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# The formation of the Australian Council of Trade Unions : the role of Prime Minister Stanley Bruce

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A deposit, as all good scholars know, may refer to a 'layer of precipitated matter', a 'natural accumulation' or a 'thing stored or entrusted for safe keeping'.

Scholars who diligently search the deposit lodged by the ACTU in the Archives of Business and Labour, while they know that it is stored in the Noel Butlin Archives Centre for safe keeping, might be excused for believing that they are actually mining a 'layer of precipitated matter' or a 'natural accumulation', so extensive is the ACTU deposit.

These same scholars also know that their search in the below-ground Archives is not necessarily at an end if they cannot find in the ACTU deposit that vital data needed to finally justify their thesis. Scholars may still search deposits lodged by the Trades and Labour Councils (TLCs), the state branches of the ACTU, or those lodged by unions affiliated with the ACTU.

While mining these extensive deposits lodged in the NBAC, I came to the conclusion that the ACTU was formed in 1927 primarily to protect the prerogatives of the long established Trades and Labour Councils, then under threat by the Bruce-Page government.

TLCs were established in Sydney in 1871 and in the other eastern capitals by 1885 to represent unions and their members in each colony. Thus by the mid-1920s, the TLCs in Sydney, Melbourne and other eastern state capitals (there was no TLC in Perth) had been established for at least 40 years.

The initiatives taken by the government in 1926, if successful, would have created a national industrial relations institutional framework. These initiatives would also have seriously threatened the prerogatives of the state-based TLCs which responded by forming the ACTU, an organisation which they, the TLCs, rather than the ACTU's affiliated unions, were to dominate for the next 30 years.

My search for the origins of the ACTU began with balance sheets - mundane records of the early years of the ACTU scattered throughout the deposits lodged in the NBAC by the ACTU, the TLCs and affiliated unions. I compared union affiliation fees - an indicator of union support - paid on the one hand to the TLCs and to the ACTU, on the other.

Between 1927 and 1946, the affiliation fees paid to the ACTU by unions in all states of Australia were always less, and in most years very considerably less, than the affiliation fees paid by Victorian unions alone to the Melbourne Trades Hall Council.

It could be argued that the Great Depression cut union funds to such an extent that they could not afford to support both the TLCs and the ACTU. This argument, however, is not sustainable as there was no shortage of funds in 1929 when the unions in all states raised very large sums indeed to support striking timber workers.

Significantly, two state-based TLCs, rather than the ACTU, raised most of the money: the Melbourne Trades Hall Council raised £112,000 and the New South Wales Trades and Labour Council raised £122,000, whereas the ACTU raised less than £21,000 pounds to support the striking timber workers. This data clearly shows that the ACTU attracted less union support - a good deal less in fact - than the TLCs until at least 1940.

As previously indicated, between 1927 and 1957 the ACTU was dominated by its state branches, the TLCs located in state capitals. Each state branch appointed two representatives to sit on the ACTU executive whereas the ACTU Congress elected only four executive members: the President, two Vice Presidents and the Secretary.

State branch domination of the ACTU was further entrenched in 1930 by the All-Australian Trade Union Congress which resolved that all ACTU executive decisions, and indeed decisions of future ACTU Congresses, must be ratified by a majority of the state branches. These 'states-rights' rules were not finally abandoned until 1957 when six TLC representatives on the ACTU executive were displaced by six federal union leaders.

Since 1957, the ratio of union leaders to TLC representatives has increased and the ACTU executive is now numerically dominated by federal union leaders, not TLC representatives.

To return to the 1920s, three years after it was elected in 1923, the Bruce-Page government went to 'the people' with a constitutional referendum which, had it obtained the required majority, would have led to the creation of a single federal industrial tribunal with jurisdiction over matters previously the prerogative of the states.

Prime Minister Bruce knew that a new organisation, an inclusive national trade union confederation (as the ACTU now is) would be required to represent the unions in the new Arbitration Court. It appears, that about the same time as the referendum was held, the Prime Minister attempted to stimulate the formation of such a national trade union confederation by withdrawing recognition from the state-based TLCs, which until then had been consulted each year on the appointment of the single delegate to represent Australian workers at the International Labour Organisation (ILO) in Geneva.

Organisations, including labour organisations, jealously guard the recognition bestowed on them by governments. This is especially so when government recognition carries with it recognition in an international forum, such as the ILO. Thus David Kwavnick (1970:59) argues that:

"the fact that there can be only one workers' delegate from each country 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 organisation".

Although Bruce's motives for attempting to change the ILO delegate selection procedures have not been documented, what follows is consistent with his attempts in 1929 to create a single federal industrial relations system.

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 ILO candidates.

From this list of 10 union leaders, the government selected a single delegate to go to the ILO in Geneva. For the government, this otherwise clumsy procedure had the great merit that it did not disturb the entrenched prerogatives of state-based union oganisations.

To secure the changes it desired, a strategic choice was open to the government: either it could recognise a single federal trade union confederation or give its patronage to the Amalgamated Workers Union (AWU), the only large union in the 1920s that was 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 by establishing the ACTU in a way that protected their 'rights' while appearing to satisfy the government's need for a single, reasonably inclusive, federal union confederation. 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 Commonwealth Confederation of Federal Unions (CCFU), a federal union organisation established in 1923 solely to deal with arbitration matters.

As indicated in the CCFU's 1926-1927 annual report, during:

"the controversy between the Prime Minister and the Trades and Labour 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..."

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

TLC prerogatives were also threatened when the government in 1926 asked AWU General Secretary Ernest Grayndler to join an industrial commission to go to the US under its sponsorship.

Grayndler's invitation was issued directly to him: the TLCs were not consulted as they had been over such matters in the past. Linked to the ILO delegate controversy, this issue created bitter conflict between the AWEU and the TLCs, seriously splitting the AWU as well.

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'.

Faced by such a serious threat, TLC jurisdictional differences, based on state boundaries, had to be put aside 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 was also between 1901 and 1927.

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. It was this congress that resolved to form the ACTU.

Intent on forming an organisation to protect TLC prerogatives, as indeed were other TLC officials present at the 1927 congress, Jock Garden, the NSW Secretary, moved as the first agenda item:

"That consideration be given to the question of setting up an Australian Council of Trades and Labour Councils"

Congress rejected the suggested name, calling the new organisation the Australasian Council of Trade Unions (congress delegates apparently believed that New Zealand unions would also affiliate). However, in the minds of its founders, and structurally, the new organisation was in fact an Australia-wide Trades and Labour Council.

Charles Crofts, by then Secretary of both the ACTU and CCFU, left little doubt about his view of the new organisation's structure when he wrote to Prime Minister Bruce just 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..."

The government's interest in the formation of the ACTU is probably indicated by the promptness of its reply to this letter which was despatched to Crofts only three days later.

At its inaugural meeting in August 1927, the ACTU executive of ten TLC representatives and only four union leaders, adopted a well-planned and carefully constructed procedure to ensure that in future the ACTU executive, rather than the government, would coordinate the annual election of an ILO delegate by the six metropolitan TLCs. These procedures were not changed until 1960 from which year the ACTU itself began selecting the single ILO delegate. Advisers, who accompany the ILO delegate to Geneva, are still elected by the TLCs.

It is clear from the above account that the ACTU was formed in 1927, not primarily because of an evolutionary process begun by the labour leaders in the 1890s, but to restore and protect the recognition bestowed on the TLCs by the federal government of the day.

This is not to deny that TLC and union leaders saw value in establishing a new national body to represent the workers of Australia. It is, rather, to argue that the union movement in the 1920s was rooted in state-based organisations which sought to protect their prerogatives when they were challenged by the federal government.

How then, did the ACTU become a highly authoritative national organisation? That is another story which would take more space to tell than is available here.

On 9 May 1927, the day the first ACTU congress ended in Melbourne, Prime Minister Stanley Bruce had other things on his mind - he was, of course, a leading participant at the opening of the temporary Parliament House in Canberra.

On 9 May 1988, Prime Minister Robert J Hawke, long-time ACTU advocate and ACTU President, will play a leading role at the opening of the permanent Parliament House in Canberra. Prime Minister Hawke will probably pay homage to those parliamentarians, including Bruce, who left the comforts of Melbourne to establish the first federal parliament in the bush capital.

Perhaps Robert J Hawke may even reflect a little on the role played by Prime Minister Stanley Bruce in the formation of the ACTU, the organisation that placed Hawke himself on the road leading to the Prime Minister's Lodge.

This article is based in part on my unpublished PhD dissertation titled Sources of the ACTU's Authority:a case study \* (1986), where the archival sources are acknowledged in the appropriate way.

The quotation from David Kwavnick is from his paper titled "Pressure group demands and the struggle for organization status: the case of organized labour in Canada" in Canadian Journal of Political Science, Vol. 3, No.1, 1970.

\* This thesis is available at the Menzies Library, Australian National University in the RG Menzies Building. Library ref: HD 8846.5.P54