CHAPTER 1

Faction Wars

*The Role of the AWU*

Since its foundation in 1894 by an amalgamation of the Shearers’ Union with other mainly rural unions, the Australian Workers’ Union (AWU) had been the largest and most powerful union in New South Wales. The restructuring of the Labor Party from the original Labor Electoral League (LEL) to the Political Labor League (PLL) in 1895 was engineered by the AWU and designed to give that union a dominant voice in the party. The first modern faction in the NSW Labor Party was the construction by the AWU of the Industrial Section in 1915, featuring ‘Industrialists’ hostile to Premier Holman. Within a year or two it was itself dividing into internal factions (or fractions), resulting in the collapse of the Industrial Vigilance Council, as it then called itself, in 1919. The AWU continued in control of the machinery of the party – Executive and Conference – while the more radical ideologues left to form a new Socialist party or to join the Communist Party when it was founded in 1920. However, the hegemony of the AWU became very stormy under the leadership of John Bailey, bringing complete chaos to the party at all levels by 1923. Its reputation for corrupt internal party manipulations, as also its intemperate use of discipline to expel the parliamentary leader, James Dooley, early in 1923 helped to mobilise virtually all other forces within the labour movement to oppose it. In that year the parliamentary party had four different leaders – James Dooley until March, Greg McGirr (imposed on Caucus by the AWU-controlled Executive) for six weeks in March and April, WF Dunn (imposed by the Federal Executive) from April to July, and then, elected by Caucus in July, John Thomas Lang. One would think that the party could not long survive in such an environment, (but it won office two years later in 1925).

At the 1923 Annual Conference the AWU lost control of the numbers, allowing the election of a new Executive dominated by a group of trade union leaders with a base in the Labor Council. Part of the problem with this Labor Council faction was that almost the only thing providing unity was opposition to the return of the AWU, and the group very quickly developed a split between those who wanted to provide support for a Lang Government elected in 1925 and a more radical group of unionists – strongly permeated by Communists – promoting a reform agenda that no elected Labor Government could deliver. Communism had already become a central issue in Australian politics at both Commonwealth and
State level. Nationalist leaders such as George Fuller in the NSW election of 1922 and Stanley Bruce in the Federal election of 1925 exploited the issue to embarrass and defeat Labor. Not surprisingly, the factional alliance supporting Lang’s leadership of the parliamentary party was tagged by the Nationalists, along with the metropolitan and rural daily press, as the ‘Trades Hall Reds’.

Even a pattern of opposition between the AWU and its opponents was not consistent, as is documented in Volume 5 of this work. At the 1926 Conference there was an unlikely tactical alliance of Trades Hall militants and the AWU to unseat the more moderate leadership of Magrath and Tyrrell, although that coalition did not extend to the election of a new Executive, which was put together with the combined forces of the Magrath-Tyrrell group and the AWU to try to exclude the more militant Labor Council nominees. The result was the return of the AWU to an effectively majority position on the Executive, but without control of the presidency. The strategic stupidity of such alliances was driven home to the party in 1927 when the divided Executive led a split in the whole party by planning two competing Conferences intended for Easter and June. At the time of the Easter Conference the two Executives indulged in an orgy of expulsions and suspensions of their opponents. Federal intervention was needed to restore some sanity, or at least resolve the immediate split.

Meanwhile, in the parliamentary party, factional divisions were threatening to make Caucus completely unworkable. Lang was confronted from the beginning by a strong group of MPs loyal to the AWU and within a year of his election barely won a challenge to his leadership by one vote. At the heart of this group was a small band of rural MPs whose main concern was the influence of allegedly Communist trade union leaders on Lang. Leading figures were Peter Loughlin (Cootamundra), who nearly unseated Lang in a Caucus challenge in September 1926, Robert Gillies (Byron), Vernon Goodin (Murray) and William ‘Digger’ Dunn (Wammerawa). They were joined by city-based MPs like Tom Mutch (Botany), Edward McTiernan (Western Suburbs) and HV Evatt (Balmain), who distrusted Lang’s authoritarian style and his factional maneuverings. The November 1926 Conference protected Lang from a leadership challenge for the life of the Parliament, and the 1927 Easter Conference extended the ‘Lang dictatorship’ by effectively stripping Caucus of its right to dismiss the leader. (According to the new rules it would need a three-quarters majority, and Lang always had the basic numbers to prevent that.) To the dismay of the AWU the Unity Conference of 1927 confirmed the ‘Lang dictatorship’ indefinitely. It is highly unlikely that Lang could have survived a Caucus vote in 1926. Yet he continued as Leader until 1939– presiding over a divided party in which he was the main source of division.
**Lang’s faction**

Since Lang had come into Parliament in 1913 without a trade union or factional base, he knew that his chances of surviving as Leader after he was elected in 1923 were slim. To protect himself from the dominant AWU faction of John Bailey which supported other candidates such as Loughlin for the leadership, he turned for support to the main industrial enemies of the AWU in the Labor Council and outside. Albert Willis put together a coalition of such unions, under the leadership of his own Miners’ Federation.

Willis had split from the AWU-dominated Industrial Vigilance Council in 1919 over issues related to the One Big Union movement and the reluctance of the AWU to embrace a radical socialist agenda. He went on to take a leading role in the formation of an Industrial Socialist Labor Party that contested the 1920 NSW election against Labor, but resisted the trend of radicals to move to the Communist Party founded in 1920. Willis was never a Communist, although his union was militant and contained some Communists. He himself was a lay preacher, looking to the Gospels rather than to Marx to justify his socialist ideals; he founded the Christian Fellowship Council in 1923 to promote these values. He saw the Trades Hall Reds, led by Jock Garden, as untrustworthy allies. When he realized the advantages of supporting Lang as leader of the Parliamentary Party, he could usually rely on the strong support of fellow Miners’ Federation colleague, John Baddeley (MLA, Newcastle). He found other allies in the union movement who agreed with him about the AWU and the Communists. The main figures were from moderate unions with a strong membership in the city and suburbs: Edward Magrath was the secretary of the Printing Industry Employees’ Union which had always been at the centre of NSW Labor politics; Jim Tyrrell was a foundation member, president, and later secretary of the Federated Municipal and Shire Council Employees’ Union. Both men completely dominated their organizations and moved easily into executive positions in the Labor Party and to controlling the new Labor Daily newspaper that was crucial to Lang’s cause. They were both nominated to the Upper House in 1925, as part of Lang’s first attempt to get the Governor to appoint a Labor majority that could abolish the Legislative Council. Other unions who shared an interest in supporting Lang against left and right included important white-collar unions such as the Clerks’ Union (even though it had Communist leadership at the time) and more radical industrial unions like the Waterside Workers’ Federation. It was a makeshift coalition which found its main unity in supporting Lang against his enemies. In that aim it could rely upon rank and file support in many Conference issues even from members of the AWU and Communist groups, despite the hostility of the leadership of those two factions, and from factionally uncommitted members of local branches.
**Who were Trades Hall Reds?**

The power base for Lang’s factional support could be found in trade unions suspicious of the AWU and the Reds of the TLC, and in the propaganda vehicle of the Labor Daily. The Communist leadership in the Labor Council earned that group its name of ‘Trades Hall Reds’, and in the past Willis had been associated with people like Garden, with whom he had led the walkout from the Industrial Vigilance Council and the Labor Party in 1919. Lang’s faction may have had some members in ‘Trades Hall’, but was not ‘red’. There were, however, Communists both in the Labor Council and trying to infiltrate the Labor Party. In fact the main officers of Trades Hall from 1919 through the 1920s were Communists and fellow travellers - J Howie (Coopers), Jock Garden (Shipbuilders), A McPherson (Letter Carriers), JA Beasley (ETU) and W Gibb (Clothing Trades). However, these men – as much as they may have merited the tag of Trades Hall Reds – were not part of Lang’s factional support in this period. Moreover, the argument used against Lang, that he was a tool in the hands of the unions, while the unions were controlled by Communists, had very little foundation at that time. Largely because of its Communist domination, many NSW trade unions disaffiliated from the Labor Council so that by 1927, according to Raymond Markey (Appendix A 1.2), only 46 unions out of a total of more than 170 were affiliated to Trades Hall.

More importantly, the real Trades Hall Reds were a distinct threat, not a support, to Lang during the 1920s. In 1921 the Federal Executive of the ALP had sponsored an important ‘All Australian Trade Union Congress’, partly to support a socialist objective in the Labor Party, and partly to attract union support back to the party after the split of the radicals in 1919 to form the Socialist Party and then the Communist Party. One of its recommendations, binding on State branches of the ALP, was to readmit members who had walked out of the party or been expelled at that time. Subsequently men like Howie, Garden, McPherson, Beasley, Gibb, Rutherford, Kilburn (not to forget Willis himself) took their places at annual Conferences of the NSW ALP and most joined a recognizable faction to the left of the Willis/Lang supporters. At the 1924 Conference opposition from a radical ticket with a strong Communist flavour prompted the Willis Executive to ban Communists from being simultaneously members of the ALP. However, this was difficult to enforce and at the 1926 Conference the radicals were still organized and disruptive, helping the AWU to dislodge president Magrath and vice-president Tyrrell (both Lang supporters) from their Executive positions. The ban on Communists was reaffirmed at the 1927 Easter Conference, controlled by Lang supporters, and reinforced by the Unity Conference later in 1927. This did not convince Lang’s enemies; when Jock Garden gained acceptance in the party by renouncing membership of the
Communist Party that he had helped to found, it was taken as a sign that Communists were still influential in the party.

**Lang, puppet or dictator?**

The consistent argument of the AWU and the Sydney press after the election of Lang to the leadership in 1923 was that he was a puppet, under the control of militant and ‘Red’ trade unions. Certainly, during the 1920s Lang depended upon his supporters in the trade union movement, especially Willis, Magrath and Tyrrell, to control Conference and Executive so that he could maintain his authority in the parliamentary party. The decisions of the 1927 Easter Conference to implement the ‘Red Rules’ were designed to make that control permanent, and the effective withdrawal of the right of Caucus to dismiss their Leader made Lang almost unassailable.

Nevertheless, by the time he won the 1925 election Lang had acquired his own power base – the branch membership and potential Labor voters, especially in the city. During 1925 and 1926 the new Premier had delivered on a number of important promises to the labour movement in ways that previous Labor governments in New South Wales had not. Although in retrospect it is easy to criticize his record as only moderate, the trade union movement and poor families had reason to be grateful, given the difficult economic conditions of those years and the fierce resistance of the Upper House to all his reforms. On the great symbolic issue – central to the hostility of the industrialists to Holman – Lang showed genuine intent to get rid of the Upper House. He did not succeed, of course, but friends and opponents were convinced that he was serious in the attempt. Whatever may be said about the later career of Jack Lang, in 1925-26 he was greatly admired within the labour movement and among potential Labor voters. The consequences can be seen in the Conferences of the time, where Lang was received with adulation by rank and file members. Even the trade unions who opposed him on the right and the left had to yield to the popular support among their membership. And the unions that supported him had nowhere else to go. From that time on it was Lang manipulating the unions and their membership, not the other way round. When Conference confirmed Lang as party leader for the term of Parliament, and later indefinitely, Lang gained complete domination over his Caucus. There is, then, some justification in the accusations of his party dictatorship, especially after 1927.

One of the most influential accounts of the early history of the NSW ALP – Gordon Childe’s *How Labour Governs* – makes an interesting argument about the importance of ideas about “proletarian democracy”, with a clash between the values of elected politicians and the expectations of “workers’ representation” (which is the key phrase in the sub-title of the work). Childe was clearly correct when he explained that
many leaders of the trade union movement simply expected the politicians to do what they were told when they made decisions in Parliament. Labor Premiers like McGowen, Holman, Storey and Dooley explicitly resisted such pressure, insisting that the parliamentary party had to be free to implement party policy or not, according to political and economic pressures of the day. Both Holman and Dooley were expelled by industrialist leaders for their resistance. Lang, on the other hand, welcomed the symbolism of proletarian democracy, insisting that he was the chosen representative of the workers, implementing their will in Parliament in the face of misguided critics in the trade union movement and intransigence from the bosses in their privileged Upper House. The important question to ask is not how genuine Lang was, but whether he was believed. Among large sections of the trade union movement, branch members, and among working families who voted, he was.

**Conference themes**

Compared with earlier periods, one thing obvious to a reader of these Conferences is that very little general business was conducted. There was very little attention to development of policy for an incoming Labor Government. Compare, for example, the Conferences before 1910 with those before the electoral victory of 1925. No Conference at all was held in 1925, lest factional strife disturb the electorate. Factional war was the real business of the party in these years. Time was taken up with disputes about credentialling of delegates, election of agenda committees and then of next year’s Executive. Matters of internal party discipline dominated the early days of every Conference. The great issue throughout these years was party management, not any policy to be implemented by a Labor Government. How would party rules govern the selection of delegates to Conference and the election of the State Executive? Speeches of party dignitaries took priority – and they tended to be calls for unity in the face of factionalism (even when many of those same dignitaries were deeply involved in factional politics). By the time Conference reached into the second week attendance dropped off and eventually Conference would be closed, leaving the untouched business paper for the incoming Executive to handle. That, in fact, was what the dominant faction usually preferred.

Related to factionalism was an endemic discontent in the party with the rules affecting preselection. This discontent was exacerbated by the implications of Proportional Representation for seats in the Legislative Assembly – where a list of candidates was endorsed by the party there was constant bickering about whether some candidates should get priority in electoral advertising or be given a place higher or lower on the list. There was some support for doing away with preselection and party endorsement altogether – as was often the case in municipal elections.
Another constant theme of these Conferences was the question of the readmission of members previously expelled – the conscriptionists of 1916, the split of the radicals from the party in 1919, those banished by the AWU vendetta against its critics in 1923, and the Baileyites expelled when the AWU lost control. There was virtual unanimity that there would be no second chance for any of the conscriptionists. Party rules had been changed in 1917 to ensure that their expulsion would be permanent, and it would need a two-thirds majority of any Conference to change that rule. Most requests were summarily and contemptuously dismissed. One former Labor stalwart, Arthur Griffith, appealed a number of times, and seemed to have some support, but no one was prepared to propose that the rule should be changed, so Griffith remained outside the Lang party, even though he had never joined the Nationals. The readmission of the 1919 Socialists and later Communists was imposed on the NSW Branch by the Federal Executive, and they formed the nucleus of a radical faction in 1925 and 1926. These circumstances only served to demand the urgent resolution of the question – whether members of the Communist Party could be simultaneously members of the Labor Party. Critics of the AWU such as former Premier Dooley were accepted back with ease, although it was a different case for Federal MP JH Catts, who had compounded his crime by forming a new party to contest against endorsed Labor candidates. Even enemies of the AWU agreed that that was too much to accept. The memory of the ballot box scandals was too recent for there to be any support for Bailey to be readmitted; he (like Griffith) had to wait for the anti-Lang Federal Labor Party to be formed in NSW to be readmitted in 1931.

Since the foundation of the Labor Party in Queensland and New South Wales at the beginning of the 1890s the main electoral base of the party in both States had been outside the metropolitan areas – in the wheat and sheep areas where the AWU and railway unions were strong, and in mining districts like Broken Hill, Illawarra and the Hunter Valley. The years of these Conferences in the early 1920s show the party’s hold being challenged in these constituencies. Partly this was a function of the AWU (very strong in rural districts) leading the opposition to Lang on the issue of control of the party by ‘Reds’. There was a genuine fear of Communism in the countryside that was articulated by many of the rural MPs who tended to be Lang’s critics in Caucus. Many small landholders and entrepreneurs of country towns had previously looked to Labor to protect them from the city-based Liberal or National Party’s preference for bankers and businessmen. Now, so Lang’s critics argued, perhaps Lang was an even worse danger, and he was from the city, too. The other factor was that these years marked the entry into the electoral contest of a new Country Party, formed in New South Wales to contest the 1920 election. Initially the Country Party took seats mainly from the Nationals, but the chaos in the Labor Party was a godsend for its
prospects. The Labor Party was aware of the danger; every Conference discussion of the need for rule changes included calls for regional conferences to feed into the annual Conference and for better representation of rural delegates. Lang himself enthusiastically promoted special rural and regional conferences throughout this period. Nevertheless, the Lang era saw Labor support in the country eroded. Partly this was clouded while the electoral system was Proportional Representation (until 1927) because that gave Labor seats in some areas, such as the North Coast, where previously it had had no success. The decline in rural support accelerated in the 1930s, so that when Bill McKell took over from Lang as leader of the party in 1939 he saw one of his major tasks as reviving support for Labor in the countryside.