

COOPERATION AND LABOUR MANAGEMENT  
AT ELECTROLYTIC ZINC AND CADBURY-FRY-PASCALL  
BETWEEN 1918 AND 1939.

by

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This thesis contains no material which has been accepted for the award of any other degree or diploma in any university, and, to the best of my knowledge and belief, the thesis contains no copy or paraphrase of material previously published or written by any other person, except where due reference is made in the text of the thesis.

*Ruth Barton*

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## ABSTRACT.

In the period between the First World War and the Second World War, the firms of Cadbury-Fry-Pascall (Cadbury) and the Electrolytic Zinc Company of Australia Ltd. (E.Z) were unusual because they had extensive welfare schemes and an almost complete absence of industrial conflict in an era that sometimes experienced quite violent industrial action. The coincidence of these two factors was not accidental.

Cadbury and E.Z had interpreted the bitter industrial conflict at the end of the First World War was not really a demand for more money but a protest against their living conditions. The two firms believed it was their obligation to cooperate with their workers and supply them with housing and other welfare benefits. This, they thought, would result in a content, committed and efficient workforce.

The crux of both these companies welfare programmes was the planned creation of model industrial villages. The Cadbury scheme at Claremont and the E.Z scheme at Lutana both failed to reach the scale their creators had envisaged. This was basically because the companies did not want to bear the expense of building houses, and the

workers did not want to live in the company sites. The other aspect of the welfare programme was the provision of medical schemes, pension funds and sporting and recreational activities and facilities. These schemes were well patronised and engendered in employees a feeling of commitment to the company.

At both Cadbury and E.Z unionism was weak. This was in part because joint employer/employee bodies, such as the Works Committee at E.Z and the Factory Committee at Cadbury, undertook functions that are usually carried out by the unions. The workers at E.Z came under the Tasmanian Wages Board System, which often awarded lower wages and longer hours than federal Arbitration Court awards. Union attempts to gain coverage under the federal awards were successively defeated, thereby making union membership appear irrelevant. The workers at Cadbury were covered by two separate federal Arbitration Court awards for the men and women. The awards were structured around the organisation of work at Cadbury, and classified women's work as unskilled and men's work as skilled. The effect of the sexual division of labour perpetrated by Cadbury was to make it difficult to organise the women and defined them, rather than the Company, as a threat to the men's wages and conditions. This was reflected in the unions tendency to fight amongst themselves rather than engage Cadbury.

Overall the cooperative welfare centered industrial relations policies of Cadbury and E.Z enabled them, with the assistance of the state, to manage their labour force in such an effective manner they were able to virtually avoid industrial conflict for twenty years.

Abbreviations Used In The Text.

A.B.L.	Australian National University Archives of Business and Labour.
A.O.T.	Archives Office Of Tasmania.
A.E.U.	Amalgamated Engineering Union.
A.L.P.	Australian Labor Party.
A.S.E.	Amalgamated Society of Engineers.
A.W.U.	Australian Workers Union.
B.H.A.S.	Broken Hill Associated Smelters.
B.L.F.	Builders Labourers Federation.
Cadbury.	Cadbury-Fry-Pascall Pty. Ltd.
C.C.	Cadbury-Fry-Pascall Pty. Ltd. Claremont.
C.F.P.	Cadbury-Fry-Pascall Pty. Ltd.
E.Z.	Electrolytic Zinc Company of Australia Proprietary Ltd.
F.C.A.A.	Federated Confectioners Association of Australia.
F.C.U.	Female Confectioners Union.
F.I.A.	Federated Ironworkers Association.
M.U.A.	Melbourne University Archives.
U.A.P.	United Australia Party.
U.T.A.	University of Tasmania Archives.
Z.W.U.	Zinc Workers Union.

## CHAPTER 1

## INTRODUCTION.

This thesis looks at two Hobart firms - Cadbury-Fry-Pascall and the Electrolytic Zinc Company of Australia Pty. Ltd - and their industrial relations policies in the inter war years. These firms were unusual amongst Australian firms in that they structured their industrial relations policy around extensive welfare schemes at a time when this was the exception rather than the rule. This was as a response to a phenomenon Connell and Irving term 'working class mobilisation'<sup>1</sup> which had made these manufacturers reassess their means of labour management. Management broadened their means of control within the workplace and sought to control the workforce away from the point of production by creating model industrial villages. The thesis aims to look at the circumstances and beliefs behind Electrolytic Zinc's and Cadbury-Fry-Pascall's industrial relations policy taking the form they did; the consequences of that industrial relations policy and the role of the state through the operation of government organisations and the arbitration system in reinforcing that policy. In order to understand this radical reorientation in industrial relations we must look at the political, economic and labour market context

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<sup>1</sup> R.W. Connell and T.H. Irving, Class Structure in Australian History, (Melbourne, 1980), p. 188.

in the 1920's focusing upon the ideological and economic ascent of manufacturing interests in this period.

The period of time around the establishment of Electrolytic Zinc (E.Z) and Cadbury-Fry-Pascall (Cadbury) was a period of profound change in the Australian economy. The period between the wars marked Britain's retreat from the international economy to the Empire, where political servility was translated into concrete privileges for British capital through agreements such as Imperial Trade Preference. A rise in unemployment and the loss of export markets to countries such as America gave rise to a policy which aimed at the efficient reallocation of capital and labour within the Empire. A number of local factors intervened to make Australia an ideal country for the scheme such as political stability, the scope for expansion and development, the developmentalism of the state governments and their eagerness for overseas capital and the infrastructural demands thrown up by a growing urban consumer society.<sup>2</sup> Also relevant was the fact that Australia was experiencing a spate of relatively autonomous manufacturing development encouraged by the captive market situation of the war. The interaction of the conditions of economic decline in Britain and the

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<sup>2</sup> P.Cochrane, Industrialization and Dependence, (St. Lucia, 1980), p. 11.

emergence of broader manufacturing possibilities in Australia provided the basis for the growth of the metals sector and its subsequent development.

It is against this background that E.Z. was established at Risdon, Tasmania, by the Collins House group. This was an alliance of Anglo-Australian lead-zinc interests which had largely been based in Broken Hill, and who took the name Collins House from its headquarters in Collins House 360-366 Collins St. Melbourne. Along with the Broken Hill Proprietary Company this group dominated heavy manufacturing development in the inter war period.

Directors of the Collins House companies, such as the Baillieus, W.S. Robinson and Colin Fraser, formed part of Australia's and the Empire's ruling class. They were invited to sit on London boards, operating businesses sometimes unconnected with their Australian interests, and formed a link between Australian and British capital. They had strong links with the conservative Nationalist Party and were coupled, politically and socially, with influential groups in Britain.

The establishment of E.Z. was in a real sense made possible by the First World War. Australia's rising war induced need for metals, coupled with shortages of imports, kept demand running ahead of production. Producers were not keen to change this situation for if

production ran ahead of demand then the price of metals would fall. The huge demand for metals pushed metal prices up, with the average price of lead, zinc and copper in 1917 being more than double the price of 1912. The high prices of metals, coupled with a conscious restriction of output, a policy of paying the pre-war rate of dividend and using profits for development works and equipment and thereby avoiding taxation, enabled Collins House to establish itself as the wealthiest capitalist grouping in the Commonwealth. A fortuitous zinc deal with the British government made the establishment of E.Z. a certainty. The close relationship between the Nationalists and Collins House enabled the Prime Minister, W.M. Hughes, to accompany Collins House director W.S. Robinson to Britain in 1917 in order to secure a 12 year contract with the British government for the supply of zinc and zinc concentrates at wartime prices. Between 1918 and 1930 this contract assured the sale of at least 25% of Australian output, at an estimated gain in excess of market prices of £4,667,000. The contract was a comforting shock absorber when the war finished, markets shrank, metal prices slumped and the labour unrest increased.<sup>3</sup>

The years between 1918-1922 were years of sometimes intense class conflict and industrial turmoil. Through

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<sup>3</sup> Ibid., p. 79.



inflation, real wages had declined significantly by the end of the war, and polarisation and bitterness were exacerbated by the conscription campaign. Tension was reinforced by the influence of the revolutionary movements abroad, particularly those of the Bolsheviks and the Industrial Workers of the World. In 1921 an Australian Communist Party was formed and although numerically small and financially impoverished it was a new and provocative option for the working class and was a visible reminder to other Australians of the discontent of the working class.<sup>4</sup> In the 1920's a variety of schemes were constructed to combat labour agitation. Profit sharing and worker participation were widely discussed in business circles and in Parliament and were couched in terms such as 'co-operation'. According to Connell and Irving a corporate liberalism was emerging among some businessmen, who believed that state organisations would regulate labour and capital, capital would admit labour to the government of industry, and labour would give up strikes and bolshevism. Such a programme was based upon the assumption of a society with an integrated class structure, dominated by the corporate form of business and committed to the pursuit of what these businessmen

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<sup>4</sup> P. Cochrane, "Dissident Capitalists: National Manufacturers in Conservative Politics 1917-34." in E.L. Wheelwright and K. Buckley, (ed.), Essays in the Political Economy of Australian Capitalism, Vol. 4, (Sydney, 1980), p. 124.

defined as the pursuit of national economic interests.<sup>5</sup> This scenario was envisaged only by an influential but numerically small number of businessmen. The majority of businessmen were not in the mood or the position financially to opt for such costly appeasement.

The years after 1917 marked the emergence of manufacturing interests as a political and economic power, and was strongly linked with political decisions taken at this time. The conservative wing in federal politics had regained power in 1917 after the Labor Party government had split over the conscription issue. The Nationalist Party was then formed - a coalition between the Liberal Party and the ex-Laborites. It was led by the former Labor leader W.M Hughes who had defected from Labor following the conscription crisis. The Labor Party was left bitterly divided and demoralised, and largely ineffectual. The advent of the Nationalist Party in these circumstances participated the wholesale reorganisation of conservative political leadership. The Nationalist Party marked a reorientation in conservative politics, adopting an organisation similar to the Australian Labor Party (A.L.P) with local branches and state councils. In early 1917 a network of branches of Nationalist supporters known as the National Federation was formed. This gave the party an electoral machine and a mass

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<sup>5</sup> Connell and Irving, op. cit., p.218.

organisation which could exert its influence. It was the Nationalists attempt to become a party with a broad electoral organisation. This mass organisation posed considerable problems for the leading business groups within the conservative party. The business elements of the party congregated in the National Union which acted as a self-appointed finance group for the Nationalist Party. The Union was remodelled, reorganised and strengthened by new men and methods. It has been suggested by Baiba Irving that the new men included W.L. Baillieu and Colin Fraser of Collins House. The Union was a stronghold of the most powerful British and allied economic interests in Australia and was dominated by export/import capitalists, although manufacturers were also represented. Although it did not act as a day-to-day advisory committee, it did intervene in the parliamentary party and exert pressure through the threatened withdrawal of funds.<sup>6</sup>

Manufacturers found themselves more at ease with Hughes' leadership than did the rural community and benefitted from its policies. In 1918 he increased land tax by 20% and fixed meat prices. Hughes was intent upon increasing state power and his the government's regulation of trade and commerce cast him at odds with rural interests. In

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<sup>6</sup> Cochrane, *Industrialization and Dependence*, pp. 105-106.

1918 Hughes established the Bureau of Commerce and Industry under Stirling Taylor. It was a service for British investors which, Taylor argued, would marry Australia's raw materials and British technology and by this vision turn Australia into a great industrial outpost of the empire at the doorstep of Asian and South Pacific markets. The Bureau, in conjunction with the other steps taken by Hughes, effectively put manufacturing interests amongst the dominant factions of capital represented by the Hughes government.<sup>7</sup>

Hughes used the tariff with decisive effect to achieve a more even balance between the manufacturing and primary sectors. In 1921 against an immediate background of rising unemployment, renewed immigration and dumping problems created by the world slump, the new treasurer, Walter Massey-Greene, who was later to have strong Collins House links, introduced a comprehensive tariff schedule. This excluded competition from overseas companies in the small Australian domestic market and made it feasible for manufacturers to expand into many new areas. The Tariff Board, led by a prominent manufacturer, was created in the same year with formal powers to investigate and advise Cabinet on tariff matters. Thus in the relatively short period of time the

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<sup>7</sup> Cochrane, *Dissident Capitalists*, p.125.

Hughes government orchestrated a shift in power towards manufacturing interests and laid some of the necessary state superstructure for industrial development in Australia.<sup>8</sup>

In 1923 a federal coalition between the Nationalist and Country parties was elected to power and was led by S.M. Bruce. The coalition moved away from the tariff towards methods of supporting economic development that was more suited to the Country Party, which was led by Earle Page. It moved towards a more direct assault on the problem of low profit levels through reducing wages and forcing marginally profitable firms to close down. Bruce came to power with the support of the Country Party and the National Union and on the condition that Hughes was to be eliminated ministerially. His government therefore rested on a powerful conglomeration of social forces whose interests were antithetical to a high tariff. The majority of National Union members were, unlike the Collins House group, pro-free trade and continuously attacked the protectionist plank of the party. Bruce abolished the Bureau of Commerce and Industry, added a primary producer to the Tariff Board and allowed the tariff wall to disintegrate, which was to the benefit of exporters such as primary producers, and to the

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<sup>8</sup> Cochrane, *Industrialization and Dependence*, p. 108.

disadvantage of small manufacturers. The balanced development sought after by the Bruce government presumed both overseas capital to lay the basis for manufacturing in Australia and an expanding export surplus to pay off the interest charges on this capital. There was a need to expand and support exports to pay off the overseas debt. The immediate interests of manufacturers were subordinated to this need.<sup>9</sup> Small manufacturers identified the Nationalists with "Big Capital" and split from the conservatives. They expressed their dissatisfaction through the Australian Industries Protection League (A.I.P.L.). The small manufacturers were advocates of high protection, possessed a profound belief in the virtuosity of the small business enterprise and the necessity to furnish it with financial and political superstructure. They were not adverse to advocating repressive state action against the working class and were especially partial to the outlawing of strikes and the implementation of piece work.<sup>10</sup> In many ways they were poles apart from manufacturers such as Collins House and Cadbury.

Whilst party politics in Tasmania often did not mirror federal patterns, both Labor and Nationalist parties in Tasmania were characterised by conservatism and an anti-

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<sup>9</sup>2 Cochrane, *Industrialization and Dependence*, p. 109.

<sup>10</sup> Ibid., p. 117.

labour sentiment, and both favored a hydro-industrialisation policy as the key to attracting industry. The attitudes of both parties were such that they warmed the cockles of the manufacturer and hardened the hearts and minds of the workers. The Nationalists, led by Sir Walter Lee, governed from 1916 to 1923. The Lee government's rule was characterised by incompetent and unimaginative administration. It so maladministered the state's finances that the 1923 deficit of £298,000 was the greatest debt accumulated in one year since the advent of responsible government, suffered serious losses on the soldier settlement schemes, misapplied funds voted by Parliament for specific purposes for quite other purposes, and poorly managed the Railway Department. This maladministration, when coupled with continual party infighting, the rapid turnover of ministries and the unpopularity of the Premier, paved the way for the election of the Labor Party, led by Joseph Lyons, in late 1925. There was perhaps some foreboding of the future direction of the Lyons government when, soon after the election, Lyons repeatedly expressed the opinion that the first duty of the government was the salvation of the State, and that the purely party programme must stand aside until the finances of Tasmania were straightened

out.<sup>11</sup> It was this attitude that was to lead Jack O'Neill, secretary of the Hobart Trades and Labour Council from 1927 to 1967, to declare after the defeat of the Lyons Government in 1928 that Labor governments were 'just as bitter opponents of the workers' as Nationalist governments.<sup>12</sup>

Within the Labor Party in Tasmania there had been a marked division between the industrial and the political wings, that worked to the detriment of the working class, including those workers at Cadbury and E.Z. The industrial wing of the Labor Party often felt that the political wing did not pursue industrial issues, such as preference to unionists, a shorter working week and cost of living adjustments, with sufficient vigour and that the selection of parliamentary candidates by the state executive loaded the dice against the selection of industrialist candidates. This fed a perception that the Labor Party was largely ineffectual on industrial issues and made unionists reticent about committing themselves to a party which they perceived as being incompatible with their interests. The party's poor financial

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<sup>11</sup> M. Denholm, "The Lyons Tasmanian Labor Government, 1923- 1928.", Papers and Proceedings of the Tasmanian Historical Research Association, Vol. 24, No. 2, 1977, pp. 45-65.

<sup>12</sup> R. Davis, "Tasmanian Labor and the Trade Union Movement, 1920-1960.", Papers and Proceedings of the Tasmanian Historical Research Association, Vol. 28, No. 2, 1981, p. 86.



situation meant it was not adverse to accepting money from interests, such as the Henry Jones Company, whose workforce laboured under conditions that could best be described as Dickensian.<sup>13</sup> The acceptance of such money made it unlikely that the Labour Party would exert pressure on Jones to improve conditions and made it less likely that industrial interests would be well represented within the party.

The Trades Hall Council was energetic in making representations, briefing delegations, and arranging joint meetings with the state ministers but its links with the Labor Party operated largely on this informal level as the Hobart Trades Hall Council, which became the official Tasmanian branch of the Australian Council of Trade Unions in 1927, refused to affiliate formally with the Australian Labor Party (A.L.P). Even so the Trades Hall Council found it unacceptable for an individual, George Mahoney of the Painters Union, who had stood for Parliament as an unendorsed Labor candidate and who formed a relatively short lived zincworkers union at Electrolytic Zinc in 1924, to retain his membership of the Hobart Trades Hall Council. The distance between the parliamentary and the industrial wings of the labor movement is at least partly explainable in terms of

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<sup>13</sup> Wapping History Group, Down Wapping., (Hobart, 1988), p. 198-200.

ideological differences. Amongst the stalwarts at Trades Hall, such as Charlie Culley and Jack O'Neill, there seems to have been a genuine feelings of radicalism. In 1919 the Hobart Trades Hall Council expressed 'hostility to militarism in any form', denouncing Labor representatives who supported compulsory training in opposition to the federal conference. In 1920 the Council denied the ability of 'any conference between Employer and Worker to remove what is termed Industrial Unrest as the existing capitalist system makes it inevitable that the Working Class must continue to make profits for the middle class and no real remedy can exist but the abolition of that System', and it only reluctantly agreed to send a representative to a conference of employers and employees. At the same meeting a member of the Council was forced to resign for being an employer of labour. Two years later the Council rejected the idea of a multiplicity of craft unions centered around trades and demanded the formation of One Big Union as laid down by the Australian Trade Union Congress of the time.<sup>14</sup>

Lyons distanced himself from such radicalism and in a pre-election policy speech at Deloraine in 1925 he presented an abbreviated platform excluding the issues most significant to many unions, namely the 44 hour week and preference to unionists. By 1928 the Lyons

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<sup>14</sup> Davis, op. cit., p. 89.

government, as The Mercury observed 'while carrying the label of Labor' was really 'controlled by greater considerations than any of Party'. Lyons had become that conservative that he accepted his wife's suggestion that they cancel their subscription to the Australian Workers Union journal The Worker as it was 'too bitter in its denunciations' and 'far too intolerant and biased in the expression of its views'.<sup>15</sup> Lyons had become sufficiently conservative that there was little to distinguish him from the opposition party and he was defeated in the 1928 election. After the state Labor Party's defeat Charles Metz, President of the Hobart Trades Hall Council (H.T.H.C) and Jack O'Neill, Secretary of the H.T.H.C, had no compunction about publicly rejecting the Lyons government as valueless to workers. Lyons soon left state for federal politics and in 1931 left the federal Labor Party to become a non-Labor Prime Minister.<sup>16</sup> The differing interest groups in the political and industrial wings of the Labor Party resulted in a government that, with legislation and actions more appropriate to a National government, did very little to advance or even protect the workers interests.

The Arbitration system played a central role in industrial relations at E.Z and Cadbury, and in some

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<sup>15</sup> Denholm, op. cit., p. 53.

<sup>16</sup>2 Davis, op. cit., p. 92.

instances determined the shape of industrial conflict at these two factories. Arbitration can be seen as having an integrating effect on the workforce at Cadbury and E.Z as it tends to draw the substance of management/union struggles away from the workplace<sup>17</sup> and into the more clinical atmosphere of the court, where a nominally value free state decides the merits of the case and the outcome is taken as being legitimate. It is therefore necessary to see the form Arbitration took in Tasmania and the links between the state and the Arbitration process. Australia is distinguished by the dominant part played in industrial relations by the government instituted machinery, which provides a framework for practically all industrial negotiations. Constitutional power to legislate on industrial relations was divided between the federal and state governments, with the federal government having power only to legislate for the prevention and settlement of industrial disputes extending beyond one state. It was generally expected that the federal disputes machinery would be required to deal only with those industries with obvious interstate ramifications, such as transport, but unions increasingly turned to the federal tribunal because its awards were more advantageous than those of the state tribunals. In

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<sup>17</sup> M. Quinlan, "Managerial Strategy and Industrial Relations in the Australian Steel Industry 1945-1975: A Case Study." in M. Bray and V. Taylor (ed.) Managing Labour? (Sydney, 1986) p. 23.

1926 the supremacy of the federal tribunal was established, the High Court holding not only that Commonwealth awards overruled state awards and industrial legislation, but that once the federal tribunal entered the field it covered it to the exclusion of state legislation.<sup>18</sup> This was to have profound implications for industrial relations at E.Z in particular. The Tasmanian state arbitration system of the Wages Boards reflected the anti-labour sentiments of the various Tasmanian state governments. The Wages Boards worked to the advantage of employers for many years. The various state governments did not find this fact to be of sufficient concern to ever make more than fairly cosmetic changes to the legislation.

The first Tasmanian Wages Board Act was passed in 1910 by the Nationalist government of Sir Elliot Lewis. This system was introduced following the deliberations of the 1907 Royal Commission on Wages and Wage Earners and was supposedly to give some protection to workers. Manufacturers were in favour of the Wages Boards as they saw that if Tasmania did not set up its own industrial machinery they would come under Federal awards. The initial Act provided for the establishment of boards for individual crafts but was altered in 1920 to change the

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<sup>18</sup> K.F. Walker, Australian Industrial Relations Systems, (Massachusetts, 1970), p. 12.

Boards from a craft to an industrial basis, thereby allowing all workers within a industry to be covered by a single award. It was this legislation that governed E.Z. Cadbury remained under a federal award. The function of the Boards was to determine such wages and conditions of service in trades and industries that were not subject to Commonwealth industrial legislation or other state legislation. The Boards were required to fix minimum rates of pay and maximum hours, and to specify journeymen classifications and the classes of work to be performed by juniors. They were able to give rulings on a wide range of other industrial matters such as overtime, penalty rates, leave entitlement, and the period of notice required for termination of employment. The Boards were appointed by the minister and consisted of an equal number of nominated representatives from the employer and employee sides of the industry, and an independent chairman. Each representative voted on the proposed agreement with the chairman having a casting vote he could use to decide a tied vote. The chairman was required to do all that was possible to bring about an agreement between the employer and employee sides before exercising his casting vote. The Board could be convened at the request of either the employer or employees.<sup>19</sup>

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<sup>19</sup> R. Wattenhall, A Guide to Tasmanian Administration, (Hobart, 1968), p. 202.

Whilst the structure of the Boards appears fair it had a number of aspects that disadvantaged the workers. Unlike the Federal Court, which was able to regulate for dangers to life and health, the Wages Boards had no power to regulate working conditions until a 1928 amendment to the Act empowered the Boards to determine any matter regarding conditions of employment. Although they could now regulate working conditions, this option was not pursued very often with the Boards often choosing to award monetary compensation instead. This had serious consequences on the quality of working life of many workers especially those in industries such as E.Z where conditions were dangerous and dirty. The unions did not view the Wages Boards with great enthusiasm and criticised the Wages Board Act because, unlike the industrial tribunals in other states, their union officials were not given recognition in front of the Wages Board. It was mandatory for the employee Wages Board representatives to have been engaged in the industry for twelve months during the past five years. This meant that many union secretaries or organisers, such as George Hargreaves when he became a full time organiser for the Amalgamated Society of Engineers, could not participate in the Wages Boards. The consequence was that the person who was most informed about general conditions in the industry or craft, and who would have the skills to present the employees case in the most

convincing manner, was unable to participate. But on the employers side the industrial relations expert could be elected to the Board. When vital decisions were left to the chairman's deciding vote, and he judged by the evidence presented in front of him, this is an important point. The final unpalatable point was that the Wages Boards often paid lower rates than the Federal Court.<sup>20</sup> All of these factors made unions very keen to be included in a Federal Awards. At E.Z there were a number of attempts by various unions over a long period of time to break away and join the Federal Award. These attempts sometimes resulted in bitter industrial conflict.

Changed economic conditions after 1923 made it difficult for firms to operate profitably. The main problem was intensified overseas competition, vacillating and sometimes low export receipts, the over-capitalization in the building and manufacturing industries between 1919-1924, and a rise in real wages after 1922. The actions of reformist Labor governments in some states during the 1920's did not help matters. These governments extended capital's responsibilities to labour, supervised working conditions more rigorously and in some ways improved them. The principal measures introduced were employer's liability insurance schemes, the implementation of the 44

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<sup>20</sup> E.J.R. Heyward, "The Tasmanian Wages Board System", The Economic Record, Vol. 12, 1936, p. 113.



hour week in Queensland and New South Wales and in some trades, such as timber and engineering, in all states.<sup>21</sup>

In the years between 1924-1930 there were bitter and protracted strikes centered in the maritime, coal and timber industries and an increasing number of strikes in other sectors. According to Cochrane these were largely defensive actions directed against the mobilisation and use of scab labour, retrenchments and the intensification of labour discipline. From 1925 to 1928 the Bruce government introduced a series of legislative measures aimed at curbing union militancy. The government attempted to put in place new wage-fixing principles through the Conciliation and Arbitration Bill, introduced in 1927. This endeavoured to bring wage decisions under tighter government control and explicitly demanded that productivity and profit be put first in all decisions. Other legislation empowered the government to deport migrants who proved troublesome in industrial relations, to break strikes in the shipping industry through the introduction of British and foreign shipping, to license waterside workers and encourage the growth of associations of men who were willing to carry on work during a strike, to declare revolutionary and seditious associations unlawful and to impose heavy penal provisions and other sanctions on any union which

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<sup>21</sup> Cochrane, *Industrialization and Dependence*. p. 110.

employed direct action in preference to arbitration.<sup>22</sup>

However this repressive legislation did not prevent strikes in Australia from becoming more frequent and damaging after 1925. Arising from this failure the federal government legislated in the 1929 Maritime Industries Bill to completely vacate the field of Conciliation and Arbitration and leave this domain to the states. This would eliminate the dual State/Commonwealth system which the trade unions had exploited with some success. If, as occurred at E.Z., a trade union had found a state award unsatisfactory it could extend a dispute beyond the boundary of one state and have the case heard in the Federal Court. In line with the federal Coalition belief that wages were too high, hours too short and productivity too low, it also sought to limit the mandate of state arbitrators to wages and hours, thus leaving a considerable range of costs and conditions in the hands of employers themselves for negotiation. As well it believed the states had the punitive forces that could enforce any decisions that were made. Although some Nationalists were willing to side with Country Party members in taking this radical step, there was a solid core of resistance from manufacturers who were not prepared to fight the torrid industrial encounters that

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<sup>22</sup> Cochrane, *Dissident Capitalists*. p. 127-128.

would have ensued. As Rowse states, manufacturers were all for an assault on wage levels, but not for the abolition of the legislative apparatus which had established some measure of industrial accord.<sup>23</sup> Bruce's legislation foundered and he was forced to an election. Small manufacturers deserted the Bruce government in their droves and voted Labor, bringing in the Scullin Labor government.

Whilst it would appear on the surface that the Commonwealth was attempting to shed responsibilities to the States, the long-term trend was in the other direction. Under the Bruce-Page government a number of important government agencies, such as the Development and Migration Commission in 1926 and the Loans Council in 1927, were created. These agencies were endowed with considerable investigatory and co-ordinating powers over the economic direction of the states. In broad terms their effect was considerable. In most cases they were headed by prominent businessmen or public servants, and effectively operated as a stable long term conservative administration since as statutory authorities they were insulated from the dictates of the federal government and could act as a protective measure against a reforming federal Labor government. The Development and Migration

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<sup>23</sup> T. Rowse, Australian Liberalism and National Character., (Melbourne, 1978), p.87.

Commission was headed by Herbert Gepp, who had been General Manager at E.Z. The Commission emerged from the Government's belief that economic problems throughout the economy were interrelated and their resolution into stable growth required a 'scientific' approach to planning. It aimed at synthesising knowledge and experience into a programme for the harmonious growth in all sectors. The prominence of technocrats, such as Gepp, and employers on the boards and commissions is evidence, Cochrane believes, of the rise of the industrial ruling class in the 1920's.<sup>24</sup>

With the economic crisis of 1929 the whole emphasis of politics changed. Systematic economic planning disappeared and was replaced by measures intent on salvaging the short term outlook. With the election of the Scullin government and the economic crisis the focus for bourgeois mobilisation shifted. During the Bruce-Page period the focal point had been the wages system and the search for industrial peace but with the advent of the depression in 1929 the main issue became monetary management and sound finance in government. Under the Scullin government the backbone of labour was broken. A general unemployment rate of 20% and two lockouts and one strike had caused the defeat and financial bankruptcy of the maritime, coal and timber unions and had a

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<sup>24</sup> Cochrane, *Dissident Capitalists*. p. 130.

demoralising effect on other unions. Whilst the image of a threatening and disruptive working class partly receded, those associated with management of the monetary system moved into the spotlight. A restriction of capital inflow and the drop in export prices caused an unprecedented balance of payments crisis. The Scullin ministry erected a high tariff wall to lower imports and redress the balance of payments situation, to reduce unemployment by fostering local industry and to raise alternative revenue from Customs whilst revenue from income taxation continued to decline.<sup>25</sup> The security brought by the British contract and wartime circumstances had made it initially feasible for Collins House to venture into zinc smelting at E.Z with the view to exporting the majority of the output, but when the export markets contracted the expansion of the Australian manufacturing sector and the tariff wall enabled made it easier for E.Z to dispose of its output locally. The expansion of other parts of the economy, such as the iron and steel products sector lead to increasing sales of zinc which was put to uses such as galvanising. As Cochrane notes: 'The Tariff Board tended to give high priority to the direct and indirect influence of the base metals industries on the level of employment and was not overly concerned with the exploitative effects of monopoly when the industry in question appeared to be

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<sup>25</sup> Cochrane, *Dissident Capitalists*. p. 136.

operating on an efficient basis.'<sup>26</sup> In 1932 the duty on imported zinc was raised to ensure that E.Z captured the entire local market. The Tariff Board took into account the contribution of the enterprise to the Australian economy and its need to avoid expenses associated with the accumulation and disposal of stocks in such difficult times. In other words it acted to ameliorate E.Z's realisation problems abroad. The rise in local consumption of zinc from E.Z was spectacular. In 1923 the Australian market consumed 20% of E.Z's output rising to 33% in 1927. The depression caused a decline in usage, but by 1933 old levels had been exceeded with the Commonwealth absorbing 40% of locally produced zinc. By late 1935 slightly over 50% of E.Z's output was sold for use in the Commonwealth, falling to 40% in 1936 and rising to again reach 50% in 1937.<sup>27</sup> Overall the British zinc contract and the efficiency of the electrolytic process meant that even when zinc prices declined, as they did between 1925 and 1927 due to severely contracting markets abroad and unprecedented over production, Collins House continued to make good profits. By 1930 E.Z was in a solid position. It had, with the help of the Commonwealth government, secured a contract that guaranteed the price of its export product, the tariff enabled it sell an increasing amount of zinc to

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<sup>26</sup> Cochrane, *Industrialization and Dependence*. p. 97.

<sup>27</sup> *Ibid.*, p. 96.

the protected local market, its directors held influential positions in the Nationalist Party, and its labour force had been subdued through its welfare schemes and the state Wages Boards. These happenings were not random events but were linked to a common set of beliefs. We must therefore examine the change in ideology that took place and enabled all of these apparently disparate pieces to fall into place.

As we have seen the years between the end of the First World War and 1930 were marked by a restive working class and the emergence of new Australian based manufacturing industries as a power base. The war had encouraged and given a measure of natural protection to manufacturers and encouraged links between government and manufacturers. Government recognised the importance of manufacturing by coopting businessmen such as Gepp onto planning bodies such as the Development and Migration Commission, encouraging it through measures such as the tariff, and by frequently dealing with labour unrest by integrating the workers, as Connell and Irving term the use of measures such as arbitration and welfare, or less frequently confronting the workers through state organisations such as the police. The new manufacturing industries, such as Cadbury and E.Z were highly mechanised, run by a new style of manager or 'technocrat' such as Herbert Gepp, and were concerned with efficiency

whether it be mechanical or labour. They espoused a new type of ideology, which Rowse terms the New Liberalism, and equated this new type of corporate liberalism with labour efficiency and cooperation.

According to Rowse the dominant ideology within Australia has been liberalism. This ideology offers that society is an ensemble of atomistic individuals and the state's actions are taken to be a pursuit of the 'collective interest' of that social ensemble, and are therefore taken to be value free and not acting to benefit any particular section of that society. Any individual's membership of any social group or class is regarded as secondary to his or her membership of the total society. The individual owes his or her first allegiance to the state rather than to any social group within society, and must possess a basic outlook and values that are consistent with the collective social purpose, whatever that may be, if society is to continue.<sup>28</sup> The manipulation of this basic ideology into what Rowse terms the 'New Liberalism' was the means through which many Australian manufacturing companies, such as E.Z and Cadbury, through the voice of their managers came to terms with their rise to positions of influence and new power of the workers. It attempted to give some

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<sup>28</sup> T. Rowse, Australian Liberalism and National Character., (Melbourne, 1978), p. 15.



ideological justification for the steps they were taking to manage their workforce. The New Liberalism was only articulated amongst the larger manufacturers and was not popular amongst other manufacturers, businesses or the working class. But, as Rowse notes, society may still operate with an ideological rationale that bears little resemblance to the day-to-day wishes of the rest of society.<sup>29</sup>

Rowse argues that a distinguishing factor of the New Liberalism was that it discredited utilitarian liberalism, which attests that material satisfaction was synonymous with the common good. This type of liberalism was behind such reforms as the Harvester Judgement , which supposedly guaranteed the worker a minimum wage that would enable a worker and his family to live as a 'human being in a civilized community' and to keep himself and his family in frugal comfort.<sup>30</sup> In its place was substituted idealism, which promoted the common good or social purpose as an end in itself and therefore stressed the development of 'personality' as the high minded reason for reform. It was a view that was based on the assumption that humans seek the 'good' before they seek the 'material' of utilitarian liberalism. The New

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<sup>29</sup> Rowse, op. cit., p. 40.

<sup>30</sup> S. Macintyre, The Oxford History of Australia, Volume 4, 1901-1942., (Melbourne, 1986), p. 103.

Liberals believed that the 'higher' elements in human motivation were being overlooked, and that in their development lay the best hope for an integrated society.<sup>31</sup>

This set of beliefs was taken up by the founders of the Workers' Education Associations (W.E.A). Although the W.E.A foundered in its aim to win the trust of the class conscious working class largely due to its stance in the conscription campaigns of the Great War, it was active in spreading its ostensibly classless social ethic which preached that society had social laws which workers should learn about and apply. The W.E.A believed the free operation of the social process was in the interests of both capitalists and workers. This ethic was personified in the words 'co-operation' and 'efficiency'. This view of social life featured in the American Frederick Taylor's theories of job design and labour management and Australia was not without its theoreticians, namely Bernard Muscio, C.H Northcott and Elton Mayo, in this field that was to be known as industrial psychology. But the structure of industry in Australia with most of its manufacturing taking place in small company, rather than in large plants as in America, and the more militant craft based unions rather than the companies based unions common in America made the ground more barren for such

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<sup>31</sup> Rowse, op. cit., p. 42.

ideas to take root. The consequence was that the local exponents of efficiency tended to function primarily as disseminators of an abstract ethic, since they were given no opportunity to elaborate and test techniques of efficiency.<sup>32</sup> The opportunity to move from the abstract to the practical was offered and adopted by only a small number of industrialists, and this was in large corporations such as in the Collins House group of companies and by Cadbury-Fry-Pascall.

One exponent of the New Liberalism was Herbert Gepp, who was E.Z.'s general Manager between 1917 and 1926. In his 1919 article Australia Self Contained he equated cooperation and efficiency with nationalism. He argued that Australia must be autonomous - a self contained nation - and must not be dependant on other nations for the production of essential items. This goal of a self-contained nation must be accompanied and hastened by a drive for national and individual efficiency. In an argument that tied in well with the actions taken by the Hughes government to promote manufacturing industry, he argued that the formation of new industries was essential to keep the population effectively employed, increase the value of Australia's natural products and aid in defence, repatriation, population and finance. He nominated a large number of factors as being invaluable to the

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<sup>32</sup> Rowse, op. cit., p. 62-63.

successful development of new industries such as natural resources, politics, finance, education, organisation, relations between labour, management and capital and recognition by the country of the value of big companies or corporations when properly controlled.<sup>33</sup> This emphasis on the value of large companies or corporations ties in with the then current emergence of large conglomerations such as Collins House and their increasing economic influence. But in terms of the New Liberalism, Gepp's most relevant concepts were:-

- a) National Efficiency, in its broadest sense, for the attainment of which health and contentment are essential
- b) Maintenance of the Ethical as opposed to the Materialistic Attitude of Mind
- c) Development of the Spirit of Industrial Citizenship

Gepp believed that relations between labour, management and capital were poor because 'the employer is totally ignorant of the attitude of mind of the employee, and the employee equally ignorant of the attitude of mind of the employer' and outlined the respective needs of both employees and employers. He thought employees wanted

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<sup>33</sup> H.W. Gepp, "Australia Self-Contained.", Science and Industry, Vol. 1, No. 3, 1919, p. 149.

'Firstly, health; secondly security of employment ... thirdly insurance against being dragged down to the depths financially if, unfortunately, he should be sick and unable to work; fourthly decent housing conditions; fifthly a fair margin between the cost of living and his income; sixthly, good education and a chance in life for his children; and, seventhly reasonable social and civic rights - all of which, summed up, imply a minimum amount of happiness.'<sup>34</sup> He believed these objectives could be obtained if the idea of a minimum wage was abandoned and replaced by the idea that there was to be a minimum amount of happiness throughout the community which could be achieved by co-operation. The employers role in the creation of this minimum amount of happiness was, according to Gepp, to take a keen interest in the lives of all their employees, develop a spirit of industrial and civic citizenship, inaugurate cooperative councils which would reduce the cost of living and educate the workers in economics which presumably would allow the workers to see the economic case behind management's actions.<sup>35</sup> These ideas were put into practice and personified in the welfare schemes at E.Z. The only way, according to Gepp, to successfully meet the future was to ensure that the will to do good work spreads throughout

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<sup>34</sup> H.W. Gepp, "Australia Self-Contained.", Science and Industry, Vol. 1, No. 4, 1919, p. 223.

<sup>35</sup> Ibid.

the whole community. It was only by these means that an ethical, as opposed to a materialistic, mind could be maintained as this would be the impetus 'to assist in building up the great State wherein there is clear recognition of the right of all citizens to happiness and contentment.'<sup>36</sup>

In the same year the Joseph Fisher Lecture in Commerce was given at the University of Adelaide by Gerald Mussen, industrial relations expert for Broken Hill Associated Smelters who frequently visited E.Z and dispensed advice on industrial and welfare matters. Mussen, who was later to become a director of BHAS' Associated Pulp and Paper Mills, choose as the subject of his lecture The Humanizing of Industry and Commerce which succinctly captures the spirit of the New Liberalism. Mussen stated that his concern was with 'the existing conditions of the lives of our people, not what brought those conditions about.' The condition that particularly troubled him was that although Australia was seemingly prosperous, this prosperity was accompanied by widespread industrial unrest and the greatest number of strikes Australia had ever known. Mussen's interpretation of the reason behind this industrial unrest was that 'we have become the slaves of money', that is the material had triumphed over the moral. There was a feeling of being in an era of

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<sup>36</sup> Ibid., p. 225.

great change, in which Mussen believed it was the responsibility of men like himself to create a moral and ethical society. Prior to the Great War 'The object of life was profit .... We knew that suffering and misery stalked among us, but as long as we individually escaped we did not really care .... The higher side and purpose of life were forgotten.'<sup>37</sup> However the blood spilt by Australian soldiers in the Great War shifted, Mussen believed, the responsibility to find 'the causes of unhappiness and discontent in our midst, and fearlessly to advocate remedies, so that the way may be prepared for a greater and fuller national life. Change is in the air.' The key lay in the 'Gospel of Happiness.', which was defined as the right of every citizen to live a life of happiness. Echoing Gepp, Mussen defined the object of life as happiness not money. In the past, he believed, there had been attempts to legislate to bring about ideal conditions but these had been misguided as they had focused on money, and had hindered actual money making attempts. It is likely Mussen was referring to the Harvester Judgement which introduced a minimum wage for the male wage earner. The community needed, according to Mussen, health, proper education and a good home. He attributed the recent industrial unrest as the working class' request for a share of the happiness. But as the

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<sup>37</sup> G. Mussen, The Humanizing of Industry and Commerce., (Adelaide, 1919), p. 11.

demand had been stated in the form of a monetary demand, it had been refused and strikes had occurred.<sup>38</sup> Mussen was adamant that even with more money the individual could not buy the conditions necessary to his happiness, an opinion that was unlikely to have been shared by many of the working class.

The conditions for happiness he outlined were personified in E.Z's welfare schemes. Health, which was justified on humane and productive grounds, was covered by a works doctor and associated medical schemes. Education was seen as necessary for without it the individuals usefulness to the community was limited and he was added to the discontented, unhappy and inefficient section of the community. This was catered for at E.Z by apprenticeship, technical and extension classes. E.Z's planned model industrial village put into practice his ideal of decent town conditions with adequate facilities, such as parks and would have put paid to his fear that slums, tenements, overcrowded and insanitary homes, and exorbitant rents resulted in the loss of health and happiness and destroyed individual efficiency.

The consequence of changes such as these, said Mussen, would be to give birth to a new sense of civic pride. The reconstruction of Australia could only happen if there

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<sup>38</sup> Ibid., p. 13.



was increased production which could be achieved by greater efficiency. True efficiency, and high production would occur under central direction and by providing conditions of life which would ensure that every person commenced their daily work physically and mentally prepared. This preparation, he thought, would come as a consequence of changing the worker's point of view, and for this to happen the worker's must be treated fairly and be healthy, educated, adequately housed in decent town conditions. Mussen gave a lengthy outline on the efforts being made at Port Pirie to put these ideal conditions in place. Even though the worker's point of view might be changed, this did not mean that their role in industry would be expanded or changed in any way. Mussen took it for granted that the management structure of industry would remain the same and was adamant that workers were not capable of running industry as they did not have the ability or the training. 'If you are to get high production you must have organization; if you are to have organization you must have discipline. The idea that an industry could be run by a committee of workmen is absurd.'<sup>39</sup> Furthermore he explained that as citizens, which obviously included the workers, controlled Parliament which in turn controlled industry it was unnecessary to set up any form of industrial control by employees. Mussen concluded by equating cooperation and

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<sup>39</sup> Ibid., p. 21.

efficiency with a type of classless nationalism. 'As we all have to work it is better for us to co-operate; combined effort under efficient organization gives the greatest results for all....We are all members of the one big union-the great Australian union.'<sup>40</sup>

As a Quaker firm, Cadbury came from an entirely different philosophical background to E.Z yet there are a large number of similar beliefs between the two firms, and the imposition of these beliefs had similar consequences at each factory. The Cadbury family believed, as Quakers, that there was the 'light of Christ' and 'God in every man' but intuitive good could not be released when a man lived in poverty and squalid living conditions. In the 1870's Cadbury built a model village at Bournville, England, in the belief it would enable their workers to find God in themselves. The Cadburys noted that welfare was also good business as well housed and healthy workers were more efficient and docile. Cadbury believed there was a common will toward industry and that the if the good in each man was allowed expression then employer and employee would be united. Cadbury was concerned that the conditions in industry were demoralising and causing resentment among workers, and believed that industrial conflict would only disappear when employers changed the conditions within industry and there was cooperation

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<sup>40</sup> Ibid., p. 32.

between employer and employee.

Edward Cadbury in his 1913 article Some Principles of Industrial Organisation examined the claim that Taylors Scientific Management made it possible to find the best man, make him produce the best possible work as to quantity and quality, and at the same time improve the wages, health and morals of the worker. Cadbury believed that scientific management was not as beneficial as its advocates had declared and that it needed to be tempered. There was, he thought, serious deficiencies in the evidence associated with scientific management, especially in the realms of the 'task idea'. According to Taylor the most prominent single element in modern scientific management was the task idea, whereby the task of every workman is planned out and he usually receives written instructions describing in the minutest detail the work he is to accomplish and the means to be used to this end. It was, Cadbury believed, 'doubtful if the efficiency engineers have adequately faced the cost to the individual and the effect on society of their extremely clever system.'<sup>41</sup> He noted that the essence of the system was the concentration of attention upon limited and intensive tasks, and concluded that the result of such minute sub-division of work must be monotony and greater nervous strain as they were not

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<sup>41</sup> Ibid., p. 4.

dealing with inanimate things but with men and women with all their physiological and psychological needs and possibilities as well as prejudices and social sympathies.<sup>42</sup>

The most important question, he believed, was the effect of the task idea upon the personality and character of the worker. Under the task process the splitting of processes was so minute and the work so monotonous and depressing that the workers suffered a narrowing of interest. The monotony of work, when combined with 'the low standard of comfort and order among the unskilled workers, their lack of discrimination in literature, their want of foresight and thrift' made them even more liable to be swayed by rant and rhetoric. Cadbury concluded that whilst there was waste in the present methods, the reduction of the worker to a living tool must in the long run either demoralise the workman or more likely produce great resentment and result in serious differences between masters and men. He believed that the present industrial unrest was not a mere demand for higher wages and shorter hours but an indication of increasing knowledge on the part of the worker of his lack of control of the conditions of his own life. 'Our whole scheme of social, industrial and political life rests on the idea and practice that management and

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<sup>42</sup> Ibid., p. 3.

control are in the hands of the middle classes and the rich.'<sup>43</sup> He acknowledged that the controlling positions in society were barred to the workers and came to the conclusion that the growth of the Labor Party, trade unionism and syndicalism, were expressions of the workers demand to control his own life and consequently there had already been strikes resisting the introduction of scientific management into factories. Unlike the exponents of scientific management, who believed that the extra wages workers could earn under their schemes would cut the ground from under trade unionism, Cadbury believed that drawing the worker from his trade union would arouse fierce hostility. He thought that business efficiency and the welfare of the employees were but different sides of the same problem. His test of factory organisation was the extent to which it created and fostered the atmosphere and spirit of cooperation and goodwill without in any way lessening the loyalty of the worker to his own class and its organisations. The worker, he believed, had the right to be considered one who can play his part as an intelligent and capable citizen. He warned employers that 'the time for study and experiment, I maintain, is now, before the problem becomes acute.'<sup>44</sup> Thus Cadbury believed that new work

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<sup>43</sup> Ibid., p. 7.

<sup>44</sup> Ibid., p. 8-9.

methods within the factory, poor living conditions and a lack of morality had caused the working class to become restive. He

believed that the workers were not so much concerned with a greater share of society's wealth but with greater control over their working lives. Factories had to be organised in a manner that promoted cooperation and goodwill.

Norman Booth, the chairman of directors at Cadbury-Fry-Pascall at Claremont continued Edward Cadbury's theme in his talk on 'The Human Factor in Industry' in 1925.

Echoing Gepp and Mussen he believed that although there had been great material and technological progress over the last 150 years, this record of achievement was spoilt by the fact that 'the relationship of man and man are strained, opposed and unbrotherly.' Employers did not care for their employees and employees had no concern for the welfare of the business that engaged their labour and yet there was, he believed, a common interest. 'We are presented with the abnormal spectacle of two forces harnessed together, each vitally essential to the other, and yet carrying on that almost amounts to warfare ....' Happiness, for Booth lay in the Quaker concept of service to one's fellows, and 'every normal man and woman is interested in co-operating with everybody else to make the world better, and it only needs the end of suspicion

and the establishment of goodwill to open the floodgates of this innate force.'<sup>45</sup> Thus there existed in every man an innate tendency towards 'good' and all that was needed to unleash this force was a change in industrial organisation. He believed, like Cadbury, that part of the worker's resentment was at being thought of as merely part of the operative plant when in fact he should be considered a conscious reproductive agent. If capital and labour were to regard each other as honorable and well disposed then sacrifices had to be made. The employer's sacrifices were to be in the form of concrete items, which in the Cadbury's took the form of welfare schemes, whereas the employees sacrifices were to be moral changes. Whilst not couched in these terms the hoped for result would be a workforce that did not make what the employer would term unreasonable demands. The employers obligations were to provide a sufficient wage, to share any surplus after all contingencies had being met, provide conditions of labour calculated to secure the health and comfort of the workers, and provide a means for the lodgement and ventilation of grievances. The employees obligations were a 'willing return in labour service to his full ability, honestly sustained, due observance of all reasonable rules and harmonious co-operation, ambition to excel and raise the standard of

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<sup>45</sup> N. P. Booth, "The Human Factor in Industry.", in Employment relations and the Basic Wage., (Hobart, 1925), p. 10.

the industry, willingness to seek a fair and ? to any questions in dispute, and integrity and personal responsibility.' Booth believed that Cadbury's at Bournville had successfully embodied these elements into practice, and concluded that the whole undertaking rested 'on a basis of goodwill and mutual understanding, which, while it could not eliminate the selfish element wholly, did at least keep it in subjection, and give the higher impulses, always latent and ready for response, a fair opportunity for development.' He concluded that 'The human factor in industry demands more stress on the adjective 'human,' and even in the prosaic walks of our every-day and all too a materialistic world it is time that we had a little more sense of 'vision' and a realisation that we have in us to develop in industry, not only the human but also the divine.'<sup>45</sup> Whilst emphasis may have been placed on forging a place for the divine in industry, the creation of heaven in industry was compatible with the creation of profits in industry.

Within this chapter there have been a number of concepts outlined. We have seen how the rise of labour introduced a real sense of uneasiness in middle Australia, and how this uneasiness was translated by governments into repressive anti-labour measures. This coincided with the rise of large-scale manufacturing interests as an

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<sup>45</sup> Ibid., p. 12.



influential economic and political force. Reflecting this groups new found status and confidence was their belief in the failure of the state to harness the power of the working class, and their call, through the New Liberalism, to fellow industrialists to take the initiative. The consequences of all these factors upon the working class can be gauged by examining the operation of welfare schemes and industrial cooperation at Electrolytic Zinc and Cadbury-Fry-Pascall at Hobart Tasmania in the inter-war years from 1918 to 1940.

Nevertheless he conceded that in any wages system there must be some element of driving, and the interests of employer and employee are never identical. But, he postulated, there was some identity of interest and by the recognition of the worker's point of view and by taking human nature into account this identity of interest could be emphasised with the result that the goodwill and efficiency of the employees could be fostered. It was a question of inducing the workers to take a positive interest in the welfare of the business, and making them feel that their work and their personality counted. This attitude of mind on the part of the employee showed itself at once, he postulated, in the elimination of avoidable waste and other ways of reducing

cost of output. He believed that the identification of the workers with the firm was an outcome of the educational training and higher standard of life as achieved by the workers at Cadburys.<sup>47</sup>

In this chapter we have examined the economic and political context in Australia between the First World War and 1930. The First World war had made the government conscious of Australia's dependence on imports of vital metals, such as zinc, and caused it to support the establishment of new manufacturing industries such as E.Z that would make Australia, as Gepp termed it, self-contained. The government rendered assistance to manufacturers and industry in general in a number of ways. One of these ways was through labour control where it could attempt to integrate labour through the Arbitration system and by giving concessions such as a shorter working week, or confronting them through state organisation such as the police. The Collins House group had especially strong links with government through the National Union of the Nationalist Party and benefitted directly through Prime Minister Hughes assistance in securing the British zinc contract. The manufacturers recognised their increasing importance to the Australian economy and equated their own self interest with a type of economic nationalism. This is apparent in the writing

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<sup>47</sup> Ibid., p. 9.

of Gepp and Mussen where, through a type of corporate liberalism, they link individual efficiency and cooperation with progress as a nation. A supposed lack of efficiency and working class unrest was taken as being largely due to the worker's dissatisfaction with his environment whether it be in the factory or at home. They felt it was their responsibility to step in where the government had failed and to cooperate with the workers to end labour unrest and increase worker efficiency by reforming the workers environment through model industrial villages and welfare schemes.

## CHAPTER 2.

## WELFARE AT ELECTROLYTIC ZINC.

In the years after the First World War the provision of company welfare schemes was, according to Hay, limited to a small number of companies. There was a great amount of variation in the amount of coverage offered by companies and the schemes mostly centered around pensions, death benefits and disability allowances. The vast majority of companies, however, were anti-welfare and viewed labour simply as a factor and cost in production.<sup>1</sup> E.Z was an unusual company in that it had welfare schemes and because of the expansive nature of its welfare schemes. This chapter aims to examine the scale and composition of E.Z's welfare schemes; the reasons the Company gave for establishing welfare schemes; the benefits it hoped to extract from such schemes; worker acceptance of the schemes and the relationship of E.Z's welfare schemes to corporate liberalism.

The establishment of Electrolytic Zinc of Australia Pty. Ltd (E.Z.) at Risdon, Hobart, was brought about by a number of factors namely the decline of Britain as an economic force, government encouragement of manufacturing industries, the favourable orientation of most federal

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<sup>1</sup> J.R. Hay, "'For the benefit of the company': the development of employers' welfare schemes in Australia, 1880-1980.", unpublished typescript, p. 14-15.

governments towards tariffs that favoured manufacturing interests. The political and economic climate was suitable, a vast amount of tailings was available from Broken Hill, and the development of the new electrolytic smelting process meant that the material and technology was available to enable the Collins House group to produce zinc economically. All that was needed was a place to produce it. Tasmania was able to generate copious amounts of cheap hydro electric power which Collins House was determined to procure and utilise for some purpose. Indeed in 1916 W.S. Robinson urged Collins House to 'contract for all the Tasmanian Government's hydro electric power - if we can't produce zinc with it we'll certainly be able to use it profitably for something else.'<sup>2</sup> The placement of the E.Z. factory in Tasmania was decided when Collins House director, W.S. Robinson, declared 'In my opinion Electrolytic Zinc is a cinch.'<sup>3</sup>

Under the chairmanship of the Hon. William Lawrence Baillieu as head of the Collins House Group, the E.Z. Company was incorporated in Victoria in 1916. Under the watchful eye of the first General Manager Herbert Gepp, construction of the E.Z. works began at Risdon in Hobart

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<sup>2</sup> B.H.A.S. Records, W.S. Robinson Papers, E.Z. Co., 1937. M.U.A.

<sup>3</sup> B.H.A.S. Records, W.S. Robinson Papers, W.S. Robinson to W.L. Baillieu, 28/1/16. M.U.A.

in 1916 on Crown Land leased from the State Government, and with electricity supplied by the Hydro Electric Department at the very favourable rate of £2 per horsepower. When it was established E.Z. was a technological leader in the electrolytic process, and therefore more efficient than other zinc smelters. The ore processed at E.Z. came from Broken Hill, although in the late 1920's E.Z. took over the Mount Read and Rosebury mines, formerly owned by the Mount Lyall Mining and Railway Company, to ensure a source of supply in the absence of Broken Hill ores. In 1922 E.Z. further expanded by building a fertiliser plant at Risdon to supply the needs of Tasmanian farmers.<sup>4</sup>

Herbert Gepp was well credentialed for the position of General Manager. He entered the mining world in 1906 when he began work for the Zinc Corporation at Broken Hill, and in 1907 joined the W.L. Baillieu-Collins House organisation Amalgamated Zinc, where he learnt the zinc flotation process,<sup>5</sup> and took an active interest in welfare problems. After a visit to the Krupp works at Essen, Germany, in 1911-12 where he keenly observed that

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<sup>4</sup> Cochrane, op. cit., p 81.

<sup>5</sup> M. Roe, "H.W Gepp His Qualification as Chairman of the Development and Migration Commission", Papers and Proceedings of the Tasmanian Historical Research Association, Vol. 32 No. 3, 1985, p. 97.

company's welfare schemes,<sup>6</sup> Gepp initiated the Broken Hill Progress Association. In spite of union opposition and the apathy of the company board, the Association built some playgrounds, beautified public gardens and arranged a seaside holiday for miner's children. With an obvious background of technical expertise, organisational ability and enthusiasm Gepp was seen as the person who could establish a factory from the bare earth in Hobart that would not only wrest control of zinc production from Germany, but would also earn the Collins House group handsome profits.

The Zinc Works are located five miles from Hobart in what was in 1916 the virtual wilderness of Risdon. It was isolated by open paddocks from the neighbouring suburbs of Moonah, Glenorchy and New Town, the main source of its workforce. The Zinc Works was, because of economics and technology, a continuously operating plant; that is it worked 24 hours a day. The advantages of the Zinc Works, as a continuously operating plant, having a conveniently located workforce close at hand to deal with emergencies or any other unexpected needs were sufficient for Gepp to obtain permission from Collins House to commence an adjacent housing scheme. If the Works could not be intimately close to the workforce, then Gepp would build

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<sup>6</sup> A.J Rayner, "The ideology of Sir Herbert Gepp: Progressivism and welfare capitalism.", B.A.(Hons) thesis, University Of Tasmania, 1978, p. 43.

a village that would bring the workforce intimately close to the Works.

The building of a workers' village had certain other attractions. The initial construction and operation of the factory would require in excess of 1000 workers. There was concern that the poor condition, scarcity and costliness of rental and owner/buyer housing in Hobart would make it difficult for E.Z. to attract a workforce. Housing rentals in Hobart had risen from an average of 18/10 per week in the first quarter of 1918 to 21/3 per week in the first quarter of 1919 - an increase of approximately 8.8%. The average male weekly wage for a Hobart worker in the quarter to 30 September was 60/4. Given the small time lag between the two sets of figures, it appears likely that the average worker would pay approximately a third of his wages in rent.<sup>7</sup> A survey of the E.Z workers in 1920 revealed that, of the married workers, 155 owned their homes, 241 rented their houses and 196 lived in rooms or flats. The family size of the married men were as follows:-<sup>8</sup>

Family Size	Incidence
2	111
3	118
4	111

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<sup>7</sup> E.Z Records, A/3-3, 'C.M Cooper.' A.O.T.

<sup>8</sup> E.Z Records, A/7-2, 'Cost of Living Statistics'. A.O.T.



5	97
6	62
7	48
8	20
9	12
10+	13

Having information on average wages, average rental and the accommodation standards of the workers at E.Z., Gepp had the information at his disposal to set the parameters for housing that would fit the worker's needs, in terms of both family size and affordability.

Worker housing had a certain ideological appeal for Gepp who, as a believer in corporate liberalism, believed that decent housing was one of the components of 'the minimum of happiness' that should be available to every worker. If a 'minimum of happiness' could be achieved there would be cooperation between worker and employer and an end to industrial conflict in society. Gepp's enthusiasm and idealism was not always shared by the Collins House directors who believed he would do more good for his workers by producing zinc cheaply 'than by filling them up with hopes of heaven on earth'.<sup>9</sup> The directors believed that the benefits of the workers' labour would

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<sup>9</sup> B.H.A.S. Records, Box 1/55/1/2/2, W.S. Robinson to Colin Fraser, 26/9/21. M.U.A.

trickle down to them through the productive system. The directors were broadly amenable to the idea of welfare capitalism. They were, they said, anxious to assist employees in any legitimate welfare scheme, but were concerned that this must not be seen as a bribe to keep down wages. Any scheme had to be seen by the workers as a privilege, not a right.<sup>10</sup>

In 1918 the company bought eleven and a half acres at Risdon from Charles Large. This was soon to become the site of the Lutana village. Further land, which became known as the Orpwood estate, was purchased in 1919 on the high side of Bowen Road, just above Large's estate.<sup>11</sup> An agreement was reached with the Glenorchy Council on 15 June 1920 that E.Z. would build about 60 houses on Large's estate for the accommodation of its employees. E.Z. was to supply the water, road, gutters and septic system and would later be reimbursed for the cost by the Council.<sup>12</sup> Orpwood's estate would remain undeveloped in the short term.

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<sup>10</sup> B.H.A.S. Records, Colin Fraser Papers, Box 1/33/8. Notes by Hon George Swinburne on visit of Colin Fraser and himself to Risdon 1/2/23 to 6/2/23. M.U.A.

<sup>11</sup> A.I. Burrows, 'An Examination of the town planning idea of the Garden Suburb, and its application to industrial management within the co-operative movement in the early 1920's at the Electrolytic Zinc Company, Risdon, Tasmania.' B.A Honours thesis, University of Tasmania, 1978, p. 47.

<sup>12</sup> E.Z Records, A/1-1, File Butler, Macintyre and Butler. A.O.T.

In 1919 the eminent Melbourne architect Walter Butler was hired to facilitate the planning of the village. Butler (1864-1949) did much work for the wealthy businessmen and pastoralists of Victoria and New South Wales. He was trained in England and was associated with the Arts and Crafts and domestic revival circles centered on William Morris and Norman Shaw, before he migrated to Australia in 1889. Like Shaw, Butler strove not so much to create a style but to create an atmosphere<sup>13</sup>, which is evident in his ideas and designs for Lutana. When he arrived in Australia Butler was familiar with the current overseas fashions in landscaping. He was to become an active figure in this area and developed into Australia's main spokesman for the formal garden. Although his gardens were mostly designed for large houses, he believed that the formal garden was well suited to the smaller garden: 'some of the most delightful; effects are produced in the cottage garden and a garden of the moderate dimensions that are possible on an average-sized suburban site may be of the most delightful interest'. Indeed Butler appears to have placed almost as much weight on the design of a house's surrounds as on the houses themselves at Lutana. Butler was not a mere copyist of the English style and like some other architects felt he was engaged

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<sup>13</sup> Fraser and Joyce, The Federation House, (Sydney: 1987), p. 111.

in the search for a distinctive Australian architecture and landscaping. He saw Australians as wanting to escape the primeval nature of the continent and centered his landscaping around exotic plants.<sup>14</sup>

Butler was instructed to prepare a scheme and submit designs for a number of types of houses which would be suitable for a garden settlement and at the same time be economical in construction. A report by Butler emphasised that the distance between the works and the existing dwellings was a serious hinderance and that prompt attention to the problem would go far to producing greater efficiency. He believed that the land purchased, although hilly, was picturesque and healthy and was capable of carrying 200 houses. The cheapest way of creating the village was to plan the entire scheme and construct as large a number of houses at the same time as possible. He believed the houses should be sound, substantial and comfortable and, whilst endorsing the idea of the employees having the fullest opportunity to express their views upon the type of houses to be built, he thought the modern type should be adopted.<sup>15</sup> In keeping with his interest in landscaping, Butler believed it was desirable for the settlement to have a varied

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<sup>14</sup> Ibid., p. 72.

<sup>15</sup> E.Z. Records, A/1-1, Precis of Housing Scheme by Mr W.R Butler. A.O.T.

appearance and outlined how this could be achieved by allowing the levels and contour of the land to determine to some extent the line of the streets, varying the plan of the houses and constructing each house of different materials. He proposed that the design of the houses should vary on each side of the street, and that there should be a mixture of single and double storey, detached and semi-detached houses. The advantage of the two storey houses, according to Butler, was that they left more land for the garden, making more comfortable dwellings that cost less to erect. The semi-detached house saved an even greater amount of ground, and was the cheapest form of dwelling. He thought it be desirable to have some mechanism in place that would prevent employees from selling their houses. Otherwise, he warned, the company may eventually find itself in the situation of having built a large number of houses that would now be owned by other than zinc workers, whilst the zinc workers were living in other peoples rented houses as they had been at the start. Lastly he recommended that a few houses should be erected to gain an indication of their cost prior to fixing the price for sale.<sup>16</sup>

Butler considered that the purchase of houses would not appeal to the majority of workers unless the payments

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<sup>16</sup> E.Z. Records, A/1-1, 'Butler W.R Architect', 12/2/19. A.O.T.

were over comparatively short terms and payments exceeded rents by only a small amount. The Co-operative Council's Housing Sub-Committee stressed that 15/- was the 'maximum payment that could be met by the average workman',<sup>17</sup> but company calculations had shown that it was impossible to build lasting houses and cover the capital and interest for this amount. The only other alternative to selling would be to build houses that would be available for rental but would have inducements to purchase. E.Z. thought this scheme could be very much appreciated by the workers, and that the number of houses held by the company could be gradually reduced. However a scheme could only be made attractive by making an annual grant or subsidy that would enable the 200 houses to be purchased or rented at 3/9 per week less than cost. It was, Butler believed, fair to assume that the scheme would help to make the men content. He calculated that if the Company benefitted from better labour to the extent of 3d. per day it would wipe out the loss of endowing the scheme with £1950 per annum.<sup>18</sup>

On the basis of Butler's report, Gepp recommended to Collins House that 200 houses be constructed upon the land E.Z. had acquired for that purpose as 'scarcity,

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<sup>17</sup> E.Z. Records, A/3-3, File Cooperative Council Housing Sub-Committee's Recommendations, 26/3/19. A.O.T.

<sup>18</sup> E.Z. Records, A/1-1, Precis of Report on Housing Scheme by Mr W.R Butler. A.O.T.

poor quality and inaccessibility from the Works of suitable homes render the creation of a settlement an urgent matter in the interests of security, efficiency and the contentment of the Company's labour supply.' He believed that with 200 company homes, an anticipated War Service Homes Settlement, and the other buildings that would spring up rents would be kept reasonable and the employees would be housed. The houses could be either rented or purchased with care being taken to ensure that the lower paid men were allotted a large share of the houses. The exact payment details were to be worked out at a later date. Gepp was conscious that, even if the company could obtain money at 5 1/2% interest, the lower paid employees would not be able to purchase nor pay reasonable rent for the houses. The scheme would have to be endowed by the Company. Aware of the Work's isolation from the facilities and housing of greater Hobart, Gepp recommended that the trains and tramway be extended to the works to make Hobart houses available to the workers, and make the Hobart shops accessible to the families of those workers already living at Risdon. This service was soon established with E.Z. heavily subsidising 80% of the cost of the worker's fares. The total cost to E.Z. was to be £163,000 for the Lutana houses, £10,000 for initial non-interest bearing expenditure, £2,565 per annum lost interest on the housing expenditure, £2,565 per annum interest on the tramway extension and £2,500 per annum

for the fare subsidy on the trains.<sup>19</sup> In a later report Gepp recommended that the houses should be made available for rental or purchase. It was recommended that the rental charge be set at 4.5% of total cost with an extra allowance for rates etc. This would enable a worker to rent a five roomed house costing £575 would be rented at 14/2d. per week.<sup>20</sup>

In October 1919, with the scheme's sewerage and road construction were underway, Butler suggested that this aspect of the design could be left to E.Z.'s Hobart staff, leaving him free to concentrate on the houses, gardens, enclosures and the planting and decorating of the reserves. He reported that he was making a number of new plans varying the designs of the houses to the differing blocks. He believed that for the scheme to be harmonious, and therefore successful, it must be designed as a complete entity. He envisaged appointing his own representative in Hobart and visiting the scheme personally every two months.<sup>21</sup> There appears to have been a belief that Butler's designs were not always economical, and a meeting of Collins House management in September 1919 decided it was unnecessary to retain his

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<sup>19</sup> E.Z. Records, A/1-1, Butler & Warlow-Davies to Collins House, 19/8/19. A.O.T.

<sup>20</sup> E.Z. Records. A/1-1 Butler and Warlow-Davies to Collins House. 19/8/19. A.O.T.

<sup>21</sup> E.Z. Records, A/1-1, Butler to Gepp, 27/10/19. A.O.T.



services.<sup>22</sup> At Gepp's suggestion another Melbourne architect, A.G. Stephenson, was contracted to complete the Lutana scheme, and instructed to do what he could in reducing costs by modifications of design and the elimination of 'frill'.<sup>23</sup> He was requested to inquire into the erection of flats and to examine the feasibility of erecting cheaper and more simply designed four bedroom houses for Orpwood's estate.<sup>24</sup>

The requirement for economy led to an alteration of the original concept. Stephenson's purpose was not to plan a garden suburb, but to provide houses on Orpwood's estate for 60 families in the shortest possible time and for as little over £450 as possible. Under such circumstances the only type of house that could be completed for such a cost would be to erect extremely basic houses that represented the 'minimum of size and number of rooms that a married man with a very small family could live in with any comfort'. Stephenson believed it was questionable whether the type of tradesman E.Z. wished to employ would live in such houses. In Stephenson's eyes there was an obvious link between housing and a worker's worth. If the right type of housing was erected then the 'right' type

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<sup>22</sup> E.Z. Records, A/2-1, Minutes of General Staff Meetings Melbourne. A.O.T.

<sup>23</sup> E.Z. Records, A/2-2, Gepp to Major J.S Teulon, 2/12/20. A.O.T.

<sup>24</sup> Burrows, op. cit., p. 50.

of worker would be attracted but if the wrong type of housing was erected then obviously the 'wrong' type of worker would be attracted. Although the qualities that made a 'right' or 'wrong' type of worker are not elaborated, the relationship between housing and type of tradesman E.Z. wished to employ was couched in moral terms rather than in terms of technical competence, that is the 'right' type of housing would attract the morally 'right' worker but could not be guaranteed to attract a technically competent worker.

Stephenson thought that to have two different standards of housing in the village would 'certainly bring severe criticism and discontent between the occupants'. A further factor he thought would mitigate against such a scheme was that it would be unlikely public opinion and the municipal councils would allow a great number of such houses to be built. These matters, and the fact these houses would only cater for a limited number of the men E.Z. proposed to employ, led Stephenson to declare the scheme to build 60 cheap houses would not pay from any point of view.

Stephenson believed the Company must decide whether it wished to spend more money per house and erect sound houses on Orpwood's estate, or to erect cheaper houses on flat land closer to Moonah, the train and tram, yet

within 15 minutes walk of the Works. These houses would be small and cheap and could be occupied by labourers working on the construction of the factory. Their cheaper construction and convenient location would enable them to be rented at 19/6 per week, or less with a Company subsidy. Once these houses had fulfilled their usefulness they could be sold with the profits put into developing Orpwood's scheme on the high side of Bowen Road. The workmen the Company wished to retain could then move into the village.

Stephenson recommended to the Company that, as it had spent so much time and effort on the housing scheme at Orpwood's, the best course was to continue with this scheme although it would be more expensive than the Moonah scheme and would take longer to complete. The advantage of Orpwood's scheme was that 'the happy housing conditions there will bring more quickly than anything else the benefits which the industry needs'. By implication it would not suffer from the disadvantage of the proposed scheme at Moonah in terms of not being an integral part of the Works and feeling a sense of isolation. Echoing Mussen's and Gepp's words he reflected on the effect this would have on the worker's efficiency. 'This Esprit de Corps would be lacking-the spirit of community life centered on one object would not be there. No encouragement would be given to that communal interest

focussed in one spot which is so potent a factor in obtaining maximum efficiency. This, after all, is the ultimate aim. Communal life, common interests and healthy conditions, have been proved to be the greatest factors in bringing about industrial rest and spirit of co-operation between the workman and master and vice versa.<sup>25</sup>

The aim of housing workers was not merely to entice workers into the Company's employ, but to bond them to the company. Once in a company home the Company had control over the worker's working and social life, which Stephenson couched in terms of communal life and common interests, and its domination over those workers was complete. Within such an atmosphere it was difficult for the workers to be presented with anything other than the Company's perspective, and made it difficult for there to be anything other than cooperation and industrial harmony.

The construction of the houses proceeded with 31 houses occupied, 1 vacant, 5 near completion and 7 under construction by early 1921.<sup>26</sup> Some of Stephenson's design modifications had been adopted, resulting in the construction of more austere houses and consequent

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<sup>25</sup> E.Z. Records, A/5-1, Stephenson to Meredith, 19/7/20. A.O.T.

<sup>26</sup> E.Z. Records, A/7-1, Meredith to Warden of Glenorchy, 21/2/21. A.O.T.

savings to the Company.<sup>27</sup> In spite of all the planning and construction work the housing shortage remained acute causing Gepp to commission Gerald Mussen, industrial consultant to Collins House, to examine temporary housing schemes that could accommodate the large number of workmen E.Z. believed they would need during the factory construction. The construction of any more houses in excess of those already planned was hampered because of increases in original building cost estimations. This had been caused by wage rises and an escalation in the cost of building materials.<sup>28</sup> In January 1920 £52,505 had been allocated to cover expenditure at both Large's and Orpwood's estates, but by January 1921 a total of £55,297 had been expended.<sup>29</sup>

Gepp was uncertain of the direction and priority that should be allocated to the building scheme. On the one hand economic conditions were unsettled and actual construction of the factory was seen as more vital, but Gepp was sensitive to the 'desirability from the Company's point of view, whether work should be left unfinished' in the housing scheme and thought that when

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<sup>27</sup> E.Z. Records, A/2-2, Gepp to Major Teulon, 2/12/20. A.O.T.

<sup>28</sup> E.Z. Records, A/2-2, Gepp to Major Teulon, 2/12/20. A.O.T.

<sup>29</sup> E.Z. Records, A/7-1, Memo Assistant General Manager, 16/2/21. A.O.T.

the main factory was completed the housing scheme could have the full attention of the management and staff.<sup>30</sup> He wanted Major J.S. Teulon to give a complete report on the housing scheme taking into account matters such as financial conditions, supply of houses in Hobart and the desirability of not damaging employee relationships or injuring the Company's prestige by leaving the housing scheme uncompleted.

In the way of background, Gepp outlined to Teulon how the Company had decided to build good homes for some of the permanent employees, with the idea of making and maintaining the best possible relationships with the employees based on cooperation and understanding. The desirability of this was strengthened by the advantage of having some of the employees, particularly those on shiftwork close to the Works. At a later date, however, the Company had found shift trains could carry a large number of employees to the Works. This had modified the necessity of having a large number of houses close to the Works, but Gepp believed the 'average type of workman's home in Hobart leaves much to be desired' and the original conception and purpose of the scheme therefore stood unchanged.

He believed that the effort involved in the housing

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<sup>30</sup> E.Z. Records, A/2-2, Gepp to Major Teulon, 2/12/20.

scheme 'has been a genuine one ... and it is undoubtedly educational both to the Company and to the men, and it is important that we do nothing which will neutralize this effect which is the best part of one of the biggest assets the Company has, viz, a logical and reasonable touch with all its employees.'<sup>31</sup> In Australia Self Contained, Gepp had outlined his belief that the workers were 'ignorant of the attitude of mind of the employer' and in this light he viewed the housing scheme as an attempt to educate the workers in management attitudes by giving them a concrete example of the Company's goodwill and concern for employees. The provision of decent employee housing was, to Gepp's way of thinking, a contribution towards the 'minimum amount of happiness' that he was sure would be achieved through cooperation and would result in the development of an ethical personality.

Gepp's uneasiness about economic conditions was vindicated when a downturn in metal prices resulted in the dismissal of approximately 350 workers in early 1921 and caused housing construction to be shelved during 1921. But as those houses that had been commenced were almost completed, the time was deemed ripe for the development of a stronger civic sense among the tenants.

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<sup>31</sup> E.Z. Records, A/2-2, Gepp to Major J.S. Teulon, 2/12/20. A.O.T.

Much of the day to day running of the housing scheme had been vested in the Housing Trustees. Eight trustees were appointed by the employee welfare body, the Cooperative Council, consisting of two representatives of the Company and six representatives of the employees. <sup>32</sup> The Housing Trustees proposed that the tenants should establish a General Purpose Committee that would be responsible for overseeing discipline, care of property, communal improvements and the formation of a club for social and recreational purposes. As well within its scope were schemes such as care and cultivation of the orchard, a common chicken run and milk supply, the development of a playing area for the children, rubbish disposal, a small rifle club, and improvement of communications on a cooperative basis. <sup>33</sup> Such a Local Improvement Committee was formed by the residents of Lutana and in May 1921 were about to embark on a tree planting scheme. <sup>34</sup>

It would seem that Lutana was developing much as E.Z. desired. After a tour of inspection by a member of the Housing Trustees and an officer of the Company, the secretary of the Cooperative Council, C.R. Baker, was able to report to Gepp 'It was a pleasure to find that

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<sup>32</sup> C.R. Baker, The Human Story of Risdon, (Risdon: n.d.) p. 38. E.Z.

<sup>33</sup> E.Z. Records, A/7-1, Hutchin to Gepp, 4/4/21. A.O.T.

<sup>34</sup> The World, 18/5/21.



the great majority of houses were well kept and clean inside and that progress in front gardens and kitchen gardens is as well advanced as it is.' But there were two miscreants whose houses did not measure up to the Company's desired standard of cleanliness. They were to be warned and if improvement was not shown evicted.<sup>35</sup> While the Company had hoped that the type of housing they had erected would attract the 'right' type of worker, if the worker did not exhibit standards of behaviour that the Company deemed appropriate to the type of housing it had erected then there was no place for that worker in E.Z's model village at Lutana.

In March 1922 Gepp reported to Collins House that once again the housing shortage was becoming acute, Hobart house rentals were rising and a number of staff members were looking for accommodation. At this stage 41 houses had been completed and the foundations of a further 14 houses had been laid.<sup>36</sup> E.Z's Industrial Officer, A.W. Hutchin believed that if more houses were built 'we shall add to the number of employees living in the village who are, by that much, more closely identified with the Company and its interests.' He pointed out that C.R Baker, Secretary of the Cooperative Council, and himself

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<sup>35</sup> E.Z. Records, A/7-1, C.R Baker to Gepp, 28/4/21. A.O.T.

<sup>36</sup> Burrows, op. cit., p. 54.

both lived in the village and had established a very intimate touch with the employees and it was to the advantage of the Company that this nucleus should gradually grow. He thought that the advantages of more workers in the village were twofold. Firstly a feeling of solid commitment to the Company might be developed which, in times of stress, might have a most profound influence. Secondly senior officers of the Company could be housed in the Village and be available in emergencies or serious breakdowns.<sup>37</sup> Hutchin recognised the nullifying effect company housing could have on industrial unrest within a factory. In an isolated, self-contained community such as Lutana and surrounded by the Company management such as Hutchin and Baker who on the one hand strongly identified with the Company and were opposed to the worker's interests, it is not surprising Hutchin recognised that the worker's who lived at Lutana would come to identify with the Company. A solid core of such workers could have a decisive and marked influence in the Company's favour in the event of industrial action. Their allegiance would be to E.Z. rather than their fellow workers and most probably could be relied upon to stay at work and continue production in the event of any such industrial action.

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<sup>37</sup> B.H.A.S. Records, Fraser Papers, Hutchin to Gepp, 31/3/22. M.U.A.

Under the depressed financial situation the Board of Directors believed that circumstances mitigated against the construction of further houses. Gepp insisted and suggested that, instead of five houses being built at Lutana, a community hall and recreation area should be constructed. Gepp was aware of the potentially placating effects of Company housing on the workforce when he stated 'The need for provision of facilities for the development of the social life of the village, removed as it is from the city, is eminently desirable .... and we feel sure that it would afford an opportunity for our industrial officers who live at Lutana to develop the community spirit as we should like to see it developed.'<sup>38</sup> The tide from within Collins House appeared to be turning against Gepp and his ideas. Colin Fraser, one of the Collins House directors stated at the time 'My principal job for E.Z. Co is sitting on the cash box and tactfully warding off Gepp's many assaults on it. He is an extraordinary chap in that past experience seems to go for nothing. Nevertheless he is a big asset for all that and I am continually impressing this upon certain of our friends who are sometimes disposed to take the opposite view.'<sup>39</sup> The tide swung towards Gepp again when after a visit to Risdon another of the Collins House directors,

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<sup>38</sup> E.Z. Records, A/10-4, Gepp to Collins House, 14/10/22. A.O.T.

<sup>39</sup> B.H.A.S. Records, Box 1/55/1/2/2, Colin Fraser to W.S. Robinson, 18/12/22. M.U.A.

George Swinburne, recommended that consideration be given to the building of a community hall as there were already 114 children in the settlement and no place for a school or social gathering.<sup>40</sup> After a delay the Collins House directors finally gave their approval in February 1923 for the erection of the community hall, two staff houses and six employee homes. The Education Department opened a kindergarten at the Hall, but after two years decided it could not continue to run the kindergarten inducing a branch of the Hobart Free Kindergarten to open in its place. It was run by a local committee and enrolled approximately 60 children.<sup>41</sup>

In 1922 an employee made a request for E.Z. to establish a profit sharing scheme. The Company felt it could not agree to a profit sharing scheme but instead established a Cooperative Building Fund. In 1923 E.Z. advanced £20,000 at 4% and the Hobart Savings Bank £30,000 at 6% to form the basis of the fund. The fund was to be administered by the Housing Trustees comprising six employee representatives and two Company representatives. Loans to a maximum of £750, were available to men with 3 or more years service and who earned less than £7 per

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<sup>40</sup> B.H.A.S. Records, Fraser Papers, Box 1/33/8, Notes by G Swinburne on visit of Colin Fraser and himself to Risdon 1/2/23 to 6/2/23. M.U.A.

<sup>41</sup> E.Z. Records, A/31-3, Annual Report of Lutana Hall Management Committee, 26/1/25. A.O.T.

week, to purchase or build houses or to lift mortgages. At the suggestion of the Collins House Industrial Consultant, Gerald Mussen, a marks system was devised to further assess an applicants eligibility. A maximum of 100 marks could be gained and were allocated as follows: length of service 33; number of persons dependent 20; general circumstances of applicant, including housing accommodation 15; character of applicant 32.

The then Secretary of the Cooperative Council, C.R Baker, noted that 'Character was a thorny one and placed a heavy responsibility on the trustees and that duty was discharged with very great fairness.' The scheme apparently ran successfully until 1931 when unemployment caused several mortgagees to default. The Directors had verbally promised that the Company would the capital repayments to the original £50,000 pool. In spit of this promise the repayments were paid into the Company's account causing the fund to dry up.<sup>42</sup>

In 1923 changes were afoot that would alter the original plans for Lutana. The Company's proposal to build some 180 houses which would be let to employee tenants was abandoned. Instead the major portion of the estate was to be made available for sale to employees under the

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<sup>42</sup> Baker, op. cit., p 38-39. E.Z.

Cooperative Building Fund.<sup>43</sup> This may have been prompted by the fact that demand for rental houses at Lutana had not met E.Z.'s expectations. The reasons for this were manifold. The proposal to rent a number of the houses for 15/- appears to have been abandoned. Gepp recognised that the houses at Lutana were 'rather too expensive for a large number of employees.'<sup>44</sup> with rents ranging between 22/6 for a 4 bedroom house to 25/- for a 5 room house, thereby giving the Company a 4% return on investment.<sup>45</sup> Although the workers had voiced their opinion in 1919 that the site was too far from Hobart this factor seems to have never been given much weight by E.Z management.

The architect Stephenson was again contacted in mid 1923 and advised of the need to make alterations to the Orpwood's estate plans because the land in the modified scheme would not be under E.Z.'s direct control.<sup>46</sup> Stephenson stressed the need for the village to be planned and created as a single harmonious entity and suggested that plans should be drawn outlining the

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<sup>43</sup> E.Z. Records, A/17-4, Gepp to Collins House, 22/6/23. A.O.T.

<sup>44</sup> E.Z. Records, A/2-2, Gepp to Stephenson, 8/7/20. A.O.T.

<sup>45</sup> E.Z. Records, A/24-4, Company's Subsidies in Cooperative Activities for the 6 Months Ended 31 Dec. 1923. A.O.T.

<sup>46</sup> E.Z. Records, A/17-4, Hutchin to Stephenson, 14/5/23. A.O.T.

styles, groups and grouping of houses, the planting of the area and other general arrangements including the formation of playgrounds.<sup>47</sup> However Gepp believed it was not practicable to organise the scheme as Stephenson had suggested as the layout was already determined with the individual house design being left to the borrower under the guidance of the Trustees.<sup>48</sup>

The layout for Orpwood's block was amended by Hobart architects Hutchinson and Walker. They produced a utilitarian design claiming that the old designs were only possible if the Company had control over the whole area. A playground, village green and 9 conjoined houses were eliminated from the design. The facilities and houses proposed were of a cheaper design and although the recreation reserve was to be extended it was a far cry from the model garden suburb that had been originally planned.<sup>49</sup> In spite of the blocks being offered at cost price only 17 of the 103 blocks were sold,<sup>50</sup> with the vacant subdivision standing as a mute testimony to the degradation of the original concept of a model garden

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<sup>47</sup> E.Z. Records, A/17-4, Stephenson to Gepp, 28/5/23. A.O.T.

<sup>48</sup> E.Z. Records, A/17-4, Stephenson to Gepp, 19/6/23. A.O.T.

<sup>49</sup> E.Z. Records, A/17-4, Stephenson to Gepp, 23/10/23. A.O.T.

<sup>50</sup> Burrows, op. cit., p. 58.

village.

In late 1924 the Company made arrangements for the houses at Lutana to be sold with the assistance of the Cooperative Council Home Building Fund.<sup>51</sup> This course of action was most likely due to the difficulty E.Z had in letting the houses at Lutana,<sup>52</sup> which was causing the Company to lose money on the houses. A.W.Hutchin, the Superintendent of E.Z's Industrial Department wanted to defer selling the co-operative scheme houses for a year as he believed indicators pointed to a steady decline in the value of worker's houses and of their wages.<sup>53</sup> If Hutchin's predictions were true there would be a decline in demand for the Lutana houses, causing house prices to fall, and making it less likely E.Z would recoup its outlay. After a year, however, wages would rise causing house prices to increase which would enable E.Z. to sell its houses for a higher price.

In June 1925 approximately 15% of the houses at Lutana had been vacant in the prior 2-3 months. This was in part due to an oversupply in houses and a drop in rents which

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<sup>51</sup> E.Z. Records, A/24-4, General Manager to Secretary Cooperative Council, 30/9/21. A.O.T.

<sup>52</sup> E.Z. Records, A/24-4, Hutchins to the Deputy General Manager, 4/11/24. A.O.T.

<sup>53</sup> E.Z. Records, A/24-4, Hutchin to the Deputy General Manager, 17/12/24. A.O.T.



made other areas more attractive than Lutana. The Deputy General Manager, David Meredith, told Collins House that the worker's disinclination to live at Lutana stemmed from a number of reasons 'the principal of which are

- 1) Prejudice against the concrete house which is thought to be damp.
- 2) Our Cooperative housing scheme has deprived us of some good tenants.
- 3) Our wage rates allow for a certain choice of locality nearer the city with the easing of the housing position, and our cheap rail concessions put a premium on living a distance from the works.'

Meredith requested and was duly given approval to reduce the rents on the houses at Lutana by 20%.<sup>54</sup> It would appear that Lutana was only popular in times of severe housing shortages. An increase in the availability of houses, doubtless due in part to E.Z.'s Cooperative Building Fund enabling employees to build rather than rent houses in any suburb, and the subsidised rail fares which made it less expensive for employees to travel to work took away Lutana's prime attractions, namely its proximity to the Works and its rental housing.

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<sup>54</sup> E.Z. Records, Meredith to Collins House, 26/6/25. A.O.T.

The 20% reduction in rent did not have the desired effect, and in 1927 Hutchin reported an average of 10 empty houses. He advised that a further reduction in rent would attract a less desirable tenant and would make the contrast between the weekly payments required for a house built under the Cooperative houses scheme and those let by the Company greater and quite probably depreciate the value of the company houses.<sup>55</sup> Nevertheless Hutchin did not propose a solution to the problem of empty rental houses and uneconomic rents.

The vision of a large harmonious village at Lutana did not eventuate on the scale initially outlined in 1918. The Company believed by 1926 that the housing scheme had fulfilled its duty, which was to meet the housing shortage and to stabilise employees in their own homes,<sup>56</sup> and as the value of houses had dropped there was little purpose in building new homes.<sup>57</sup> This was presumably because the drop in the value of houses had cheapened the price of house rentals making it easier for employees to obtain accommodation in places other than Lutana, and had

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<sup>55</sup> E.Z. Records, Hutchin to the Deputy General Manager, 5/2/26. A.O.T.

<sup>56</sup> E.Z. Records, A/39-3, Hutchin to the Deputy General Manager, 11/1/26. A.O.T.

<sup>57</sup> E.Z. Records, A/39-3, Deputy General Manager to General Manager, 13/7/26. A.O.T.

increased the affordability of houses making it easier for workers to build or buy their own homes. The Company's involvement with Lutana shifted to day-to-day maintenance of the village and vigilance over peoples' behaviour at Lutana. Inspections of the houses continued with the occasional report of houses being kept 'in a very dirty condition and the children apparently not controlled.'<sup>58</sup> There appears to have been difficulty in controlling some of Hobart's working class youths from nearby suburbs. In 1934 there were reports of youths annoying residents at Lutana and committing acts of vandalism. E.Z countered requesting the police to organise extra patrols and arranging for the Returned Soldiers Civil Patrol to patrol the village.<sup>59</sup>

The great crash brought a 10% cut in E.Z. worker's wages in 1931, and also a 10% rental reduction on all houses owned by E.Z.<sup>60</sup> Some tenants were unable to keep up with their rental payments and either left or were evicted from their houses. As rental was still owed by some tenants a collection agency was hired to obtain the outstanding rentals. Some, such as Mrs Glidden whose

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<sup>58</sup> E.Z. Records, A/39-3, J.A Hurburgh to the General Manager, 3/9/26. A.O.T.

<sup>59</sup> E.Z. Records, A/73-1, R.S.S.I.L to E.Z., 10/12/34. A.O.T.

<sup>60</sup> E.Z. Records, A/79-4, Minute File Properties Rents, 23/2/31. A.O.T.

husband had been killed at the Works and children had been retrenched, offered to pay some rental and requested that her son and daughters be given work at the Works.<sup>61</sup> Others such as Mrs Brockman came out fighting, and revealed the anger and frustration felt by some of the workers retrenched by E.Z. She told E.Z that if they had given her husband work she would have been able to pay. 'I did not think that you would put your foot on me like that when you knew the way we was when we left you ... you big men don't care a scrap wether us poor wretches live or die you have your regular income you don't know what it is to be without food there is all my family with hardly a boot to their feet there are better boots in the rubbish tip' and furthermore 'a big company like the zinc ought not miss a few pounds like that you could help poor people like us if you tried but you would not do that you would rather crush and keep us down'.<sup>62</sup> Mrs Brockman received a letter from E.Z stating that the collection agency had been withdrawn and she should pay when she could.<sup>63</sup>

However housing did not comprise the totality of E.Z's

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<sup>61</sup> E.Z. Records, A/73-1, Mrs. Glidden to E.Z., 9/6/31. A.O.T.

<sup>62</sup> E.Z. Records, A/73-1, Mrs Brockman to E.Z., 25/6/31. A.O.T.

<sup>63</sup> E.Z. Records, A/73-1, File Cooperative Houses Rent. A.O.T.

welfare. Instrumental in running and organising many of the welfare activities was the Cooperative Council which was later to change its name to the Community Council. The Council was formed in 1918 'for the purpose of participating in and controlling a scheme for the supply and sale of the necessities of life on a cooperative basis to the employees of E.Z.' The Council consisted of three members appointed by the General Manager, and another nine elected annually by all the employees. The General Manager of the Company was the ex officio President of the Council, whilst the Chairman, Vice Chairman and Secretary were to be elected by the Council from amongst its members.<sup>64</sup>

The Cooperative Council's first undertaking was to supply firewood at a very low profit margin. David Meredith, the Deputy General Manager, questioned its economic viability and thought it had 'no attraction from an appreciable money saving point of view.'<sup>65</sup> This proved to be true and the scheme was quickly abandoned.<sup>66</sup> In response to a strike by the Master Butchers of Hobart, a meat store was opened in 1918. Although it did not sell a very large volume of meat, Baker asserts that it did keep the price

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<sup>64</sup> Baker, op. cit., p. 12.

<sup>65</sup> E.Z. Records, A/1-2, File Cooperative Council, 30/10/18. A.O.T.

<sup>66</sup> Baker, op. cit., p. 18.

of meat prices down in the adjoining suburbs until its closure in 1923.<sup>67</sup>

One of the Cooperative Council's more ambitious projects was the establishment of a cooperative store to supply 'the necessities of life and other goods at the lowest cost price.' The Company was to *lend* the Council sufficient money to erect a building and purchase company-approved stock. The profits were to be put back into the store, distributed amongst purchasers or used for any benevolent philanthropic or educational purpose.<sup>68</sup> Initially the store was located next to the butcher's shop at the works, but in 1920 the Cooperative Council purchased a store site in Albert Road Moonah for £1,350.<sup>69</sup> The store's trading figures were poor, with the Cooperative Council Secretary attributing its disappointing trading results to its bad position, badly assorted stock and the lack of a sufficient inducement to warrant the housewife a trip to Moonah.<sup>70</sup> As a consequence the store was sold for £1,000 in August

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<sup>67</sup> Ibid. p18.

<sup>68</sup> E.Z. Records, A/1-2, File Cooperative Council, 31/12/18. A.O.T.

<sup>69</sup> E.Z. Records, A/3-3, Baker to Meredith, 29/3/20. A.O.T.

<sup>70</sup> E.Z. Records, A/3-3, File Cooperative Council. A.O.T.

1921.<sup>71</sup> The Collins House Board forwarded the Council £2,819 to cover the losses sustained by the store and woodyard and warned that all cooperative activities should be made self supporting otherwise their continuance could not be guaranteed.<sup>72</sup> The store was moved back to the Works where it functioned in a successful though far smaller manner<sup>73</sup> along the lines of the Cribtime store, that is it operated only at certain times during the day such as morning and afternoon tea time, lunchtime and after work. In a move aimed at overcoming the isolation of the residents at Lutana, Gepp arranged for a Cooperative store to be built in the village.<sup>74</sup> The Company was to finance the erection at a cost of £500, of which 10% was to be received by way of rent yielding the company a net return of between 5% and 6%.<sup>75</sup> As in many other cooperative activities the return in relation to expenses was a disappointment to the Co-operative Council. The Cooperative store at Lutana was only returning £32 per week in 1925, which was insufficient to pay expenses. The cause was seen as the

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<sup>71</sup> E.Z. Records, A/10-4, E.Z. to Mrs. A.M Waterworth, 23/8/21. A.O.T.

<sup>72</sup> E.Z. Records, A/10-4, Shackell to E.Z., 29/9/21. A.O.T.

<sup>73</sup> Baker, op. cit., p. 21.

<sup>74</sup> E.Z. Records, A/10-4, Gepp to Collins House, 15/11/22. A.O.T.

<sup>75</sup> E.Z. Records, A/17-4, Hutchin to E.Z., 3/9/23. A.O.T.

low occupancy houses which narrowed the store's customer base to such a point it was no longer viable. As it was felt this situation would not change the Cooperative Council Secretary recommended to the Company in 1925 that the store be closed<sup>76</sup> which was duly done.<sup>77</sup>

The activities of the Cooperative Council were not solely confined to housing and trading. It organised a large number of social and sporting clubs. In early 1919 approval was given to form a brass band and tennis club,<sup>78</sup> whilst an orchestra, lacrosse, cricket and football teams were in operation by 1920 at least.<sup>79</sup> The first annual picnic was held in 1918 and has continued until the present day. The company donated money to cover the cost of essentials, such as the ferry ride to Brown's River and entertainment for the children.<sup>80</sup>

Although the Cooperative Council organised a great number of these activities E.Z was always keen to retain control. When a proposal was put forward to buy the band

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<sup>76</sup> E.Z. Records, A/31-3, Baker to Deputy General Manager, 1/6/25. A.O.T.

<sup>77</sup> E.Z Records, A/31-3, Deputy General Manager to Cooperative Council, 6/6/25. A.O.T.

<sup>78</sup> E.Z Records, A/31-3, Meredith to Secretary Cooperative Council, 14/12/19. A.O.T.

<sup>79</sup> E.Z. Records, A/2-1, File Notices. A.O.T.

<sup>80</sup> E.Z Records, A/1-2, Meredith to Secretary Cooperative Council, 10/2/20. A.O.T.



uniforms on a £ for £ basis, Gepp was adamant that the band should not buy its own instruments as 'if the instruments eventually become the property of the Band, the Company will lose its controlling influence which it now possesses and which it might be desirable to retain.'<sup>81</sup> Many of these activities had a chequered career. The tennis club was disbanded in 1925 due to the lack of a suitable court.<sup>82</sup> The band drew its members from the E.Z. workforce and its strength therefore fluctuated according to the Company's economic strength. As the band was thought to be closely identified with the Zinc Works by the public and performed charitable works, C.R. Baker requested that when the Company was hiring new employees it give preference to bandsmen.<sup>83</sup>

Whilst a great number of people participated in these sporting and social activities, with the reduction of trading activities that coincided with the store moving from Albert Road to the Works in 1922, the Company was concerned that there was insufficient for the Cooperative Council to do and believed it may disintegrate if there were not sufficient activities for it to pursue. E.Z. had

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<sup>81</sup> E.Z. Records, A/17-4, Gepp to Collins House, 18/1/23. A.O.T.

<sup>82</sup> E.Z. Records, A/31-3, Cooperative Council Half Yearly Report, 26/1/25. A.O.T.

<sup>83</sup> E.Z. Records, A/46-3, Baker to General Superintendent, 17/5/27. A.O.T.

evidence from the Company doctor, Dr Cordner, of the need to establish a district nursing service to help wives and mothers, particularly those with small and growing families. As well, Dr.Cordner had provided evidence of the 'shocking state of teeth of a large number of our men,' which could be remedied by a cooperative dental service. He made E.Z aware of the severe financial strain that could be imposed upon workers by hospital bed charges, which he thought could be relieved by some type of company subsidy on hospital beds. Hutchin requested authority to discuss these projects with the Cooperative Council with a view to formulating recommendations for the approval of the Company and added 'The recent decision of the Arbitration Court exempting us from the operation of Federal Awards tends to make us more than ever a self governing industrial community in the matter of wages and conditions, and the natural corollary of this is a well thought out programme of social service also conducted on self governing lines.'<sup>84</sup> In line with corporate liberal disillusionment with some of the activities with the state, Hutchin believed the activities of the state could be replaced by the activities of industry. The activities of the Cooperative Council, with its elected members, could be likened to the activities of members of Parliament and as the Hughes Government was actively encouraging manufacturing and

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<sup>84</sup> E.Z. Records, A/10-4, Hutchin to Gepp, 9/6/22. A.O.T.

leaving some sectors it had previously occupied, it was therefore natural to think of the Company taking over some of the social services provided by the state.

In a letter to the Cooperative Council in 1920, the Company suggested 'Cooperation between all employees of this Company, and the Company itself must undoubtedly concern itself most seriously in assisting and improving the general health of the community ... and in no way can this be more definitely improved than by regular dental and medical supervision.'<sup>85</sup> This attitude was supported by the Directors who believed that although there was not a health problem at Risdon, there was a relationship between good health and efficiency, and that the establishment of a dental clinic deserved consideration if only from the point of making the employees more efficient.<sup>86</sup> The Company was willing to aid the Cooperative Council with the cost of a dental surgery, workshop and equipment and with the general inauguration of the dental scheme. The dentist would not only be concerned with the pulling and saving of teeth but 'with propaganda among all of us, looking towards education as to the care of teeth which will prevent trouble and

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<sup>85</sup> E.Z. Records, A/1-2, Memo Cooperative Council, 8/3/20. A.O.T.

<sup>86</sup> B.H.A.S. Records, Fraser Papers, Box 1/33/8, Notes by G. Swinburne on visit of Colin Fraser and himself to Risdon 1/2/23 to 6/2/23. M.U.A.

obviate the necessity of dental surgery.'<sup>87</sup> However the idea was received coldly by the Cooperative Council and it was not until mid 1923 that a dentist was set up in his surgery in an old inn close to the Works.<sup>88</sup> Once established the service was received with enthusiasm with 459 visits being recorded in the first three months.<sup>89</sup> The cost to the worker was nominal but the cost to the Company amounted to a subsidy of £633/18/2 in the 6 months to 31 December 1923. Initially access to the dental clinic was restricted to the actual workers, but was extended to the worker's wives and children in 1924.<sup>90</sup> The Company had believed that the working class mother was often badly in need of dental treatment but was likely to postpone her visits until her children's needs were satisfied. They believed the dental clinic had remedied this situation and she was now able to receive appropriate treatment.<sup>91</sup> Overall 'both the Cooperative Council and the Company feel that the Clinic, established and operated primarily to promote good health, has succeeded and concurrently has also promoted good health

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<sup>87</sup> E.Z. Records, A/1-2, Memo Cooperative Council, 8/3/20. A.O.T.

<sup>88</sup> Baker, op. cit., p. 27.

<sup>89</sup> E.Z. Records, A/17-4, Hutchin to Collins House, 3/9/23. A.O.T.

<sup>90</sup> E.Z. Records, A/31-3, Cooperative Council Half Yearly Report, 26/1/25. A.O.T.

<sup>91</sup> E.Z. Records, A/46-3, File Cooperative General Memo.

and efficiency.'<sup>92</sup> The dental clinic as indicated by its great patronage provided a sorely needed service. Although it may have come partially from altruism on E.Z's behalf, the Company was quite aware of the effects of such benefits on efficiency.

The Medical Union was proposed in 1920 by T Mailer, the then President of the Cooperative Council.<sup>93</sup> It was hoped that the Union's establishment would enable employees to receive free medical treatment and prescriptions from the Union Medical Officer at the Works.<sup>94</sup> The Company believed the idea was directly advantageous to employees and supported the cause and promised that, if the Cooperative Council could get all employees to join, the Company would make membership a condition of future employment.<sup>95</sup> The Medical Union commenced in July 1920 with voluntary membership at a cost of 9d. per week. A doctor was engaged by E.Z on the basis that if the fund had less than 500 members in the first 3 months the Company would pay the shortfall between the actual number

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<sup>92</sup> E.Z. Records, A/31-3, File Cooperative Dental Clinic. A.O.T.

<sup>93</sup> Baker, op. cit., p. 25.

<sup>94</sup> Ibid., p. 27.

<sup>95</sup> E.Z. Records, A/1-2, Meredith to Secretary Cooperative Council, 4/2/20. A.O.T.

of members and the guaranteed 500 members.<sup>96</sup> However there was no necessity as 503 had joined by June 1920.<sup>97</sup> The doctor initially appointed had resigned and was replaced by Dr Cordner, who was to be paid £100 over the money earned through consultations on the condition that he be at the call of the Company and conduct regular inspections of the plant with a view of keeping the Works sanitary and hygienic.<sup>98</sup> Although the Medical Union had initially enrolled a substantial number of members by 1921 it was in difficulty. Economic conditions had reduced E.Z.'s workforce to such an extent that even though 75% of the daily paid workers were in the fund this amounted to only 35 workers. The Union was not running on 'satisfactory financial lines' and it was suggested that staff might like to avail themselves of medical insurance for themselves and their families. The Company was already subsidising the scheme to the extent of £600 per annum and felt that under the prevailing circumstances they could not direct any more money towards the scheme.<sup>99</sup> However membership then grew and by 1923 roughly 50% of the workforce were members, which enabled the Company to reduce its subsidy to less than

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<sup>96</sup> Ibid., 24/6/20. A.O.T.

<sup>97</sup> E.Z. Records, A/2-1, Secretary Cooperative Council to Meredith, 9/6/20. A.O.T.

<sup>98</sup> E.Z. Records, A/7-2, Hutchin to Gepp, 9/5/21. A.O.T.

<sup>99</sup> E.Z. Records, A/7-1, Gepp to Heads of Department, 25/4/21. A.O.T.

£400 per annum. The proportion of the workforce nominating to be members of the Union increased to 69% in 1927, which enabled the Medical Union to trade out of its difficulties. It then became a registered Friendly Society, obtaining 98% membership from the workforce.<sup>100</sup> As a further service the Cooperative Council arranged for 4 beds to be reserved in the hospital solely for the use of E.Z workers at a cost of £400 per annum. The Cooperative Council's contribution was £300 and the Company's £100.<sup>101</sup>

In 1925 the Cooperative Council expressed concern at the distance workers had to travel to have prescriptions filled and that women and children had to travel to obtain dental treatment at the Company's clinic. As well, the Council had a need for a venue where clubs could meet and dances could be held and asked the Company to consider erecting a building that could act as a centre for cooperative activities in Moonah.<sup>102</sup> David Meredith wrote to Collins House that, apart from the hall at Lutana, the Company had not provided anything that could act as a centre for cooperative activities. He put forward the proposition that as Moonah provided a large

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<sup>100</sup> Baker, op. cit., p. 27.

<sup>101</sup> E.Z. Records, A/17-4, Hutchin to Collins House, 3/9/23. A.O.T.

<sup>102</sup> E.Z. Records, A/31-3, Baker to Deputy General Manager, 6/11/25. A.O.T.

amount of E.Z.'s labour and was likely to do so for a considerable period of time, it appeared sound to provide there whatever was shown to be necessary to the health, well being and happiness of our employees. Meredith acknowledged that 'the recent sittings of the Wages Board have safeguarded our position and determined our rates of labour for the next two years. Our position cannot be described otherwise than as very favourable, for the indications are that cost of living will further decline.' Noting the high metal prices Meredith believed 'it would be gracious and provident thing to do ... to give the employees some further share in the prosperity of the Company.' One way he suggested this could be done would be for E.Z. to forgo any further reduction in wages, even when justified by the cost of living figures. He believed, however, that action such as this would not aid the Company's profitability on the West Coast and 'money given away in such a fashion achieves no permanent result that can be measured.' Meredith pointed out that by forgoing a wage reduction as small as 3d. per day per man would involve £4000 in a year and leave nothing tangible to show for it. As an alternative to foregoing the wage reductions Meredith suggested it would be politic for the Board to finance the erection and equipping of the Moonah centre at an estimated cost of £2500. It was to be the 'next logical step in the



development of our sociological programme.' <sup>103</sup> In 1926 a new dentist's surgery and hall were built in Hopkins Street, Moonah.

An Insurance Society was established in 1919 with the impetus, C.R Baker intimates, stemming from Gepp and Gerald Mussen. <sup>104</sup> The aim of the Society was to pay sickness benefits to the workers - a necessity rather than a luxury in an unhealthy industry such as E.Z. However in wage cases E.Z. claimed that its working conditions were no less healthy than any other industry and was to be supported by governmental sources. M.L Daly, who worked in the Cell Room, recounted the conditions endured by the cell inspectors 'These men are continually subject to a constant spray of sulphate. As the work necessitates it, they lean over that cell all the time. The cell inspector is given a respirator, but it does not protect him the way it should. When a man breaks out into a perspiration it runs and carries the sulphate into his eyes and a man will come out with eyes like raw beef.' The conditions endured by the cell strippers were, if anything, worse. Daly stated ' There are more accidents in this particular line than in any other part of the Works. Only last week a man had his arm

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<sup>103</sup> E.Z. Records, A/31-3, Meredith to Collins House, 24/11/25. A.O.T.

<sup>104</sup> Baker, op. cit., p. 4.

caught and some of his fingers severed.....The Merit Board shows 22 accidents - one a fortnight - in 10 months .... They call it "Port Arthur" and themselves the "chain gang" ' .<sup>105</sup>

As was the case with some other E.Z. societies, the Insurance Society was administered by a Board of Trustees comprising five employee representatives and five Company representatives. Sam Lyden was the first president. Membership was compulsory, and demanded a weekly contribution of 6d. For the first year the Company contributed 1/- per week per employee to enable the Society to build a reserve fund, and after this period of time reduced it to match the employees contribution. In the event of sickness, differential rates were paid to single and married men. Initially the Society paid £50 to the family of a member killed at work until 1922, when a separate Life Assurance Association was established. For the sum of 3d. per fortnight an employees kin would receive £100 in the event of death.<sup>106</sup> The association appears to have been well patronised with 92% of the workers in 1927 paying their 3d. per week to be members.<sup>107</sup> The Collins House Directors were enthusiastic

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<sup>105</sup> LID 1/40, E.Z. Co., 1467/87 E.Z. Wages Board, 9/1/25. A.O.T.

<sup>106</sup> Baker, op. cit., p. 4.

<sup>107</sup> E.Z. Records, A/46-3, File Cooperative Council 1927, 19/1/27. A.O.T.

about the scheme, as other employers experience of life assurance had been that it paid dividends in terms of the loyalty, goodwill and greater efficiency of the workers; and they noted that it was being used increasingly as a means of getting closer to their workers and showing interest in their welfare.<sup>108</sup> In addition to its sickness benefit activities the Insurance Society administered a provident fund for the relief of employees and their families who may have drifted into distressful circumstances.<sup>109</sup>

In line with the corporate liberal concern on educating the workers on management's point of view E.Z. showed interest in the worker's education and social life. In 1921 Gepp suggested to the Cooperative Council that thought should be given to establishing a magazine lending library, and a lecture and study circle at a later date.<sup>110</sup> At a staff meeting of management at Risdon in 1920 it was decided to appoint an Educational Sub-Committee to 'investigate the whole policy of training and developing employees, and to act in an advisory capacity to the Management.' It was to 'recommend plans

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<sup>108</sup> B.H.A.S. Records, Fraser Papers, Box 1/33/8, Notes by Hon. George Swinburne on visit of Colin Fraser and himself to Risdon 1/2/23 to 6/2/23. M.U.A.

<sup>109</sup> E.Z. Records, A/3-2, Assistant General Manager to B.S.B Cook, 10/3/20. A.O.T.

<sup>110</sup> E.Z. Records, A/7-1, Gepp to Cooperative Council, 12/2/21. A.O.T.

for training developing and promoting workers generally, with a view to a) improving the individual, b) ensuring maximum production.'

An outline was offered on how educational policy should support both specialist and general education. Specialist education was to embrace the professional training of apprentices at institutions outside the Works and encourage the clerks and tradesmen to upgrade their qualifications at night classes. In the realm of general education a sociological syllabus was called for, as 'we are living in very abnormal times and the future is pregnant with sociological possibilities.' In line with corporate liberal thought it was argued that ignorance had retarded progress which had only ultimately been achieved at a needless cost of unhappiness and injury. The agenda for E.Z.'s educational policy was therefore to educate the workforce in such a way that they would not hinder E.Z.'s definition of progress.

Although the machinery, for example the Worker's Education Associations, was in place it was believed there was a need to excite the worker's desire for all round improvement and to this end the courses should be tailored to what the man needs rather than to what it was thought he needed. This view ties in with Gepp's belief that the employer was ignorant of the employees frame of

mind and marks a recognition that if the workers were to participate, and by definition cooperate, then the workers' needs should be ascertained and the courses moulded to suit their needs rather than imposing supposed needs upon them. This did not mean that the courses designed to excite the desire for improvement and tailored to the worker's needs would be value free. An educational policy should be 'something which will make for efficiency and humanity in industry: it is the most practicable peacetime patriotism imaginable. As we are unselfish we owe it to our fellow workers to organise to help them. As we are Zinc Workers we owe to ourselves and our Company to do all we can to increase efficiency and promote the happiness and welfare of the Community.'<sup>111</sup> In Mussen's and Gepp's articles the collective belonging, reciprocal obligations of employees and employers, and the creation of unselfish ethical man were outlined. These concepts are reflected in E.Z.'s educational policy, only this time the collective belonging was to Australia and E.Z. As responsible and ethical workers it was their responsibility to the Company to become more efficient, as this would result in more benefits to the workers and the Company. The benefits to the larger community would be the creation of export earnings which in turn would create a stronger Australia. In this way the complex

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<sup>111</sup> E.Z. Records, A/2-1, File Minutes Miscellaneous. A.O.T.

chain between the employee's obligations, education, efficiency and nationalism were tied together. E.Z's contribution was to allow for employees to attend technical and W.E.A classes during work hours and to provide scholarships for two of the more clever of the worker's children to attend secondary school.<sup>112</sup> A lending library was established at the Works but later moved to the hall at Lutana.<sup>113</sup>

It was thought by E.Z. management that the isolation of the Works made it desirable that as much specialist education be taken as possible, and that the employees should be encouraged through propaganda. It was suggested that the Works magazine The Electrode would offer a suitable medium.<sup>114</sup> The Electrode was organised into three main divisions:- local gossip, cooperative activities and educational uplift which aimed at physical, mental and moral improvement by means of articles on 'health, safety and the simple philosophy of life.'<sup>115</sup> In the first issue of The Electrode in August

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<sup>112</sup> Baker, op. cit., p. 35.

<sup>113</sup> E.Z Records. A/31-3. Annual Report of the Lutana Hall Management Committee. 1925.

<sup>114</sup> E.Z. Records, A/2-1, C.R Baker to the Education Sub-Committee. A.O.T.

<sup>115</sup> E.Z Records. A/10-4. Henry Shackell to H.C Cornforth of the Vacuum Oil Company. 2/5/22.

1920<sup>116</sup> Gepp outlined the employee's obligations to the Company. These were:

'To give a fair day's work

To treat his fellow men justly

To cooperate with the Company's organisation in the Company's work

To protect the Company's interest and property'.

The Company's obligations were:

'To give each employee a square deal

To pay fair and adequate wages

To provide good working conditions embracing Australian standards of hours of work, holidays and protection of health

To cooperate with employees in making conditions inside and outside the Works the best possible'.

Employees, individually and collectively, had a contract for industrial cooperation.<sup>117</sup> The Electrode appeared every seven or eight weeks at a cost of £350. per annum<sup>118</sup> until 1930, when it was discontinued as an economy measure.<sup>119</sup> Not unexpectedly The Electrode functioned at least partially as a mouthpiece for the

<sup>116</sup> Baker, op. cit., pp. 22-23.

<sup>117</sup> Baker, op. cit., p. 23.

<sup>118</sup> E.Z. Records, A/17-4, Hutchin to Collins House, 3/9/23. A.O.T.

<sup>119</sup> E.Z. Records, A/66-2, General Superintendent to E.Z. Rosebury, 19/8/30. A.O.T.

company's ideology. Sprinkled amongst articles on 'The Expectant Mother' by "Sister" and photographs of gardens at Lutana entitled 'Ted Harris' Violes' and 'Alf Knight's Antirrhina' were articles by management. There was an article outlining Gerald Mussen's talk to the Works Committee on industrial relations in which he told the Committee that E.Z.'s 'policy of industrial relations built on a square deal'. It represented the efforts of individuals rather than parliaments to create a better world by narrowing the gap between the 'working forces, the management and the directorate'. He proclaimed that 'If the cooperative spirit was thoroughly developed there was no doubt of the future of the Zinc industry. The old conception that there were only two factors in industry-capital and labour-was fast disappearing. Capital and labour are inert masses which need stimulating and can only successfully put on the move by men of capacity. For an industry to be successful there must be efficiency, and efficiency was tied up with discipline.'<sup>120</sup> Thus for Mussen, at least, the success of industry was dependent upon the health of the workforce, which E.Z. had provided for through its Medical Union. It was by these means that the cooperative spirit was to be developed. Mussen assumed that this could only happen through the efforts of extraordinary men, such as himself and Gepp. Implicit in this is the assumption that the workers are a

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<sup>120</sup> The Electrode. Vol. 1, No. 5. E.Z.



material, just like the zinc ore, to be moulded at the Company's whim.

Hutchin's articles are less candid but the ideology is very similar. He believed that industry was the servant of society and responsible not only for the manufacture of goods but the 'manufacture of happiness amongst its people.' He linked nationalism with a kind of cooperative classlessness by stating 'There was no room for class distinction in Australia, and real Australians had no use for it. The solution of a great many of the social and industrial problems of the day lay in the better fusion of the so-called classes and an honest endeavour by everybody to see the other fellow's point of view.'<sup>121</sup> He believed it was the responsibility of the employer to ensure harmonious industrial relations for: 'If each factory or industry can be made healthier in the matter of industrial relations the cumulative effect will be felt in the community', and would prevent the disputes that enabled the dreaded tide of Communism to advance. But to avoid industrial disputes the worker had to abandon loyalty to his trade union, and transfer it to his industry. Hutchin believed this could be done by industry making arrangements for each worker type which were 'equitable and economic' thereby taking away from the trade unions the opportunity of winning conditions

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<sup>121</sup> Ibid., Vol. 2, No. 7. E.Z.

for its members that were disparate to other workers on the site. He believed that by taking away the role of each union to negotiate standard conditions across a number of industries for its members and in attempting to impose uniform conditions within an industry 'no threat is aimed at organised Labour.'<sup>122</sup> Although Hutchin asserted that this posed no threat to unionism, the removal of the union's negotiating role with regard to conditions would make them largely irrelevant in the eyes of the workers and therefore diminish their power and influence in the workplace. It will be argued that one of the effects of the Wages Boards was to make this scenario become reality.

The creation of E.Z's welfare schemes was a consequence of the ideas of people such as Mussen, Gepp and Hutchin and the expenditure of large amounts of money by the Collins House directors. When the directors put on their public visages they whole-heartedly supported the welfare schemes. In a speech at the first annual meeting of E.Z in December 1921 W.L Baillieu expounded the value of E.Z's Industrial Department overseeing and controlling industrial conditions at the Works and promoting the social welfare and interests of the staff and employees. The effect was that 'we have found a ready response to our efforts to improve the community interest ... it is

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<sup>122</sup> Ibid., Vol. 5, No. 4. E.Z.

essential ... to have a force of efficient, earnest and zealous employees who realise that the higher standards of living which they enjoy can only be retained by constant application to the tasks in hand and a determination to improve individual efficiency.' <sup>123</sup>

Baillieu believed that their efforts to provide welfare such as housing, medical benefits and sporting clubs had given the workers a higher standard of living and made them realise that for such benefits to continue there must be increased productivity.

The important aspect of E.Z.'s welfare schemes was that the worker had little discretion. If a worker is given money he has, in theory, total discretion on the way the money is spent. With the welfare measures he has only nominal discretion insofar as he either chooses not to participate in the schemes and therefore does not receive any benefit, or participate in the schemes on the Company's terms and is given to believe that the continuance of such benefits is dependent upon his dedication to the Company's cause - he is bound to the Company.

There was a degree of tension between Gepp and the Collins House directors on the question of welfare benefits. In 1921 W.S. Robinson wrote to Colin Fraser: 'I

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<sup>123</sup> The Mercury, 24/12/21.

note the Electrolytic Zinc is getting out a good deal of literature on co-partnership. I hope you will quietly sidetrack any efforts to introduce the millennium at Risdon ... The war and a few other factors lead to great differences between costs and selling prices, and as is only to be expected the huge resulting profits led to a general demand for profit sharing and other wild schemes.' But more recently the zinc industry had suffered considerably reduced profits, and Robinson believed that to advocate profit sharing would be hastening the business's financial decline and 'filling the workers with ideals and leaving his pocket and stomach empty.' His advice was 'Tell Gepp to produce zinc cheaply and he will do more good for his workers than by filling them up with hopes of heaven on earth.'<sup>124</sup> In Robinson's mind benefits would accrue to workers through a trickle down effect resulting from increased wealth resulting from increased production rather than from any profit sharing scheme. It would be their labours that would be rewarded rather than their dreams.

Colin Fraser thought Gepp wantonly spent too much Collins House money but, unlike some of the other Collins House directors, believed he was an asset to E.Z.<sup>125</sup> W.L.

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<sup>124</sup> B.H.A.S. Records, Colin Fraser Papers, Box 1/55/1/2/2, W.S. Robinson to Colin Fraser, 26/9/21. M.U.A.

<sup>125</sup> B.H.A.S. Records, Colin Fraser Papers, Box 1/55/1/2/2, Colin Fraser to W.S. Robinson, 18/12/22. M.U.A.

Baillieu appears to have been one of those who were not always well-disposed towards Gepp. His private opinions were vastly different to the public statements he made to bodies such as the shareholders. Only three months after reporting the success of the Risdon welfare schemes to the shareholders, he expressed to W.S. Robinson concern at the cost of Gepp's welfare schemes, particularly when E.Z. was not particularly profitable and he could not see any monetary benefits emerging from the relatively high expenditure on company welfare. He believed Gepp 'had us in the clouds too long and he will not be allowed to forget his follies and what they have cost the Company. No thanks to him that the E.Z. can carry his mistakes.' It would appear that Baillieu thought of Gepp's welfare efforts as misplaced naive idealism that had been a great hinderance to E.Z.'s profitability, and a great cost to Collins House. Obviously referring to W.S. Robinson's efforts in obtaining the British government contract that virtually guaranteed E.Z.'s profitability for a number of years, he concluded 'It will be some satisfaction to you to know that at least some of us know why and how the company can now gaily sail along notwithstanding the dead weight Gepp placed upon it.'<sup>126</sup>

It is clear that amongst the top managers of Collins

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<sup>126</sup> B.H.A.S. Records, W.S. Robinson Papers, W.L. Baillieu Correspondence 1915-21, W.L. Baillieu to W.S. Robinson, 26/9/21. M.U.A.

House and E.Z. there was conflict over the value and usefulness of welfare. Robinson gave this lack of cohesion amongst management as the reason Baillieu was pleased to see Gepp depart from Collins House. Robinson was to recount Gepp's appointment to the Development and Migration Commission in 1926 with these words, ' ... he [W.L Baillieu] burst into my room to say "Bill, I was walking from the top of Collins St. when S.M.B [Prime Minister Stanley Melbourne Bruce] came up to me and putting his arm around my shoulders said 'Baillieu, I wonder if I would be robbing you if I asked you to release Herbert Gepp to take the Chairmanship of the new Development and Migration Commission'. I felt the guiding hand of Providence was on our side, Bill, and after polite hesitation I reluctantly agreed.'" 127

After Gepp's departure the welfare schemes continued in the same manner as before. His schemes were more successful than some of the Collins House could possibly envisage. Gepp's initial stated aim behind the housing scheme were to have the workforce close at hand for operational reasons and to give the worker a better standard of housing. Although the scheme was not as large as he had originally envisaged, he felt it did satisfy these demands. Others, however, offered different motives

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127 B.H.A.S. Records, W.S. Robinson Papers, Electrolytic Zinc, Draft Typescript E.Z. M.U.A.

for the housing scheme. The architect Stephenson, and to a lesser extent Butler, believed that the housing scheme would result in industrial harmony and efficiency at the Works. At a later date Hutchin and Gepp were more specific about their motives behind the Lutana housing scheme when they outlined potential for the industrial officers, who lived in the village, to foster a feeling of 'solid commitment' to the Company. It is difficult to ascertain whether E.Z did manage to get the residents of Lutana to strongly identify with Company although, with the Company dominating their working and home life, it is probable they did to a greater extent than workers who did not live in Lutana. The fact that only 41 houses were built at Lutana meant that the Lutana residents were too small a group to have any noticeably placating effect on the rest of the workforce. The Company only built a small number of the houses it had originally planned because it had difficulty getting workers to live at Lutana. E.Z believed this was because the houses were built of concrete, too expensive and too far from facilities. A reason that was not advanced by E.Z but is equally plausible was that the workers did not want to live in the potentially stifling atmosphere of a company village surrounded by the Company's industrial officers.

The workers did, however, freely participate in a number of E.Z's other welfare schemes, such as the doctor,

dentist, Medical Union, Insurance Society and various sporting clubs. E.Z set up many of these schemes in the hope they would improve worker efficiency. The schemes most likely did prevent sickness, improve employee efficiency and give workers a better quality of life. Some of the schemes, however, were a necessity rather than a luxury to many workers given the hazardous nature of work at E.Z, and would account for the high participation rates. Whatever the workers motives for joining these schemes, the effect was to bind him to the company. The continuation of these schemes was made to appear to the workers as being dependent upon his increasing productivity and the Company's continued success. E.Z's journal The Electrode made it abundantly clear to workers that the Company's continued success was dependent upon a harmonious industrial front thereby completing the link with welfare. In this manner E.Z's and the workers interests were made to appear synonymous.



## CHAPTER 3.

## INDUSTRIAL RELATIONS AT ELECTROLYTIC ZINC.

This chapter aims to explore the reasons behind the generally placid nature of industrial relations at E.Z. The 1920's were characterised by sometimes frequent and large scale industrial action and repressive legislation by governments to prevent such action. Industrial action at E.Z can at best be described as sporadic and piecemeal. This chapter looks at the industrial policies and institutions put in place by E.Z and the state to manage E.Z's workforce, and the effects these measures had upon the workforce.

E.Z's industrial policy and strategy was multifaceted and complex and revolved around E.Z's Industrial Department, the Cooperative Council and the Works Committee. The Industrial Department acted as a collection point for all information touching on industrial relations that affected the conduct of the operations of the Company. It was involved in the formulation of policy covering wages, working conditions, hygiene and cooperative activities in consultation with the Cooperative Council and later the Works Committee, and was the Company's interface with outside organisations such as the Australian Mines and Metals Association, which acted as an employer's

advocate. The Industrial Department's role was to keep in close touch with the administrative and financial position of all cooperative activities, including the housing scheme at Lutana, and to keep management fully informed on any developments and activities in these areas. A further responsibility was to edit and publish the Works magazine The Electrode. Lastly it was to be conversant with, and advise on, all legislation that affected the Company such as the Wages Board Act.<sup>1</sup>

The Industrial Department was led in its formative years by Major A.W Hutchin, who had been recruited from the Hydro-Zinc Employment Bureau. The Bureau had been established to recruit labour for the Hydro-Electric Department and E.Z.<sup>2</sup> He was initially appointed Assistant Superintendent,<sup>3</sup> and later became Superintendent of the Industrial Department on a salary of £650 per annum.<sup>4</sup> Hutchin's ambition and ideology was such that he was later to head the conservative All-For-Australia group in Hobart, and was the endorsed United Australia Party candidate in 1931. Hutchin preached an ideology similar

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<sup>1</sup> E.Z. Records, A/27-3, File Organisation Industrial Department. Staff Note No 144., 11/2/24. A.O.T.

<sup>2</sup> E.Z. Records, Box A/4-1, Hutchin to Meredith, 20/5/20. A.O.T.

<sup>3</sup> E.Z Records, Box A/1-1, File Miscellaneous. 25/10/20. A.O.T.

<sup>4</sup> B.H.A.S. Records, Colin Fraser Papers, Box 1/31/8. M.U.A.

to that of Gepp and Mussen rhetoric. In an election speech Hutchin declared 'Australians had never lacked courage ... and he was positive they would declare for a cessation of internal strife and a desire to get on with the job .... [I]f they came together for the purpose of solving the problems, with one eye on the welfare of our country and the other on the ideal of a fair deal for every body, all difficulties would melt away and reconciliation would be effected in all directions.'

Hutchin denied the existence of class and instead stressed the commonality of all people as Australians. From his perspective industrial conflict was a self interested difference of opinion and all that was required for it to disappear was for people to show an altruistic interest in others, which included business, and Australia as a whole for these differences of opinion to disappear. Hutchin concluded that 'the U.A.P stood for the development of a real working unity among all sections of the community. If Australia was ever to grow up and to stand as a nation they must develop unity.'<sup>5</sup>

Maturity as a nation was linked with consensus and altruism. The Mercury, which has never been slow to throw its editorial weight behind conservative causes, gave Hutchin its blessing by concluding that 'the policy of the U.A.P, as expounded by Major Hutchin is one of sanity and security on which industrial and commercial recovery

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<sup>5</sup> The Mercury, 8/12/31.

can be based.'<sup>6</sup> With this recommendation Hutchin was duly elected as the federal member for Denison in 1931.

The second pillar of E.Z's industrial strategy was the Cooperative Council whose stated aim was 'participating in and controlling the scheme for the supply and sale of the necessities of life on a cooperative basis.'. As shown in the previous chapter the Cooperative Council administered the Company's housing, medical and social schemes. It comprised three members appointed by the General Manager, and nine elected annually by the employees. There was an Executive Committee elected or nominated from the members of the Cooperative Council. The Committee was made up of three members elected from the employees and then elected by the Council as members of the Executive, and two members nominated by the General Manager. The Chairman and Vice Chairman were to be as employee representatives and by virtue of the importance of their office were automatically Executive Committee members.<sup>7</sup> The first chairman George Hargraves was a strong member of the Amalgamated Society of Engineers (A.S.E) who would later regret his association with the Co-operative Council. The first secretary was C.R Baker, who had previously been associated with the

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<sup>6</sup> Ibid., 9/12/31.

<sup>7</sup> Baker, op.cit., p. 13.

trade union movement in South Australia.<sup>8</sup> He was paid £6/10/- and a bonus of £2 per week by the Company to perform the duties of the position.<sup>9</sup> Although the Co-operative Council's role was to administer many of the Company's industrial welfare schemes, through its secretary C.R. Baker and the interlocking membership of its members with the Works Committee and Wages Board, it had a defusing effect on industrial conflict at the Works and acted to integrate the workers with the Company. Although paid by the Company, C.R. Baker's task was to administer the schemes for the workers and he was able to wield a large amount of authority through this position. Baker had great faith in the Company's institutions and he happily acted as the Company's mouthpiece in espousing its virtues, even when a cooler look suggests this was to the detriment of the unions and ultimately the workers.

The E.Z Works Committee was formed on a temporary early in 1920 to discuss the Company's proposition that wages should be varied according to cost of living figures. Until this time wages and conditions had been discussed with the Co-operative Council as this was, according to C.R Baker, the only representative employee body on the

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<sup>8</sup> Roe, op. cit., p. 98.

<sup>9</sup> B.H.A.S. Records, Colin Fraser Papers, Box 1/31/8. A.O.T.

Works that management could deal with.<sup>10</sup> Baker does not mention whether at this time there were any unions operating at the Works or merely whether E.Z management did not want to negotiate with the unions. In a scenario that was to be repeated many times in the future E.Z.'s Deputy General Manager David Meredith, after granting a wage rise, reminded the Works Committee members that the Company was labouring under a heavy and unforeseen rise in wages and the cost of materials, and 'sincerely hopes that in view of the action that it has taken in endeavouring to do the right thing by its employees, they will likewise do the same toward the Company.' He added that 'Management hopes for a continuance of the same happy relationship and spirit of cooperation that has prevailed in the past. It is only by fairminded talk round a table that the Management and the employees can get to understand their respective problems and difficulties that confront us all.' He suggested that the Works Committee, comprising elected sectional representatives and some members of the Cooperative Council should form themselves into a permanent committee whose members would be elected or appointed on a yearly basis.<sup>11</sup> George Hargreaves moved that the Committee reassemble in the future to discuss the cost of living

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<sup>10</sup> Baker, op. cit., p. 46.

<sup>11</sup> E.Z Records, Box A/2-1, Works Committee Agenda Paper, 30/3/20. A.O.T.

figures and a permanent constitution for the Committee.<sup>12</sup>

This constitution declared that 'the general function of the Committee was to assist the cooperation of the employees with the Company and discuss all matters relating to working conditions, wages, health, safety, efficiency and industrial matters generally, as distinguished from the trading, social and athletic activities controlled by the Cooperative Council. Wages and overtime shall be determined with the machinery provided by law.'<sup>13</sup> There was a specific clause prohibiting the Company's cooperative activities from being used as a factor in the fixing of wages. This was later to become a sore point with George Hargreaves. The Works Committee had representation from the employees, Company and Cooperative Council. The employee representatives were elected from each section of the factory with the number of representatives being proportional to the number of men working in the section. As was the usual practice the Company representatives were appointed by the Company. The ratio of Company representatives was set at not more than one for every three employee representatives. Although the General Manager was President of the Works Committee he nominated a Chairman for the ensuing yearly term of the Committee.

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<sup>12</sup> Baker, op. cit., p. 46.

<sup>13</sup> Baker, op. cit., p. 47.

Meetings of the Works Committee could be convened by the Cooperative Committee either at the request of the President or with the consent of the President.<sup>14</sup>

For the first year of its operation the Works Committee dealt with all matters of wages and conditions and met every six months and adjusted wages according to the cost of living. In 1921 this role was usurped when the Tasmanian Government established an Industrial Wages Board system. This system forced employer and employee representatives to meet and determine the minimum rates of pay and the maximum number of hours to be worked in an industry wide. Whilst the Wages Board theoretically took away the Works Committee role of agreeing on wages and left it with the role of overseeing conditions and grievances, in practice the Works Committee continued to exist and made recommendations on wages that were mostly rubberstamped by the Wages Board. C.R. Baker recounts 'In many instances an agreement was reached before the actual meetings of the Wages Board.' This was able to occur because the Works Committee conducted the ballot for the election of the employee representatives on the Wages Board.<sup>15</sup> Works Committee membership was most likely seen by workers as a useful prerequisite for Wages Board membership, with the result that there was a large amount

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<sup>14</sup> Baker, op. cit., pp. 47-49.

<sup>15</sup> Baker, op. cit., p. 50.



of overlapping membership between the Wages Board and Works Committee. Agreements were reached in the Works Committee and then acted out in front of the Wages Board in order to gain a Determination. The close links between the Company implemented Works Committee and the state Wages Board may have been responsible for some of the worker allegations that the employee representatives on the Wages Board had been overly influenced by the Company.

The employee members of the Wages Board had absorbed Gepp's rhetoric on consensus, cooperation and uplift even if they did not repeat it in exactly the form E.Z. may have desired. At a Wages Board meeting in 1925 H.F Cook, who was an employee representative, couched the employees request for a wage rise with these words 'Take your mind back to the head of your department Mr H.W Gepp. It is a pleasure to meet him. He is a man who wants to lift the workers out of their present position and lift them higher. He is a man who is respected all over Risdon. We claim that by attempting to raise our fellow workers at Risdon we are attempting to carry out his ideals.'<sup>15</sup> The employee representatives were claiming their ideals and goals were the same as Gepp's. The point of difference lay in the means to achieving these ends. E.Z.'s means

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<sup>15</sup> LID 1467/87, 1/40, E.Z. Co. 1925-48, E.Z. Wages Board, 9/11/25. A.O.T.

were to provide the worker's with welfare benefits whilst the workers means lay in the achievement of shorter hours and more pay.

The notion of Wages Boards were not well received by the Trades Hall Council. At a Trades Hall Council meeting in March 1921 Jack O'Neill, who represented the Carters and Drivers and was later to represent the Federated Confectioners Association of Australia, expressed the opinion that 'the present Wages Board Legislation had been framed to suit the interests of the employing class and not the employees.' The Council recommended that all unions refrain from nominating any delegates to the Wages Boards 'until such time as the Government sees fit to bring in a more equitable act.'<sup>17</sup> It was at this time, after the dismissal of 150 workers three months earlier and with the prospect of another eighty being made redundant, that E.Z's workers had agreed to maintain existing rates of pay until 1 September 1921 and had requested the formation of a Zinc Wages Board. Jack O'Neill brought to the notice of the Trades hall Council E.Z's proposal on wages maintenance and the formation of the Zinc Wages Board. He seconded a motion that a conference of 'delegates from all unions connected with the Zinc Works for the purpose of bringing forward proposals to combat their endeavors to force on its

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<sup>17</sup> Trades Hall Council Minutes, 19/3/21. A.B.L.

employees conditions so vitally opposed to the Industrial Movement's best interests.' <sup>18</sup> O'Neill's warning on the Wages Board and efforts to stop its introduction went unheeded by the E.Z workers.

The first industrial action at E.Z occurred in 1921. Twenty-one stewards on the S.S Laura, which was owned by E.Z., refused to sail to Port Adelaide on 31 December 1920 over a number of claims. The stewards wanted to work an 8 hour day within a spread of thirteen and a half hours, that is from 6.30 a.m to 8.30 p.m., and also sought an extra £2 a month in wages. Their main grievance was that the employer was entitled to deduct £2 a month from a steward's wages to compensate for tips the steward may have received. This occurred regardless of the actual value of the tips received, and in effect the stewards were demanding that this practice be discontinued. A further grievance was that as unionists they should not have to work with non-union members. They therefore withdrew their labour. The captain tried to persuade the men to work, saying that unionists were not easily procurable, nevertheless the stewards refused to work. The Company then offered the Chief Steward £20 to sail the ship to Melbourne, which he refused to do. The crew were then arrested by the police on a charge of

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<sup>18</sup> Trades Hall Council Minutes, 19/3/21.

desertion. Although the charge of desertion was not proven in front of the Police Court, E.Z. dismissed the stewards giving them only the holiday pay that was owing to them and an extra weeks pay in lieu of notice.<sup>19</sup> On account of their industrial action the stewards were out of work in the grim depressed times of 1921 whilst the non-unionists were presumably still employed. This caused the former Chief Steward, H.W Lydamore, to write 'Does the public think it is fair to engage union seamen, carry them to Hobart to work the vessel and then place them in the cruel position of having to choose between working with non-unionists or refusing to work and paying their own fares home. This is the only company which has so far done this outrageous thing.'<sup>20</sup> The World was optimistic enough to declare 'the settlement which was effected is practically a victory for the men<sup>21</sup>', but it must have seemed a hollow victory to the stewards. Whilst this was only minor industrial action, it is noteworthy in that it sets the scene for future encounters. E.Z did not hesitate to call upon the judicial power of the state to defeat industrial action. In spite of being found innocent on a charge of desertion the workers were dismissed, but were regarded by The World as having won a victory as they only lost their jobs and not their

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<sup>19</sup> Ibid.

<sup>20</sup> Ibid., 11/1/21.

<sup>21</sup> The World, 8/1/21.

liberty. The stewards dismissal did not bring forth any supportive industrial action from other E.Z. workers. E.Z.'s willingness to bring the full weight of the state behind it to win industrial disputes and the lack of cohesion amongst the workers at E.Z. was to make E.Z. a difficult opponent to defeat.

If the stewards strike marks the start of E.Z.'s industrial troubles it also marks the start of their financial troubles. The 1920 world slump in metal prices caused Risdon's small operating plant to become unprofitable and forced it to close. The majority of the workers were transferred to construction jobs but 150 were still dismissed on 31 December 1920.<sup>22</sup> The Works Committee agreed to the manner and order in which the men were put off, the primary determinants being service with the Company, number of dependents and the skill of the worker.<sup>23</sup> The effect of having the Works Committee, rather than the Company, determine which men were to be put off would be to make it appear as though the workers had some determination over the fate of their fellows. The blame for laying off certain workers would therefore to an extent be placed at the feet of the Works Committee rather than the Company, and this would have had the

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<sup>22</sup> Tasmanian Mail, 24/3/21.

<sup>23</sup> E.Z. Records, A/9-3, E.Z. to Industrial Arbitration Court, Brisbane. 29/3/21. A.O.T.

effect of d@fusing potential hostility towards the Company. The necessity for the redundancies appears to never have been questioned. It was given as a fait accompli.

In early 1921, when it appeared another 80 workers were to be dismissed, George Hargreaves who was Chairman of the Cooperative Council, suggested that rather than dismissal a percentage of the men's wages should be deducted. The money deducted from the workers' wages could then be used by E.Z to extend their programme of work and at a later date the employees could be reimbursed by means of 8% cumulative preference shares of £1.<sup>24</sup> Hutchin was not in favour of this scheme for a number of reasons. He claimed that the drop in wages would cause skilled tradesmen to leave the Company, that some workmen could not afford the drop in wages, that temporary employees would not be interested in the scheme, that it would be difficult to administer and that the Company would be obliged to employ 800 men. A further consequence would be 'the morale of the men who vote against the scheme and those who voted for it with the idea of keeping their job must decline and efficiency deteriorate.' The scheme would break down some of the distinctions between staff and employees. 'The idea of treating staff on the same footing as the daily paid men

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<sup>24</sup> Tasmanian Mail, 24/3/21.

is an entirely new departure. There would be strong objection, for instance, to Cooperative Councilors being taken into confidence in respect to the salaries and allowances of senior officials of the Company.'<sup>25</sup>

With Hutchin's recommendations perhaps in mind, the Collins House directors refused to accede to Hargreaves preference shares scheme. Agreement was reached that the employees were to continue at their present rates of pay until 1 September, thereby foregoing an increase of 1/- to 1/3 per day, and that a Zinc Wages Board be formed as soon as possible. The Collins House directors maintained 'reduction of wages in many industries appears inevitable, but in the same spirit that prompted the works committee to make its proposal the directors put forth their suggestion to maintain existing rates of wages equitable in all the circumstances of the case.'<sup>26</sup> The end result was that the workers remained employed, did not receive a wage rise thereby effectively losing wages, and were placed under the jurisdiction of the Wages Board. Under Hargreaves' scheme they would have had the opportunity of still receiving their wage rise, but then putting it into shares to later receive a portion of the Company's prosperity. It would appear Hargreaves

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<sup>25</sup> E.Z. Records, A/9-3, Hutchin to E.Z Melbourne, 18/2/21. A.O.T.

<sup>26</sup> The World, 18/3/21.

received a rebuttal from the workers themselves over his proposed share scheme, even though the scheme had been passed by their own Works Committee. Hutchin recounted 'We have regretted to notice that there is a very evident suspicion on the Works that the scheme originated from the Company and that the Company had contrived to have Hargreaves bring it forward. We have done what we may to allay this suspicion but we cannot be sure that we have effectually done so. A certain loss of confidence in the Chairman of the Co-operative Council has, we fear, resulted.'<sup>27</sup>

Hutchin believed that if the workers relinquished a pay increase the Company had an implied obligation toward them. He suggested the Company could discharge this obligation by attempting to cut the cost of living by extending cooperative trading or by providing an amount of money that could be used to extend cooperative activities or other such collective benefits such as the medical union.<sup>28</sup> At Hargreaves suggestion the Chairman of Directors, W.L. Baillieu, promised that as recompense for maintaining wages at the old rate and foregoing a potential increase of from 1/- to 1/3 each day, when the Company was working on a profitable basis a portion of

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<sup>27</sup> E.Z. Records, A/9-3, Hutchin to E.Z Melbourne, 18/2/21. A.O.T.

<sup>28</sup> E.Z. Records, A/9-3, Hutchin to E.Z Melbourne, 18/2/21. A.O.T.



the profit would be distributed amongst the employees.<sup>29</sup> Hargreaves did not forget this and during the Amalgamated Engineering Union's industrial dispute later in 1921 he referred to the worker's forgone wage rise and asked how the Company was to resolve the low wages it paid, with the workers' expectations of what it should pay, based on the cost of living indicators. He was told that when the Company paid its first dividend £7,500 would be placed in a trust fund on behalf of the Cooperative Council. The accrued interest would be used to 'the collective benefit' of all the workers.<sup>30</sup> Taking Hutchin's suggestion, Gepp outlined that the £500 interest should be used by Baker and Hutchin in the way they had always adopted; that is, ideas for using the money should come from the Cooperative Council as far as possible; ideas should be of such a nature as to find reasonable support at the beginning and increased support as work proceeded and that the employees would be required to make a monetary contribution towards the scheme. Gepp thought a good dentist could be found for £500, and a surgery provided for an extra £500.<sup>31</sup> The workers would pay for welfare measures that E.Z. could claim it had provided through a desire for the workers health. The workers would pay once by foregoing a pay rise and the second

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<sup>29</sup> Tasmanian Mail, 24/3/21.

<sup>30</sup> The World, 30/8/21.

<sup>31</sup> E.Z Records, A/10-4, Gepp to Hutchin, 28/6/22. A.O.T.

time by having to make a contribution to use the welfare scheme. The welfare scheme would most likely improve the workers health but would tie the worker to the Company by virtue of the fact he would feel he had a stake in the Company.

The workers at Risdon and George Hargreaves personally were to suffer for their decision to be part of a Wages Board. Gepp stated that 'It is hoped that this present arrangement will help to reduce the present chaotic conditions under which wages rates of sections of our employees are consistently being altered by one or the other of the numerous wages boards or by the Federal Arbitration Court. It is expected that the Zinc Industry Board will fix the wages of all employees at the one time and that in addition to continuity of operation we shall have continuity of wages.'<sup>32</sup> The Wages Board system was to favour the Company by legally excluding their workers from Federal Awards, enabling E.Z. in many cases to pay lower wages and avoid the disruptive effects of wage flow on from other state and federal awards.

As well as agreeing to relinquish a wage rise of between 1/- and 1/3 per day, the Works Committee agreed that a 48 hour week and daily rates of 18/- for tradesman and 14/4 for builders labourers to apply from March to September

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<sup>32</sup> Tasmanian Mail, 24/3/21.

1921. While this agreement was still in operation the newly constituted Zinc Wages Board met in May and reached agreement on a determination that would come into operation in June. In May the Building Trades Wages Board also met and awarded workers in that industry a 44 hour week and rates of 20/- per day for tradesmen and 18/- per day for builder's labourers. This determination was to come into force on 20 May, which was before the Zinc wages Board determination came into force. The Chief Inspector of Factories believed that the builders at E.Z were covered by the Building Industries Board and could therefore not be covered by the Zinc Works Board and its determination. The obvious attraction to the builders at E.Z of the Building Trades determination was that it was a decrease in the number of hours worked and an increase in the amount of money they received. Gepp, backed by an opinion from the Industries Department, declared that 'the men engaged in building operations for the production of zinc come under the terms of the Zinc Industry Wages Board.' Naturally the builders did not agree with this opinion. On the 19 May a mass meeting of builders decided they would commence work at 7.40 a.m instead of 8 a.m. Acting on the decision of their union to enforce a 44 hour week, and under the threat of a £50 fine from their union, on the 20 May the builders at E.Z commenced work at 8 a.m instead of their usual 7.40 a.m. The Company convened the Works Committee, which less than

two years previously had heard E.Z. management talk of cooperation and fair minded talk around a table, and told the employee representatives that those men who did not start at 7.40 a.m would not be allowed to start at all. In effect they would be locked out. Gepp argued, in a public statement, that neither the men nor the company had representation under the Builders Wages Board, and urged the men to revert to their former hours. He asked the builders to refer the point in question to the Supreme Court, and if the Company was proved wrong they would pay the added rates and overtime until the time of the decision. He emphasised the extent of E.Z's investment in Tasmania, that the Company had provided better wages and conditions than set down by law and that 'it still trusts that the bulk of its employees will see the reasonableness of its attitude and not withdraw their cooperation at this juncture having given it so long.'<sup>33</sup>

A mass meeting at the Works was addressed by Sam Champ, E.Z organiser of the Builder's Labourers Federation, who recounted to The World. 'I told the men, and I told them in Mr Gepp's presence, and I told Mr Gepp himself that if the Company persisted in refusing the rates and hours decided in the Building Trades Industries Determination they would be not only flouting but defying the laws of

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<sup>33</sup> The World, 21/5/21.

the land.' The meeting asked Champ to return with other union representatives in the building industry and the Chief Inspector of Factories. The Chief Inspector refused to come saying he had already given his decision. Gepp repeated his request to the union officials who emphasised to Gepp that the workers were presenting themselves for work in accordance with their determination. If they were refused work they were being locked out in defiance of the laws of Tasmania.<sup>34</sup> After this a further mass meeting was held at which, according to The World, 'it appeared clear that the majority of the men present were of the opinion that the Determination of the Building Trades Industry must be observed.'<sup>35</sup>

The Mercury tried to portray the building workers as isolated in their attempt to gain shorter hours and increased rates of pay. It reported that on the 20 may the plant workers had held a meeting at which they 'unanimously decided to accept the conditions of the management concerning hours and wages, and further that the workers would stand by the management in any industrial trouble that might occur.'<sup>36</sup> At a further builders mass meeting the plant workers denied this

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<sup>34</sup> Ibid.

<sup>35</sup> Ibid.

<sup>36</sup> The Mercury, 21/5/21.

statement and the meeting expressed approval 'of the solidarity of the men employed at the Zinc Works standing by the decisions of the union.<sup>37</sup> The Mercury was totally supportive of E.Z and full of righteous indignation on E.Z's behalf. It believed E.Z had paid award wages, had provided cooperative benefits and activities and had settled grievances fairly, and it intimated that the union's campaign was secretly conducted from Melbourne and had little, if any, local support. 'It is perfectly safe to say that 95% who were called upon to refuse work obeyed with a very ill grace, and that the whole of their resentment was against their union officials and not against the company.'<sup>38</sup>

When on Saturday 21 May the construction workers arrived for work at 8 a.m instead of the usual 7.40 a.m, they found they had been locked out. After a meeting with Gepp the union officials recommended to their members that they should resume work on Monday at 7.40 a.m and under the previous conditions, on the proviso that their claim be heard in the Supreme Court.<sup>39</sup> A further mass meeting in Trades Hall supported the union officials recommendation on the hours of work and decided that the delegates representing the various trades on the Works

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<sup>37</sup> The World, 23/5/21.

<sup>38</sup> The Mercury, 23/5/21.

<sup>39</sup> The World, 23/5/21.

Committee should be asked to resign from that Committee.<sup>40</sup> This was a situation that was to be repeated many times in the future.

E.Z and the unions then settled into the lengthy and complicated process of determining which award covered the builders. The Chief Secretary of the Industrial Department, which administered the Wages Board system, declared that the builders could be covered by the Zinc Wages Board.<sup>41</sup> The unions approached the Nationalist Party Premier, Sir Walter Lee, to have the Supreme Court decide which Wages Board was most appropriate for the E.Z builders. Lee advised he was unable to refer them to the Supreme Court unless a breach of a determination had occurred.<sup>42</sup> After a further meeting between union officials, Works Committee members, E.Z representatives and the Attorney General's Department, it was agreed that the Chief Inspector of the Wages Boards should ask the Crown Law officers whether E.Z was bound by the Builders and Painters Award. If the Crown Law officers decided E.Z was bound by the Builders Wages Board then E.Z could take the matter before the Supreme Court whereas if they decided the builders were under the umbrella of the Zinc Wages Board then the workers could take action to recover

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<sup>40</sup> Ibid.

<sup>41</sup> The Mercury, 27/5/21.

<sup>42</sup> The World, 27/5/21.

the money before the Supreme court.<sup>43</sup> The daily newspaper, The World, which was owned by the Tasmanian Labor Party and edited by Edmund Dwyer Gray who was to become Treasurer and Premier of Tasmania,<sup>44</sup> decried this decision arguing that the case should have gone before the Supreme Court rather than the Crown Law officers whose 'law is awful, and their practices rather worse.' and asked who was to guarantee the law of the Crown Law officers. If there are disputed points in a Determination The World believed they should be mooted in front of a court of competent jurisdiction.<sup>45</sup> The World obviously believed that the Crown Law officers, coming as they did from a state government department in a Nationalist government, could be unduly influenced by the government and used to prevent the case reaching the courts where it would receive impartial justice.

The World was scathing in its attack on E.Z. 'We say the Zinc Company came to Tasmania to make money and because power was cheap. Now they want cheap men as well as cheap power ... We are wondering how much cheaper (for the Company) the Zinc Workers Wages Determination will prove

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<sup>43</sup> Ibid., 28/5/21.

<sup>44</sup> E. Morris Miller, "A Historical Summary of Tasmanian Newspapers. (part 2)", Papers and Proceedings of the Tasmanian Historical Research Association, Vol. 2, No. 2, March 1953, pp. 34-39.

<sup>45</sup> The World, 28/5/21.



to be than the Builders and Painters Wage Determination for similar work, how much less the men will get and how much longer they will be asked to work ... When metals were dear how much did the men get? Was there any co-partnership then.' <sup>45</sup> The World could see that beneath E.Z.'s facade of co-partnership there still existed a quest for profits, and if E.Z. could increase profits by reducing wages it would attempt to do so.

In early June the Premier, Sir Walter Lee, had still not received a reply from the Crown Law officers on which award the carpenters at E.Z were to be paid under between 20 May and 1 June 1921. Lee then raised the issue of the most appropriate board for the builders after 1 June. On investigation he had found the building trade was a prescribed trade because it trained its own apprentices, and therefore the rates dictated by the Builders and Painters Wages Board would have to be paid regardless of the employing industry. It seemed that the workers had won. Lee then declared that, in view of the number of applications that would be received from employers requesting exemption from the award, it had been decided to rescind the regulation making the building trade a prescribed trade. This meant the Builder's and Painter's Wages Board would not cover all builder and painters but would only pick up those not covered by industry specific

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<sup>45</sup> Ibid., 30/5/21.

awards. As the Zinc Wages Board covered all designations and trades at E.Z., the builders and painters would come under its ambit. Lee added that although it did not solve the immediate problem at E.Z this would prevent such disputes arising in the future.<sup>47</sup> The World was outspoken in its criticism of Lee and pointed out that, whilst the Premier's decision attempted to bring uniformity, it had produced the situation whereby a tradesman engaged in construction could work at E.Z and be classified as a zinc worker and enjoy different wages and conditions than if he worked at a different site doing exactly the same work. It believed that Lee had flagrantly manipulated the law to E.Z's benefit, an attitude that was not completely unfounded as the Lee government was very benevolent to both E.Z. and Cadbury in their formative years. The World charged: 'in effect he says to the Zinc Company 'I find that the law is against you so I will change it ... ' It believed the case had been decided outside the confines of the legal system in what it described as 'ceremonial and convenient tangos'<sup>48</sup> between E.Z and politicians. The World believed that workers could not be blamed for contemplating direct action when the Wages Board and Arbitration were twisted against them in such a manner.<sup>49</sup> The Crown Law Officers formally thwarted the builders

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<sup>47</sup> The Mercury, 2/6/21.

<sup>48</sup> The World, 16/6/21.

<sup>49</sup> Ibid., 3/6/21.

attempts to gain higher wages and shorter hours when they decided E.Z. was not under any legal obligation to pay its workers the rates prescribed under the Builders and Painters Wages Board.<sup>50</sup> The builders at E.Z. launched a final attempt to gain inclusion under the Builders and Painters Wages Board when one of their number, Arthur Lathey, appealed to the Supreme Court on the grounds E.Z. should have paid him under the Builder and Painter's Wages Board rather than the E.Z Wages Board. The Court found for E.Z and dismissed his appeal.<sup>51</sup>

E.Z must have been conscious of the belief amongst at least some sections of the community that the builders attempt to procure better conditions had been defeated by deals between E.Z and the state's Nationalist Government. When Gepp addressed a delegation of politicians soon after the failure of the builders case he tried to cleanse E.Z's image. He stressed that under the depressed conditions employers were unable to provide work and that there was not a conspiracy on the part of employers to use these circumstances to break down working conditions. He emphasised that E.Z had no desire other than to pay good wages and provide good conditions 'realising that the greatest and wealthiest country, relative to its size, is the country with the greatest percentage of

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<sup>50</sup> The Mercury, 18/6/21.

<sup>51</sup> The Mercury, 16/9/22.

healthy and contented citizens.' He outlined how recent Federal Arbitration Court awards had placed a great strain on the company which would therefore be applying for exemption from federal awards. Their case to the Arbitration Court would show 'how seriously the multiplicity of awards, and the inevitable confusion they bring in their train is affecting the development of this country as a self contained portion of the Empire.' The Premier, Sir Walter Lee, agreed that the duplication of wages boards was injurious and must be remedied lest it caused industrial chaos. To this end he believed craft boards should be abolished and whole industries placed under the one board,<sup>52</sup> which is what he achieved at E.Z.

The Electrode expressed a self righteous attitude over the Company's victory, and implied that the workers return to work had been due to Gepp's personal suggestion rather than any punitive actions by the Company or legislative efforts by Lee. It continued by stating that 'We trust that this vindication of constitutional methods of doing business will knock back those irresponsible persons who glory in direct action, and teach them that Zincworkers can not only stand for a principle but also stand for common sense.' The editor, P.W. Powell, who was

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<sup>52</sup> The World, 28/7/21.

Gepp's secretary,<sup>53</sup> continued in an article entitled 'Food For Thought' to, as he put it, 'state a few facts.' E.Z's stance of blocking the workers demands for shorter hours and higher wages was justified with the words 'You cannot get a quart out of a pint pot. Industry is not a bottomless well of money.' In words that ring with Hutchin's type of rhetoric, The Electrode stated 'It is not true that the working class has not interests in common with other classes. Such a statement is clap trap. Ninety-nine percent of humanity belong to the working class and all the sections of the working class are linked up by the common need they have of each other to do the world's work and live their lives.'<sup>54</sup> In this way the existence of class interests was denied and the commonality of employer and employee emphasised, thereby logically denying the reason and existence of industrial and class conflict.

It was not long afterwards that industrial trouble loomed again. In May 1921 Justice Higgins had ruled that the engineers at E.Z came under the Federal Arbitration Court's award. As federal awards overruled state awards this meant the E.Z engineers were excluding from the umbrella of the E.Z Wages Board. Under the Arbitration

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<sup>53</sup> A.J. Rayner, The ideology of Sir Herbert Gepp: Progressivism and welfare capitalism, B.A. Honours thesis: University of Tasmania, 1978, p. 52.

<sup>54</sup> The Electrode, Vol. 1, No. 7, June 1921. E.Z.

Court ruling the engineers were to work for 44 hours per week and receive £6/5/9 for their labours which compares favorably to the E.Z Wages Board which paid £5/8/- for a 48 hour week.<sup>55</sup> The Company begrudgingly accepted the Federal Court's decision and, in a fit of pique, withdrew the customary railway subsidy for Amalgamated Engineering Union<sup>56</sup> (A.E.U.) members and informed the union secretary that the Company would be seeking a variation to exempt E.Z from the award.<sup>57</sup> At E.Z's request the 170 A.E.U members continued to work 48 hours, comprising 44 hours and 4 hours overtime.<sup>58</sup> E.Z's industrial consultant, Gerald Mussen, thought it was desirable to keep the A.E.U working 48 hours for as long as possible for he 'would not expect any vigorous kick from the local branch of the A.S.E.'<sup>59</sup> Mussen was able to keep the engineers working a 48 hour week for over a year, but the A.E.U's reaction was considerably stronger than he had expected.

E.Z. notified its workers that in future the Company

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<sup>55</sup> The World, 23/8/21.

<sup>56</sup> The Amalgamated Society of Engineers (A.S.E) changed its name to the Amalgamated Engineering Union (A.E.U) in 1920. Both names were used interchangeably for a considerable period of time.

<sup>57</sup> E.Z. Records, A/11-3, Hutchin to Secretary A.S.E., 5/8/21. A.O.T.

<sup>58</sup> The World, 23/8/21.

<sup>59</sup> E.Z. Records, A/11-3, Mussen to E.Z Melbourne, 23/9/21. A.O.T.

would discontinue subsidies to those whose rates were raised by the Federal Court or Wages Board above those enjoyed by their fellow workers.<sup>60</sup> It was, as The World rhetorically but astutely commented, a case whereby 'if workers are good enough to remain quiescent "zinc workers" and live without bother under the beneficent decisions of the beautiful Zinc Workers Board the good company will 1) pay them less 2) work them longer hours; but will 3) treat them to cheap trains and give them other trifles which will keep them sweet but leave a large balance of advantage with the Company.'<sup>61</sup>

The case went before federal Arbitration in March 1922. Gepp had made a request to Collins House asking to be exempted from giving evidence.<sup>62</sup> The probable reason for this was that by absenting himself from the Arbitration Court Gepp would be freed from the prospect of vilifying the workers. His place as a figurehead would remain unsullied by the personal recriminations of the Court and he would retain his credibility as a leader. Gepp's place in the Court was taken by Hutchin. In his affidavit Hutchin stressed that in a large industrial organisation there must be uniformity of conditions. 'Experience in

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<sup>60</sup> The World, 30/8/21.

<sup>61</sup> Ibid., 23/8/21.

<sup>62</sup> E.Z. Records, A/11-3, Gepp to Collins House, 30/11/21. A.O.T.

big industry employing large numbers of men has shown that industrial peace can only be maintained if the general conditions are applied to all, and strict adherence is given to established customs and practices as between one section of employees and any other section.' He outlined how the engineers had introduced discontent into the Works by being able to work fewer hours for greater pay. Hutchin tried to depict the A.S.E members as isolated and selfish: 'The employees generally expressed the view that although the members of the A.S.E had been granted higher wages and shorter hours, the majority of employees with a view in assisting in the creation of the industry would not press for similar advantages to those granted to ... the A.S.E.' Hutchin concluded with a plea that A.S.E wages and hours should not be determined by engineering conditions throughout Australia but by local E.Z. conditions.<sup>63</sup>

In his affidavit the A.E.U. representative, George Hargreaves, painted E.Z as a company that merely sought profit without any altruistic or patriotic motives. The 'Zinc Industry was not established as part of an Empire policy but simply for the purpose of making profits.' He contended that the A.S.E members had refused to accept the Wages Board Determination because they knew the Court

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<sup>63</sup> E.Z. Records, A/11-3, Affidavit of A.W Hutchin in A.S.E Case No 113 of 1920. A.O.T.



was about to hand down an award. He denigrated the Works Committee by saying that it was a company creation designed to prevent access to the Courts, and that the presence of heads of departments at the Works Committee meetings hindered free and open discussion because members from the various organisations on such committees were unwilling to state their real beliefs for fear of persecution by their employers.

There may be some grain of truth in Hargreave's words. Although the workers were in the majority at Works Committee meeting and therefore could not have been intimidated by being outnumbered, more subtle forms of intimidation were possible. If a worker was intimidated following an Arbitration Court appearance then presumably an avenue did exist through the Court to redress the grievance. In the case of the Works Committee the only avenue that existed was industrial action. As a Works Committee member only represented a small section of the Works, and industrial action by a small section would soon be defeated, the member would have to attempt to gain the support of a large section of the Works. The only mobilisation that did occur at E.Z. was by small number of trades men on important issues such as pay and hours of work. If workers were generally unwilling to take action over such issues then the likelihood of them mobilising for an issue such as the intimidation of a

Works Committee member were remote. Given this background it is likely that subtle intimidation of Works Committee members did occur.

Hargreaves did not believe that the A.S.E award had caused discontent. In an attempt to refute Hutchin's affidavit Hargreaves asserted that the only discontent at the Works had been caused by the company representative who had stated that the company would not grant the usual half day holiday because of the costly A.S.E award.<sup>64</sup> E.Z was using the provision of welfare as a means to control and divide the workforce. They attempted to control the A.E.U members by withdrawing their railway subsidy and dividing them from the rest of the workforce by arbitrarily withdrawing a holiday and laying the blame for its withdrawal at the feet of the A.E.U. This would also function as an implicit warning to the rest of the workforce of way welfare benefits could be withdrawn if they did not act as the Company desired.

E.Z had contracted the services of Maughan who was General Secretary of the employer organisation The Australian Mines and Metals Association. In response to Hargreaves affidavit Maughan, acting as E.Z's counsel, presented the Court with evidence of the Company being

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<sup>64</sup> E.Z. Records, A/11-3, Affidavit of G. Hargreaves in A.S.E Case No. 113, 10/3/22. A.O.T.

fair and reasonable in all its dealings with its employees. E.Z had aimed to 'provide congenial employment for Australians at good wages and under the best of conditions.' It had advanced wages in line with cost of living increases and had cooperated with employees to provide sickness and accident benefits. Its 'great desideratum [was] to gather round it a community of contented employees who will work wholeheartedly in co-operation with the Company in the effort to establish ... a very important industry in Australia.' The Company was portrayed as being benevolent and wanting to cooperate with the workers to create a great Australian industry. 'From its very inception a constructive industrial policy has been carried out upon the best models that the Company could obtain .... So far everything has been successful in promoting goodwill and enthusiastic co-operation between the Company and its general employees. The Company is not desirous of debasing wages. It is not asking for a reduction of wages.' On the other hand Maughan presented Hargreaves as being led by the Federal Executive and that his affidavit was inconsistent with his actions. He pointed to Hargreaves membership of the Works Committee and the fact that 50% of the employee members on the Works Committee were A.S.E representatives, yet they had agreed to the resolutions that had later been ratified by the Zinc Wages Board. Further evidence of the Company's reasonableness was that

'the Company could veto the decision or flood the Works Committee or the Council by its representatives ... in fact there had been no flooding, and I think anyone who knows the general manager of the Zinc Works will admit the men get fair play and justice at any rate.' The Company had told employees that overlapping awards and determinations were 'detrimental to their own ultimate interests as well as those of the Company .... The A.S.E take a very short sighted view of the whole position, if I may say so, for the reason that they have not to manage the enterprise. They are not able to view the undertaking in the right perspective.'<sup>65</sup> Maughan depicted E.Z. as being a company that wished to cooperate with its workers, and had done so by providing them with congenial employment with good wages and conditions, to build a great Australian industry and in this way defined the Company and the workers as having the same interests. He asserted that there had been 'goodwill and enthusiastic cooperation between the Company and employees' thereby making the implication that the workers had accepted that their interests were the same as the Company's. Therefore anything that was a threat to E.Z's interests was logically a threat to the workers interests. The rhetoric of cooperation stressed the necessity of the workers and management being educated in each others attitude of mind

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<sup>65</sup> E.Z. Records, A/11-3, Extracts From Notes of Evidence in A.S.E Case, pp. 1034-1048, 8/5/22. A.O.T.

and, through confronting the Company, was defined by Maughan as being short sighted and not having the correct management perspective on matters and therefore not having the same ideals as E.Z.

In his reply Hargreaves stated that in his duties on the Works Committee he had represented the men at the Works and not the A.S.E. He attempted to absolve the A.S.E from having any part in the Wages Board decision by telling how the A.S.E had told the Company it was expecting an award from the Arbitration Court and they could therefore not be bound by E.Z Wages Board Award. Maughan examined Hargreaves on the role of cooperative activities, asking, 'Is it not a fact that [cooperative] policy has been introduced and followed with the mutual consent of the Company and its employees ?' Hargreaves implied that E.Z had introduced cooperative activities not through altruism but a desire to get labour. He replied 'That is doubtful. For some considerable time there was a shortage of labour and the Zinc Company's works were situated a good distance from the town, and men could obtain employment easily in Hobart and the Company had to induce the men to go to their employ by higher wages.' Maughan continued by asking 'What I want to get at is this. Have your employees objected to the co-operative principle or followed it?' Hargreaves baulked at the question and answered: 'This is the first time that co-operative

activities have been used as an argument for reduction of wages.' Maughan tried to portray Hargreaves as a supporter of the cooperative activities by asking 'Speaking for yourself. You have been an ardent supporter of co-operation ?' Hargreaves replied, 'Yes, socialism is co-operation.' Hargreaves defined cooperation as socialism insofar as it represented a partnership between classes. The fragmentary nature of liberal ideology meant Hargreaves was able to believe to a partnership between classes but not see taking industrial action as being contradictory to those beliefs. Maughan attempted to get Hargreaves to agree that the Co-operative Council and Works Committee had contributed to the smooth running of the Works. Hargreaves agreed these bodies may have had that effect but that high wages could produce the same effect. Maughan put forward the proposition that prompted by 'a spirit of co-operation and desire for the general welfare of its employees' E.Z had agreed to continue wages at the present rate. Hargreaves dourly replied 'Yes, because 12 months ago the employees were due for a 1/3 rise which they did not get.'<sup>66</sup>

In his decision Justice Powers referred to the fact that the E.Z Wages Board had been appointed to determine conditions and wages for all employees including A.S.E

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<sup>66</sup> E.Z. Records, A/11-3, Evidence Given by George Hargreaves in Response to Affidavit, 23/3/22. A.O.T.

members. Powers believed the A.S.E had accepted the E.Z Wages Board by agreeing with the establishment of the Board and by accepting the benefits and wages fixed by the Board. This conclusion he believed, was made even stronger by Hargreaves' prominent role in establishing the E.Z Wages Board. Hargreaves presidency of the Cooperative Council and membership of the Works Committee had weakened the A.S.E's case for exclusion from the E.Z. Wages Board. Echoing Maughan's words Powers concluded 'The effect of two binding awards for a small section of employees entitled to the best of both awards could only cause unrest and dissatisfaction among the large body of employees who are only entitled to rates and conditions they agreed to ...'<sup>57</sup> Powers decision exempted E.Z from Federal Awards and established them under the Wages Board, reduced the basic wage from 84/- to 77/- per week, established the national working week at 48 hours and made provision for the quarterly adjustment of wages based on the statistician figures.<sup>58</sup>

The Federal Branch of the A.S.E refused to accept the decision. In September 1922 a meeting of the A.S.E was held at the Hobart Trades Hall with the union president, George Hargreaves, in the chair. Some time before, in a

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<sup>57</sup> E.Z. Records, A/11-3, Extracts from Mr. Justice Powers Decision, 6/6/22. A.O.T.

<sup>58</sup> E.Z. Records, A/11-3, Maughan to E.Z Melbourne, 9/6/22. A.O.T.

national ballot, the union members had voted overwhelmingly in favour of the 44 hour week. The meeting resolved that all shops that were not working 44 hours would commence to do so the following week. The A.S.E members believed they had secured the 44 hour week after a long uphill battle and at great financial expense, and were not prepared to sacrifice it without a fight.<sup>69</sup> The engineers at E.Z were one of the shops working a 48 hour week.

On the 30 September E.Z handed a notice to all A.S.E members warning them of the consequences they would face if they chose to work a 44 hour week.<sup>70</sup> The Mercury's editorial came out strongly against the A.S.E's actions. The editor was of the opinion that the engineer's quest for shorter hour could lead to 'a great industrial conflict throughout Australia.' It argued that E.Z's engineers had been exempted from the Federal Award and had been working a 48 hour week since 30 June. The absence of any industrial conflict in this period of time was taken by The Mercury as signifying comprised tacit acceptance of the 48 hour week. It saw the union's decision as 'not in defiance of the new award, but a deliberate breaking away from an award which they have already accepted, and under which they have been

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<sup>69</sup> The Mercury, 23/9/22.

<sup>70</sup> Ibid., 30/9/22.



peacefully and without protest carrying on their vocation.' The union's claim was depicted as being led by a small number of faceless men and only a short distance from revolution. 'Of course, if the whole of the men employed at Risdon ... are willing and ready to play the game of the unscrupulous men who are behind the movement launched by the council of action, neither reason nor law will stop them.'<sup>71</sup>

The Mercury had grasped the intention behind E.Z's welfare schemes when it declared that the Company had given its workers 'fair and generous treatment and should be able to rely on them for reciprocity.' and claimed 'We believe that it [E.Z] has the sympathy and moral support of the greater number of its men, and that the engineers who are ready at the behest of some officials to break the law ... will be looked upon with much disfavour.' It believed the A.S.E by was attempting to 'stand on a different footing' from the rest of the workers who still worked 48 hours and branded it an 'exclusive and superior union.' The real disadvantage of the Federal Court award to E.Z was that it required the workers to work less hours for more money and was therefore more expensive. The Mercury attempted to sidestep this issue and depict E.Z as interested in making the engineers adhere to the Wages Board award from a moral standpoint of 'the law

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<sup>71</sup> Ibid., 30/9/22.

should be obeyed.' It concluded that 'for the safety of the community' the A.E.U could not be allowed to decide if it would or would not obey the law<sup>72</sup> thereby intimating that if they would not voluntarily obey the law they should be forced to do so. If the integrating effects of E.Z's welfare did not make the workforce behave as they desired, E.Z. could always rely on the legal system to defuse any challenge.

The A.S.E members had absented themselves from work on Saturday mornings from 30 September. Gepp had informed the union that on account of the prior excellent relations between the two bodies the Company would ignore this breach but that another would not be tolerated.<sup>73</sup> In mid October E.Z chose to attack the union through the legal system. It sought, by means of a court injunction, an order to restrain the officials of the A.S.E from inciting its members to strike and in particular from using union funds to support any union member or his dependents.<sup>74</sup> The judge believed the issue was covered by the Wages Board Act, which had the power to fine an individual £20 and an organisation £500 for supporting or assisting a strike, and therefore deemed it inappropriate

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<sup>72</sup> Ibid., 7/10/22.

<sup>73</sup> E.Z. Records, A/11-3, Gepp to Secretary A.S.E., 4/10/22. A.O.T.

<sup>74</sup> The World, 14/10/22.

to grant an injunction. In a statement to The Mercury Hargreaves stressed that the engineers wished to be paid for 44 hours rather than, as some people thought, 48 hours. He said that the engineers did not consider themselves to be on strike as they had kept operations going at the Works for 44 hours. The engineers, he stated, wanted a reduction in hours in order to create jobs for engineers who were at that time unemployed.<sup>75</sup>

At an A.S.E mass meeting Hargreaves declared that E.Z planned to serve summonses on all employees who had not worked on Saturday mornings and to lock out the workers if the court case failed. He claimed that the Company had boasted that it would always observe the law, but that when the law was unfavorable the company had tried to enforce its own laws. He accused E.Z of trying to prevent the union from having access to its own funds and once this had been achieved it would lock the workers out.<sup>76</sup> Hargreaves image of being locked out and unable to gain union strike pay or handouts would have weighed heavily on the engineers.

E.Z went on the offensive by charging George Hargreaves with having taken part in a strike against a Wages Board Determination. It was argued by Robert Ogilvie, on

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<sup>75</sup> The Mercury, 16/10/22.

<sup>76</sup> The World, 16/10/22.

Hargreaves behalf, that for a strike to occur there must be a contract between employer and employee. The Company, he said, had refused to obey the Federal Arbitration Award which had required the engineers to work 44 hours. The men had never accepted a contract for 48 hours and had repeatedly protested against such hours and in a ballot had rejected these hours. The Police Magistrate interpreted the Wages Board Act as determining the wages to be paid for 48 hours but it did not determine that the Works had to be kept open for 48 hours or that a worker should be forced to work 48 hours. This could only be done under the Masters and Servants Act. The Magistrate therefore dismissed the case against Hargreaves.<sup>77</sup>

The A.S.E was victorious for the moment but, as The Mercury noted in its editorial, it was unlikely E.Z would let this victory go unchallenged.<sup>78</sup> In early November E.Z applied to the Supreme Court in order to overturn the Police Magistrates decision that the engineers had not struck. Mr Justice Crisp believed that the Wages Board did determine hours and that by continuing to work the engineers had accepted these hours. As they had combined not to come to work on Saturday he ruled that they had struck, and directed that the case should go back to the Police Magistrate with a direction to convict Hargreaves

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<sup>77</sup> The Mercury, 26/10/22.

<sup>78</sup> Ibid., 1/11/22.

and impose a penalty.<sup>79</sup>

The A.S.E appealed to the Full Court. The Court upheld that the Wages Board Act of 1920 did not empower the Board to determine hours and that the determination of the E.Z Wages Board dated 16 May 1921 did not prescribe the hours which employees should work. E.Z was ordered to pay Court costs.<sup>80</sup>

Although defeated in Court E.Z was determined to obtain victory and posted a notice informing all engineering employees to work from 7.40 a.m to 11.55 a.m on Saturday 8 December.<sup>81</sup> On Tuesday 12 December another notice was posted which read 'Day work engineering employees who disobeyed the Company's order requiring them to work on Saturday morning last are discharged for disobedience ..... Overall approximately 120 men were dismissed.'<sup>82</sup>

At a mass meeting of A.S.E members Hargreaves read a statement from Gepp which pointed out the severe financial loss facing the men through loss of pay, court appeals and appearances. It must have seemed ironic to the engineers that they were facing severe financial loss

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<sup>79</sup> The World, 10/11/22.

<sup>80</sup> Ibid., 5/12/22.

<sup>81</sup> The Mercury, 9/12/22.

<sup>82</sup> Ibid., 12/12/22.

when some 2 months earlier E.Z had announced a profit of £93,814.<sup>83</sup> But if the men were prepared to go back on a 48 hour week Gepp would be pleased, he said, to meet with their representatives. In Hargreaves eyes the engineers had done everything possible to keep the wheels of industry turning without prejudicing their right to work 44 hours, but the company had decided that the laws of the land were not in conformity with their laws and had locked the engineers out.<sup>84</sup>

The next day, in sympathy with the engineers, the shift engineers and electricians applied for their discharges bringing the total number of engineers out of work to 135. Gepp attempted to play down the seriousness of the situation by claiming that the company was attempting to carry out production as usual. In a speech to a meeting of A.S.E members Hargreaves claimed the Company was attempting to carry on with the assistance of office staff in production tasks. He pointed out the contradiction of office staff, who normally worked 38 hours, being used to defeat men who claimed the right to work 44 hours instead of 48 hours. Hargreaves held that the Company was trying to intimidate and divide the workforce by 'dispensing with the services of a few of the other employees and holding the threat over the

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<sup>83</sup> Ibid., 11/10/22.

<sup>84</sup> The World, 12/12/22.

remainder that their turn might come next.' He charged that when there was a labour shortage E.Z had paid wages over that provided by State Determinations, but that when there was a labour surplus E.Z was paying their workers less and working them longer hours than that provided by many awards and state determinations, despite the fact that with high metal prices they would make a huge profit in the ensuing year.<sup>85</sup> The World concluded that the opinion of the workers was: 'We have been forced into this by the Company; but now we are in it we will not be forced out of it without securing our objective.'<sup>86</sup>

The Mercury was naturally critical of the engineers actions. The engineers hours were, it believed, set to secure the greatest efficiency of the plant. When a workman entered the factory he was 'bound by its rules, according to time immemorial.' That is, he was bound by the discipline of the factory and had no right to question such authority. The Mercury believed that the man in the street would not support the A.S.E. as he would be unable to see why the engineers should 'take a holiday on Saturday while hundreds of their fellow workmen are doing their duty to the industry that supports them.' It was, to The Mercury, 'a question of

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<sup>85</sup> Ibid., 13/12/22.

<sup>86</sup> Ibid., 14/12/22.

discipline and the needs of the industry.'<sup>87</sup> The Mercury described the bond between E.Z and its workers as a moral nexus rather than a cash nexus. This enabled them to shift the argument away from arguments about costs, profits and standards of living into the much more fertile grounds of rights and obligations.

Hargreaves sought a right of reply but The Mercury would not print it until after it had appeared in The World. In his reply Hargreaves sharply criticised The Mercury for not presenting the facts correctly. That paper was 'perhaps read by all the community, and misstatements of fact are apt to mislead the public.' He rejected the claim that the hours a man works are set by custom since time immemorial, by pointing out that the hours of work did change when production techniques became more efficient. He countered The Mercury's assertion that hours are fixed to suit the needs of the industry rather than to suit the convenience of the workers by saying that the convenience of the workers are never taken into consideration when profits are concerned. He concluded by stating that either The Mercury did not know the engineers case or they were biased.<sup>88</sup>

E.Z was confident it would secure victory and the

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<sup>87</sup> The Mercury, 13/12/22.

<sup>88</sup> The World, 16/12/22.



engineers would make a move to resume work in the first week of January.<sup>89</sup> The federal body of the A.S.E had already accepted a 48 hour week and placed pressure on the local branch to accept the same. After meetings between the Company and a joint committee of the A.E.U and the Trades Hall Disputes Committee, the members voted to go back to work at a 48 hour week.<sup>90</sup> The Mercury affirmed the virtue of E.Z's management declaring they had 'shown every consideration for the men concerned in the dispute and tried every possible legal expedient before dismissing them.'<sup>91</sup>

The industrial dispute at E.Z was a watershed for the A.E.U and unionism in general at E.Z. It perhaps had a long term weakening effect on the membership of the A.E.U. At the beginning of the industrial dispute in August 1921 the A.E.U had 234 Tasmanian members.<sup>92</sup> At the finish in December 1922 this had risen 342 members.<sup>93</sup> Membership continued to rise in the six months following the strike but by August 1925 had declined to 244,<sup>94</sup> and

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<sup>89</sup> E.Z. Records, A/11-3, Hutchin to Colleyshaw, Cadburys, 21/12/22. A.O.T.

<sup>90</sup> The World, 29/12/22.

<sup>91</sup> The Mercury, 30/12/22.

<sup>92</sup> A.E.U Reporter, No. 56, August 1921. A.B.L.

<sup>93</sup> Ibid., No. 12, December 1922. A.B.L.

<sup>94</sup> Ibid., No. 8, August 1925. A.B.L.

by December 1927 was 192.<sup>95</sup> The growth in membership during the industrial dispute and the period afterwards can probably be attributed to the union's high profile. Many more people became aware of the benefits of unionism and were induced to join.

The A.E.U recognised the harmful effects of being covered by both Federal and State awards. National membership declined from 19,453 at the end of 1921 to approximately 1000 less a year later. The federal A.E.U Council believed this decline was caused by employers giving preference to the members of those unions who would work for State awards, which were some 20/- <sup>per week</sup> less than the A.E.U's Federal award. The result was that A.E.U members could not get work because of the A.E.U award and resigned their union membership as a result. Other members had resigned because their firm was not covered by the Federal Award and they were compelled to work at state rates.<sup>96</sup>

In 1925 George Hargreaves took up a position as a full time A.E.U organiser for Tasmania and country Victoria.<sup>97</sup> Only three years after the A.E.U's industrial dispute at E.Z the union had reached such a low ebb it had

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<sup>95</sup> Ibid., December 1927. A.B.L.

<sup>96</sup> Ibid., No. 1, Jan. 1924. A.B.L.

<sup>97</sup> Ibid., No. 8, August 1925. A.B.L.

difficulty filling the shop stewards position at E.Z. Hargreaves, in his role as union organiser, reported that 'Owing to the attitude of this firm towards our shop stewards it has been a hard job to keep members in the position.'<sup>99</sup> The A.E.U disavowed the Wages Board and refused to allow its members at the Works to become Wages Board representatives.<sup>99</sup> Over the years the federal branch of the A.E.U lodged appeals to have E.Z engineers included under the Federal Awards but were defeated on the grounds of the precedent in 1921/22. The Company was always able to gain exemption on the grounds that the E.Z Wages Board covered all employees. This was a cause of concern to Hargreaves who objected to the Commissioner of the State Board<sup>100</sup> but to no avail. Hargreaves and the local A.E.U president met with E.Z management in 1927 with a view to having the 44 hour week adopted and pay increased. It was decided the case should go to the Arbitration Court. The local branch of the A.E.U held a meeting where 'their common sense and stability have prevailed and ... Hargreaves was given to understand that no trouble was wanted at Risdon.' E.Z believed considerable credit was due to the workers and that the

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<sup>99</sup> Ibid.

<sup>99</sup> E.Z. Records, A/75-1, Affidavit of O.W Hawkins Against A.E.U. 1931. A.O.T.

<sup>100</sup> A.E.U. Reporter, No. 12, December 1925. A.O.T.

outcome had been most satisfactory.<sup>101</sup> The A.E.U was a spent force. The federal office made various attempts to have the E.Z engineers included in the federal awards, but these attempts appear to have been made without any local support. Its dispute in 1921-22 was the last industrial action to occur at the Works for many years.

Soon after the A.S.E's industrial dispute there was an attempt to establish an E.Z Employees Industrial Union. The union's acting secretary was Charlie Culley, who was also secretary of the Female Confectioners Union. He wrote to Gepp requesting that he meet a deputation from the union for the purpose of permitting an organiser to visit the Works during the dinner hour.<sup>102</sup> Mussen recommended that the organiser should not be allowed to visit the Works as he would be able to wander through the plant and interfere with work. But perhaps more revealing are Mussen's comments regarding the union. He wrote 'As all wages and overtime are fixed by the Industry Wages Board, and all grievances are dealt within the departments or through the Works Committee as agreed between the Company and its employees, and all Cooperative matters are governed by the Co-operative Council, it is difficult to see any function the Union

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<sup>101</sup> E.Z. Records, A/47-2, Meredith to E.Z. Melbourne, 26/7/27. A.O.T.

<sup>102</sup> E.Z. Records, A/18-2, Culley to Gepp, 14/7/23. A.O.T.

could usefully undertake. Its sole function under the conditions prevailing at Risdon would be to collect fees from employees to pay the organiser .... Obviously if the Company encourages the Union to usurp the functions of the Works Committee, or the Co-operative Council, it would be disloyal to those organisations and its own policy. It is equally clear that the Company could not offer any objection to any employee joining such a union that functions only off the job, any more than the Company could object to employees joining a goose club or a lodge.' <sup>103</sup> Mussen believed that E.Z had so completely provided for the workers needs through the Wages Board, Works Committee and Cooperative Council, that a union did not have a role within the Works and could only function outside the Works. Mussen wrote to Culley advising him that the Company was unable to accede to his request. George Mahoney, the Organising Secretary, repeated the request a month later and added '...the members of this union do not wish to come into conflict with your company over my coming on the job.' <sup>104</sup> Nevertheless his request was refused. The Zinc Workers union was active until at least late 1924 when the members met at the Trades Hall to express dissatisfaction at an alleged a new method of medical inspection which classified men into A and B

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<sup>103</sup> E.Z. Records, A/18-2, Mussen to Secretary E.Z. Melbourne, 19/7/23. A.O.T.

<sup>104</sup> E.Z. Records, A/18-2, G.W. Mahoney to Gepp, 28/8/23. A.O.T.

grade, B grade signifying those men whose health had been affected by fumes and were now being dismissed.<sup>105</sup> It is mentioned again in Hutchin's affidavit against the Australian Builders Labourers Federation in 1926,<sup>106</sup> but after that there are no further records of its activities. E.Z.'s refusal to recognise, and thereby legitimise, the union and allow the organiser on site would certainly affected the union's effectiveness and would have influenced the union's demise.

E.Z did take note of the effect of the A.E.U industrial action on their workers. When contemplating welfare publicity E.Z was careful not to suggest that they were using cooperative works in a political way. Gepp recognised that cooperative activities could be used to gain exemption from Wages Board or Court awards but believed the Company must keep its undertaking not to use co-operative activities as an argument for the reduction of wages in the Wages Boards or Courts. He was aware that the raising of co-operative issues in the A.S.E case could have damaged the good relations the Company believed it had with its workers and recognised that 'even now they are likely to be frightened.'<sup>107</sup> E.Z was

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<sup>105</sup> The Mercury, 26/9/24.

<sup>106</sup> E.Z.Records, A/40-2, File Industrial Builders Labourers, 1926. A.O.T.

<sup>107</sup> E.Z. Records, A/17-4, Gepp to Industrial Department, 16/10/23. A.O.T.

conscious of the debt it owed The Mercury for its reporting of the A.S.E dispute. The Mercury had actively collaborated with E.Z to produce articles that supported the Company's actions and were critical of the unions. During the industrial action Gepp or another senior company officer would visit The Mercury and discuss the contents and headlines of articles. Towards the end of the industrial action the newspaper, at the Company's insistence, had refrained from publishing more than the barest reference to the dispute. 'This matter is mentioned, not as an exceptional instance, but to show the usual satisfactory attitude of The Mercury to the Company.' <sup>108</sup> The articles in The Mercury were unfailingly supportive of E.Z. They generally praised the Company for its generosity in providing co-operative activities and expressed disbelief that workers who were so well treated could possibly want to take industrial action. The paper depicted the Company as having righteousness and the law on its side but the unions were depicted as selfishly jeopardising the Company's and Australia's future, as not being representative of general opinion and as being led by a person who did not represent the unionists interests and were doubtless manipulated by mainland interests. This would, of course, suit E.Z's industrial policy as it would make the unions appear ungrateful, their cause as

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<sup>108</sup> E.Z. Records, A/21-2, Meredith to E.Z. Melbourne, 23/1/23. A.O.T.

unwarranted and the leadership as unrepresentative of the union in general. E.Z had no doubts as to the effectiveness of The Mercury's assistance, and we can only speculate on the degree it separated the union leadership from its members and induced a sense of isolation and wrongdoing among the A.E.U members.

There was considerable division amongst the E.Z workforce on the role of unionism, the Works Committee and the Wages Board. E.Z was aware it had a valuable ally in the Works Committee. Hutchin believed that as time passed the Works Committee had become more effective and dealt with fewer complaints. It was in a 'substantially better position than at any other time ...' <sup>109</sup>

The employee members of the Wages Board were to an extent conscious of the tensions between the employees and the Company introduced Works Committee and Wages Board. At a Wages Board meeting in 1925 one of the employees representatives, G.S Carlile, stated ' .... We have a majority of Works Committee men here and the men look upon the Works Committee with suspicion. If we do not put up a fight on these items the minutes will show it. Charlie Quinn was one of the finest men on the works before he sat on the Board. Today there are only half a dozen men who will speak to him because they believe he

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<sup>109</sup> E.Z. Records, A/25-3, Hutchin to E.Z. Melbourne, 22/10/24. A.O.T.



was bought. He and Mr Snow got together and to my idea did the best they could to fix the wages question. Notwithstanding that, that man is looked upon with suspicion.<sup>110</sup> Obviously there was a belief among many of the E.Z workers that the Works Committee and Wages Board were not independent bodies but were overly influenced by the Company. The employee representatives on the Wages Board Reacted to pressure of this belief so strongly that, when in agreement with the E.Z representatives, they felt they had to go through a charade of disagreement. Ostracism was the price the Wages Board members could face for appearing to show too much agreement.

Tensions surrounding the working and role of the Works Committee, Wages Boards and unions were brought out over the Australian Workers Union 1927 quest to be included in federal award and therefore excluded from the E.Z wages Board. Two members of the Works Committee, Sam Lyden (first President of the Insurance Society and who remained so for 17 years) and R.G Anderson had gone to Melbourne to give evidence that E.Z should be included in the A.W.U. award. C.C Quinn, who had been a member of the Works Committee, wrote to The Mercury criticising Lyden and Anderson's actions. He believed Lyden and Anderson

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<sup>110</sup>LID 1467/87, 1/40, E.Z. Wages Board 1925, E.Z Wages Board 9/11/25. A.O.T.

were ignorant of the wages and conditions operating under the Zinc Wages Board which, he asserted, paid higher margins for skill and enabled ordinary men to rise and be paid like tradesmen. He urged the Zincworkers not to support men who, he believed, through ignorance of wages and conditions at E.Z., could do them much harm.<sup>111</sup>

T.M Jude replied in The Mercury to Quinn's letter by stating that Lyden and Anderson had attended a meeting where the A.W.U.log of claims was read. This would mean higher wages than offered under the E.Z Wages Board and conveyed other benefits such as the 44 hour week on a 96/- basis and 6 hour shifts where the conditions were injurious to health. He believed that the workers always had the right to ask for improvements, to organise a union, and take a legal and constitutional course that the legislature has provided through conciliation and arbitration to obtain these improvements. He invited all workers to become members of the A.W.U. 'None have gone back in any industry we cover ... '<sup>112</sup>

Sam Lyden alleged that Quinn had been supplied with a transcript of evidence by someone with ulterior motives. 'I am of the opinion that Mr Quinn is in the dark, and that he has been used as a channel of communication for

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<sup>111</sup> The Mercury, 16/6/27.

<sup>112</sup> Ibid., 18/6/27.

some other person who would not sign his name to such a false statement.<sup>113</sup> Presumably he is intimating that this person had connections with E.Z management and that Quinn was merely the Company's voice attempting to discredit the A.W.U's claim. Quinn replied that the actions of a few 'misled by mainlanders' could undo all the good done by the Works Committee. He believed the A.W.U was avowedly against the Wages Board and Works Committee. 'Mr Lyden did his best in court to damage the works committee, and the pamphlet of the union states that the Wages Board and works committee are now entirely unsatisfactory.'<sup>114</sup> Quinn did not realise, or did not acknowledge, that there had been opposition to the E.Z Wages Board from its inception when Jack O'Neill warned unionists of its dangers.

At a meeting held in the Community Hall to discuss all the allegations, The Cooperative Council chairman, T. Mailey, believed the 'efforts of the Wages Board deserve the highest praise.' He thought that: 'If they could do the best they could with the least expense and still preserve the good feeling between employer and employee they were getting on the right track.' He urged the workers to think carefully about any departure from the Works Committee and Wages Board which, he believed, had

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<sup>113</sup> Ibid., 20/6/27.

<sup>114</sup> Ibid., 21/7/27.

been operating very successfully. As Lyden and Anderson were not at the meeting Quinn had the floor to himself. He appealed to the workers to have more confidence in the Wages Board and the Cooperative Council. On the one hand he emphasised that if the workers were not getting what they wanted they should put more energy and support into the matter and strengthen the hands of their representatives, yet on the other hand he believed it was management who would get the workers better conditions. He thought they were getting on well but that they could 'get along better if they put their shoulder to the wheel without the Trades Hall.'<sup>115</sup> Quinn's faith lay with the Company triune of the Cooperative Council, Works Committee and Wages Board. He could not perceive, or would not say, that the aspirations of the Company and the workers were not always synonymous.

This point did not go unnoticed by other workers. M.L. Daly, who had been an employees representative on the Wages Board in 1925, wrote to The Mercury on the issue of the Wages Board. He believed Quinn 'spoke convincingly from his own point of view but all the same the zincworkers are divided on the issue.' Daly put forward the view that the workers wages were not gained by the Wages Board but rather by the employee representatives on the Wages Board. He described how at the meeting Quinn

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<sup>115</sup> Ibid., 25/6/27.

had attributed the high wages the zinc workers received from the Wages Boards as being due to 'a gentleman well known to all who put the scheme into operation when the plant was young'. Presumably Quinn was referring to Gepp. Daly believed this credit was misplaced and that few workers recognised the role the employee representatives on the Wages committee had played in defending their wages. He outlined how at the last Wages Board meeting it was the employer representatives who had tried to set wages at 13/6, which was 3d. below the statisticians base rate. The employee representatives moved a higher rate which was rejected. The rate set was the statisticians base rate of 13/9. He wondered how anyone, after hearing this, could suggest 'that the thing is rigged.' Daly obviously found being a Wages Board representative a rewarding experience and concluded 'No one could wish for a greater experience than being a representative for the cell rooms or "Port Arthur" as it is commonly called, and that was my lot for years.'<sup>116</sup>

The final letter to The Mercury belonged to C.R Baker, the Secretary of the Cooperative Council. He appears to have missed Daly's point that it was not the Wages Board that gained the employees their rates of pay but rather the efforts of the employee representatives on the Board. He accused Daly and Lyden of claiming that the results of

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<sup>116</sup> Ibid., 2/7/27.

the Wages Board were unsatisfactory. He believed, rather, that the Works Committee and Wages Board had achieved high wages and that the results justified the workers sticking to the Works Committee and Wages Board to achieve better things.' He concluded that not a single man at the Works desired the A.W.U Federal Award because not one person had asked for it to be put into operation.<sup>117</sup> The Federal Court granted E.Z.'s application for exemption from the A.W.U award.<sup>118</sup>

Although this debate was argued in the press it does reveal the tensions inherent in the Wages Board system and the mediating effect of the Cooperative Council. It shows two members of the Works Committee displaying dissatisfaction with the Committee they represent and attempting to enrol workers in the A.W.U and gain its award coverage, and it also shows a member of the Wages Board arguing that it was not the operation of the Wages Board itself that guaranteed the workers wages but rather the effectiveness of the employee representatives on the Wages Board in preserving those wages. It revealed the President and Secretary of the Cooperative Council and other members of the Works Committee acting to prop up the workers confidence in the Wages Board and keep the

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<sup>117</sup> Ibid., 5/7/27.

<sup>118</sup> E.Z. Records, A/47-2, E.Z to Collins House, 18/5/27. A.O.T.

workers under a system that had been sorely tested by the building trades in 1921 and the A.E.U in 1922.

Industrial trouble next surfaced in 1927 when members of the Hobart Waterside Workers Federation (W.W.F) refused to work overtime until their members were given the right to unload the ships at the Risdon wharf. This task had always been performed by E.Z workers. The Federal chairman of the W.W.F claimed the dispute was due to the vexatious delays of the Arbitration Court to hear their claim and the 'studied hostility' of employers to every attempt during the past two years by both the Court and Federation to reach an agreement. He stated that a preference clause was necessary to give industrial peace on the waterfront yet the Court had continually granted exemptions to certain parties with E.Z being one of these parties.

There had been a precursor to this trouble in 1926 when the W.W.F had declared its members should unload the ships at E.Z's private wharf. Two ships at Risdon were declared 'black' but the local branch of the W.W.F was unable to gain the support of the Federal Branch and upon instruction from the General Secretary the local branch lifted the embargo pending the result of an application to the Federal Court.<sup>119</sup> Gepp in his affidavit for

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<sup>119</sup> T.L.C Minutes, 15/3/26 and 24/4/26. A.L.B.

exclusion from the ambit of the W.W.F. produced arguments which would become familiar to unionists. He argued that to give preference to W.W.F members would involve the dismissal of some 40 workers. This would bring grave difficulties as such dismissals would weaken the whole fabric of industrial relations which the Company, in conjunction with its employees, had been at such pains and expense to build up. The creation of a company town at Lutana had meant that in rush periods the men could be speedily gathered from Lutana to unload the ships. This facility would be unavailable if the company used W.W.F labour which would have to come from Hobart.

Gepp's affidavit closely resembles the affidavit Hutchin used against the Australian Builders Labourers Federation in 1926.<sup>120</sup> It enters into considerable detail regarding prior exemptions and concludes that E.Z's industrial peace had been largely due to the fact that the decisions of the Court's had enabled the Company to develop a self contained industrial system which had proven itself to be 'complete, just and efficient.'<sup>121</sup> The Judge agreed with E.Z and dismissed the W.W.F on the grounds they were not complying with the Award in all respects. They were told

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<sup>120</sup> E.Z. Records, A/40-2, File Industrial Builders Labourers 1926. A.O.T.

<sup>121</sup> E.Z Records, A/40-3, Affidavit of H.W Gepp, 29/4/26. A.O.T.



they could reapply when the award was strictly adhered to.

The W.W.F's struggle to gain preference on the Risdon wharf is revealing insofar as it shows the extent to which E.Z had become an entrenched and powerful force. It hardly needed to fight its own battles when The Mercury and the state machinery would do that for it. The President of the Chamber of Commerce, W.H Cummins, who was also General Manager of The Mercury, led a deputation to the Labor Premier Lyons. He believed that even though the W.W.F enjoyed high rates of pay and liberal conditions, they 'sought to paralyse the trade and commerce of the chief port of Tasmania'. He knew of waterside workers openly declaring that their object was to close the Zinc Works down.<sup>122</sup> The Mercury's editor thought a Mussolini was needed to restore order,<sup>123</sup> obviously seeing him as a symbol of strong government. He believed the time would come, sooner or later, when the people of Australia would have to vindicate the principle of Public Order against some of the unionists. These unionists had 'surrendered their better judgement and ceased to see whither they are being led.'<sup>124</sup>

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<sup>122</sup> The Mercury, 21/11/27.

<sup>123</sup> Ibid., 1/12/27.

<sup>124</sup> Ibid., 23/11/27.

In the meantime the Federal Office of the W.W.F. had declared 'black' any ship that visited Risdon which meant the ship could not be unloaded when it reached its destination port. In the House of Assembly a local member, Mr Sheriden, spoke of how a number of men at the Zinc Works had come to him and asked for the State Government to guarantee that the Zinc Works would continue in production. According to Sheriden the workers at E.Z. did not see why their livelihood should be taken away by the W.W.F. when they believed they were just as good unionists as the W.W.F. The W.W.F would most likely have disagreed with this as there does not appear to be a convincing display of union solidarity on the part of the Zincworkers. Sheriden continued the Tasmanian tradition of blaming circumstances outside Tasmania for Tasmania's woes. He paid a tribute to the waterside workers in Tasmania and objected to an outside body dictating not only to the waterside workers in Tasmania but to the whole of Tasmania.<sup>125</sup>

The Mercury portrayed the W.W.F as isolated and having received little support or sympathy from other unions.<sup>126</sup> It published letters from the public which were far from sympathetic to the W.W.F cause. 'Pro Bono Publico'

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<sup>125</sup> Ibid., 23/11/27.

<sup>126</sup> Ibid., 25/11/27.

believed that if a good leader would come forward people would volunteer to follow him and combat industrial trouble 'even if it came to the necessity of arming ourselves against conspirators who threaten our being allowed to live.'<sup>127</sup> One writer called for volunteer labour to load and unload ships and protect non-union labour. The writer agreed with 'Pro Bono Publico' that a body of men should be organised 'and we will soon stop this nonsense.' In a letter to The Mercury on 29 November a Mr Hastwell offered his services to man vessels and requested others to do likewise. In a letter to The Mercury the next day he announced he had received many inquires and a league which would be known as 'Our Industry Protectors' would shortly be in existence. Its members would, at the slightest suggestion of a strike, act as strikebreakers.<sup>128</sup>

The strike ended when Judge Beeby informed the W.W.F that he proposed to completely investigate conditions on the waterfront but would not do so whilst the W.W.F were refusing to obey conditions of a prior award.<sup>129</sup> In his affidavit Meredith brought out the customary arguments of the Wages Boards contributing to the industrial peace and efficiency of the Works and that to remove one section of the workforce from under this umbrella was 'fraught with

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<sup>127</sup> Ibid., 25/11/27.

<sup>128</sup> Ibid., 30/11/27.

<sup>129</sup> Ibid., 8/12/27.

grave danger to the present wages system as a whole and to the efficiency and economic success of the Company.' <sup>130</sup> The case was heard in early 1928 with Mr Morris representing the W.W.F. The case did not go well for the W.W.F with E.Z declaring that 'the occasional interruptions which the Judge made in Mr Morris' address were those that might have well emanated from an advocate appearing for our side.' Beeby declared that as long as E.Z paid its employees weekly rates it should be exempt from giving the W.W.F preferential treatment. <sup>131</sup>

Once E.Z had gained a few exemptions the rest appeared to follow easily. In the years between 1921 and 1932 E.Z gained no fewer than 17 exemptions from federal awards from unions as diverse as the Federated Engine Drivers and Fireman's Association, The Amalgamated Engineering Union, the Amalgamated Society of Carpenters and Joiners, the Builders Labourers Federation, the Australian Timber Workers Federation, the Electrical Trades Union, and the Australian Workers Union. <sup>132</sup>

The Company's affidavits all contain the same core

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<sup>130</sup> E.Z. Records, A/47-3, Affidavit of Meredith versus the W.W.F. A.O.T.

<sup>131</sup> E.Z. Records, A/54-3, E.Z to Collins House, 30/1/28. A.O.T.

<sup>132</sup> E.Z. Records, A/67-1, Note Re Working Hours-Engineers. A.O.T.

arguments and information, such as that of A.W. Hutchin against the Builder's Labourers Federation in 1926. The affidavit begins with statistics on the scale of production and emphasises that the zinc is manufactured in competition with producers in other parts of the world and that 80% of the zinc produced at Risdon is exported. Further evidence on the value of the works was 'The position of the Commonwealth of Australia and of the British Empire has been made more self contained in that metallic and chemical products which are vital in the event of war are now manufactured within the Empire and these works have therefore great importance in respect to their value to the Empire.' The affidavit then goes into great detail on the composition and decisions of the Electrolytic Zinc Wages Board in order to prove that 'throughout the whole of the periods covered by all these determinations the productive operations of the Company have been steadily conducted without interruption by industrial disputes.' The affidavit gives considerable emphasis to the fact that E.Z has been granted exemption from all federal awards except in the case of the engineers in 1921, when the court varied the award to give E.Z exemption. It quotes at length from the decisions, mentioning that 'one of the members of the claimant organisation had taken a very prominent part in establishing the Board' and the potentially disruptive effects of having two awards covering the workforce. To

further reinforce E.Z's case for exemption, the affidavit gives quotations from many of the other exemption cases including an Australian Builders Labourers Federation case where Sir John Quick outlines the precedents set in other cases and in his judgement declares 'The company made out a very strong case in its affidavit to the effect that it had secured those consolidated industrial conditions set out in the exhibit presented to the Court under Tasmanian law. They are working harmoniously with their employees, local committees working with the management, no unrest and no disturbance. Everything is going on quietly and smoothly.' The affidavit then emphasises the small number of men employed as builders labourers, approximately 25 men out of a workforce of some 1100 workers, and that 'these persons if they belong to any union at all are members of the Zinc Workers Industrial Union' and the B.L.F therefore has no authority to speak for them. The affidavit concludes that 'The history of the Company has been one of industrial peace and achievement. production has not ceased for one minute ... These results are largely due to the fact that the industry has, by the decisions, and with the approval of this Honorable Court been permitted to develop a self contained industrial system which has proven during the past six years that it is complete, just and

efficient.<sup>133</sup> All affidavits emphasised the importance of E.Z as an industry, the role of the Wages Board in producing industrial peace, the large number of exemptions E.Z. had gained from federal awards, the small number of men employed in the offending vocation and that the claimant union has no right to represent these employees as the Zinc Workers Industrial Union is the most appropriate union for all E.Z employees. This formula succeeded in E.Z. obtaining exemptions from federal awards for many years.

Although E.Z gained many exemptions from Federal Awards, there were times when these awards were much more beneficial to the Company, which then sought to obtain a flow on judgement. As mentioned, E.Z fought many bitter battles to keep its workers under the state Wages Board. Under these awards the employees could not gain any flow on from Federal Awards. Any changes in wage rates or hour of work had to be taken before the Wages Board and argued on its own merits. The employees were to struggle for many years to gain exemption from federal awards yet, when it wished to, E.Z was sometimes able through the Wages Board to replicate a federal award that suited its interests. Such a circumstance occurred in 1931 when, in the light of the depressed economic conditions and

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<sup>133</sup> E.Z. Records, A/40-2, Affidavit of A.W Hutchin versus the Australian Builders Labourers Federation, 1926. A.O.T.

falling company profits, the Federal Arbitration Court ordered a 10% reduction in wages. Impressed by this decision, and mindful of the general fall in the cost of living figures upon which the Wages Board based its decision, E.Z sought the same reduction in wages. Arguing E.Z's case Hutchin stated ' ... Now we have come to the time when economic conditions will not permit the maintenance of what has been built up. It is common knowledge that unemployment has been growing as a result of the times, and it is feared that civil disturbance will follow ....' <sup>134</sup>

There was considerable argument over the method of setting the base rate. The employee representatives did not believe that the workers should have to accept a reduction under Arbitration Court awards when they had been working under the Wages Board awards. One of the employee representatives, G.S Carlile, said he quite realised the price of zinc had dropped, and since the Company had been used to making large profits it was not very pleasant to receive small profits. He pointed out the contradiction that when he had spoken of the prosperity of the zinc industry at previous meetings, Hutchin had informed him this could not be taken as the

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<sup>134</sup> LID 269/41-3, E.Z Wages Board, Notes of Meeting, 5/2/31, p. 3. A.O.T.



reason for a higher rate of pay.<sup>135</sup> The workers' representatives had also tried to obtain higher wages on the basis that the workers at E.Z were liable to be affected by carbon monoxide poisoning. This argument was rejected by the Chairman on the basis that the Certifying Officer of the Occupational Diseases Relief Board had declared E.Z free from occupational diseases.<sup>136</sup>

In the 1931 hearing the Chairman fixed the rate at 13/- and threw the forum open on discussion about further wage reductions. The employee representatives argued that they had not shared in the firm's prosperity, they should not have to pay for its worsened situation. They believed the workers were being asked to sacrifice another 10% so that E.Z could pay dividends. The employer representatives countered that the workers' cooperation was necessary for the continuation of the industry, and that if the industry did not exist the workers would not have jobs.<sup>137</sup> The employee representatives, however, did not believe the Company's financial circumstances were as difficult as its representatives had claimed and declared '... the Company should put its cards on the table. It has always boasted the spirit of fairness, and now is the time for it to apply.' Hutchin responded to this by

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<sup>135</sup> Ibid., p. 4.

<sup>136</sup> Ibid., p. 7.

<sup>137</sup> Ibid., p. 11.

saying ' ... In the past the Company has tried to do the decent thing, although it is said the employees of the industry have not shared in the prosperity. They have shared in it.' <sup>138</sup> Gepp had said some years earlier that 'co-operative activities ... represent the best form of prosperity sharing ...' <sup>139</sup> and this was probably Hutchin's interpretation of prosperity sharing as well. The employee representatives objected to Hutchin's remark that they had shared in the prosperity of the Company and forced him to withdraw it. Hutchin continued to affirm to the employee representatives that they had shared in the Company's prosperity by receiving good pay and continuity of employment. The employee representatives then sought concrete evidence of the Company's financial situation. Hutchin said that if the figures of costs were produced the employees would not be able to understand them, to which the employee representative Peck countered that if the figures were not available the employees did not have the opportunity. The employees moved for a 5% reduction to be reviewed in a year. Voting was even on the motion.

At the next meeting held a week later, G.S. Carlile suggested profit sharing, which Hutchin refused to accede saying he did not have the authority to authorise profit

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<sup>138</sup> Ibid., p. 11.

<sup>139</sup> E.Z. Records, A/17-4, Gepp to Industrial Department, 16/10/23. A.O.T.

sharing. Using his casting vote the chairman defeated the motion suggesting a 5% reduction, and decided in favour of Hutchin's amendment that wages be decreased by 10%.<sup>140</sup> In this manner E.Z, without providing any concrete evidence of the economic duress it was under, was able to impose a 10% wage reduction on its employees. The argument was never about the wages increasing or even remaining static, but about the extent of the reduction. Judge Beeby of the Federal Arbitration Court stated that the Tasmanian Wages Boards had done more than any other State Tribunal to follow the lead of the Federal Court in reducing wage standards.<sup>141</sup> With an equal number of employee and employer representatives on the Board the voting would quite often be tied and the decision left in the hands of the Chairman. Usually the Chairman, as in this case, would hand down a decision that was favourable to the Company.

The Company faced a new industrial new crisis in 1936 when it seemed certain that the zincworkers were to finally get the 44 hour week. The day workers were to work 8 hours a day from Monday to Friday and 4 hours on Saturday. The shift workers had previously worked a 48 hour week comprising 6 shifts of 8 hours with 30 minutes

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<sup>140</sup> LID 269/41-3, E.Z Wages Board Meeting, 13/2/31. A.O.T.

<sup>141</sup> Heyward, op. cit. p. 111.

paid 'crib' time making total of 7 hours 30 minutes actually spent working each day. They were now to work 6 shifts of 7 hours 20 minutes with an extended 'crib' time of 40 minutes, but this was to be deducted from the daily hours worked and was not paid.<sup>142</sup> The shift workers were therefore paid less but were at the Works for the same period of time.

More than 300 day shift workers held a brief morning strike on the 9 July 1936 over their dissatisfaction with the Wages Board Determination.<sup>143</sup> They did so in spite of a notice warning employees that under the terms of their employment any union or member of a union should not 'counsel, take part in, support or assist directly or indirectly any strike on account of any matter in respect of which a Board has made a determination.' The penalty for individuals was £20 and for organisations £500.<sup>144</sup> A further meeting of more than 300 Zincworkers was held on the 13 July. The day workers felt that if they still had to work on Saturdays it defeated the purpose of the claim, which was to give them more recreation time. The employee representatives on the Wages Board claimed that the chairman of the Wages Board had made the decision on the way the hours were to be worked. The meeting agreed

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<sup>142</sup> The Mercury, 8/7/36.

<sup>143</sup> Ibid., 10/7/36.

<sup>144</sup> E.Z. Records, A/89-2, Notice No. 647, 9/7/36. A.O.T.

that the Wages Board should be asked to sit again and that a union be formed for day and shift workers. An amendment that a branch of the A.W.U be formed was overwhelmingly defeated.<sup>145</sup>

The Zinc Workers Union (Z.W.U) organised quickly. Edmund Brooker M.H.A agreed to act as organising secretary, a position he filled for many years.<sup>146</sup> The organising committee received signed application for membership from 592, or approximately 90% of shift workers. Heartened by the amount of support the organising committee recommended that the union be formed. Membership was open to all zincworkers including tradesmen though they were urged to join the union of their calling.<sup>147</sup> The union was to be run by a Management Committee comprising two representatives from each of eight divisions within the plant.<sup>148</sup> Its main objectives were the attainment of better working conditions for its members; the shortening of the hours of work without a decrease in wages; the protection of its individual members in any unwarranted dispute with the Company and any other matters which may

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<sup>145</sup> The Mercury, 14/7/36.

<sup>146</sup> Zinc Workers Union Minutes, 13/7/36. F.I.A.

<sup>147</sup> Ibid., 20/8/36.

<sup>148</sup> Zinc Workers Union Organising Committee, 17/7/36. F.I.A.

be conducive to the welfare of the members.<sup>149</sup>

At a Z.W.U meeting in November 1936 the union congratulated the Company on its financial success and urged it to repay its workers with shorter hours. The workers wanted a 44 hour week with 11 x 8 hour shifts a fortnight for shift workers and a 5 day week for day workers.<sup>150</sup> The union succeeded in having the Zinc Wages Board reconvene. After sitting the Board announced that the old arrangement of working 8 hour shifts with paid cribtime would be adopted but with 11 shifts instead of 12 per fortnight. The day workers still had to work 6 days per week<sup>151</sup> because the Chairman of the Wages Board did not believe the Board had the power to grant a 5 day week. The union protested<sup>152</sup> but the decision was not altered.

The Unions' next victory in May 1937 was to secure a bonus that was dependent upon the price of zinc. At a meeting of the Z.W.U's Wages Board Committee it was decided that they should claim a 24/- bonus per week when the price of zinc was between £25 and £35 per ton and a

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<sup>149</sup>Zinc Workers Union Objective, Constitution and Rules. 1943. F.I.A.

<sup>150</sup> The Mercury, 4/11/36.

<sup>151</sup> Ibid., 1/12/36.

<sup>152</sup> Zinc Workers Union Monthly Meeting, 7/12/36. F.I.A.

further 10/- bonus per week for every £5 per ton over the price of £35. Their line of argument was that the Company had already accepted the principle of payment relative to the price of metal and profit and that, as the price of zinc had risen from £9 10/- per ton in 1931 to £40 per ton in 1937 and profit had increased accordingly, the workers should receive a share in the profits.<sup>153</sup> The union did not manage to have the Company accept this scheme but accepted a less generous offer from E.Z which still gave fairly substantial wage increases. The bonus was paid during of the annual holidays and operated on the assumption that every employee receiving the adult basic wage or more would receive, for every each shift of 8 hours, 2d. a day for every £1 rise in the price of zinc over £15 per ton.<sup>154</sup> There were a number of exceptions attached to the metal bonus. It was not paid for any period lost through sickness, accident or any other cause. E.Z attempted to buy industrial peace with a clause that the bonus would automatically cease in the event of any strike or stopwork meeting and to hold weekly wages down with a proviso that the employees were not to seek a Wages Board meeting prior to 15 December 1938 without the consent of management.

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<sup>153</sup> Minute Book of Meetings of Z.W.U., Minutes of Wages Board Committee, 30/3/37. F.I.A.

<sup>154</sup> The Mercury, 7/5/37.

The bonus system was to have its share of controversy. Prior to the implementation of the metal bonus there had been a 'prosperity bonus. At Christmas 1936 staff, who were the non-daily paid employees, received a prosperity bonus of 10% and the employees 2 1/2%. In 1937 the staff received a bonus of 7 1/2% less metal bonus paid. The workers did not receive the prosperity bonus as they had the metal bonus. The payment of a bonus only to the staff raised some friction amongst the workers who believed they too should receive the bonus. They pointed out that a record profit in 1937 had enabled the Company to pay a dividend of 15%, and although there had been wage restorations since the enforced 10% wage cut of 1931, workers wages had not reached pre-1931 levels. E.Z argued that for a number of years the company has been paying a prosperity bonus which it claimed had offset the wage reductions of 1931. Furthermore the Company argued it was now paying another prosperity bonus in the form of the metal bonus, and that the workers had received wage increases equivalent to 8.8% for the year whereas the staff's only increase had been in the form of the bonus. In spite of these reasons the Company agreed to backdate the bonus, giving each worker the equivalent of £5/17/4.

The metal bonus was paid until 1941 when it was superseded by an industry allowance, which paid 10/- per week to shift workers and 11/- to those who worked a 5



1/2 day week. This was supplemented by a another prosperity bonus in 1948 which was based on the prosperity of the Company as measured by the dividend paid to shareholders. There were sections of the bonus which discouraged absenteeism by reducing the bonus by a set amount for each day of absence. The terms of the bonus dictated that 'In the event of any go-slow strike or refusal to work reasonable or necessary overtime or other action by a section or all of the employees restricting production ... the employees so acting will be debarred from participating in the next succeeding bonus distribution ... If any union should call out employees, members of that union will be debarred from participating in the bonus. Decision on this matter rests with the Company.' <sup>155</sup>

The bonuses were the result of many years of employee agitation through the unions and Wages Board to convince E.Z. that the Co-operative activities, basic wage and continuity of employment <sup>were</sup> not a sufficient share in the Company's prosperity. The bonus did not come without strings attached. It tried to reduce absenteeism by reducing the bonus for every day away from work, and tried to hold wages constant by having the workers agree not to request a sitting of the Wages Board before a specified time. The terms with the greatest impact were

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<sup>155</sup> Baker. op. cit., pp. 58-69.

those that threatened the withdrawal of the bonus if any industrial action should occur. As the decision on the withdrawal of the bonus rested with the Company there would be no court of appeal. The various bonuses represented a considerable amount of money to the workers and to risk such a sum would require a very significant issue. The effect of the bonus was for E.Z to pay the workers more money and to buy industrial peace.

Membership of the Z.W.U rose quite quickly from 680 in late December 1936<sup>156</sup> to 812 in mid 1937.<sup>157</sup> It carried on the everyday workings of a union cajoling or forcing men, through the threat of black banning, to join the Union<sup>158</sup> and preparing demands on the Company. In its first annual report the Z.W.U reported that members would be pleased '... with the support that has been given - through the Union - to industrial welfare as a whole; and particularly to the feeling of harmony which is known to exist at the Works as a direct result of the actions of the Union.'<sup>159</sup> There were still undercurrents of dissatisfaction with the workings of the Wages Board and Works Committee. At a meeting of the Z.W.U it was reported that 'disparaging remarks had been made against

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<sup>156</sup> Zinc Workers Monthly Meeting, 7/12/36. F.I.A.

<sup>157</sup> Ibid., 5/7/37.

<sup>158</sup> Zinc Workers Management Committee, 24/5/37.

<sup>159</sup> The Z.W.U. First Annual Report, 20/9/37. F.I.A.

the members of the Wages Board.' Although a motion of full confidence in the workers representatives was passed<sup>160</sup> it does indicate that there was still scepticism as to the impartiality of the Wages Board by at least some workers. At a Z.W.U meeting in July 1937 it was moved that the members of the Works Committee be requested to resign. After discussion it was instead decided that the Union Management Committee should appoint a sub-committee to investigate the possibility of altering the Works Committee constitution.<sup>161</sup> The Union then attempted to usurp the role of the Works Committee by informing the Company that '... all industrial matters affecting the employees must first be submitted to the Union, or they will be ignored.'<sup>162</sup> It was trying to regain from the Works Committee the ground that traditionally had been that of the unions. The Union sub-committee appointed to examine the Works Committee constitution recommended that a ballot should be taken as to determine whether the Works Committee should continue.<sup>163</sup> In the ballot 318 workers voted for the continuance of the Works Committee whilst 278 voted

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<sup>160</sup> Z.W.U. Notes of Meeting, 6/5/37.

<sup>161</sup> Z.W.U. Meeting, 5/7/37.

<sup>162</sup> Minutes of Meetings of Z.W.U., Minutes Monthly Meeting, 2/8/37.

<sup>163</sup> Minute Book of Meetings of Z.W.U., Meeting Works Committee Constitution Sub-Committee, 9/8/37. A.O.T.

against its retention.<sup>164</sup> The Z.W.U attempted to make another incursion into the Works Committee by proposing that the Union Secretary should attend Works Committee meetings. The Works Committee refused on the grounds the proposal was unconstitutional, but reported that steps were being taken to remodel its constitution.<sup>165</sup> The records do not indicate whether any remodelling took place. The issue of the role and effectiveness of the Works Committee did not disappear. In 1948 a ballot of union members decided Z.W.U members should not act as representatives on the Works Committee. All Z.W.U members were instructed to resign from the Works Committee.<sup>166</sup>

In 1938 the Z.W.U became concerned with industrial health problems that were attributable to working conditions at the plant, and urged that sufferers should be fully compensated for their loss of health and earning power. At the union's instigation a governmental committee investigated occupational health and many were optimistic that the Occupational Diseases Act would be widened to include E.Z. The union officials were of the opinion that only a drastic shortening of the hours of work, to allow members the opportunity of physical and health giving

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<sup>164</sup> Ibid., Monthly Meeting, 8/11/37.

<sup>165</sup> Ibid., Monthly Meeting, 7/3/38.

<sup>166</sup> Executive Committee, Management Committee, and Wages Board Minute Book 1942-, Executive Committee, 22/6/48. F.I.A.

exercise away from the Works, would overcome this disability.<sup>167</sup>

These matters came to a head in 1939 when Zinc Wages Board was convened. The employee representatives hoped to gain a 40 hour 5 day week, instead of 11 x 8 hour shifts per fortnight, and a 10% rise in the basic rate. The employees case was based on the assertion that the heavily automated state of the industry made a 5 day week, technologically possible, that E.Z made profits amounting to £604,524 in 1937/38 and £536,613 in 1936/37 and was therefore in a financially sound position and able to weather these expenses, that the 40 hour week would relieve the unemployment problem by enabling an extra 50 men to be employed at the Works at only minor expense to the Company, and that working at E.Z had serious effects upon the workers health which could be relieved by a shorter working week. The Wages Board voted on the proposal but was deadlocked. The Chairman, Colonel J.P Clark, believed the technology could support a 5 day week but was uncertain of the validity of the other assertions. He therefore went on a tour of the plant and interviewed workers and E.Z management to gain a clearer picture of the problem.<sup>168</sup>

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<sup>167</sup> Minute Book of Minutes of Zinc Workers Union 13/7/36-, The Z.W.U Second Annual Report, 3/10/38. F.I.A.

<sup>168</sup> E.Z. Records, A/89-2, Notes of Meeting Between E.Z and E.Z Union, 16/3/39.

The worker's evidence on working conditions at E.Z provide a graphic illustration of nature of the work at the plant. The cell rooms had for long been known as Port Arthur and the pre roasting area as Hells Half Acre. Samuel Stanley Brown, who worked in the Cooling Towers, gave evidence that although oilskin, overcoat, cap and clogs were issued to go into the Tower, a solution of zinc still got onto the skin causing sulphate sores. He believed these were unavoidable and had not seen a man come out of the cooling towers without sores. When he bathed he was forced to use soda ash to get the solution off his skin which was most unpleasant. Although the workers were able to report to the ambulance to have the sores dressed, they throbbed for over a week and prevented a person from sleeping. The sores could last for over 3 weeks.<sup>169</sup> The Company tried to minimise the impact of such evidence and illustrate their goodwill towards the workers by claiming that the incidence of sores had decreased in the time since the Works had opened and that the workers were given time to bathe and wash. The workers contended sick pay had not been claimed by the affected men because it only amounted to 43/- a week for a married man and 25/- a week for a single man. On this amount a man could not afford to go off and as a

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<sup>169</sup> E.Z Wages Board Minutes March/May/June 1939, Meeting 3/5/39. F.I.A.

consequence continued to work with the pain and discomfort of the sores.

In the cell room the men inhaled harmful fumes causing soreness of the nose and throat. The Cobalt Plant operator gave evidence that the red oxide from this part of the plant got into his clothing and body. It then exuded from his skin onto his underclothing, pyjamas and bed linen even after a period of absence from the Works. When the oxide got into his boots it caused the skin to peel from his toes. A man from the Cadmium Plant claimed that the fumes irritated his nose and throat causing coughing, spitting and nose bleeding whilst on the job and at home. Although he wore a respirator after working for some time his teeth became black and the men were subject to green coloured sores on the body. At the Superphosphate Plant evidence was tendered that at times the sulphuric acid was very strong and caused indigestion, gastric trouble and nose bleeding. The Company contended that it had attempted to control these working conditions by spending £17,000, by subsidising the Company medical officer and by granting a shorter working week. Norman Cooper, who was President of the Z.W.U and an employee representative on the Wages Board, accused the Company of window dressing for the Chairman's tour. Hutchin countered by asserting that the Company's reputation was not sufficiently evil to deter people from

applying to work at E.Z. Norman Cooper riposted that people out of work had to get work somewhere.<sup>170</sup> Tasmania has traditionally and continues to this day to have the highest unemployment rate in Australia. The large number of relatively unskilled jobs available at E.Z would have made it a prominent and attractive employer. Tasmania has usually had a sufficiently large reserve army of labour to ensure competition for jobs.

The employees representatives arguments were similar to those used to oppose the 10% wage reduction in 1931. They argued that as the law had compelled the workers to accept a 10% wage reduction in 1930/31, then the law should compel the Company to share its profits with the worker's and although the workers received a metal bonus from the Company it was received as a right rather than through the Company's benevolence. E.Z had voluntarily restored the 10% in 1933, and in its defence the Australian Mines and Metals advocate, O.W. Hawkin, argued 'It was not entirely a matter of expediency. We promised our people that when things got better we would do so.' and forwarded evidence of the Christmas and metal bonus as evidence of the Company's sincerity.<sup>171</sup>

In his decision the Wages Board Chairman, Colonel J.P

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<sup>170</sup> Ibid.

<sup>171</sup> Ibid.



Clark, quoted Gepp regarding the leaders of industry duty to society. He wrote 'The leaders of industry and commerce and finance have never yet realised their duty to society. They have thought too much and too long of financial results of scientific material improvement. They have forgotten .... that the greater their job and their position the greater their responsibility for social duty and performance.' He believed many workers endured discomfort in the performance of their jobs 'although I was only in the Cell Room for about one hour or more, I personally experienced discomfort and could see with the naked eye in the sunlight fumes or vapour rising from the Electrolytic Cells which contain a solution.' He noted that E.Z had recorded a profit for the prior three years and was therefore in a sound financial position. With these facts in mind he awarded day workers a 44 hour week over 5 days because he believed their health was not in as much risk as shift workers whom he awarded a 40 hour week over 5 days. He refused the 10% increase in the base rate on the grounds that although the workers had been forced to undergo a 10% wage reduction in 1931 the metal bonus had been fair recompense.<sup>172</sup>

In the years between 1918 and 1939 E.Z did not lose a

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<sup>172</sup> E.Z Records, A/89-2, Meeting held between E.Z and E.Z Union, 16/3/39. A.O.T.

single days production in spite of paying generally paying lower wages than those specified in federal awards and having dirty and dangerous working conditions. The reason for the lack on industrial action on the part of the workers can be explained by the labour management structure put in place by E.Z and the state to manage E.Z's work force. E.Z implemented an Industrial Department, which was a Company run interface between the Cooperative Council and Works Committee, to formulate policy on wages, working conditions and cooperative activities. In short its function was to manage the labour force. The Cooperative Council, a joint worker/management committee whose role was to manage the company's trading activities, sometimes stepped outside this domain and acted as the Company's mouthpiece. In the A.W.U's 1927 attempt to gain coverage under a federal award both the Council president and secretary voiced the virtues of the Works Committee and Wages Board and urged the workers not to support the A.W.U. The Works Committee was a joint management/worker committee whose function it was to assist the cooperation of employees with the Company, and discuss all matters relating to working conditions and industrial matters. This body was viewed ambivalently by the employees. George Hargreaves believed its employee representatives were intimidated by management and, in the arguments surrounding the A.W.U's 1927 attempt to gain federal award coverage, there was

some doubt cast on the credibility of the Works Committee's decisions intimating that it was overly influenced by the Company. E.Z did appear to intimidate it and, in the 1921 builders and painters dispute, went beyond its own stated principle of consultation to convene the Works Committee and instruct it that any employee not obeying the Company's decision would be dismissed. A union would often express its distaste of the Works Committee by requesting its members to resign from it. The Z.W.U certainly took this stance in times of dispute.

The state also intervened in E.Z's industrial relations. Premier Lee directly intervened in the builders and painters dispute in 1921 to change the legislation and effectively legislate the dispute out of existence. State organisation in the form of the police were called to the S.S Leura in 1921 to arrest striking crew members on a charge of desertion. The most frequent form of state intervention, however, was in the visage of the E.Z Wages Board. This Board, which comprised equal numbers of employer and employee representatives, was viewed with disdain by some of the E.Z workforce, who believed it too was overly influenced by the Company. A number of the unions found the Wages Board distasteful as it often awarded lower wages than federal awards, and could fine unions and individual members who struck in the face of

its determinations. Unions who went to the federal Arbitration Court to gain exemption from the Wages Board often found that a union member sitting on the Board was taken by the Court as the union participating in the Wages Board decision making process, and was a contributing factor towards the union losing the case. For this reason some unions, such as the A.E.U, ordered their members not to sit on the Board. All this , however, was inconsequential because once the federal Arbitration Court had rejected the A.E.U's claim for exemption from the Wages Board, this was taken as a legal precedent and grounds for the rejection of many more claims.

The consequence of the combination of the Cooperative Council, Works Committee and Wages Board was, as Mussen had noted in relation to the Zinc Workers Industrial Union, was to take the ground that had traditionally been occupied by unions. Any potential points of cooperation between E.Z and the union were dealt with by the Cooperative Council, the Works Committee dealt with grievances and the Wages Board with wages. After the defeat of a number of union claims for exemption from the Wages Board, it would have appeared obvious to the workers that if their union could not get them coverage under a federal award, and the Cooperative Council, Works Committee and Wages Board could cater for their other

needs, then there was little point in belonging to the union. The A.E.U, A.W.U, and Zinc Workers Industrial Union all had difficulty enrolling workers and retaining the interest of those who did enrol. The Z.W.U did not have the same difficulty securing members, and is a testament to the success of E.Z's policy of worker integration that the workers formed a union based around the Works. The workers rejected calls to form a branch of the A.W.U and in doing this implicitly stated that they did not identify with any workers or issues other than those based at E.Z. As time progressed Union claims for exemption did not come from the E.Z branches of unions but from the federal branches. These appear to have gained a minimal amount of support from the workers at E.Z, although this was likely to have been a pragmatic acceptance of fact the exemption would fail. E.Z and the state had implemented such a comprehensive labour management structure that it appeared pointless to struggle against it.

## CHAPTER 4.

## WELFARE AT CADBURY-FRY-PASCALL.

There are a number of similarities between the firms of E.Z and Cadbury-Fry-Pascall (Cadbury). Both these firms chose Hobart as their site, received generous federal and state government assistance, had extensive welfare schemes, complex ideological justification for these welfare schemes and an almost complete absence of industrial unrest. This chapter will explore the extent of Cadbury's welfare schemes, the reasons Cadbury gave for establishing these schemes, the relationship of the welfare schemes to the Cadbury beliefs and worker acceptance of these schemes.

The establishment of the Cadbury factory at Claremont, Hobart, marked the extension to Australia of a welfare tradition that had started in England forty years earlier with the establishment of Bournville. In 1879 George Cadbury decided to move his cocoa and chocolate business from the centre of Birmingham to Bournville on the outskirts of that city. The reason, according to Williams, was that the Cadburys had grasped the principle that 'the welfare of a business and that of its work

people are one.'<sup>1</sup>

The Cadburys were Quakers who had an intense interest in social problems and social relationships. The source of that interest was the Quaker belief that the 'Light of Christ' is given to each and all and 'that of God in every man'. Thus each person is of particular interest as an individual and of equal interest among individuals and should be given the fullest opportunity of giving expression to the 'Light' that is within him. According to Child the Quaker social conscience has four intertwining facets which are closely related to the importance accorded to individual personality. These are a dislike of exploitation and profit of one man at the expense of another; a traditionally puritan view of the 'stewardship of talents', stressing the value of hard work, lack of waste, the careful organisation of resources, personal renunciation, all for the service of others; a tradition of egalitarianism and democratic relationships; and an abhorrence of conflict between men. Quakers tended towards the view that if men lived by that kind of this worldly ethic, they could attain a social situation in which morality would prevail over existing

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<sup>1</sup> I.A. Williams, The Firm of Cadbury 1831-1931, (London, 1931), p. 54.

human and social differences.<sup>2</sup> This utopian inclination to believe that ideals could eventually prevail over countervailing forces in the social structure was a driving force behind the Cadbury attempts to reform the workplace and the worker's homes.

At the time he moved his factory to Bournville George Cadbury believed there was a number of flaws in society that were demoralising the people and therefore the nation. Industrialisation was degrading human life through long hours, low wages, loss of morals, loss of health, and most importantly loss of efficiency.<sup>3</sup> Some thirty years later Edward Cadbury wrote extensively about the effects of demoralising working conditions on the working class. Comfortless homes and depressed physical energy had caused poverty and drinking resulting in a deadening of all desire for improvement in the worker. The workers' social environment was reflected in their mood and could only be improved by exposure to the beneficial effects of improved moral and material conditions.<sup>4</sup> General experience had shown, he said, that higher wages, together with better education and improved

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<sup>2</sup> J. Child, "Quaker Employers and Industrial Relations", The Sociological Review, Vol 12, No.3, 1964, p 294.

<sup>3</sup> A.G. Gardiner, Life of George Cadbury, (London, 1923), passim.

<sup>4</sup> E. Cadbury and G. Shann, Sweating, (London, 1908), pp 57-64.



social surroundings ultimately meant the general uplifting of the workers. It was true that drinking caused poverty but, he attested, it is equally true that depressed physical energy and comfortless homes caused drinking. It was in these comfortless homes that clothing was made and through meeting these depressed souls disease, Cadbury was sure, must be passed at great cost to the community.<sup>5</sup> He concluded that when the labourer could not maintain himself at a reasonable standard of decency and comfort, 'the decline in industrial efficiency is rapid.' It was not just a decline in physical efficiency but in all those qualities such as hopefulness, freedom, self-respect and social ambition, 'which are so valuable a national asset,' are deteriorated or lost resulting in men and women whose spirits are broken and become inefficient casual labourers or worse.<sup>6</sup>

Bournville was designed as a model village that would not only attract labour but would give the workers the moral and material circumstances in which they could raise themselves. The village at Bournville was planned to be as healthy as possible. The houses were designed and built to allow the greatest possible circulation of air

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<sup>5</sup> E. Cadbury and G. Shann, Sweating, (London, 1908), p. 58.

<sup>6</sup> Ibid., p. 64.

and entry of sunshine, and were of varying design and block placement to avoid visual monotony. The occupants were given fruit trees as a recognition of the economic value and healthy exercise a garden could provide.<sup>7</sup> The recreation facilities provided were impressive, and included football, hockey and cricket grounds, bowling greens, netball and tennis courts, gardens and swimming baths. The baths provided healthy recreation and aided the cleanliness of the employees, which was a most desirable quality in a food production factory. The houses were sold at cost price on a 999 year lease that was designed to discourage speculators. In 1900 the estate was made into the Bournville Village Trust, which automatically reinvested all the revenue it received into model housing. The Bournville houses were open to people other than Cadbury employees. This was because social mix was seen as desirable, and efforts were made to ensure that persons of different interests, character, income and social class in the village.<sup>8</sup> The Cadburys believed that seeing persons of other than their own class would nurture a spirit of emulation in the working class, thereby raising their standards and preventing them sinking into the 'submerged mass' or 'residue' and becoming the inefficient casual labourer that Edward

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<sup>7</sup> A.G Gardiner, Life Of George Cadbury, (London, 1923), pp. 148-9.

<sup>8</sup> Williams, op. cit., p. 235.

Cadbury feared. Tenants paid as rent of 4% of the capital invested which was an average return on investment for the time. It caused rents to be higher than the residents would have liked causing predictions that such high rents would cause a mass exodus from Bournville.<sup>9</sup> It may be that the perceived high rents in a selected the Bournville village residents for Cadburys. Although Cadbury may have preached the virtues of the social mix in reality residency in the Village was open only to Bournville employees, who were well paid by the standards of the day, and to well paid workers from other industries. Bournville was therefore really only open to a select and perhaps one should say self selected portion of the working class who had the affluence and the inclination to participate in such a controlled environment. and so were not likely to sink into the 'residue'. The casual labourer would be unlikely to be raised by Bournville as he could not afford to live there and experience its uplifting effects. Given the self selected nature of Bournville it is not surprising that Barrow Cadbury was able to claim 'I have always felt, if I was any good in commerce, it was due to the fact that I just didn't experience class distinctions. I suppose there is such a thing as the class war but I never met

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<sup>9</sup> Bournville Village Trust, The Bournville Village Trust, (Bournville, 1955), passim.

it ,among those with whom I was working.' <sup>10</sup> The structure of Bournville worked to ensure that he did not.

The Cadburys were well aware that their high wages and attractive employment conditions made them desired employers. They were therefore able to impose rigorous entry requirements for employment based upon educational attainment, general tone and character and physical efficiency. Preference was given to applicants from secondary school and the higher grades of primary school, who would have been in the minority at this time. It was desirable for the applicants to have just left school as 'they have not lost their habits of discipline.' Female applicants were given a schedule of questions. The answers of each were later verified by a visit to her home. This performed the unspoken task of ensuring that her home reached the relevant Cadbury standard of cleanliness and morality. Applicants were required to live within three miles of their work.<sup>11</sup> This may have been to ensure that the community within a three mile radius of the works had a high concentration of Cadbury employees thereby enabling Cadbury to keep a remote eye over their employees outside work hours.

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<sup>10</sup> P.W Bartlett, Barrow Cadbury. (London, 1960), p. 33.

<sup>11</sup> E. Cadbury, Scientific Management in Industry. (London, 1913), p. 10.

Cadburys preferred to select younger people and train them rather than older people as they believed that older employees were not so readily trained in new habits and methods. Employees were selected on the basis of their educational achievement, general tone and character, and physical efficiency. Once members of the company employees were given the opportunity to attend a number of educational courses namely evening classes, physical training classes, miscellaneous classes, apprenticeship scheme and trade classes. The Cadburys believed that in developing these schemes they had endeavoured to keep in mind that the employee must be considered an end in himself. Education should develop in a worker 'a capacity for a life varied in interests and tolerant in outlook' and would develop initiative, self control and general knowledge that could be used by the firm to create economic value.<sup>12</sup>

Once employed by Cadbury the morals of the workforce were strictly monitored. Married women were not employed as the Cadburys believed the outcome would be to make the husbands indolent through living on their wives' wages, and the women would be unable to proper care to the home and the children.<sup>13</sup> Within the factory every precaution

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<sup>12</sup> E. Cadbury, Some Principles of Industrial Organisation, (London, 1913), p. 11.

<sup>13</sup> Gardiner, op. cit., p. 31.

was taken to avoid the serious moral danger that would almost certainly arise from the indiscriminate mixing of young people in factories,<sup>14</sup> to the extent of designing the factory with separate corridors for each sex. Each day at 9 o'clock, after 2 hours work, work stopped for 10 minutes and the entire workforce of 3000 people crowded into the dining room. A hymn was sung followed by a reading from the Bible by one of the Cadbury brothers and a short comment on the reading. It was, as Barrow Cadbury commented, 'a bit of the Sunday adult school carried into everyday.'<sup>15</sup>

At the factory the workers were provided with various welfare schemes and provisions, such as a works doctor, dentist and subsidised meals. Sickness, death, old age and unemployment benefits were set up to provide for the workers in their time of need. The company organised through the medium of the factory a large number of clubs, some of which were sporting while others were cultural such as the Dramatic Society, Musical Society, Choral Society, Silver Band and Folk Dance Society. Still others were hobbyist such as the Gardening Club and the Model Yacht Club.<sup>16</sup>

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<sup>14</sup> E. Cadbury, Experiments in Industrial Organisation, (London, 1912), p. 253.

<sup>15</sup> Bartlett, op. cit. p. 38.

<sup>16</sup> I.A Williams, The Firm of Cadbury 1831-1931., (London, 1931), passim.

Quaker views placed emphasis on the common will towards industry, which, together with the 'spirit' of each individual's attitude towards his fellows, was regarded as the ultimate assurance of worker/management cooperation. This outlook was grounded in the Quaker belief that if the goodness in every man is allowed adequate expression, the "Light" of each can only serve to unite them. It followed that the means to a cooperative response from a workforce was management on the basis of personal kindness rather than harsh authoritarianism.<sup>17</sup> For the Cadburys the aim was an industrial system whose proper and normal system was one of mutual goodwill and absence of conflict. They expected this aim to be attainable in the business enterprise which permitted the fullest degree of personal expression, in which relationships are activated by the correct personal 'spirit', and whose purpose is geared towards the goal of service to the whole community. The image of Cadbury at the turn of the century was a benevolent paternalistic employer with a keen sense of moral duty to those underneath him was not as relevant from about 1905. Cadbury still continued to advocate model housing and welfare but the emphasis for it was changing from finding 'God in every man' to the necessity of these measures to deal with the threat of the working

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<sup>17</sup> Child, op. cit., p. 295-296.

class. When Edward Cadbury denigrated the practice of sweating in 1908 it was from the perspective that sweating was debilitating not only the working class but the whole nation through an increased threat of disease.<sup>18</sup> The threat to society was therefore a lack of cleanliness that could be removed by the abolition of sweating and consequently enabling the worker to earn better wages and thereby live in better conditions. In 1913 the threat was not from the working class' disease but from its radical demands. Cadbury wrote that the working class thought that 'in the past they have not had a fair share either in the wealth or the leisure of the immense gain that has been made through the progress of science and invention' and concluded that in the future the workers would desire a more equitable distribution of wealth and leisure and would want some control of the industry that employed them. Cadbury urged industry to experiment with industrial organisation before the problem became acute.<sup>19</sup> The Cadbury message to other industry was that if they wished to benefit from industry as it then existed they must abandon the pure profit motive and substitute a new system of managerialism based on a regard for the interests of workers and society rather than pure profit.

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<sup>18</sup> Cadbury and Shann, op. cit., passim.

<sup>19</sup> E. Cadbury, Some Principles of Industrial Organisation, (London, 1913), p. 11.



The Cadburys took steps to deal with the changes that were occurring in industry and labour. The Quaker concept of service became redefined as the employer's obligation to achieve maximum business efficiency as this would benefit both the employees and society. Cadbury would pursue efficiency by continuing with measures they had already instituted such as Bournville and by introducing new measures such as the Works Councils which would give the workers a voice but not influence within industry. There was greater emphasis on achieving efficiency through scientific and professional means. Cadbury claimed that management cater for workers personalities by creating a more rewarding social environment out of the factory situation.<sup>20</sup> This was to be achieved by means of the employee centered and non-authoritarian style of labour management so that the 'workers shall be better for that association [with management] and shall be better citizens as well as better workers.' The new concept of professional leadership that was sympathetic and had knowledge of individual weakness and strength, was claimed to be instrumental in creating compensatory social satisfactions, and in developing those individual personalities that were so vital in Quaker eyes.<sup>21</sup> It was

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<sup>20</sup> E. Cadbury, Experiments in Industrial Organisation, (London, 1912), p. 259.

<sup>21</sup> Child, op. cit., p. 304.

this new style of Quaker thought which stressed business efficiency that was to be influential at Claremont.

In the period prior to 1920 Cadbury's of Bournville, England, made a decision to establish a factory in Australia to produce cocoa and chocolate. This was to be their first factory based outside Britain. An Australian commission comprising William Cooper, Thomas E. Cooper, Arthur Hackett and E.H Colleyshaw was formed to consider the various claims of Sydney, Melbourne and Hobart as potential manufacturing centres for chocolates.<sup>22</sup> They investigated a number of sites in each of the cities. In September 1918 William Cooper wrote to Cadbury Bros. at Bournville outlining his general impressions of the respective merits of the various capital cities as factory sites. He warmed to the fact Hobart's climate was the most similar to England's of all the cities, that it was the centre of the Tasmanian fruit industry, that there were ample supplies of most of the English small fruits such as currants and raspberries and that it had its commanding advantage of cheap hydro-electric power. Hobart's perceived disadvantages were its relatively small population, which was less than 43,000 persons, and its relatively inconvenient transport as compared with that of Sydney or Melbourne. If it was intended to establish a garden suburb on Bournville lines, Cooper

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<sup>22</sup> Minute Book 6/1/20-9/2/22. C.C.

believed Hobart afforded the most promising opportunity but he took it that the 'sacrifice for the Bournville ideal must not be too heavy.' Cooper believed Hobart was at a distinct disadvantage in terms of the quality and quantity of its skilled labour but was certain that the prestige attached to Cadbury's and Hobart's reputation as a health resort should mean they would have no difficulty in attracting sufficient labour from interstate.

Unskilled labour was thought to be plentiful and probably of better quality and more amenable than the labour in Sydney.<sup>23</sup> He thought that Hobart workers did more work and for lower wages than in Sydney or <sup>Melbourne.</sup> He

attributed this to 'the less sophisticated character of the men' and the cooler climate and believed that while the men may become more sophisticated over time the placating effects of climate would remain.<sup>24</sup>

In spite of Cooper's fears about the expense of building another Bournville in Australia George Cadbury still believed it was advisable to aim at building a 'self contained community', with its own atmosphere and spirit which would be 'conducive to harmonious working.' The factory, he thought, would be best placed in a small town or self-contained suburb rather than as part of a large

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<sup>23</sup> Board Meetings Minute File 1924. No. 1-91. W. Cooper to Cadbury Bros. 17/9/18. C.C.

<sup>24</sup> Private and Confidential Information for Australia. First File. W.Cooper to Bournville. 17/9/18. C.C.

city; and preferably it should be close to a good residential district. It would then be possible to house the work people near the factory and the residential land around the factory would be capable of being cultivated and giving the people their own gardens. He did not favour locating the factory near docks because although this might offer unloading advantages its general location was unsuitable for a food factory and an 'equable labour atmosphere would not be possible in such a neighbourhood'.<sup>25</sup>

The full Commission met on 6 January 1920 to consider the various claims of Sydney, Melbourne and Hobart. The Commission had decided that as Sydney did not have any fresh water streams suitable for refrigeration and haulage purposes the factory should have a harbour frontage.<sup>26</sup> Sydney was, for reasons that cannot be found, judged unsuitable turning the committee's attention to Melbourne. One site considered was close to the fresh water of the upper Yarra and in a well populated area but was judged unsuitable as it was filled ground that had been for many years used as a tip. Another site, which was also located on the upper Yarra and was convenient to the city, was situated close to noxious trades such as

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<sup>25</sup> Ibid. Notes on the Australian Factory by G. Cadbury Jnr. 6/8/19. C.C.

<sup>26</sup> Minute Book 6/1/20-9/2/22. Minute No.1. C.C.

fell mongering and wool washing and was prone to flooding.<sup>27</sup> It did not measure up to the committee's exacting standards regarding cleanliness and was also discarded.

The remaining site to be considered was Hobart. The Premier, Sir Walter Lee, used his influence to arrange berths on the steamer 'Manuka', which left Sydney on 23 February with three members of the Commission aboard. The Commissioners interviewed Lee about the possibilities of Hobart as a manufacturing location and inspected some property at Claremont as a possible factory site. They reported that the site was '...a long promontory jutting into the R. Derwent from W. bank ... its area is 246 acres with a water frontage of about 5 miles ... The main railway and road to Launceston run alongside the neck of the isthmus and Claremont Railway station is opposite the promontory. Distance from Hobart-8 miles. Town water laid on. Nearest gas-Glenorchy. Railway siding and wharf possible. Offered price £12,500.'<sup>28</sup>

The committee met on 5 March 1920 to weigh the merits of Melbourne against Hobart as factory sites. Melbourne had a £10,000 advantage, representing expenses that would be incurred in Hobart but not in Melbourne, namely freight

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<sup>27</sup> Ibid. Minute No. 2. C.C.

<sup>28</sup> Ibid. Minute No. 7. C.C.

costs of materials purchased from the mainland, extra packing cases for manufactured goods, and depot expenses. Hobart's advantages were intrinsic features whose value could not be precisely calculated. Hobart's lower summer temperatures would mean less refrigeration and fewer lost half days when the factory would be forced to close due to excessive heat and the goods would have a better appearance and keeping quality. The Commissioners believed Hobart had a more settled and amenable labour force and in consequence they could expect greater output per man hour. The committee interviewed Herbert Gepp of E.Z and Sir Henry Jones of I.X.L, and had been assured by them that they should have no difficulty in obtaining all the unskilled labour they required. Mr Propsting, the Minister for Railways, had undertaken that, provided the service was used by not less than 100 persons, the railway authorities would run a special workers train to the factory. The committee unanimously agreed that Claremont was the best site, but as it did have some adverse conditions, they decided the facts should be sent to Bournville to obtain final approval of that site.<sup>29</sup>

At the Commissions meeting on 11 May 1920 it was announced that a cable had been received from Bournville announcing 'Unanimously agree Hobart Claremont site.

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<sup>29</sup> Ibid. Minute No. 8. C.C.

Cadbury.'<sup>30</sup> It was arranged for T.E Cooper and E.H Colleyshaw to go to Hobart to advise the Premier, Sir Walter Lee, that they would be prepared to come to Hobart subject to the promises made being fulfilled.<sup>31</sup> The Commissioners were well aware of the Tasmanian government's anxiety to 'get manufacturing there and the government are out to make things as attractive as possible to all manufacturers.'<sup>32</sup> The government's anxiety was translated into an undertaking that it would put the rail right up to the factory free of cost provided Cadbury made the necessary land available. Cooper and Colleyshaw argued that the railway connection into the works was of little use unless there was a rail connection to the end of the interstate wharves. The Government undertook that it was quite willing to extend the railway to the pier heads.<sup>33</sup>

After having decided to build the factory at Claremont, the Commissioners found there was a serious shortage of carpenters who were so necessary for the construction work. A meeting was arranged between Arthur Hackett of

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<sup>30</sup> Ibid. Minute. No. 14. C.C.

<sup>31</sup> Ibid. Minute. No. 16. C.C.

<sup>32</sup> Minute Book File Jan 1920-Dec 1921. Notes of an Interview with Sir Walter Lee Feb.14 by E.H Colleyshaw and A. Hackett. C.C.

<sup>33</sup> Ibid. Report of Visit to Hobart by T.E Cooper and E.H Colleyshaw. 17/5/20. C.C.

Cadbury's, J.H Butters of the Hydro Electric Department and representatives from the railway department and E.Z to come to some equitable arrangement for the sharing of the available labour. Butters revealed the large amount of influence wielded by E.Z even at this early stage when he warned Cadbury's that if they unduly interfered with the labour employed by E.Z they might find themselves in a serious position as this company had a premier call on electric power. Cadburys were surprised to say the least as they had not known that the Hydro Electric Department was so firmly committed - indeed tied - to E.Z and had been led to believe that they would be able to have all the power they needed. They undertook to get a reply from Butters in writing.<sup>34</sup>

The Bournville management was anxious that the Commissioners should start planning and building the Garden City that was to surround the factory as soon as possible. The Cadbury vision of Australia was one where the 'primeval calm is as yet undisturbed by the syncopated clamour of modern industry', and in which there could be 'peaceful Garden Cities that surround droning factories from which ... pour endless streams of 1/4 lb. tins ...' <sup>35</sup> The planning and implementation of

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<sup>34</sup> Minute Book 6/1/20-9/12/22. Meeting 2/7/20. Minute No. 31. C.C.

<sup>35</sup> Board Meetings Minute File 1924. No 1-791. L.J Cadbury to A. Hackett. 31/5/20. C.C.



the Garden City was delayed by confusion by the Australian Commissioners over where their role ended and where Bournville's began in the whole process. Bournville had intended to send an expert to Claremont to plan the site but had taken on the role of planning the site themselves. The Australian Committee suggested to Bournville that it should dictate the planning principles but leave the actual details of construction to the Australian Committee.<sup>36</sup>

The Commissioners decided that the first ten or twelve cottages should be erected near the factory and that the areas for shops and public buildings would be arranged later.<sup>37</sup> They continued planning the layout of the village which was seen as next in importance to the planning of the factory. The Committee proposed that the first dwellings should face the main road to gain the early benefits of water gas and easy access. The Civic Centre was to be a wide area facing the main entrance to the factory where room was to be left for public buildings and shops. A ten acre site for the recreation ground had been chosen only a short distance from the factory gates and a concrete cricket pitch laid. The Commission wanted guidelines instituted that would

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<sup>36</sup> Minute Book. 6 Jan. 1920 to 9 Feb. 1922. Minutes 5/7/20. Minute No. 34. C.C.

<sup>37</sup> Ibid. Minutes. 17/8/20. C.C.

specify the minimum block size, regulate the number of houses on each block and specify the purpose for which the block could be used. It wanted to specify that, to prevent speculation, each person buying land must guarantee to build within a certain period of time. It recommended that no public house licensed for the sale of alcohol or any objectionable trade should be permitted, and that the Estate, as the area surrounding the factory came to be known, should be controlled by an Estate Department in connection with and under the supervision of the Works Office at Claremont.

Bournville had suggested that the Commissioners should engage local builders to build a certain number of the cottages, with Cadbury subsidising the rents to guarantee the cottage's affordability. The Commissioners were uncertain about how the scheme was to be financed, the amount of rent that tenants should be charged, whether residents of the estate should be confined to Cadbury employees as either tenants or residents. If land should be sold or leased they were uncertain of the terms of the lease and the price they should charge for blocks of land and asked Bournville for guidance.<sup>38</sup>

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<sup>38</sup> Board Meetings Minute File Jan 1920 to Dec 1921 Jan to Dec 1923. Minute Book File Jan 1920 to Dec 1921. William Cooper to Bournville. 31/8/20. C.C.

Bournville approved the Commissioners suggested layout<sup>39</sup> but, noting that the Commissioners were not town planners, requested that they 'obtain the views of a good architect on plans for the site'.<sup>40</sup> The Commissioners decided to ask a local town planner, W. Scott-Griffiths who had planned the Springfield Estate, his terms for 'planning the estate as a model industrial village.'<sup>41</sup> The eminent South Australian town-planner George Reade was also asked for his opinion on the estate plans. In his reply Reade stressed that two main factors should be taken into consideration. The first was that an efficient and economical plan of development would secure all the advantages and attractions of a modern industrial village at the minimum cost in terms of services. The second factor was that domestic architecture should be adapted to local climatic requirements and accepted standards of accommodation and tenure. He believed that ideally the scheme would profit from the advantages of skilled economic planning of workmen's cottages. Such planning had evolved in Great Britain under modern garden city and housing practice, and had made material reductions in building costs.

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<sup>39</sup> Minute Book 6/1/20-9/2/22. Meeting 31/8/20. Minute No.72. C.C.

<sup>40</sup> C.F.P Committee-C.F.P Minutes from 30/8/20. Minutes of Meeting Held at Bournville 14/9/20. Minute.20. C.C.

<sup>41</sup> Minute Book 6/1/20-9/2/22. Meeting 21/9/20. Minute No.91. C.C.

Reade thought local conditions in Hobart were very different to those experienced on the mainland, and that such conditions called for a skilled adaption of design to local climate, costs, custom and conditions. He believed that the average Australian architect was apt to prove either expensive or unenlightened in the design of workers cottages. Reade therefore recommended that a Bournville architect be brought out to work with Scott-Griffiths in laying out the land, and that a local architect, experienced in Hobart's conditions and materials, should design the houses and recreation facilities. He concluded: 'To get improved and at the same time more economical results in housing the worker in Australia, and creating conditions favourable to the acceptance of welfare work and supervision, outside the factory as well as within, I think that the combination of minds is necessary.'<sup>42</sup>

The Commissioners had to confess to Reade that they had employed Scott-Griffith's to prepare an estate layout but stated that they were sceptical of some of his ideas. 'We do not think that the provision of rear gardens or playgrounds will be at all satisfactory; they will tend to become receptacles for rubbish of all kinds ...'.

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<sup>42</sup> Board Meetings Minute File. Jan 1920 to Dec 1921. Jan to Dec 1923. Minute Book File Jan 1920 to Dec 1921. C. Reade to W.Cooper. 17/9/20. C.C.

Using this as a justification the Commissioners asked Reade 'that if you yourself, in whom our Home people have much confidence are prepared to come over and lay down the principles clearly on which the work should be done, in consultation with a local man'. In that event they would 'not only have a plan to work with but an Adviser constantly within reach.'<sup>43</sup> Reade was about to depart for the Malay states and cabled that he would be unable to visit Hobart before December 1921. The Commissioners thought that the main road to the factory site must proceed and that certain houses had to be erected to accommodate the workers arriving from England but in general the layout of the Estate could be postponed for a couple of months.<sup>44</sup>

In November 1920 Cadburys sent Arthur Hackett and T.E Cooper to Adelaide to glean what knowledge they could from Reade prior to his departure overseas. Reade made it obvious to Cooper and Hackett that their first concern should be whether the land would be leasehold or freehold. The Commissioners did not know and could only suggest that they wanted to retain control over the size of the building blocks, park areas and other related matters. Reade proposed a rather grandiose civic centre, which the Commissioners believed could be scaled down in

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<sup>43</sup> Ibid. Cadbury to C. Reade. 6/10/20. C.C.

<sup>44</sup> Ibid. W.Cooper to C.Reade. 6/10/20. C.C

size as it decreased the number of houses that could be built close to the factory. The proposed block sizes, Reade thought, were too large as 'a large number of people do not want a big area of land and would not go in for gardening' and the surplus land would become untidy. Reade promised to sketch out his ideas for the plans and submit a report on them to the Commissioners.<sup>45</sup>

In his report Reade made a number of pertinent suggestions on the aesthetics and traffic flow of the approach roads. He proposed 'in view of the permanent nature of the subdivision, the need for foresight in "layout" and future requirements, as well as the "Bournville" tradition of good housing and high ideals associated with the garden suburbs and factory sites of Messrs. Cadbury Bros.' that an esplanade should be built around the foreshore. Its advantage would be to allow the houses to face the water. Reade believed the Cadbury plan did not make sufficient provision for reserves which, in 'the modern garden suburb ... are regarded as essential for public requirements and buildings as well as the conservation and development of the social welfare of the community.' He wanted to see sites reserved for shops, public buildings, churches, fire station, institutes, town hall, hospital, men's and women's hostels and

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<sup>45</sup> Ibid. Report of A.H and T.E.C's Visit to Mr. Reade of Adelaide. 16/11/20. C.C.

administration blocks. Otherwise the placement of buildings would become indiscriminate and random thereby defeating the purpose of planning and raising administration costs. Reade warned that the housing conditions working men were prepared to accept in Australia were very different to those deemed acceptable in England. He believed conditions were so markedly different that the widest adaptation of English methods should be practiced. It was vital, he thought, that if the company did not immediately intend to develop the area and build the houses, steps should be taken to preserve and control the estate until complete development upon specified lines had taken place. He recommended that if Cadbury wished to retain building authority then some form of cooperative and administrative trust similar to the Bournville Trust must be formed.<sup>45</sup>

William Cooper expressed general satisfaction with Reade's plans but felt 'Mr. Reade has shown a somewhat exaggerated idea of the greatness and importance of the community which his work is intended to serve'. Cooper proposed to follow Reade's plan and was keen to start building houses on the estate even though the problem of whether the land should be freehold or leasehold had not yet been resolved. He advised Bournville that in

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<sup>45</sup> Ibid. Reade to Cadbury Bros. 16/11/20. C.C.

Australia leasehold was viewed unfavorably and that the Company should therefore consider disposing of the land on a freehold basis. He urged Cadbury to build the first few houses as this would defer the problem of land disposal.<sup>47</sup>

By early 1921 arrangements had been made for the Hobart architects, Hutchison and Walker, to prepare plans and specifications for seven three-bedroom houses, four houses with two bedrooms and a slightly larger house for a Bournville manager at an approximate cost of £10,500.<sup>48</sup> Plans were announced for another 3 cottages in late 1921 bringing the total to 15 houses.<sup>49</sup> The English workmen, who had arrived from Bournville, were impatient for work to commence on their houses. One of their number, H Colbourne, attended a Committee meeting and told the Commissioners that the workers would be dissatisfied if they had to pay rents as high as 25/- per week but would be prepared to pay 15/- per week.<sup>50</sup> The Commissioners

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<sup>47</sup> Ibid. W.Cooper to Cadbury Bros. Bournville. 26/11/20. C.C.

<sup>48</sup> Ibid. T.E Cooper to Cadbury Bros. Bournville. 27/1/21. C.C.

<sup>49</sup> Minute Book 6 Jan 1920 to 9 Feb 1922. Meeting 14/9/21. Minute No. 187. C.C.

<sup>50</sup> Minute Book. 6 Jan 1920 to 9 Feb 1922. Meeting 19/1/20. Minute No. 101. C.C.



requested guidance on setting the house rentals from Bournville even though they thought Bournville would fix a return of 8%. This would set the rent on the largest house at 30/- per week, 25/- per week for the three bedroom houses and 21/- per week for the smallest cottages. The Commissioners thought this would be a fair rent in view of the fact there was a severe housing shortage that had caused a three bedroom house to bring a rent of 25/- per week.<sup>51</sup>

George Cadbury expressed the opinion that in general the Estate layout seemed on the extravagant side. He thought the roads were unnecessarily wide and that Read's proposal of an esplanade around the promontory would be expensive, adding that while it was desirable, 'to my mind it would be totally unnecessary.'<sup>52</sup> The Australian directors did not completely accept this criticism. They believed Bournville had a false idea of conditions at Claremont, and expected progress to have been more rapid than was possible.<sup>53</sup> The Australian directors replied that they understood the difficulties Bournville had in

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<sup>51</sup> Board Meetings Minute File. Jan. 1920 to Dec. 1921. Jan. to Dec. 1923. T.E Cooper to Cadbury Bros. Bournville. 27/1/21. C.C.

<sup>52</sup> C.F.P Minutes from 30 August 1920. George Cadbury's Report on the Estate. 7/4/21. C.C.

<sup>53</sup> Board Meetings Minute File. Jan. 1920 to Dec. 1921. Jan. to Dec 1923. A.Hackett to L. Cadbury. 28/4/21. C.C.

trying to set up an Australian estate from such a great distance, but pointed out that they had received little guidance from Bournville except to consult with Mr Reade and follow his advice. As Reade had not visited the site when he made his plan the Australian Commissioners directors had found they were constantly striking problems and had consequently invited Captain Earle, Reade's assistant, to visit Hobart and spend some time on the estate. Captain Earle had produced a further plan which had made the Commissioners feel more confident. Earle had made a number of alterations such as decreasing the number of back roads and scaling down the recreation grounds. The Commissioners agreed this plan was still on the extravagant side but, not knowing Bournville's views, they had given the idealist Earle some latitude with his ideas.

The Australian Commissioners lamented that they still did not know how they should dispose of the land on the Estate. They believed that, from an idealistic standpoint, the best way to develop the estate would be to hold the land and develop it themselves. They also recognised that from the cold business point of view the best way would be to sell the blocks and arrange such restrictions on the development that the end result would largely express the ideals they held in town and factory planning. The Commissioners had initially suggested that

blocks at Claremont could be sold for £100 per acre but had been prevented by Bournville on the grounds this was an insufficient price. The Australian Commissioners believed that the price of land was no longer an issue. They believed the lead Bournville had taken in building the first twelve cottages would act as an incentive for other people to buy blocks of land and erect houses. The Commissioners believed that, when the 'second Bournville' was in working order, land would sell for approximately £900 per acre but until this happened they would have to sell the land at a lesser price to encourage the workers to build their own cottages at Claremont.<sup>54</sup>

In November 1921 the Estate tenants had made a combined protest at the high rentals charged for the company houses. The Commissioners decided to slightly reduce the rentals and give a small increase in wages to some employees. This applied only to those employees from Britain.<sup>55</sup> Over time both the Australian Commissioners and the Bournville directors lowered their opinions of what could be reasonably expected as a return on costs through rentals. By early 1922 the Australian Commissioners were advising that to obtain a return of

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<sup>54</sup> Board Meetings Minute File Jan 1920 to Dec 1921. Jan to Dec 1923. Minute Book File Jan 1920 to Dec 1921. T.E Cooper to Cadbury Bros. Bournville. 8/6/21. C.C.

<sup>55</sup> Minute Book 6 Jan 1920 to 9 Feb 1922. Meeting 23/11/21. Minute No. 212. C.C

4% on investment a rental of 27/6 would need to be charged for the larger cottages and 24/6 for the smaller cottages. They believed such high rentals could not be paid by ordinary workingmen unless there was an increase in wages, but that was viewed as very undesirable. The Bournville directors gave the Commissioners the power to reduce rents as they saw necessary. The difficulties involved in obtaining an economic rent showed the Bournville directors the impossibility of Cadbury at Claremont ever erecting a large number of houses on the Estate. The Commissioners were therefore given the liberty of selling plots of land, subject to the restrictions imposed by the Cadbury town planning ideals.<sup>56</sup>

There was a feeling amongst the Commissioners that Bournville's financial stringency and requirement for economic rents was jeopardising their ideal of a factory in a garden. Edward Cadbury justified Bournville's eye for economics when in a remarkable letter he stated that 'the essential feature of a well organised factory is based upon the atmosphere in which people work. If there is an atmosphere of kindliness and confidence, and an average living wage, fair discipline with no favoritism and vindictiveness, that is what is needed to make an

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<sup>56</sup> C.F.P Minutes from 30 August 1920. Minutes Meeting at Bournville 17/1/22. Minute No 139. Rents of Cottages at Claremont. C.C.

ideal factory ...'. That was standard but then Cadbury continued 'whether a factory is an ideal one or not does not depend upon the amount of money spent on costly schemes of Welfare Work, but entirely upon the spirit in which the factory is run. Therefore in urging you to keep down your overhead charges I do not feel we are at all in any way jeopardising the efficiency or the ideals of the factory.'<sup>57</sup>

In 1923 Cadbury sold the cottages it had erected to their English tenants at cost price with 10% deposit and payment of the balance over a period of 5-10 years at 6% interest.<sup>58</sup> Blocks of land were offered for sale at prices the Commissioners considered to be cheap but in October 1923 they had still not sold any land. The few employees who had approached the Commissioners about the land had also expected assistance with housing loans. This prompted the Commissioners to suggest that an employee housing scheme similar to the E.Z one, which was proving to be very popular, should be put in place.<sup>59</sup> This proposal did not come to immediate fruition as the Bournville directors decided to suspend the home building

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<sup>57</sup> C.F.P Committee Minutes. 19 March to 7 September 1923. E. Cadbury to T.E Cooper. 24/4/22. C.C.

<sup>58</sup> Ibid. Meeting 19/3/23. Minute No.234. Estate Development. Sale of Cottages. C.C.

<sup>59</sup> Private and Confidential Information for Australia. Second File. T.E Cooper to Cadbury-Fry-Pascall Committee. 15/10/23. C.C.

scheme for a year.<sup>60</sup> The Australian Commissioners did not agree with Bournville's decision. They believed that housing was 'the most important phase in the Welfare Work, most other Welfare activities depending on the building up of a community around Claremont works', and recommended that a home building scheme should be set up as soon as possible.<sup>61</sup> In late 1924 the Commissioners decided that a home building scheme, similar to that operating at Bournville, should come onto operation at Claremont. The firm would lend a maximum of £800 at 3% interest to those who wished to build on the Claremont peninsula. In exceptional circumstances a loan could be made to a person who wished to build outside the Claremont peninsula but they would be charged an interest rate of 5%.<sup>62</sup> Bournville gave £10,000 for housing purposes at Claremont in the belief that it 'would contribute considerably to the well being of the community there.'<sup>63</sup> In 1925 the Commissioners decided to divest themselves of the cottages that had been erected by offering them for sale to the tenants under the terms

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<sup>60</sup> Australian Committee. Minute 25. 15/10/23. C.C.

<sup>61</sup> Board Minutes and Index 1924. Meeting 14/2/24. Min No. 139. C.C.

<sup>62</sup> Board Minutes and Index 1924. Home Building Scheme. 25/8/24. C.C.

<sup>63</sup> C.F.P Minutes from 30 August 1920. Meeting 6/7/25. Minute No. 299. C.C.

and conditions of the home building scheme.<sup>64</sup> This marks a change in the Cadbury housing strategy. The emphasis changed from Cadbury building rental houses and attempting to sell blocks of land to employees. Cadbury realised that the only way it could develop the Estate was to build houses and then recoup the expenditure by selling to employees.

The Commissioners were very conscious of obtaining 'fair' rents on the houses they did retain and reported a gross return of 5.51% on capital value of its 24 rental houses in 1937.<sup>65</sup> From the 1930's Cadbury's attempts at house building were sporadic and often used as a lure to attract labour to the factory. In 1944 the Commissioners tentatively decided to build six houses on the grounds that 'it was desirable for the estate to be developed, and we should aim at getting as many people as possible to live near the factory, irrespective of whether or not they are employees, as this should result in a valuable contribution to local labour to the factory in future years'.<sup>66</sup> Cadbury were faced with conflicting demands over their housing scheme. Bournville did not want to sell blocks of land on the Estate for excessively low

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<sup>64</sup> Board Minutes 1925-26. Minute No. 285. 23/7/35. C.C.

<sup>65</sup> Board Meetings Minute File 1937-38. V.C Smith to C. Boniwell. 26/11/37. C.C.

<sup>66</sup> Developmental Committee Minutes. Meeting 2/8/44. Minute No. 82. C.C.

prices and were very conscious of obtaining 'fair rents' that were often in excess of the amount employees were prepared to pay as rental. The result was that the tenants complained of high rentals and the block prices on the Estate were too high to attract buyers. In order to develop the Estate along the lines they had initially envisaged Cadbury were forced into the expensive situation of building houses and then attempting to sell them to employees. The long term idea of building a community on the Estate never entirely disappeared but after the initial burst of house building Cadbury only built houses to attract labour in times of shortage. Overall the Company built 84 houses.<sup>67</sup>

Although there was a certain amount of indecision in the direction the estate should take, considerable progress had been made on facilities for the workers and English immigrants who had settled on the estate. At the factory Cadbury had provided dining facilities for 500 persons. Following the precedent set at Bournville the men and women were kept separate in the main dining hall and separate dining halls were provided for directors, office staff and foremen.<sup>68</sup> In 1921 the Cadbury Fry Pascall Athletic Club had been formed. Even though its members

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<sup>67</sup> Cadbury Schweppes Australia Ltd, Annual Report 1975, Community Programmes.

<sup>68</sup> Minute Book 6/1/20-9/2/22. Minutes of Meeting 9/6/20. Minute No. 28. C.C.



were mainly construction workers rather than production workers Cadbury directed that it should be properly organised under the supervision of the Company and decided that the Athletics Club Committee, with the addition of A. Hackett, should consider the constitution of the club and the formation of rules.<sup>69</sup> The members of the Cadbury Fry Pascall Athletic Club had earlier approached the Commissioners with a request that Cadbury pay the cost of materials for a pavilion.<sup>70</sup> There is no record of in company records or newspapers that indicate whether Cadbury paid for the material or if the pavilion was built.

A number of the workmen brought out from Bournville to settle at Claremont were Quakers. As a Quaker William Cooper was aware that there was no appropriate place for worship on the estate and was most anxious to assist the Quakers to find an appropriate place of worship. He was conscious of the fact Cadbury were bringing Quakers men out and settling them in a place where there were few opportunities for religious or social meetings. The Claremont Quakers wanted a plain building which could be used for Quaker meetings, Adult school and other events. Cooper thought such a building would be a great bonus to

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<sup>69</sup> Minute Book 6 Jan 1920 to 9 Feb 1922. Meeting 2/2/22. Minute No. 263. C.C.

<sup>70</sup> Ibid. Meeting 15/12/21. Minute No. 238. C.C.

the Estate as there was no place where 'social work, classes for young men or meetings of any ordinary kind' could take place. He believed there would be no difficulty in finding a site which would be convenient to both for the Village and works settlement.<sup>71</sup> Bournville was quite willing for the company to lease land and agreed to pay £500 to £600 towards the cost of a building.<sup>72</sup> The Commissioners agreed to lease land on the estate to the Society of Friends for a term of 99 years at a yearly rental of 1/- and in accordance with the Company's planning guidelines, the building plans had to be approved by the Company. The hall could not be used for any purpose other than a Meeting House of the Society of Friends without the approval of the Board.<sup>73</sup>

The Estate's distance from Hobart made the Commissioners very aware of the need for recreation and social facilities for the workers who had chosen to live there. In early 1922 the Commissioners asked Bournville if they would agree to lease a small plot of land on which a hut could be erected for recreation purposes. Bournville agreed and suggested to the Commissioners that they might

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<sup>71</sup> C.F.P committee Minutes. 19 March 1923 to 7 September 1923. W. Cooper to E. Cadbury. 29/1/21. C.C.

<sup>72</sup> Ibid. E. Cadbury to W.Cooper. 17/5/22. C.C.

<sup>73</sup> Board Minutes and Index 1924. Meeting 14/2/24. Minute No. 162. C.C.

consider the introduction of a recreation scheme along the lines of the one in operation at Bournville. Under this scheme the firm paid £1 per head and then gave the money to a committee for distribution.<sup>74</sup> A Claremont Estate Social Club was formed by early 1923.<sup>75</sup> The social club was in the old hospital building on the estate. It contained a billiards room, reading room, a small room for committee meetings, a larger room for lectures which could also be used for dancing, a library and provided a meeting place for the Musical and Camera Clubs and the Education Committee.<sup>76</sup> The Club, which was open to all employees, was largely managed by the members themselves and was for the benefit of the families on the estate and surrounds. The Bournville directors were enthusiastic about the club because 'the Claremont inhabitants are very much cut off from the conveniences, and especially the entertainments of town, which are accessible to most of the employees, and we are very glad to have the opportunity of making some special provision for the Claremont tenants and their families.'<sup>77</sup> The Bournville

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<sup>74</sup> C.F.P Minutes from 30 August 1920. Meeting 31/3/22. Minute No. 173. Recreation Room. C.C.

<sup>75</sup> Ibid. Meeting 19/3/23. Minute No. 239. Billiard Table for Claremont Estate Social Club. C.C.

<sup>76</sup> Private and Confidential Information for Australia. Second File. T.E Cooper to Bournville. 19/9/23. C.C.

<sup>77</sup> C.F.P Committee Minutes 9 March 1923 to 7 September 1923. Bournville to Cooper. 17/9/23. C.C.

directors believed membership should be restricted to Estate residents as most Cadbury employees were catered for Hobart's social and recreational facilities. They pointed out that the majority of the workers could not use the club's activities as they started after the worker's trains had departed for Hobart.<sup>78</sup> The Commissioners were afraid that, because the majority of workers lived some distance from the factory, the social club's success would be hindered.<sup>79</sup> Their concern became reality when the Secretary of the Social Club reported that the club's activities were being hampered and limited in scope by the fact membership was open only to Cadbury workers. He suggested that membership should be opened to all Claremont residents even though they may be unconnected with the factory. This, he believed, would enable the club's social activities to be broader and give workers an opportunity to meet people who had interests outside the works.<sup>80</sup> Bournville felt a responsibility for the social needs of the Estate residents, some of whom it had brought from Bournville, but were not wholly aware of the difficulties involved

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<sup>78</sup> Private and Confidential Information for Australia. Second File. W. Cadbury to Colleyshaw. 6/11/23. C.C.

<sup>79</sup> Private and Confidential Information for Australia. Second File. Colleyshaw to W. Cadbury. 1/10/23. C.C.

<sup>80</sup> Board Meetings Minute File No. 1-791 of 1924. Secretary Claremont Works Social Committee to Commissioners. 4/2/24. C.C.

in organising such clubs with only small numbers of people. The Commissioners were more aware of the compromises that had to be made to run these facilities successfully.

In the meantime development continued on the estate. The Company decided that a site near the railway station was suitable for a school and agreed to give land to the Government for this purpose<sup>81</sup> and is the site of the present day Claremont Primary School. A recreation ground had been drained ploughed and had holes filled. A number of shade trees were planted around the Girl's recreation ground, and a separate recreation ground approved for the young men.<sup>82</sup>

A Welfare Committee had been established prior to 1923 but it was only late in this year that a committee was formally constituted to draw up a constitution. In many ways the Welfare Committee was similar to E.Z's Cooperative Council although it did not have the same emphasis on trading activities. The Welfare Committee comprised five management representatives appointed by the Board and eight elected workers representatives. Two representatives were elected by the male workers, another

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<sup>81</sup> Private and Confidential Information for Australia. Second File. T.E Cooper to Bournville. 19/9/23. C.C.

<sup>82</sup> Board Minutes and Index 1924. Minute No. 560. 31/7/24.

two elected by the female workers, a single representative elected by the office workers and a further representative elected from each of the Athletic Club executive, the Musical Dramatic and Library Committees, and the Canteen Committee.<sup>83</sup> The Welfare Committee's role was to supervise recreation and grounds, education, social work, sickness and insurance, and the canteen.<sup>84</sup> In 1924 the Welfare Committee appointed a sub-committee to look into the possibility of holding a works pic-nic. The sub-committee recommended that an annual pic-nic be held at the factory grounds for the workers and their families.<sup>85</sup> The picnic would have a programme of sports during the day and would be concluded with a social at night. Cadbury would pay the costs associated with the event.<sup>86</sup> The tradition of the picnic has lasted until the present day.

Cadbury were concerned for the health of their workers and implemented a number of schemes for their benefit. In 1921 the Commissioners took steps to procure a works

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<sup>83</sup> Board Minutes 1925-26. Minute No. 13. Welfare Committee Constitution. 8/1/25. C.C.

<sup>84</sup> Board Meeting Minute File No. 1-791 of 1924. 14/12/23. C.C.

<sup>85</sup> Ibid. Welfare Committee to Commissioners. 8/8/24. C.C.

<sup>86</sup> Ibid. Pic-nic Committee to Commissioners. 9/10/24. C.C.

doctor.<sup>87</sup> The Commissioners decided not to employ a doctor solely at the works but to arrange for a doctor to visit the works when required.<sup>88</sup> In 1922 the Factory Committee, which was very similar to E.Z's Works Committee, recommended the formation of a compulsory 'Sick Payment Scheme.'<sup>89</sup> This suggestion came to fruition when in 1924 a committee, representative of the whole works, deliberated upon the formation of a Sick Benefit Scheme. It recommended a scheme similar to the Bournville Works Sick Benefit Scheme with certain modifications. A man over 21 paid 6d. per week to receive 20/- for the first 13 weeks and 10/- for the second thirteen weeks. A woman over 21 paid 6d. per week to receive 12/- for the first thirteen weeks and 6/- for the second thirteen weeks. Persons under 21 paid 4d. per week to receive reduced benefits.<sup>90</sup> The scheme was self funding until 1933 when it became a joint contributory fund. Cadbury agreed to contribute a sum equal to 50% of the amount expended on sickness benefits and associated administration to a maximum of 7/6 per member per annum. As a result member's contributions declined to 2 1/2d per

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<sup>87</sup> Minute Book 6 Jan 1920 to 9 Feb 1922. Meeting 15/12/21. Minute No 236. C.C.

<sup>88</sup> Ibid. Meeting 19/1/22. Minute No. 255. C.C.

<sup>89</sup> Minute File July 1922 - Dec 1922. Factory Committee to Commissioners. 26/4/22. C.C.

<sup>90</sup> Board Meetings Minute File No. 1-791 of 1924. 1/8/24. C.C.

week for boys and girls under the age of 21, and to 4 1/2d per week for men and women aged over 21.<sup>91</sup>

Operating as an adjunct to the Sick Benefit Fund was the Distress fund. Initially collections had been taken up in the factory for workers in necessitous circumstances but this was ad hoc and not entirely effective. At the recommendation of the Welfare Committee in 1926 a more formal distress fund was set up. It was funded by periodic collections throughout the works and was administered by the Welfare Committee.<sup>92</sup> This was discontinued in 1933 in favour of the C.F.P Works Sick Benefit Scheme. Each member contributed 1/2d. per week for the benefit of those members 'who may be in distressed circumstances as a consequence of personal sickness or accident.'<sup>93</sup> In the same year a hospital fund was set up to cater for the members of the Sick Benefit Fund. Upon payment of 1d. per week members were covered for up to 5/- per day hospital bed charges and payment of all other residential charges up to a maximum of £6/6/0 per year. Provision was also made for Sick Benefit Scheme members to receive a refund of 30% of the receipted account from the Cadbury official dentists.<sup>94</sup>

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<sup>91</sup> Board Minutes 1929-30. Minute No. 272. 9/12/33. C.C.

<sup>92</sup> Board Minutes 1925-26. Minute No. 57. 4/3/26. C.C.

<sup>93</sup> Board Minutes 1929-30. Minute No 272. 9/12/33. C.C.

<sup>94</sup> Ibid. C.C.



In 1924 the Claremont Works Suggestion Scheme came into operation. The object of the scheme was to encourage employees to put forward ideas for increasing the efficiency of the business or for improving the welfare of the workers. The types of areas suggestions could be made in were the saving of time, labour or material in manufacture; improvements in quality, appearance or wrapping of goods; the introduction of new goods; advertising and other methods of increasing sales; cleanliness in production and the elimination of foreign matter; safety and comfort of employees; social and athletic activities and similar interests. Every three months a committee would submit recommendations for awards or money prizes, depending on the value of the suggestion.<sup>95</sup>

In the same year Bournville sent the Commissioners a list of the requirements Claremont employees would have to fulfill to join the Bournville Works Pension Fund. Under British Income Tax requirements the Claremont workers would have been required to pay 17% more to receive the same benefits. The commissioners thought it advisable to enquire whether a separate fund for the male employees at Claremont would be exempt from Federal and State income

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<sup>95</sup> Board Meetings Minute File No. 1-791 of 1924. Claremont Works Suggestion Scheme. 11/2/24. C.C.

taxes.<sup>96</sup> The idea lapsed for a further year until the Welfare Committee recommended that a pension scheme or Superannuation Fund be instituted. The Commissioners decided to advise the Committee that a scheme would be considered and put into operation as soon as circumstances would allow.<sup>97</sup> The question of superannuation was again debated in 1928 when Bournville pondered whether it had a moral obligation to make some provision for the male employees at Claremont on retirement through a pension scheme. However the Directors believed 'it would be extremely difficult to undertake an obligation of this sort while the business is still so far from being established on a profitable basis, and that it is in the interests of the employees themselves, in order to assure their continued employment with the Company, not to do anything which would delay the conversion of the present loss into a profit.'<sup>98</sup> This reveals the change that Cadbury philosophy was undergoing at that time. The emphasis had changed from one that saw service as providing the employees with benefits to one that saw service as providing the employees with jobs.

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<sup>96</sup> Board Minutes and Index 1924. Minute No. 272. 27/3/24. C.C.

<sup>97</sup> Board Minutes 1925-26. Minute No. 175. 7/5/25. C.C.

<sup>98</sup> Board Meetings Minute File 1929-30. Australian Committee Minutes from 14/1/28 to 26/8/29. Minute No. 20 10/2/28. C.C.

Cadbury's at Claremont recorded their first profit - £17,800- in 1929.<sup>99</sup> The next year saw the onset of a general depression and the idea of a pension fund was not brought up again until 1938. The firm estimated it would cost a total of £7408 per annum to run the fund with its contribution being half this amount.<sup>100</sup> The fund was established soon after and, like many of the Cadbury schemes was graduated with one scale for management, a second for the men, and a third for the women.<sup>101</sup>

Although benefits such as pension funds may have been slow to emerge, the Claremont workers appear to have participated in company activities at least as enthusiastically as their Zinc Works counterparts. Amongst the company sponsored clubs were a soccer club, golf club, cricket club, youth club, girl's club, swimming club, tennis club, colour camera club, floricultural club and social club. Some of these clubs were short lived but many continued for a considerable number of years. The golf club still continues albeit in a slightly different form, as the Claremont Golf Club.

Cadbury, as was the case at E.Z, made provision for its

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<sup>99</sup> Ibid. Minute No. 99. 17/7/29. C.C.

<sup>100</sup> Board Minutes 1934-38. Minute No. 5. 21/1/38. C.C.

<sup>101</sup> Supplementary Papers 1939-41. 1941. Claremont Pension Fund. C.C.

employees to gain technical or general education with the assistance of the company. In 1922 the Factory Committee recommended to the Commissioners that the company should refund the Technical school fees of those students who received satisfactory reports on attendance and progress and suggested that Cadbury should approach the educational authorities and request that facilities should be provided for a more general education as well as a technical education. A further recommendation was that students be paid by Cadbury for the time they took to attend evening classes.<sup>102</sup> Cadbury attempted to get its employees to study commerce at evening classes held at the University by offering to refund half the fees upon successful completion of the course.<sup>103</sup>

Cadbury's efforts at providing housing and welfare schemes for its employees was well received by the press. In an article on women workers in September 1924 the Tasmanian Mail described Cadbury and some of their welfare efforts in the following terms. ' ... the girls seem to be cared for in every way ... There is an entire absence of ugliness with which one instinctively associates a factory .... There is a tennis court, a basketball court and next year, I was told, the factory

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<sup>102</sup> Minute File July-December 1922. Minute No. 130. Factory Committee to Commissioners. 26/4/22. C.C.

<sup>103</sup> Board Minutes 1925-26. Minute No 79. 6/3/25. C.C.

will have the best hockey ground in Hobart. Cadburys already have a hockey team and it is hoped before long the girls will begin to play basketball ... '

In spite of the care Cadbury had taken to provide healthy and attractive surroundings and relieve boredom through job rotation, according to the Tasmanian Mail, the women were not interested in promotion or in earning extra money through a bonus system. It was possible to achieve the responsible position of forewoman or deputy forewoman, 'if they had ambition, energy and initiative to do so.' The problem, according to a member of staff, was that 'the majority of girls seem content to go on indefinitely with ordinary work so long as they are well paid.' The reporter was told the women had the opportunity 'by exerting special care and energy' to increase their wages by bonuses to above the piecework base rate. In spite of this incentive 'the girls are not very enthusiastic over the scheme.' The article concluded that most women were happy with the prescribed union rates which enabled them 'to buy as many blouses and jumpers as they like and go to the pictures as often as they want (to quote the director) and they will not trouble to earn extra money.'<sup>104</sup> The implication was that Cadbury had provided benefits for the women but they were too lazy to want promotion or extra pay.

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<sup>104</sup> Tasmanian Mail. 3/9/24.

The Tasmanian Mail attributed this lack of ambition chiefly to the poor level of education amongst the women. It believed their minds were 'so untrained that their wants are extremely limited.', and that if 'they were better educated many of them would wish for a more varied life instead of fearing responsibility and preferring monotonous work to the interesting and varied positions 'of forewoman, deputy forewoman or chargehand. It asserted that because the women worked comparatively short hours, performed relatively un strenuous work, and did 'not have to exert their brains very greatly during the day.', there was nothing preventing a woman from attending night classes and broadening her ideas and therefore ambition except, it was intimated, sloth.<sup>105</sup>

The women at Cadbury's were affronted by this article which, in effect, labelled them as lazy, unambitious and frivolous. The women wrote letters to both The Mercury and The News criticising the Tasmanian Mail's article. The two papers did not publish the women's letters and they were forced to turn to the Female Confectioners Union journal, The Women's Clarion, which published them in full. In the unpublished letter to The News the women asserted that after spending the day from 8 a.m to 5.20 p.m indoors working they did not feel 'the least inclined

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<sup>105</sup> Ibid.

to study in the evening.' They acknowledged that whilst sporting facilities were freely available the women did not have the time to play sport during the day. The women preferred to spend their few leisure hours in the most enjoyable manner. They intimated that education was of little use when 'how many girls out of 400 employed there are going to have a chance of holding responsible positions, however well educated they may be?' It was contended that the work was monotonous, and that job rotation did not occurred infrequently, and that the very nature of the work often prevented an educated woman from displaying the extent of her knowledge. The women concluded by saying that if a woman did not progress through promotion 'we feel assured that her employer wouldn't feel concerned or put out if she did so.' They contended, that contrary to the impression given by the Tasmanian Mail, the bonus was eagerly sought when it was offered. The Women's Clarion concluded that the bonus system was a breach of the agreement between the union and Cadbury's and would have to be discontinued.<sup>106</sup> Welfare most likely gave the women some benefits but the reality for the women workers at Cadbury was that, in spite of the Company's welfare efforts, the work was tiring, monotonous and spread over a long day.

Welfare at Cadbury, although not on the scale the

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<sup>106</sup> The Women's Clarion. Vol. 4. No. 36.

Commissioners had initially envisaged, was still quite extensive. The housing scheme in particular never reached their expectations. The idea of establishing of model garden city at Claremont had come from Bournville where the directors, such as George Cadbury, were well aware of the placating effect of company housing on industrial unrest. The Claremont estate, however, did not reflect the success of Bournville in either scale or worker acceptance. The only workers who lived there were the English immigrants, who had been brought out from Bournville to train and supervise the local workforce, who showed no interest in either renting or building at Claremont. This may have been because Claremont was isolated from the facilities of Hobart, the housing rentals on the estate were too high, the blocks of land were too expansive or that the workers did not want to live on the estate surrounded by their supervisors. The workers did, however, participate in the various clubs and schemes such as the C.F.P Sick Benefit Scheme and the Pension Fund. As occurred at E.Z, these schemes tied the worker to the company. They gave him or her a better quality of life and a feeling, through having paid money to join a scheme or given some time to a club, of having some commitment to Cadbury.



## CHAPTER 5.

## INDUSTRIAL RELATIONS AT CADBURY-FRY-PASCALL.

The idea of industrial welfare and relations espoused at Claremont was borrowed from Cadbury at Bournville. It was not couched in Gepp's rhetoric of reciprocal responsibilities and duties between workers and management but was more obscure. The Cadbury's believed a man reflected his environment. Although business rationality prevented them from creating a second Bournville, the Cadbury's were convinced that a factory run on appropriate lines would produce efficiency. This chapter examines the structure put in place by Cadbury and the state to manage its workforce, and the effect these measures had upon the workforce.

At Bournville the Works Councils, which were formed in 1918, were the centre of Cadbury's industrial relations policy. There were two works councils - the men's and the women's - each of which had management and workers represented in equal numbers. The Councils operated in a definite sphere bounded on one side by management and on the other side by the trade unions and dealt with 'the field of factory and office administration, in so far as it concerns working conditions.' Cadbury believed the 'Councils are essentially concerned with the human

relationships ... on which the morale and efficiency of an industrial organisation largely depend. The Bournville Councils presided over the airing of grievances, the organisation of benevolent schemes, the provision of amenities for working hours and leisure, efforts to increase production efficiency and raise standards of health and safety at work and the formulation of Works rules. Much of the Council's work was done by a number of committees such as the Rules and Discipline, Suggestions, Health, Welfare and Recreation, Scholarships, and Finance and General Purposes. The Company outlined that the Councils were not a medium for giving employees a voice in the direction of the company, nor did they have any relationship with industrial co-partnership or profit sharing. Their role was to aid with the administration, as opposed to the direction, of the company.<sup>1</sup>

This organisation was to an extent replicated at Claremont. The smaller scale of Claremont meant the Committees were not as numerous or large. There is evidence that a Factory Committee, which was Claremont's equivalent of the Bournville Works Councils, was in operation in early 1922, the Social Club in early 1923, the Welfare Committee by late 1923, the Musical and Dramatic, Library and Canteen Committees by 1925, and the

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<sup>1</sup> Cadbury Bros. Ltd., A Works Council in Action, (Bournville, 1955), passim.

Education Committee by 1928. As we have seen Cadbury at Claremont provided a number of welfare schemes, such as the C.F.P Works Sick Benefit Scheme and the Claremont Pension Fund, that had their genesis in Bournville. Others benefits, such as the Home Building Scheme, was a modified version of an E.Z scheme.

Cadbury at Claremont did engage in dialogue with E.Z. The Commissioners conferred with Gepp on labour availability prior to establishing the factory<sup>2</sup>, borrow E.Z's journals on industrial welfare. In mid 1923 at Cadbury's request A.W. Hutchin, E.Z's Industrial Department's Superintendent, had advised the Commissioners on 'industrial matters in so far as they affect your organization at Claremont.' Hutchin was confident that 'with a constructive industrial policy steadily operating, and broadening in its application from year to year as warranted by the economics of the business, a thoroughly sound position will be reached.' On the other hand unless a coherent industrial policy was implemented 'the disintegrating forces brought to bear by the somewhat militant trade union officials who are unfortunately so plentiful in Australia 'could hamper the

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<sup>2</sup> Minute Book 6 Jan 1920 to 9 Feb 1922. Minute No. 8. C.C.

development of the industry and affect profitability.<sup>3</sup> In Hutchin's eyes a structured industrial policy brought a coherence and predictability over the workforce, and isolated them from the effects of unsettling external factors such as trade unions.

Hutchin, echoing his E.Z experience, believed that the agreement Cadbury had made with the Female Confectioners Union was 'essentially reasonable and much less irksome in its provisions than most awards of the Federal Arbitration Court' and advised Cadbury to get the male operatives under a similar award. The greatest difficulty facing Cadbury, he believed, was to get all the workers at the factory covered by one award or determination under the Wages Board. This was desirable, according to Hutchin, because of the 'disturbing influence' of having a large number of awards within the factory that are constantly coming up for review and changing because of cost of living figures. This created needless friction and could threaten profitability. It was therefore essential to have uniformity of wages and conditions in the interests of 'contentment and efficiency.' Once the factory was covered by a single award or agreement 'increases and decreases then become universal in their application, conditions are made suitable to the industry

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<sup>3</sup> Private and Confidential Information for Australia. Second File. A.W Hutchin to E.H Colleyshaw. 27/7/23. C.C.

and not the craft, and proper co-ordination is possible.' Hutchin suggested that it would not be possible to invoke the assistance of the Wages Board until 'the employees become consolidated by community of interest and possessed some type of corporate organization through which they could express themselves, and with which the management could deal.' Most likely Hutchin envisaged that an equivalent of the E.Z Works Committee would fulfill this function. The strategy behind this was that the Cadbury would then be able to demonstrate that the workers had abandoned their unions and accepted the authority of a company formed decision making body. Cadbury would then be able to argue that the workers should therefore be bound by the decisions of an company specific wages board rather than the craft specific awards of the federal courts.

Hutchin believed that management should attempt to find a common meeting ground between themselves and the workers. This, he thought, could be found in the direction of sickness and accident benefits and suitable sports. He believed that the methods used to bring such schemes into operation should be as indirect as possible and as much control as feasible be given to the workers. He warned that Australians were very suspicious of the direct approach and would far more readily stand behind proposals emanating from themselves than any that

management may care to make. Hutchin suggested that when some of the welfare and sporting activities had been running for a number of months, the opportunity should be taken to 'engineer a meeting of delegates from each to discuss the formation of a joint association to co-ordinate the whole and gradually extend the co-operative activities of the Claremont working community.' Once this had been done he did not think it would be too difficult to get the employees to suggest that an executive officer should be employed to organise these activities.

Obviously thinking of C.R.Baker and his role in the E.Z Cooperative Council, Hutchin outlined the qualities needed to perform this task. This person should be or have been 'a working man of the more intelligent type, one who understands the minds and aspirations of the workers, and is also able to appreciate the difficulties of the employer. He should be one who can take an impartial view and an impartial attitude ...'

Hutchin concluded that the success of Cadbury's industrial policy would be dependant upon the 'complete absence of paternalism and the conduct of the employees institutions being left very largely to themselves, helped out all the time by the inspiration and leadership of the Company's industrial officers exerted in such a way as to 'leave the impression in the minds of the employees that they are "running it" and not "being

run".'

He believed that Cadbury's organisation as it stood at that time could not cope with this increase in activities and suggested that an Employment Department, with similar responsibilities to that performed by the Industrial Department at E.Z., should be put into place. The Department's activities, he thought, could be disassociated from management by being placed outside the general office area preferably near the mess rooms and recreation areas.<sup>4</sup> The company was, in Hutchin's view, to act as the hidden hand directing the worker's leisure and work time activities in the manner that best suited its ends.

Hutchin's ideas must have been in sympathy with those of Cadbury because he was engaged as an industrial consultant from 1 March 1924 on a salary of £125 per annum.<sup>5</sup> Even with the advantage of Hutchin's experience the Cadbury schemes were never as elaborate or extensive as E.Z.'s. The scope of Cadbury's Welfare Committee was not as extensive as E.Z.'s Cooperative Council. It did not participate in any trading activities, but like the Cooperative Council it did oversee the various sporting clubs and welfare benefits such as the C.F.P Works Sick

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<sup>4</sup> Ibid.

<sup>5</sup> Board Minutes and Index 1924. Minute No. 347. 8/5/24. C.C

Benefit Scheme. Cadbury's medical schemes do not appear to have been quite as extensive as those at E.Z but this can be accounted for by the relative sizes of the work forces and the differing types of production. The size of the workforce at E.Z was between 525<sup>6</sup> and 1300 persons<sup>7</sup> whilst that of Cadbury was generally smaller ranging between 165<sup>8</sup> and 787<sup>9</sup> depending on economic circumstances. The fact that workers at E.Z laboured under dirty and dangerous conditions made facilities such as a Works Doctor a necessity whereas in the relatively safe and clean conditions of a food factory like Cadbury the provision of such facilities was more of a luxury. Cadbury set up a Factory Committee, and although there are not any records that clearly define its function, its name and its role in suggesting schemes that benefitted the workers imply that it was modelled on Bournville's Works Councils. Its implicit function, like E.Z's Works Committee and Bournville's Works Councils, would have been to remove from the union's domain many of the smaller personal activities, such as grievance solving, and in this way make the union seem less immediate and

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<sup>6</sup> E.Z. Records. A/6-1. File Accidents. A.O.T.

<sup>7</sup> E.Z. Records. A/1-3. Meredith to Industrial Department. 15/11/20. A.O.T.

<sup>8</sup> Board Minute File 1931-33. Board Minute File for 1931. Factory Directors Report No. 16. 19/5/31. C.C.

<sup>9</sup> Board Meetings Minute File 1937 1938. Board Minute File 1938. Factory Directors Report No. 46. Quarter Ending 27 September 1938. C.C.



relevant to the workers.

As we have seen there were many similarities in inclination between the two work forces: both showed disdain at building or renting homes at the respective companies estate but participated fully in the company welfare and sporting schemes. Although Cadbury could boast, as did E.Z, that they had not lost a single days production through stoppage, Cadbury's record of industrial conflict made E.Z's look like a veritable battlefield. The two companies strike record is noteworthy in a period of time when Australia was sometimes racked by industrial action, but the Cadbury record is especially outstanding. The similarity in organisation between the two companies in terms of welfare benefits goes far to explain the low strike rate but to explain why Cadbury had an even lower incidence of strikes than E.Z we must look at differences between the two factories.

There are two basic differences between E.Z and Cadbury. Both firms can be classified as being in the secondary manufacturing sector but had quite different styles of production. E.Z can be classified as a heavy industry that primarily produced metals whilst Cadbury can be classified as light industry manufacturing foodstuffs. The second difference is in the area of workforce

composition with E.Z's workforce being entirely male whilst the Cadbury workforce was made up of both males and females. Cadbury operated a highly segmented workforce that was divided not only in terms of pay and hours, as was E.Z, but in terms of gender and there were numerous divisions within each of these categories. Available figures suggest that the proportion of women in the Cadbury workforce ranged from 29%<sup>10</sup> to 60%.<sup>11</sup> As a general rule the more affluent the times the more women that were employed in the factory as the need for them fluctuated closely with the demand for Cadbury products, whereas the men's jobs were often associated with tasks such as machinery maintenance which were more cushioned from economic influences. The tasks the women performed differed greatly from those performed by men and they were more likely to receive piece rates and be organised along scientific management lines. In 1924 Cadbury proposed to take the most efficient woman in the department and give her particular training in her work 'giving particular attention to "Motion Study"'. This woman would then be required to train the other workers in her department.<sup>12</sup> That women were employed in such

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<sup>10</sup> Board Minute File 1931-33. Board Minute File for 1931. Factory Directors Report No. 15. 27/2/31. C.C.

<sup>11</sup> Board Minutes 1934-38. Factory Directors Report No. 28. 30/5/34. C.C.

<sup>12</sup> Board Minutes and Index 1924. Minute No. 386. 29/5/24. C.C.

tasks as wrapping chocolates reflected the biological assumption justification that their fingers were inherently more nimble and therefore more productive than men's.

As was the case at Bournville women were compelled to resign when they became married<sup>13</sup> as Cadbury believed that once married a woman's place looking after the home and the children.<sup>14</sup> As well as being separated by sex, and distinguished by wages and work, the women were as mentioned separated from the men at mealtimes.<sup>15</sup> This reflected the Bournville belief as to the moral dangers of the sexes mixing. The effect of these distinctions was to create a sharply divided dual labour force. The women were part of the secondary labour force where their work was characterised as unskilled, poorly paid, poor job security and low chances of career advancement; whereas the men's work was part of the primary labour market with work that was classified as skilled, enjoyed better pay, greater job security and some chance of career advancement.

The workforce at Cadbury was also, as at E.Z, separated

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<sup>13</sup> Confectioners Union. Meetings of Executive Victoria-Tasmania. Meeting 23/2/35. M.U.A.

<sup>14</sup> Gardiner, op. cit., p. 31.

<sup>15</sup> Minute Book 6 Jan 1920 to 9 Feb 1922. Meeting 11/5/20. C.C.

by a finely graded hierarchical ordering. The Directors, office staff and foremen were to have separate dining rooms. Certain sections of the office staff had privilege of not signing on and off. Foremen and forewomen 'B' were given 22 days leave per annum instead of the normal 20 days per annum. Foremen and forewomen 'A' could receive one half day leave of absence a month while forewomen and foremen 'B' were entitled to a half day every two months.<sup>16</sup> The privilege of not signing on and off was later extended to charge hands, whilst this group and staff clerks did not have to present pass out checks when leaving the factory at other than ordinary times.<sup>17</sup> The effect of these visible and generally obvious distinctions was to further fragment the workforce, and to make it difficult to create a sense of rank and file cohesion.

The workforce was also separated, to a degree rather uncommon in Australia, by nationality. Cadbury had brought a number of skilled workers and supervisors from Bournville to help start up operations at Claremont and train the local labour force in the finer points of confectionery production. In 1922 the English women workers complained that they were receiving less pay than

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<sup>16</sup> Board Minutes 1925-26. Minute No. 87. 16/3/26. C.C.

<sup>17</sup> Board Minute File 1931-33. Minute No. 396. 18/8/39. C.C.

in Britain. They had accepted lower rates on the understanding that the cost of living would be less in Australia but had found this was not so. The Commissioners decided that the women should not be paid less than they were receiving at Bournville, and increased their pay accordingly.<sup>18</sup> This group of English supervisors, housed in the Claremont estate, paid superior wages and imbued with the Bournville spirit, would have formed a cohesive group that Cadbury could depend upon to be loyal and committed to the company.

Unions were present at Cadbury very soon after the factory was established. In spite of the efforts of the union officials on behalf of their respective memberships, their efforts were hindered by the particular nature of the workforce, and bickering between the two main unions. The Female Confectioners Union (F.C.U) was an active union for women confectioners that was based in Melbourne and led by the energetic Margaret Wearne. The union's proclaimed object was 'to uphold the rights of combination of labour ... and to improve, protect and foster the best interests of its members. To obtain and maintain for its members reasonable hours of work, wages and industrial conditions, and when differences occur to assist in their settlement by just

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<sup>18</sup> Minute Book 6 Jan to 9 Feb 1922. Meeting 26/1/22. Minute No. 260. C.C.

and equitable methods. To promote peace by all amicable means, such as conciliation, arbitration or permanent boards ...'<sup>19</sup> In the first volume of the union's journal 'The Women's Clarion' she outlined her belief that great and difficult problems awaited solution and that women must play an equal part with men in an endeavour to solve them. The journal was intended to be a "clarion call" to the union members to awaken them to a truer realisation of the greater opportunities that await women in the future. Unionism, she declared, was the finest expression of cooperative effort.<sup>20</sup>

The union was quick to criticise Cadbury's for their welfare schemes. They charged that the Commonwealth Government had spoon-fed overseas firms and the 'Tasmanian Government have tripped over themselves to gratify their every wish.' The Commonwealth Government had encouraged Cadbury by allowing the company to import their chocolate making machinery without duty whilst the State Government had, it alleged, 'built a railroad from Hobart to Claremont ... at a cost to Tasmania of £35000 '. It continued stating that 'the whole tendency is to look upon them [Cadbury] as public benefactors who are out to reorganise our social system by promising the building of

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<sup>19</sup> Female Confectioners Union-Federal Board. Rules of Union. M.U.A.

<sup>20</sup> The Women's Clarion. Vol. 1. No. 1. 7/11/21. M.U.A.

bungalows, swimming baths and bowling greens for employees. All this and many other things can with the money C.F.P has saved by the Government's action in allowing free entry of their machinery. The bungalows, swimming baths and bowling greens, if constructed, will be therefore actually constructed out of the Australian public's funds, since the saving in duty really belongs to the Australian public.<sup>21</sup>

At the request of the Cadbury employees Wearne and the union secretary, E.H.A Smith, visited the factory in early 1923 with the intention of getting Cadbury to sign an agreement on wages and conditions. The union requested that the Company make retrospective pay to their employees for the holidays falling on Good Friday and Easter Monday. After a meeting Cadbury agreed to sign the award which was to come into effect on 1 July 1923. The Women's Clarion believed the agreement 'meant a good deal to the girls. The rates of pay and conditions were very much improved.'<sup>22</sup> A.W Hutchin did not concur with this opinion when he stated that the agreement was essentially reasonable and much less irksome in its provisions than most Awards of the Federal Arbitration Court.<sup>23</sup> The

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<sup>21</sup> The Women's Clarion. Vol. 1. No. 4. 20/2/22. M.U.A.

<sup>22</sup> Ibid. Vol. 2. No. 24. 20/10/23.

<sup>23</sup> Private and Confidential Information for Australia. Second File. A.W Hutchin to E.H Colleyshaw. 27/3/23. C.C.

great majority of the women in the factory joined the union causing Smith to predict that non-unionists would face a 'warm time'. C.E Culley, who was secretary of the Trades Hall and Labour Council and the member for Denison in the House of Assembly, was placed by the union in charge of Tasmanian affairs.<sup>24</sup>

The F.C.U had reason to be optimistic about their success but little did they know of the difficulties that were to face them in the future. Culley reported in July 1923 that the women were satisfied with the agreement but that there had been some ill feeling over the holiday pay. The unionists believed that only they should receive the holiday pay whereas Cadbury were paying it to unionist and non-unionist alike.<sup>25</sup> The F.C.U's attempts to organise the women were not helped by the fact that Cadbury would lay off workers when there was a downturn in demand or excessively warm weather. In March 1924 Culley reported that Cadbury had dismissed a large number of women due to a downturn in demand or "slackness". At that stage the F.C.U had 184 members in the factory but Cadbury had paid off more unionists than non-unionists. For Culley to have mentioned this point he must have believed that this was an attempt by Cadbury to

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<sup>24</sup> The Women's Clarion. Vol. 2. No. 18. 20/4/23. M.U.A.

<sup>25</sup> Confectioners Union. Meetings of Executive Victoria-Tasmania. 16/7/23. M.U.A.



intimidate unionists, and deter women from joining the union. The unionists still felt resentment over non-unionists being paid for holidays that had been secured by the union. These facts led Culley to admit that 'things at Cadbury were not in too good a position.'<sup>26</sup> The situation was largely unchanged in 1926 when Culley reported that 'the girls in Tasmania were at a disadvantage as they were losing a lot of time at Cadburys and as a result it was making it most difficult for him to see the girls.' He had approached management about the amount of time lost but they had said it could not be helped. In this manner the precarious job situations and intermittent employment of women at Cadbury made it difficult for them to be organised and properly serviced by the union. The women reported that Cadbury management were telling them that non-unionists could be paid for holidays, causing Culley to approach Cadbury and secure an agreement that if a new employee did not join the union she should not be paid for holidays.<sup>27</sup> Although one would anticipate this move should increase union membership, Culley reported that the branch was 'not as bright as it should be'. Cadbury had experienced a downturn in demand causing a number of the women to be unemployed at various periods of time. He was experiencing a great deal of difficulty getting women

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<sup>26</sup> Ibid. Conference Victoria-Tasmania. 9/3/24. M.U.A.

<sup>27</sup> Ibid. 1/3/26. M.U.A.

who had just started work at the factory to join the union in spite of the fact they would not receive holiday pay unless they were union members. He believed 'the members of the Union were not taking the interest they should' and had stressed to them that unless they took a keen interest in the union it may go out of existence leaving them to the mercy of the employers to give them what conditions they may see fit. He warned that Cadbury were asking the union to meet with them to fix up a new agreement and that, in his opinion, Cadbury wanted to reduce wages and alter the conditions of the agreement. This threat had caused, he believed, quite a number of women to become financial members of the union. The result was that at 30 June 1928 out of the 173 women employed at Cadburys 127 were members, although a large percentage were in arrears.<sup>28</sup>

The F.C.U met with Cadbury in 1928 to discuss the log of claims for a new agreement. A conference of all employers of Female Confectioner's Union members had originally been held in Melbourne but as Cadbury were not able to attend a special conference was held in Tasmania. The union was represented by Warne, Hill and Culley and Cadbury by Booth and Smith. In 1923 the union, in an Arbitration Court agreement, had agreed to work a 48 hour week for the following weekly wages:-

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<sup>28</sup> Ibid. 17/7/28. M.U.A.

Junior Female	<16	20/-
	17	25/-
	18	31/-
	19	37/-
	20	42/6
	>20	50/-

In 1928 the union log of claims requested a 44 hour week and the following weekly wages:-

Junior Female	<16	25/-
	17	30/-
	18	36/-
	19	43/-
	20	50/-
	>21	60/-

Although the log had been accepted by employers in Victoria this did not mean that Cadbury were prepared to meekly agree to the new rates. Booth argued that Cadbury were handicapped by being based in Tasmania and as the company was a Tasmanian industry he could not see why their wages should be based on Melbourne cost of living figures. Culley retorted when Cadbury was established Tasmania had a higher cost of living figure than Victoria but the union agreed to use the Victorian figures for the

sake of uniformity. He did not believe the company had been disadvantaged by locating in Tasmania for '... they have an advantage in my opinion because of the fact they have cheaper power. When you talk about peace in industry I am out to establish it.' He argued that a wage reduction would cause industrial disruption, 'when you are going to break in and endeavour to decrease the wages of people who have been working in the industry for the last 5 years, I am afraid you are not going to create peace in industry.' and pointed out that Cadbury's had the opportunity to change to Tasmanian figures when the last agreement was fixed, but had not done so. He believed the women deserved Victorian wages, which were obviously more than Cadbury was proposing, because each employee was put off for an average of 6 days per year due to hot weather or lack of demand. During this time they could not seek alternate employment and, he argued, this loss of employment time should be built into the women's wages by giving them the higher Victorian rates. Cadbury were disgruntled at having to 'force' people to join the union by withholding holiday pay and had been censured by the Bournville board for surrendering to union pressure. Culley believed Cadbury did not have an objection to their employees becoming union members and that new employees should be clearly told of the holiday pay provision when they joined the union. He alleged that this had never been done and that 'some of the people

holding responsible positions out there have been trying to impress upon them that they can get these things without joining.' The union was victorious on this occasion. The Commission advised Cadbury that they should determine wages by the Melbourne cost of living figures and after further argument Cadbury agreed to this proposal.<sup>29</sup>

In spite of having gained better wages for the women than Cadbury were prepared to pay, this did not result in the women showing any more commitment to the F.C.U. The position of the union did not improve and appears to have declined further in the depression years. In 1929 Culley reported that a number of members had been dismissed due to a lack of work and that the stewards were finding it difficult to collect the union contribution. Three years later he advised that owing to lost time a number of women were unable to pay their dues, while others were reluctant to pay their dues because non-unionists received the same conditions as unionists. It would appear that Cadbury were awarding unionists and non-unionists exactly the same conditions even though they were obliged to give them only to unionists. Uniformity of conditions for unionists and non-unionists made union membership appear to a number of women as an unnecessary

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<sup>29</sup> Female Confectioners Union. Federal Board. Log of Claims and Court Hearing. 1928. M.U.A.

drain on their wage and had the effect of discouraging them from joining the union. The shop stewards, Culley said, had laboured under difficulties as they had been transferred to other departments. A likely effect of the general shedding of labour was a shuffle of labour causing many women, among them the shop stewards, to be moved to other departments. The stewards would then be faced with the difficult task of establishing a relationship of trust with the women in the new department which would hinder their short term effectiveness as shop stewards. He declared that he would spare no effort to reorganise the women to try to get them to take more interest in the organisation.<sup>30</sup>

Culley's efforts were in vein for the following year he reported that the Tasmanian Branch's position had not improved. In an effort to revive flagging membership Culley had addressed the workers each week and had circulated a pamphlet outlining Cadbury's proposal to lower wages by 10% and alter the Proportion clause. This would enable Cadbury to employ a greater number of juvenile employees thereby displacing some women employees. He reported that 'apathy amongst the employees was deplorable.' and that the Union's state president, Miss Fisher, had resigned partially as a consequence of

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<sup>30</sup> Confectioners Union. Meetings of Executive Victoria-Tasmania. 12/1/31. M.U.A.

the women's apathy. Cadbury employed only 60 or 70 women and, unlike their mainland counterparts, when the cost of living figures were released they had seized the opportunity to immediately reduce wages and were now paying 43/6 as against 45/6 being paid in Victoria.<sup>31</sup> The situation was unchanged in 1935 with Culley still having difficulty organising the women and only a small percentage of the employees being union members. The union's efforts were being thwarted, he believed, because the older women were taking an interest in the union but were also the ones leaving to be married and non-unionists could receive conditions as unionists even though these conditions had been secured through the Union's efforts without making any financial contribution to the Union. He could not explain the women's reluctance to join the union as they were aware of what may happen to their wages and conditions if the union did not operate and they were left to the mercy of the employer. Although they may not be members the women had sufficient confidence in the union that if any trouble arose they immediately requested the union to negotiate on their behalf. In spite of this only 20 out of the 250 women employed were union members. Culley was disappointed that some of the women would not concern themselves about their own welfare but stated that he tended to continue to safeguard their position from the employers in the

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<sup>31</sup> Ibid. 20/2/33. M.U.A.

interest of trade unionism.<sup>32</sup> In 1943 Culley reported that it was difficult to 'organise and keep the girls together at C.F.P'. The fact the steward had organised 96 new members and 2 rooms were 100% organised may have been related to the fact that the women had gained a flow on wage increase from Victoria,<sup>33</sup> which would have made the union seem to be working in their best interests.

The F.C.U's efforts at organising and amalgamating the women was not helped by the 25 year running battle fought between the F.C.U and the F.C.A.A. over amalgamation. In 1926 The Women's Clarion declared 'the men had complete possession of the Confectioner's Wages Board for some 18 years and the wages and conditions that it provided for women and girls and unskilled men were of a most shocking nature. This union deeply regrets that bitter jealousy still exists towards the improvement of the conditions of women workers in this industry, and that most contemptible methods have been used from time to time to injure the organisation that has done so much.'<sup>34</sup> The union upheld that until its formation the male dominated unions had neglected the wages and conditions of female workers. It believed it had done much to rectify this

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<sup>32</sup> Ibid. 23/2/35. M.U.A

<sup>33</sup> Confectioners Union. Meeting of Executive. Victoria-Tas. 27/9/43. M.U.A.

<sup>34</sup> The Women's Clarion. Vol.5. No. 51. Jan. 1926. M.U.A.



situation in the 'face of the most bitter opposition of other Unions who should have been allies in its efforts to obtain better conditions for women.'<sup>35</sup> In 1927 the State Conference of the F.C.U decided that 'no good purpose in the interest of the members could be served by Amalgamation or Federation' with the F.C.A.A and instructed the Federal Council not to enter into any negotiations.<sup>36</sup> The absence of any F.C.A.A records make it difficult to draw any conclusions about the union's activities in these years but in 1943 the F.C.U again came under threat from the F.C.A.A who still wished to amalgamate. Culley, who was secretary of the Tasmanian Branch of the F.C.A.A and secretary/treasurer of the F.C.U, Federated Confectioner's Association, called a state conference of the F.C.U to report that the Federal Conference of the F.C.A.A had discussed amalgamation and as a consequence he had undertaken to call this conference. He told the conference that the F.C.A.A's constitution could embrace both sexes, and that if the F.C.U did not agree to amalgamation then the F.C.A.A would organise the women in Tasmania. It did not seem Culley could see any reason for the men wanting to amalgamate with the women. 'Mr. Culley outlined the fact that the women had not been any hinderance to the men

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<sup>35</sup> Confectioners Union. Meetings of Executive Victoria - Tas. 9/3/24. M.U.A.

<sup>36</sup> Confectioners Union. Meetings Of Executive. Victoria-Tas. 31/10/27. M.U.A.

regarding wages and conditions ... as the women had nearly always taken the initiative and achieved success in many directions and the men had usually benefitted as a result.' <sup>37</sup>

In 1943 Culley resigned as secretary of the Tasmanian sub-branch of the F.C.U citing parliamentary pressures as the reason. <sup>38</sup> The following year, after sending out 115 notices for the F.C.A.A's annual meeting and having only 12 people turn up, Culley tendered his resignation as secretary of the Tasmanian Branch of the F.C.A.A. and was replaced by P.J. (Jack) O'Neill. Culley's resignation from the two organisations most likely due to the pressure of being secretary of two bodies that were in conflict. There appears to have been dissatisfaction amongst the F.C.A.A hierarchy over Culley's performance as secretary, particularly on the issue of amalgamation, and this was most likely reflected in the poor F.C.A.A annual meeting attendance. <sup>39</sup> The Federal President, R.S Jackson, did not hesitate to convey this to Culley 'I told him [Culley] fairly straight that in my opinion it was nearly time that you [Lucas] did some investigating re conditions and I would not be surprised if we found he

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<sup>37</sup> Confectioners Union. Meeting of Executive Victoria-Tas. 5/12/23. M.U.A.

<sup>38</sup> Ibid.

<sup>39</sup> Female Confectioners Union-Federal Board. R.S Jackson to P.J Lucas. 10/12/43. M.U.A.

had a hell of a lot to hide, as, in my opinion Smith and his kind are among the worst employers in our industry, and if I was a Parliamentarian and had the pull Culley had the position would be entirely different in his state.' <sup>40</sup> The F.C.A.A were obviously far from impressed at conditions at Cadbury and held Culley largely responsible.

The appointment of O'Neill as F.C.A.A marked the beginning of bitter conflict between the F.C.U and the F.C.A.A over the question of amalgamation. Whilst the F.C.U had difficulty recruiting members, the Federal President of the F.C.A.A, R.S Jackson, boasted that his union had 'hundreds of requests from girls in our trade to become members of the union.' He predicted that 'after this month Miss Weerne will have no organisation left, and it is only out of kindness on our part that we desire to assist her and this can only be done by amalgamation.' <sup>41</sup>

Jack O'Neill related how a meeting of F.C.U members called by Mrs Kelly, Culley's replacement as secretary, did not attract a single person, whilst the F.C.A.A meeting was held in a packed hall with approximately half the attendees being women 'who took a lively part in

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<sup>40</sup> Ibid. Jackson to Lucas. 18/1/44. M.U.A.

<sup>41</sup> Ibid. R.S Jackson to P.J Lucas. 22/6/44. M.U.A.

proceedings.' The women nominated and elected two representatives to the F.C.A.A executive.<sup>42</sup> The F.C.A.A had soon enrolled 120 women and 20 men, with resignations allegedly being forwarded to Miss Warne every day. R.S Jackson concluded ' ... before very long Miss Warne can write finish to her union in Tasmania ... I think we can congratulate ourselves upon our first attack upon the female organisation.'<sup>43</sup> Whilst the F.C.U had great difficulty in garnering the enthusiasm of its members, there are suggestions that the F.C.A.A had its difficulties with the membership appearing at times to be at odds with the union leaders. Jackson hinted that this was a deliberate attempt by Cadbury and Culley to defeat the F.C.A.A and replace it with the more docile F.C.U' ... I would not be surprised if Cadburys and Culley are behind a move to cause Jack O'Neill as much trouble as possible as they would certainly prefer Maggie to Jack.'<sup>44</sup> The F.C.A.A and the F.C.U were to eventually amalgamate in 1948, but it is very likely that considerable damage had been done to the credibility of both unions in the preceding years, although it is difficult to fully ascertain the effect this would have had on union membership. The amalgamation did have a profound effect on the women workers at Cadbury. Shortly

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<sup>42</sup> Ibid. J.O'Neill to P.J Lucas. 11/5/44. M.U.A.

<sup>43</sup> Ibid. R.S Jackson to T.M Nicholls. 15/5/44. M.U.A.

<sup>44</sup> Ibid. R.S Jackson to P.J Lucas. 1944? M.U.A.

after amalgamation the whole industry was reclassified. Five new adult male classifications were devised and all received a margin for skill. The new group in the award doing 'unskilled or labouring work' was the women who were all placed in a single classification. They received no margins for doing work which, under the principle of the 1941 award, would have been given a margin if performed by males.<sup>45</sup> This situation was able to occur because of the wage-fixing principles of the Arbitration Court. Under these principles workers could only be described as skilled or semi-skilled if others could be described as unskilled.<sup>46</sup> The ideology of the male breadwinner, the women's industrial weakness and the fact that the women were an easier target now that they were in a union with men rather than separate in their own union combined to make them easily definable as unskilled. It may not have been the intention of the F.C.A.A but a consequence of the amalgamation of the two unions was to ensure, as The Woman's Clarion had noted,<sup>47</sup> that the men enjoyed better pay and conditions at the expense of the women.

The Storemen and Packers Union is the only other union

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<sup>45</sup> L. Bennett, "Institutional Practices, Technological Change and the Conciliation and Arbitration System 1907-72", Labour History, No. 51, November 1986, p. 14.

<sup>46</sup> Ibid., p. 12.

<sup>47</sup> The Woman's Clarion. Vol. 5. No. 6. January 1926. M.U.A.

whose activities have been recorded at Cadbury. This was a small union whose pay and conditions were covered by the agreement between the F.C.A.A and Cadbury, much to the chagrin of the storemen and packers. In 1925 the Storemen and Packers Union submitted a request for improved wages and working conditions to Cadbury, who refused due to 'the present conditions' and because a case was shortly to be stated before the Arbitration Court.<sup>48</sup> Undeterred the Storemen and Packers lodged a claim for a 44 hour week and a weekly wage of £6 and a bonus of 12/- to 15/- for training in early 1927. The industrial advocate for Cadbury, J.L. Moore argued that the storemen and packers were adequately catered for under 'an agreement with the Confectioners Union.' If a separate agreement was to be given to this group he believed it should only cover wages so that the general conditions of the factory would cover all groups. The Federal secretary of the Storemen and Packers Union, Mr. Brotherson disagreed and claimed the storemen and packers had only been included in the F.C.A.A agreement by mistake. He argued that the agreement between Cadbury and the F.C.A.A had no authority to act on behalf of the storemen and packers as 95% of this group were not members of the F.C.A.A and had sufficiently different conditions to the confectioners to warrant a separate agreement and produced witnesses to verify this

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<sup>48</sup> Board Minutes 1925-26. Minute No. 176. 7/5/25. C.C.

statement.<sup>49</sup> E.H. Colleyshaw, a Cadbury director, outlined how the secretary of the Confectioners, who was a packer, had asked Cadbury to enter into an agreement in 1923. This most likely was O'Neill. Colleyshaw argued that the work of the storemen and packers was closely associated with the manufacturing process and production would be hindered if the storemen were on a 44 hour week while the rest of the factory worked a 48 hour week. He hinted that a 44 hour week and increased wages for the storemen and packers could cause industrial unrest. The judge was not convinced by the Storemen and Packers case. He stated that it would be unjust to the workers themselves to award shorter hours. His argument was that shorter hours would result in less production and therefore cause the cost of living to rise to the detriment of all workers. He concluded with the words 'one must try to give equality of leisure.'<sup>50</sup> Like the state E.Z Wages Board the federal Arbitration Court showed a reticence to award different wages or conditions to any single group within a factory.

The only other industrial dispute to emerge was action by the F.C.A.A in 1944 for more pay. Men working on the cocoa presses believed they were entitled to extra pay because '... working on the press is detrimental to them

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<sup>49</sup> The Mercury. 24/3/27.

<sup>50</sup> Ibid., 25/3/27.

and injurious to their clothing, their clothing and boots are quickly rotted away because of the nature of the work performed, that in the Cocoa room, on account of working continuously in a dusty atmosphere their health is affected and the job is a particularly dirty one.' The confectioners wanted margin loadings similar to those proscribed for other organisations whose members were employed at Cadburys.<sup>51</sup> The employees grew restless during the considerable delay before their requests were heard before the Arbitration Court, and were doubtless considerably fuelled by the Cadbury's refusal to grant many of the concessions they had agreed to at a conference with the union and had demanded that they be heard in front of the Arbitration court as a dispute.<sup>52</sup> The workers discontent culminated in a stopwork meeting held on 13 October 1944,<sup>53</sup> much to the consternation of the federal officials who had seen stopwork meetings held close to Arbitration Court hearings treated most unfavorably by the court.<sup>54</sup> In the final analysis their claims were rejected by the Arbitration Court, but they were left with the option of approaching the Minister for Labour as Cadbury's had indicated a willingness to

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<sup>51</sup> Confectioners Union Federal Board. O'Neill to Lucas. 31/3/44. M.U.A.

<sup>52</sup> Ibid., Lucas to Jackson. 22/9/44. M.U.A.

<sup>53</sup> Ibid., Lucas to O'Neill. 18/10/44. M.U.A.

<sup>54</sup> Ibid., Lucas to Jackson. 31/10/44. M.U.A.



negotiate over the margins. This industrial action was directly attributable to the Arbitration Court's tardiness in hearing the case. Overall the unions had some minor victories they acknowledged that conditions at Cadbury's lagged behind the rest of the industry.

The structures that Cadbury put in place to manage the workforce and avoid industrial unrest and conflict operated on a number of levels. At one level there was the formal structure of the Factory Committee and the federal Arbitration Court. The factory was a joint employer/employee body that oversaw working conditions in the factory and impinged on the union's traditional ground by dealing with the small matters, such as grievance solving, which comprise a large portion of a union's workload. Cadbury, unlike E.Z., was bound by the awards of the federal Arbitration Court. The awards, as Hutchin commented, did not appear to be regarded by the Company as being particularly irksome. They were in many ways similar to Wages Boards awards as, judging by the Storeman and Packers case in 1927, the awards covered all workers, and were usually based on cost of living figures. The only difference was that there was one award for the males and a separate award for the females.

The main way Cadbury managed its workforce was through divisions in the workforce, mainly operating through the

sexual division of labour. The women at Cadbury worked under entirely different conditions to the men. Their work was usually piece-rate, poorly paid, insecure and with little chance of advancement. The F.C.U found the women difficult to organise because of the turnover of women caused by the insecure and sporadic nature of their work and the Cadbury policy that forced the women to resign from work upon marriage. Cadbury did not assist the F.C.U's cause when it gave both unionists and non-unionists the conditions the union had gained for its members. This would have made union membership appear unnecessary to both unionists and non-unionists alike. As well Culley hinted there was some Company intimidation of union members. All of these factors made it difficult for the women to be organised into a coherent force, and ensured they remained the least militant and protected members of the Cadbury workforce. The F.C.A.A does not appear to have been a great deal more active than the F.C.U. Under Culley's leadership poor attendances at union meetings are recorded. This situation is initially reversed under O'Neill's leadership but then reverted to poor attendance. The federal leadership attributed this to a conspiracy caused by Culley and Cadbury, but a more plausible explanation was that this was the normal situation. The union's federal leadership labelled conditions at Cadbury as being amongst the worst in the industry and attributed this to a lack of effort on

Culley's behalf. It could be argued that if the federal leadership had spent more time fighting Cadbury instead of the F.C.U, both male and female workers could have gained in terms of improved conditions rather than the men gaining improved conditions at the expense of the women. The conflict between the unions was a result of the sexual division of labour. The fact that the women were in a separate union under different awards would concern the F.C.A.A insofar as the women, who have traditionally performed work that is classified as unskilled, could encroach on the men's work causing it to become redefined as unskilled and therefore paid lower wages. The only way it could ensure this did not happen was to absorb the F.C.U and its members. The sexual division of labour defined the F.C.A.A's opponent as being the F.C.U rather than Cadbury, causing it to devote its energies towards absorbing that organisation.

## CHAPTER 6.

## CONCLUSION.

In the course of this thesis the industrial relations policies of each of E.Z and Cadbury have been examined and the consequences of these policies assessed. It is now appropriate to examine the areas of similarity and differences between these two companies and attempt to account for these factors.

The establishment of both Cadbury and E.Z was greatly assisted by the government sponsored rise of manufacturing, which operated at both a federal and state level. The federal government assisted E.Z in securing an advantageous contract for the supply of zinc to Britain and put in place a protective tariff wall that enabled E.Z to sell a large amount of its product on the Australian domestic market free from competition. It assisted Cadbury by allowing the firm to import its chocolate making machinery from Britain duty free. The Tasmanian government was equally anxious to assist both companies by offering cheap hydro electricity and extending roadways, tramways or railways to the companies advantage.

The increasing influence of manufacturers coincided with

the increasing prominence of a restive working class. From these events emerged a new set of beliefs, that can be termed corporate liberalism, which outlined the role and obligations of manufacturers and proscribed measures to placate the working class. E.Z linked its own self interest as being synonymous with national interest in a kind of economic nationalism. It believed that national wealth could only come through increased production as a result of greater efficiency, which could be achieved through cooperation between employer and employee. Cadbury and E.Z both agreed that industrial unrest had been caused by the working classes' poor living conditions. They believed the workers did not really desire better wages but wanted what Gepp termed 'a minimum amount of happiness' and Cadbury termed a factory run in a spirit of 'cooperation and goodwill'. An employer had an obligation, they both agreed, to supply the workers with, amongst other things, good health and decent housing conditions. This would, they believed, result in cooperation between employer and employee, ensure a contented and efficient workforce and witness the disappearance of industrial unrest.

These beliefs were into practice at Claremont and Risdon where Cadbury and E.Z respectively attempted to build model industrial villages. The schemes did not live up to their creators expectations in many ways. The two

companies were conscious of the cost of house building and were anxious to obtain what they considered to be a reasonable monetary return on their investment. This made the house rentals expensive, and made it difficult to secure tenants from among the employees. Anxious to absolve themselves of the responsibility and expense of building houses the respective companies offered blocks of land for sale to employees at a price they considered to be very reasonable. In both cases this was met with a lack of employee interest. This may have been because the location was too far from the facilities of central Hobart, the blocks of land were too expensive or simply that workers did not want to live in the potentially stifling atmosphere of a company town surrounded by factory supervisors or company industrial officers as the case may have been.

The other part of Cadbury's and E.Z's welfare centered around the provision of schemes such as medical insurance, pension funds, assistance with medical and dental treatment, and the provision of sporting and recreational activities and facilities. These programmes were more extensive at E.Z than at Cadbury, because of the larger workforce and the more dangerous nature of the work at this firm. These schemes provided the worker with tangible benefits and a better quality of life. The advantage to the company was a more efficient worker who

was committed to the company. Unlike the company's other form of payment through wages, which can be spent in a number of discretionary ways, when the company offers payment in the form of welfare benefits the worker does not have the same amount of discretion. He or she can choose not to participate, and lose a considerable amount of non-monetary benefits, or to participate on the company's terms. The provision of welfare was made to appear dependent on the economic health of the company, which was linked by the company to the workers dedication to the company. It was made to appear that if the workers cooperated with the firm to reach its desired ends then benefits would accrue to all.

The effects of welfare were strengthened by the operation of a number of joint management/employee bodies within the factory. On one level there was the Welfare Committee at Cadbury and the Cooperative Council at E.Z whose role it was to coordinate the various welfare schemes and, in the case of E.Z, run the Company's trading activities. At another level there was the Factory Committee at Cadbury and the Works Committee at E.Z who were to oversee working conditions within the two factories and acted as a grievance solve body. This directly impinged upon the traditional areas of unions who spend much time solving members grievances and attempting to gain better physical working conditions, and would have made unionism appear

less essential to the workers sat these two factories.

The state supplemented these structures with the arbitration system. Wages for all workers at E.Z were determined under the Tasmanian Wages Board system. This body was unpopular with the unions as full time union officials could not participate in its proceedings. In its determinations this joint employer/employee body often arrived at lower wages and longer hours than prescribed in federal awards, much to the chagrin of the unions. This led to many union applications to the federal Arbitration Court for exclusion from the Wages Board. These were defeated on the grounds of legal precedent, and because the judge believed that with the Wages Board and Works Committee adequate machinery to determine wages and conditions was already in place. The wages for Cadbury were determined by the federal Arbitration Court, with there being one award for the men and a separate award for the women. Cadbury did not request the formation of a Wages Board as they appear to have found the awards satisfactory from their point of view.

Unionism was weak at both E.Z and Cadbury. The inability of the unions at E.Z to gain inclusion under federal awards, and the fact that the Wages Board and Works Committee took away many union functions such as wage



negotiation and grievance solving, made union membership appear superfluous to many workers. The success of E.Z.'s integration of its workforce can be gauged by the fact that the largest union, the Zinc Workers Union, was company based and focused solely on issues that arose within the confines of the E.Z. Works. The unions at Cadbury had to contend with the Factory Committee taking away some of their functions in much the same way the Works Committee did to the unions at E.Z. The situation was complicated by the sexual division of labour. The way women's work was organised at Cadbury meant their work was regarded as unskilled, was poorly paid and had a lack of job security. The women could be laid off for periods of time through lack of work or hot weather, and were forced by Cadbury to resign upon marriage. The short term nature of their employment made it difficult for the F.C.U to enrol members. The F.C.A.A members appear to have been apathetic and their federal union leaders was distracted by the prospect of taking over the F.C.U. This was because the work performed by F.C.U members was classified as unskilled and paid accordingly, the F.C.A.A would have been aware of the possibility of the women performing the same work as the men causing the men's jobs to be classified as unskilled. The F.C.A.A's solution was to amalgamate with the F.C.U and reclassify all the women's jobs as unskilled and all the men's jobs as skilled. The sexual division of labour

organised by Cadbury, and the Arbitration Court award structure, redefined the women, rather than Cadbury, as the threat to F.C.A.A members wages and conditions.

Cadbury and E.Z believed it was their obligation to cooperate with their employees and supply them with the housing and welfare provisions that would enable them to become content, committed and efficient. Through their industrial relations policies and schemes, and aided by the state, they attempted to regulate the workers life at home and in the factory. The schemes, although not as extensive as the companies had anticipated, were sufficient to ensure that the companies managed their labour force in such a way as to be rewarded with an almost complete absence of industrial conflict for some twenty years.

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