

TRADE UNIONISM – and the Future

The trade union movement wields tremendous power over the economic and industrial future of Australia. Will it use this power wisely? That will depend on whether it is willing and able to work for good relations between employer and worker and for greater production.

THE industrial prospect before Australia is largely governed by the future policy of the trade union movement. Today the trade unions occupy a position of commanding importance in the national life. They have grown to such authority, power and prestige that, while economic conditions remain as at present, it is doubtful whether any major advances can be made without their positive co-operation, or, at the least, their acquiescence.

Their central position in the Australian community is well illustrated by the remarkable amount of publicity given to their activities in the press. This publicity is not by any means entirely unmerited, for trade union leaders figure in negotiations of the utmost national magnitude, the outcome of which affects every man, woman and child in the community. It is not too much to say that, if they willed it so, the trade unions could, for a time at least, frustrate all attempts to bring about a satisfactory relationship between employers and employees—for the first loyalty of the worker is, rightly or wrongly, to his union.

CONTRIBUTION TO THE WAR

During the war, whilst the trade unions conceded many peace-time privileges, generally their powers and authority grew; whilst they made many sacrifices they continued to press for, and were able to gain, many concessions. By and large the trade union movement made a notable contribution to the war effort of Australia. Apart from one or two serious interruptions, industrial peace and continuity of production were well maintained. From 1940 to 1944 the average number of working days lost per year as a result of strikes and work stoppages amounted to 954,505. This was a great improvement on the 1914-18 war when the average yearly figure of working days lost was 1,720,000 Trade unionists did not

object to long and arduous hours of work despite the discouragements of wage-pegging and high taxation. And even if they revealed, while the battle was still raging, a rather intense preoccupation with the post-war world, this was not altogether unnatural.

GROWTH IN MEMBERSHIP

Since 1939 the membership of the unions has taken great strides forward. In 1945, 1,200,395 of the workers of Australia were members of unions. In 1939, trade union membership totalled only 915,470. 54.2 per cent. of all adult wage and salary earners were trade unionists in 1944, compared with 47.6 per cent. in 1939. Whilst the number of male members advanced solidly, the most striking addition to the membership of the unions was comprised of women. Only 32.8 per cent. of all adult women workers were members of unions in 1939, compared with 50.6 per cent. in 1944. The percentage of women in the total trade union membership in the same period rose from 15 per cent. to 22½ per cent. When all allowances are made for special war-time circumstances, there can be little doubt that the numerical strength of the unions expanded notably during the war. The largest increases in membership took place in the manufacturing and transport industries, in clerical occupations and in the public service. This expansion in membership was assisted by the fact that in certain government occupations, unionists received concessions not available to non-unionists.

ORGANISATION

The unions are very highly, and on the whole, well organised, both from the local and national aspect. In fact, from the standpoint of unity of action and rapidity of decision, employer bodies of a representative character have much to learn from the organisation evolved by the unions. The recent evidences of labour disunity, manifested in the conflicts between communist-led unions and the A.C.T.U. governing bodies, does not affect the general truth of this statement.

The superior effectiveness of trade union over employer organisation can be easily illustrated. When a nation-wide

conference between employers and unions was proposed by the I.P.A.—Victoria, in 1945, the controlling authorities of the Australasian Council of Trade Unions were able to state their agreement to participate within the space of a few days. By contrast, before any decision could be made to commit employer organisations, lengthy negotiations covering a period of many months were necessary; and even then unity of action was eventually unobtainable because of differences of opinion between the various representative bodies.

PUBLIC SUPPORT FOR UNION OBJECTIVES

The trade unions are extremely active and their activities are well and carefully planned. They are continuously on the offensive. They are unremitting in the pursuit of their objectives, and today they have the inestimable advantage of having, in the broad sense, the support and sympathy of public opinion in many of these objectives. Whether they will retain that support over the next few years is a question of outstanding significance to the industrial, social and political life of Australia. The answer rests with the unions themselves.

In recent months they have tended increasingly to disregard public opinion and to outrage the convenience and comfort of the community. This is a dangerous tendency—and more dangerous for the unions themselves than for the Australian people. If they pit themselves too often and too rashly against the community and continue to flout the powerful force of public opinion they will find in the end, and to their own cost, that the community is their master. That these outrages against the public interest have been initiated and perpetrated by the extremist element in the trade union movement does not prevent them from bringing discredit upon the movement as a whole.

INCREASED POWERS OF THE UNIONS

At the present time there are two factors, one political and one economic, which place even greater powers in the hands of the unions. First, in the Commonwealth and in four out of the six States, Labour Governments are in office. The political party from which these Governments are constituted is financed largely by trade union funds, its membership is

recruited from the trade unions, and its policy is influenced at every step by the trade union viewpoint. Second, in the economic field there is a condition of full employment—some would say over-full employment; there is a job for every man or woman who wants one. This places the unions in an extremely powerful bargaining position, and of this position they are fully conscious.

In the Australian political and industrial structure the trade unions thus wield immense powers—powers probably greater than those possessed by the unions in any other country. Outside of the Government itself the extent of these powers is unapproached by any other institution—and even the Government, as we well know, often dances to the tune played by the unions.

Is the trade union movement fit and ready to assume responsibilities commensurate with the vast powers which it now commands? This is a question—of prime importance to the whole community—to which the next few years will provide the answer.

RESPONSIBILITY FOR GOOD RELATIONS

The future progress of Australia—moral as well as material—depends above all upon two things which are inter-related: first, the friendly co-operation of employers and trade unions; second, an increase in the total national output of goods and services arising from greater efficiency throughout industry.

It is the custom of trade unions officials to place the entire responsibility for any improvement of industrial relations on the shoulders of employers. That the employers have an immense responsibility for this improvement no one will deny. That they have neglected in the past to do many things they should have done many employers would now be prepared to admit. There is, however, much concrete evidence of a changing attitude—factory amenities are being rapidly improved, pensions schemes, medical and dental services are being expanded, more study is being given to all those conditions affecting the well-being of the worker. But with all the intelligence and goodwill in the world on the part of employers,

industrial peace will remain a remote ideal unless the trade unions, to use a colloquialism, are prepared to "play ball." If the unions set their face against peace in industry, all the efforts that employers can and may make will be largely rendered abortive.

Let there be no mistake about this. If the employer holds the key to the industrial paradise, the trade union leader possesses the power to decide whether it shall be permitted to open the doors.

THE RIGHT DECISION

The right decision will not be an easy one for the unions to take. It has been said with much truth, that the trade union movement has a vested interest in industrial conflict. The union leader has an understandable, though entirely unfounded, fear that good relations between employer and employee will weaken the trade union movement and may ultimately bring about its extinction. This helps to explain the union opposition to such proposals as profit-sharing and payment by results which may assist to bring the employer and his workers closer together.

There was a time—a time of unjust inequality and harsh conditions of employment—when the fomenting of discontent and the incitement of the workers against employers may have served a purpose. At least no impartial student of industrial history will deny that without the assistance of the trade union movement and its organised agitation for better conditions, the lot of the worker would not have improved as rapidly as has been the case. But this time has gone. Nothing remains to be gained by the worker through the trade unions continuing the policy of arousing his hostility against his employer. In fact, the worker today is suffering acutely from the effects of this policy and will continue to suffer until the two sides to industry learn to recognise the identity of their interests and pull together in harmony.

Are the unions capable of the supreme act of industrial statesmanship which will be necessary if they are to work in the future sincerely and conscientiously for industrial peace

instead of industrial conflict? A fundamental change in the economic and industrial attitude of the trade union movement will have to be made.

ATTITUDE TO MAXIMUM PRODUCTION

Basically, union policy has been concerned with the division, rather than with the enlargement, of the national income. Methods to increase production have been, and are, repeatedly opposed because of the fear of unemployment and insecurity. In the past there may have been some reason behind the union attitude to production. The introduction of labour-saving machinery often did mean the loss of a job for those immediately affected by it, even though in the ultimate outcome it created more work than it destroyed. Great depressions, wrongly but not unnaturally, attributed to over-production, brought terrible distress and crushing poverty to millions of workers in the industrialised nations.

But the trade union attitude to production has been, and is under today's conditions especially, carried in practice to unnecessary and almost ludicrous lengths. The pernicious practice of restricting production on a quota basis to a point much below the normal output of an average worker inevitably leads to higher costs for food, clothing, houses, furniture, and other essentials entering into the budget of the working family. When there was plenty of cake to share up, there may have been good grounds for a policy aimed almost solely at gaining a larger share of the available cake; but from henceforward any substantial improvement in the standards of the wage-earner can be achieved only out of the proceeds of greater production. There is now little, if any, cake left to redistribute—and possibly only a few crumbs. If the worker now wishes to eat more cake he must help to bake more. That is the most important single fact of the post-war economic situation and no advances can be made unless it is given recognition in practical policy.

STATESMANSHIP ?

Whether full production will in fact become a first aim of economic policy in Australia depends on the statesmanship and

vision which the trade unions now display. If they remain rigidly tied to the old precepts and traditions—in other words, if they choose to be inflexible and reactionary (a word of which the workers are not very fond)—the standards of life of the wage-earner will be pegged down at a low level. Wage pegging can be lifted and money wages allowed to rise, but unless production rises with them, the real income of the worker will remain on the ground-floor level. On the other hand, as the “Economist” has stated: “If wages increases do not lead to any increases in labour costs—that is, if they are accompanied (or promptly followed) by a corresponding increase in manhour output—then most, if not quite all, the objections to them vanish.”

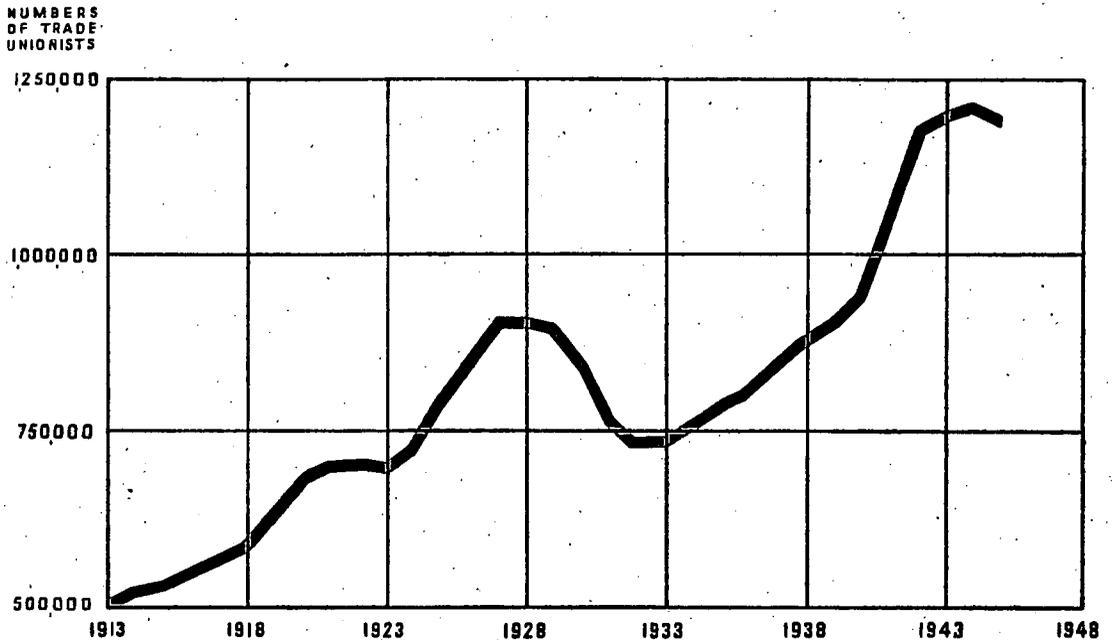
ABANDONMENT OF OBSTRUCTIONS

Radical changes in economic understanding and economic policy have taken place over the last few years. Whilst the possibility, and consequently the fear, of depression has not been entirely dispelled, full employment is the accepted aim of governments, whether of the left or the right, in practically all the democratic countries. Moreover, should the policy of full employment fail, a vast and tightly-meshed net of social security provisions has been constructed during the war, which will protect the unfortunate against the worst distresses that accompanied pre-war under-employment. Do not these changes largely remove the “raison d’etre” of the traditional union policy toward production? Do they not call for an overhaul of union practices and the abandonment of obstructions placed by the unions in the way of technical advance and the achievement of maximum productivity?

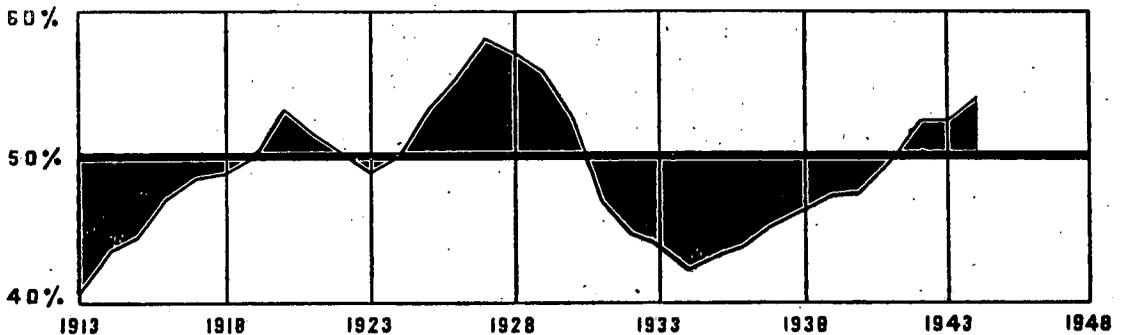
But these are questions which can only be answered by the unions themselves. Their willingness and capacity to answer them correctly will determine the usefulness of the trade unions in the post-war structure of society and the standards of life that their members will enjoy.



Growth of Trade Union Membership in Australia, 1913 to 1945



Trade Union Membership as a Percentage of Total Adult Wage and Salary Earners, 1913 to 1944



(Authority: Official Publications of the Commonwealth Bureau of Census and Statistics)

TRADE UNION STATISTICS

Percentage of Trade Union Membership in the Different States.

	N.S.W.	Vic.	Qld.	S.A.	W.A.	Tas.	Australia
	%	%	%	%	%	%	%
1944	41.9	25.9	15.8	8.6	5.6	2.2	100.0
1939	39.3	23.7	19.8	7.4	7.4	2.4	100.0

Trade Union Members as a Percentage of Total Adult Wage and Salary Earners in Each State.

	N.S.W.	Vic.	Qld.	S.A.	W.A.	Tas.	Australia
	%	%	%	%	%	%	%
1944	56.6	49.4	65.7	53.5	46.1	40.6	54.2
1939	46.6	40.5	66.8	42.3	53.0	39.3	47.6

Classification of Trade Unions According to Size of Membership.

Number of Members	10,000	5,000	1,000	500	100	under 100	Total
	and over	and 10,000	and 5,000	and 1,000	and 500		
	Number of Unions.						
1944	33	19	77	44	105	92	370
1939	27	14	84	52	110	93	380

Percentage of Total Trade Union Membership:

Number of Members	10,000	5,000	1,000	500	100	under 100	Total
	and over	and 10,000	and 5,000	and 1,000	and 500		
	%	%	%	%	%		
1944	70.3	9.9	14.8	2.7	2.0	0.3	100.0
1939	62.1	9.5	21.2	4.0	2.7	0.5	100.0

Percentage of Trade Union Membership in Different Industrial Groups.

Industrial Group:	1939	1944
	%	%
Manufacturing	38.4	43.2
Transport	16.9	14.9
Building	4.9	5.4
Mining	5.3	3.3
Pastoral, Agricultural, etc.	4.4	2.9
Public Service	9.8	10.1
Other Services—clerical, banking, domestic, distribution, etc.	20.3	20.2
	100.0	100.0

Source: Commonwealth Labour Reports Nos. 30, 34.