcome of elections in the Industry Group electoral colleges. As Tables 7.4 and 7.5 show, union size also influences the distribution of invitations to meetings convened by the ACTU.

Table 7.4 shows affiliated unions categorised by the frequency with which they were invited to attend meetings convened by the ACTU in 1947, 1957, 1967 and 1977. Of the 86 affiliates in 1947 (see last column), 68 unions received between none and four invitations, 10 unions were invited between 5 and 19 times and eight unions were recipients of between 20 and 34 invitations each. In 1957, 1967 and 1977 the data show a similar distribution: by far the largest number of unions received between none and four invitations each. On the other hand, a few unions have received an
Table 7.4: Affiliated Unions Categorised By The Frequency Of Invitations Received To Attend Meetings Convened By The ACTU in 1947, 1957, 1967 and 1977

<table>
<thead>
<tr>
<th>Year</th>
<th>0-4</th>
<th>5-19</th>
<th>20-34</th>
<th>35-49</th>
<th>50-64</th>
<th>65-79</th>
<th>Affiliates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1947</td>
<td>66</td>
<td>19</td>
<td>8</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>98</td>
</tr>
<tr>
<td>1957</td>
<td>63</td>
<td>23</td>
<td>8</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>98</td>
</tr>
<tr>
<td>1967</td>
<td>90</td>
<td>26</td>
<td>7</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>130</td>
</tr>
</tbody>
</table>

Note: * This figure is compiled from a 1949 list of affiliates as the 1947 list is not available. Other figures in column six are compiled from lists published in ACTU Executive Reports.

increasing number of invitations since 1947. In 1957, for example, 19 unions received between five and 19 invitations, seven affiliates were called to between 20 and 34 meetings while five were each summoned by the ACTU from 35 to 49 times. In 1957, one union was required to attend between 50 and 64 meetings. A similar
trend is evident in 1967 while in 1977, one union was called to meetings by the ACTU between 65 and 79 times.

Although these data show that most ACTU invitations in 1947, 1957, 1967 and 1977 were received by only a few unions, they do not associate union size with the frequency of invitations. Table 7.5 takes the analysis to the next stage by showing first, that most affiliated members of the ACTU are represented by large unions and second, that union size correlates significantly with the frequency of invitations received by the ACTU's 30 largest affiliated unions.

The first three columns in the table show respectively, the year, the number of members affiliated by the largest union and the number affiliated by the union ranked number 30 in size. Column four, shows three related figures: (a) the total aggregate affiliated membership of the 30 largest unions; (b) the aggregate of all affiliated members and (c) the proportion of members represented by the 30 largest unions expressed as a percentage of all affiliated members. The data in these four columns show that in 1947 the largest union affiliated 50,000 members, the union ranked number 30 in size, 7,000 and that the 30 largest unions in aggregate represented 590,072 members or 81 per cent of the total of all affiliates (726,788 members). By 1977, the largest union had 138,775 affiliated members while the union ranked as number 30, had 13,600 and the aggregate affiliated membership had increased to about two million. The proportion of affiliated members represented by the 30 largest affiliates has been consistently high, being 82 per cent since 1957.
Table 7.5: Union Size and Its Correlation with the Frequency of Invitations to Attend Meetings Convened by the ACTU in 1947, 1957, 1967 and 1977

<table>
<thead>
<tr>
<th>Year</th>
<th>Affiliated Members:</th>
<th>Affiliated Members:</th>
<th>Affiliated Members:</th>
<th>Correlation:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Largest Union</td>
<td>Ranked 30th. In Size</td>
<td>(a) Aggregate Of 30 Largest Unions</td>
<td>Union Size And Frequency Of Invitations To Meetings</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(b) Aggregate Of All Unions</td>
<td>(c) Proportion a/b (per cent)</td>
</tr>
<tr>
<td>1947</td>
<td>50,000</td>
<td>7,000</td>
<td>590,072 a</td>
<td>0.48 **</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>726,788 a</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>81 %</td>
<td></td>
</tr>
<tr>
<td>1957</td>
<td>52,500</td>
<td>13,457</td>
<td>773,112</td>
<td>0.31 *</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>941,955</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>82 %</td>
<td></td>
</tr>
<tr>
<td>1967</td>
<td>58,727</td>
<td>14,083</td>
<td>961,302 b</td>
<td>0.47 **</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1,171,621 b</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>82 %</td>
<td></td>
</tr>
<tr>
<td>1977</td>
<td>138,775</td>
<td>13,800</td>
<td>1,484,902</td>
<td>0.42 **</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1,805,953</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>82 %</td>
<td></td>
</tr>
</tbody>
</table>

Notes:  

a Figures compiled from 1949 list of affiliates (see Table 7.4).  
b The RWU's membership is not included as all this union's invitations to attend ACTU meetings in 1967 were issued prior to its affiliation in September.  
* Significant at the 0.1 level (Spearman Test Statistic).  
** Significant at the 0.05 level.
Column five of the table shows the Spearman rank order correlation between the size of each of the 30 largest unions and the number of invitations each union received to attend meetings convened by the ACTU in the four years shown in the table. In 1947 the rank order correlation was 0.48 and this is significant at the 0.05 level. In 1967, the figure dropped to 0.31 but this is still significant at the 0.1 level and, as the table shows, the correlations of 0.47 in 1967 and 0.42 in 1977 are both significant at the 0.05 level. These data show that there is a moderately strong association between union size and the frequency of invitations to attend ACTU meetings at which collegial relationships are formed.

These data also suggest a more general explanation for the influence of the metal unions. In 1947 and 1957, the REU was the largest union while in 1967, the REU was ranked third in size and another metal union, the Federated Iron Workers (FIR) was ranked second. Again in 1977, the Amalgamated Metal Workers and Shipwrights' Union, with 131,029 affiliated members, was the second largest affiliate. Furthermore, the metal group of unions as a whole has always contained a high proportion of large unions: in 1947, seven of the 10 metal unions and in 1977, six of the nine unions in this group were ranked in the 30 largest ACTU affiliates. No other industry group, between 1947 and 1977, contained such a high proportion of large unions.

As shown in Figure 7.2, the relative proportion of invitations received by the metal group of unions has declined and other unions have received a greater share of invitations. This
is probably because the tendency to centralise industrial activity has increased the demands made on the ACTU by other large affiliates as well as by the metal unions. For example in 1977, the South Australian and Tasmanian Governments handed over part of their railway networks to the Australian National Railways Commission (ANRC). Because of Australia's multi-union industrial environment, the ACTU called to a series of conferences and meetings, the Australian Railways' Union (transport industry group), the Building Workers' Industrial Union (building group), the Vehicle Builders' Federation (manufacturing group), metal unions, the AWU and other unions. These unions and the ACTU negotiated for the transfer of railway employees from their respective state to ANRC employment, under federal awards and conditions.42*

In Chapters Four and Five it was argued that 'Who Pays' tends to to determine the distribution of influence and power in the ACTU. The data presented above again confirm this principle: the 30 largest affiliated unions pay about 80 per cent of all the ACTU's affiliation fees. It is therefore to be expected that the ACTU should expend a major part of its resources in mediating between these unions and then negotiating with employers of greatest interest to them. These data, moreover, suggest a corollary to the principle enunciated above: unions which "Pay Most" also make by far the greatest contribution to the ACTU's collegial authority.
7.3 SUMMARY

7.3.1 Collegial Decisions And Collective Goods

Between 1947 and 1977, the number of meetings convened by the ACTU increased considerably and, furthermore, a greater number of large unions were invited to attend meetings in 1977 than was the case in 1947. The qualitative data show that attitudes, values and expectations of participants constitute a normative regime which regulates interactions between ACTU officers and union officials attending meetings. This normative regime includes the following components: (a) representatives of both non-affiliated and affiliated unions, but not rival confederations, participate as equals, (b) all participants are constrained by the decisions of interstate disputes committees, (c) both employers and unions are expected to honour industrial agreements, (d) deviants from both sides of industry are sanctioned by ACTU officers and finally (e) ACTU officers claim recognition of their authority from union and management clients alike.

Large ACTU affiliates represent members with the same or similar occupations who work in a variety of industries. The memberships of many of these unions, of which the AMWU is a good example, have been progressively increased through a series of amalgamations between occupationally related unions. Because they are occupationally based, and despite their size, none of these unions can unilaterally negotiate on an industry-wide basis; other
occupationally based unions have to be involved. Acting as a supra-encompassing organisation, the ACTU simultaneously transforms the occupational interests of these large unions into discrete industry interests. Having performed this transformation, the ACTU then mediates with major employers who, since the 1960s, have shown an increasing tendency to organise on an industry-by-industry basis.

Collective goods, such as over-award payments and improved working conditions, are delivered to the members of these large unions as a result of the ACTU's industry level negotiations. The ACTU also ensures that strikes by these unions, a collective injury to other union members and the wider community, are kept to a minimum. Industrial harmony, the other side of the coin to industrial disputation, is a collective good that has economic value for all Australians. Industrial harmony also has social value for unions and their members because it tends to soften the pariah-like image of unions, seemingly prevalent in Australia. Collegial relationships with large unions ensure that the ACTU's authority will continue to grow as it did between 1947 and 1977.
West German companies, by law, are required to give equal weight to the interests of employees, shareholders, customers and the community (Fogarty, 1964: 86). This requirement was incorporated in the Companies Act of 1937 and in 1964, according to Fogarty (1964: 81), a new Bill required the executive board of a company to "... manage the company as the good of the business and its staff and the common good of the nation require".

This figure does not include ACTU executive meetings; four executive meetings are normally held each year.

The ACTU's authority to intervene in industrial disputes was rejected by the Marine Cooks' Union in their dispute with the owners of the Ulmaroo in 1928 (Hagan, 1981: 89-91). Later in that year, the ACTU held a congress which framed rules for the conduct of future interstate disputes (see below).

ACTU Industrial Officers are full-time employees but they are not members of the executive. By 1983, the ACTU employed six persons, including one woman, as Industrial Officers (ACTU, National Directory and Union Officials' Manual, 1983-84). In the absence of a full-time officer, meetings were sometimes conducted by the vice-President. The Secretary of the New South Wales TLC also conducted meetings in Sydney but by 1957, ACTU officers regularly flew from Melbourne to officiate at meetings in Sydney.

Except where otherwise noted, the quantitative data shown in all figures and tables in this chapter are derived from ACTU circulars and minutes which are deposited at the ABL. File numbers are as follows. (1) 1947 Circulars; N21/43. (2) 1949-1977 Circulars; N21/332-354. (3) 1949-1976 Minutes Of Meetings; N21/255-298. In addition, data has been derived from a file of 1967 Circulars held at the ABL on loan from the ACTU.

For example, the count of 53 meetings in 1961 is based on a survey of the minutes of meetings held in that year. As the minute file is not indexed and the circulars for this year are not available, there is no way of determining the accuracy of the data. The 1965 count of 58 meetings, on the other hand, has been verified by surveying both the circulars for this year and the 1965 minutes of meetings.

Hawke told his biographer, Blanche d'Alpuget, "...I'd been the wages advocate for ten years and helped change a situation whereby the basic wage had declined in real value by five percent, to one where, by 1967, it had increased in value by more than six per cent. For that, I had the overwhelming support of the rank and file" (1982:169).
Throughout this chapter, invitations are documented rather than actual attendances at meetings. This is because the ACTU Circulars list all invitees and they are, therefore, the most accurate and complete source of data. Where circulars have not been available, actual attendances at meetings have been substituted. Checks of attendances, as recorded in Minutes Of Meetings, against the list of invitees in the appropriate Circulars indicate a consistently high rate of attendance. For all practical purposes the data shown in the figures and tables may be regarded as attendances at meetings.

This is not the only reason for calling meetings. In 1977, for example, policy committees like the Social Welfare and the Rules And Finance Committee, met 14 times in all. Invitees to these meetings are included in the totals shown in the figures and tables.

The table does not contain a complete list of industrial issues considered at ACTU meetings as this would cover several pages. A "major issue" has been somewhat arbitrarily defined as one requiring three or more meetings to be called by the ACTU in either 1947, 1957, 1967 or 1977. To show continuity, one and two meetings called in other years to consider any issue defined as a major one have been added to the table.

ACTU Circular 98/67, Addressed To ACTU Officers And The Secretaries Of Nine Federal Unions, Dated July 17, 1967. As the table shows, the ACTU also intervened in metal trades disputes in 1957 and 1977. Although three meetings were convened in 1957, only one employer was involved and the dispute was not as serious as the disputes in 1947 and 1977 which involved metal trades employers generally.

Circular 91/67, June 26, 1967 addressed to ACTU Executive Members.
ACSPR's Secretary, Rees D. Williams, took issue with President Monk because he had publicly disciplined the APWU and another union which was also affiliated to ACSPR for their actions during the 1967 postal dispute (ABL/ACTU Letter From ACSPR Secretary To President Monk, Dated August 14, 1967, N21/949). This criticism would not have encouraged the ACTU executive to favourably consider the ACSPR and HCCSPO request for representation on ACTU Dispute Committees.

Costs were reduced by not employing legal counsel. A.E. Deverall, the Amalgamated Engineering Union's Arbitration Agent, led the small team of union officials who conducted the case (ACTU Executive Report, September 1957).

These agreements covered vehicle industry workers employed by General Motors-Holden, the Ford Motor Company and Chrysler (Australia). In 1955, The ACTU successfully negotiated with the Oil Companies for long service leave for their employees and the Victorian Act was used a standard (ABL/ACTU, Circulars 75, dated October 14 and Circular 89, dated December 6, 1955, N21/337).

See ACTU Executive Report, September 1957. Twenty years later, the ACTU's policy still favoured state long service leave legislation. In 1977, the ACTU opposed attempts by employers to reduce employees' entitlements available to them through an arbitrated Long Service Leave Award as state legislation still provided better long service leave conditions (ABL/ACTU, Circular 5/1977, dated January 12, N21/354).


Shop committees were sometimes difficult to control and the ACTU believed that agreements it had negotiated were breached because shop committees had too much authority (ABL/ACTU, Executive Minutes, March 23, 1962, N21/278). A Shop Stewards' Charter was adopted by the 1961 congress and it was revised by the executive in 1980 (Consolidation Of ACTU Policy Decisions, 1951-1980, pages 39-42). The tendency toward greater centralisation of decision-making at the federal union level was recognised by the
ACTU at its 1955 congress. A congress decision urged state branches, sub-branches and union district committees to recognise their legal and moral obligation not to proceed "... with actions in defiance of, or out of step with, the parent controlling body, the Federal Council of their organisation ..." (Consolidation Of ACTU Policy Decisions, 1951-1980, page 82).

29 ABL/ACTU, Minutes Of Meeting Of Unions With Members Employed In APM, December 11, 1957, N21/268.
30 ABL/ACTU, Circular 91/1977, Dated April 15, N21/354.
32 ABL/ACTU, Minutes Of Meeting Of Rural Organisations And Unions, August 2, 1977, 2212/Box 37.
33 According to the Wheat Board, approximately 1.6 to 2 million tons would have to be carried over from the 1977 season. This, however, was only a fraction of the expected carry over in the U.S. where the figures were expected to be 30 million tons in 1977 and 49 million tons in 1978.
34 At a meeting held five months prior to the conference with rural producer organisations, maritime unions had declined to lift bans on Indonesian trade. This was a political matter, the unions claimed, and they were responsible for such decisions themselves (ABL/ACTU, Minutes Of Meeting Of Maritime Unions, February 24, 1977, N21/354). Bans on both Chilean and Indonesian trade were finally lifted by March 1978 (ABL/ACTU, Executive Minutes, December 13, 1977 and March 20, 1978, 2212/ Boxes 37 and 38).
35 In The Affluent Worker In The Class Structure, Goldthorpe, Lockwood, Bechhofer and Platt (1969: 26-27), argue that in Britain there has been a convergence "... in the normative orientations of some sections of the working class and of some white-collar groups." In part, this normative convergence is because white-collar workers have accepted collective trade union action as a necessary part of industrial bargaining. It is argued here that there is evidence of a relatively recent re-orientation by employers toward, for them, new forms of collective action at the national or federal level in Australia. Plowman (1980: 269) makes a similar point and he says "The influence and growth in authority of the ACTU in the last two decades has elicited concerted attempts by management to create a comparable employer organisation of equal status."
36 ABL/ACTU, Notes Of The Conference Between Oil Companies And Unions, July 20, 1977, 2212/Box 37.
By comparison, the ACTU developed to this point very slowly: it was formed in 1927 and could not afford to pay a full-time Secretary until 1943. Conditions were of course quite different as the ACTU was formed at the outset of the Great Depression and the NTF during the war. The comparison, however, is still valid and the NTF's financial status must have caused considerable concern in the ACTU.

ABL/ACTU, Executive Minutes, December 8, 1944, N21/20.

ABL/ACTU, Affiliated Union Financial Figures For 1949, N21/302).

ACTU Executive Report, 1977: 42.
CHAPTER EIGHT
DELEGATED AUTHORITY

8.1 Introduction

Because they are registered organisations, most Australian unions have legal rights which affect their capacity to delegate authority to agents. The legal status of registered unions is contingent on registration provisions in conciliation and arbitration legislation passed by the federal and four state governments about the turn of the century. Only unions that are registered organisations have the de jure right to appear before the wage-fixing tribunals established by this legislation. Furthermore, these tribunals can force employers to recognise registered unions as the bargaining agents of their members. Under the federal Act, a registered union is regarded as a corporation and it has a legal personality independent of that of its members. This means that a federally registered union can acquire and dispose of property and, of great importance here, the union can delegate authority to agents, acting through them when this is necessary or convenient (Smith, 1981: 196).

The New South Wales Industrial Arbitration Act does not contain specific provisions giving corporate status to unions registered in that state. Nevertheless, the courts have construed the Act in such a way that corporate status has been conferred on New South Wales registered unions by the decisions of the courts (Smith, 1981: note 23). In 1928, unions registered under either
the New South Wales or federal Acts delegated authority to the Labor Council of New South Wales, which began providing an arbitration agency service for these unions. By December 1929, the Council’s arbitration officer had made 56 appearances before either the State Industrial Commission, the Federal Arbitration Court or other industrial tribunals.2*

In this chapter, I will argue that a confederation’s delegated authority is contingent on the formation of an agency relationship with the unions it represents. The data presented below show that the ACTU’s affiliates, together with a few non-affiliated unions, have consistently delegated authority to the ACTU to act as their agent in the Commonwealth Conciliation and Arbitration Commission. Although maintained on a low budget, the ACTU’s agency service provides collective goods, such as shorter working hours, not only to union members, but also to the workforce as a whole. Of the services the ACTU provides, none is more widely supported by its affiliates than the arbitration agency service, nor have any of its other services contributed as much to the growth of the ACTU’s authority.

Structural conditions, partially created by the enactment of the federal arbitration legislation in 1904, generated a demand for an arbitration agency service to be located in Melbourne, at that time the seat of Federal Parliament. The federal system, like the four state arbitration systems, aimed to foster and protect registered organisations. Once registered, each union was given a virtual representational monopoly of employees in the particular trades or callings covered by its rules (Smith, 1981: 197).
Monopoly representation and other protective features of the state and federal arbitration legislation led to a mushroom-like growth in the number of unions and of union membership in the early part of this century. Other structural factors, confined to Victoria, helped create the demand for a federal arbitration agency service to be located in the state capital.

Victoria, the second most-populous state, did not embrace arbitration. Instead, in 1896 it adopted a wages board system which had no provision for registration.3 Victorian unions, as a result, were denied the protection afforded to unions that were registered in one of the five arbitration systems. A Victorian wages board, for example, could not give preference to the employment of unionists as could both the New South Wales and federal arbitration systems (Hince, 1973: 402-406). It will be argued below that because there was no state arbitration system in Victoria, more unions in that state than in any other had chosen to register under the federal arbitration system by the time the ACTU was established in 1927. Because a Victorian state arbitration system was not established at the turn of the century, the federal system took root in Melbourne, which eventually became the industrial relations capital of Australia.

As a result, a role was created for agents to represent unions in federal arbitration proceedings conducted by the Court in Melbourne. Correspondence to a Melbourne union official cited below shows that in the 1920s Sydney officials encouraged their Melbourne counterparts to establish an arbitration agency service for all federally registered unions. The authority delegated to
the ACTU to provide an arbitration agency service stems from the conditions originally created by the lack of registration available to Victorian unions and from the centralisation of the federal arbitration system in Melbourne.

Like all agents, the ACTU needs to be reimbursed by its principals for its services. The amounts paid by unions to cover the cost of arbitration and other legal proceedings are quite small. This is shown below by an analysis of cases conducted by the ACTU between 1945 and 1969. Union levies to pay for these cases are compared with the very large amounts contributed by unions to support a major strike in 1929. From this comparison, two findings emerge: (1) the state heavily subsidises the ACTU's arbitration agency service and (2) low budget confederations multiply union resources, increasing their effectiveness.

8.2 STRUCTURAL CHANGES IN UNION ORGANISATION

8.2.1 Melbourne's Agency Services

By May 1927, when the ACTU was formed, an arbitration agency service had been operating in Melbourne for at least six years. A committee was established in January 1921 to seek improvements in the basic wage paid to the members of federally registered unions. It is not known which unions formed the committee but some 27 months later, the financial accounts show that a sum of £312,
which was about a quarter of total out-goings in 1921 and 1922, had been paid to meet the cost of a basic wage case. On the other side of the ledger, a little over £517, or more than a third of the total income for the two years, was raised from a basic wage levy paid by unions which supported the committee. Later, the ACTU imposed similar levies to finance the presentation of their cases in the Arbitration Court and the Commission.

Charles Crofts, who became the ACTU's first Secretary, was a member of the committee established in 1921. Early in 1923, Crofts and other committee members determined to create a more permanent, representative and authoritative arbitration service. Correspondence with unions in other states shows that some inter-state unions were prepared to delegate limited authority to a Melbourne-based organisation to deal with federal arbitration matters. One union Secretary from Sydney signified his support, writing that "... at the present time I have to travel to Melbourne to do small jobs which could be done by anyone who has a knowledge of (Arbitration) Court procedure ...".

Following these initiatives, a meeting held in Melbourne on February 7, 1923 adopted a set of by-laws which formally established the Commonwealth Council of Federated Unions (CCFU). These by-laws delineated the CCFU's constituency and defined the functions of the Council. The CCFU would recruit and seek to affiliate only those unions registered under the Commonwealth Conciliation and Arbitration Act 1904-1921. Moreover, the Council was to act on behalf of its constituents in all matters arising from the administration of the Act or other legislation of the
Commonwealth Parliament affecting wages, hours or conditions of employment. At its first meeting in 1923, Charles Crofts was elected Secretary of the CCFU.

Unlike the ACTU, the CCFU was not a general purpose confederation: it had only one role, namely to act as a federal arbitration agency. After the ACTU was formed in May 1927, the two organisations co-existed for several months. Charles Crofts, apart from being the honorary Secretary of both the CCFU and the ACTU, was employed full-time as Secretary of the Gas Employees' Union, a compelling reason for the rationalisation of the roles of the CCFU and the ACTU. When encouraged by Crofts and the ACTU executive, the CCFU agreed to dis-establish itself and to hand over its arbitration agency work to the ACTU.

In the 44-Hour-Week case in 1926, the CCFU's one major arbitration case, the CCFU acted jointly with the Melbourne Trades Hall Council (MTHC) thus drawing on a wider pool of Melbourne-based union resources. Crofts and E.J. Holloway, the MTHC Secretary, prepared the unions' case and acted as advocates in the Arbitration Court. The relative importance attached to the federal Arbitration Court's 44-Hour-Week case by Victorian unions, compared with unions in other states, can be seen from the data shown in Table 8.1 below.

Victorian unions and federal union councils contributed by far the major share of the costs incurred in presenting the 44-Hour-Week case. The 28 unions from the other five states jointly contributed £224, less than one fifth of the total cost. Fifty
Table 8.1: State And Federal Unions That Contributed To The CCFU-MTHC 44-Hour-Week Costs

<table>
<thead>
<tr>
<th>Location</th>
<th>Unions (n)</th>
<th>Contributions (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tasmania</td>
<td>4</td>
<td>27</td>
</tr>
<tr>
<td>West Australia</td>
<td>5</td>
<td>20</td>
</tr>
<tr>
<td>South Australia</td>
<td>5</td>
<td>62</td>
</tr>
<tr>
<td>Queensland</td>
<td>5</td>
<td>24</td>
</tr>
<tr>
<td>New South Wales</td>
<td>9</td>
<td>91</td>
</tr>
<tr>
<td>Victoria</td>
<td>52</td>
<td>572</td>
</tr>
<tr>
<td>Federal Councils</td>
<td>12</td>
<td>400</td>
</tr>
<tr>
<td><strong>Totals:</strong></td>
<td><strong>92</strong></td>
<td><strong>£1196</strong></td>
</tr>
</tbody>
</table>

Source: Statement Of Receipts And Expenditure In Connection With The 44-Hour-Week Case To 10/2/1927 (ABL/ACTU, NZ1/4)

two Victorian unions, on the other hand, paid £572, or just under half of the cost, while 12 federal union councils paid the remaining £400. These data suggest that by 1926, the year before the ACTU was formed, Victorian unions were probably already committed to the federal arbitration system. Victorian unions, furthermore, had been prepared to delegate sufficient authority to a centralised agency to present a major case in the federal Arbitration Court.
By 1926, Victorian unions were so heavily committed to federal arbitration that they supported the conservative Prime Minister, S.M. Bruce, when he attempted to have the Constitution changed, in order to extend the jurisdiction of the federal Arbitration Court. Bruce's referendum proposal, if it had been accepted by the required majority of the Australian people, would have undermined the authority of the state arbitration tribunals and it probably would have led to the creation of a single federal arbitration system. This issue polarised the labour movement: the Melbourne-based CCFU was supported by the FPLP while in New South Wales, the unions and the state Labor Party strongly opposed the referendum proposal.

The FPLP was Melbourne-based in 1926 because the federal Parliament sat in Melbourne from Federation in 1901 until May 1927 when it shifted to Canberra. Along with the Parliament, most of the federal public service and a good many government agencies originally had head offices in Melbourne. However, the Commonwealth Conciliation and Arbitration Court was not originally located in that city. Under its first President, (O'Connor J.), the Court sat about half the time in Melbourne and only a little less in Sydney. Once H.B. Higgins was appointed President in September 1907 (Rickard, 1984: 171), the pattern changed and the Court sat mostly in Melbourne. Table 8.2 shows the number of Court sitting-days in the six state capitals, Darwin and other locations in 1907, 1917 and 1927.
The Court began its work in 1905 and in 1907 it sat in two of the smaller state capitals, apart from Sydney and Melbourne. By 1917, the Court's work-load had increased substantially, total sitting-days having increased more than four-fold since 1907. Most of the Court's work continued to be in Melbourne, the Court convening there for slightly more than two thirds of its total sitting-days. In 1917, the Court sat in Darwin (Northern Territory

Table 8.2: Arbitration Court Sitting-Days In The Six State Capitals, Darwin And 'Other Locations', In 1907, 1917 And 1927

<table>
<thead>
<tr>
<th>Location</th>
<th>1907</th>
<th>1917</th>
<th>1927</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adelaide</td>
<td>8</td>
<td>2</td>
<td>41</td>
</tr>
<tr>
<td>Brisbane</td>
<td>0</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Hobart</td>
<td>1</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>Perth</td>
<td>0</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Darwin</td>
<td>0</td>
<td>26</td>
<td>21</td>
</tr>
<tr>
<td>Other Locations</td>
<td>0</td>
<td>2</td>
<td>30</td>
</tr>
<tr>
<td>Sydney</td>
<td>29</td>
<td>61</td>
<td>89</td>
</tr>
<tr>
<td>Melbourne</td>
<td>32</td>
<td>215</td>
<td>339</td>
</tr>
<tr>
<td><strong>All Locations</strong></td>
<td><strong>70</strong></td>
<td><strong>313</strong></td>
<td><strong>528</strong></td>
</tr>
</tbody>
</table>

Sources: Commonwealth Arbitration Reports, Vol. 2 (1907-1908), Vol. 11 (1917), Vols. 24 and 25 (1926-1927)
workers are covered by federal awards) for about one half as many
days as it did in Sydney. While its work load again increased
substantially between 1917 and 1927, the Court still convened in
Melbourne for about two thirds of all sitting-days.

These data show that by 1927 the federal Arbitration Court,
although it sat in other centres, was entrenched in Melbourne. The
Court's headquarters remained in Melbourne as have those of its
successor, the Arbitration Commission. Data presented in the next
table show that by the time the ACTU was established in 1927,
Victorian unions dominated the federal arbitration system
registration figures. The table shows the cumulative totals of
federally registered unions by the state of registration at five-
yearly intervals from 1909 to 1929. Throughout this period, there
were always more registrations in Victoria than there were in all
the other states combined. To put it another way, between 1909 and
1929 about three quarters of all unions involved in the federal
arbitration system were registered in Victoria.

The ACTU was not formed to perform an arbitration agency
role; it acquired this role following the rationalisation of trade
union organisational resources in mid-1927. The Arbitration Court,
mostly because a great many of its union clients were located in
Melbourne, heard the majority of its cases in that city. The ACTU
has become a major client of the federal arbitration system, and
like that system, the ACTU is firmly established in Melbourne.
Table 8.3: Cumulative Totals of Federally Registered Unions, by State in Which Registered, at Five-Yearly Intervals, 1909-1929

<table>
<thead>
<tr>
<th>State in Which Registered</th>
<th>1909</th>
<th>1914</th>
<th>1919</th>
<th>1924</th>
<th>1929</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tasmania</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Western Australia</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Queensland</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>South Australia</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>New South Wales</td>
<td>7</td>
<td>19</td>
<td>28</td>
<td>38</td>
<td>43</td>
</tr>
<tr>
<td>Victoria</td>
<td>28</td>
<td>85</td>
<td>109</td>
<td>127</td>
<td>129</td>
</tr>
<tr>
<td>All States</td>
<td>36</td>
<td>107</td>
<td>141</td>
<td>170</td>
<td>178</td>
</tr>
</tbody>
</table>

Source: A card index titled 'List of Organisations Registered Under the Commonwealth Conciliation and Arbitration Act, 1904', ANU Archives of Business and Labour.

8.3 THE ACTU’s ARBITRATION AGENCY ROLE

8.3.1 'Express' and 'Usual' Authority

Affiliates and other unions delegate authority to the ACTU to represent them in arbitration and legal cases. These cases may affect the pay and conditions of the unionised workforce as a whole or may relate to matters of principle concerning all unions.
and the ACTU. Examples of cases in the first category are 'basic wage', 'margins for skill' and 'total wage' cases (the total wage has combined the basic wage and margins since 1967). Equal pay for Aborigines, an issue which evoked principles of equity and justice, and workers' compensation appeals, fall into the second category. Notwithstanding union concern with such issues, most of the ACTU's agency work arises from union attempts to protect and improve the wages and conditions of members.

Support for the contention that the ACTU acts as an agent on behalf of its affiliates is provided by correspondence between the ACTU and the Federal Secretary of the Australian Railways' Union (ARU). President Monk, referring to annual basic wage cases, wrote:

In effect the ACTU is acting as an agent to state a basic wage case each year for and on behalf of each affiliated union ... 15*  

This statement clearly identifies the ACTU as the agent and each of the ACTU's affiliated unions as its principals in an agency relationship.

Authorisation to act as an agent may be provided to the ACTU in one of three ways. Where a matter of principle is involved, authorisation is sometimes provided by a decision of congress. For example, the 1965 congress decided that the ACTU should give financial support to the North Australian Workers' Union (NAWU) to cover costs in a test case seeking equal pay for Aboriginal stockmen employed under the Northern Territory Cattle Industry Award. Again, where matters of principle are at stake, the ACTU
is sometimes authorised to act by a representative meeting of unions deciding that further legal action should be taken, even though the case in question concerns only one individual. This procedure was followed in 1960 when the ACTU financially supported an appeal to the Privy Council in the Hornsby Workers' Compensation case.\(^{17}\)

When it is required to present a case with national ramifications to the Arbitration Commission, the ACTU has insisted that unions provide written authorisation. The following extract from a letter, signed by the Secretary of the Federated Miscellaneous Workers Union (FMWU) and headed re 1969 National Wage Case, is typical. It reads:

> This letter will serve to authorise the ACTU to appear and represent the above named organisation in proceedings before the Commonwealth Conciliation and Arbitration Commission in the matter of an application seeking the restoration of the basic wage ...\(^{18}\)

In legal terminology, this form of words constitutes 'express authority' (Lowe, 1976: 26) and these words authorise the ACTU to perform certain acts.

According to this letter, the ACTU has authority to "... appear and represent ..." the FMWU in the Arbitration Commission. Although obvious, this fact is of considerable significance: the FMWU is a registered organisation and, as such, its officers have a de-jure right to represent the union in proceedings before the Commission. The ACTU, on the other hand, is not a union; it is not and cannot be registered, and its officers do not have a de-jure
right to represent ACTU affiliates and their members in Commission proceedings. Notwithstanding its lack of legal status, in most cases, the ACTU has been granted de-facto recognition by the Arbitration Court and by the Commission whenever it has sought leave to intervene.\textsuperscript{19} For more than 50 years the ACTU has been authorised by letters similar to the one cited above to act as an agent in the federal arbitration system.

ACTU claims for wage increases are made through applications to vary Arbitration Commission awards but the ACTU, because it is not a registered organisation, is not itself an award respondent. When performing their agency role in National Wage Cases or other cases expected to have wide applicability, ACTU officers apply jointly with an authorised officer of a registered union to vary an award chosen as a vehicle for the case in question. In the 1969 Equal Pay case, an award of the Australasian Meat Industry Employees' Union (AMIEU) was used as a vehicle. In July 1968, Secretary Souter wrote to the AMIEU's Secretary advising him to make a procedural appearance in the Commission indicating that the union's application was supported by the ACTU and that "... authority will be given by your Organisation when the matter has been referred for the ACTU to appear on your behalf".\textsuperscript{20*}

It has been customary for the ACTU to use the Metal Trades Award as a vehicle for basic wage and margins claims. Providing the Commission ruled that the case was generally applicable, the Commission's decision would then 'flow-on' to other awards. In April 1963, the Commission awarded an increase of 10 per cent in margins for skill so that a metal fitter's margin rose from 96 to
106 shillings (Hagan, 1961: 301). By the end of June 1963, as the result of procedural applications from respondent unions, the Commission had varied 69 awards, or a little more than a quarter of all federal awards, to include the 10 per cent margins increase.\textsuperscript{21} In this case, as has occurred regularly since 1945, authority was delegated to the ACTU to make a wage claim on behalf of the whole of the unionised workforce.

Agents are not necessarily confined to performing those acts expressly authorised by their agency agreements: they can also exercise what legal theorists call their 'usual authority' (Lowe, 1976: 26). This gives agents a good deal of discretion as they are entitled to exercise the authority normally or usually exercised by agents in their "... particular trade, business or profession" (Borrie and Greig, 1978: 32). The extent of the ACTU's 'usual authority' to deal with matters contingent on its arbitration role is determined by traditions and practices dating back to 1923 when Charles Crofts first became an arbitration agent representing federal unions in the Arbitration Court.

For example, the ACTU sometimes takes challenges to the High Court to test the constitutional validity of industrial legislation. On July 17 1955, the ACTU executive decided to ... test in the High Court the judicial powers being exercised by the Arbitration Court under the provisions of the Commonwealth Conciliation and Arbitration Act, per medium of the Boilermakers' case wherein that organisation was fined £500 for contempt of court.\textsuperscript{22}
The High Court upheld the ACTU's appeal deciding that it was "... beyond the constitutional ability of the Commonwealth Parliament to vest 'arbitral' and 'judicial' functions in the one body" (Hancock, Appendix VII, 1985: 124). That is, the High Court decided that the same tribunal could not arbitrate and then perform a judicial function by imposing a fine or other penalty on a party that was subject to an arbitrated decision.

Possibly no other case decided by the High Court has had such far reaching consequences for the federal arbitration system. In 1956, the federal Parliament re-structured the system by legislating to create two new bodies: the Arbitration Commission to exercise arbitral powers and the Commonwealth Industrial Court to exercise judicial powers. Despite these major changes, the penal clauses, which were the root cause of the Boilermakers case, were not removed from the Conciliation and Arbitration Act. Heavy fines were imposed on unions and their members by the new Industrial Court and they continued to be imposed until the nationwide strikes in 1969 (see Chapter Six) persuaded employers not to make further use of the penal provisions of the Act.

The Boilermakers case is important also because it illustrates the ACTU's commitment to judicial processes. In July 1955, during a weekend meeting, the ACTU executive consulted metal unions over the fines imposed on the Boilermakers and other unions. Despite pressure from affiliates, the executive rejected two proposals calling for widespread strike action. Instead, it adopted the proposal that led to the High Court action. Despite being called the 'Boilermakers Case', the High Court action was
taken and paid for by the ACTU who joined with the Boilermakers' Society in mounting the case. The ACTU acted because it is guardian of the collective interests of its affiliates in all federal arbitration matters. Affiliates, furthermore, expected the ACTU to act in this matter and the decision to appeal to the High Court undoubtedly had the support of most affiliated unions.

Notwithstanding its commitment to judicial processes, the ACTU has consistently pressed the Government to reduce costs by minimising the need for legal representation in arbitration proceedings. Governments, however, have legislated to increase, rather than decrease, the involvement of lawyers. In November 1951, Minister of Labour Holt amended the Conciliation and Arbitration Act to eliminate the 'consent of the other parties' as a prior condition before any party in Arbitration Court proceedings could engage legal counsel. Holt's amendment meant that, at the discretion of the Court or a Conciliation Commissioner, employers could engage counsel, solicitors or paid agents, actions which in turn could force the union side to do the same. Secretary Broadby promptly informed the Minister of the ACTU's opposition, and of his surprise and displeasure that the ACTU had not been consulted prior to the Parliamentary debate on the amendment.24*

Governments, nevertheless, have almost invariably consulted with the ACTU, as well as employer organisations, on contemplated changes to the Conciliation and Arbitration Act. Following tripartite discussions in 1971, the Act was changed in 1972 so that a Full Bench of not less than three Presidential Members must be
constituted to deal with the alteration of standard hours of work, annual and long service leave, the relation between female and male rates of pay and, most importantly, pay claims based on changed economic circumstances. In his Second Reading Speech, Minister of Labour Lynch made it clear to Parliament that the intention was that the Commission should "... have regard, in particular, to the state of the national economy and the likely effects on that economy of any award that it might make".25

The ACTU's influence in tripartite discussions on changes to the operation of the arbitration system is partly contingent on restricting union access to the Arbitration Commission. In 1977, the Full Bench conducted another inquiry into the wage-fixing system, the ACTU coordinating union submissions. Affiliates were circularised, informing them that there is a real danger that if individual unions send submissions directly to the Commission, this will be interpreted as an indication of union disunity and could provide justification to the Commission to further reduce the buying power of wages.26*

The implied threat to union interests was designed to preserve the ACTU's privileged access to the Commission, while at the same time serving the interests of affiliated unions.

For many years the ACTU has endeavoured to influence governments by briefing knowledgeable FPLP members who act as ACTU advocates in Parliament. Ex-ACTU President P.J. Clarey, as Minister of Labour and Employment (1947-1949) in the Chifley Government and later as a member of the opposition, performed this
role for many years. Clarey was particularly well qualified as he was Secretary of the pioneering Melbourne-based committee, formed in 1921, to perform arbitration agency work on behalf of Victorian unions. In 1949, at Secretary Monk’s request, Clarey requested Prime Minister Chifley to authorise Commonwealth Government intervention on behalf of the ACTU in the basic wage case, then before the Arbitration Court. This Chifley declined to do, however, as he believed that the economy could not sustain a substantial basic wage increase.27

Another aspect of an agent’s usual authority is that “...where an agent is employed to act in a particular place (e.g., the London Stock Exchange) where certain customs prevail, the agent has implied authority to act in accordance with such customs, provided they are reasonable and lawful” (Lowe, 1976: 27). As well as appearing in the Court and the Commission, it has been customary for ACTU officers to meet in ‘Chambers’ with Commissioners, Judges of the Court and Commission Members. At such meetings arrangements are made for the scheduling and formal hearing of Basic Wage, National Wage or industry cases such as, for example, cases that determine wages and conditions in the stevedoring industry.

Opportunities for ACTU officers to meet the President of the Arbitration Commission in his Chambers have been readily available, but employer and government representatives have always been granted equal access.28 Sir Richard Kirby, first President of the Commission, met President Monk, Mr. Polites and Mr. Fowler (National Employers’ Policy Committee) and Mr. Bland (Secretary,
the Department of Labour and Employment) in December 1964 to discuss "... the possibility of getting agreement between the principal parties in regard to the presentation of material from experts ... in Basic Wage Cases ...".29* Subsequently, Mr. Bland reported to Sir Richard Kirby that agreement had been reached that "... a witness introduced to deal with a particular specialty should not be subject to cross-examination beyond that specialty provided the witness confined himself to it".30* Although a procedural matter, a limitation of this kind could influence the outcome of a Basic Wage Case and President Monk delayed giving his assent for a month, no doubt consulting ACTU and union colleagues in the interim.

Routine matters, such as serving notice on affiliated unions to attend Commission hearings scheduled to hear disputes, are arranged by the ACTU for and on behalf of the Commission.31* Moreover, conflicts in the Commission's programme of hearings are sometimes sent to the ACTU for resolution. Sir Richard Kirby wrote to Secretary Souter in 1962 asking that he use his influence with the relevant unions to prevent Mr. Justice Ashburner from being diverted to hearing a waterfront dispute which, if heard immediately, would delay the more important Annual Leave case then before a Full Bench of which Mr. Justice Ashburner was a member.32*

Private negotiations between the ACTU and the Commission to arrange procedural matters add to the ACTU's authority simply because the ACTU represents several of its affiliates and sometimes all of them. Public hearings, dealing with small-scale
strikes, in both the Court and the Commission have also added to the ACTU's authority. An Arbitration Court tradition, reinforced by the Commission since 1957, is that the tribunals will not receive submissions from the unions or the ACTU while a strike, no matter how inconsequential, is in progress. On receiving an application from the employers, both the Court and the Commission have adjourned Basic Wage and National Wage Cases when as few as 25 people have been on strike and the hearings have not resumed until the ACTU and the employers have assured the Court or the Commission that the strikers have returned to work.33*

The Arbitration Court and the Commission have probably had an exaggerated sense of sympathy with the employers' attitudes to small-scale strikes because they also threaten the tribunal's long cherished view, dating back to President Higgins, that industrial relations is fundamentally about law and order.34 At best, this is a half-truth: industrial relations are about economic, social and political relations of which the law is an important part but still only a part. But the Court and the Commission's attitude has been crucially important for the ACTU. Every time these tribunals have temporarily refused to 'hear' the ACTU, and it has happened frequently, it has forced the ACTU to exert influence on the officials of unions whose members are on strike.35 When the dispute has been settled, and hearings have resumed, the ACTU's appearance in the Court or the Commission has been a public testimony to the ACTU's authority over its affiliates and their members.
By performing an agency role, which is authorised in writing in cases with national ramifications, the ACTU participates in the delivery of Australia's centralised wage-fixing system. As it is not a registered organisation, the ACTU acts through a selected Arbitration Commission award to which one of its affiliates is a respondent. While exercising the 'usual authority' of an arbitration agent, the ACTU acts as guardian of union interests, taking test cases to the High Court, and in the past, to the Privy Council. The ACTU also acts as a gatekeeper 'into' and 'out of' the Commission, restricting the access of affiliated unions while at the same time facilitating the work of the Commission and the continuation of its own role in the wage-fixing system.

8.3.2 State Subsidies And Multiplier Effects

In Australia, the state subsidises the costs of union-employer bargaining by providing infrastructure that in other countries the parties themselves provide. For this reason, the cost to the unions of cases taken to various tribunals by the ACTU is relatively small. However, the subsidisation of bargaining costs by the state is not the only reason for the low cost of the ACTU's arbitration agency service. Organised labour is adept at delegating resources through confederations. Levies paid by unionists at their work places accumulate progressively as they pass to union centres through shop stewards, organisers, district committees, state branches and federal offices. Thus, levies
originating at the periphery of federal unions are transformed into resources controlled by the confederation's executive.

Details of union contributions and the costs of providing the ACTU's arbitration agency service are shown below. Table 8.4 shows (1) the cases taken by the ACTU to Arbitration tribunals and to civil courts between 1945 and 1969, (2) union contributions in pounds until 1966 when decimal currency was introduced and thereafter in dollars and (3) the period taken for the costs of each case to be reimbursed by the unions. These data are derived from a complete set of ACTU Cash Statements covering the period from June 11, 1943 to June 30, 1969.37

In October 1944, the Women's Employment Board, constituted in 1942 by the war-time Labor Government, ceased to control female award wages; in future female award rates were to be determined by the Arbitration Court.38* Following a series of conferences convened by the ACTU, legal counsel was engaged to appear in a hearing which began on February 20, 1945 and which resulted in the female adult rate being set at 75 per cent of the adult male rate. Unions with women members agreed to meet the ACTU's costs in the 1945 Female Minimum Rates Case and, as the table shows, a total of £636 was paid to the ACTU to meet this commitment.39

Hearing of the 40-Hour-Week case began in May 1946 but was not concluded until September 1947. This case typifies the ACTU's basic wage, hours, margins and long service leave cases shown in
Table 8.4: ACTU Cases, Contributions Paid By Unions To Meet Legal Costs And Reimbursement Periods, 1915-1969

<table>
<thead>
<tr>
<th>Case</th>
<th>Contributions</th>
<th>Reimbursement Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female Min Rates</td>
<td>636</td>
<td>1945</td>
</tr>
<tr>
<td>40-Hour-Week</td>
<td>9,006</td>
<td>1947-1951</td>
</tr>
<tr>
<td>Basic Wage</td>
<td>4,086</td>
<td>1947-1952</td>
</tr>
<tr>
<td>Basic Wage and Hours</td>
<td>24,466</td>
<td>1953-1956</td>
</tr>
<tr>
<td>1956 Basic Wage</td>
<td>9,295</td>
<td>1956-1958</td>
</tr>
<tr>
<td>Public Service Margins</td>
<td>5,159</td>
<td>1956-1957</td>
</tr>
<tr>
<td>1956-57 Basic Wage</td>
<td>7,296</td>
<td>1958-1961</td>
</tr>
<tr>
<td>1958 Basic Wage</td>
<td>5,180</td>
<td>1958-1962</td>
</tr>
<tr>
<td>1959 Basic Wage</td>
<td>4,453</td>
<td>1959-1961</td>
</tr>
<tr>
<td>1959 Margins</td>
<td>3,108</td>
<td>1960-1963</td>
</tr>
<tr>
<td>1960 Basic Wage and Long Service Leave</td>
<td>2,791</td>
<td>1960-1964</td>
</tr>
<tr>
<td>Hornsby Workers' Comp</td>
<td>4,271</td>
<td>1960-1964</td>
</tr>
<tr>
<td>1961 Basic Wage</td>
<td>2,047</td>
<td>1961-1964</td>
</tr>
<tr>
<td>Seamen's Union</td>
<td>957</td>
<td>1962</td>
</tr>
<tr>
<td>E.H. Harrison (Super'n)</td>
<td>39</td>
<td>1962</td>
</tr>
<tr>
<td>1963 Leave and Margins</td>
<td>3,080</td>
<td>1963-1966</td>
</tr>
<tr>
<td>1964 Basic Wage</td>
<td>5,337</td>
<td>1964-1967</td>
</tr>
<tr>
<td>1965 Basic Wage and Long Service Leave</td>
<td>20,921</td>
<td>1965-1967</td>
</tr>
<tr>
<td>GIMH Dispute</td>
<td>4,356</td>
<td>1965-1967</td>
</tr>
<tr>
<td>New Guinea Pub Service</td>
<td>309</td>
<td>1966</td>
</tr>
<tr>
<td>Clementson's Dispute</td>
<td>154</td>
<td>1966-1967</td>
</tr>
<tr>
<td>1966 Basic Wage, Margins and Aboriginal Stockmen</td>
<td>35,909</td>
<td>1966-1968</td>
</tr>
<tr>
<td>1967 Total Wage</td>
<td>14,944</td>
<td>1967-1969</td>
</tr>
<tr>
<td>Clothing Trade, Equal Pay</td>
<td>1,625</td>
<td>1968-1969</td>
</tr>
<tr>
<td>1968 National Wage</td>
<td>1,200</td>
<td>1969</td>
</tr>
</tbody>
</table>

Sources: ACTU Cash Statements, 1943-1969
the table (a total of 20 cases) insofar as all affiliates were
taxed on a per capita basis to meet the legal costs of the case.
Up until the end of March 1947, legal counsel's fees were just
under £3,000, the ACTU's solicitors costs were £1,600, and a sum
of £850 was due to an accountant for research on company records
and Court appearances. At the beginning of June 1947, the ACTU
estimated the total cost of the case to be £8,000. It proposed to
recover this amount by taxing each affiliate on the basis of four-
pence per adult male member and two-pence per female and junior
member. Because these rates were the same as the 1946 affiliation
fees, the ACTU assumed it would eventually recover £1.1.0 from the
smallest of its 90 affiliates and £750 from the largest and, if
all unions paid, a total of £8,800 would be contributed. 40 As the
table shows, £9,006 was in fact paid by the unions, including some
non-affiliates, to cover the costs of the 40-Hour-Week case.

Despite not being affiliated to the ACTU, the AWU
' instructed' the same counsel as appeared for the ACTU in the 40-
Hour-Week case. 41 The AWU was thereby obligated to meet part of
the cost in this and other cases where similar arrangements were
made. Financial contributions from non-affiliated unions, as a
proportion of the total costs shown in the table, were not
inconsequential: as at June 30, 1953 the AWU and other non-
affiliated unions had contributed £2,160 toward the cost of the
Basic Wage and Hours enquiry held in 1952-1953. 42 As the table
shows, £24,466 was contributed by all unions to meet the cost of
this case; so at least nine per cent of this total was paid by
non-affiliates. 43
The ACTU has contributed materially to the reduction of working hours throughout Australia. In 1939, average working hours were 44.29 and 44.36 for males and females respectively. In the second half of 1947, the 40-hour week was introduced in New South Wales, covering employees under the jurisdiction of state awards. The new standard working week won by the ACTU became effective at the beginning of 1948, contributing to the reduction of working hours, Australia-wide, to an average of 39.96 for males and 40.00 for females by the end of the year.\textsuperscript{44} When adopted as community standards, as the 40-hour week was, improvements in pay and conditions won in the Arbitration Commission, extend the ACTU's influence well beyond the confines of its own affiliated union membership.

Table 8.4 shows that contributions to meet the cost of most of the ACTU's cases were recovered over a three year period or longer. In one case, the reimbursement period was six years. Affiliates habitually settle their accounts with the ACTU a few weeks prior to biennial congresses held in odd-numbered years. This is why union contributions are shown for two-year periods in the next table.\textsuperscript{45} Table 8.5 also shows the cost of staffing and servicing the Research Bureau which was established in 1955 to support the ACTU's arbitration agency service. To facilitate comparison over time, column five, and also Figure 8.1, show union contributions in dollars adjusted to 1969 values.\textsuperscript{46}

As previously noted, one of the ACTU's concerns has been to minimise costs by eliminating, or at least reducing, the need for
Table 8.5: Contributions (in Dollars) To Pay Legal Costs and Research Bureau Costs for Each Biennium, 1945-1969

<table>
<thead>
<tr>
<th>Period</th>
<th>Contrib's ($)</th>
<th>Research Costs ($)</th>
<th>Total ($)</th>
<th>Total Adj 1969 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1945-1945</td>
<td>1,272</td>
<td>Nil</td>
<td>1,272</td>
<td>3,800</td>
</tr>
<tr>
<td>1946-1947</td>
<td>9,489</td>
<td>Nil</td>
<td>9,489</td>
<td>27,000</td>
</tr>
<tr>
<td>1948-1949</td>
<td>7,366</td>
<td>Nil</td>
<td>7,366</td>
<td>17,300</td>
</tr>
<tr>
<td>1950-1951</td>
<td>6,814</td>
<td>Nil</td>
<td>6,814</td>
<td>12,300</td>
</tr>
<tr>
<td>1952-1953</td>
<td>18,426</td>
<td>Nil</td>
<td>18,426</td>
<td>27,100</td>
</tr>
<tr>
<td>1954-1955</td>
<td>31,784</td>
<td>Nil</td>
<td>31,784</td>
<td>45,500</td>
</tr>
<tr>
<td>1956-1957</td>
<td>25,368</td>
<td>7,402</td>
<td>32,770</td>
<td>43,300</td>
</tr>
<tr>
<td>1958-1959</td>
<td>25,474</td>
<td>11,206</td>
<td>36,680</td>
<td>46,700</td>
</tr>
<tr>
<td>1960-1961</td>
<td>24,462</td>
<td>19,448</td>
<td>43,910</td>
<td>52,600</td>
</tr>
<tr>
<td>1962-1963</td>
<td>15,292</td>
<td>22,144</td>
<td>37,436</td>
<td>44,700</td>
</tr>
<tr>
<td>1964-1965</td>
<td>15,786</td>
<td>21,570</td>
<td>37,356</td>
<td>42,000</td>
</tr>
<tr>
<td>1966-1967</td>
<td>57,428</td>
<td>27,581</td>
<td>85,009</td>
<td>89,800</td>
</tr>
<tr>
<td>1968-1969</td>
<td>23,193</td>
<td>33,349</td>
<td>56,542</td>
<td>56,500</td>
</tr>
</tbody>
</table>

1945-1969 $262,154 $142,700 $404,854 $508,600

Sources: ACTU Cash Statements, 1943-1969
legal representation in Arbitration Commission hearings. In the 1950s, it was proposed that either lay advocates represent the ACTU or a qualified lawyer could be permanently employed by the ACTU as it was believed that either measure would reduce costs. H.J. Souter was a competent lay advocate; he had previously been employed as an Arbitration Agent by the AEU. Souter was recruited in late 1954 as ACTU Research Officer but this position was left vacant when Souter succeeded Secretary Broadby who died in July 1956. Acting on advice from affiliates, the ACTU executive resolved to employ a qualified lawyer, a decision being made in November 1957 to offer R.J. Hawke the position. About two years later Ralph Willis, now Minister of Employment and Industrial
Relations, became Hawke's assistant, taking over as advocate when Hawke was elected ACTU President in 1969.50

The net effect of establishing the Research Bureau seems to be that the ACTU's arbitration agency service expanded.51 Between 1945 and 1956, the ACTU acted on behalf of the unions in a wages or hours case about once every two years (Table 8.4). After the Bureau was established in 1956, the ACTU handled an average of between one and two cases per year, total costs being greater as a result. Figure 8.2 shows that contributions from unions averaged about $21,000 between 1947 and 1953, the biennium before the Research Bureau was set up. When allowance is made for the unusual Aboriginal Stockmen's case ($12,150 in 1969$), the 1966-1967 total fits more closely to a higher average of about $51,000, reached after the Research Bureau was established. Cases taken after 1956 include a Seamen's Union case and the GHII dispute as well as the basic wage, margins and long service leave cases and the Total Wage case in 1967 (Table 8.4).52

The relatively low cost of the ACTU's arbitration agency service is shown in Table 8.6. Union contributions to the arbitration agency service before (1945-1954) and after (1955-1969) the Research Bureau was established are divided by annual male earnings, using 1969 adjusted dollars.53 As the table shows, only three males could have been employed full-time before the Research Bureau was established and seven afterwards. These figures are quite insignificant when compared with the annual male wage equivalents of union contributions paid to support timber workers during their ten-month long strike in 1929.54
Table 8.6: The Number Of Males On Average Annual Earnings Who Could Have Been Employed By Union Contributions To The ACTU's Arbitration Agency Service And To The 1929 Timber Workers' Strike

<table>
<thead>
<tr>
<th>Year(s)</th>
<th>Central Agency</th>
<th>Contributions</th>
<th>Males Employed (Equiv)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The ACTU's Arbitration Agency Service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1945-1954</td>
<td>ACTU</td>
<td>$87,500</td>
<td>3</td>
</tr>
<tr>
<td>1955-1969</td>
<td>ACTU</td>
<td>$421,100</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>The 1929 Timber Workers' Strike</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1929</td>
<td>ACTU</td>
<td>£20,743</td>
<td>80</td>
</tr>
<tr>
<td>1929</td>
<td>Melbourne TLC</td>
<td>£112,000</td>
<td>430</td>
</tr>
<tr>
<td>1929</td>
<td>Sydney TLC</td>
<td>£122,000</td>
<td>470</td>
</tr>
</tbody>
</table>

Sources: Table 8.5 and note 54.

These comparative data show (1) the response of the union movement to a breakdown in state subsidised bargaining, (2) the value, on the other hand, of the state's subsidy and (3) the effectiveness of low-budget confederations.

In the late 1920s, the federal arbitration system was in a state of crisis. At the end of 1928, the Arbitration Court, giving in to the employers, increased working hours in the timber
industry from 44 to 48 per week, effective from January, 1929. This reversed the trend established by the Court itself in the 44-Hour-Week case won by the CCFU in 1926. Extensive strikes followed the Court's decision, the building industry in Melbourne being thrown into disarray for several months. Believing that the Court would increase hours and decrease wages generally, the union movement mobilised, collecting from members and distributing to strikers the very large sums shown in the table. Although strongly opposed to the ACTU at the time, the AWU forwarded £1,500 to ACTU Secretary Crofts; this is an indication of the seriousness of the crisis and the attitudes of the union movement to the Court's decision. In New South Wales some 200 unionists were supported from these funds, while in Victoria 3,300 unionists were sustained for ten months.

In essence, the timber workers' strike represents a trial of strength between unions and employers during a temporary reversion to free market conditions. Consequently, these data provide an opportunity to assess the extent of state support for the bargaining process in the social market economy (Fogarty, 1964: 87) that has developed in Australia since about the turn of the century. The implication of these data is that, as underwriter of the bargaining process, the state pays a heavy subsidy indeed to unions and to employers, the other bargaining partner. Any organisation that distributes such a large subsidy, as the ACTU does, has legitimacy and authority that cannot simply be ascribed to its own membership or organisational resources.
It should not be forgotten, however, that for well over 100 years, Australian unions have delegated authority to confederations, having 'shoe-string' budgets, to perform functions on behalf of organised labour collectively.\(^5^7\) As a result of this experience, unions understand that the sum is indeed greater than the addition of the parts; multiplier effects are produced when fractional amounts of money are collected by unions from their members to support services provided by a centralised confederation. Taken together, state subsidisation and the delegation of authority to a national confederation are a powerful and effective combination.

8.4 SUMMARY

8.4.1 The State And Collective Goods

The proximate sources of the ACTU's delegated authority are the federally registered unions with which it has agency agreements. Between 1945 and 1969 these unions increasingly used the ACTU's arbitration agency service to secure the interests of their members. This confirmed the ACTU as a central and probably indispensable actor in the federal arbitration system. It also served to underline the ACTU's symbiotic relationship with the state. A registered union's authority is derived from the state and indirectly, the state is the source of the authority delegated to the ACTU by registered unions. As discussed in
previous chapters, the ACTU has other sources of authority derived from its relationships with its affiliates. Unlike the ACTU's delegated authority, none of these sources of authority is so clearly derived from the state.

The derivation of its authority from the state has implications for the distribution of the collective goods won by the ACTU in the Arbitration Commission. Unlike the gains secured by the ACTU during collective bargaining on an industry-by-industry basis, improvements in wages and conditions decided on by the Commission cannot be confined to union members. Most cases taken to the Commission by the ACTU are national cases, the outcomes of which determine community standards. Thus the ACTU's legitimacy is based, not just on its own constituency, but on the wider community to which it also delivers collective goods. Through this mechanism, the state's subsidy to the authority of the ACTU is further augmented and extended.
Delivering the majority view in a key decision of the High Court, Fullagar J. said of the status of a federally registered union "... The Conciliation and Arbitration Act of the Commonwealth, under which it is registered as an 'organization', gives to it what I would not hesitate to call a corporate character - an independent existence as a legal person. It is given a personality, which is distinct from that of all or any of its members, and which continues to subsist unchanged notwithstanding the changes which are bound to occur from time to time in its membership ..." (Williams v. Hursey [1959], 103 C.L.R. 30 at 52, cited by Smith, 1981: 196).

2 ABL/Wright Papers, Secretary’s Report, Labor Council of New South Wales, December 1929, P120/443.

3 Tasmania was the other state to adopt the wages board system and it still exists in that state. In Victoria, the Industrial Relations Commission replaced the Wages Boards in November, 1981 (Hancock, 1985: 103).

4 The committee’s letterhead indicates that P.J. Clarey, who later became President of the ACTU, then a Victorian MLC and later still a federal MP, was the committee’s Secretary. E.J. Holloway, who was Secretary of the Melbourne Trades’ Hall Council from 1916 to 1929 and who was Minister for Labor and National Service from 1943 to 1949, was a member of the committee. Muriel Heagney, a prominent pre-war equal pay activist, was also a committee member. Albert Monk was employed by the committee and his salary of just under £175 was another major item of expenditure.


6 ABL/ACTU, Letter from the Secretary, of the Australasian Society of Engineers, Trades Hall Sydney, to Charles Crofts, Trades Hall Melbourne, dated January 12, 1923, N21/3.

7 See, ABL/ACTU, CCFU By-Laws, February 7, 1923, N21/6. The CCFU was recognised by the Government as the trade union authority in these matters. In mid-1926 a senior Sydney official of the AEU wrote to another Sydney union official that the CCFU "... is recognised by the Prime Minister and Government Departments as a representative authority for negotiations in the framing of legislation and administering of same ..." (ABL/ACTU, Letter from J.J. Scoffin to W.J. Healy, General Secretary, Australian Postal Assistants’ Union, dated June 2, 1926, N21/5).

8 The transfer was discussed at the first ACTU executive meeting which began on August 8, 1927. A delegation of CCFU
executive members was told that the CCFU "... could help to promote effective centralisation in nation-wide unionism and remove a possible cause of divided authority by handing over its work to the ACTU" (ABL/ACTU, ACTU Executive Minutes, N21/16).

9 On July 1, 1926, Crofts wrote to federal unions seeking authority to act for them in the 44-Hour-Week case. Crofts asked "... whether your union sanctions Mr. E.J. Holloway and myself appearing on behalf of your union" (ABL/ACTU, Letter from Secretary CCFU to the Federal Secretary of all Unions registered under the Commonwealth Arbitration Act, N21/5).

10 Bruce did an about-face during the 1929 election campaign, when he proposed that all industrial disputes, except those occurring in the maritime industry, should be handled by the state tribunals (Hagan, 1981: 56).

11 The Australian Constitution limits the Parliament's power to legislate in labour matters and, in particular, it theoretically prevents a federal tribunal from intervening in an industrial dispute unless it extends beyond the limits of one State. Bruce proposed to delete the words "extending beyond the limits of any one State" from the Constitution. This would have left federal tribunals free to intervene in any industrial dispute regardless of its inter-state character (ABL/ACTU, REFERENDUM PROPOSALS, ALTERATION OF FEDERAL CONSTITUTION, INFORMATION AND ADVICE TO UNIONISTS BY The Commonwealth Council Of Federated Unions, no date, N21/5). The FPLP issued a manifesto supporting a "Yes" vote on the changes to the Commonwealth's Industry and Commerce powers because it would give the Parliament similar powers to those advocated by the Fisher Labor Government and submitted to the people in a referendum in 1913 (ABL/ACTU, FEDERAL REFERENDUMS, CONSTITUTIONAL AMENDMENTS, MANIFESTO BY FEDERAL PARLIAMENTARY LABOR PARTY To The Workers Of Australia, undated, N21/6).

12 Crofts travelled to Sydney to address a conference of federal unions convened to discuss the issue but he was unable to persuade his Sydney colleagues. In New South Wales, the State Parliamentary Labor Party, the State Labor Party Executive and the Labor Council all supported the "No" case and actively campaigned for it. New South Wales Labor opposed the constitutional changes because, if carried, "... the powers of administration would be taken from Parliament and placed in the hands of a Tribunal appointed by the Capitalist Class" (ABL/ACTU, Minutes of Federal Unions Conference, Sydney Trades Hall, June 8 and 10, 1926, N21/5). New South Wales Labor feared that this would reduce the power of future ALP governments to legislate in industrial
matters. Crofts, the CCFU, the federal ALP and the Victorian State Labor Party either held no such fears or disregarded them and Crofts said so in speeches and letters. It seems likely that the split between Labor in the two largest states, partly at least, was about New South Wales opposition to the centralisation of federal political power in Victoria. For another view of this issue see Hagan (1981: 41-44).

13 The Angus, May 9, 1927.
14 According to d'Alpuget (1977: 180), at the time the Aboriginal stockmen's case was before the Arbitration Commission, most of these workers were paid about a quarter of the wages paid to white stockmen in the Northern Territory.
15 ABL/ARU, Letter from ARU Federal Secretary to ARU State Secretaries, quoting letter from President Monk, dated August 18, 1959, E197/8 [3132].
16 ACTU Congress Minutes, 1965: p.22.
17 In The Commonwealth v. Hornsby, "... the High Court by a majority held that a sudden cerebral thrombosis (stroke) causing immediate incapacity occurring whilst the worker was travelling to his place of employment was not an injury by accident within the meaning of the Commonwealth Act" (ABL/ACTU, Legal opinion attached to ACTU Circular 82/60, dated June 16, 1960, N21/341). The ACTU's legal advice was that the case should be taken to the Privy Council on appeal because it was of vital importance to all Commonwealth employees as "... this decision is not confined to 'travelling' cases, but goes to the root of enquiry into what is meant by 'injury by accident' itself". As Table 8.4 shows, unions contributed £4,271 to the ACTU to pay for this case.
18 ABL/ACTU, Letter to ACTU Secretary, dated July 11, 1969, N21/2013.
19 An ACTU application, in 1966, for leave to intervene was rejected by an Arbitration Commission bench consisting of President Kirby and Deputy Presidents Moore and Sweeney. On this occasion, the ACTU did not seek leave to intervene at the outset but did so at a late stage of the hearing and this appears to be the reason for the bench rejecting the ACTU's application (ABL/ACTU, Transcript Of Proceedings pp 317-342, Sydney, May 12, 1966, N21/1900).
21 ABL/ACTU, Awards Increased re 10 per cent Margins, as at June 7, 1963, N21/1407.

ABL/ACTU, Letter From R. Broadby to President Monk, dated November 16, 1951, N21/467.

ABL/ACTU, Conciliation And Arbitration Bill, 1972, Second Reading Speech by the Minister for Labour and National Service, The Hon. Phillip Lynch, M.P. undated, N21/1113. These changes to the Act, it should be noted, did not prevent the Commission from granting Equal Pay to the female work force in 1972 (see Chapter Six).


ABL/ACTU, Letter to Secretary Monk from P.J. Clarey, dated May 31, 1949, N21/398. Until 1960 at least, Clarey corresponded regularly with Secretary Souter on proposed industrial relations legislation as well as on specific amendments to the Conciliation and Arbitration Act. Senator Bishop, formerly a member of the ACTU executive, and Clyde Cameron were two other FPLP members who maintained correspondence with the ACTU, guarding the ACTU's interests while the FPLP was in opposition. Clyde Cameron was later Minister for Industrial Relations in the Whitlam Government.

ACTU access to the Chief Judge of the Arbitration Court was not always so readily available. After receiving an ACTU-CCFU deputation to discuss the 'flow-on' of the 44-Hour-Week decision made by the Court in 1926, Conciliation Commissioner Stewart undertook to see Chief Judge Detheridge. Subsequently, the Commissioner wrote to Secretary Crofts that he had been authorised to say that the union representations ...

contain inferences as to the meaning and effect of the decision of this Court... The Chief Judge desires me to say that those ... inferences are matters which should not be discussed by the Chief Judge otherwise than in proceedings in Court in the presence of the parties concerned (ABL/ACTU, Letter from Conciliation Commissioner Stewart, dated July 8, 1927, N21/6).

Despite the rebuff, the Commissioner was able to say that the Chief Judge intended to constitute a Full Court, in a few weeks time, to hear the unions' 44-Hour-Week claims.

ABL/ACTU, Letter From Sir Richard Kirby to President Monk, dated December 9, 1964, N21/1110.


Higgins, at his swearing in, said "The creation of the Arbitration Court was a testimony to the confidence of the people in the courts of Australia. By bringing economic disputes within the ambit and control of law, a new province was added to the realms of law — widening the area of light and making the bounds of darkness narrower" (quoted by Rickard, 1984: 171). Higgins, notes Rickard, thereby "... created the image of the new province for law and order which was to provide the title for his apologia".

Strikes dealt with in this way are sometimes more serious as they were on the waterfront in 1962 when Mr. Justice Ashburner was asked by the ACTU to convene a conference to consider the size of gangs to handle wool and other matters which were in dispute. Mr. Justice Ashburner agreed to proceed but made two conditions: first, that there be no further stoppages during the hearing and second, that whatever decision was reached, it would be accepted by the parties. The hearing was then adjourned to allow members of the Waterside Workers' Federation (WWF) to pass suitably worded resolutions at stop-work meetings called for the purpose. On returning to the Commission, the ACTU was able to report that the required assurances had been given by the waterside workers (ABL/ACTU, Decision of Mr. Justice Ashburner, Given August 16, 1962, ACTU Executive Sub-Committee Minutes, dated September 3, 1962, N21/278).

See the introduction to Chapter Three.

All these Cash Statements, with one exception, are to be found in ABL/ACTU files. Two statements covering the period 11/6/1943 to 18/8/1947 are in N21/72 and a further 11 statements for the period 19/8/1947 to 30/6/1959 are in file N21/691. The statement for 1/7/1959 to 30/6/1960 is in ABL/E197/8 [3132] (1951-1962) which is part of an Australian Railways' Union deposit. Three statements covering the period 1/7/1960 to 30/6/1963 are in N21/1008 and the statement for the next year (1/7/1963 to 30/6/1964) is in the ACTU deposit designated 298. The last five statements, covering the period 1/7/1964 to 30/6/1969, are in N21/1008.

ABL/ACTU, Circular Letter dated March 9, 1945, N21/42. The actual cost of the Female Minimum Rates case was £1,257 or about double the union's contributions. The balance was met from the ACTU's general funds. In 1968–1969, $1,625 was contributed by manufacturing unions to assist the Clothing Trades' Union meet the cost of presenting its case for equal margins (see bottom of Table 8.4). In 1953, the ACTU congress decided that equal pay should be sought through legislation (see Chapter Six).


ABL/ACTU, Circular 129/1946, dated December 11, 1946, N21/42.

ACTU Executive Report, 1953: 4. Available ACTU documents (as far as is known) do not record the actual amount paid by the AWU. However, most of the £2,160 would have been contributed by the AWU as it was by far the biggest union at this time. Furthermore a letter written by the AWU's General Secretary on May 28, 1954 indicates that he was about to send the ACTU a further cheque covering amounts still outstanding for the 1952–1953 Basic Wage and Hours Enquiry (ABL/ACTU, Letter from T. Dougherty to Secretary Broadby, dated May 28, 1954, N21/1865). This suggests that the AWU may have contributed more than £2,160 toward the cost of this case.

Correspondence between Secretary Souter and the General Secretary of the AWU shows that the AWU contributed $1,647 toward the cost of the 1966 Basic Wage and Margins cases (see 1966, Basic Wage, Margins and Aboriginal Stockmen, Table 8.4). ACTU costs in these two cases were $19,679 and this means that, once again, the AWU contributed nine per cent of the total. The AWU, however, did not contribute to the Aboriginal Stockmen's case (ABL/ACTU, Letter from Secretary Souter dated November 18, 1966 and Reply from T. Dougherty, dated November 18, 1966, N21/2168).

Year Book, No. 38, 1951.

According to ACTU rules, delegates are not admitted to congress if their union is in debt to the ACTU. This rule has not, however, always been applied to contributions owing to the ACTU's arbitration agency service. In 1959 President Monk wrote "So far as the Basic Wage Cases are concerned I will rule that these commitments do not fall strictly within the category of levies under Rule 9 ... (that must be paid prior to congress)" (ABL/ARU, Letter from ARU General Secretary to ARU State Secretaries, Citing President Monk, dated August 18, 1959, E/197/8 [3132] (1951-
1962)). Notwithstanding the ACTU's flexibility, affiliated unions do tend to 'settle' with the ACTU prior to each congress.

46 Retail Price Index Numbers for the period covered by the data were used to make these adjustments (Year Book, Australia, 1979: 111).

47 H.J. Souter took over as acting Secretary and he was elected to the Secretaryship at the 1957 Congress.

48 Unions were circularised on March 13, 1957 seeking their opinions on ACTU representation at Arbitration Commission hearings. One letter in reply stressed the value of lay advocates pointing out that for many years the New South Wales Labor Council had provided an arbitration agency service for its affiliates using lay advocates (ABL/ACTU, Letter from the Secretary of the Printing Industry Employees' Union of Australia to Acting Secretary Souter, dated April 4, 1957, N21/844). Another letter from J.P. Evans, who was a skilled lay advocate himself, simply recommended that "... a lawyer should be engaged on the staff of the ACTU to handle basic wage and similar cases on behalf of the unions generally" (ABL/ACTU, Letter from the Secretary of the Federated Engine Drivers and Firemen's Association of Australasia, to ACTU Secretary, dated June 20, 1957, N21/844).

49 ABL/ACTU Executive Minutes, November 28, 1957, N21/268.

50 The Australian, October 7, 1970.

51 Between 1956 and 1958, affiliated unions donated £16,008 toward the establishment costs of the Research Bureau. It was later decided to maintain the Bureau from the ACTU's general funds provided by affiliation fees and this is the reason for showing the actual costs in the table, rather than the contributions paid to meet those costs.

52 The Seamen's Union case was taken to the Commission by the ACTU as matters of principle were involved that affected the take home pay of seamen. Only this union was represented by the ACTU in this case (ACTU Executive Report, 1961: 7-8). Conflicting wage-fixing principles were an important issue during a Full Bench hearing of the GMH dispute taken to the Commission by the ACTU following a nation-wide strike in GMH factories in late 1964. Acting on behalf of the Vehicle Builders Employees' Federation (UBEF) and eight other unions, the ACTU claimed that GMH should pay a 'prosperity allowance' of $6 a week to settle the dispute. Notwithstanding compelling evidence of high productivity and substantial profits (substantiated by the testimony in the Commission of the U.S. United Auto Workers Union), the Full Bench flatly rejected the claim essentially because to grant it would be
a denial of the doctrine of comparative wage justice. To allow this claim, Commissioner Winter said, "... would be to incite industrial unrest, perhaps on a widespread scale" (The Adelaide Advertiser, September 13, 1966). Thus the Commission, in defending 'comparative wage justice', denied that 'capacity to pay' above the award wage minimum is also an important principle in wage-fixation. Effectively, the Commission's decision meant that the ACTU must engage in collective bargaining to satisfy claims of this kind (ACTU Executive Report, 1967: 16-19). The ACTU's role in collective bargaining is discussed in Chapter Seven.

53 Average male weekly earnings in 1969 were $70.40 (Year Book, 1979: 144).

54 Data on the timber workers' strike is from the ACTU Congress Report of 1930 (ABL/WWF, T41/4). In 1929, the weighted average nominal weekly rate for a full-week's work was slightly more than £5 per week (Official Year Book, 1930: 376).

55 The money was actually a loan but there is no evidence that it was ever paid back (ABL/ACTU, letter from E. Grayndler, AWU General Secretary to C. Crofts, dated May 27, 1929, N21/46).


57 Affiliation fees paid to the ACTU in 1929 were a mere £580, while the Melbourne TLC received £2,700 (see Figure 4.1). Divided into the amounts collected and distributed during the timber workers' strike, these 'service' fees indicate the multiplier effect of delegation to low-budget organisations.
CHAPTER NINE
EXTERNAL AUTHORITY

9.1 Introduction

A trade union confederation's external authority is contingent on the confederation's recognition by outside organisational actors. A confederation will compete with other trade union organisations, seeking exclusive recognition as 'the' voice of trade unionism. On the other hand, social democrat (or labour) parties, international trade union organisations, employers and national governments in particular attempt to stabilise their own environments by exchanging recognition for the control a confederation is able to exercise over affiliated unions and their members. Paradoxically, the need of an outside organisation for stability sometimes causes instability within a confederation by creating conflict between it and other union organisations that compete with it for recognition.

Recognition of one organisation's status may strain the relationship between a confederation and another significant outside actor. A serious dilemma is created, for example, when a confederation's relation's with a conservative government are seen to be prejudicial to the interests of the confederation's political party ally which is also the government's parliamentary opposition. Faced with protests from its political party ally a confederation is sometimes forced to withdraw from close contact
with the government to minimise embarrassment to the party and to guarantee future party support for the confederation.

In seeking recognition by outside actors, a confederation responds to an imperative which is a source of power in many other organisations. Bates argues that power obtained by one organisation over another outside its boundaries can indirectly "... add to the amount of power that exists inside the system" (1970: 268-269). This creates what Pfeffer (1977: 259) calls a "... mutuality of interest ..." between external and internal organisational actors. In some cases, external allies buttress claims by internal actors for a greater share of their own organisation's resources. Obligations are created that are met by paying off external allies with some action or performance they desire.

In this chapter, I argue that recognition contests between a confederation and its rivals usually have domestic origins even when the contest is fought on an international stage. I examine the ACTU's relations with conservative and labor governments and its associations with the ALP, international trade union bodies, and union competitors in Australia. Until it affiliated in 1967, the AWU contested the ACTU's recognition in each of these domains. This contest between the two major representatives of industrial labour in Australia, was sometimes extremely bitter. Affiliated unions from both extremes of the ideological spectrum have also contested the ACTU's right to recognition, especially from trade union bodies in other countries.
9.2 CONTESTS FOR RECOGNITION

9.2.1 Government Influence On The ACTU's Formation

According to Donn and Dunkley (1977: 404), the formation of the ACTU was the culminating point of 40 years of effort to establish a central trade union organisation. A similar view is taken by Hagan (1981) who cites the All Australian Trade Union Congress Report of 1926 which records that congress delegates determined "... to organise a central body which will be able to deal with all matters of industrial concern, which affect the welfare of the general body of workers ..." (cited in Hagan, 1981: 44). These sentiments undoubtedly were current in 1926; that is not disputed. However, it does not necessarily follow that the ACTU was established because of them.

Data discussed in earlier chapters, raise at least two pertinent questions. If the unions were determined to establish a central organisation in 1927, why were they not prepared to finance the ACTU adequately? Furthermore, if the unions lacked the funds to finance the ACTU, how is it that they raised such large sums of money to support the timber workers' strike in 1929? The organisational perspective consistently taken in this dissertation suggests that the ACTU was formed in 1927 to protect TLC prerogatives, which in 1926, were seriously threatened by an important outside organisational actor.

Three years after it was elected in 1923, the Nationalist Bruce-Page Government sought to stabilise the uncertain industrial
relations environment by creating a single federal industrial tribunal with jurisdiction over matters previously the prerogative of the States. To implement this eminently sensible reform, the Government had first to win approval from ‘the people’ for the requisite changes to the Australian Constitution. The creation of an inclusive federal union organisation, though not mandatory, would be highly desirable if a more authoritative system of arbitration were to be established by the Government. The question was how Prime Minister Bruce could most effectively use his influence to stimulate the formation of such an organisation.

A referendum held in August 1926 to ask ‘the people’ to endorse the proposed constitutional reforms, failed to gain the required majority. About the same time, the Prime Minister attempted to influence union representational structures by withdrawing recognition from organisations that until then had been consulted on the appointment of the ILO workers’ delegate. Based on Canadian experience, Kwaunik (1970: 59) argues that the fact that there can be only one workers’ delegate from each country, although the delegate may have a number of advisers, makes the right of consultation on the appointment of the ILO delegate one of the most important forms of recognition that government can bestow upon a labour organization.

Although Bruce’s motives for changing ILO delegate selection procedures cannot be documented, the following account is consistent with his 1926 industrial relations policy.
The Prime Minister had first to contend with the precedent set by the Hughes Government, in power when the ILO was established in 1919. Between 1919 and 1926, the five metropolitan TLCs in the eastern states and the ALP in Perth (which performed the functions of a TLC in Western Australia) were requested each year to submit the names of three candidates. From this list of 15 persons, the Government selected a single delegate to go to the ILO in Geneva. For the Government, this procedure had the great merit that it did not disturb the entrenched prerogatives of state-based union representational bodies.

To secure the changes it desired, a strategic choice was open to the Government: either it could recognise a single federal confederation or give its patronage to the AWU, the only large union organised on a federal basis with a unitary system of authority capable of expansion to include all union members in Australia. As shown below, both options appear to have been explored by the Government. Eventually the TLCs responded, establishing the ACTU in a way that protected their 'rights' while satisfying the Government’s need for a single, reasonably inclusive, federal union body. In 1926, the Bruce Government triggered this process and created a long-running public controversy by withdrawing the right of the TLCs to be consulted on the appointment of the ILO delegate.

Initially, the Government attempted to bestow recognition on the CCFU which was established in 1923 solely to deal with
arbitration matters.\textsuperscript{5} As indicated in the CCFU's 1926-1927 annual report, during

... the controversy between the Prime Minister and the Trades and Labor Councils with reference to the method of selection of the delegate for the 1926 Geneva Labor conference, the Prime Minister wrote to this Council inviting nominations for the selection of the Workers' delegate. This Council refused to consider the matter in any way and pointed out to the Prime Minister that he should recognise the Trades and Labor Councils ...\textsuperscript{6*}

The Prime Minister's attempts to rationalise ILO delegate selection procedures shocked CCFU Secretary, Charles Crofts, who remained loyal to his TLC colleagues.

TLC prerogatives were also threatened when the Government asked AWU General Secretary E. Grayndler to join an Industrial Commission to go to the U.S. under Government sponsorship. Grayndler's invitation was issued directly to him; the TLCs were not consulted. Linked to the ILO delegate controversy, this issue created bitter conflict between the AWU and the TLCs, seriously splitting the AWU as well.\textsuperscript{7} In a debate on the issue at the 1927 AWU Convention, the union's President, Senator Barnes, condemned Grayndler for not supporting the union movement "... in a very serious dispute between the Trades and Labor Councils and the Government".\textsuperscript{8*}

Faced by such a serious threat, TLC jurisdictional differences, based on state boundaries, had to be resolved so that a united front could be presented to the federal Government. The
initiative was taken by the Melbourne Trades Hall Council, the TLC with the most developed 'federal outlook' probably because it was located in the Victorian capital, where the federal Government had been situated until then. Letters of invitation were issued by Secretary Holloway to trade union officials inviting them to an All-Australian Trade Union Congress to commence on Tuesday, May 3, 1927 at the Melbourne Trades Hall.9*

Intent on forming an organisation to protect TLC prerogatives, the 1927 congress, as its first agenda item, considered "... That consideration be given to the question of setting up an Australian Council of Trades and Labor Councils ...".10* Congress rejected the suggested name, calling the new organisation the Australasian Council of Trade Unions.11 However, in the minds of its founders, and structurally, the new organisation was in fact an Australia-wide TLC. Charles Crofts, then Secretary of both the ACTU and CCFU, wrote to the Prime Minister one month after the 1927 congress, declaring

By direction, I desire to request on behalf of the Trades and Labor Councils of Australia and the Commonwealth Council of Federated Unions, that you receive a Deputation ...12*

The Government's interest in the formation of the ACTU is probably indicated by the promptness of its reply to this letter; it was despatched only three days later.13*

At its inaugural meeting in August 1927, the ACTU executive of ten TLC representatives and four union leaders, adopted well-worked-out procedures to ensure that in future the ACTU would coordinate the annual election of an ILO delegate by the six
metropolitan TLCs. These procedures were not changed until 1960 from which date the ACTU began selecting the actual delegate; advisers, who accompany the delegate, are still elected by the TLCs. It is clear that the ACTU was formed in 1927 to re-establish the TLCs eroded status. In turn, this development partly explains the domination of the ACTU by its state branches until 1957 (see Chapter Four).

In any country, international legitimacy carries status, especially in countries like Australia which are remote from their cultural origins. Trade union confederations are not exceptional in this respect but they have added reason to compete for international legitimacy. ILO recognition is bestowed by governments, and confederations believe it increases their influence on economic, social, and political decisions. Confederations, moreover, face heavy expenses if their leaders are to gain much needed international experience. Governments meet the cost of ILO representation, an added incentive. Above all else, confederations strive to be recognised as the organisation most representative of workers. Such a designation is bestowed on only one organisation; rivals cannot share the status it brings (Kwaunick, 1970).

9.2.2 The ALP - In And Out Of Government

Trade union confederations demand that governments recognise their claims as an interest group while at the same time their
leaders must be free to engage in partisan political activities (Kwanvick, 1970: 68-69). Political partisanship is problematic regardless of which government is in office. Relationships between trade union confederations and social democratic or labour parties, and governments formed by these parties, create particular tensions. A confederation will devise 'distancing' strategies to protect a social democratic or labour government from 'guilt by association' with union leaders who are respected by fellow unionists but may be regarded as political extremists by members of the voting public.

Confederations claim the right of representation on government agencies and participation in government functions where they believe organised labour has a legitimate interest. In Canada, for example, the CLC seeks representation at NATO conferences, on "... the Canada Council, the Board of Broadcast Governors, the Board of Transport Commissioners, and most royal commissions" (Kwanvick, 1970: 68). Frequently, a confederation's claim for consultation becomes a demand to appoint representatives of labour who will participate in government decision-making processes (Kwanvick, 1970: 69).

In 1945, ACTU President P.J. Clarey sought state branch backing for a protest against a Government decision which failed to acknowledge the ACTU's right to appoint representatives to sit on boards created by the Government to adjudicate on employment preferences for ex-service personnel. President Clarey wrote:

The ACTU has consistently opposed any policy of submitting a panel of names to the Government from which appointments to a
Why would a Labor Government not allow the ACTU to appoint representatives to sit on the Employment Preference Boards? The Chifley Government's fear of the electoral consequences of possible associations with communist union leaders probably explains its decision, at least partly. The ACTU was also acutely conscious of the potential cost to the Government of appointing communists to official boards and delegations. However, the ACTU's appointment policy was a two-edged sword: early in 1945, the executive invoked ACTU policy to prevent Ernest Thornton, a prominent communist union leader, from attaching himself to the Government Delegation, led by Dr Evatt, which represented Australia at the inaugural meeting of the United Nations held in San Francisco.

Thornton was overseas in 1945 attending the World Trade Union Congress when he urged the ACTU by cable to arrange for his attachment to the Government's United Nations Delegation. With the knowledge of ACTU President P.J. Clarey, Prime Minister Chifley appointed ALP President and ACTU executive member J.F. Walsh to the delegation. Chifley did not formally consult the ACTU, leaving it free to inform Walsh that he must not, on any account, claim to represent the ACTU while overseas. This did not prevent Walsh's departure with the delegation (nor was this intended), but it justified the ACTU's instruction to Thornton that he should not
associate himself with the delegation as it had been "... appointed without consulting (the) trade union movement".

When political party allies are not occupying the treasury benches, trade union confederations tend to show less restraint and to be more independent of both parliamentarians and the party. Confederations delineate their own 'territory of industrial interests', demanding that their allies not trespass. A social democratic or labour party, however, is not always free to grant exclusive recognition to a confederation because other union organisations may exercise considerable influence within the party. Conflicts over recognition are exacerbated when a high proportion of party funds is contributed by unions affiliated to the party, particularly by large unions like the AWU.

A high-level federal committee to facilitate consultation between parliamentary, party, and union leaders has existed in Australia since at least 1939 but it has had a chequered career. Originally called the Federal Advisory Committee and currently the Australian Labor Advisory Committee (ALAC), it was originally constituted by the two leaders of the FLP (Leader and Deputy Leader), the ALP (President and Secretary) and the ACTU (President and Secretary). As the current name implies, this body has an advisory function; it has no formal authority as it is constituted by leaders of autonomous organisations which sometimes act very independently indeed. This Committee, nevertheless, is a highly prestigious body. Consequently it has been a focal point of the contest for recognition between the ACTU and the AWU.
Dr. H.V. Evatt and Mr. P.J. Kenneally, Parliamentary Leader and ALP President respectively, were official guests at the 1951 AWU Convention. When Dr. Evatt was asked why the AWU, with 170,000 members, was not represented on the Federal Advisory Committee, he replied

... the matter must be decided by (the ALP) Conference, but he himself was in favour of representation by the AWU, as it could give such useful advice to the Parliamentary Labor Party and thereby give service to the nation.

Despite strenuous opposition from Victorian delegates Albert Monk and P.J. Clarey, the 1951 ALP Conference decided by 16 votes to 17 that the AWU should join the Federal Advisory Committee. In 1951, the AWU had a very strong influence within the ALP; 16 Conference delegates were either AWU officials or had formerly been officials in the big union.

Responding quickly but equivocally, the ACTU executive decided less than three weeks later to withdraw from the Federal Advisory Committee but "... it would confer with the Leaders of the Federal Labor Party whenever (this was) warranted ... ", The ACTU's attitude was that it could not accept "... the position that the AWU should have priority of consultation on matters affecting the industrial wing of the Labor movement". In August, President Monk agreed to confer with the ALP, Parliamentary leaders and de facto with the AWU, on securing a "No" vote in the forthcoming constitutional referendum to decide if the Communist Party would be proscribed. Notwithstanding the importance of this issue to the labour movement, the ACTU would
not participate in a meeting of the Federal Advisory Committee. However, the executive decided to confer with ALP and FPLP leaders and "... no objection would be raised if the A.W.U. representatives walked in during the conference".

To trade union confederations, sympathetic governments hold out "... more promise than the fulfillment of one particular claim, important though that claim might be" (Hartmann and Lau, 1980: 385). As a result, confederation demands for independence from government allies are muted because of the need to preserve the government's electoral support. Always seeking to increase their status, confederations insist on the formalisation of relations even with party and parliamentary allies. When rivals are accorded equal or superior status, a confederation is likely to terminate formal links but not informal ones. By not closing doors but leaving them ajar, confederations expect to profit from future calls for high-level formal consultation which will lead to recognition of their status as 'the' voice of industrial labour by parliamentary and party allies.

9.2.3. Cooperation And Conflict With The Coalition

According to Olson (1982: 48-50), an organisation's behaviour is largely determined by the aggregated interests it represents. He argues that because a craft union represents only the narrow interests of its members, it has little incentive to encourage efficient work practices that could increase a firm's
profitability. On the other hand, an organisation such as an industry union that is highly encompassing in relation to a particular industry, is constrained by this fact: its interests and those of its members are closely aligned with the economic well-being of the industry as a whole.

As trade union confederations become more inclusive, they increasingly encompass society-wide interests, rather than just workforce or union interests. Confederations cannot afford to be parochial: it is in their interest, for example, to co-operate with governments to secure collective goods, such as higher rates of economic growth stimulated by immigration programmes. This proposition, however, has a corollary that must be emphasised: as a condition of their agreement to immigration programmes, especially large-scale ones, confederations will insist that their constituents are protected. Accordingly, confederations will claim from government the right to influence the selection of migrants expected to enter the workforce.

For most of the post-war period, the absorption of skilled migrant labour into the workforce has been regulated by tripartite committees established under the Tradesmen’s Rights Regulation Act, 1946 (TRRA). According to Quinlan (1983: 375)

Central Trades Committees determined general standards for assessing the qualifications of foreign-born workers. At the state level, Local Trades Committees considered applications for trade status, issued certificates of recognition and policed preference provisions (covering apprentices).
When the Chifley Government was defeated in 1949, these and other administrative arrangements were maintained and extended by the incoming Coalition Government.

When the TRRA was amended in 1955, Harold Holt, then Minister For Immigration, said the Act was first introduced to allay fears of postwar unemployment following the dilution of skills made necessary by war-time emergency measures to increase production. The Act was then used to facilitate the assimilation of skilled migrants, particularly into the metal and electrical trades. The Minister went on to say that "... we have been able to get a high degree of cooperation among the Government, the employers' organisations and the trade unions concerned". In fact, the role played by the ACTU's officers in the immigration programme went well beyond cooperation: President Monk was co-opted to perform some of the functions of an ambassador-at-large combined with those of a senior public service administrator.

As Secretary and then President of the ACTU, Albert Monk went overseas at least 50 times spending a good proportion of his time on immigration matters. In 1948, he attended an International Migration Conference in Geneva and investigated the selection of displaced persons in Germany and Austria. The following year, he was the sole Workers' Representative on an ILO Migration Committee, on which 28 governments were represented. Secretary Broadby, in his capacity as a member of the Immigration Advisory Council (President Monk was also a member), visited European migrant selection centres in 1955, taking particular interest in the assessment of skill levels.
President Monk demanded the right to influence the appointment of technical advisers who selected migrants in Europe. In May 1955 he wrote to Secretary Broadby, then in Geneva, about a dispute with two senior public servants, one in the Department of Immigration and the other in Labour and National Service:

I have had my first real argument with Tassie (Hayes) since you have been away, over him not standing up to Harry Bland and accepting three appointees of the Department of Labour and National Service for Technical Advisers to (go to) Europe, without Bland having in any way consulted me on the issue.32

Correspondence from technical advisers show that these public servants were appointed on the recommendation of President Monk, who became patron to senior staff in London and other European capitals.33

At the height of the immigration programme, what Hagan calls the "... Holt-Monk axis ..." (1981: 319) developed and a two-way patronage relationship was established between ACTU officers and senior public servants including Bland (later Sir Henry), previously criticised by President Monk.34 Towards the end of 1954, Bland formalised previous discussions between Holt - now Minister of Labour - Bland himself and President Monk on the establishment of a tripartite Advisory Council to be chaired by the Minister.35 When it met in October of that year, Australia's first tripartite body formed to give the Government economic advice was called the Ministry of Labour Advisory Council (MLAC).
Opening the first meeting of the MLAC, the Minister clarified its objectives in these words:

There was a place in the structure of Government in Australia for an Advisory Body drawn from Management and Labour which could jointly examine with the Minister and the Department various problems of mutual concern which had an impact on the national economy.\(^*\)

Holt promised that "The Council would be regarded as a non-political body and none of its members' views or utterances would be used politically", least of all by the Minister himself.\(^*\) As discussed below, Holt was accused of breaking this undertaking a little more than three years later.

Confederation leaders who cooperate with conservative governments to secure collective goods for affiliates and their members, are sometimes recruited for other purposes. In 1956, before President Monk visited Indonesia at the Government's request, Bland wrote to him as follows:

(as) we have discussed with you, to all outward appearances your visit will be solely that of the leading Australian trade unionist ... making a fraternal call on colleagues in Indonesia ... we are anxious to have from your visit some better picture than we have at present of what is developing in the trade union field. As I have mentioned to you, we are rather worried about some trends which seem to suggest a progressive growth in the strength of the Communists.\(^*\)

Had the Government's interest in President Monk's visit to Indonesia been known in 1956, left wing unions would have been
extremely critical, possibly with serious consequences for the unity of the ACTU.39

A few months later, the high-point of the 'Holt-Monk axis' was reached when Holt formally recognised that the ACTU "... can speak with more authority than anyone else for the trade union movement".40* President Monk wrote to Holt in September 1956, complaining that Acting Prime Minister Fadden had refused to meet the ACTU to discuss social welfare issues but had discussed these matters with a delegation from the Victorian branches of the FCU and the FIR. President Monk wrote, "I think the Government, in common with ourselves, realises the importance of the Trade Union Movement speaking with one voice, and the Government itself not dealing with sectional interests".41*

Conscious of his debt to President Monk, Holt took action the following day. He wrote to all Cabinet Ministers, except Menzies and Fadden, to formalise prior Cabinet discussions granting exclusive Government access to the ACTU:

... I have discussed Mr. Monk's letter with our colleagues of the Cabinet and it has been decided that as a matter of general practice, members of individual Trade Unions affiliated with the A.C.T.U should be asked, whether making written requests for deputations or forwarding written representations, to submit these to the Government through the A.C.T.U.42*

Holt was undoubtedly persuaded by the proposition, contained in President Monk's letter, that since the NLAC had been established it was improper for the ACTU to be by-passed.
Sixteen months later, serious conflict with the Government occurred and allegations of communist influence were angrily made by Holt when the ACTU withdrew from the MLAC.\textsuperscript{43} When membership of the MLAC was discussed, 14 of the 16 ACTU executive members were present, including three of the four communist members. These three, plus five members closely identified with the ALP, supported withdrawal from the MLAC. Six ALP members (President Monk, the two vice-Presidents and three others), voted against withdrawal.\textsuperscript{44} It is difficult to believe that three communists could sway the votes of five ALP members, including Secretary Souter. Why then, did the ACTU withdraw from the MLAC in February 1958?

When shown a copy of the relevant executive minutes during an interview in 1982, Secretary Souter indicated that Holt had broken his own undertaking, given at the inaugural meeting of the MLAC, not to "... use members' views or utterances ... politically".\textsuperscript{45} Holt was accused of using information gained at MLAC meetings against Labor Members in Parliamentary debates. West Australian Joe Chamberlin (also federal President of the ALP) moved the MLAC withdrawal motion, claiming "... the Parliamentary Labor Party was embarrassed by the A.C.T.U.'s participation on (the) M.L.A.C.".\textsuperscript{46} This break in formal relations between the ACTU and the Coalition Government took a long time to repair; it was nine years before a new tripartite body was established.\textsuperscript{47}

Performing an intermediary role, confederations continuously balance
two contingent areas. Instead of acting as a straight forward representative of its constituents or as an accomplice in the top-level management of societal problems, the confederation seeks to promote consistency between these two sets of demands ... (Hartmann and Lau, 1980: 372).

Responding to the logic of this imperative, confederations claim and obtain, formal recognition from political 'adversaries'. Mutually beneficial alliances are formed - and broken - when confederations are whistled back to the fold by political 'allies'.

Hartmann and Lau argue that, because of their contingent relationship with political 'adversaries' and 'allies', confederations indulge in 'incrementalism', tiptoeing "... along a line of extrapolation from the past" (1980: 373). This finding is not entirely substantiated by the data presented above. On the contrary, there is evidence of confederation officers forging new relationships with both political 'adversaries' and political 'allies', for which there are no precedents. These data, and those to be presented in the next section, show that if its officers wish to extend a confederation's external authority, they must be prepared to take considerable risks.

9.2.4 International Conflict

Recognition contests are struggles for power which become more intense when the contest is fought in an international arena.
Even within national boundaries, recognition is a limited resource: it is likely to be less readily available to international actors. The less divisible the prize, the more intense the ensuing conflict (Hemingway, 1979: 17) so that when there is only one prize to be won, conflict follows almost with the certainty that night follows day. Conflict occurs at higher levels of intensity when one or more of the actors is labelled a social, religious or political deviant. Today's deviance, however, is likely to be tomorrow's norm, or if not the norm then to be accepted or at least tolerated (Box, 1975: 49). Recognition of China in the 1950s was considered deviant; today it is the norm.

Neither the ACTU nor the AWU was a stranger to power struggles with rivals and each took its contest for recognition into the international arena. In August 1950, the American Federation of Labor (AFL) cabled the ACTU and the AWU inviting representatives from each organisation to study the U.S. union movement as AFL guests for six weeks. Before leaving for the United States, AWU General Secretary Dougherty gave President Monk an undertaking "... that he would not use the invitation as a precedent in support of the policy of the A.U.U. of demanding representation at other International Labor Conferences".\textsuperscript{48}\* Despite this undertaking, the ACTU executive voted by nine votes to six against accepting the AFL's invitation.

In its cabled reply to the AFL's 'generous offer', the ACTU's dilemma is cryptically but clearly articulated in 'cable-ese':

For many years been contest between Australian Governments and our Council relative separate invitations extended
Australian Workers' Union for international labor conferences and national conferences. Considered that if your invitation accepted by us and AWU separately would act as precedent causing greater difficulties than now exist. AWU only large union not affiliated with us and no reason for their not affiliating ...49*

Some months later, the ACTU did send two representatives to the 1951 AFL Convention, one of whom was Secretary Broadby, but this was by no means the end of this matter.50*

In August 1951, the ACTU executive recommended to congress that the ACTU affiliate to the International Confederation of Free Trade Unions (ICFTU). Formed during a turbulent period of the cold war, the ICFTU's affiliates were aligned with the non-communist bloc and many of them, like the ACTU, had withdrawn from the World Federation of Trade Unions (WFTU), which by 1951 was communist controlled. Pending the ACTU congress decision, an initial application from the AWU for affiliation to the ICFTU was held in abeyance, as was the allocation of a seat reserved for Australia on the ICFTU's executive. ICFTU affiliation was agreed to by an ACTU congress vote of 236 votes to 132, the dissenters favouring re-affiliation with the WFTU. This majority decision also meant that remaining affiliated union links with the WFTU were to be terminated.51*

In a letter written from London a few weeks after the 1951 ACTU congress, President Monk indicated that he was prepared to risk the unity of the ACTU to secure the ICFTU affiliation. Prior to his departure from Australia, he issued a press release (partly
for European consumption) warning communist-led affiliates that they must sever their links with the UFTU in accordance with the congress decision. President Monk told Jim Healy, communist Secretary of the WWF, that he would insist on this, "... even if these unions wanted to cancel their affiliation with (the ACTU)". Healy replied "... this may split the show from top to bottom". President Monk countered that he "... was prepared to face up to this ...".53*

In London, President Monk talked for several hours with Sir Vincent Tewson, the TUC General Secretary, canvassing contingent issues including the ALP Conference decision of that year favouring the AUW and the ACTU's subsequent withdrawal from the Federal Advisory Council. Sir Vincent had already intervened on behalf of the ACTU by persuading the ICFTU, but only "... with the utmost difficulty ...", to adjourn consideration of the AUW's initial affiliation application until after the ACTU congress.54* Sir Vincent believed that the ICFTU would probably accept the affiliation of both the AUW and the ACTU. Precedents already existed as affiliation had been granted to three U.S organisations (the AFL, the CIO and the United Mineworkers of America) as well as to two organisations in India (the Indian National Trade Union Congress and the Hind Mazdoor Sabha). AUW General Secretary Dougherty, meanwhile, had gained support for his cause while in the U.S. and the AFL was expected to support the AUW's application for affiliation to the ICFTU.55

President Monk categorically rejected dual affiliation: "... if the ICFTU favour the affiliation of us and the AUW, we would
vacate the field ... there is too much at stake, and the consequences too much to swallow". Eight days after these words were penned in London, Sydney TLC Secretary, James Kenny obtained an assurance from Dougherty that a further application for ICFTU affiliation had not been lodged by the AWU. However, Dougherty "... would give no undertaking as to the future intention of the Union". Assurances given by Dougherty, particularly those made before he went to the U.S. in 1950, apparently were not honoured and this may explain the antipathy President Monk showed toward Dougherty in later years.

As well as lobbying the TUC's leadership, President Monk put the ACTU's claim to the ICFTU executive in Brussels and while at the ILO in Geneva, he expected to lobby ICFTU Secretary Oldenbroek. In mid-1952, the ICFTU finally accepted the ACTU's affiliation application: the decision was carried by 11 votes to three. In July 1952, ACTU executive member Norman Thom was the first Australian to sit on the ICFTU Executive Board, meeting in Berlin. Norman Thom argued against granting affiliation to the AWU; it was not granted then nor has it been since.

Conflict also focussed on the international arena in 1961 when right wing affiliates refused to pay a 'reciprocal visit levy' imposed by the ACTU executive to finance the visit to Australia of a Chinese trade union delegation. To be represented at congress, affiliates must be financial: all levies and fees must be paid in full. In 1961, sanctions were applied to 16 unfinancial unions, all of whom (including the FCU and the FIR) were excluded from congress. Prior to and during congress, the
ACTU was surrounded by controversy as Roman Catholic, Anglican and Methodist Church dignitaries, as well as other community and political leaders, passed judgement on the proposed visit to Australia of Chinese trade union leaders.61*

Why did the ACTU invite the Chinese delegation to visit Australia in 1961? It is necessary to go back to 1955 to explain the context of this highly controversial decision. At an ACTU executive meeting held in May that year, two communist executive members proposed that the ACTU "... call upon the Federal Government to recognise the Chinese Republic ...". A counter motion, "That the next business be proceeded with" was immediately proposed and passed by nine votes to five.62* In February 1956, the ACTU's counterpart in China invited a delegation of five to attend the May Day Celebrations that year and to tour China afterwards. Aware of a developing problem, President Monk indicated that two communist-led unions, the Building Workers' Industrial Union (BWIU) and the Miners' Federation, had invited Chinese union delegations to visit Australia. Despite President Monk's concern about affiliated unions usurping the ACTU's role, the executive decided against accepting the Chinese invitation, decisively rejecting it by 13 to votes to three.63*

As indicated by their consideration of a further invitation from China in March 1957, the executive's mood had by then changed substantially. When President Monk read to executive members an ICFTU decision opposing visits to communist countries, Joe Chamberlin observed that, as a TUC delegation had visited China, the ICFTU decision gave no practical guidance. James Kenny noted
that 13 unions had been invited to China, as well as the ACTU, and "... if the ACTU decided to go, then other organisations should not attend". Joe Chamberlin identified the central issue: if the ACTU did not accept

... other representatives would accept and unwittingly be accepted by the Chinese Congress as the official delegation of the trade union movement (emphasis added). 64*

Reversing the previous year's decision by exactly the same margin (13 votes to three), the executive decided that President Monk and five others should go to China at their hosts' expense, attending the 1957 May Day celebrations in Peking and touring China afterwards.

Late in 1959, President Monk defended the ACTU's decision to the ICFTU Executive Board in Brussels, saying we found

... that Communist China and the Central Council of Trade Unions (in USSR) were inviting delegates from a number of affiliated bodies ... So unsatisfactory did the position become, that our organisation said, 'We have got to put a stop to unofficial observers, and if there are to be any visits to China and to the USSR they should be a properly constituted delegation appointed by our national Trade Union Movement'. 65*

In short, the ACTU delegation went to China in 1957 so that the ACTU could more closely control its own left wing affiliates. This decision meant that the ACTU had to reciprocate by hosting a visit of Chinese trade union leaders to Australia in 1961.
Trade union confederations are not confined by national or regional boundaries. Their leaders form international coalitions, make bargains, and generate conflicts, sometimes taking their organisations dangerously close to damaging splits. For confederations, international activism is related to the need for domestic recognition, so closely related in fact that it is inseparable from it. Recognition is such an important imperative for confederations that it cannot be contained by ideological, political, or national boundaries. Toughness and political courage play a crucially important role: the part played by confederation leaders in recognition conflicts should not be underestimated.

9.2.5 Causally Textured Environments

Emery and Trist focus attention on "... processes through which parts of the environment become related to each other - i.e. its causal texture - the area of interdependencies that belong within the environment ... considered as a quasi-independent domain " (1965: 22-24). In turbulent field environments, the most complex type, "... dynamic properties arise not simply from the interaction of the component organizations, but also from the field itself". As Emery and Trist put it "The 'ground' is in motion" (1965: 26). Persistent uncertainty "... results from the complexity and multiple character of the causal interconnections"
in turbulent fields but stability is partially achieved through "... the emergence of values that have overriding significance for all members of the field " (Emery and Trist, 1965: 28 [emphasis in original]).

For Australian trade union leaders and their members, the right to organise is a fundamental value of the kind identified by Emery and Trist. In defense of the right to organise, unions will overlook long-standing ideological differences, the cause of past inter-union wrangles, in order to cooperate with former competitors regardless of their political allegiance. Less important organisational imperatives are also displaced by more fundamental ones when turbulent environments threaten the right of unions to organise. Neither the desire to preserve craft skills or to remain in grand isolation insulated by a mass membership from main-stream unionism, are viable alternatives when the right to organise is threatened.

By the 1960s, two large unions, one that questioned the value of its affiliation to the ACTU and one that was not affiliated, faced challenges over their right to organise. Beginning in 1961, the FCU was engaged in the biggest-ever Australian dispute over white-collar union organising rights. Furthermore, about two years later, the AWU was harrassed by ACTU affiliates who challenged AWU job-control and 'poached' AWU members. For both the FCU and the AWU, the right to organise was threatened. On the other hand, for the ACTU these problems presented opportunities to exchange mediation services for recognition of the confederation by the FCU and the AWU.
For some years prior to the 1961 congress, the FCU questioned the value of ACTU affiliation. Federal President John Maynes (an influential member of the National Civic Council) campaigned against the ACTU in The Clerk, the journal published by the Victorian Branch, under headlines such as "Union Must Examine ACTU Link" (July-August, 1957) and "Members Say: 'Look At ACTU Link'" (June, 1959). Maynes justified his calls for disaffiliation by proclaiming that the ACTU was dominated by communists. The more moderate federal Secretary, Joe Riordan, who nevertheless opposed the visit of the Chinese delegation to Australia, had his headquarters in Sydney.

In effect, Riordan himself had suggested a strategy for enticing the FCU back into the ACTU fold, two years before the rift over the Chinese visit came to a head. The FCU executive was about to consider disaffiliating when Riordan wrote urgently to President Monk asking:

... whether this Union is entitled to expect support from the ACTU in any drive for union membership which would involve the principle of the Union Shop in particular industries, establishments or plants.66*

Acutely aware of the implications, President Monk replied post-haste, saying the "... ACTU would be prepared to convene a conference or a number of conferences of interested organisations on this issue".67*

In mid-1962, the FCU was in great need of ACTU and affiliated union support in a dispute that d'Alpuget calls "... a fight to the death between the Ford company in Australia and the Clerks'
Union" (1977: 171). A series of stoppages occurred when the FCU claimed the right to recruit Ford's relatively small office staff and the dispute was not resolved despite a conference that met for 19 hours (stopping only for meal-breaks) convened by Arbitration Commission President, Sir Richard Kirby. As President Monk had promised in 1959, the ACTU convened a series of meetings at which the federal leaders of the UBEF, the union that organised most of Ford's workforce, and other unions pledged support for the FCU. By June 13, 1962, a total of 1100 workers (mostly UBEF members) were stood-down at assembly plants in Victoria and New South Wales. On this date, a meeting of unions convened by the ACTU condemned "... the Ford Motor Company for its discrimination against the Federated Clerks' Union, which can be described as not less than blatant anti-unionism".

Asked if the ACTU's support for the FCU during the Ford dispute was related in any way to the unpaid reciprocal visit levy, Secretary Souter replied,

Well, yes I think it could be fairly put in that context. It also displayed to them that ... if they were not within the movement there was no way they could get the rest of the trade unions to help them.

Len Townsend, the UBF's Federal Secretary said the ",... FCU could not have survived without us ...," and furthermore ",... Albert Monk's main aim at that stage was to make sure the Clerks came back into the ACTU".

Twenty years later, Joe Riordan denied that ACTU support during the Ford dispute influenced the FCU's decision to pay the
reciprocal visits levy. Reports published in the August 1962 issue of The Clerk, however, show that the FCU’s Victorian Branch probably had a different view. Headlines in bold print filled all the available space at the top of pages two and three (facing-pages) proclaiming:

"FORD MOTOR CO. DISPUTE" ---- "ASSURANCES ON RED VISITS"

On page two, the ACTU is given credit for helping resolve the Ford dispute while the following appears immediately under the headline on page three:

Unions which took objections on principle to the payment of the reciprocal visits levy now believe that assurances given by ACTU officers have satisfied these objections. It is now believed that favourable consideration will be given to payment of outstanding affiliations.

Readers of The Clerk, the FCU’s Victorian members, could be expected to conclude from these ‘cheek by jowl’ reports that affiliation with the ACTU was at last legitimate. Following payment of the levy two months later, the FCU and the other previously disaffected unions were re-admitted as full affiliates of the ACTU.

By the mid-1960s, the AWU was becoming increasingly isolated within the labour movement while, at the same time, the environment it faced was ever more complex and turbulent. At the culmination of a prolonged strike at Mount Isa in 1965, a Queensland Industrial Commissioner accused the AWU of collusion with the employer, Mount Isa Mines Ltd. Furthermore, Clyde
Cameron and Jim Cairns, two senior Labor Members of Parliament, publicly criticised the AWU’s handling of the strike. As a result, the AWU withdrew its financial support from the FPLP, causing damage to the ALP’s electoral image, underlining the AWU’s isolation and seriously eroding its influence within the Party.

Questioned about the ACTU’s attitude to the Mount Isa dispute, Secretary Souter said "... Tom (Dougherty) was very appreciative of our assistance ..." in that "... we kept out ..." and did not publicly criticise the AWU. After the strike, Tom Dougherty "... expressed willingness to talk with Albert (Monk)" and "... we had more serious discussions ..." about affiliation. By the mid-1960s, moreover, the ACTU regularly mediated in an industrial environment that each year became more Australia-wide in character. In September 1966, the AWU, which organises railway workers in some states, and the ARU, were invited by the ACTU to discuss a 1928 inter-union railway agreement, based on state boundaries. Change was imperative as construction had commenced on the uniform gauge railway from Western Australia to New South Wales. When the new line was completed in 1968, the rail network of the Commonwealth Railways was expected to become more extensive while some state rail authorities would provide fewer services.

So, expecting to gain jurisdictional protection from other unions, the 1967 AWU Convention made the historic decision to affiliate to the ACTU. The public record of this Convention however, shrouds the decision in rhetorical mystery. To understand why the AWU affiliated, it is necessary to examine the
1975 and 1983 Convention records. Some delegates to the 1975 Convention claimed the ACTU affiliation fee of $34,652 (1974) was "... money poured down the drain and wasted". At the 1983 Convention, AWU vice-President Ernie Ecob moved a resolution that disaffiliation be considered because the ACTU is supporting people who have brought untold cost and have breached the constitutional right of the AWU coverage on jobs, in that the ACTU is supporting the Builders Labourers' Federation ...

Carrying the day, AWU General Secretary Mitchell argued against splitting the trade union movement proclaiming, that if it disaffiliated from the ACTU, the AWU "... would be in the wilderness ... and we would have no say."

Just as other unions do, the AWU reacts pragmatically to the causal texture of its environment. Errol Hodder, later to become a member of the ACTU executive, said of the AWU's 1967 decision to affiliate with the ACTU, "The broad view was that it was seen to be an advantage for us to be there". The AWU did not disaffiliate in 1975, nor in 1983, because Convention delegates decided that this would not quieten the union's environment. Pragmatic decisions of this kind will probably ensure that the AWU remains affiliated to the ACTU.

To the ACTU's leaders, the AWU's non-affiliation was like a debilitating disease; until it was cured, the growth of the union movement would be stunted. As shown by the ACTU's cable to the AFL in 1950, Labor Governments sponsored the AWU. The reference in the
cable to a contest between Australian Governments and the ACTU over international invitations extended to the AWU, is to the Curtin and Chifley Labor Governments, not to the Menzies Government, which had then been in power for only eight months. Thus, the ALP was a primary target of the contest for recognition between the ACTU and the AWU, for it could not be known in 1950 that the FPLP would be in opposition for another 22 years. Five years before the Whitlam Labor Government was elected in 1972, the AWU's environment became increasingly turbulent, forcing it to seek a rapprochement with the ACTU. Thus, the AWU's affiliation was a major milestone, partly fulfilling the ACTU's ambition to be 'the' voice of the trade union movement which in fact the ACTU became when white-collar unions affiliated in the late 1970s.

Emery and Trist (1965: 20-29) argue that turbulent field environments "... demand some overall form of organization that is essentially different from the hierarchically structured forms to which we are accustomed". The stabilisation of turbulent environments requires the maximisation of cooperation where "... no one organization can take over the role of 'the other' and become paramount". Emery and Trist "... speak of this type of relationship as an organizational matrix" (1965: 29 [emphasis in original]). A confederation is an organisational matrix capable of stabilising its external environment. Thus, confederations are able to incorporate unions which, while they may have deep-seated differences, also have fundamental needs which impel them to cooperate with other unions.
9.3 SUMMARY

9.3.1 Towards National Unity

A confederation's external authority is contingent on recognition to such an extent that significant outside actors can manipulate a confederation by withholding or bestowing their recognition. In a political federation, governments can stimulate the process of trade union integration by withdrawing recognition from established state-level confederations, bestowing it instead on a newly formed national confederation. Because it is in their interest to do so, conservative governments contribute to the integration of the union movement by restricting the access of unions to the government. A government decision to deal only with the national trade union confederation is highly prized because it enables greater control to be exercised over affiliates.

On the other hand, a confederation which itself is driven by an imperative need to achieve national trade union integration, also seeks opportunities to manipulate its environment. The formal recognition of rival union bodies by cognate political parties will be contested by the confederation, while in the international arena, even the partial recognition of a rival's status will be vigorously opposed. In contests for recognition with other union organisations, an inclusive confederation has two important bargaining chips: its capacity to mobilise union movement support and its privileged access to significant external actors. These strategic advantages are exchanged for the agreement of a rival to
transfer from the confederation's external environment into its internal environment. By integrating into the national union movement in this fashion, a former external actor and rival contributes to the confederation's authority.

The drive toward national integration might make it appear that a confederation's authority is primarily based on a 'head count' of affiliated union members. If this is the case, then it follows that a confederation's authority and power originate from a simple aggregation process. This conclusion is wrong because it is based on the faulty assumption that trade union confederations are mega-unions, which clearly they are not. Affiliates contribute to a confederation's authority roughly in proportion to the use they make of its mediation services. In turn, the extent of the confederation's mediation services is determined partly by the recognition the confederation receives from significant external actors. A confederation representing a nationally integrated union movement has increased authority because its mediation role has expanded, not primarily because its affiliated union membership has increased through the integration process.
1. Affiliation fee payments from 1927 to 1957 are discussed in Chapter Four (see Figure 4.1). Financial support for the timber workers' strike is discussed in Chapter Eight (see Table 8.6).

2. The Industry and Commerce referendum is also discussed in Chapter Eight.

3. The referendum did not gain the required majority, 1,247,088 votes being cast in favour and 1,619,655 against (Official Year Book, No. 20, 1967).

4. The AWU attempted to obtain registration for a unitary federal organisation called the 'One Big Union' in May 1924. Led by officials of the Melbourne Trades Hall Council, a number of unions lodged objections with the Arbitration Court and the application for registration was rejected. Details are provided in a booklet called "O.B.U. Why It Failed" (ABL/Geelong Trades Hall Council, E94/23/14).

5. In 1926, 52 federal bodies were affiliated to the CCFU (ABL/ACTU, CCFU Secretary's Report For 1926-1927, N21/4).


8. The Australian Worker, February 2, 1927.


10. ABL/ACTU, Official Report of the All-Australian Trade Union Congress, May 3 to May 9, 1927, N21/44.

11. Delegates hoped New Zealand Unions would affiliate to the ACTU. The 1947 ACTU congress decided to replace Australasian with Australian (ABL/Seamen's Union, E183/22/1).


13. ABL/ACTU, letter from the Prime Minister's Private Secretary, to C. Crofts, June 23, 1927, N21/6.

14. As previously discussed, the ACTU directly coordinates the election of members of specialist ILO committees.

15. ABL/ACTU, letter to Secretaries of the State TLCs, dated October 24, 1945, N21/42.

16. The Government may also have called on the AWU to nominate representatives, consequently it had to choose between the nominees of two trade union bodies (see below).

17. ABL/ACTU, letter to ACTU Executive Members from Secretary Monk, dated March 22, 1945, N21/42.

18. ACTU Secretary Crofts provided details of the committee's structure in a letter to the Secretary of the Wiluna ALP in
Western Australia in a letter dated October 26, 1939 (ABL/ACTU, N21/46).

19 The Committee was reconstituted in 1958 and called the Commonwealth Labor Advisory Committee (CLAC). With the ACTU's agreement, an invitation was extended to the AWU to join the Committee but this was declined (ABL/ACTU, Official Minutes of CLAC, held June 29, 1958, N21/1120). AWU representatives attended the first and second meetings of CLAC in 1964 but, as far as known, did not attend further meetings (ABL/ACTU, Minutes of CLAC held on February 17 and August 14, 1964, N21/1117). Once it affiliated to the ACTU in 1967, there was no question of the AWU having separate representation on the Committee.

20 This visit was designed to build stronger links between the AWU and the ALP as Mr. Kenneally indicated in expressing gratitude for the AWU's donation of £1000 and other assistance given during the previous election.

21 The Australian Worker, February 14, 1951.

22 Albert Monk criticised the decision to the press because it entrenched the "... AWU's continued refusal to associate itself with other trade unions and the ACTU" (The Argus, March 3, 1951).

23 ABL/ACTU, letter from Secretary Broadby to the ALP Federal Secretary, dated March 22, 1951, N21/457.

24 ABL/ACTU, letter from Secretary Broadby to the ALP Federal Secretary, dated July 17, 1951, N21/457.

25 A special ACTU congress held in 1950 to consider Menzies Communist Party Dissolution Bill decided that "The suppression of any political party by legislative enactment or repressive administrative act is repugnant to the democratic instincts of freedom loving peoples" (ACTU Executive Report, September 3, 1951). This legislation was passed by Parliament but was found to be unconstitutional by the High Court in 1951. Menzies then sought approval from the people for a constitutional amendment that would allow the legislation to become law. Held on September 22, 1951, the referendum was lost (Year Book Australia, 1979: 48).

26 Held in Canberra on August 10, the conference was attended by three representatives from both the AWU (President H.O. Davis, Secretary T. Dougherty and Queensland Branch Secretary P. Boland) and the ACTU (President Monk, vice-President King and Secretary Broadby). An ACTU offer was accepted to mount a radio campaign costing £1,500 (ABL/ACTU, Minutes of Emergency Committee, August 14, 1951, N21/257).

In a report submitted to the Department of Immigration on his return, Secretary Broadby described the 'Work Book' in which Italian skilled workers were obliged to keep their employment record. By examining 'Work Books' with the aid of an interpreter, technical officers employed by the department could assess the skills of prospective migrants. Secretary Broadby made the point that delays in processing migrants by Committees in Australia "would merely drive a prospective migrant to one of the other eight missions at present functioning in Italy on behalf of other countries" (ABL/ACTU, Report by Secretary Broadby, August 16, 1955, N21/703).

Referring to Harold Holt, the Secretary of the Department of Labour (H.A. Bland) wrote in 1954 "On the immigration side, the Minister has found of the greatest assistance the advice he and his Department receives on policy formulation and administration from such bodies as the Immigration Advisory Council and the Immigration Planning Council. A special source of strength in the case of these bodies has been the standing of the individual members, and the fact that they have been able to devote continuing attention to migration problems over a period of years" (ABL/ACTU, letter from H.A. Bland, Secretary Department of Labour and National Service to President Monk, September 10, 1954, N21/807).

RBL/RCTU, letter written by Albert Monk from the ILO in Geneva to P.J. Clarey, January 26, 1949, N21/467.

ABL/ACTU, letter written by Albert Monk from the ILO in Geneva to P.J. Clarey, January 26, 1949, N21/467.

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For example, see letter from Peter Lawrence, who was the senior Technical Adviser in London, addressed 'Dear Albert' written on November 3, 1957 (ABL/ACTU, N21/809).

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For example, see letter from Peter Lawrence, who was the senior Technical Adviser in London, addressed 'Dear Albert' written on November 3, 1957 (ABL/ACTU, N21/809).
38 ABL/ACTU, letter addressed to President Monk, dated February 3, 1956, N21/794.
39 This was only a year after the very serious split that led to the formation of the Democratic Labor Party following allegations of communist influence, based in certain unions, within the ALP (see Murray, 1970 and Santamaria, 1981).
40 ABL/ACTU, letter to The Rt. Hon. H.E. Holt, Minister for Labour and National Service from President Monk, September 3, 1956, N21/794.
41 ABL/ACTU, letter to The Rt. Hon. H.E. Holt, Minister for Labour and National Service from President Monk, September 3, 1956, N21/794.
44 ABL/ACTU, ACTU Executive Minutes, February 19, 1958, N21/269.
45 ABL/ACTU, Note of the Initial Meeting of MLAC, October 25, 1954, N21/607.
46 ABL/ACTU, ACTU Executive Minutes, February 19, 1958, N21/269.
47 Called the National Labour Advisory Council, the ACTU agreed to participate at the May, 1967 executive meeting (ABL/ACTU, letter to Hon L.E. Bury, Minister for Labour and National Service, September 12, 1967, N21/1121).
48 ABL/ACTU, Minutes Of Interstate Executive Meeting, September 4, 1950, N21/250.
49 ABL/ACTU, Interstate Executive Decisions, Meeting Held September 4-8, 1950, N21/256.
50 ABL/ACTU, Circular to all affiliated union Secretaries and State Branches, May 2, 1951, N21/334.
51 ABL/ACTU, Minutes of 1951 ACTU Congress, N21/257.
52 Communist-led unions were members of trade departments of the WFTU. To comply with the congress decision, these links had to be severed.
53 ABL/ACTU, letter from President Monk written in London on November 8, 1951 to Secretary Broadby, N21/467.
54 ABL/ACTU, letter from President Monk written in London on November 8, 1951 to Secretary Broadby, N21/467.
In a letter to President Monk, Secretary Broadby wrote that his talks with Sir Vincent Teleson confirmed "... stories which I had heard whilst in New York that the AWU has sold themselves to the American Trade Union Movement as a body equal in status to ourselves" (ABL/ACTU, letter to President Monk, November 16, 1951, N21/467).

For many years, AWU General Secretary Dougherty publicly criticised the ACTU, usually in January prior to the AWU Convention. According to Harold Souter, "... Albert replied to him - he would never let an opportunity go". The animosity between the two men was such that President Monk "... was never slow in reacting to any of Tom's barbs". Harold Souter, nevertheless, did not know the origin of the bad feeling between the two men (Interview, December 2, 1982).


Len Townsend, who was interviewed on December 3, 1982, supplied me with a copy of the UBF executive minutes dated June 14, 1962 which record the views of executive members about the Ford dispute.

Joe Riordan, by then permanent head of the New South Wales Department of Industrial Relations, was interviewed in Sydney on
April 6, 1983. Riordan told me that the 16 unions objected to recognition being given to what they called 'bogus' organisations in 'dictatorship countries'. In their formal agreement, the ACTU and the 16 unions agreed that, when paid, the outstanding levies would not be used to support future visits by delegates representing such organisations. Rather, the money would be used to assist with the payment of expenses incurred by the ACTU in entertaining delegates to an Asian Regional ILO Conference to be held in Melbourne in 1962 (The Clerk, August 1962).

This article announced that Ford had entered into an undertaking that "... all new clerical employees would be required as a condition of employment to join the union and remain members". Credit was also given to Sir Richard Kirby who had conciliated during an all-night meeting between the parties on June 19-20. For an account Sir Richard's part in the Ford dispute, see d'Alpuget (1977).

See letter from J.M. Riordan to President Monk dated October 26, 1962 attached to executive minutes for October-November meeting, 1962 (ABL/ACTU, N21/278).

At the conclusion of the dispute, Mount Isa Mines refused to re-employ 45 members of the AWU. State Industrial Commissioner Taylor "... accused the A.W.U. of being not merely disinterested in whether the men got their jobs back, but violently opposed to their doing so" (The Courier Mail, August 6, 1965). The Courier Mail account continues, the Commissioner said: "There was obviously complete agreement, down to the last man, between the company and the union as to the merits of the application (for their re-employment)".

Clyde Cameron formed and originally led a grass-roots organisation within the AWU called the Committee for Membership Control (CMC). Pat Mackie, a strike leader at Mount Isa, was a CMC member and, in AWU eyes, associated with Cameron whose activities were greatly resented by Tom Dougherty and other AWU officials. In a press statement issued on March 18, 1965, Cameron denied he had given financial support to Mackie but claimed "... I still hold firmly to the view that Pat Mackie was rail-roaded out of his job because of his union activities ..." at Mount Isa (ABL/ACTU, N21/1170). See the The Advertiser, May 28, 1965 for an account of criticism of the AWU by Jim Cairns and Clyde Cameron.


Interview with Secretary Souter, December 2, 1982.
ABL/ACTU, letters from the ARU General Secretary to Secretary Souter, dated August 5, 1966 and from Secretary Souter to ARU General Secretary Dougherty, dated September 16, 1966, N21/1863.

Although held by the ABL, the ARU's records were closed to researchers until 1985.

During an unrecorded interview (February 7, 1983), ARU General Secretary Mitchell suggested I examine the public records of the 1975 and 1983 ARU Convention debates to find out why the big union affiliated in 1967.

The Australian Worker, February 28, 1975.

The Australian Worker, February 25, 1983.
CHAPTER TEN
EXECUTIVE AUTHORITY

10.1 Introduction

Strikes in the 1890s marked a serious clash about fundamental issues between capital and labour: capital claimed the right to freedom of contract, labour vigorously defended the closed shop (Turner, 1976: 41-42). According to Turner, the first round of strikes was caused by a comparatively trivial issue: the right of a union to confer authority on a centralised confederation. This case study of the genesis of authority in trade union confederations suggests that far from being trivial, the issue was of crucial importance. Ships' officers on coastal vessels proposed affiliating their union to the Melbourne Trades Hall Council. The ship-owners forbade them to do so; the ships' officers then called on other unions not to handle wool shorn by non-union labour. The ship-owners' denial of the ships' officers' right to affiliate to the Trades Hall Council merged with the freedom of contract issue to cause the Maritime Strike, which began in August 1890.

Soundly beaten in the 1890 strikes, organised labour realised that fundamental changes were needed to match the strength of capital. The crucible of these strikes produced what Hagan (1981) has called Labourism. Four principles of Labourism identified by Hagan are relevant to the present discussion: (1) labour seeks an accommodation with capital, (2) labour accepts state intervention in the bargaining process, (3) labour is determined to form and
support political parties with a mass working class base and (4) labour is committed to forming strong unions backed by inclusive central bodies to counter organised capital. These four principles of Labourism plus two supplementary principles identified by this case study, have played a significant role in the integration of organised labour at the national level. Moreover, the future of the ACTU-ALP Accord also lies with these principles of Labourism.

10.2 NATIONAL INTEGRATION

10.2.1 The Principles Of Labourism

Labourism's most basic principle is that organised labour is prepared to seek an accommodation with capitalism. This does not mean that organised labour will be subservient; it has not been so in the past and will probably not be in the future. What it does mean, however, is that organised labour rather than capital will be prepared to establish intermediary organisations. The first intermediary organisations were established in the colonies, well before the state intervened in a determined way between capital and labour. Although the union movement required a 'shove' from the state before it established a national intermediary organisation (Chapter Nine), it should not be forgotten that the ACTU was based on an organisational structure of a type that was established and proven well before Federation. As this case study
shoils, the ACTU is an organisational vehicle for the transit of
concessions exchanged between capital and labour.

According to Gollan, after the defeats of the 1890 strikes, labour increasingly saw the state
as an instrument for the legislative and judicial control of economic relationships. Before 1890 trade unionists ... did not favour the judicial settlement of industrial disputes. Defeat in the strikes of 1890-1 brought about a sharp change in their attitude. By 1895 it had become an article of faith of the political labour parties and acceptable to the majority of trade union leaders that the state should act as an arbitrator between employers and employees (1976: 183).

Well aware of the restrictions it would place on its own freedom to act collectively, organised labour, nevertheless, believed that legal arbitration was preferable to prolonged confrontation of the sort that had occurred in the 1890s (Spence, 1909: 487).

Spence graphically records another principle of labourism that developed after these strikes.

The effect of the maritime strike was to galvanise into life the hitherto latent idea that voting power carried with it not only the choice of the Parliamentary representative, but also the work he was expected to do when sent to the Legislature ... Labor set about becoming a new force and a new party in political life (Spence, 1909: 220-221).

In elections held immediately following the strike, Labor Parties in New South Wales, Queensland, Victoria and South Australia nominated candidates for the first time (Murphy, 1975: 4).
The vision shared by the adherents of Labourism is that strong union organisations are a necessity if the working class is to obtain a just and equitable share of political and economic power in Australia. The desire for exclusive recognition from government is also an expression of the imperative need to create a strong centralised union organisation. Indeed, a confederation that obtains exclusive recognition also has the opportunity to become highly inclusive. When it comes to recognition contests, the vision of industrial labour is not necessarily clouded by its loyalty to Party and Parliamentary organisations. In fact, these contests are likely to be fought more keenly when opponents have strong Party links (Chapter Nine).

Recognition conflicts between the ACTU and the AWU should be seen as part of a contest between adherents of Labourism. Each side favoured national integration of the union movement and both strongly supported the ALP and arbitration. The aspirations of the ACTU and the AWU were incompatible because there could only be one winner to the contest. Ultimately the AWU affiliated to the ACTU because it was able to do so while sustaining only a marginal threat to its organisational integrity. If integration had been achieved through absorption of the ACTU by the AWU, every single ACTU affiliate would have lost its organisational integrity. The OBU would have been an accomplished fact.

A fifth principle of Labourism which has emerged very clearly in this case study is this: union leaders who are adherents of Labourism place a higher value on organisations which provide benefits to their members than they do on their own ideological
commitments. In 1955, allegations of communist influence in some state branches seriously split the ALP (Muray, 1970), yet the ACTU remained intact. A litmus test of the fifth principle of Labourism is provided by the right wing FIR, then the ACTU's second largest affiliate. Why did the FIR, which had withdrawn its affiliation from the Victorian Branch of the ALP, remain affiliated to the ACTU although at that time it had two communists on its executive?

As discussed in Chapter Seven, the ACTU transforms its horizontal structure, formed by occupationally based unions, into vertical components. This enables the ACTU to bargain on an industry by industry basis. As the second largest metal union in 1955, the FIR would have attended about 30 ACTU meetings that year. Because union leaders of all ideological persuasions are ultimately responsible to their members, the FIR, and other right wing unions as well, had no other choice open to them. To gain the benefits of industry bargaining for their members, they had to live with ACTU affiliates who subscribed to left wing ideologies.

Because Labourism has such strong pragmatic roots, its adherents are capable of accepting quite radical change, providing organisational integrity is maintained. From 1927 to 1957, officials representing the 'traditional' TLCs (Chapter Four) defended the ACTU executive structure founded on the 'right' of the long-established state branches to dominate the ACTU. Based on proprietary rights claimed by small craft unions, the log-jam was eventually broken by big unions who claimed executive seats because they provided most of the ACTU's funds. The sixth
principle of Labourism is both pragmatic and powerful. 'He who pays the piper calls the tune' was first identified in Chapter Four as an imperative of labour organisations. The principle of 'who pays' was the motive force behind the adoption of the 'Industry Group' electoral college system by the Sydney TLC in 1927. Furthermore, 'who pays' was again the motive force for the transformation of the ACTU from a state dominated to a federal organisation, beginning in 1957.

10.2.2 Mussolini's Ghost And The ALP-ACTU Accord

Because the authority of the ACTU executive is the central issue in this case study, this dissertation has continually been addressing questions of relevance to the ALP-ACTU Accord, which is the basis of a close relationship between the ACTU and the Hawke Labor Government. The key question is this: does the ACTU have sufficient authority to maintain the Accord? Before addressing this question, the issue of corporatism is discussed. Critics of the Accord sometimes see it as a symbol of the corporate state; some go so far as to associate the Accord with fascism. As is evident below, I believe these fears if indeed they are genuine fears rather than attempts to score political points, are not justified.

John Howard, Leader of the Parliamentary Opposition, claims that Australia is now a corporatist state; he has promised in press interviews that when the Coalition is returned to power,
corporatism will be totally rejected. After an interview with Howard, one reporter wrote

... the fact is that certain obvious similarities stand out between the current economic and organisational policies of both the European Community and Australia, and those introduced by the late lamented Signore Benito Mussolini ... Australia's centralised wage-fixing system would have met with the fascists' approval while the Hawke Government's policy of seeking major decisions through successive Summits takes us close to Mussolini's ideal.

When leaders of the Business Council of Australia met with Howard and other leaders of the 'shadow' front bench early in February 1986, they took exception to the Liberal Party's charge that Australia is now a corporatist state. The question is, why would big business take this view?

Corporatism has historical roots that can be traced back to medieval economies but the term took on pejorative connotations, losing its analytical value, when it became associated with Fascist Italy in the 1920s. Fascism

... is sometimes seen as a system of domination by big business, meaning particularly the armament manufacturers and the providers of autarkic necessities for war, who were able to control (for their own profit) regimes bent on military conquest. In this view, corporatism is only an extreme or exceptional form of capitalism (Winkler, 1976: 101).

The association between corporatism and fascism, is sufficient reason for the attitude of big business toward the Liberal Party's
pronouncements. The Business Council of Australia, however, has other reasons for objecting to present Liberal Party policies.

As discussed in Chapter Eight, a social market economy has been developing in Australia for at least 60 years, if not longer. Harold Holt, the Liberal Minister for Labour in the Menzies Coalition Government, recognised this in 1954 by pioneering Australia's first attempt at tripartite economic planning, through the MLAC (Chapter Nine). The Business Council of Australia knows that with 55 per cent of the work force currently unionised, analogies with the more market orientated system of bargaining in the U.S. are probably ill-conceived and the Council put this view strongly to John Howard at their meeting referred to earlier in this section.6

Moreover, it should not be forgotten that one of the manifestations of the Australian social market economy is that the state subsidises the bargaining process for both capital and labour (Chapter Eight). For capital, the cash value of the subsidy may not be of paramount importance but the fact that labour has used the subsidy to establish and develop a highly authoritative central body, the ACTU, is crucially important. Compared with labour in the 1980s, capital is poorly organised. Several organisations, including the Business Council of Australia and the Confederation of Australian Industry, compete for affiliates and recognition from the Government.7 Because its has not developed a highly inclusive confederation, capital relies on the arbitration systems to provide bargaining infrastructure, even more than does labour. Lacking an inclusive confederation to bargain directly
with labour at the national level, the Business Council of Australia has only one option: it must support the centralised wage-fixing system.

Current Australian debate about corporatism aside, there is now a large body of literature on the subject that deserves attention. Since Schmitter (1976) published "Still the Century of Corporatism?", a school of so-called neo-corporatist writers has developed, mainly in Europe but also in Britain and the U.S. Challenging pluralist assumptions that all groups in society have more or less equal access to power, neo-corporatists focus attention on the "... modes in which conflicting interests are organized, represented and mediated in advanced societies ..." (Korpi, 1983: 9). Instead of being independent, organised labour is seen to be incorporated into the state. Accordingly, union leaders are regarded as state functionaries whose primary role is not to represent their members, but to control them in the interest of the state and capitalist employers (Korpi, 1983:10).

In Britain, the corporatist debate has centred on trade union involvement in incomes policies, instituted by both Labour and Conservative governments. Thomson (1979: 37) calls this 'bargained corporatism' because "... the state is seen not as coercive, but as a bargaining agent." In concluding his paper, Thomson hints at a possible reason for the burgeoning interest of British social scientists in corporatism. He argues "... that what is happening is merely a reconstruction of collective bargaining ..." at higher levels (1979: 53). Mayhew (1981: 34), confirms that this is what
the corporatist debate is about; it focusses attention on the "... new role of super-bargaining ..." in Britain.

In Australia, super-bargaining and state intervention in the economy are not new: the state has adjudicated between capital and labour in a highly centralised way for 80 years. The acceptance of state intervention, as previously noted, has its roots in Labourism. Furthermore, the ALP-CTU Accord, (which is an incomes policy), is also deeply rooted in Labourism. By 1986, the Accord would probably have become just a scrap of paper had the ACTU not been a highly inclusive confederation (Chapter Four). The building of such a highly inclusive confederation, has owed much to Albert Monk, Harold Souter and Rees D. Williams, the white-collar union leader who determined in the 1950s to "... collect white-collar unionists in a barrow, take them to Lygon Street (then the location of the ACTU) and to tip them out into the ACTU ...".

Since 1927, ALP-CTU-TLC leaders have been linked so closely that their relationship must be described as symbiotic (Chapter Five). There have been continuing links forged between the ALP, the ACTU and the TLCs by men like E.J. Holloway, the ACTU Secretary for the duration of the 1927 congress, Secretary of the Melbourne Trades Hall Council and later a Minister in the Scullin and Curtin Governments. The fact that Prime Minister Hawke and Minister of Employment and Industrial Relations, Ralph Willis, are both ex-ACTU officials is obviously important; they are the inheritors of the ALP-CTU-TLC network, first established in 1927.

ACTU officers have the authority to maintain the Accord in part because they are elected by the 'Congressional' electoral
Every ACTU President, and each ACTU Secretary, who has gained office in the last 60 years has reflected the political views of the very large constituency represented by the 'Congressional' electoral college. At the top of the ACTU's status hierarchy, the ACTU President and the Secretary represent the centre of the ALP political spectrum. Most union members who are asked to restrain their natural desire to gain a higher share of the economic cake, vote 'straight ALP'. So does Simon Crean; so does Bill Kelty, and they are trusted by union members because of it. The contribution made by this tradition of trust invested in the ACTU President and Secretary contributes a great deal to the authority of these two key actors.

Because it seeks to stimulate economic growth, the Accord represents an extension to the traditional accommodation between labour and capital in Australia. Furthermore, the Accord relies on labour's commitment to arbitration: the Conciliation and Arbitration Commission still plays a major role by sharing the national economic cake. Additionally, the Accord is a bipartite, not a tripartite arrangement: organised capital is not an Accord partner. Finally, the Accord relies heavily on the strength and authority of the ACTU for its continued success. The Accord embodies Hagan's four principles of Labourism plus the two supplementary principles identified by this case study. This set of principles has been home grown in Australia. None were derived from fascist Italy of the 1920s.
In Chapter Nine I argued that matrix organisations are designed to maximise inter-organisational cooperation (Emery and Trist, 1965: 29). Matrix organisations are characterised by bold horizontal and diagonal lines of authority superimposed on lines of functional authority, running vertically from the top of the organisation down to the bottom (Kast and Rosenzweig, 1970: 197). Using this form of organisation to manage its programmes, the National Aeronautical and Space Agency (NASA) integrates global networks consisting of military organisations, U.S. Government agencies, Australian Government departments, and a large number of private contractors employing scientists, engineers, technicians and other skilled workers, in the U.S., Australia and Spain (to name only three countries). In addition, terrestrial and extra-terrestrial communications are supplied to NASA by public utilities all over the world, while university laboratories, including some in the ANU, support NASA with research facilities. The NASA matrix organisation, in which I worked for seven years, is probably the most inclusive peace-time organisation ever constructed.

In the global organisational network described above, as in the ACTU, another matrix organisation, key roles are played by mediators. In the NASA network, the key mediators are the project managers and their assistants. Tracking station network managers, for example, mediate between end-users of tracking data located in Washington and Houston, and suppliers of tracking data located in
other countries, like Australia. As a result, NASA's network managers mediate between organisations under the control of sovereign states who sometimes jealously guard their autonomy from being infringed by NASA. As is the case with the ACTU, the authority of NASA's mediators is certainly not based on rank or position in a vertical hierarchy. All mediators in matrix organisations develop authority in the process of bargaining.

The model developed in Chapters Two and Three of this dissertation emphasises the role of mediators and their bargaining skills. For example, the model highlights the functional roles played by mediators during collective bargaining and arbitration agency work. While it stresses the mediator's role, the model does not neglect the roles of the other parties to mediation. Although geared to the ACTU, this systemic approach to the analysis of sources of authority means that the model has much wider applicability, as indeed a theoretical model should. Applied to the TUC, for example, the model would show that the TUC is not as authoritative as the ACTU simply because the TUC seldom bargains on behalf of its affiliates. Used to analyse authority relations within NASA's network, the model would identify organisations in which vertical authority is stressed to the point that crisis management, which relies on quick decisions, is seriously impaired.9

As the following examples illustrate, the model is capable of identifying sources of authority that otherwise would escape notice. (1) In Chapter Seven, the consideration of collegial relations as a source of authority, showed that more than 80 per
cent of the ACTU's affiliated members are organised by only 30 unions. Not only are these large unions the ACTU's main financial backers, they are also a major source of the ACTU's collegial authority. (2) The investigation of conceded authority (Chapter Six), another source of authority featured by the model, shows that the national MEDIBANK strike in 1976 was called primarily to restore the authority of the ACTU executive over affiliated unions, not to change the Government's MEDIBANK policy. (3) In Chapter Nine, questions suggested by the model about the significance of external authority, led to the conclusion that the Bruce Government's withdrawal of recognition from the six metropolitan TLCs in 1926 was the proximate reason for the formation of the ACTU in 1927.

This case study shows that the ACTU, built by the inheritors of traditions established during the great conflicts between capital and labour in the 1890s, now has such authority that, organisationally, it is probably more than a match for the inheritors of the capital accumulated during the strikes of the 1890s. This is not because the ACTU is a giant hierarchy with organic ties to each of its affiliates and its members. On the contrary, the ACTU executive is endowed by affiliated unions with a subtle mix of conferred, delegated, collegial and conceded authority. It is also furnished with external authority by significant outside actors. Executive members, moreover, add the weight of their competent and personal authority. Last, but by no means least, the President and the Secretary, who constantly articulate policy on behalf of the ACTU, head a status hierarchy
and, as a result, have a greater measure of elected authority than other executive members.

As has been consistently argued in this dissertation, a trade union confederation's authority is principally derived from the roles performed by its executive. Authority is aggregated by the executive, particularly by its full-time officers, roughly in proportion to the extent of the mediation activity performed by the executive. Authority in other matrix organisations is also derived from mediation. Accordingly, this case study, supports the thesis that, in matrix organisations, authority is largely contingent on the bargaining skills of mediators located at the interfaces between organisational actors.
Murphy (1975: 4) argues that the 1890s strikes led to the establishment of Labor Parties in New South Wales and South Australia. The payment of salaries to MPs from 1890 (except in Western Australia), seems to have stimulated the foundation of Labor Parties in other colonies.

In 1957, the FIA attended 44 meetings of the 71 meetings convened by the ACTU. As 50 meetings were convened in 1955, the FIA probably attended about 30 meetings.

In an interview with Michelle Grattan (The Age, September 9, 1985), Howard is quoted as saying "... Generally speaking there will be a total rejection of the corporatist collectivist approach that the (Hawke Labor) Government takes ...". Although the words here are probably those of John Hallows (The Canberra Times, November 11, 1985), the article which covers about two thirds of a page, makes it clear that Hallows is echoing John Howard's point of view. Howard is quoted as saying, for example, "... I mean I don't make allegations of denial of basic political rights, I can't do that and I won't do that. But the corporatism and the idea of reaching deals with representatives of the different constellations of power in the community - I understand the comparisons being drawn (presumably with fascism). The common market, of course is very inward looking and very corporate." I have heard Howard voicing similar views on the electronic media. See also the report a meeting between Howard and big business representatives, documented below.

This article is by Gregory Haywood, The Financial Review, February 5, 1986. Not a paper usually given to emotionalism, The Financial Review, published this story under the caption "Business leaders roast Howard" and the meeting was described as heated. From this and other reports of the meeting it can be concluded that the caption accurately describes the tenor of the criticism levelled at both Howard and his front bench by the leaders of big business in Australia.


In another article in The Financial Review (February 6, 1986), Gregory Haywood, had this to say: "Key business groups yesterday launched into public bickering over wages policy. It emerged that exploratory meetings are taking place among some important industry groups designed to establish a new peak business council representing small to medium-sized companies ... Highlighting the tensions in the business community over the wages question and the constant jockeying for position between various representative groups, the acting president of the Australian
Chamber of Commerce, Mr Andrew Hay, delivered a scathing attack on the BCA (Business Council of Australia).  

8 This is a reference to the conservativism of white-collar workers in the 1950s and 1960s. When ACSPA was formed in 1956, most white-collar workers joined associations, not unions. One of the tasks of leaders like Williams was to raise their consciousness as 'unionists'. Rees or Barney Williams as he was known, was appointed a Deputy President of the Conciliation and Arbitration Commission in 1973 (Interview, Bill Richardson, ACTU assistant Secretary, September 17, 1980).  

9 It is my belief also that the model could be used to examine the genesis of authority in employer associations such as the Business Council of Australia and the Confederation of Australian Industry. This opinion is not in accord with the views of two German neo-Marxists who have contributed to the literature on corporatism.  

According to Offe and Wiesenthal (1980), organised capital and organised labour respond to different logics of collective action. These authors argue that the powerful, "... are less likely (than organised labour) to be divided among themselves, have a clearer view of what they want to defend, and have larger resources for organized action ..." (1980: 73). Organised labour, on the other hand, derives strength from the commitment of union members to non-utilitarian values like solidarity and membership discipline. While both capital and labour have to generate in their members a 'willingness to pay', organised labour also has to generate in its members a 'willingness to act' (1980: 80).  

A 'willingness to act' by taking strike action flows from "... a notion of shared, collective identities and mutual obligations of solidarity" (Offe and Wiesenthal, 1980: 81). Solidarity is achieved relatively easily in small unions when members, who have a strong occupational identity, decide democratically to take collective action. As unions become larger, bureaucracy tends to displace democracy. As a result, Offe and Wiesenthal assert, "... we would expect union 'strength' to be related to union size by an inverse U-curve. In other words, unions are confronted with the dilemma that there is an optimum size beyond which union power decreases ..." (1980: 81).  

Thus "... unions are forced to maintain a precarious balance between size and collective identity ..." (1980: 82). Offe and Wiesenthal then claim that unions must substitute external guarantees of survival for those internal ones for which the union organization depends upon its
members. Consequently, the union will try to gain as much external support and institutional recognition as possible. (1980: 107 [emphasis in original]).

Offe and Wiesenthal's two propositions are simply not compatible: small unions seldom obtain recognition from governments or from employer associations that bargain on an industry basis. As this case study shows, even large regionally-based trade union confederations lose government recognition when a national confederation is established.
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