Socialists and the Labour Party

Meanwhile, the evils of the early stage of the industrial revolution had caused many people to adopt socialist beliefs. Socialism is a difficult concept to define, for there are many types of socialists. However, we can say in general that they all object to unrestrained private ownership of factories, land, mines, banks, railways, shipping lines, airlines and so on. Socialists believe that all these means of production and distribution should be publicly owned (for example, run by the government, or by the workers in each industry). At the least, they should be under a high degree of public control.

The world's most influential socialist writer, Karl Marx (1818–83), taught that capitalism would be overthrown and socialism achieved through a revolution of the working class. However, the most important socialist group in Britain, the Fabian Society, maintained that the lot of the working class could be improved by a process of gradual and peaceful change, brought about by the passing of laws. Most Fabians thought that, for this to be done, it would be necessary for socialists and the trade unions to have their own political party.

In 1900, representatives of trade unions and socialist groups met in London to form the Labour Representation Committee, which developed into the present Labour Party. In 1906, twenty-nine of its candidates were elected to the House of Commons.

Activity 13.3

- What reasons can you see for the fact that Karl Marx did not win many supporters in Britain?
- Modern Communism is based on the teachings of Marx. In what country did Communists first come to power by means of a revolution?

B Trade unions and industrial arbitration in Australia

The early growth of unionism

In Australia the development of unionism on a fairly large scale began in the 1850s, when labour was scarce because of the gold rushes, and workmen were able to bargain successfully for higher wages and shorter hours. Unions flourished first among skilled tradesmen, such as stonemasons, carpenters, and plasterers in the building industry. Wages were higher than they had been before the gold rushes — and very much higher than those in Britain — and unionists therefore tended to concentrate on gaining shorter hours. Their greatest
objective, the gaining of an eight-hour day (in a six-day working week), was often expressed in jingles such as:

Eight hours to work, eight hours to play,  
Eight hours to sleep, eight bob [shillings] a day.

The eight-hour day was gained by stonemasons in Sydney in 1853 and by several building unions in Melbourne three years later.

During the next few decades, many other unions were formed, most of them craft unions (that is, ones confined to workers in a particular craft or skilled trade). By the 1880s they had begun to co-operate with one another by forming Trades and Labour Councils in nearly every colony. They had also begun to hold Intercolonial Trades Union Congresses, to which delegates came from all over Australia.

Activity 13.4

- Skilled workers in Australian cities in the 1850s were in a very strong position to use group power to gain their aims. Why?
- What extra power would trade unionists gain by forming Trades and Labour Councils and intercolonial unions?

Two important intercolonial unions

Two large intercolonial unions (that is, ones with members in a number of colonies) were formed among miners and shearers. The

Figure 13.3 An Eight-Hour Day procession.
first was the Amalgamated Miners Association, which, after W.G. Spence became its secretary in 1882, recruited tens of thousands of members throughout Australia and New Zealand.

Then in 1886 Spence was asked to form a shearsers' union, and the Australian Shearers' Union came into existence. Its membership covered New South Wales, Victoria and South Australia; in Queensland there was a separate Queensland Shearers' Union.

At this time shearsers probably had the worst working conditions of all Australian employees. Their accommodation was described by W.G. Spence in these words:

Mostly it . . . consisted of long, draughty buildings without windows, the timber often being so open that you could put your arm through. Two and often three tiers of bunks, one above the other, would be ranged all round the walls of the narrow hut. The table at which the men ate their meals ran down the centre. The cooking was done in a huge fireplace at one end, with the oven at its side. When the cook wanted to grill chops he spread burning coals on the earthen floor in front of the fireplace and laid his gridiron — a frame about three feet square — on the coals, the smell of the burning fat filling the hut where the men had to dress and undress, eat and sleep, all in one room.

The bunks for sleeping in were made of rough boards, neither mattresses nor even straw had been provided . . . The floor of the hut was earth, frequently worn lower than the surface outside, thus being full of stagnant water when unused between shearing seasons.

Spence as a union organizer was naturally interested in the worst cases, but there is no doubt that the general level of shearsers' accommodation was very low. Then, too, the shearsers' rates of pay were fixed by the pastoralists, and the men often had to purchase goods at a station store where prices were higher than elsewhere.

The two shearsers' unions aimed at persuading or forcing the graziers to employ only union labour. Often shearsers unwilling to join the union were ducked in a creek to persuade them to change their minds, and non-unionist employees who refused to strike were sometimes kidnapped. To quote Spence once more:

Sometimes the men at work were non-unionists, who refused to make a stand, but worked on. On many occasions their hut was rushed at night, and they were taken away to a Union camp, where the employer would come next day and interview them. They generally assured him that they were in camp of their own free will, and intended to stay there until he gave them Union terms.

On the other side, the pastoralists claimed the right of 'freedom of contract', by which they meant that they should be free to bargain with each employee regarding wages and conditions, instead of being forced to deal with the union.
Activity 13.5

- What advantages would the graziers gain by preserving 'freedom of contract'?
- What disadvantages would the trade unionists suffer if the graziers succeeded in this aim?

The great strikes of the 'nineties

From 1890 to 1894 there occurred a series of strikes far greater than any in previous Australian history, involving seamen, ships' officers, miners, transport workers, shearers, and many other groups. At times the industrial scene resembled a battlefield. In September 1890 a clash between strikers and non-union wool-carters at Circular Quay, Sydney, ended with the reading of the Riot Act and a charge by mounted troopers. At Bulli, non-union coal-miners worked under the

*Figure 13.4* Police guarding non-union workers in Melbourne during the maritime strike, 1890. Why did the strikers resent the use of non-union labour? Why was there an abundance of non-union labour available at that time?
protection of artillery; in Central Queensland a thousand unionists in
camp at Barcaldine flew the blue flag of the Eureka Stockade miners,
while the government sent soldiers and police with artillery and Gatling
guns to keep order.

The strikes all ended in defeat for the unionists, who ran out of
funds and had to return to work on the employers’ terms. Many union
leaders were arrested on charges of riotous behaviour and sentenced to
prison. The unions suffered such a setback that it was many years
before they recovered their strength.

Labour turns to politics

For years some Australian unionists had argued, like the Fabians in
Britain, that improvements in working conditions could best be
achieved by the formation of a union-backed political party. The
defeats of the 1890s were the final factor in converting the majority of
unionists to this view. Finding themselves beaten in open conflict with
employers, they felt that they would have fared better if there had been
trade-union representatives to put their case in parliament. Bodies
called Labor Electoral Leagues were set up for this purpose, and after
a few years these combined to form the Australian Labor Party.

In 1891 Labor candidates won 34 seats in the New South Wales
Legislative Assembly, and by 1900 there were Labor representatives in
every colonial parliament. When the first Commonwealth Parliament
met in 1901 there were 24 Labor members in it.

Activity 13.6

• Study the cartoon in Figure 13.5. Whom do the two men represent?
  What is meant by saying that one must go back or let the other walk
  over him?

• On which side do the cartoonist’s sympathies lie? If he had
  sympathized with the other side, how might he have drawn the two
  men?

Regulation of working conditions

Laws to improve working conditions came much later in Australia than
in Britain, first because in the early days many workers were convicts,
and secondly because manufacturing and mining, where the worst
conditions occurred, were not as important as in Britain. As
manufacturing developed, however, the colonial governments began to
pass Factory Acts to limit hours of work and to protect the health and
safety of workers. The first of these, passed in Victoria in 1873, limited
hours of work for women to eight per day, and prescribed a minimum
of eight hundred cubic feet of air space for each person in a
factory.
The first arbitration and conciliation systems

In Australia, perhaps the most important way in which governments have intervened between employers and employees has been through the setting up of arbitration bodies.

State arbitration began in the 1890s, the period of the great strikes described earlier. Various statesmen in different colonies, appalled by the loss of production and the bitterness caused by these strikes, began to wonder whether employees and employers could be persuaded in future to settle their disputes peaceably, under government supervision. They believed, in the words of Mr Wise, Attorney-General of New South Wales in 1900, that 'the community as a whole is vitally interested in preventing industrial warfare'.

There was considerable difference of opinion as to the best method by which governments could preserve industrial peace. Some felt that there should be a special court to settle disputes. Others felt that since conciliation (getting the parties to agree) was preferable to arbitration (giving judgment between the parties), governments should concentrate on calling employers and employees together to discuss their differences.

New South Wales favoured the court system. The first Arbitration Court was set up there in 1892, but it had no power to make employers and employees put their disputes before it. However, in 1901 the system was made compulsory, the Court being given power to hear all disputes. While it was considering a case, a strike by the men or a lock-out by the employers was illegal, and could be punished by fines.

Meanwhile in Victoria the Factories and Workshops Act of 1896 had set up wages boards, each of which had an equal number of representatives of employers and employees under a neutral chairman appointed by the government, and had power to fix minimum wages for a particular industry. At first there were six boards, but the number was greatly increased in later years.

By 1910 every State of the Commonwealth had either wages boards or an arbitration court, or both.

Commonwealth arbitration

When the Federal Constitution was being drawn up, some delegates pointed out that in many industries (for example, shipping, shearing and mining) unions had been formed with members in all or most of the colonies. They argued that disputes in these industries could be handled only by the Commonwealth. Accordingly, Section 51 of the Constitution was made to include 'conciliation and arbitration of industrial disputes extending beyond the limits of any one State'. In 1904 a Commonwealth Arbitration Court was set up. Arbitration therefore became one of the fields where responsibility is divided between the Commonwealth and the States.
The Harvester Case

In 1907 H.V. McKay & Co., manufacturers of agricultural machinery at Sunshine, Victoria, applied to Mr Justice Higgins, the President of the Commonwealth Arbitration Court, for a declaration that the wages paid in their factory were 'fair and reasonable'. According to legislation passed the year before, such a declaration was needed if a manufacturer of agricultural implements wished to avoid excise tax on his products.

Mr Justice Higgins, faced with the problem of finding a system for deciding what wages could be considered fair and reasonable, examined the budgets of nine households whose breadwinners worked in the McKay factory. After seeing what these families spent on clothes, food, rent and other items, he declared that seven shillings a day or forty-two shillings a week (a full six-day week being then normal) was a 'fair and reasonable amount for a human being living in a civilised community'. This amount, he felt, was the minimum needed to support a family of about five persons at a reasonable standard of comfort. It was also reasonable taking into consideration what Australian employers in general paid their unskilled workmen. He therefore prescribed it as the minimum wage for unskilled labourers. He also prescribed higher wages — up to ten shillings a day — for various grades of skilled labour. In short, he set the principle that there should be a basic minimum wage, based on the cost of living, for unskilled labourers, with extra 'margins' for skill in the case of other workers.

Wage fixing today is done on a different set of principles from those of Mr Justice Higgins. For example, a 'total wage' is now set for each job, rather than a basic wage and a margin for skill; and factors such as the capacity of the national economy to afford wage increases are given more attention than the amount needed by a worker to keep his family in reasonable comfort. Nevertheless, the Harvester judgment was influential for a long time, and is regarded as a milestone in the history of industrial relations in Australia.

Exercises

Who or what are they?
Combination Acts, Lord Ashley (Earl of Shaftesbury), Tolpuddle Martyrs, George Loveless, Karl Marx, Fabian Society, W.G. Spence, Mr Justice Higgins.

Other words to explain or define
'Laisssez faire', socialism, arbitration, conciliation.

For discussion
1 What benefits do you think workers have gained through the activities of trade unions? How have these benefits been obtained?
2 It is often argued that, while trade unions have brought great benefits to their members, they now possess too much power. What is your opinion?

3 Do you think that it is good for one of our main political parties to be based on trade-union support? Give arguments for and against.

Things to do
1 If you see in the daily newspapers an account of a strike, note the cause, the unions involved, and the arguments used for and against the strike.

2 If you see a newspaper account of a decision of the Commonwealth Arbitration Commission, note down what the decision was, and the attitudes of the trade unions and employers towards it.

3 Construct a time-line, on one side of which are shown important events in the history of improved working conditions and of trade unions in Britain, and on the other, similar events in Australia.

4 Write an essay in which either workmen or employers, some from 1830 and some from the present day, compare notes.

5 Write two short speeches, dated 1825; one defending the Combination Acts, and the other opposing them.

Document study 13.1

Two accounts of an incident during the great strike of 1890

In 1890, when shears, wool-sorters and other groups were on strike, non-union labour was used to drive wagons of wool to Circular Quay, Sydney, and to unload them. Strikers and their sympathizers demonstrated in protest, and a force of police and special constables (civilians who had been enrolled to support the police) was present. Finally a magistrate read the Riot Act (ordering the crowd to disperse), following which the police charged and cleared the area around the Quay.

(a) An account, published 19 years later, by the trade union leader, W.G. Spence

On Friday, 19 September 1890, these valiant men, safely guarded by special constables and mounted police, paraded the streets of Sydney in a lengthy procession of teams loaded with bales of wool. When they reached Circular Quay there were 60 mounted police, 200 foot police and 200 special constables on the spot, selected for the hoped-for riot. Mr. Nugent W. Brown was waiting to read the Riot Act, and at a given signal he came forward and is alleged to have read it. It was not clear to listeners whether he was too drunk or too nervous to make understandable what he was going to read. He had no sooner collapsed, however, than there was a rush made by the police, and those who... were quietly looking on, were surprised at being suddenly hustled about and charged by the troopers. There was no riot nor semblance of one.

W.G. Spence, Australia's Awakening, Worker Trustees, Sydney, 1909
(b) A report by the ‘Sydney Morning Herald’ the following day

On turning from George-street to Market-street, the stone-throwing was renewed, and a couple of arrests made. A large piece of metal ... was hurled at one of the constables in charge of a prisoner, but ... hit one of the crowd on the head, knocking the man senseless ...

When the Quay was reached upwards of 10,000 persons were gathered together, composed of all classes of the community ... and waggon after waggon ... was received with loud cheers, unloaded, and the wool bales rolled into the store. But ... disturbances again arose, and missiles commenced to fly about. Trooper Sparks had his nose cut and his right cheek laid open ... and several others had lesser injuries. Inspector-General Fosbery, seeing that serious measures were necessary, had the mounted troopers, 36 in all, about 60 of the police and nearly 200 special constables, drawn up in line, and the Riot Act read by Mr. Nugent W. Brown. Immediately the function had been discharged, the order was given to troopers and police to clear the Quay ... The troopers charged in line, and the people went flying out of reach of the horses, tumbling over one another in their haste, so that within a few minutes the crowd ... was cleared off the Quay.

Sydney Morning Herald, 20 September 1890

Questions

1. What phrases does Spence use to
   (a) claim that the police wanted trouble to occur
   (b) give the reader an unfavourable impression of the magistrate, Mr Brown
   (c) give the impression that the police charge was unnecessary?

2. How does the account given by the newspaper reporter differ from that of Spence, especially with regard to
   (a) the number of police
   (b) the behaviour of the protesters, and the necessity for the police to disperse the crowd
   (c) the behaviour of the magistrate?

3. What motives could Spence have had, which might have made him give an account overfavourable to the unionists?

4. Could the reporter possibly have had motives for giving an account unfavourable to the unionists?

5. Which account do you think is probably nearer the truth? Why?